

ELASTOMERS BUSINESS

Performance Overview

Revenue

197.4 billion yen
↑ +6.5%

Operating Profit

14.9 billion yen
↑ +69.0%

- Production of automobile tires increased year on year in China and elsewhere in Asia, as well as in Europe, but remained mostly unchanged in Japan.
- In the Elastomers Business segment, the sales volume declined slightly from the previous year, when exports had been healthy.
- Segment revenue increased year on year thanks to our revision of sales prices to reflect butadiene prices, which surged in the fourth quarter of the previous year.
- Segment operating profit also rose significantly year on year. This was due to improved profitability stemming from the sales price revision, as well as growth in the sales volume of SSBR for fuel-efficient tires at JSR BST Elastomer Co., Ltd. (JBE), our joint venture in Thailand, where second-phase facilities went into operation.

Three-pronged SSBR Supply System; Tire-related Solutions

The SSBR market is expected to grow 6–7% annually as rising environmental awareness bolsters demand for fuel-efficient tires. Currently, we have a total SSBR production capacity of 160,000 tons (Thailand and Japan combined), but we will raise this to 220,000 tons when we commission a new factory in Hungary in fiscal 2018. By expanding sales of SSBR globally, we will target annual growth in sales volume of 10% or more, which is higher than the market growth rate.

Meanwhile, to strengthen sales in Europe, where demand is expected to grow, we established JSR Elastomer Europe GmbH in Germany, and in Tianjin, China, we established Tianjin Technology Center to provide technical support with close ties to customers. The spread of electric cars and the like is giving rise to growing technical needs for high-performance tires. For example, electric vehicles require tires with high abrasion resistance. In response, we will offer tire-related solutions that combine our comprehensive know-how and processing technologies, in addition to providing materials.

Expansion of SSBR Production Capacity

