

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

April 25, 2016

Company name: JSR Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 4185 URL <http://www.jsr.co.jp>  
 Representative: Representative Director and President Mitsunobu Koshihara  
 General Manager, Corporate Communications Department  
 Inquiries: Masanao Kojima TEL 03(6218)3517  
 Scheduled date of ordinary general meeting of shareholders: June 17, 2016  
 Scheduled date to file Securities Report: June 17, 2016  
 Scheduled date to commence dividend payments: June 20, 2016  
 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	386,709	(4.3)	34,408	(9.6)	33,633	(19.2)	24,068	(19.6)
Year ended March 31, 2015	404,073	2.5	38,068	5.6	41,609	5.0	29,918	18.9

(Note) Comprehensive Income 11,925 million yen (-73.8%) for year ended March 31, 2016 45,562 million yen (31.6%) for year ended March 31, 2015

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	105.87	105.60	6.8	6.4	8.9
Year ended March 31, 2015	128.19	127.87	8.7	8.0	9.4

(Reference) Equity in earnings of affiliated companies 1,848 million yen for year ended March 31, 2016 -275 million yen for year ended March 31, 2015

(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, 2016	516,359	362,353	68.4	1,565.45
As of March 31, 2015	534,592	364,673	67.0	1,557.08

(Reference) Equity 353,144 million yen as of March 31, 2016 358,302 million yen as of March 31, 2015

(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, 2016	48,128	(19,038)	(16,260)	89,394
Year ended March 31, 2015	51,480	(54,835)	(12,358)	77,906

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, 2015	–	20.00	–	20.00	40.00	9,301	31.2	2.7
Year ended March 31, 2016	–	25.00	–	25.00	50.00	11,279	47.2	3.2
Year ending March 31, 2017 (Forecast)	–	25.00	–	25.00	50.00		46.0	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Percentages indicate year-on-year changes								
	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	190,000	(2.6)	17,000	(11.1)	17,500	4.1	12,500	(0.1)	55.41
Full year	395,000	2.1	35,000	1.7	36,000	7.0	24,500	1.8	108.61

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes  
 Newly added: one company (MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.)

(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: 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, 2016	226,074,545 shares	As of March 31, 2015	237,973,205 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	488,223 shares	As of March 31, 2015	7,861,771 shares
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Average number of shares during the period

Year ended March 31, 2016	227,345,441 shares	Year ended March 31, 2015	233,385,823 shares
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(Reference) Summary of Non-consolidated Business Results

1. Non-consolidated business results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(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, 2016	230,723	(13.5)	22,682	(21.4)	33,164	(10.4)	23,200	(1.3)
Year ended March 31, 2015	266,856	0.5	28,843	8.1	36,994	5.4	23,505	3.5

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2016	102.05	101.79
Year ended March 31, 2015	100.72	100.46

(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, 2016	370,130	276,205	74.4	1,220.33
As of March 31, 2015	397,302	276,140	69.3	1,196.32

(Reference) Equity 275,289 million yen as of March 31, 2016 275,287 million yen as of March 31, 2015

\* 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.

## Table of Contents for the Attachment

1. Analysis of Operating Results and Financial Position.....	2
(1) Analysis of Operating Results.....	2
(2) Analysis of Financial Position.....	5
(3) Basic Policy on Profit Allocation and Dividends for the Fiscal Year ended March 31, 2016 and the Fiscal Year ending March 31, 2017.....	5
2. Information on the JSR Group.....	6
3. Management Policies.....	7
(1) Basic Management Policies.....	7
(2) Medium- to Long-term Management Strategies, Targeted Management Indicators, and Issues to be Addressed.....	7
4. Basic Approach to the Selection of Accounting Standards .....	10
5. Consolidated Financial Statements.....	11
(1) Consolidated Balance Sheets.....	11
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	13
Consolidated Statements of Income.....	13
Consolidated Statements of Comprehensive Income.....	14
(3) Consolidated Statement of Changes in Net Assets.....	15
(4) Consolidated Statements of Cash Flows.....	17
(5) Notes regarding Consolidated Financial Statements.....	19
(Notes regarding Assumptions of Going Concern).....	19
(Changes in Accounting Policies).....	19
(Segment Information, etc.).....	20
(Per Share Information).....	24
(Material Subsequent Events).....	24
6. Transfer of Directors.....	24

## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

Overview of FY March 2016 (April 1, 2015 to March 31, 2016)

In FY March 2016, among the JSR Group's main customer industries, automobile tire production and automobile production rose slightly above the previous year's level globally; domestic tire production was sluggish; demand for semiconductor production stagnated; the flat panel display (FPD) market slowed down rapidly due to a major production adjustment toward the latter half of the year; and the yen strengthened at the end of the year.

Amid these circumstances, the Petrochemicals Business of the JSR Group saw significant growth in sales of Solution Styrene-Butadiene Rubber (S-SBR) for fuel-efficient tires in the Elastomers Business, while other elastomers sales were largely impacted by sluggish domestic tire production, its main customer industry. In addition, the supply-demand balance failed to improve in East Asia due to excessive supply of elastomers coupled with stagnant growth in demand, which resulted in continued weakness of the elastomer products market. Thus, net sales of the Petrochemicals Business as a whole decreased from the previous year. Although operating income of the Plastics Business increased on the back of improved profitability, it failed to offset the decline in operating income of the Elastomers Business, which led to a drop in operating income of the entire Petrochemicals Business from the previous year. The Fine Chemicals and Other Products Business saw a substantial increase in net sales from the previous year's level due to a significant rise in sales in the life sciences area of the strategic businesses field, despite a plunge in sales of the fine chemicals business from the previous year's level due to the weakness of the semiconductor market and the impact of a rapid slow-down of the FPD market in the latter half of the year. Operating income of the Fine Chemicals and Other Products Business fell below the previous year's level, as it was significantly affected by the drop in sales of the Fine Chemicals Business. Ordinary income fell short of the previous year's level due to the impact of the drop in operating income and the increase in exchange losses in dollar-denominated borrowings by a Thailand group company owing to the weakness of the baht, despite an increase in earnings of affiliates in the Petrochemicals Business. Profit attributable to owners of parent fell below the previous year's level due to extraordinary losses recorded at a Group company that manufactures and sells Lithium Ion Capacitor.

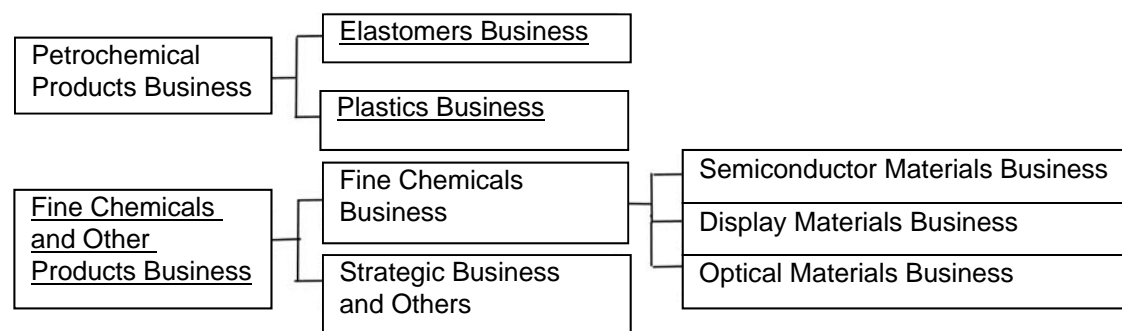
In the fiscal year ended March 31, 2016, we reported net sales of 386,709 million yen (down 4.3% year-on-year), operating income of 34,408 million yen (down 9.6% year-on-year), ordinary income of 33,633 million yen (down 19.2% year-on-year), and profit attributable to owners of parent of 24,068 million yen (down 19.6% year-on-year).

(Unit: million yen)

Segment		FY March 2015		FY March 2016		Change	
		Amount	Component ratio	Amount	Component ratio	Amount	%
Net sales	Elastomers Business	198,957	49.2%	179,252	46.4%	(19,705)	(9.9%)
	Plastics Business	55,161	13.7%	52,206	13.5%	(2,954)	(5.4%)
	Fine Chemicals and Other Products Business	149,953	37.1%	155,249	40.1%	5,295	3.5%
	Total	404,073	100.0%	386,709	100.0%	(17,364)	(4.3%)
Sales in Japan		188,832	46.7%	171,643	44.4%	(17,189)	(9.1%)
Overseas sales		215,240	53.3%	215,065	55.6%	(175)	(0.1%)
Segment		FY March 2015		FY March 2016		Change	
		Amount	Component ratio	Amount	Component ratio	Amount	%
Operating income		38,068	9.4%	34,408	8.9%	(3,660)	(9.6%)
Ordinary income		41,609	10.3%	33,633	8.7%	(7,975)	(19.2%)
Profit attributable to owners of parent		29,918	7.4%	24,068	6.2%	(5,850)	(19.6%)

## (Review of Operations by Segment)

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



## &lt;Elastomers Business Segment&gt;

The production of automobile tires, one of the segment's main customer industries, increased from the previous year in North America, China, and Europe, while it fell below the previous year's level in Japan.

Under such circumstances, with regard to the sales of synthetic rubbers, the sales volume of Solution Styrene-Butadiene Rubber (S-SBR) rose substantially on the back of the full-scale operation of S-SBR at JSR BST Elastomer Co., Ltd. (JBE), a joint-venture company in Thailand. However, the total sales volume of elastomers decreased from the previous year due in part to the drop in domestic production of automobile tires. Net sales fell below the previous year's level due to a decline in product prices on the back of a drop in raw material prices, as well as a decrease in sales volume. In addition, operating income dropped from the previous year due to a failure of improvement in margins (the difference between the selling price and major raw material prices), owing to the continued weakness of synthetic rubber prices on the back of excessive supply, as well as a drop in sales volume.

As a result, the Elastomers Business segment posted operating income of 7,491 million yen (down 30.2% year-on-year) on net sales of 179,252 million yen (down 9.9% year-on-year).

## &lt;Plastics Business Segment&gt;

The production of automobiles, one of the segment's main customer industries, increased from the previous year in North America, China, and Europe, while it fell below the previous year's level in Japan.

Under such circumstances, the sales volume of plastics products rose from the previous year due to an increase in sales of automobiles both in Japan and abroad, despite a year-on-year fall in automobile production in Japan, as well as robust sales for industrial material applications, mainly in miscellaneous goods. Net sales declined from the previous year as the increase in sales volume was not sufficient to make up for a fall in product prices owing to the drop in raw material costs. Operating income saw a year-on-year rise due to a recovery in profitability and an increase in sales volume.

As a result, the Plastics Business segment posted operating income of 5,113 million yen (up 80.0% year-on-year) on net sales of 52,206 million yen (down 5.4% year-on-year).

## &lt;Fine Chemicals and Other Products Business Segment&gt;

Net sales rose from the previous year, but operating income fell below that of the previous year in the Fine Chemicals and Other Products Business segment as a whole.

In the semiconductor materials business, sales dropped from the previous year due to sluggish growth of semiconductor demand as demand for smartphones weakened, in addition to sluggish demand for materials, since FY March 2016 coincided with the transition of the cutting-edge generation from 20 nm (nanometers) to the next generation 14–16 nm. In the display materials business, sales decreased from the previous year on the back of a rapid slowdown in demand for

materials used in larger-size TVs and multi-functional mobile terminals in the latter half of the year, in addition to a notable drop in unit selling prices due to intensified competition in the materials market. In strategic businesses, sales in the life sciences area rose substantially owing to the effect of the two newly consolidated group companies.

As a result, the Fine Chemicals and Other Products Business segment posted operating income of 21,802 million yen (down 11.0% year-on-year) on net sales of 155,249 million yen (up 3.5% year-on-year).

#### (Business Outlook for FY March 2017)

The following is the outlook of our main customer industries in the year ending March 2017. JSR forecasts that the production of automobile tires and automobiles in Japan will remain unchanged from the previous year, but will grow globally. In particular, China and ASEAN are expected to see an increase, while Europe and North America are also expected to see a rise. Demand in the semiconductor market is likely to recover from the previous year's negative growth on the back of an expected increase in new demand for cutting-edge semiconductor chips such as for the use of big data. The outlook of the FPD market is unclear, although production of small- and medium-size panels for multi-functional mobile terminals is expected to recover, and the Chinese market is likely to continue growing.

In the Elastomers Business, although demand is expected to expand on a global basis compared to the previous year, substantial improvement in relative profitability cannot be expected, since excessive supply of synthetic rubber and butadiene is likely to continue especially in East Asia, while cheap naphtha prices are expected to continue. Under such circumstances, demand for S-SBR is expected to grow steadily due to the growth of the fuel-efficient tire market. We will strive to expand sales globally by commencing commercial operation of the newly launched second phase facilities of our new plant in Thailand by the second half of the year, in addition to the first phase facilities, which have begun full-scale operation.

In the Fine Chemicals and Other Products Business, we will endeavor to increase sales of various semiconductor materials such as cutting-edge lithography materials, in which we have a large market share, packaging materials and CMP materials, amid the expected full-scale mass production of the 14–16 nm generations, a cutting-edge process. JSR will also strive to increase sales of display materials by starting operation of the production facilities of JSR Micro (Changshu) Co., Ltd., a joint-venture manufacturing company in China where growth is particularly expected, in addition to existing efforts.

The exchange rate is expected to be a strain on earnings as we forecast a stronger yen compared to the previous year.

For FY March 2017, JSR forecasts consolidated net sales of 395,000 million yen (up 2.1% year-on-year), operating income of 35,000 million yen (up 1.7% year-on-year), ordinary income of 36,000 million yen (up 7.0% year-on-year), and profit attributable to owners of parent of 24,500 million yen (up 1.8% year-on-year). These forecasts assume an exchange rate of 110 yen per U.S. dollar and a naphtha price of 40,000 yen per kiloliter.

## (2) Analysis of Financial Position

(Analysis of Assets, Liabilities, and Net Assets)

Total assets as of March 31, 2016 amounted to 516,359 million yen, down 18,232 million yen from a year earlier.

Current assets totaled 300,532 million yen, down 18,864 million yen, due to a decrease in securities and notes and accounts receivable-trade, despite an increase in cash and deposits.

Non-current assets totaled 215,827 million yen, up 631 million yen, due to an increase in long-term loans receivable and an increase in goodwill as we made an equity method affiliate a subsidiary.

Total liabilities amounted to 154,005 million yen, down 15,912 million yen from a year earlier, due to a decrease in notes and accounts payable-trade.

Shareholders' equity amounted to 329,420 million yen, up 5,099 million yen. Accumulated other comprehensive income dropped by 10,257 million yen to 23,724 million yen. Consequently, total net assets (the total of shareholders' equity, accumulated other comprehensive income, subscription rights to shares, and non-controlling interests) amounted to 362,353 million yen, down 2,320 million yen from a year earlier.

(Analysis of Cash Flows)

Cash and cash equivalents ("funds") as of March 31, 2016 stood at 89,394 million yen, up 11,488 million yen from a year earlier.

Net cash provided by operating activities amounted to 48,128 million yen, down 3,352 million yen from the previous year. The main factors included income before income taxes of 27,366 million yen, depreciation of 18,508 million yen, a decrease in notes and accounts payable of 17,159 million yen, and income taxes paid of 10,209 million yen.

Net cash used in investing activities totaled 19,038 million yen, down 35,797 million yen from the previous year. The main factors were 27,052 million yen in the purchase of non-current assets, 7,997 million yen in proceeds from a decrease in time deposits, 6,025 million yen in the purchase of shares of subsidiaries and associates, and 5,266 million yen in payments of loans receivable.

Net cash used in financing activities was 16,260 million yen, up 3,901 million yen from the previous year. The main factors were 10,241 million yen in cash dividends paid, 8,997 million yen in the purchase of treasury shares, and 7,372 million yen in proceeds from long-term loans payable.

## (3) Basic Policy on Profit Allocation and Dividends for the Fiscal Year ended March 31, 2016 and the Fiscal Year ending March 31, 2017

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 its 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 "JSR20i6," 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 25.00 yen per share, the same amount as the interim dividend. Including the interim dividend already paid, the total annual dividend for FY March 2016 will be 50.00 yen per share.

With regard to the dividend for the next fiscal year (FY March 2017), JSR plans to pay 50.00 yen annually (an interim dividend of 25.00 yen and a year-end dividend of 25.00 yen), taking into account the business outlook.

## 2. Information on the JSR Group

The JSR Group consists of JSR Corporation, 43 subsidiaries and 13 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., ELASTOMIX (THAILANDLAND) 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, Inc., JSR Trading Bangkok Co., Ltd., JSR Trading (Shanghai) Co., Ltd., JSR (Shanghai) Co., Ltd., JSR Elastomer Korea Co., Ltd., JSR Elastomer Europe GmbH
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., 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., D-MEC Ltd., * JAPAN FINE COATINGS Co., Ltd., JSR Optech Tsukuba Co., Ltd., JSR Micro (Changshu) Co., Ltd., EUV Resist Manufacturing & Qualification Center N.V.
	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 where a company is engaged in several businesses, it is listed for each business segment.
2. Companies marked with \* (asterisk) are affiliated companies.
3. Concerning the details of the main products of each business segment, please refer to (Segment Information, etc.), [Segment information], 1. Overview of reporting segments: Main Products of each Business Segment on page 20.



### 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 strong corporate culture fostered from JSR's 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 2016 Results	FY March 2017 Forecast
Consolidated net sales	386.7 billion yen	395.0 billion yen
Consolidated operating income	34.4 billion yen	35.0 billion yen
Ratio of consolidated income to net sales	8.9%	8.9%
Return on Equity (ROE)	6.8%	6.8%

(Progress in the Fiscal Year under Review)

<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" as the second of the three phases of its master plan to realize its vision set for 2020. However, the JSR Group failed to achieve its initial earnings target in FY March 2016, the second year of "JSR20i6," since the business environment fell below initial assumptions.

On the other hand, we have been able to achieve the following progress in initiatives taken in each business.

In the Elastomers Business segment, the JSR Group has expanded sales steadily due to the start of full-scale operation of the first phase plant of JSR BST Elastomer Co., Ltd. (JBE), a joint-venture in Thailand that supplies Solution Styrene-Butadiene Rubber (S-SBR) for fuel-efficient tires, which is seeing a rise in demand globally. We have also launched higher performance products. To meet further demand expansion, JBE has been constructing a second phase plant at JBE to double its production capacity, which is scheduled for launch in the second half of FY March 2017. In addition, JSR MOL Synthetic Rubber Ltd. (JMSR), a joint-venture in Hungary, has embarked on the construction of a new plant.

In the Fine Chemicals and Other Products Business, lithography materials have obtained a large share in the cutting-edge 20 nm generation processes in the semiconductor materials business, and are expected to be succeeded by the next 14–16 nm generation. With regard to EUV lithography materials, which are expected to be one of the main technologies for the more refined 7 nm generation and onward, the JSR Group established EUV Resist Manufacturing & Qualification Center N.V. (EUV RMQC), a joint-venture with imec, an advanced research institute for nanoelectronics in Belgium, to provide product and quality control services. In addition, EUV RMQC also promotes the development

of packaging materials, such as the joint development of a new technology that realizes future high-density packaging. In the display materials business, the JSR Group has steadily promoted sales expansion in the Chinese market, which is expected to grow rapidly. The Group is constructing a plant for JSR Micro (Changshu) Co., Ltd. (JMCH), a joint-venture in China to manufacture display materials, where it plans to start operation in 2016. For the commoditization of liquid crystal display panels, the JSR Group has been making efforts in securing business revenues through business reforms, as it also strives to expand the product group surrounding mobile products, which are expected to continue to grow in the future.

In strategic businesses, the business scale of the life sciences business saw significant growth as the JSR Group made KBI Biopharma, Inc. (KBI), a U.S. biopharmaceuticals contract development and manufacturing company which the JSR Group took the initiative to jointly purchase, its consolidated subsidiary from the beginning of FY March 2016, and purchased additional shares of Medical & Biological Laboratories Co., Ltd. (MBL), an equity method affiliate, and made it a consolidated subsidiary in the latter half of FY March 2016. The diagnostic intermediates business of J&W Beijing Biotech Co., Ltd. (J&W), a joint-venture in China, is also seeing steady progress. The JSR Group is also constructing the JSR-Keio University Medical and Chemistry Innovation Center, a joint-research facility with the School of Medicine of Keio University. In the Lithium Ion Capacitor (LIC) business, the Group completed a new plant with the expectation of sales expansion, but it failed to be adopted for large-lot use. In order to re-establish the business, the JSR Group reduced its operation costs and promoted the switching of its target market.

(Issues to Be Addressed)

<Petrochemicals Business Segment>

The JSR Group will operate its business based on the assumption that the trends of customer industries and product prices continue to be severe. Under such circumstances, S-SBR maintains high-level operation in both Yokkaichi and Thailand, and together with the additional production capacity provided by the construction of the second phase plant at JBE in Thailand and the plant construction at JMSR in Hungary, the JSR Group intends to focus on taking advantage of the global expansion in demand for S-SBR for fuel-efficient tires and increase sales.

<Fine Chemicals and Other Products Business Segment>

In the semiconductor materials business, the JSR Group will develop and expand sales of lithography materials, CMP materials, and packaging materials, in order to support the performance improvement and energy-saving of semiconductor chips, which are required by society, from the refinement and high-density packaging aspects. In particular, the Group will promote the launch of EUV RMQC in Belgium toward early practical application of EUV lithography for the 7 nm generation and onward.

In the display materials business, although the supply-demand trend of the liquid crystal display panel industry is a cause for concern, the JSR Group will operate its new plant at JMCH, a joint-venture in China, as scheduled, in response to the growth of the Chinese market. The Group intends to strengthen the business platform as a fundamental business that will continue to underpin the JSR Group's business by securing business revenues through constant business reforms in the commoditization of panels, as well as aiming to expand the product group surrounding mobile products, which are expected to continue to grow.

Although the life sciences business had been positioned as one of the strategic businesses of the Fine Chemicals and Other Products Business, it will be re-positioned as a new pillar of growth along with the fine chemicals business, in view of the achievements of business scale expansion. The JSR Group will newly establish the Life sciences Division and focus on the two areas of bioprocess and diagnostic & research drugs. Since the cutting-edge technologies and markets of these areas are mainly in the United States and Europe, the JSR Group's American officer will head the division and

supervise the global business, although the importance of the Japanese market will not change. In bioprocess materials, the JSR Group will make efforts to increase KBI's biopharmaceuticals contract development and manufacturing, for which demand is growing year by year, not only in the United States but also in Europe. In diagnostic & research drug materials, we will promote sales expansion overseas, building on the strength of MBL. We will also consider expanding into new areas for further business expansion.

In the LIC business, the JSR Group will focus its business targets on application areas where high-added value can be expected by making the most of LIC's characteristics of ultra-low resistance, high voltage, and high durability, in an effort to achieve profitability as early as possible.

<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 encourage individual people and organizations to act voluntarily while sharing the Group's targets and values. In addition to pursuing the penetration of the Group's Essential Elements and the enhancement of its corporate culture, the JSR Group will continuously implement measures for developing human resources with a global mind to strengthen its organizational capabilities. It will further promote diversity at work, in conjunction with the progress of globalization of businesses.

The JSR Group was selected as a "Nadeshiko Brand" for fiscal 2015; such brands are chosen by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to introduce listed companies that excel in promoting the participation of women in the workplace.

#### Corporate Governance

The JSR Corporation is a company with audit and supervisory board members, and has been striving to strengthen the function of management supervision of the Board of Directors and auditor and supervisory board members, enhance the promptness and efficiency of business execution, and improve the transparency and soundness of business management through measures such as the introduction of an officer system, the appointment of outside directors (three directors) and outside audit and supervisory board members (two members), who are independent of the company and have extensive business experience and a high level of expertise, the establishment of a Nomination Advisory Committee and a Remuneration Advisory Committee, the majority of whose members are independent outside directors, and the introduction of performance-based remuneration.

The JSR Group announced its basic views on corporate governance in October 2015. The Group will continue to strengthen and enhance its corporate governance, and continuously improve its corporate value to become an attractive corporation that can earn the trust of and satisfy the interests of all our stakeholders.

#### Corporate Social Responsibility (CSR)

The JSR Group aims to establish good relationships with our various stakeholders based on our Corporate Mission, and become a corporate citizen that is trusted and required. To that end, the Group will strive to resolve socially important issues by viewing business management to implement our Corporate Mission and corporate social responsibility (CSR) as one. The CSR Committee controls four activities—corporate ethics, responsible care, risk management, and social contribution—in promoting CSR. To be specific, it sorts its efforts into the three axes of environment (E), society (S), and governance (G), based on the perspectives of "offense (business strategy)" and "defense (business foundation)." From the "offense" perspective, the Group seeks to contribute to society through environment-conscious products such as S-SBR on the environment axis, and through products and services that are required by a sustainable society where people can enjoy health and longevity on the society axis. From the "defense" perspective, the Group will promote supply chain management and responsible care activities in each of the E, S, and G domains. As a member of the chemical industry,

the JSR Group recognizes that safety is a major premise for management, and will strive to raise the level of safety throughout the entire Group.

The JSR Group is committed to tackling and accomplishing the challenges addressed in the above by way of steadily carrying out its Mid-term Business Plan, “JSR20i6,” in its final year.

#### **4. Basic Approach to the Selection of Accounting Standards**

The JSR Group will optionally adopt the International Financial Reporting Standards (IFRS) starting from FY March 2018, when the next mid-term business plan is scheduled to start, in order to improve the international comparability of financial information in the capital market. Therefore, disclosure will be based on IFRS starting from the first three months of the fiscal year ending March 2018.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	47,984	52,081
Notes and accounts receivable - trade, net	83,122	77,878
Securities	67,997	60,010
Inventories	79,320	77,458
Other	40,971	33,104
Total current assets	319,396	300,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,896	34,809
Machinery, equipment and vehicles, net	41,581	37,058
Land	17,761	17,135
Construction in progress	14,055	17,944
Other, net	5,617	5,745
Total property, plant and equipment	115,913	112,693
Intangible assets		
Goodwill	6,479	9,788
Other	7,818	6,875
Total intangible assets	14,298	16,663
Investments and other assets		
Investment securities	74,509	67,877
Long-term loans receivable	1,517	5,894
Other	8,956	12,698
Total investments and other assets	84,983	86,470
Total non-current assets	215,195	215,827
Total assets	534,592	516,359

(Unit: million yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	72,441	53,836
Short-term loans payable	18,639	20,840
Other	35,245	34,646
Total current liabilities	126,327	109,322
Non-current liabilities		
Long-term loans payable	20,387	22,249
Net defined benefit liability	13,745	15,180
Other	9,458	7,254
Total non-current liabilities	43,591	44,683
<b>Total liabilities</b>	<b>169,918</b>	<b>154,005</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	23,320	23,320
Capital surplus	25,179	25,179
Retained earnings	291,151	281,877
Treasury shares	(15,329)	(956)
Total shareholders' equity	324,321	329,420
Accumulated other comprehensive income		
Unrealized gains on securities, net of taxes	19,257	15,231
Foreign currency translation adjustment	14,575	9,307
Remeasurements of defined benefit plans	148	(814)
Total accumulated other comprehensive income	33,981	23,724
Subscription rights to shares	852	930
Non-controlling interests	5,518	8,278
<b>Total net assets</b>	<b>364,673</b>	<b>362,353</b>
<b>Total liabilities and net assets</b>	<b>534,592</b>	<b>516,359</b>

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

### Consolidated Statements of Income

(Unit: million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	404,073	386,709
Cost of sales	300,303	280,175
Gross profit	103,769	106,533
Selling, general and administrative expenses		
Selling expenses	16,765	17,993
General and administrative expenses	48,935	54,131
Total selling, general and administrative expenses	65,701	72,125
Operating income	38,068	34,408
Non-operating income		
Interest income	241	237
Dividend income	1,149	1,142
Foreign exchange gains	3,021	–
Equity in earnings of affiliated companies	–	1,848
Other	1,380	1,565
Total non-operating income	5,792	4,794
Non-operating expenses		
Interest expenses	345	526
Foreign exchange losses	–	3,036
Equity in losses of affiliated companies	275	–
Other	1,630	2,005
Total non-operating expenses	2,251	5,568
Ordinary income	41,609	33,633
Extraordinary income		
Gain on sales of investment securities	–	633
Compensation income	1,895	–
Gain on step acquisitions	–	1,757
Gain on transfer from business divestitures	325	–
Total extraordinary income	2,220	2,391
Extraordinary losses		
Loss on valuation of investment securities	2,642	52
Impairment loss	–	7,539
Other	117	1,066
Total extraordinary losses	2,760	8,658
Profit before income taxes	41,068	27,366
Income taxes – current	11,201	5,073
Income taxes – deferred	702	(36)
Total income taxes	11,904	5,036
Profit	29,164	22,330
Loss attributable to non-controlling interests	(754)	(1,738)
Profit attributable to owners of parent	29,918	24,068

**Consolidated Statements of Comprehensive Income**

(Unit: million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	29,164	22,330
Other comprehensive income		
Unrealized gains on securities, net of taxes	7,718	(3,990)
Foreign currency translation adjustment	6,647	(4,319)
Remeasurements of defined benefit plans, net of tax	337	(907)
Share of other comprehensive income of entities accounted for using equity method	1,695	(1,187)
Total other comprehensive income	16,398	(10,404)
Comprehensive income	45,562	11,925
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,576	14,043
Comprehensive income attributable to non-controlling interests	(13)	(2,117)



**(3) Consolidated Statements of Changes in Net Assets**

Fiscal year ended March 31, 2015

(Unit : million 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)
Profit attributable to owners of parent			29,918		29,918
Purchase of treasury shares				(10,271)	(10,271)
Disposal of treasury shares		(0)	(5)	29	23
Retirement of treasury shares					–
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	Non-controlling 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)
Profit attributable to owners of parent				–			29,918
Purchase of treasury shares				–			(10,271)
Disposal of treasury shares				–			23
Retirement of treasury shares				–			–
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

Fiscal year ended March 31, 2016

(Unit : million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	23,320	25,179	291,151	(15,329)	324,321
Cumulative effects of changes in accounting policies					–
Restated balance	23,320	25,179	291,151	(15,329)	324,321
Changes of items during period					
Dividends of surplus			(10,241)		(10,241)
Profit attributable to owners of parent			24,068		24,068
Purchase of treasury shares				(8,997)	(8,997)
Disposal of treasury shares			(24)	51	27
Retirement of treasury shares			(23,318)	23,318	–
Change of scope of consolidation			242		242
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	–	(9,273)	14,372	5,099
Balance at end of current period	23,320	25,179	281,877	(956)	329,420

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling 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	19,257	14,575	148	33,981	852	5,518	364,673
Cumulative effects of changes in accounting policies							–
Restated balance	19,257	14,575	148	33,981	852	5,518	364,673
Changes of items during period							
Dividends of surplus				–			(10,241)
Profit attributable to owners of parent				–			24,068
Purchase of treasury shares				–			(8,997)
Disposal of treasury shares				–			27
Retirement of treasury shares				–			–
Change of scope of consolidation				–			242
Net changes of items other than shareholders' equity	(4,025)	(5,268)	(963)	(10,257)	77	2,760	(7,419)
Total changes of items during period	(4,025)	(5,268)	(963)	(10,257)	77	2,760	(2,320)
Balance at end of current period	15,231	9,307	(814)	23,724	930	8,278	362,353

**(4) Consolidated Statements of Cash Flows**

(Unit : million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	41,068	27,366
Depreciation	17,406	18,508
Interest and dividend income	(1,390)	(1,379)
Interest expenses	345	526
Equity in (earnings) losses of affiliated companies	275	(1,848)
Loss (gain) on step acquisitions	-	(1,757)
Compensation income	(1,895)	-
Impairment loss	-	7,539
Loss (gain) on sales of investment securities	-	(633)
Loss (gain) on valuation of investment securities	2,642	52
Decrease (increase) in notes and accounts receivable - trade	8,875	4,831
Decrease (increase) in inventories	2,661	1,677
Increase (decrease) in notes and accounts payable - trade	(15,565)	(17,159)
Other, net	6,333	18,994
Subtotal	60,759	56,717
Interest and dividend income received	1,825	1,962
Interest expenses paid	(319)	(341)
Proceeds from compensation	1,895	-
Income taxes paid	(12,680)	(10,209)
Net cash provided by (used in) operating activities	51,480	48,128
Cash flows from investing activities		
Decrease (increase) in time deposits	(11,547)	7,997
Net decrease (increase) in short-term investment securities	(2,000)	3,500
Purchase of non-current assets	(32,541)	(27,052)
Purchase of investment securities	(804)	(930)
Proceeds from sales of investment securities	102	1,285
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,743)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	3,954
Purchase of shares of subsidiaries and associates	(3,732)	(6,025)
Proceeds from sales of shares of subsidiaries and associates	-	779
Payments for investments in capital of subsidiaries and associates	-	(1,273)
Payments of loans receivable	(2,883)	(5,266)
Collection of loans receivable	3,071	3,113
Other, net	1,244	878
Net cash provided by (used in) investing activities	(54,835)	(19,038)

(Unit: million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	469	(2,767)
Repayments of long-term loans payable	(2,481)	(2,787)
Proceeds from long-term loans payable	9,102	7,372
Proceeds from share issuance to non-controlling shareholders	–	1,433
Purchase of treasury shares	(10,271)	(8,997)
Cash dividends paid	(9,136)	(10,241)
Dividends paid to non-controlling interests	(32)	(35)
Other, net	(8)	(235)
Net cash provided by (used in) financing activities	(12,358)	(16,260)
Effect of exchange rate change on cash and cash equivalents	2,006	(1,341)
Net increase (decrease) in cash and cash equivalents	(13,706)	11,488
Cash and cash equivalents at beginning of period	91,114	77,906
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	498	–
Cash and cash equivalents at end of period	77,906	89,394

**(5) Notes regarding Consolidated Financial Statements**  
**(Notes regarding Assumptions of Going Concern)**

Not applicable

**(Changes in Accounting Policies)**

(Application of accountings standards for business combinations)

Starting with the fiscal year ended March 31, 2016, JSR has applied the Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21 issued on September 13, 2013; hereinafter referred to as the “Business Combinations Accounting Standard”), the Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 issued on September 13, 2013; hereinafter referred to as the “Consolidation Accounting Standard”), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7 issued on September 13, 2013; hereinafter referred to as the “Business Divestitures Accounting Standard”), and other standards. Accordingly, the Company changed to a method whereby the Company records acquisition-related costs as expenses in the fiscal year of incurrence. With respect to business combinations to be implemented after the beginning of the fiscal year ended March 31, 2016, the Company changed to a method whereby revisions to the allocation of acquisition costs due to finalizing amounts from the provisional accounting treatments are reflected in the consolidated financial statements for the period in which the business combination was carried out. In addition, changes have been made to the presentation of “Net income” and other relevant items, and “Minority interest” has been changed to “Non-controlling interests.” Consolidated financial statements for the previous fiscal year have been reclassified to reflect these changes.

The Business Combinations Accounting Standard and other standards are applied transitionally as provided for in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidation Accounting Standard, and Paragraph 57-4 (4) of the Business Divestitures Accounting Standard, and are applied prospectively from the beginning of the fiscal year ended March 31, 2016.

The effect of this change on consolidated financial statements is negligible.

In the consolidated statements of cash flows for the fiscal year ended March 31, 2016, cash flows pertaining to costs that were incurred in relation to costs related to the acquisition of subsidiary shares due to changes in the scope of consolidation are stated in the “Cash flows from operating activities” segment.

This will have no effect on the year-end balance of capital surplus of the consolidated statement of changes in equity for the fiscal year ended March 31, 2016.

In addition, the effect on net assets per share, earnings per share, and diluted earnings per share for the fiscal year ended March 31, 2016 is negligible.

**(Segment Information, etc.)**

## [Segment Information]

## 1. Overview of reporting segments

JSR's reporting 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 at 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 reporting 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 conduct 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>&lt;Semiconductor Materials&gt; Lithography materials (photoresists, multilayer materials), CMP materials, packaging materials, etc.</p> <p>&lt;Display Materials&gt; Materials for color LCDs, anti-reflection coatings, functional coating materials, etc.</p> <p>&lt;Optical Materials&gt; Heat-resistant transparent resin and functional films, coating materials for optical fibers, photo fabrication and photo molding systems, etc.</p> <p>&lt;Strategic Business and Others&gt; Life Sciences (materials for diagnostic reagents, bio- process materials), Lithium Ion Capacitor, etc.</p>

## 2. Methods of calculating the amount of net sales, profit or loss, assets, liabilities and other items by reporting segment

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

Figures for income of the reporting segments are on an operating income basis. Inter-segment sales and transfers are based on prevailing market prices.

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

## FY March 2016 (April 1, 2015 to March 31, 2016)

(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	179,252	52,206	155,249	386,709	-	386,709
Inter-segment sales or transfer	3,733	-	-	3,733	(3,733)	-
Total	182,986	52,206	155,249	390,443	(3,733)	386,709
Segment income (Operating income)	7,491	5,113	21,802	34,408	-	34,408
Segment assets	221,028	32,842	156,412	410,283	106,075	516,359
Other items						
Depreciation and amortization	7,661	1,051	9,795	18,508	-	18,508
Increase in property, plant and equipment and intangible assets	15,278	837	8,160	24,276	-	24,276

4. The difference between the total amount in the reporting segments and the amount posted in the consolidated financial statements, and the key details of said difference (matters related to the adjustment of differences)

The total amount of profits of the reporting segments coincides with the operating income of the consolidated statements of income.

In addition, since the total amount of assets of the reporting segments does not coincide with the total assets of the consolidated balance sheet, the 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 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 more than 10% of net sales on the consolidated statements of income, information by major customer is omitted.

FY March 2016 (April 1, 2015 to March 31, 2016)

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
171,643	41,156	48,156	125,753	386,709

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

(2) Property, plant and equipment

(Unit: million yen)

Japan	South Korea	Other regions	Total
72,549	27,193	12,950	112,693



## 3. Information by major customer

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

[Information on impairment loss on non-current assets by reporting segment]

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

Not applicable.

FY March 2016 (April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total
Impairment loss	-	-	7,539	7,539

[Information on amortization of goodwill and unamortized balance by reporting segment]

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

FY March 2016 (April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Elastomers Business	Plastics Business	Fine Chemicals and Other Products Business	Total
Amortization for FY March 2016	-	44	400	445
Balance at the end of FY March 2016	-	584	9,203	9,788

[Information on gain on negative goodwill by reporting segment]

Not applicable.

**(Per Share Information)**

	FY March 2015 (As of March 31, 2015)	FY March 2016 (As of March 31, 2016)
Net assets per share	1,557.08 yen	1,565.45 yen
Net income per share, basic	128.19 yen	105.87 yen
Net income per share, diluted	127.87 yen	105.60 yen

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

	FY March 2015 (As of March 31, 2015)	FY March 2016 (As of March 31, 2016)
Total net assets (million yen)	364,673	362,353
Amounts deducted from total net assets (million yen)	6,371	9,208
(Of which subscription rights to shares (million yen))	(852)	(930)
(Of which minority interests (million yen))	(5,518)	(8,278)
Net assets at the end of the fiscal year attributable to common stock (million yen)	358,302	353,144
Number of common stock at the end of the fiscal year used for calculating net assets per share (1,000 shares)	230,111	225,586

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

	FY March 2015 (As of March 31, 2015)	FY March 2016 (As of March 31, 2016)
Net income per share, basic		
Net income (million yen)	29,918	24,068
Net income not attributable to common stock shareholders (million yen)	—	—
Net income attributable to common stock (million yen)	29,918	24,068
Average shares outstanding during the year (1,000 shares)	233,385	227,345
Net income per share, diluted		
Net income adjustment (million yen)	—	—
Increase in common stock (1,000 shares)	591	584
(Of which subscription rights to shares (1,000 shares))	(591)	(584)
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.