

Consolidated Business Results for 1st Half, FY2010

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Name of listed company: JSR Corporation

Stock Exchange: Tokyo and Osaka

Code # 4185

URL <http://www.jsr.co.jp>

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(Figures are rounded down to the nearest million)

1. Consolidated Business Results for 1st Half, FY2010 (April 1, 2009 to September 30, 2009)

(1) Consolidated Operating Results (% implies the rate of increase/decrease year-on-year)

	Net sales		Operating income		Current income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1 st half, FY2010	142,943	△31.3	3,290	△87.4	3,107	△88.8	△448	—
1 st half, FY2009	208,037	—	26,166	—	27,822	—	16,204	—

	Net income per share	Net income per share after latent share adjustment
	Yen	Yen
1 st half, FY2010	△1.84	—
1 st half, FY2009	64.94	64.89

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity per total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
1 st half, FY2010	347,069	239,080	68.5	974.07
Full, FY2009	339,497	241,985	71.0	986.33

Note: Equity capital: 237,903 million yen for 2nd Quarter, FY2010, 240,896 million yen for FY2009

2. Status of distribution

(Reference date)	Dividend per share				
	1 st quarter, end	1 st half, end	3 rd quarter, end	Term end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2009	—	16 00	—	16 00	32 00
FY2010	—	13 00	—	—	—
FY2010 (Expected)	—	—	—	13 00	26 00

(Note) Changes of expected dividend during the term: N/A

3. Forecast results for FY2010 (April 1, 2009 to March 31, 2010)

(Note: % for full year and interim term implies the rate of increase/decrease year-on-year and term-on-term, respectively)

	Net sales		Operating income		Current income		Current net income		Current net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full FY2010	307,000	△12.9	16,000	△47.3	16,500	△47.0	10,000	△28.5	40.94

(Note) Changes of Forecast results for FY2009 during the term: Applied



4. Others

(1) Changes to major subsidiaries during the term (changes to subsidiaries during the current fiscal year, accompanied by the scope of consolidation): N/A

(2) Adoption of simplified accounting method: Applied

Note: For more information, please refer to the item 4. Others in the section of Qualitative Information, Business Results, and Other Matters on page 10.

(3) Changes to accounting principles, procedures, and presentation when preparing consolidated financial statements (changes to Fundamental Information for Preparing Consolidated Quarterly Financial Statement)

i A. Changes accompanying the revision of accounting standards: N/A

ii Changes other than A: N/A

Note: For more information, please refer to the item 4. Others in the section of Qualitative Information, Business Results, and Other Matters on page 10.

(4) Number of shares issued (common shares)

i The number of shares issued at the end of the fiscal year (including own shares)

1 st half, FY2010	255,885,166 shares	FY2009	255,885,166 shares
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ii The number of own shares

1 st half, FY2010	11,649,535 shares	FY2009	11,648,666 shares
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iii The average number of shares (during the term)

1 st half, FY2010	244,236,063 shares	1 st half, FY2009	249,540,461 shares
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Descriptions herein concerning the future information including estimated business results are based on information that we are currently available and assumptions that we determined reasonable. Thus, actual results can greatly vary due to various factors.

Qualitative Information, Business Results, Etc.

1. Qualitative Information about Consolidated Operating Results

Operating Results

Operating Results for 1st half, FY2010 (April 1, 2009 to September 30, 2009)

The Japanese economy in the first half of fiscal 2010 showed signs of recovery, such as an improvement in exports against the backdrop of an economic recovery in Asia, centering on China. In addition, positive effects were generated through economic measures, and production increased as a result of an adjustment in inventory levels. However, corporate activities remained at a low level due to the wide gap between demand and supply. Moreover, investment in plant and equipment decreased drastically, and the employment and income situations became increasingly severe. Consequently, the overall economy continued to face difficult circumstances.

In major industries, where JSR Group's products are in demand, sales of flat panel displays (FPDs) grew favorably, as the demand for liquid crystal televisions exceeded the previous year's level under the economic-stimulus measures taken in Japan and overseas. However, production in the fields of automobiles, tires, paper manufacture, and semiconductors decreased substantially in comparison with the previous fiscal year's level, in line with declining demand on a global scale.

With regards to raw materials, the price of naphtha rose steeply in the first half of fiscal 2009, and then declined in the second half of fiscal 2009, but began to rise again in fiscal 2010. Prices of other major raw materials in the Petrochemical Business also went up. These factors put serious pressure on earnings.

Under these conditions, the JSR Group made efforts to increase sales from exports, centering on Asia, and to raise selling prices in response to the price hike in major raw materials in the Petrochemical Business. The JSR Group also focused on developing the Fine Chemicals and Other Products Business, centering on information-electronics materials, in the global market. Moreover, in addition to the ongoing Cost-Reduction Plan "E-100 Projects," the JSR Group implemented measures to improve earnings, with a focus on reducing fixed costs, and made efforts to cut costs throughout Group

companies as a whole. However, sluggish demand in accordance with the economic stagnation on a global scale had a significantly negative impact on business results for the JSR Group.

As a result, net sales for the first half of fiscal 2010 decreased 31.3% year-on-year to 142.943 billion yen, operating income fell 87.4% to 3.290 billion yen, current income declined 88.8% to 3.107 billion yen, and net loss amounted to 448 million yen.

(Unit: Millions of yen)

Business Segment	1 st half, FY2009		1 st half, FY2010		Increase/decrease	
	Sales	Proportion	Sales	Proportion	Sales	%
Elastomers	70,774	34.0%	43,656	30.6%	△27,117	△38.3%
Emulsions	13,782	6.5%	7,764	5.4%	△6,018	△43.7%
Plastics	35,347	17.0%	22,716	15.9%	△12,630	△35.7%
Fine Chemicals and Other Products	88,133	42.5%	68,807	48.1%	△19,326	△21.9%
Total	208,037	100.0%	142,943	100.0%	△65,094	△31.3%

Sales in Japan	122,364	58.8%	77,025	53.9%	△45,339	△37.1%
Overseas sales	85,672	41.2%	65,917	46.1%	△19,754	△23.1%

	1 st half, FY2009		1 st half, FY2010		Increase/decrease	
	Amount	Income to sales	Amount	Income/loss to sales	Amount	%
Operating income	26,166	12.6%	3,290	2.3%	△22,875	△87.4
Current income	27,822	13.4%	3,107	2.2%	△24,714	△88.8
Net income/loss	16,204	7.8%	△448	△0.3%	△16,653	—

△ indicates a negative figure.

Outline of Segment Information

Elastomers Business

In the synthetic rubber market in Japan, overall demand for general-purpose synthetic rubber products, including styrene butadiene rubber (SBR) and polybutadiene rubber, remained at a low level, although demand for automobile tires showed signs of recovery. As a result, volume sales fell considerably below the level seen in the same period of fiscal 2009. The JSR Group made efforts to raise selling prices in response to the price

hike in major raw materials, but selling prices declined drastically year-on-year due to the weakening market. For this reason, monetary sales fell a greater rate than the rate of decrease in volume sales. In the field of special-purpose synthetic rubber, which includes nitrile rubber and ethylene propylene rubber, both volume and monetary sales fell drastically below the previous fiscal year's levels due to a decrease in the production of automobiles. Volume sales derived from exports exceeded the previous fiscal year's level as a result of efforts to increase sales of both general- and special-purpose synthetic rubber products in the Asian market, centering on China; however, monetary sales decreased year-on-year in the weakening market.

In the field of thermoplastic elastomers (TPEs) such as butadiene and styrene-butadiene TPEs, both volume and monetary sales in Japan and from exports fell below the previous year's levels due to the sluggish demand for automobiles and other products in the major industries in Japan, where JSR Group's products are in demand. Additionally, demand for butadiene TPEs in Europe as well as Central and South America also remained at a low level.

With respect to production, at the Kawasaki Plant of Japan Butyl Co., Ltd., to which the equity method is applied, it was decided to strengthen the production capacity for butyl rubber to 18,000 tons per year. The new production facilities will be completed at the end of 2010, and total production capacity at Japan Butyl will be increased to 98,000 tons per year. Butyl rubber is used for the inner tubes of tires for large vehicles such as buses and trucks, and radial tires for passenger vehicles. Demand for butyl rubber is steadily growing in recent years. In line with the increase in the number of automobiles to be sold and in use, centering on Asian countries, the market for butyl rubber is expected to continue to expand.

To improve earnings in this segment, the JSR Group promoted the Cost-Reduction Plan "E-100 Projects" and made efforts to cut costs, centering on fixed costs through measures for an improvement in earnings. However, demand declined drastically, and production adjustments were required. As a result, profit margins deteriorated and fell into the red.

For these reasons, consolidated sales in the Elastomers Business decreased 38.3% year-on-year to 43.656 billion yen with an operating loss at 4.328 billion yen.

Elastomers Business

(Unit: Millions of yen)

	1 st half, FY2009	1 st half, FY2010	Increase/decrease	%
Sales	70,774	43,656	△27,117	△38.3%
Operating income/loss	5,992	△4,328	△10,320	—
Operating income/loss to sales	8.5%	△9.9%	—	—

△ indicates a negative figure.

Emulsions Business

Volume sales of paper-coating latex, the JSR Group's key product in this segment, fell markedly year-on-year due to the decrease in the production of coated paper. The JSR Group made efforts to increase sales of general-purpose latex from exports, centering on mainland China and Taiwan; however, demand in the fields of construction and automobile-related products remained at a low level in Japan. As a result, volume sales of general-purpose latex was reduced year-on-year. Additionally, prices of major raw materials began to decline extensively in the previous fiscal year, and the market became weak. As a result, selling prices fell drastically year-on-year, and monetary sales decreased year-on-year more than the rate of the decrease in volume sales.

To improve earnings, the JSR Group promoted the Cost-Reduction Plan "E-100 Projects" and implemented cost-reduction efforts, centering on fixed costs, through measures for the improvement in earnings; however, a drastic decline in demand and adjustments in production worsened profitability, and an operating loss was incurred.

For these reasons, consolidated sales in the Emulsions Business fell 43.7% year-on-year to 7.764 billion yen with an operating loss at 279 million yen.

Emulsions Business

(Unit: Millions of yen)

	1 st half, FY2009	1 st half, FY2010	Increase/decrease	%
Sales	13,782	7,764	△6,018	△43.7%
Operating income/loss	△126	△279	△152	—
Operating income/loss to sales	△0.9%	△3.6%	—	—

△ indicates a negative figure.

Plastics Business

In the Japanese market for automobiles, there were signs of recovery; however, demand for building materials and amusement remained sluggish. As a result, both volume and monetary sales in this segment fell markedly below the previous fiscal year's levels.

Due to a decline in demand for automobiles, office automation equipment, and amusement devices for export, both volume and monetary sales decreased drastically year-on-year.

Despite the promotion of the Cost-Reduction Plan "E-100 Projects," and measures to improve earnings, centering on reduction of fixed costs, demand declined extensively, and adjustments in production were required. As a result, profit margins deteriorated, and an operating loss was incurred.

For these reasons, consolidated sales in the Plastics Business fell 35.7% year-on-year to 22.716 billion yen with an operating loss of 652 million yen.

Plastics Business		(Unit: Millions of yen)		
	1 st half, FY2009	1 st half, FY2010	Increase/decrease	%
Sales	35,347	22,716	△12,630	△35.7%
Operating income/loss	1,295	△652	△1,948	—
Operating income/loss to sales	3.7%	△2.9%	—	—

△ indicates a negative figure.

Fine Chemicals and Other Products Business

In the field of materials for semiconductor manufacture, signs of recovery in demand were observed in Japan, other Asian countries, and the United States. In addition, sales—centering on argon fluoride (ArF) photoresists and multilayer materials—began to improve in the second half of the previous fiscal year. However, demand in the first half of fiscal 2010 remained at a low level in comparison with the same period during the previous fiscal year. Sales of lithography-related products fell markedly year-on-year. Sales of packaging materials showed a healthy growth, while sales of

chemical mechanical planarization (CMP) materials declined year-on-year. As a result, sales of overall materials for semiconductor manufacture decreased significantly year-on-year.

In the field of FPD materials, production volume of liquid crystal display (LCD) panels improved; however, prices of LCD panels declined drastically. As a result, sales of LCD materials fell below the previous fiscal year's level. At JSR Micro Kyushu Co., Ltd., a consolidated subsidiary, additional production facilities for cutting-edge LCD materials were completed at the end of August 2009, and test operations have commenced. Next spring, products will begin to be supplied, centering on Japan, but from a medium-term perspective, the JSR Group will aim to accommodate the increasing demand in the global market with an eye on worldwide product supply, centering on Taiwan and mainland China.

In the field of optical materials, sales of optical fiber coatings, the JSR Group's key product in this field, exceeded the previous fiscal year's level. This was due to a recovery in demand for fibers for export, centering on China, despite restricted investment in optical-fiber cables in Japan. Anti-reflective coating materials and protective coating materials have been increasingly adopted by the high-value-added sector paralleling the trend in thin screen TVs to high definition. As a result, sales of these coating products grew dramatically year-on-year. Sales of heat-resistant transparent ARTON® resin decreased year-on-year due to the intense competition in the optical film field—a major industry in which the JSR Group's products are in demand.

Despite the promotion of the Cost Reduction Plan “E-100 Projects” and efforts to cut costs, centering on fixed costs under measures to improve profitability, earnings decreased markedly year-on-year due to the decline in demand and negative impact caused by strong yen.

For these reasons, consolidated sales in the Fine Chemicals and Other Products Business fell 21.9% year-on-year to 68.807 billion yen, and operating income decreased 55.0% to 8.550 billion yen.

Fine Chemicals and Other Products Business (Unit: Millions of yen)

	1 st half, FY2009	1 st half, FY2010	Increase/decrease	%
Sales	88,133	68,807	△19,326	△21.9%
Operating income	19,004	8,550	△10,453	△55.0%
Operating income to sales	21.6%	12.4%	△9.2%	—

△ indicates a negative figure.

2. Qualitative Information about Consolidated Financial Position

Total assets as of September 30, 2009 increased 7.571 billion yen from the end of the previous consolidated fiscal year.

With respect to current assets, inventory decreased 13.543 billion yen due to inventory adjustment, while marketable securities increased 9.306 billion yen. Net notes and accounts receivable rose 8.171 billion yen due to the recovery of sales. As a result, the increase in total current assets was 6.895 billion yen.

With regard to non-current assets, tangible assets grew 1.214 billion yen, resulting in the increase in total non-current assets of 676 million yen.

Liabilities rose 10.477 billion yen in comparison with the end of the previous consolidated fiscal year.

With respect to current liabilities, notes and accounts payable rose 11.394 billion yen due to the increasing production volume in line with the rise in sales. As a result, total current liabilities increased 10.378 billion yen.

There were no major changes in non-current liabilities, and total non-current liabilities increased 98 million yen.

Total net assets decreased 2.905 billion yen in comparison with the end of the previous consolidated fiscal year. Retained earnings reduced 5.543 billion yen due to a decline of quarterly net loss by 448 million yen and a decrease of payments of dividends by 3.906 billion yen. As a result, equity ratio accounted for 68.5%, and net assets per share

amounted to 974.07 yen.

3. Qualitative Information about Forecast Consolidated Business Results

The Japanese economy in the second half of fiscal 2010 is expected to continue to see signs of recovery. However, the economic situation in the United States and Europe remains sluggish, and terms of trade are deteriorating due to the strong yen. Additionally, effects to boost the overseas economy are minimal. For these reasons, exports—a major factor in leading economic recovery—are slowing down, and a double-dip recession is anticipated. Consequently, the Japanese economy is estimated to stay in a severe state.

In the second half of fiscal 2010 for the JSR Group, recovery of demand in the Petrochemical Business is forecast to remain moderate due to sluggish personal spending and the negative effects of economic measures against a backdrop of worsened employment and decreased income. In addition, difficult situations in terms of earnings are anticipated to continue due to concerns over the rise in raw material prices, which is led by higher prices of crude oil. Under these circumstances, the JSR Group will strive to heighten the ratio of high-value-added products, to enhance sales, and to secure profit margins.

In the Fine Chemicals and Other Products Business, due to the preoccupation of demand under economic-stimulus measures in Japan and overseas, there are concerns that economic recovery will level off, and users are anticipated to request further price reductions. Moreover, the influence of the strong yen is estimated to become more pronounced. For these reasons, severe conditions in terms of earnings are forecast to continue. In this environment, the JSR Group will strive for consistent investment of its resources in growth areas, and proactive promotion for the expansion of sales in Japan and overseas with the aim of maintaining and improving earnings. Additionally, the JSR Group will further strengthen the Cost-Reduction Plan “E-100 Projects.” To raise the level of earnings, the JSR Group as a whole will also focus on further promoting the reduction of fixed costs and improving profit margins throughout the entire Group companies.

For full fiscal 2010, the projections are for consolidated net sales of 307.0 billion yen (down 12.9% year-on-year), an operating income of 16.0 billion yen (down 47.3%), a

current income of 16.5 billion yen (down 47.0%), and a net income of 10.0 billion yen (down 28.5%).

4. Others

1) Material transfer of subsidiaries during the period (transfer of specific subsidiaries that change scope of consolidation)

N/A

2) Accounting treatment unique to simplified accounting methods and preparation of quarterly financial statements

Calculation of tax expenses

To calculate tax expenses, the effective tax rate was reasonably estimated after applying accounting for income taxes against net income before tax and other adjustments for consolidated fiscal 2010, including the first half of fiscal 2010. Tax expenses were calculated by multiplying net income before tax and other adjustments for the first half of fiscal 2009 by the aforementioned effective tax rate. Income tax and other adjustments are included in income taxes on the financial statements.

3) Changes in accounting principles, procedures, indication methods, etc. in relation to the preparation of half-year financial statements

N/A

5. Financial Statement for 1st half of FY2010
(1) Consolidated Balance Sheet for 1st half of FY2010

(Unit: Millions of Yen)

	1st half of FY2010 (As of September 30, 2009)	Full FY2009 (As of March 31, 2009)
Assets		
Current assets		
Cash and assets	17,950	16,909
Notes and accounts receivable	60,953	52,782
Marketable securities	30,799	21,492
Inventories	63,412	76,955
Other current assets	24,243	22,323
Total Current Assets	197,358	190,463
Non-current assets		
Tangible assets	92,691	91,476
Intangible assets	6,532	6,723
Investments and other non-current assets	50,486	50,834
Total Non-current assets	149,710	149,034
Total Assets	347,069	339,497
Liabilities		
Current liabilities		
Notes and accounts payable	51,029	39,635
Short-term loans payable	14,372	14,339
Other current liabilities	21,145	22,194
Total Current Liabilities	86,548	76,169
Non-current liabilities		
Reserve for retirement benefits	15,196	14,820
Reserve for other expenses	3,192	3,215
Other non-current liabilities	3,051	3,306
Total Non-current liabilities	21,440	21,342
Total Liabilities	107,989	97,511
Net assets		
Shareholders' equity		
Common stock	23,320	23,320
Additional paid-in capital	25,179	25,179
Earning surplus	212,972	218,515
Treasury stock	△ 22,218	△ 22,216
Total Shareholders' equity	239,253	244,797
Differences from securities revaluation		
Other differences from securities revaluation	3,466	645
Foreign currency translation adjustments	△ 4,817	△ 4,546
Total Differences from securities revaluation	△ 1,350	△ 3,900
Stock acquisition rights	369	310
Minor shareholders' interests	807	778
Total net assets	239,080	241,985
Total liabilities and net assets	347,069	339,497

(2) Consolidated Income Statement
For 1stHalf of FY2010

(Unit: Millions of Yen)

	1st Half, FY2009 (April 1 to September 30, 2008)	1st Half, FY2010 (April 1 to September 30, 2009)
Sales	208,037	142,943
Cost of sales	151,338	112,442
Gross profit on sales	56,699	30,501
General sales and administrative expenses	30,533	27,210
Operating income	26,166	3,290
Non-operating income		
Interest and dividend income	751	644
Other non-operating income	2,418	1,359
Total Non-operating income	3,170	2,004
Non-operating expenses		
Depreciation	518	501
Other expenses	995	1,685
Total Non-operating expenses	1,514	2,187
Current income	27,822	3,107
Extraordinary Income		
Gain on sales of non-currnt assets	398	-
Total Extraordinary Income	398	-
Extraordinary losses		
Loss on abandonment of inventories	-	1,728
Restructuing loss	-	1,154
Loss of evaluation of inventories	1,685	-
Loss of evaluation of invstment securities	1,415	-
Total Extraordinary losses	3,101	2,883
Net income before tax for the current quarter	25,120	224
Corporate tax, resident tax and enterprise tax	8,478	673
Minority interests	436	0
Net income for the current quarter	16,204	△ 448

(3) Consolidated Statement of Cash Flows for 1st Half of FY2010

(Unit: Millions of Yen)

	1st Half, FY2009 (April 1 to September 30, 2008)	1st Half, FY2010 (April 1 to September 30, 2009)
Cash flows from operating activities		
Net income before taxes	25,120	224
Depreciation	11,392	10,246
Interests and dividends income	△741	△325
Interest charges	138	133
Investment income according to the equity method	△751	△644
Increase in notes and accounts receivable	△6,363	△8,549
Increase in inventories	△7,017	13,805
Increase in accounts payable	8,632	10,908
Others	△2,552	1,006
Sub total	27,855	26,806
Interest and dividend income received	1,795	959
Interest charges paid	△137	△137
Income taxes paid	△8,975	1,733
Cash flows from operating activities	20,859	29,363
Cash flows from investment activities		
Expenses for acquisition of non-current assets	△11,539	△12,054
Proceeds from sales of non-current assets	407	-
Expenses for acquisition of investment securities	△1,432	△0
Proceeds of redemption of investment securities	2,000	-
Expenses for investment in subsidiaries/affiliates	△300	-
Expense for loans	△2,507	△2,063
Collections on loans	1,071	1,328
Others	△3,530	289
Cash flows from investment activities	△15,829	△12,499
Cash flows from financing activities		
Decrease in short-term loans payable	△175	△38
Expenses for reimbursement of long-term loans	△213	△4
Expenses for acquisition of treasury stocks	△5,333	△1
Dividends paid	△4,015	△3,906
Dividends paid for minority interests	△39	△2
Others	△1	△2
Cash flows from financing activities	△9,778	△3,955
Conversion difference of cash and cash equivalents	△927	△44
Increase/decrease in cash and cash equivalents	△5,996	12,862
Opening balance of cash and cash equivalents	61,724	37,125
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	255
Closing balance of cash and cash equivalents	55,728	50,243

(4) Events and situations possibly raising significant questions about assumption as a going concern

N/A

(5) Segment Information

Information by Business Segment

1st half, FY2010 (April 1, 2009 to September 30, 2009)

	Elastomers (Millions of yen)	Emulsions (Millions of yen)	Plastics (Millions of yen)	Fine Chemicals and Other Products (Millions of yen)	Total (Millions of yen)	Elimination and/or corporate (Millions of yen)	Consolidated (Millions of yen)
Sales							
(1) Sales to outside customers	43,656	7,764	22,716	68,807	142,943	—	142,943
(2) Inter-segment sales /transfer	230	1,479	—	7,257	8,968	(8,968)	—
Total	43,887	9,243	22,716	76,064	151,911	(8,968)	142,943
Operating income/loss (△ indicates a loss.)	△4,328	△279	△652	8,550	3,290	—	3,290

1st half, FY2009 (April 1, 2008 to September 30, 2008)

	Elastomers (Millions of yen)	Emulsions (Millions of yen)	Plastics (Millions of yen)	Fine Chemicals and Other Products (Millions of yen)	Total (Millions of yen)	Elimination and/or corporate (Millions of yen)	Consolidated (Millions of yen)
Sales							
(1) Sales to outside customers	70,774	13,782	35,347	88,133	208,037	—	208,037
(2) Inter-segment sales /transfer	337	2,593	—	6,792	9,723	(9,723)	—
Total	71,111	16,376	35,347	94,926	217,760	(9,723)	208,037
Operating income/loss (△ indicates a loss.)	5,992	△126	1,295	19,004	26,166	—	26,166

Notes: 1. Business segmentation method

Business segments are classified according to the purpose and size of business, i.e. Elastomers, Emulsions, Plastics, and Fine Chemicals and Other Products.

2. Major products by business segment

Business segment	Major products
Elastomers	General-purpose synthetic rubber, special-purpose synthetic rubber, thermoplastic elastomers, and other compounded products of raw rubbers
Emulsions	Paper coating latex, general-purpose latex, acrylic emulsions, and other compounded products of raw latex
Plastics	ABS, AES, AS, ASA plastics, coloring products for plastics
Fine Chemicals and Other Products	Semiconductor materials (photoresists, CMP materials, packaging materials, multilayer materials, etc.), flat panel display materials (color LCD materials, etc.), optical-fiber materials (optical-fiber coatings, functional coatings, antireflective coatings, heat-resistant transparent resins, functional films, etc.), performance chemicals (high-performance coatings, multifunctional high-performance dispersants, particles for industrial and medical use, etc.), chemicals, and testing fixtures and equipment for electronic parts

Segment Information by Location

1st half, FY2010 (April 1, 2009 to September 30, 2009)

	Japan (Millions of yen)	Asia (Millions of yen)	Other areas (Millions of yen)	Total (Millions of yen)	Elimination and/or corporate (Millions of yen)	Consolidated (Millions of yen)
Sales						
(1) Sales to outside customers	105,258	31,817	5,867	142,943	—	142,943
(2) Inter-segment sales /transfer	23,607	34	2,309	25,952	(25,952)	—
Total	128,865	31,851	8,177	168,895	(25,952)	142,943
Operating income	1,048	1,884	357	3,290	—	3,290

1st half, FY2009 (April 1, 2008 to September 30, 2008)

	Japan (Millions of yen)	Asia (Millions of yen)	Other areas (Millions of yen)	Total (Millions of yen)	Elimination and/or corporate (Millions of yen)	Consolidated (Millions of yen)
Sales						
(1) Sales to outside customers	158,173	39,993	9,870	208,037	—	208,037
(2) Inter-segment sales /transfer	34,632	30	3,005	37,668	(37,668)	—
Total	192,805	40,024	12,875	245,706	(37,668)	208,037
Operating income	22,129	2,958	1,078	26,166	—	26,166

- Notes: 1. Segmentation of countries/areas is based on geographical proximity.
2. Major countries/areas in the items other than Japan

(1) Asia: China, South Korea, Taiwan, Thailand

(2) Other areas: USA , Europe

Overseas Sales

1st half, FY2010 (April 1, 2009 to September 30, 2009)

	Asia	North America	Other areas	Total
I. Overseas sales (Millions of yen)	56,864	4,045	5,025	65,917
II. Consolidated sales (Millions of yen)	—	—	—	142,943
III. Overseas sales per consolidated sales (%)	39.8	2.8	3.5	46.1

1st half, FY2009 (April 1, 2008 to September 30, 2008)

	Asia	North America	Other areas	Total
I. Overseas sales (Millions of yen)	70,748	7,105	7,818	85,672
III. Consolidated sales (Millions of yen)	—	—	—	208,037
III. Overseas sales per consolidated sales (%)	34.0	3.4	3.8	41.2

Notes: 1. Segmentation of countries/areas is based on geographical proximity.

2. Major countries/areas in each item

(1) Asia: China, South Korea, Taiwan, Thailand, Singapore

(2) North America: USA

(3) Other areas: Europe, etc.

3. Overseas sales are sales from JSR and consolidated subsidiaries in countries/areas other than Japan.

(6) Notes for significant changes in amount of shareholders' equity if any

N/A

【Reference】

(1) Consolidated Financial Highlights

(Millions of Yen)

	Fiscal Year ended March 31,2009					FY2010	
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Full FY	1 st Quarter	2 nd Quarter
Net sales	101,395	106,642	85,994	58,470	352,502	67,652	75,291
Operating incme	13,996	12,169	8,053	△3,872	30,347	△3,175	6,466
Current income	15,803	12,018	6,182	△2,893	31,111	△2,494	5,602
Quarterly net income	8,712	7,492	2,758	△4,981	13,981	△4,609	4,160

(2) Segment Information

(Millions of Yen)

	FY2010 1 st Quarter		FY2010 2 nd Quarter		Increase / Decrease	
	Net sales	Operating incme	Net sales	Operating incme	Net sales	Operating incme
Elastomers	19,342	△4,396	24,313	67	4,971	4,463
Emulsions	3,635	△478	4,128	199	493	678
Plastics	10,673	△1,200	12,042	548	1,368	1,748
Fine chemicals and others	34,000	2,900	34,806	5,650	805	2,750
Consolidated	67,652	△3,175	75,291	6,466	7,639	9,641

(3) Consolidated Cash Flows by Quarter

(Millions of Yen)

	FY2009 1 st Half	FY2010 1 st Half	Increase / Decrease
Cach flow from operating activities	20,539	29,363	8,823
Cach flow from investing activities	△15,829	△12,499	3,329
Cach flow from financing activities	△9,778	△3,955	5,822
Cash and cash equivalents at end of quarter	55,728	50,243	△5,485