



Consolidated Business Results for the 3rd Quarter, FY2014

January 27, 2014

Name of listed company: JSR Corporation

Stock Exchange: Tokyo

Code # 4185

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

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Expected date of the release of Asset Security Report: February 7, 2014

Expected date of dividend payment: -

Supplementary information for the quarterly financial statements to be prepared: Yes

Meeting to explain for the quarterly financial statements to be held: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million)

1. Consolidated Business Results for the 3rd quarter, FY2014 (April 1, 2013 to December 31, 2013)

(1) Consolidated Operating Results

(% implies the rate of increase/decrease year-on-year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3rd quarter, FY2014	288,087	4.6	25,451	2.1	29,191	-4.3	19,878	-6.1
3rd quarter, FY2013	275,348	6.2	24,939	-14.2	30,489	-4.8	21,172	11.8

Note: Comprehensive Income: 30,382 million yen (25.4%) for the 3rd quarter, FY2014, 24,231 million yen (57.8%) for the 3rd quarter, FY2013

	Net income per share	Net income per share after latent share adjustment
	Yen	Yen
3rd quarter, FY2014	83.71	83.52
3rd quarter, FY2013	87.91	87.73

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
3rd quarter, FY2014	511,988	337,520	64.7	1,394.94
FY2013	482,935	315,733	63.9	1,299.77

Note: Equity capital: 331,245 million yen for the 3rd quarter, FY2014, 308,641 million yen for FY2013

2. Status of Distribution

(Reference date)	Dividend per share				
	1st quarter, end	2nd quarter, end	3rd quarter, end	Term end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2013	-	17.00	-	17.00	34.00
FY2014	-	19.00	-		
FY2014 (Expected)				19.00	38.00

Note: Changes of expected dividend during the term: No

3. Forecast results for FY2014 (April 1, 2013 to March 31, 2014)

(Note: % implies the rate of increase/decrease year-on-year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full FY2014	400,000	7.7	37,000	5.1	40,000	-8.0	26,500	-12.5	111.60

Note: Changes from the latest forecasts released: No



4. Others

(1) Changes to major subsidiaries during the current fiscal year (changes to subsidiaries during the current fiscal year, accompanied by the scope of consolidation): No

(2) Application of special accounting treatments for quarterly financial statements: Yes

(3) Changes in accounting policy, changes in accounting estimates, and restatements

1) Changes due to revisions of accounting policy, etc. : No

2) Changes in policy other than 1) : No

3) Changes in accounting estimates : No

4) Restatements : No

(4) Number of Shares Issued (common shares)

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

3rd quarter, FY2014	237,973,205 shares	FY2013	237,973,205 shares
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2) The number of treasury stocks

3rd quarter, FY2014	510,243 shares	FY2013	515,440 shares
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3) The average number of shares issued within the fiscal year

3rd quarter, FY2014	237,460,031 shares	3rd quarter, FY2013	240,839,533 shares
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* Implementation Status about the Quarterly Review

These financial statements are exempt from quarterly review procedures as required by the Financial Instruments and Exchange Act. A part of quarterly review based on Financial Instruments and Exchange Act were not completed at the time of the disclosure of these financial statements.

* Statement regarding Appropriate Use of Forward-looking Statements and other Notes

The preceding descriptions of projections and plans are "forward-looking statements," which involve known and unknown risks and uncertainties. These variables could cause the JSR Group's actual performance and financial results to differ substantially from management's projections and plans.



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1. Qualitative Information on Quarterly Results

(1) Explanation of Operating Results

(i) Overview of the First Nine-month Period of FY 2014 (April 1, 2013 to December 31, 2013)

Among the JSR Group's main customers' industries, automobile production in China and North America steadily grew from the previous year, while remaining unchanged in Japan due to a reaction to special demand supported by the government sponsored eco-car subsidy program. Automobile tire production as a whole remained almost unchanged from the previous year, though demand in Japan recovered in the latter half of the period. Meanwhile, in the semiconductor market, shipments for smartphone and multifunctional mobile terminal applications were robust, but shipments for personal computer applications remained sluggish. Production of flat panel displays (FPDs) increased from a year earlier due to an increase in shipments for TV sets in addition to strong demand for mobile equipment.

Under such circumstances, the JSR Group increased its production capacity of products with technological advantages and tried to expand its sales globally in the Petrochemical Products Business. The Group focused on developing materials that correspond to cutting-edge semiconductor technology and strove to boost the sales of materials used for mobile equipment displays in the Fine Chemicals and Other Products Business, centering on information electronic materials.

In the first nine-month period of FY 2014, the Company reported net sales of 288,087 million yen (up 4.6% year-on-year), operating income of 25,451 million yen (up 2.1%), ordinary income of 29,191 million yen (down 4.3%), and net income of 19,878 million yen (down 6.1%).

	3rd Quarter of FY2013 (April 1 to December 31,2012)		3rd Quarter of FY2014 (April 1 to December 31,2013)		Year-on-year change	
	Millions of yen	% of Net Sales	Millions of yen	% of Net Sales	Millions of yen	The rate of increase/decrease
Net sales						
Elastomers	142,591	51.8%	147,169	51.1%	4,578	3.2%
Plastics	39,032	14.2%	40,837	14.2%	1,804	4.6%
Fine chemicals and other products	93,724	34.0%	100,080	34.7%	6,356	6.8%
Total	275,348	100.0%	288,087	100.0%	12,738	4.6%
Sales in Japan	146,510	53.2%	143,561	49.2%	-2,948	-2.0%
Overseas sales	128,837	46.8%	144,525	50.8%	15,687	12.2%

	3rd Quarter of FY2013 (April 1 to December 31,2012)		3rd Quarter of FY2014 (April 1 to December 31,2013)		Year-on-year change	
	Millions of yen	% of Net Sales	Millions of yen	% of Net Sales	Millions of yen	The rate of increase/decrease
Operating income	24,939	9.1%	25,451	8.8%	512	2.1%
Ordinary income	30,489	11.1%	29,191	10.1%	-1,298	-4.3%
Net income	21,172	7.7%	19,878	6.9%	-1,293	-6.1%



(Review of Operations)

(i) Elastomers Business Segment

The sales volume of synthetic rubbers in Japan remained almost unchanged from the previous year because the production of automobiles and tires did not increase. Overseas sales volume also stayed flat from the previous year.

Operating income decreased from the previous year because costs increased in association with the launch of a new plant at the Company's overseas subsidiary, though the Company strived to reduce costs including regular repair expenses.

As a result, the Elastomers Business segment posted operating income of 11,473 million yen (down 1.9%) on net sales of 147,169 million yen (up 3.2%) in the first nine-month period of FY 2014.

(ii) Plastics Business Segment

Total sales of plastics products in Japan remained flat from the previous year because shipments for automobile applications stayed unchanged, though shipments for building materials increased. Overseas sales grew from the previous year due to the yen's depreciation as well as increasing sales volume for automobile applications. Operating income increased from the previous year due to the Company's efforts to revise selling prices in response to soaring main raw material prices in addition to increases in sales.

As a result, the Plastics Business segment posted operating income of 2,741 million yen (up 18.8%) on net sales of 40,837 million yen (up 4.6%) in the first nine-month period of FY 2014.

(iii) Fine Chemicals and Other Products Business Segment

Sales of semiconductor materials grew from the previous year due to growing sales of cutting-edge materials as well as the yen's depreciation.

Sales of FPD materials increased from the previous year due to panel manufacturers' production remaining above the previous year's level, and the yen's depreciation.

In the precision materials and processing field, sales decreased from the previous year because shipments of heat-resistant transparent plastic "ARTONTM" for retardation film did not increase, though sales of transparent conductive indium tin oxide film (ITO film) increased. Operating income of the Fine Chemicals and Other Products Business segment exceeded that of the previous year because sales increased, though the burden of capital expenditures for the cutting-edge fields weighed on operating income.

As a result, the Fine Chemicals and Other Products Business segment posted operating income of 11,236 million yen (up 2.7%) on net sales of 100,080 million yen (up 6.8%) in the first nine-month period of FY 2014.

(2) Explanation of Future Forecast Information, such as Forecast of Consolidated Business Results

JSR Corporation has not revised its forecast of consolidated business results for the fiscal year ending March 31, 2014 announced on October 28, 2013.

2. Items concerning Summary Information (notes)

(1) Adoption of special accounting methods for preparing quarterly consolidated financial statements

(Calculation of tax expenses)

Tax expenses are calculated by rationally estimating the effective tax rate after applying deferred tax accounting for net income before income taxes for the consolidated fiscal year, including the third quarter under review, and multiplying net income before income taxes for the quarterly period by the said estimated effective tax rate.



3. Financial Statement for 3rd Quarter of FY2014

(1) Consolidated Quarterly Balance Sheets for 3rd quarter of FY2014

(Unit: Millions of Yen)

	Full FY2013 (As of March 31, 2013)	3rd quarter of FY2014 (As of December 31, 2013)
Assets		
Current assets		
Cash and deposits	32,190	39,978
Notes and accounts receivable-trade, net	91,511	93,571
Securities	79,412	78,697
Inventories	74,687	82,770
Other	42,617	40,672
Total current assets	320,419	335,691
Noncurrent assets		
Property, plant and equipment	93,205	96,293
Intangible assets	6,309	6,830
Investments and other assets		
Investment securities	50,531	61,960
Other	12,469	11,213
Total investments and other assets	63,001	73,173
Total noncurrent assets	162,516	176,297
Total assets	482,935	511,988
Liabilities		
Current liabilities		
Notes and accounts payable-trade	97,225	100,546
Short-term loans payable	14,210	14,401
Other	30,409	28,091
Total current liabilities	141,846	143,039
Noncurrent liabilities		
Long-term loans payable	6,625	10,516
Provision for retirement benefits	15,211	15,256
Other	3,518	5,655
Total noncurrent liabilities	25,355	31,428
Total liabilities	167,201	174,468
Net assets		
Shareholders' equity		
Common stock	23,320	23,320
Capital surplus	25,179	25,179
Retained earnings	253,009	264,345
Treasury stock	-930	-921
Total shareholders' equity	300,577	311,923
Accumulated other comprehensive income		
Unrealized gains on securities, net of taxes	8,470	12,986
Foreign currency translation adjustment	-407	6,335
Total accumulated other comprehensive income	8,063	19,322
Subscription rights to shares	728	779
Minority interests	6,364	5,495
Total net assets	315,733	337,520
Total liabilities and net assets	482,935	511,988



(2) Consolidated Quarterly Statements of Income

(Unit: Millions of Yen)

	3rd quarter of FY2014 (From April 1 to December 31, 2013)	3rd quarter of FY2013 (From April 1 to December 31, 2014)
Net sales	275,348	288,087
Cost of sales	207,455	215,761
Gross profit	67,893	72,325
Selling, general and administrative expenses	42,953	46,873
Operating income	24,939	25,451
Non-operating income		
Foreign exchange gains	1,316	1,884
Equity in earnings of affiliates	3,769	1,783
Other	1,297	1,246
Total non-operating income	6,384	4,914
Non-operating expenses		
Depreciation	113	292
Other	720	882
Total non-operating expenses	834	1,174
Ordinary income	30,489	29,191
Extraordinary loss		
Loss on abandonment of inventories	—	241
Other	—	23
Total extraordinary losses	—	265
Income before income taxes and minority interests	30,489	28,925
Income taxes	9,358	9,872
Income before minority interests	21,131	19,052
Minority interests in loss	-41	-825
Net income	21,172	19,878

(3) Consolidated Quarterly Statements of Comprehensive Income

(Unit: Millions of Yen)

	3rd quarter of FY2014 (From April 1 to December 31, 2013)	3rd quarter of FY2013 (From April 1 to December 31, 2014)
Consolidated quarterly statements of comprehensive income		
Income before minority interests	21,131	19,052
Other comprehensive income		
Unrealized gains on securities, net of taxes	393	4,519
Foreign currency translation adjustment	2,468	5,204
Share of other comprehensive income of associates accounted for using equity method	238	1,605
Total other comprehensive income	3,099	11,329
Comprehensive income	24,231	30,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	24,039	31,138
Comprehensive income attributable to minority interests	191	-755



(Segment Information)

I. 3rd quarter of FY2014 (April 1, 2013 to December 31, 2013)

1. Information relating to Net Sales, Income, or Losses for each Reporting Segment

	Reporting segment				Reconciliation (Millions of yen)	Consolidated (Millions of yen)
	Elastomers (Millions of yen)	Plastics (Millions of yen)	Fine chemicals and other products (Millions of yen)	Total (Millions of yen)		
Net sales						
Sales to external customers	147,169	40,837	100,080	288,087	-	288,087
inter-segment sales/transfers	3,427	-	-	3,427	-3,427	-
Sales total	150,597	40,837	100,080	291,515	-3,427	288,087
Operating income	11,473	2,741	11,236	25,451	-	25,451

II. 3rd Quarter of FY2013 (April 1, 2012 to December 31, 2012)

1. Information relating to Net Sales, Income, or Losses for each Reporting Segment

	Reporting segment				Reconciliation (Millions of yen)	Consolidated (Millions of yen)
	Elastomers (Millions of yen)	Plastics (Millions of yen)	Fine chemicals and other products (Millions of yen)	Total (Millions of yen)		
Net sales						
Sales to external customers	142,591	39,032	93,724	275,348	-	275,348
inter-segment sales/transfers	4,165	-	-	4,165	-4,165	-
Sales total	146,757	39,032	93,724	279,514	-4,165	275,348
Operating income	11,690	2308	10,940	24,939	-	24,939