

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

April 22, 2015

Company name: JSR Corporation
 Stock exchange listing: Tokyo
 Stock code: 4185 URL <http://www.jsr.co.jp>
 Representative: Representative Director and President Mitsunobu Koshiba
 General Manager, Corporate
 Inquiries: Communications Department Masanao Kojima TEL 03(6218)3517
 Scheduled date of ordinary general meeting of shareholders: June 17, 2015
 Scheduled date to file Securities Report: June 17, 2015
 Scheduled date to commence dividend payments: June 18, 2015
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	404,073	2.5	38,068	5.6	41,609	5.0	29,918	18.9
Year ended March 31, 2014	394,309	6.1	36,061	2.4	39,631	(8.8)	25,172	(16.9)

(Note) Comprehensive Income 45,562 million yen (31.6%) for year ended March 31, 2015 34,632 million yen (-18.3%) for year ended March 31, 2014

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	128.19	127.87	8.7	8.0	9.4
Year ended March 31, 2014	106.10	105.85	7.9	8.1	9.1

(Reference) Equity in earnings of affiliated companies -275 million yen for year ended March 31, 2015 1,546 million yen for year ended March 31, 2014

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	534,592	364,673	67.0	1,557.08
As of March 31, 2014	501,319	337,259	66.1	1,409.06

(Reference) Equity 358,302 million yen as of March 31, 2015 331,283 million yen as of March 31, 2014

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	51,480	(54,835)	(12,358)	77,906
Year ended March 31, 2014	35,474	8,221	(8,121)	91,114

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	—	19.00	—	19.00	38.00	8,978	35.8	2.8
Year ended March 31, 2015	—	20.00	—	20.00	40.00	9,301	31.2	2.7
Year ending March 31, 2016 (Forecast)	—	25.00	—	25.00	50.00		37.1	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	200,000	0.0	16,000	(10.8)	16,500	(14.8)	12,000	(7.7)	52.15
Full year	420,000	3.9	41,000	7.7	42,000	0.9	31,000	3.6	134.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2015	237,973,205 shares	As of March 31, 2014	237,973,205 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	7,861,771 shares	As of March 31, 2014	2,862,706 shares
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Average number of shares during the period

Year ended March 31, 2015	233,385,823 shares	Year ended March 31, 2014	237,255,699 shares
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(Reference) Summary of Non-consolidated Business Results

1. Non-consolidated business results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	266,856	0.5	28,843	8.1	36,994	5.4	23,505	3.5
Year ended March 31, 2014	265,605	2.6	26,678	0.4	35,100	4.0	22,707	3.8

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2015	100.72	100.46
Year ended March 31, 2014	95.71	95.49

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	397,302	276,140	69.3	1,196.32
As of March 31, 2014	395,751	263,361	66.3	1,116.79

(Reference) Equity 275,287million yen as of March 31, 2015 262,569 million yen as of March 31, 2014

* Implementation status about the audit procedure

These financial statements are exempt from audit procedure as required by the Financial Instruments and Exchange Act. A part of audit 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. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Overview of FY March 2015 (April 1, 2014 to March 31, 2015)

In FY March 2015, the JSR Group's business environment drastically changed in the latter half of the year: raw material prices fell due to a plunge in crude oil prices; the market conditions subsequently worsened; and the yen rapidly weakened against major currencies. Meanwhile, the business environment for our main customer industries was generally stable: the production of car tires and automobiles increased globally; the production of semiconductors was steady due to strong demand, centering on multi-functional mobile terminals such as smartphones and tablets; and the production of flat panel displays (FPD) was strong, supported by increasing demand for TVs with larger screens.

Amid these circumstances, in the Petrochemicals Business, the JSR Group saw net sales remain almost unchanged from the previous fiscal year but operating income decrease sharply. This was mainly due to the deterioration of the supply-demand balance caused by excessive supply, especially in East Asia, resulting in narrowed product margins in the Elastomers Business, despite demand growing globally. On the other hand, in the Fine Chemicals and Other Products Business, sales of semiconductor materials and display materials expanded, supported by the solid growth of the semiconductor and FPD markets. In addition, withdrawal from unprofitable businesses in the precision materials & processing business contributed to earnings growth. Consequently, net sales increased and operating income jumped from the previous year, making up for a decline in the Petrochemicals Business. Although ordinary income also grew from the previous year, its growth was depressed due to a fall in equity in the earnings of affiliates in the Petrochemicals Business.

In fiscal year ended March 2015, we reported net sales of 404,073 million yen (up 2.5% year-on-year), operating income of 38,068 million yen (up 5.6%), ordinary income of 41,609 million yen (up 5.0%), and net income of 29,918 million yen (up 18.9%).

(Unit: million yen)

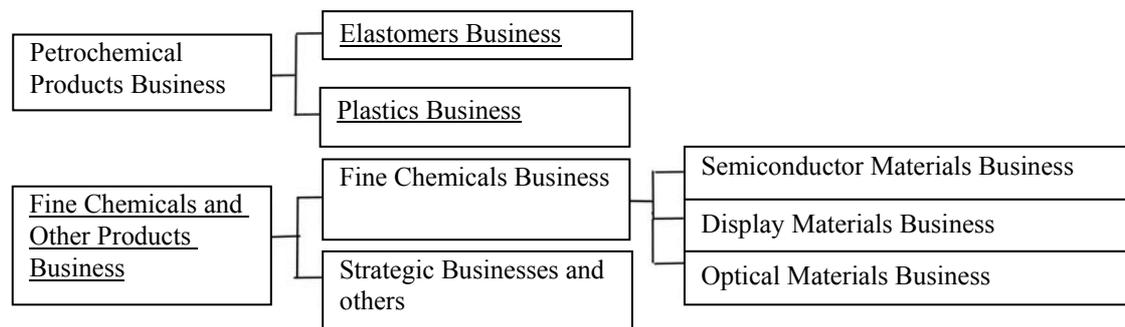
Segment		FY March 2014		FY March 2015		Change	
		Amount	Component ratio	Amount	Component ratio	Amount	%
Net sales	Elastomers Business	203,478	51.6%	198,957	49.2%	(4,520)	(2.2%)
	Plastics Business	57,763	14.6%	55,161	13.7%	(2,602)	(4.5%)
	Fine Chemicals and Other Products Business	133,067	33.8%	149,953	37.1%	16,886	12.7%
	Total	394,309	100.0%	404,073	100.0%	9,764	2.5%

Sales in Japan	196,824	49.9%	188,832	46.7%	(7,991)	(4.1%)
Overseas sales	197,484	50.1%	215,240	53.3%	17,755	9.0%

Segment		FY March 2014		FY March 2015		Change	
		Amount	Percentage of net sales	Amount	Percentage of net sales	Amount	%
Operating income		36,061	9.1%	38,068	9.4%	2,006	5.6%
Ordinary income		39,631	10.1%	41,609	10.3%	1,977	5.0%
Net income		25,172	6.4%	29,918	7.4%	4,745	18.9%

(Overview of Segments)

The JSR Group's business is classified into three reportable segments: Fine Chemicals and Other Products, Elastomers, and Plastics. The position of the reportable segments is shown as below.



<Elastomers Business Segment>

The production of automotive tires, one of the JSR Group's main customer industries, increased from the previous year in North America and China, grew slightly in Europe, and remained flat in Japan.

Under such circumstances, the sales volume of synthetic rubbers steadily increased, though the launch of Solution Styrene-Butadiene Rubber (S-SBR) production by a joint-venture company in Thailand was delayed slightly. However, the total sales volume of elastomers decreased slightly from the previous year although the production of automotive tires in Japan remained almost flat compared with a year earlier. Net sales were almost unchanged from the previous year due to a price revision in the first half of the year associated with rising raw material costs and the impact of the weaker yen, although the market conditions continued to be sluggish. On the other hand, operating income plunged from the previous year, since the margins of the products narrowed due to the global deterioration of the supply-and-demand balance for synthetic rubbers and butadiene, sending synthetic rubber prices down; sales volumes decreased; and periodical maintenance shut down expenses increased.

As a result, the Elastomers Business segment posted operating income of 10,735 million yen (down 38.1%) on net sales of 198,957 million yen (down 2.2%).

<Plastics Business Segment>

The production of automobiles, one of the JSR Group's main customer industries, increased from the previous year in North America and China, remained almost unchanged in Europe, and decreased in Japan due to the effect of the consumption tax hike.

Under such circumstances, the total sales volume of plastics products decreased from the previous year due to a year-on-year fall in automobile production in Japan coupled with sluggish sales for industrial material applications including construction materials and miscellaneous goods. Net sales declined from the previous year as the price revision made in the first half of the year associated with rising raw material costs and the impact of the weaker yen in the latter half of the year were not sufficient to make up for a fall in sales caused by the lower sales volume. Operating income dropped from the previous year mainly due to a fall in sales volume, although profitability has recovered recently.

As a result, the Plastics Business segment posted operating income of 2,841 million yen (down 27.5%) on net sales of 55,161 million yen (down 4.5%).

<Fine Chemicals and Other Products Business Segment>

Net sales and operating income rose from the previous year in the Fine Chemicals and Other Products Business segment as a whole. In the semiconductor materials business, sales increased from the previous year due to the start of full-scale mass production, at the JSR Group's main customers, of the cutting-edge 20 nm (nano-meter) generation in which the Company holds a large share, in addition to robust demand for semiconductors. In the display materials business, sales grew from the previous year due to strong demand for materials used in larger-size TVs and multi-functional mobile terminals, supported by sound market growth, in particular, in association with a shift to TVs with larger screens.

As a result, the Fine Chemicals and Other Products Business segment posted operating income of 24,491 million yen (up 65.3%) on net sales of 149,953 million yen (up 12.7%).

(Business Outlook for FY March 2016)

Here is the outlook of our main customer industries in the year ending March 2016.

JSR forecasts that the production of car tires and automobiles in Japan will remain unchanged from the previous year, but will grow globally. In particular, China and ASEAN will see a sharp increase, while Europe and North America will also see a rise. The semiconductor market is likely to continue to maintain momentum because new demand will be created by progress in the use of big data in addition to steady demand for multi-functional mobile terminals. The FPD market is also forecast to remain steady, supported by a further shift to larger-size TV panels and robust production of small- and medium-size panels for multi-functional mobile terminals.

In the Elastomers Business, the market conditions are expected to remain sluggish, because crude oil prices are forecast to remain weak; and the supply-demand balance for synthetic rubbers and butadiene is unlikely to improve soon, although demand will expand globally. Under such circumstances, demand for S-SBR is expected to grow stably due to the growth of the fuel-efficient tire market. We will strive to expand sales globally by using our new plant in Thailand, which has begun full-scale operation.

In the Fine Chemicals and Other Products Business, we will try to increase sales of semiconductor materials, including lithography materials for 14-nm generation devices, the next generation of cutting edge 20-nm generation devices whose production has moved into high gear. JSR will also endeavor to increase sales of display materials by coping with a shift to TVs with larger and high-definition LCD panels and also by cultivating business in China, which is expected to grow.

For FY March 2016, JSR forecasts consolidated net sales of 420,000 million yen (up 3.9% year-on-year), operating income of 41,000 million yen (up 7.7%), ordinary income of 42,000 million yen (up 0.9%) and net income of 31,000 million yen (up 3.6%). These forecasts assume an exchange rate of 115 yen per U.S. dollar and a naphtha price of 50,000 yen per kiloliter.

(2) Analysis of Financial Position

(Analysis of Assets, Liabilities and Net Assets)

On March 31, 2015, total assets amounted to 534,592 million yen, up 33,272 million yen from a year earlier.

Current assets totaled 319,396 million yen, down 7,107 million yen, due to a decrease in notes and accounts receivable trade and securities despite an increase in cash and deposits.

Noncurrent assets totaled 215,195 million yen, up 40,379 million yen, due to an increase in investment securities related to investments in companies in Japan and overseas and changes in valuations of securities and a rise in property, plant and equipment associated with the construction of a plant by a joint venture company in Thailand.

Total liabilities amounted to 169,918 million yen, up 5,858 million yen from a year earlier, due to an increase in long-term loans payable despite a decrease in notes and accounts payable trade.

Shareholders' equity increased by 11,287 million yen to 324,321 million yen. Accumulated other comprehensive income grew by 15,731 million yen to 33,981 million yen. Consequently, total net assets (total of shareholders' equity, accumulated other comprehensive income, subscription rights to shares, and minority interests) amounted to 364,673 million yen, up 27,414 million yen from a year earlier.

(Analysis of Cash Flows)

On March 31, 2015, cash and cash equivalents ("funds") stood at 77,906 million yen, down 13,208 million yen from a year earlier.

Net cash provided by operating activities amounted to 51,480 million yen, up 16,005 million yen from the previous year. Main factors included income before income taxes and minority interests of 41,068 million yen, depreciation and amortization of 17,406 million yen, a decrease in notes and accounts receivable trade of 8,875 million yen, and a fall in notes and accounts payable of 15,565 million yen, and income taxes paid of 12,680 million yen.

Net cash used in investing activities totaled 54,835 million yen, up 63,057 million yen from the previous year. Major factors were 32,541 million yen in payments for the purchase of noncurrent assets, 11,300 million yen in payments for the purchase of securities and 5,743 million yen in payments for the purchase of shares of subsidiaries accompanied by a change in the scope of consolidation.

Net cash used in financing activities was 12,358 million yen, up 4,236 million yen from the previous year. Major factors were 10,271 million yen in the purchase of treasury stock, 9,136 million yen in cash dividends paid, and 9,102 million yen in proceeds from long-term loans payable.

(3) Basic Policy on Profit Appropriation and Dividends for the Fiscal Year ended March 31, 2015 and the Fiscal Year ending March 31, 2016

With respect to profit appropriation, the Company regards business growth over the long term as its top priority. To generate sustainable long-term growth, JSR strives to increase competitiveness by developing new businesses through the reinforcement of research and development activities. The Company will appropriate profits by taking into account business performance and medium- and long-term demand for funds, while paying continuous, stable cash dividends based on consideration of a balance between appropriating profits and retaining earnings necessary for future business advancement. Carefully considering the stock market environment, JSR will responsively and adaptively purchase treasury shares to complement dividend payments as a measure to return profits to shareholders. JSR allocates retained earnings to a variety of investments linked to future growth businesses, contributing to the enhancement of corporate value. During the period of the Mid-Term Business Plan "JSR 20i6," the Company will strive to raise the ratio of return to shareholders (a combination of dividend payment and share buyback) to 50% or higher.

As already announced, based on this policy, we have decided to pay a year-end dividend of 20.00 yen per share, the same amount as the interim dividend. Including the interim dividend already paid, the total annual dividend for FY March 2015 will be 40.00 yen per share.

With regard to the dividend for the next fiscal year (FY March 2016), JSR plans to increase it to 50.00 yen annually (an interim dividend of 25.00 yen and a year-end dividend of 25.00 yen) from FY March 2015, taking into account the business outlook.

2. Information on the JSR Group

The JSR Group consists of JSR Corporation, 42 subsidiaries and 15 affiliated companies. The main businesses and the relationships between JSR and the main subsidiaries and affiliated companies are as follows:

Business segment	Main products	Main subsidiaries and affiliated companies
Elastomers Business	Synthetic rubber and compounded products, Thermoplastic elastomers and processed products, Emulsion products and processed products	JSR Corporation, ELASTOMIX Co., Ltd., JSR Trading, Inc., ELASTOMIX (THAILAND) CO., LTD., ELASTOMIX (FOSHAN) CO., LTD, PT. ELASTOMIX INDONESIA, JSR BST Elastomer Co., Ltd., JSR MOL Synthetic Rubber Ltd., Tianjin Kuo Cheng Rubber Industry Co., Ltd.,* Japan Butyl Co., Ltd.,* Kumho Polychem Co., Ltd.,* KRATON JSR ELASTOMERS K.K.,* Emulsion Technology, Co., Ltd., JSR Trading Co., Ltd., JSR Trading Bangkok Co., Ltd., JSR Trading (Shanghai) Co., Ltd., JSR (Shanghai) Co., Ltd.
Plastics Business	Synthetic resins including ABS resin, etc.	Techno Polymer Co., Ltd., JAPAN COLORING CO., LTD., TECHNO POLYMER HONG KONG CO., LTD., Techno Polymer (Thailand) Co., Ltd., Techno Polymer (Shanghai) Co., Ltd., Techno Polymer Guangzhou Co., Ltd., TECHNO POLYMER AMERICA, INC., Techno Europe N.V., Shanghai Rainbow Color Plastics Co., Ltd., JSR Trading Co., Ltd.
Fine Chemicals and Other Products Business	Semiconductor materials, Display materials, Optical materials	JSR Corporation, JSR Micro Kyushu Co., Ltd., JSR Micro N.V., JSR Micro, Inc., JSR Micro Korea Co., Ltd., JSR Micro Taiwan Co., Ltd., JSR Electronic Materials Korea Co., Ltd.,* JSR (Shanghai) Co., Ltd., Emulsion Technology Co., Ltd., Tri Chemical Laboratories Inc.,* JAPAN FINE COATINGS Co., Ltd., JSR Optech Tsukuba Co., Ltd., D-MEC Ltd.
	Strategic Businesses and others	JSR Corporation, JM Energy Corporation, JSR Life Sciences Corporation, J & W Beijing Biotech Co., Ltd., KBI Biopharma, Inc., MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.,* JSR Micro N.V., JSR Micro, Inc., SCIVAX Life Sciences, Inc., CMIC JSR Biologics Co., Ltd.,* JSR Trading, Inc., JSR Trading Co., Ltd., JSR Trading (Shanghai) Co., Ltd., JSR(Shanghai) Co., Ltd.
Common		JSR Logistics & Customer Center CO., LTD., JEY-TRANS CO., LTD.,* JSR ENGINEERING CO., LTD., JSR Business Services Co., Ltd., JN System Partners Co., Ltd.*

(Notes)

1. In the case that a company is engaged in several businesses, it is listed for each business segment.
2. Companies with * (asterisks) refer to affiliated companies.
3. Concerning the details of the main products in each business segment, please see (Segment information, etc.), [Segment information], 1. Overview of reportable segment: Main products of each business segment on Page 18.

3. Management Policies

(1) Basic Management Policies

All members of the JSR Group will always keep in mind the Group's Essential Elements that comprise the Corporate Mission, the Management Policies and the Course of Action, and act while sharing commitment to the Group's targets and values. We will inherit the good corporate culture fostered from the founding to the present, strive to realize management with a sense of urgency to promptly respond to changes of the times, environment and values, and aim to become a company that lives up to the trust of society and our stakeholders as an innovative company that creates value through materials.

(2) Medium- to Long-term Management Strategies, Targeted Management Indicators and Issues to be Addressed

(Targeted Management Indicators)

The JSR Group uses the ratio of consolidated operating income to net sales and return on equity (ROE) as its targeted and important management indicators.

<Performance Objectives under the Mid-term Business Plan “JSR20i6”>

	FY March 2015 Results	FY March 2016 Forecast	FY March 2017 Target
Consolidated net sales	404 billion yen	420 billion yen	500 billion yen
Consolidated operating income	38 billion yen	41 billion yen	50 billion yen
Ratio of consolidated operating income to net sales	9.4%	9.8%	10% or more
Return on Equity (ROE)	8.7%	8.5%	12% or more

(Progress in the Current Fiscal Year)

<Progress of the Mid-term Business Plan “JSR20i6”>

“JSR20i6” is the JSR Group’s mid-term business plan for the three years from FY March 2015 to FY March 2017 to be recognized as the period for its “Jump onto the growth track” being the second of the three phases of its master plan to realize its vision set for 2020. The objective of “JSR20i6” is to have businesses and products that we have intensively strengthened under “JSR20i3” the previous mid-term business plan ended in FY March 2014, steadily contribute to earnings growth. The JSR Group achieved its initial earnings target in FY March 2015, the first year of JSR20i6.

In the Elastomers Business segment, JSR BST Elastomer Co., Ltd. (“JBE”), a joint-venture company in Thailand, began full-scale operations amid global demand growth for S-SBR. To meet further demand expansion, the JSR Group has been constructing a second phase plant at JBE to double its production capacity while it has been preparing for the construction of a new plant at JSR MOL Synthetic Rubber Ltd., its joint venture in Hungary.

In the Fine Chemicals and Other Products Business segment, the JSR Group has expanded sales of the semiconductor materials business due to the start of full-scale mass production at its main customers of the cutting-edge 20 nm generation in which it holds a large share. In the display materials business, the JSR Group has strived to strengthen its competitiveness in its group companies in South Korea and Taiwan by thoroughly reducing the costs and establishing its technical service system. In addition, the JSR Group decided to set up JSR Micro (Changshu) Co., Ltd., a joint-venture company in China to manufacture display materials, to expand its sales in the Chinese market, which is expected to grow rapidly.

In the Strategic Business segment, the JSR Group intensively allocated its resources to the Life Sciences Business and the Lithium-Ion Capacitor (LIC) Business (an electric storage device). In the Life Sciences Business, the JSR Group made great progress in the establishment of business infrastructure for business development in the future. It expanded the scope of its business through cooperation with external companies.

Specifically, the JSR Group enhanced its relationship with MEDICAL & BIOLOGICAL LABORATORIES. CO., LTD. (“MBL”), a pioneer in the manufacturing of antibodies in Japan, through a tender offer; and the JSR Group jointly purchased KBI Biopharma, Inc. (“KBI”), a biopharmaceuticals contract development and manufacturing company. In the LIC business, the number of companies that adopted its LICs increased steadily and sales of LICs grew accordingly, though sales were still small. To expand sales further, the JSR Group constructed a new plant for small flat prismatic-type products with good balanced properties of improved super low-resistance, high voltage, and high durability performances.

(Issues to be Addressed)

<Petrochemicals Business Segment>

The JSR Group will expand sales by capturing demand for S-SBR for fuel-efficient tires, which is expected to increase globally. It will also expand its S-SBR production capacity in Thailand and Hungary to meet growing demand.

Furthermore, during the period of the doldrums of the market (the JSR Group will make capital expenditures to upgrade its facilities (replacing obsolete facilities and securing labor safety) with the aim of establishing a resilient and sustainable earnings structure under the next mid-term business plan following “JSR20i6.”

<Fine Chemicals and Other Products Business Segment>

In the semiconductor materials business, the JSR Group will strengthen its R&D efforts and promote sales expansion to maintain its high market share in products for 14nm generation and beyond, the next generation following that of 20nm, and will further strive to develop materials for 10nm generation and beyond.

In the display materials business, the JSR Group will continue its efforts to improve the competitiveness of its group companies in South Korea and Taiwan for larger panels and to start commercial operation at a new plant of its joint-venture company in China as scheduled. In addition, it will strive to expand sales by launching new products for small and medium sized panels that handle high-functional needs.

In the strategic business, the JSR Group are committed to expand bioprocess materials and in vitro diagnostics agents businesses in the Life Sciences field by using its global development, manufacturing, and marketing infrastructures. In particular, as a framework to promote the Life Sciences business, it will aim not only to expand businesses by using existing resources within the JSR Group, but also extend the scope of its businesses, including offering services in the field for the development of in vitro diagnostics agents, manufacturing process development, and contract manufacturing, in addition to the development of raw materials. To that end, the JSR Group will use MBL's knowledge and sales channels in the production of in vitro diagnostics agents, and KBI's biopharmaceuticals contract development and manufacturing functions in the production of bioprocess materials. In the LIC business, using a newly-built mass production plant, the JSR Group will increase sales, mainly to customers who have already adopted our LICs, and cultivate new customers and explore new applications.

<Other issues to be Addressed>

Development of Human Resources

Developing human resources is the most important issue for an enterprise to address to achieve sustainable growth. Based on its human resource development policy that places importance on the self-reliant growth of employees, the JSR Group will continue implementing measures for human resource development to strengthen its organizational capabilities.

In pursuit of the penetration of the Group's Essential Elements and the enhancement of corporate culture, the JSR Group will further promote diversity at work and encourage individual people and organizations to act voluntarily while sharing its targets and values.

Corporate Governance

JSR Corporation is a company with Audit & Supervisory Board Members. The Board of Directors and the Audit & Supervisory Board Members have been closely monitoring its management. The Company has been

further enhancing its monitoring functions in order to ensure the appropriateness of the judgment and execution of duties of the management and to enhance its decision-making functions of the Company by appointing highly independent Outside Directors with vast experiences of managing companies from June 2011, in addition to the appointment of highly independent lawyer and certified public accountant with extensive professional knowledge and vast experiences as Outside Audit & Supervisory Board Members from June 2009. The Company will deal with each items required by the Corporate Governance Code and continuously strive to strengthen and enhance its corporate governance to realize the fair, transparent and prompt execution of operations.

Corporate Social Responsibilities (CSR)

The JSR Group promotes CSR activities based on the pillars of four activities—corporate ethics, responsible care, risk management and social contribution—under the initiative of the CSR Committee, to fulfill corporate social responsibility. As a member of the Chemical industry, the JSR Group recognizes environment and safety, in particular, as one of the most important issues for the basis of management. The JSR Group will strive to effectively promote CSR activities throughout the entire group and raise the level of these activities.

The JSR Group is committed to tackle and accomplish the challenges addressed in the above by way of steadily carrying out “JSR 20i6” a mid-term business plan.

4. Basic Approach to the Selection of Accounting Standards

The JSR Group has been examining when it will adopt International Financial Reporting Standards (IFRS), considering the situations.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	33,390	47,984
Notes and accounts receivable - trade, net	87,613	83,122
Securities	81,004	67,997
Inventories	78,689	79,320
Other	45,804	40,971
Total current assets	326,504	319,396
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,623	36,896
Machinery, equipment and vehicles, net	37,267	41,581
Land	18,626	17,761
Construction in progress	4,697	14,055
Other, net	4,415	5,617
Total property, plant and equipment	95,630	115,913
Intangible assets		
Goodwill	664	6,479
Other	6,586	7,818
Total intangible assets	7,250	14,298
Investments and other assets		
Investment securities	60,952	74,509
Other	10,982	10,473
Total investments and other assets	71,935	84,983
Total non-current assets	174,815	215,195
Total assets	501,319	534,592

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	85,333	72,441
Short-term loans payable	15,578	18,639
Other	31,529	35,245
Total current liabilities	132,442	126,327
Non-current liabilities		
Long-term loans payable	11,069	20,387
Net defined benefit liability	15,242	13,745
Provision for environmental measures	1,734	1,308
Deferred tax liabilities	2,720	6,700
Other	850	1,449
Total non-current liabilities	31,617	43,591
Total liabilities	164,059	169,918
Net assets		
Shareholders' equity		
Common stock	23,320	23,320
Capital surplus	25,179	25,179
Retained earnings	269,620	291,151
Treasury shares	(5,087)	(15,329)
Total shareholders' equity	313,033	324,321
Accumulated other comprehensive income		
Unrealized gains on securities, net of taxes	11,467	19,257
Foreign currency translation adjustment	6,971	14,575
Remeasurements of defined benefit plans	(188)	148
Total accumulated other comprehensive income	18,250	33,981
Subscription rights to shares	792	852
Minority interests	5,183	5,518
Total net assets	337,259	364,673
Total liabilities and net assets	501,319	534,592

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	394,309	404,073
Cost of sales	294,924	300,303
Gross profit	99,384	103,769
Selling, general and administrative expenses		
Selling expenses	16,924	16,765
General and administrative expenses	46,398	48,935
Total selling, general and administrative expenses	63,322	65,701
Operating income	36,061	38,068
Non-operating income		
Interest income	256	241
Dividend income	659	1,149
Foreign exchange gains	1,672	3,021
Equity in earnings of affiliated companies	1,546	–
Subsidy income	–	628
Other	931	751
Total non-operating income	5,065	5,792
Non-operating expenses		
Interest expenses	141	345
Taxes and dues	8	312
Equity in losses of affiliated companies	–	275
Other	1,346	1,317
Total non-operating expenses	1,496	2,251
Ordinary income	39,631	41,609
Extraordinary income		
Compensation income	–	1,895
Gain on transfer from business divestitures	–	325
Total extraordinary income	–	2,220
Extraordinary losses		
Loss on valuation of investment securities	–	2,642
Restructuring loss	2,409	–
Other	265	117
Total extraordinary losses	2,675	2,760
Income before income taxes and minority interests	36,956	41,068
Income taxes - current	11,636	11,201
Income taxes - deferred	1,123	702
Total income taxes	12,760	11,904
Income before minority interests	24,195	29,164
Minority interests in loss	(977)	(754)
Net income	25,172	29,918

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	24,195	29,164
Other comprehensive income		
Unrealized gains on securities, net of taxes	2,968	7,718
Foreign currency translation adjustment	4,334	6,647
Remeasurements of defined benefit plans, net of tax	–	337
Share of other comprehensive income of entities accounted for using equity method	3,134	1,695
Total other comprehensive income	10,436	16,398
Comprehensive income	34,632	45,562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,548	45,576
Comprehensive income attributable to minority interests	(916)	(13)

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	23,320	25,179	253,009	(930)	300,577
Cumulative effects of changes in accounting policies					
Restated balance	23,320	25,179	253,009	(930)	300,577
Changes of items during period					
Dividends of surplus			(8,548)		(8,548)
Net income			25,172		25,172
Purchase of treasury shares				(4,182)	(4,182)
Disposal of treasury shares		0		25	26
Change of scope of consolidation			(12)		(12)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	16,611	(4,156)	12,455
Balance at end of current period	23,320	25,179	269,620	(5,087)	313,033

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Unrealized gains on securities, net of taxes	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	8,470	(407)	-	8,063	728	6,364	315,733
Cumulative effects of changes in accounting policies							
Restated balance	8,470	(407)	-	8,063	728	6,364	315,733
Changes of items during period							
Dividends of surplus							(8,548)
Net income							25,172
Purchase of treasury shares							(4,182)
Disposal of treasury shares							26
Change of scope of consolidation							(12)
Net changes of items other than shareholders' equity	2,997	7,379	(188)	10,187	64	(1,180)	9,070
Total changes of items during period	2,997	7,379	(188)	10,187	64	(1,180)	21,526
Balance at end of current period	11,467	6,971	(188)	18,250	792	5,183	337,259

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	23,320	25,179	269,620	(5,087)	313,033
Cumulative effects of changes in accounting policies			964		964
Restated balance	23,320	25,179	270,585	(5,087)	313,997
Changes of items during period					
Dividends of surplus			(9,166)		(9,166)
Net income			29,918		29,918
Purchase of treasury shares				(10,271)	(10,271)
Disposal of treasury shares		(0)	(5)	29	23
Change of scope of consolidation			(180)		(180)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	20,566	(10,242)	10,323
Balance at end of current period	23,320	25,179	291,151	(15,329)	324,321

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Unrealized gains on securities, net of taxes	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	11,467	6,971	(188)	18,250	792	5,183	337,259
Cumulative effects of changes in accounting policies							964
Restated balance	11,467	6,971	(188)	18,250	792	5,183	338,224
Changes of items during period							
Dividends of surplus				-			(9,166)
Net income				-			29,918
Purchase of treasury shares				-			(10,271)
Disposal of treasury shares				-			23
Change of scope of consolidation				-			(180)
Net changes of items other than shareholders' equity	7,789	7,603	337	15,731	59	335	16,126
Total changes of items during period	7,789	7,603	337	15,731	59	335	26,449
Balance at end of current period	19,257	14,575	148	33,981	852	5,518	364,673

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	36,956	41,068
Depreciation	18,095	17,406
Interest and dividend income	(916)	(1,390)
Interest expenses	141	345
Equity in (earnings) losses of affiliated companies	(1,546)	275
Compensation income	–	(1,895)
Loss (gain) on valuation of investment securities	–	2,642
Loss on business restructuring	2,409	–
Decrease (increase) in notes and accounts receivable - trade	6,050	8,875
Decrease (increase) in inventories	(2,261)	2,661
Increase (decrease) in notes and accounts payable - trade	(14,467)	(15,565)
Other, net	1,234	6,333
Subtotal	45,696	60,759
Interest and dividend income received	1,751	1,825
Interest expenses paid	(124)	(319)
Proceeds from compensation	–	1,895
Income taxes paid	(11,848)	(12,680)
Net cash provided by (used in) operating activities	35,474	51,480
Cash flows from investing activities		
Decrease (increase) in time deposits	6,735	(2,247)
Net decrease (increase) in short-term investment securities	28,500	(11,300)
Purchase of non-current assets	(21,107)	(32,541)
Purchase of investment securities	(1,003)	(804)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(5,743)
Purchase of shares of subsidiaries and associates	(1,035)	(3,732)
Payments for investments in capital of subsidiaries and associates	(2,800)	–
Payments of loans receivable	(3,225)	(2,883)
Collection of loans receivable	2,698	3,071
Other, net	(541)	1,347
Net cash provided by (used in) investing activities	8,221	(54,835)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	143	469
Repayments of long-term loans payable	–	(2,481)
Proceeds from long-term loans payable	4,538	9,102
Purchase of treasury shares	(4,182)	(10,271)
Cash dividends paid	(8,463)	(9,136)
Cash dividends paid to minority shareholders	(146)	(32)
Other, net	(11)	(8)
Net cash provided by (used in) financing activities	(8,121)	(12,358)
Effect of exchange rate change on cash and cash equivalents	1,722	2,006
Net increase (decrease) in cash and cash equivalents	37,296	(13,706)
Cash and cash equivalents at beginning of period	53,818	91,114
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	498
Cash and cash equivalents at end of period	91,114	77,906

(5) Notes regarding Consolidated Financial Statements

(Notes regarding Assumption of a Going Concern)

Not applicable

(Changes in Accounting Policies)

(Application of accounting standard for retirement benefits)

Starting with the fiscal year ended March 31, 2015, JSR has applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; hereinafter the “Accounting Standard”) and the Guidance on the Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012; hereinafter the “Guidance”) with regard to the provisions prescribed in the main text of Section 35 of the Accounting Standard and Section 67 of the Guidance. As a result, the Company reviewed the calculation methods of retirement benefit obligations and service costs, applied the benefit formula standard for the method of attributing expected retirement benefit to periods, and changed the calculation method of discount rates.

For the application of the above Accounting Standard and other Sections, in accordance with the transitional handling prescribed in Section 37 of the Accounting Standard, at the beginning of the current fiscal year, the effects of the changes in the calculation methods of retirement benefit obligations and service costs were reflected in adjustments in retained earnings.

Consequently, net defined benefit liabilities decreased by 1,498 million yen, and retained earnings increased by 964 million yen at the beginning of the fiscal year ended March 31, 2015. The application of the Accounting Standard did not have a material effect on operating income, ordinary income or net income before income taxes for the fiscal year ended March 31, 2015.

(Segment Information, etc.)

[Segment Information]

1. Overview of reportable segment

JSR's reportable segments are components of the Company for which separate financial information is available. These segments are subject to regular reviews by the Board of Directors to decide the distribution of managerial resources and evaluate business results.

The Company has established divisions by product in its head office. Each division formulates comprehensive domestic and overseas strategies for its products and conducts business activities according to the strategies. In the Plastics Business, core Group companies take the initiative in working out comprehensive domestic and overseas strategies for its products and conduct business activities according to the strategies.

Thus, the JSR Group's businesses consist of business segments by product based on divisions and core Group companies. Its reportable segments include the Elastomers Business, the Plastics Business, and the Fine Chemicals and Other Products Business.

The Elastomers Business mainly includes the manufacture and sale of general-purpose synthetic rubber products for automobile tires, functional special synthetic rubber for automobile components, thermoplastic elastomers for modifying plastics, and synthetic rubber latex for coated paper. The Plastics Business mainly engages in the manufacture and sale of ABS resins, etc., for automobiles, OA equipment, and amusement machines. The Fine Chemicals and Other Products Business mainly conducts the manufacture and sale of semiconductor materials, display materials, and optical materials.

Main Products of each Business Segment

Business segment	Main products
Elastomers Business	Synthetic rubbers, such as styrene-butadiene rubber, poly-butadiene rubber, ethylene and propylene rubber and compounded products, thermoplastic elastomers and compounded products, latex for paper processing, general industrial-use latex, acrylic emulsions, natural latex compounded products, high-functional coating materials, high-functional dispersant, industrial particles, thermal control materials, materials for heat insulation paints, materials for batteries, butadiene monomers, etc.
Plastics Business	Synthetic resins including ABS resins, AES resins, AS resins, and ASA resins
Fine Chemicals and Other Products Business	<p><Semiconductor Materials> Photoresists, CMP materials, packaging materials, multilayer materials, etc.</p> <p><Display Materials> Materials for color LCD, anti-reflection coatings, functional coating materials, etc.</p> <p><Optical Materials> Heat-resistant transparent resin and functional films, coating materials for optical fibers, photo fabrication and photo molding systems, etc.</p> <p><Strategic Business and others> Life Sciences (materials for diagnostic reagents, bio-process materials), lithium-ion capacitors, etc.</p>

2. Methods to calculate the amount of net sales, profit or loss, assets, liabilities and other items by reportable segment

The methods of accounting procedures for reported business segments are almost the same as those stated in the "Basis for presenting consolidated financial statements."

Figures for income in reportable segments are on an operating income basis.

Inter-segment earnings and transfers are based on prevailing market prices.

3. Information on the amount of net sales, profit or loss, assets, liabilities, and other item by reportable segment

FY March 2014 (April 1, 2013 to March 31, 2014)

(Unit: million yen)

	Reportable segment				Adjustment	Amounts posted in consolidated financial statements
	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total		
Net sales						
Sales to outside customers	203,478	57,763	133,067	394,309	-	394,309
Inter-segment sales or transfer	4,468	-	-	4,468	(4,468)	-
Total	207,946	57,763	133,067	398,778	(4,468)	394,309
Segment income (Operating income)	17,329	3,918	14,813	36,061	-	36,061
Segment assets	223,583	38,943	131,521	394,048	107,271	501,319
Other items						
Depreciation and amortization	7,384	1,105	9,606	18,095	-	18,095
Increase in property, plant and equipment and intangible assets	10,799	1,086	9,613	21,498	-	21,498

FY March 2015 (April 1, 2014 to March 31, 2015)

(Unit: million yen)

	Reportable segment				Adjustment	Amounts posted in consolidated financial statements
	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total		
Net sales						
Sales to outside customers	198,957	55,161	149,953	404,073	-	404,073
Inter-segment sales or transfer	3,974	-	-	3,974	(3,974)	-
Total	202,932	55,161	149,953	408,047	(3,974)	404,073
Segment income (Operating income)	10,735	2,841	24,491	38,068	-	38,068
Segment assets	233,285	35,108	158,801	427,196	107,396	534,592
Other items						
Depreciation and amortization	7,520	1,114	8,771	17,406	-	17,406
Increase in property, plant and equipment and intangible assets	16,472	2,034	16,650	35,157	-	35,157

4. Differences between the total amount in the reportable segment and in the consolidated financial statements (items related to adjustment of differences)

The total amount of income in reportable segment corresponds to the amount of operating income in the consolidated statement of income.

Since the total amount of assets in reportable segment does not correspond to the amount of assets on the consolidated balance sheet, differences are shown as adjustments. The adjustments are corporate assets, which include investment of surplus funds (deposits and securities) and long-term investment funds (investment securities) by the parent company.

[Related information]

FY March 2014 (April 1, 2013 to March 31, 2014)

1.Information by product or service

Since similar information is provided in the segment information, information by product or service is omitted.

2. Geographic information

(1) Net sales

(Unit: million yen)

Japan	South Korea	China	Other regions	Total
196,824	43,931	41,172	112,380	394,309

(Note) Net sales are divided into countries or regions based on the locations of the customers.

(2) Property, plant and equipment

(Unit: million yen)

Japan	Thailand	Other regions	Total
69,006	16,258	10,364	95,630

3.Information by major customer

Since no customer accounts for 10% or more of the net sales on the consolidated statements of income, information by major customer is omitted.

FY March 2015 (April 1, 2014 to March 31, 2015)

1.Information by product or service

Since similar information is provided in the segment information, information by product or service is omitted.

2. Geographic information

(1) Net sales

(Unit: million yen)

Japan	South Korea	China	Other regions	Total
188,832	47,543	45,229	122,468	404,073

(Note) Net sales are divided into countries or regions based on the locations of customers.

(2) Property, plant and equipment

(Unit: million yen)

Japan	Thailand	Other regions	Total
76,653	25,622	13,636	115,913

3.Information by major customer

Since no customer accounts for 10% or more of the net sales on the consolidated statements of income, information by major customer is omitted.

[Information on impairment loss on noncurrent assets by reportable segment]
 FY March 2014 (April 1, 2013 to March 31, 2014)

(Unit: million yen)

	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total
Impairment loss	-	-	645	645

FY March 2015 (April 1, 2014 to March 31, 2015)

Not applicable

[Information on amortization of goodwill and unamortized balance by reportable segment]
 FY March 2014 (April 1, 2013 to March 31, 2014)

(Unit: million yen)

	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total
Amortization for FY March 2014	-	44	-	44
Balance at the end of FY March 2014	-	664	-	664

FY March 2015 (April 1, 2014 to March 31, 2015)

(Unit: million yen)

	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total
Amortization for FY March 2015	-	44	-	44
Balance at the end of FY March 2015	-	619	5,860	6,479

[Information on gain on negative goodwill by reportable segment]

Not applicable

(Per Share Information)

	FY March 2014 (April 1, 2013 to March 31, 2014)	FY March 2015 (April 1, 2014 to March 31, 2015)
Net assets per share	1,409.06 yen	1,557.08 yen
Net income per share, basic	106.10 yen	128.19 yen
Net income per share, diluted	105.85 yen	127.87 yen

(Note) 1. Values used for calculating net assets per share are as follows:

	FY March 2014 (As of March 31, 2014)	FY March 2015 (As of March 31, 2015)
Total net assets (million yen)	337,259	364,673
Amounts deducted from total net assets (million yen)	5,975	6,371
(Of which subscription rights to shares (million yen))	(792)	(852)
(Of which minority interests (million yen))	(5,183)	(5,518)
Net assets at the end of the fiscal year attributable to common stock (million yen)	331,283	358,302
Number of common stock at the end of the fiscal year used for calculating net assets per share (1,000 shares)	235,110	230,111

(Note) 2. Values used for calculating net income per share (basic) and net income per share (diluted) are as follows:

	FY March 2014 (April 1, 2013 to March 31, 2014)	FY March 2015 (April 1, 2014 to March 31, 2015)
Net income per share, basic		
Net income (million yen)	25,172	29,918
Net income not attributable to common stock shareholders (million yen)	—	—
Net income attributable to common stock (million yen)	25,172	29,918
Average shares outstanding during the year (1,000 shares)	237,255	233,385
Net income per share, diluted		
Net income adjustment (million yen)	—	—
Increase in common stock (1,000 shares)	551	592
(Of which subscription rights to shares (1,000 shares))	(551)	(592)
Potentially issuable shares not included in the calculation of net income per share diluted, because no diluting effect arises		—

(Material subsequent events)

Not applicable

6. Transfer of directors

The transfer of directors is undecided. The Company will disclose such matters as soon as they are decided.