

## NEW MID-TERM BUSINESS PLAN—PETROCHEMICAL PRODUCTS BUSINESS

Set up a dependable global supply structure for S-SBR and firmly establish a position as the share leader in the S-SBR market.

### JSR20i3 Results

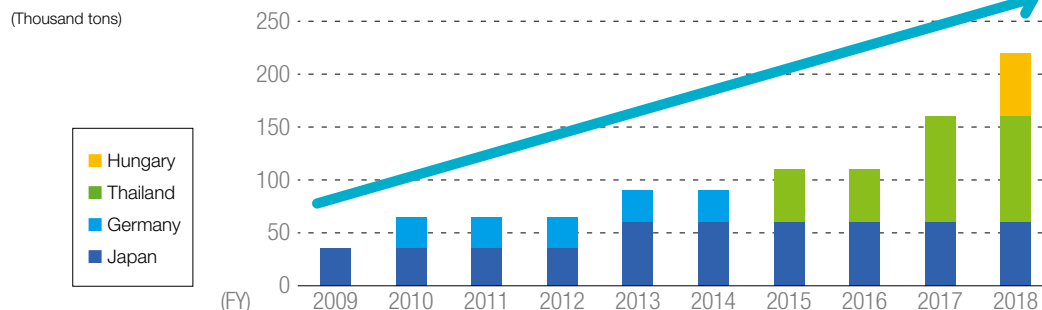
- Furthered global development of the S-SBR business.
- Increased resistance to and the ability to cope with volatility from lowering of the break-even point.

### JSR20i6 Strategies

- Maximize capacity utilization at the S-SBR plant in Thailand.
- Continue quality differentiation, ensuring share in high-end market.
- Achieve record-high operating income by implementing a highly profitable business model.
- Establish a global supply structure by ensuring a smooth start for the plant construction in Hungary.

### Forecast of JSR's S-SBR Production Capacity

Production capacity of 200,000 tons or more in March 2018 and experience of manufacturing middle-end products.



Now that JSR BST Elastomer Co., Ltd. (JBE) in Thailand, a joint venture, has started full-scale plant operation, the JSR Group is working to steadily and surely capture expanding demand for Solution polymerization Styrene-Butadiene Rubber (S-SBR) products for fuel-efficient tires. By undertaking sales expansion to enable the plant to operate at its full annual capacity of 50,000 tons and smoothly implementing the second phase of plant construction, we aim to set a new earnings record by fiscal 2017 by maximizing revenue and profit from the Petrochemical Products Business and further lowering the break-even point. In addition, to cope with further demand expansion, we started plant construction at JSR MOL Synthetic Rubber Ltd., a joint venture company established in Hungary, and aim to complete the plant start-up on schedule. Since preparation is underway for the manufacture of S-SBR in Europe, we have terminated the capacity rights agreement with Styron Europe GmbH for the manufacture of 30,000

tons of S-SBR per year. Although an increase in supply capacity at synthetic rubber producers is expected to result in excess supply of S-SBR from 2014 into 2015, we will build long-term relationships of trust with customers who do business globally even as we increase production capacity by establishing a global supply structure with production bases in Japan, Thailand, and Hungary. Furthermore, we aim to overcome the soft supply-demand situation and become the global S-SBR market share leader by continuing to achieve quality differentiation through a focus on high-end S-SBR products, not commoditized products.

## NEW MID-TERM BUSINESS PLAN—FINE CHEMICALS BUSINESS

Maximize revenue and profit by further increasing market share of semiconductor materials and FPD materials and expanding the Group's product portfolio.

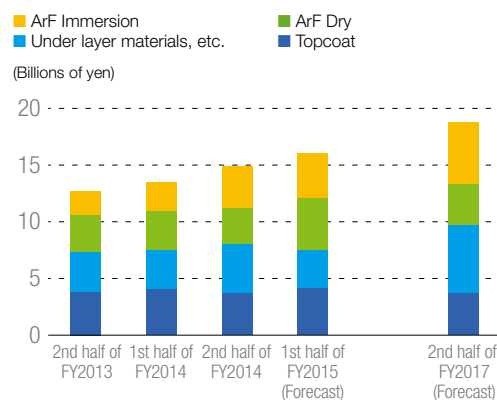
### JSR20i3 Results

- Captured high share of photoresists for the 20nm-generation node of semiconductors.
- In the FPD Materials business, set up full-function operations in South Korea and Taiwan and boosted competitiveness in the East Asia.
- Explored new business fields in the Fine Chemicals business.

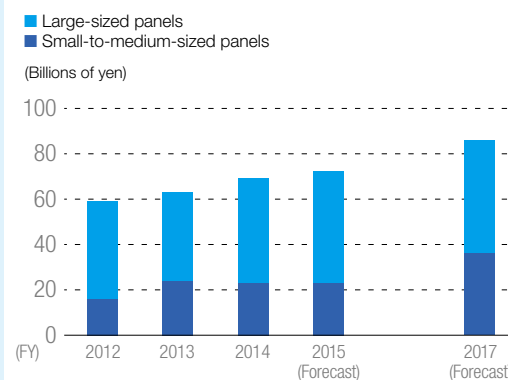
### JSR20i6 Strategies

- Steadily increase market share of advanced materials and earnings.
- Obtain adoptions for 14nm and later generation semiconductor materials.
- Increase adoptions of materials for mobile products.
- Expand the Group's product portfolio in the digital industry.
- Concentrate R&D function and production of semiconductor materials at the Yokkaichi Plant and that of FPD materials in South Korea and Taiwan.

### Sales of Lithography Materials



### Sales of FPD materials



### Semiconductor Materials

We are working to increase sales of lithography materials, a field in which we enjoy high market share of leading-edge 20nm-generation products, and engage in development of next-generation 14nm materials to continue to secure high share. Since customers' quality requirements are more strict for semiconductor materials, we are intensively investing in the Yokkaichi Plant to produce materials previously produced globally and optimize the business functions from R&D to production systems. In this way, we are reliably meeting customer requirements by rigorously engaging in manufacturing control and quality control.

### FPD Materials

There is a long-term trend of shifting FPD production to East Asia, and we are concentrating all business functions from research to manufacturing in

East Asia. We are pursuing share expansion in growth markets by boosting the competitiveness of materials for large panels by means of competitive cost, very high quality and development of a technical service structure. We are expanding and upgrading the product portfolio of high-performance materials for small-to-medium size panels and increase sales by introducing new products.

### Business Field Expansion

The spread of the so-called "Internet of Things" (IoT) in the digital industry has ushered in an era in which people and things are linked by the Internet, and JSR believes that sensors will present a lot of opportunities. We will add to our existing line of products that support the digital industry and expand and upgrade the product portfolio by focusing on the sensors field.

## NEW MID-TERM BUSINESS PLAN—STRATEGIC BUSINESSES

Intensively invest in the Life Sciences business and Lithium Ion Capacitor business as Strategic businesses and undertake business expansion to develop these businesses into a third business pillar.

### JSR20i3 Results

- Accelerated business development in the Life Sciences business through M&A activities and alliances.
- Established JSR Life Sciences Corporation (JLS).
- Invested in MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. (MBL).
- Decided to construct an additional, high-volume plant for LIC.
- Commenced Corporate Venture Capital activities.

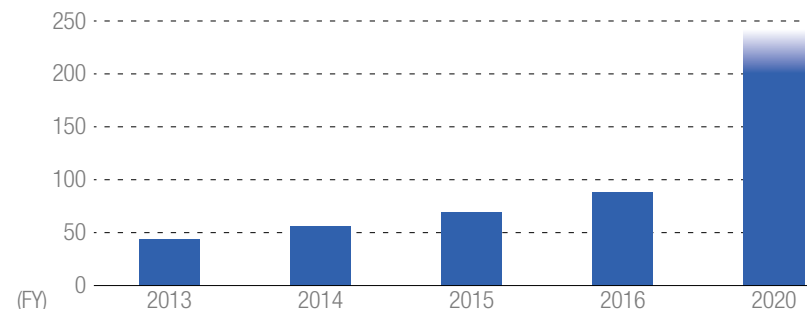
### JSR20i6 Strategies

- Expand the Life Sciences business through cooperation with MBL.
- Prepare for full-scale operation of the Lithium Ion Capacitor business by starting up a high-volume production plant.

### Estimated Market Size for Large-Capacity Capacitors

Our market-share target: more than 20% in 2020

(Billions of yen)



### Life Sciences Business

This business consists of three pillars: 1) diagnostics and other materials for life science research, including reagents used in research of active pharmaceutical ingredients, 2) bioprocess materials used in purification processes for antibody drugs, and 3) medical polymers, ingredients in medical gloves and poultices. JSR Group is expanding the global sales structure dominated by JSR Life Sciences Corporation, which collaborates with JSR Micro, Inc. and JSR Micro N.V. in Europe, and J and W Beijing Biotech Co., Ltd., in China. We are also expanding into the field of advanced diagnostics and development reagents through alliances such as with Medical & Biological Laboratories Co., Ltd. (MBL), which has proprietary technologies and sales channels.

### Lithium Ion Capacitor Business

Expansion of application of LICs into various fields is expected, and we have established a track record as a frontrunner in the market. As these materials have come into use in hybrid buses, construction machinery, and health-care applications, we have stayed ahead of competitors in improving the performance balance of ultralow resistance, high voltage, and high durability. We will expand sales with a new plant for high-volume production of compact products, scheduled for 2015. The market for large-capacity capacitors is expected to reach ¥200 billion by 2020, and we aim to capture market share of more than 20%. Furthermore, we are pursuing business scale expansion by developing a highly profitable business model.