

## DIGITAL SOLUTIONS BUSINESS

### Performance Overview

Revenue

**172.4** billion yen  
↑ +9.8%

Operating Profit

**23.1** billion yen  
↓ -0.7%

- Segment revenue increased year on year, but operating profit remained mostly unchanged.

### Semiconductor Materials

#### Performance Overview

Revenue

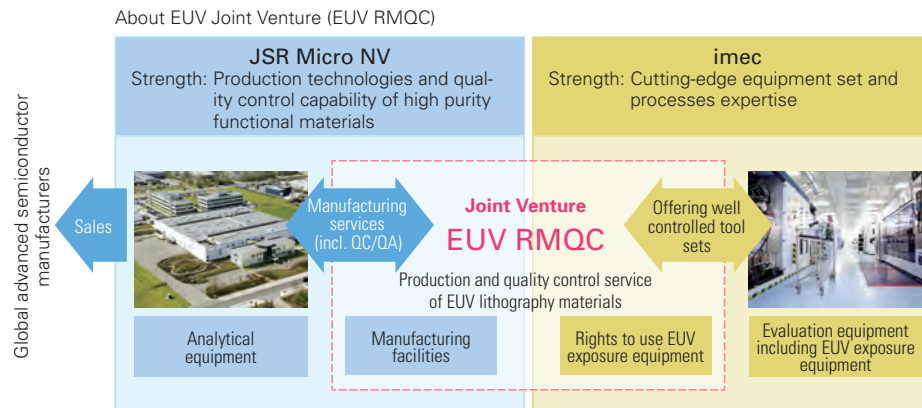
**75.4** billion yen  
↑ +21.3%

- The Semiconductor Materials Business saw dramatic growth in revenue. In addition to particularly favorable growth in semiconductor demand, this was due to higher volume of sales to the segment's main customers, especially for cutting-edge photoresists, as well as increased sales volume for semiconductor peripheral materials, such as CMP materials, cleaning solutions, and packaging materials.

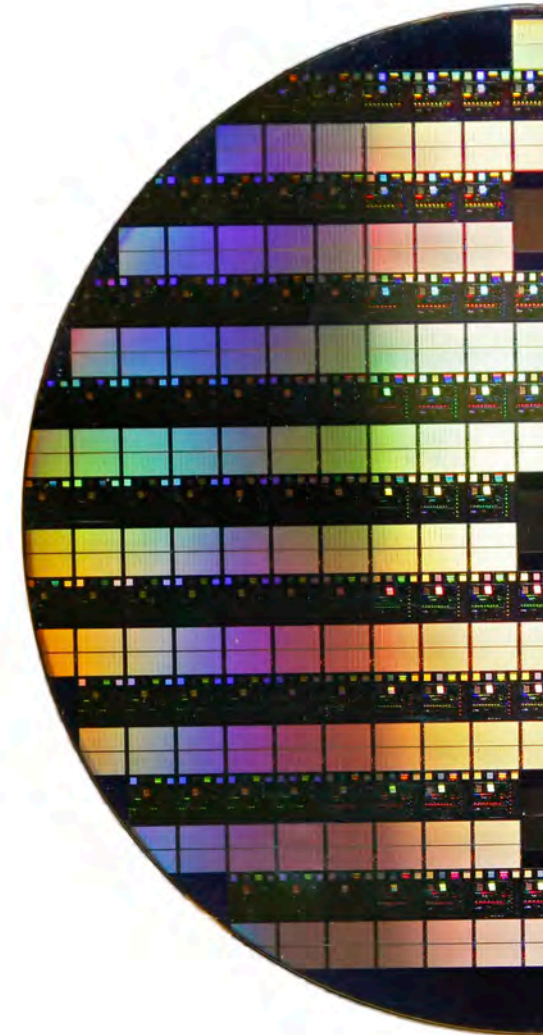
### Seeking Top-runner Status in the EUV Sector

We work to maintain the industry top-runner status by securing a high global market share in the field of cutting-edge lithography materials including 10nm generations and engaging in commercial production of EUV lithography materials for next 7nm generations and beyond. In addition, we continuously expand sales of the peripheral materials, such as CMP materials, cleaning solutions and packaging materials.

In March 2017, the production facilities of EUV Resist Manufacturing & Qualification Center N.V. (EUV RMQC) was completed. EUV RMQC is a joint venture with imec, a world-leading research institute for research on cutting-edge nanoelectronics technology in Belgium, providing manufacturing and quality control services of EUV lithography materials. In order to contribute the industry for practical use of EUV lithography, JSR will push forward with its stable commercial production of EUV photoresists through evaluation by the segment's main customers.



Build infrastructure of production and quality control facility of EUV lithography materials to the semiconductor industry for advanced devices.



## DIGITAL SOLUTIONS BUSINESS

### Display Materials

#### Performance Overview

Revenue

**54.1** billion yen

↓ -4.7%

- We achieved an increase in sales volume in China, where panel production rose dramatically, although prices declined due to competition pressures and the overall sales volume was also down.

### Development of the Display Business in the Chinese Market

In the Display Materials Business, we entered China, where LCD panel production is expanding rapidly, and relocated the operating body from our head office (Japan) to there. We also strengthened our sales and technical service systems with the establishment of sales bases in Beijing, Hefei, Chongqing, Fuzhou, and Shenzhen. We particularly focused on sales expansion of alignment films and insulating films, achieving an increased market share, and a new factory built for JSR Micro (Changshu) Co., Ltd. started operations during fiscal 2017. We will continue restructuring our business while targeting further sales expansion in the Chinese market.

