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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (under IFRS)

April 27, 2020

Company name: JSR Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 4185  
 URL: <https://www.jsr.co.jp/>  
 Representative: Eric Johnson, Representative Director, CEO  
 Inquiries: Hiroaki Mukai, General Manager of Corporate Communications Department  
 TEL: +81-3-6218-3517

Scheduled date of ordinary general shareholders meeting: June 17, 2020  
 Scheduled date to commence dividend payments: June 18, 2020  
 Scheduled date to file annual securities report: June 17, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded, unless otherwise noted)

### 1. Consolidated financial results for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	471,967	(4.7)	32,884	(27.3)	32,629	(29.7)	26,022	(22.5)
March 31, 2019	495,354	-	45,261	-	46,408	-	33,586	-

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2020	22,604	(27.4)	20,136	(28.5)	104.38	104.19
March 31, 2019	31,116	-	28,151	-	140.62	140.27

	Return on equity	Return on assets	Operating profit ratio
Fiscal year ended	%	%	%
March 31, 2020	5.7	4.8	7.0
March 31, 2019	7.8	6.7	9.1

(Reference) Share of profit of investments accounted for using equity method

64 million yen for fiscal year ended March 31, 2020    533 million yen for fiscal year ended March 31, 2019

#### \* Note

The group has classified the Lithium-ion capacitor business as discontinued operations from the current fiscal year. In the Consolidated Statement of Profit or Loss, the group has presented profit or loss from discontinued operations separately from continuing operations, and revenue, operating profit and profit before tax are presented for the amount of continuing operations. The Group also has reclassified and presented that for FY ended March 2019 similarly, so the percentages indicate year-on-year changes have been omitted.

### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2020	677,713	437,412	396,793	58.5	1,848.01
March 31, 2019	691,435	440,360	401,998	58.1	1,823.69

### (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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of Yen
March 31, 2020	54,228	(35,592)	(25,264)	61,931
March 31, 2019	30,940	(66,266)	(18,966)	70,785

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2019	—	30.00	—	30.00	60.00	13,223	42.7	3.3
Fiscal year ended March 31, 2020	—	30.00	—	30.00	60.00	12,883	57.5	3.3
Fiscal year ending March 31, 2021 (Forecast)	—	30.00	—	30.00	60.00		85.9	

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2021	423,000	(10.4)	23,000	(30.1)	22,500	(31.0)	16,500	(36.6)	15,000	(33.6)	69.86

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- Changes in accounting policies required by IFRS: Yes
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of March 31, 2020	226,126,145 shares
As of March 31, 2019	226,126,145 shares

b. Number of treasury shares at the end of the period

As of March 31, 2020	11,412,308 shares
As of March 31, 2019	5,694,949 shares

c. Average number of shares during the period

For the fiscal year ended March 31, 2020	216,545,402 shares
For the fiscal year ended March 31, 2019	221,276,237 shares

(Reference) Summary of Non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2020  
(from April 1, 2019 to March 31, 2020)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	225,156	(8.2)	11,731	(43.7)	19,426	(41.2)	22,912	(12.3)
March 31, 2019	245,372	2.0	20,848	(24.1)	33,029	(21.4)	26,132	(21.6)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2020	105.81	105.61
March 31, 2019	118.10	117.81

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2020	403,457	308,871	76.4	1,436.22
March 31, 2019	435,053	318,071	73.0	1,439.92

(Reference) Equity 308,376 million yen as of March 31, 2020 317,402 million yen as of March 31, 2019

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

*Caution regarding forward-looking statements*

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors.

*How to obtain supplementary material on financial results*

The material on financial results is available on the Company's website on Monday, April 27, 2020.

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## 1. Review of Operating Results

### (1) Overview of Operating Results for FY ended March 2020

#### (General Review)

In FY ended March 2020 (April 1, 2019 to March 31, 2020), among the JSR Group's main customer industries, global automobile production fell from the previous fiscal year, reflecting the growing economic slowdown among East Asia nations and other factors. Automobile production in China had been emerging from a first-half slump starting in December. However, it has been dropped substantially down 12% in December and down 80% in February from the previous fiscal year due to the impact of the spread of COVID-19 infections. The global automobile production was lower year-on-year as automobile production in other regions has also been impacted by the spread of COVID-19 infections and related factors. Automobile tire production was also down year-on-year, as it has been hit by the decline in automobile production and other factors. In the semiconductor market, memory devices continued at a sluggish pace due to the lingering impact of price levels that had tumbled in the second half of the previous fiscal year, whereas logic devices have been on a recovery path since the first half. As overall display market demand, particularly for wide-screen TV LCD panels, has waned, operational adjustments, including abandonment of production by some customers, were implemented from the 3rd quarter onward. As for the exchange rate, the yen appreciated slightly against the dollar year-on-year.

Amid these circumstances, the JSR Group's Elastomers Business saw lower revenue compared to the previous fiscal year, due to a decline in sales volume because of slackening demand, especially for automobile tires, and falling sales prices caused by worsening raw-material market conditions. The segment posted an operating loss, as a result of the revenue decline, worsening buy-sell spreads, and the downward adjustment of some fixed assets made in the 4th quarter.

The Plastics Business recorded lower revenue and lower operating profit compared to the previous fiscal year, due to a contraction in buy-sell spreads caused by slumping raw-material market conditions, in addition to declines in sales volume, both domestically and overseas, primarily to the automobile market.

In the Digital Solutions Business, the Semiconductor Materials Business recorded higher revenue over the previous fiscal year on the back of strong sales especially in advanced photoresists as well as continued sales expansion among cleaning solutions and packaging materials and wider sales of EUV photoresists. Display Materials Business revenue fell because of operational adjustments brought on by worsening demand and drops in sales prices. Consequently, the Digital Solutions Business posted an overall gain in revenue against a decline in operating profit.

The Life Sciences Business reported higher revenue and significantly higher operating profit compared to the previous fiscal year. The gains were the result of an increase in new contracts by the drug contract development and manufacturing organization (CDMO) business, led by the Group companies KBI Biopharma, Inc. (KBI) and Selexis SA (Selexis), favorable progress by the drug contract research organization (CRO) business provided by Crown Bioscience International (Crown Bio), and strong performance by diagnostic reagent materials and bioprocess materials.

As a result, the Group reported revenue of 471,967 million yen (down 4.7% year-on-year), operating profit of 32,884 million yen (down 27.3% year-on-year), and profit attributable to owners of parent of 22,590 million yen (down 27.4% year-on-year).

With the transfer of JM Energy Corporation shares on April 1, 2020, the lithium-ion capacitor business has been classified as a discontinued operation. Consequently, revenue, operating profit or loss, and other line items will be accounted for as sums of continuing operations and the previous consolidated accounting period will be similarly reclassified for the purpose of comparisons.

(Millions of yen)

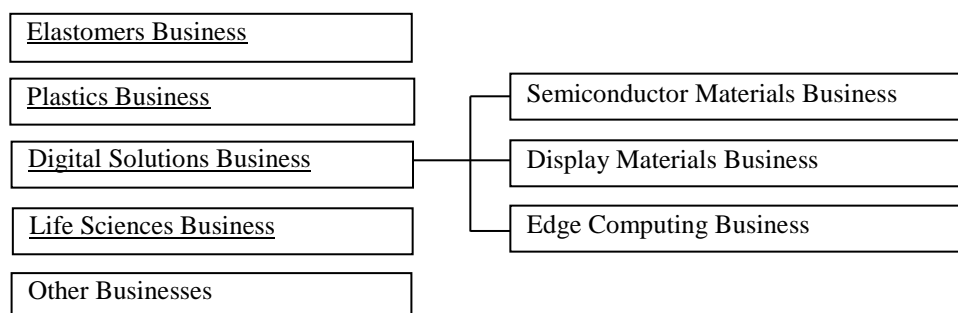
Segment	FY ended March 2019		FY ended March 2020		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage
Revenue						
Elastomers	200,736	40.5%	178,794	37.9%	(21,942)	(10.9%)
Plastics	105,446	21.3%	95,092	20.1%	(10,354)	(9.8%)
Digital Solutions	142,216	28.7%	144,805	30.7%	2,589	1.8%
Life Sciences	43,872	8.9%	50,496	10.7%	6,624	15.1%
Other	3,083	0.6%	2,779	0.6%	(303)	(9.8%)
Adjustment	1	0.0%	0	0.0%	(1)	(93.7%)
Total	495,354	100.0%	471,967	100.0%	(23,388)	(4.7%)

Revenue in Japan	220,288	44.5%	198,238	42.0%	(22,049)	(10.0%)
Overseas revenue	275,067	55.5%	273,729	58.0%	(1,338)	(0.5%)

Segment	FY ended March 2019		FY ended March 2020		Change	
	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage
Operating profit	45,261	9.1%	32,884	7.0%	(12,377)	(27.3%)
Profit attributable to owners of parent	31,116	6.3%	22,604	4.8%	(8,512)	(27.4%)

## (Business Segment Overview)

The JSR Group's business is classified into four reportable segments: Elastomers, Plastics, Digital Solutions, and Life Sciences. The reportable segments are positioned as shown below.



## &lt;Elastomers Business Segment&gt;

Global production of automobile tires, one of the segment's main customer industries, remained weak year-on-year, due to a decline in automobile production, particularly in China, compounded by temporary production stoppages or reductions at tire-maker plants in Europe and elsewhere as a consequence of the impact of the spread of COVID-19 infections since January.

Amid these circumstances, the sales volume of solution styrene-butadiene rubber (SSBR), positioned by JSR as a strategic product, improved over the previous fiscal year, despite a year-on-year decline in worldwide tire production volume. Nevertheless, the segment recorded lower revenue compared to the previous fiscal year, as the segment's overall sales volume was sluggish and sales prices slid because of a deterioration in raw-material market conditions. The segment posted an operating loss for the full term as a result of the revenue decline, narrower buy-sell spreads, and the downward adjustment of some fixed assets made in the 4th quarter.

Consequently, the Elastomers Business segment posted an operating loss of 1,758 million yen, versus an operating profit of 7,421 million yen in the previous fiscal year, on revenue of 178,794 million yen (down 10.9% year-on-year).

## &lt;Plastics Business Segment&gt;

In addition to sluggish performance, especially outside of Japan, in the automobile industry, one of the Plastics Business segment's main customer industries, the segment's sales volume was pushed down by the impact of COVID-19 in the 4th quarter and sales prices fell due to a deterioration in raw-material market conditions. These factors caused revenue to decrease from the previous fiscal year, and the decline in revenue together with lower buy-sell spreads led to a lower operating profit.

As a result, the Plastics Business segment posted an operating profit of 6,237 million yen (down 32.3% year-on-year) on revenue of 95,092 million yen (down 9.8% year-on-year).

## &lt;Digital Solutions Business Segment&gt;

In the Semiconductor Materials Business, memory devices continued at a sluggish pace, whereas logic devices have been on a recovery path since the first half. In addition to strong sales, particularly for cutting-edge photoresists, expanded sales of new products such as EUV resists and cleaning solutions and the Chinese market growth particularly for packaging materials pushed revenue higher compared to the previous fiscal year. The Semiconductor Materials Business was not affected by COVID-19. In the Display Materials Business, alignment films and insulating films for wide-screen TV LCD panels destined for China saw their sales volume expand. Nevertheless, the business posted lower revenue due to the impact of operational adjustments, including withdraws of production by some customers, amid the shift to China of LC display production. The Edge Computing Business expanded sales of near-infrared (NIR). The Semiconductor Materials Business secured a higher operating profit despite rising expenses accompanying expanded sales of cleaning solutions, whereas the Display Materials Business, hit by lower revenue, reported a lower operating profit.

Consequently, the Digital Solutions Business segment posted an operating profit of 30,917 million yen (down 5.3% year-on-year) on revenue of 144,805 million yen (up 1.8% year-on-year).

#### <Life Sciences Business Segment>

The Life Sciences Business segment saw stable revenue growth on the back of favorable progress by the CDMO business, led by the Group companies KBI and Selexis, and in the CRO business of Crown Bio, which became a wholly owned subsidiary in May 2018. Sales of diagnostic reagent materials, bioprocess materials, and other products also climbed. Medical & Biological Laboratories Co., Ltd.'s diagnostic reagent business grew steadily, contributing to overall higher revenue from the previous fiscal year. The segment saw a substantial jump in operating profit thanks to expanded revenue as well as realizing benefits from business restructuring undertaken in the previous fiscal year.

As a result, the Life Sciences Business segment posted an operating profit of 3,594 million yen (up 360.4% year-on-year) on revenue of 50,496 million yen (up 15.1% year-on-year).

### (2) Overview of Financial Position for FY ended March 2020

Total assets as of March 31, 2020 amounted to 677,713 million yen, down 13,722 million yen from a year earlier.

Current assets totaled 303,475 million yen, down 35,508 million yen, due to a decline in trade receivables.

Non-current assets totaled 374,238 million yen, up 21,787 million yen, primarily due to an increase in property, plant and equipment associated with plant expansion.

Total liabilities amounted to 240,301 million yen, down 10,774 million yen from a year earlier, due to a decline in trade payables.

In terms of equity, total equity attributable to owners of parent amounted to 396,793 million yen, down 5,206 million yen, due to a decrease in purchase of treasury shares. Total equity, including non-controlling interests, amounted to 437,412 million yen, down 2,948 million yen.

### (3) Overview of Cash Flows for FY ended March 2020

Cash and cash equivalents ("funds") as of March 31, 2020 stood at 61,931 million yen, down 8,854 million yen from a year earlier.

Net cash provided by operating activities amounted to 54,228 million yen, up 23,288 million yen from the previous year. The main factors included profit before tax of 32,629 million, depreciation expenses and depreciation charges of 26,359 million yen, and income taxes paid of 12,773 million yen.

Net cash used in investing activities totaled 35,592 million yen, down 30,674 million yen from the previous year. The main items were 43,951 million yen in payments for purchase of property, plant and equipment associated with plant expansion and 15,449 million yen in proceeds from sale of investments.

Net cash used in financing activities totaled 25,264 million yen, up 6,298 million yen from the previous year. The main items were 13,052 million yen in dividends paid and 10,002 million yen in payments for purchase of treasury shares.

The Group formulates a funding plan based on the annual business plan and controls liquidity risk in consideration of an appropriate balance of direct and indirect funding, as well as short-term and long-term funding.

### (4) Business Outlook

Signs were seen in FY 2019 of a worldwide economic recession, in spite of the favorable U.S. economy, because of the economic slowdown in China, the intensification of U.S.-China trade war, the rise of protectionism, and other factors. These signs were compounded by the new risks posed by a freeze in global economic activities due to the COVID-19 pandemic that broke out in the second half of February and the risk of the oil crisis triggering an



abnormal slump in the petrochemicals product market, making future prospects more unclear than ever before. The underlying situation in the Group's main customer industries is as follows: however, there remain further material risks for JSR's business performance that hinge on the recovery from the COVID-19 pandemic, depressed prices in the petrochemicals market, and the economic recovery policies of the world's central banks and governments. Global production of automobiles is expected to decline considerably from the previous year due to the effects of the COVID-19 pandemic. Automobile tire production is also anticipated to decline considerably from the previous year due to sluggish worldwide business conditions and the suspension of operations by some automobile tire plants since the beginning of the year.

Amid this business landscape, JSR will endeavor to cut business costs to guard against the risk of declining sales due to economic activity stagnation and low demand. In the Elastomers Business, attention will focus on lowering manufacturing costs and executing appropriate inventory control, with a commitment to maintaining industrial safety and stable operations. In the Display Materials Business, JSR will revise production and supply chains in response to structural changes in customer industries. At the same time, to create an organizational structure having both sustainability and resilience, the company will continue proactive R&D and resolute business investments in the growing Semiconductor Materials Business and Life Sciences Business toward further strengthening of its business structure and management framework.

In the Elastomers Business, the Group will push forward with global sales expansion of SSBR for high-performance tires, whose demand is expected to grow over the long term. SSBR production is slated to begin in FY 2020 at JSR MOL Synthetic Rubber Ltd., a joint venture set up in Hungary, which will complete a system enabling the Group to supply SSBR globally from three sites in Japan, Thailand, and Hungary. Furthermore, the Group is devoted to expanding the Elastomers Business through the development and expanded sales of new products meeting new needs, such as tires for EVs that require increased wear resistance and high-performance all-season tires offering improved fuel economy. A key new product that went on sale last year is new SBR, which provides outstanding strength, wear resistance, and durability.

The Group will work to expand the Plastics Business by enlarging sales, particularly in overseas markets, of distinctive, differentiated products, such as HUSHLLOY® anti-squeak material and PLATZON® plating material, that address productivity innovations and higher quality levels in the automobile industry.

In the Digital Solution Business, the Group will be focusing in the Semiconductor Materials Business as before on maintaining and expanding its share in the global lithography materials market, including EUV photoresists that are intended primarily for state-of-the-art processes, and on expanding the sales volume of semiconductor peripheral materials, such as packaging materials, cleaning solutions, and CMP materials. The Group is currently constructing a plant for functional cleaning solutions for state-of-the-art semiconductors in the U.S., with the aim of launching operations in FY 2020. In the Display Materials Business, the Group will push for greater sales, especially of its competitive alignment films and insulating films for wide-screen TV LCD panels, in the China market where continued growth in the LCD panel market is anticipated. The Group will work to expand the Edge Computing Business by, for example, further expanding sales of NIR filters used chiefly in small smartphone cameras.

In the Life Sciences Business, the Group aims to further increase sales and profit through more new contracts in the CDMO business provided by KBI and Selexis and widening the pipeline for Crown Bio's CRO business. Business expansion will proceed through Group unification, bringing together expanded global adoption of diagnostic reagent materials and bioprocess materials, stable growth of the diagnostic reagent business at Medical & Biological Laboratories Co., Ltd., and research activities at the JSR-Keio University Medical and Chemical Innovation Center (JKiC).

For FY ending March 2021, JSR forecasts revenue of 423,000 million yen (down 10.4 percent year-on-year), operating profit of 23,000 million yen (down 30.1 percent year-on-year), and profit for the year attributable to owners of parent of 15,000 million yen (down 33.6 percent year-on-year). These forecasts assume the average exchange rate in FY 2019 of 109 yen per U.S. dollar, as the future outlook for the exchange rate is uncertain. The earnings forecast above has been prepared factoring in the risk of sales declines in each business from current demand forecasts, given that the timing of the COVID-19 pandemic recovery is unknown. Actual business performance may vary substantially due to future developments in the state of the COVID-19 pandemic, social conditions, and economic conditions. JSR will promptly disclose revisions to the earnings forecast, should they become necessary.

(Basic Policy on Profit Allocation and Dividends for FY ended March 31, 2020 and FY ending March 31, 2021)

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 determines returns to shareholders by taking into account business performance and medium-term and long-term demand for funds, while giving consideration to a balance between returning profits to shareholders and retaining earnings necessary for future business advancement. During the JSR20i9 mid-term business plan, JSR has aimed for a total return ratio, through a combination of dividends and share buybacks, of more than 50 percent. Based on this policy, as already announced, we have decided to pay a year-end dividend of 30.00 yen per share, the same amount as the interim dividend. Including the interim dividend already paid, the total annual dividend for FY ended March 2020 will be 60.00 yen per share.

With regard to the dividend for the next fiscal year (FY ending March 2021), JSR plans to pay 60.00 yen per share annually (an interim dividend of 30.00 yen and a year-end dividend of 30.00 yen). The business landscape in the near future is unpredictable and tough business results are anticipated due to the impact of the COVID-19 pandemic. Nevertheless, in the interest of continuing stable dividends, JSR has decided to maintain its dividend.

## 2. Basic Approach to the Selection of Accounting Standards

JSR Group has voluntarily adopted International Financial Reporting Standards (IFRS) starting from FY ended March 2018 to improve convenience and the international comparability of financial information in the capital market.

## 3. Consolidated Financial Statements

## (1) Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	70,785	61,931
Trade and other receivables	135,280	110,506
Inventories	117,046	112,840
Other financial assets	5,002	4,064
Other current assets	10,870	11,487
Subtotal	338,983	300,829
Assets related to disposal group classified as held for sale	–	2,646
Total current assets	338,983	303,475
Non-current assets		
Property, plant and equipment	183,457	215,664
Goodwill	59,066	58,283
Other intangible assets	14,205	15,891
Investments accounted for using equity method	24,269	25,385
Retirement benefit asset	1,503	2,560
Other financial assets	58,895	44,656
Other non-current assets	2,305	2,469
Deferred tax assets	8,751	9,331
Total non-current assets	352,452	374,238
Total assets	691,435	677,713

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	118,053	92,839
Borrowings	33,519	30,043
Income taxes payable	5,598	1,757
Other financial liabilities	532	3,138
Other current liabilities	14,752	17,976
Subtotal	172,455	145,752
Liabilities related to disposal group classified as held for sale	–	2,646
Total current liabilities	172,455	148,398
Non-current liabilities		
Borrowings	50,777	52,684
Retirement benefit liability	15,870	16,216
Other financial liabilities	1,675	16,198
Other non-current liabilities	2,733	3,667
Deferred tax liabilities	7,565	3,139
Total non-current liabilities	78,620	91,903
Total liabilities	251,075	240,301
Equity		
Equity attributable to owners of parent		
Share capital	23,370	23,370
Capital surplus	18,436	18,242
Retained earnings	351,476	369,102
Treasury shares	(10,042)	(19,547)
Other components of equity	18,758	5,626
Total equity attributable to owners of parent	401,998	396,793
Non-controlling interests	38,361	40,619
Total equity	440,360	437,412
Total liabilities and equity	691,435	677,713

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Profit or Loss)

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Continuing operations		
Revenue	495,354	471,967
Cost of sales	(347,928)	(331,228)
Gross profit	147,426	140,739
Selling, general and administrative expenses	(102,105)	(104,343)
Other operating income	1,713	1,304
Other operating expenses	(2,306)	(4,879)
Share of profit of investments accounted for using equity method	533	64
Operating profit	45,261	32,884
Finance income	2,499	1,929
Finance costs	(1,352)	(2,184)
Profit before tax	46,408	32,629
Income taxes	(10,985)	(6,859)
Profit from continuing operations	35,423	25,770
Discontinued operations		
Profit (loss) from discontinued operations	(1,837)	252
Profit	33,586	26,022
Profit attributable to:		
Owners of parent	31,116	22,604
Non-controlling interests	2,470	3,418
Total	33,586	26,022
Earnings per share		
Basic earnings per share (Yen)	140.62	104.38
Continuing operations	148.92	103.22
Discontinued operations	(8.30)	1.16
Diluted earnings per share (Yen)	140.27	104.19
Continuing operations	148.55	103.03
Discontinued operations	(8.28)	1.16

## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	33,586	26,022
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair value through other comprehensive income	(4,678)	(1,377)
Remeasurements of defined benefit plans	54	661
Share of other comprehensive income of entities accounted for using equity method	5	(31)
Items that may be reclassified to profit or loss		
Net change in fair value of cash flow hedges	(79)	(124)
Exchange differences on translation of foreign operations	476	(4,111)
Share of other comprehensive income of entities accounted for using equity method	(1,213)	(904)
Total other comprehensive income, net of tax	(5,435)	(5,886)
Total comprehensive income	28,151	20,136
Comprehensive income attributable to:		
Owners of parent	25,611	17,486
Non-controlling interests	2,540	2,650
Total	28,151	20,136

## (3) Consolidated Statement of Changes in Equity

*Fiscal year ended March 31, 2019*

(Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2018	23,370	18,502	331,913	(5,358)	25,071	393,499	18,116	411,615
Profit			31,116			31,116	2,470	33,586
Other comprehensive income					(5,505)	(5,505)	70	(5,435)
Total comprehensive income	—	—	31,116	—	(5,505)	25,611	2,540	28,151
Share-based payment transactions		(202)		88	(1)	(115)		(115)
Dividends			(12,175)			(12,175)	(623)	(12,798)
Changes in treasury shares		(10)		(4,772)		(4,782)		(4,782)
Transfer from other components of equity to retained earnings			689		(689)	—		—
Changes by business combination		146			(119)	27	17,610	17,637
Other movements			(67)		1	(67)	718	651
Total transactions with owners, etc.	—	(66)	(11,554)	(4,684)	(808)	(17,111)	17,705	594
Balance at March 31, 2019	23,370	18,436	351,476	(10,042)	18,758	401,998	38,361	440,360

*Fiscal year ended March 31, 2020*

(Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2019	23,370	18,436	351,476	(10,042)	18,758	401,998	38,361	440,360
Effect of changes in accounting policies			133			133		133
Restated balance at April 1, 2019	23,370	18,436	351,609	(10,042)	18,758	402,131	38,361	440,493
Profit			22,604			22,604	3,418	26,022
Other comprehensive income					(5,118)	(5,118)	(768)	(5,886)
Total comprehensive income	—	—	22,604	—	(5,118)	17,486	2,650	20,136
Share-based remuneration transactions		(174)		292	(47)	71		71
Dividends			(13,054)			(13,054)	(1,453)	(14,507)
Changes in treasury shares		(31)		(9,798)		(9,829)		(9,829)
Transfer from other components of equity to retained earnings			7,968		(7,968)	—		—
Changes by sale of shares of subsidiaries						—	(361)	(361)
Changes in equity due to capital increase of subsidiary						—	1,422	1,422
Other movements		10	(24)			(13)		(13)
Total transactions with owners, etc.	—	(194)	(5,110)	(9,506)	(8,014)	(22,825)	(392)	(23,217)
Balance at March 31, 2020	23,370	18,242	369,102	(19,547)	5,626	396,793	40,619	437,412

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	46,408	32,629
Loss before tax from discontinued operations	(2,232)	(3,208)
Depreciation and amortization	21,842	26,359
Interest and dividend income	(1,631)	(1,369)
Interest expenses	1,352	1,825
Share of loss (profit) of investments accounted for using equity method	(533)	(64)
Impairment loss	438	1,848
Decrease (increase) in trade and other receivables	1,553	23,317
Decrease (increase) in inventories	(22,039)	1,446
Increase (decrease) in trade and other payables	(5,834)	(27,721)
Other	3,026	11,865
Dividends received	1,785	1,591
Interest received	224	216
Interest paid	(1,236)	(1,732)
Income taxes paid	(12,183)	(12,773)
Net cash provided by (used in) operating activities	30,940	54,228
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,108)	1,036
Net decrease (increase) in marketable securities	10,000	—
Purchase of property, plant and equipment	(36,210)	(43,951)
Proceeds from sale of property, plant and equipment	273	913
Purchase of investments	(4,449)	(4,426)
Proceeds from sale of investments	1,656	15,449
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(36,225)	—
Payments for acquisition of subsidiaries	—	(749)
Proceeds from company split	3,213	—
Purchase of shares in associates	(163)	(1,928)
Payments for loans receivable	(2,814)	(1,441)
Collection of loans receivable	290	309
Other	(731)	(804)
Net cash provided by (used in) investing activities	(66,266)	(35,592)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,938)	2,547
Repayments of long-term borrowings	(7,975)	(7,839)
Proceeds from long-term borrowings	9,231	5,846
Payments for purchase of treasury shares	(5,001)	(10,002)
Dividends paid	(12,175)	(13,052)
Dividends paid to non-controlling interests	(623)	(1,453)
Capital contribution from non-controlling interests	—	1,422
Repayments of lease obligations	(551)	(3,025)
Other	66	292
Net cash provided by (used in) financing activities	(18,966)	(25,264)
Effect of exchange rate changes on cash and cash equivalents	121	(1,049)
Increase (decrease) in cash and cash equivalents	(54,171)	(7,677)
Cash and cash equivalents at beginning of period	124,956	70,785
Cash and cash equivalents included in assets related to disposal groups classified as held for sale	—	(1,176)
Cash and cash equivalents at end of period	70,785	61,931



## (5) Notes on Condensed Consolidated Financial Statements

(Cautionary Notes regarding Assumptions of Going Concern)

Not applicable

(Notes regarding Changes in Presentation)

The profit or loss from businesses classified as discontinued operations are presented on the Consolidated Statement of Profit or Loss as the amount after deductions for income tax expenses following the profit from continuing operations. The Consolidated Statement of Profit or Loss for fiscal year ended March 31, 2019 has been re-presented in part for businesses classified as discontinued operations. Cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities on the Consolidated Statement of Cash Flows are presented as the totals of cash flows arising from both continuing operations and discontinued operations.

(Changes in Accounting Policy)

The Group has applied IFRS 16 — *Leases* (“IFRS 16”) from the FY ended March 2020. For the adoption of IFRS 16, the Group has employed a method recognizing the cumulative effect of the standard’s application, deemed to be a transitional measure, as the balance of retained earnings at the beginning of the current period at the date of initial application, without presenting a restatement of comparative information (modified retrospective approach).

At inception of a contract, the Group assesses whether the contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date when a contract is assessed to be, or contain, a lease. The lease liability of a lease transaction is measured at the discounted present value of the total unpaid value of lease payments at the lease commencement date. The right-of-use asset is initially measured based on the initial measurement amount of the lease liability adjusted for any initial direct costs incurred or any lease payments made at or before the commencement date, plus any costs to restore the underlying asset or the site on which it is located and other related costs required in the lease contract. The right-of-use asset is periodically depreciated over the term of the lease. Lease payments are allocated to finance costs and an amortization component of the lease liability balance, in such a way as to apply a fixed interest rate to the lease liability balance. Finance costs are categorized and recorded as depreciation pertaining to the right-of-use asset on the Consolidated Statement of Comprehensive Income.

Whether a contract is a lease or whether a contract contains a lease is determined based on the substantive nature of the contract, even when the contract is not in the legal form of a lease. The lease payments associated with leases with a term concluding within 12 months and leases for which the underlying asset is of low value are recognized as an expense on a straight-line basis over the lease term.

As a result of the transition to IFRS 16, right-of-use assets of 13,810 million yen have been incrementally recognized in *Property, plant and equipment* and lease liabilities of 13,678 million yen have been incrementally recognized in *Other financial liabilities* under current liabilities and non-current liabilities on the Consolidated Statement of Financial Position at the date of initial application. The weighted average incremental borrowing rate applied to lease liabilities recognized at the date of initial application of IFRS 16 was 3.0%.

## (Segment Information)

## (1) Outline of Reportable Segments

JSR Group reportable segments are components of the Group for which separate financial information is available. The Board of Directors determines the basis of business segments that are subject to regular reviews for decisions on the allocation of managerial resources and the evaluation of business results.

The Group 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. Core Group companies take the initiative in working out comprehensive domestic and overseas strategies 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.

JSR Group has four reportable segments: Elastomers Business, which consists mainly of 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; Plastics Business, which engages mainly in the manufacture and sale of ABS and other resins for automobiles, office equipment, and amusement applications; Digital Solutions Business, which conducts mainly the manufacture and sale of semiconductor materials, display materials, and products related to edge computing; and Life Sciences Business. The Digital Solutions Business is a reportable segment comprising multiple segments based on the nature of the products and services, the nature of production processes, and similarity in markets and other economic characteristics.

The accounting methods for reportable segments are the same as the methods adopted for preparation of consolidated financial statements.

The Group has classified the lithium-ion capacitor business as discontinued operations from the current fiscal year. Accordingly, (2) Reportable Segment Revenues, Profits and Losses and (4) Information by Region present amounts only for continuing operations excluding the lithium-ion capacitor business.

## Main Products in 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 dispersants; 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
Digital Solutions Business	<Semiconductor Materials> Lithography materials (photoresists, multilayer materials); CMP materials; mounting materials; etc. <Display Materials> Materials for color LCDs; functional coating materials; etc. <Edge Computing Materials> Heat-resistant transparent resins and functional films; high-functional UV curable resins; photo fabrication; etc.
Life Sciences Business	Diagnostic and research reagents and similar materials; bio-process materials; contract bio-process development and manufacturing, etc.

## (2) Reportable Segment Revenues, Profits and Losses

The following information pertains to the Group's reportable segments.

*Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)*

(Unit: Millions of yen)

	Reportable Segment				Other [Note 1]	Total	Adjustment [Note 2]	Amount Recorded in the Consolidate Financial Statement
	Elastomers	Plastics	Digital Solutions	Life Sciences				
Revenue from external customers	200,736	105,446	142,216	43,872	3,083	495,353	1	495,354
Operating profit (loss)	7,421	9,214	32,663	781	135	50,214	(4,953)	45,261
Finance income						-		2,499
Finance costs						-		(1,352)
Profit before tax						-		46,408
Segment assets	291,256	77,794	131,779	114,353	9,594	624,775	64,193	688,968
Other items								
Depreciation expenses and depreciation charges	8,821	2,395	6,036	3,740	214	21,207	584	21,790
Impairment losses	-	-	-	-	-	-	-	-
Capital expenditures	19,738	3,108	7,194	5,218	-	35,257	724	35,981

Note 1: The Other segment is a business segment not contained in the reportable segments. It includes the purchase and sale of chemicals and other businesses.

Note 2: The operating profit or operating loss downward adjustment of 4,953 million yen contains company-wide profits and losses not allocated to the reportable segments. The adjustment amount in the segment assets line are corporate assets not allocated to any reportable segment. Corporate assets mainly include investment of surplus funds (deposits, cash equivalents, and securities (debt instrument assets)) and long-term investment funds (securities (equity instrument assets)) by the parent company.

*Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)*

(Millions of yen)

	Reportable Segment				Other [Note 1]	Total	Adjustment [Note 2]	Amount Recorded in the Consolidated Financial Statement
	Elastomers	Plastics	Digital Solutions	Life Sciences				
Revenue from external customers	178,794	95,092	144,805	50,496	2,779	471,967	0	471,967
Operating profit (loss)	(1,758)	6,237	30,917	3,594	(250)	38,739	(5,855)	32,884
Finance income						-		1,929
Finance costs						-		(2,184)
Profit before tax						-		32,629
Segment assets	260,488	69,035	145,736	129,485	11,485	616,230	58,837	675,068
Other items								
Depreciation expenses and depreciation charges	9,925	2,372	6,627	5,420	221	24,565	1,681	26,246
Impairment losses [Note 3]	1,454	-	-	60	-	1,514	-	1,514
Capital expenditures	15,560	2,891	18,341	8,613	-	45,405	475	45,880

Note 1: The Other segment is a business segment not contained in the reportable segments. It includes the purchase and sale of chemicals and other businesses.

Note 2: The operating profit or operating loss downward adjustment of 5,855 million yen contains company-wide profits and losses not allocated to the reportable segments. The adjustment amount in the segment assets line are corporate assets not allocated to any reportable segment. Corporate assets mainly include investment of surplus funds (deposits, cash equivalents, and securities (debt instrument assets)) and long-term investment funds (securities (equity instrument assets)) by the parent company.

Note 3: In the Elastomers Business, impairment losses of 1,454 million yen were recorded for fixed assets associated with the production of general-purpose rubber products.

## (3) Information on Products and Services

Information on products and services is omitted, since similar information is stated in (1) Outline of Reportable Segments.

## (4) Information by Region

The following is a breakdown by region of revenue and non-current assets.

## Revenue from external customers

	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)
	(Millions of yen)	(Millions of yen)
Japan	220,288	198,238
China	63,876	67,022
U.S.	58,192	60,403
Other regions	152,999	146,304
Total	495,354	471,967

Note: Revenue is divided into countries or regions based on the locations of customers.

## Property, plant and equipment

	Fiscal year ended March 31, 2019 (March 31, 2019)	Fiscal year ended March 31, 2020 (March 31, 2020)
	(Millions of yen)	(Millions of yen)
Japan	93,327	111,160
Thailand	27,202	25,287
Hungary	32,075	37,867
U.S.	13,968	23,769
Other regions	16,886	17,582
Total	183,457	215,664

Note: The presentation of non-current assets has been restricted to property, plant, and equipment to avoid unreasonable preparation costs.

## (5) Information on Major Customers

Information on major customers is omitted, since no single external customer accounts for more than 10 percent of the Group's revenue in terms of revenue through transactions with a single external customer.

## (Per Share Information)

The following is the basic earnings per share and the basis of calculation and the diluted earnings per share and the basis of calculation.

	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)
(1) Basic earnings per share	140.62	104.38
Continuing operations	148.92	103.22
Discontinued operations	(8.30)	1.16
(Basis of calculation)		
Profit attributable to owners of parent (Millions of yen)	31,116	22,604
Continuing operations	32,953	22,352
Discontinued operations	(1,837)	252
Average number of shares outstanding during the year (1,000 shares)	221,276	216,545
(2) Diluted earnings per share	140.27	104.19
Continuing operations	148.55	103.03
Discontinued operations	(8.28)	1.16
(Basis of calculation)		
Increase in common stock due to stock options (1,000 shares)	551	405
Diluted average number of shares outstanding during the year (1,000 shares)	221,827	216,950

## (Notes on Disposal Groups Classified as Held for Sale and Discontinued Operations)

The Group classifies as discontinued operations business segments that have been disposed of or are classified as held for sale.

## 1. Disposal Groups Classified as Held for Sale

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

As part of JSR's business portfolio management efforts, JSR gained approval at the Board of Directors meeting held on January 27, 2020, for the transfer of 80% of the shares of JM Energy Corporation (JM Energy), a consolidated subsidiary of JSR, to Musashi Seimitsu Industry Co., Ltd. (Musashi Seimitsu Industry), leading to agreement on the transfer with Musashi Seimitsu Industry. Upon completion of the share transfer, JSR will hold 20% of JM Energy's shares, and JM Energy will then become an equity-method affiliate of JSR. With the execution of the transfer, the assets and liabilities of JM Energy are classified as disposal groups classified as held for sale and the lithium-ion capacitor business is classified as discontinued operations from the Fourth Quarter of FY ended March 2020.

## (1) Reason for the Share Transfer

JM Energy is a company that engages in the development, manufacturing, and sales of lithium-ion capacitors, a type of energy-storage device. JM Energy had been seeking expanded revenue through various applications particularly large vehicles; however, it was deemed difficult to further expand revenue with the JSR Group alone, and a study was conducted of a capital alliance with a company with strong ties with end customers that could be expected to bring about business synergy. After discussions, an agreement was reached to transfer shares of JM Energy to Musashi Seimitsu Industry, a company with vast automobile parts production and sales expertise and expected to deliver strong synergy through expansion of the business and generation of new business.

## (2) Name of Party to the Share Transfer and the Date of Transfer

Name of party to the share transfer	Musashi Seimitsu Industry Co., Ltd.
Date of transfer	April 1, 2020

## (3) Name and Business Domain of Subsidiary

Name of subsidiary	JM Energy Corporation
Business domain	Development, manufacturing, and sales of lithium-ion capacitors

## (4) Number of Shares Sold, Ownership Ratio after Sale, and the Relationship to the Group after Sale

Shares held before sale	6,000 shares (Ownership ratio: 100%)
Number of shares sold	4,800 shares
Shares held after sale	1,200 shares (Ownership ratio: 20%)
Relationship to the Group after sale	Becomes an affiliated company accounted for by the equity method

## (5) Assets and Liabilities Related to Disposal Groups Classified as Held for Sale

The following are the assets and liabilities related to disposal groups classified as held for sale.

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Assets related to disposal groups classified as held for sale	-	
Cash and cash equivalents	-	1,176
Trade and other receivables	-	216
Inventories	-	1,207
Other current assets	-	47
Property, plant and equipment	-	0
Total assets	-	2,646
Liabilities related to disposal groups classified as held for sale	-	
Trade and other payables	-	659
Income taxes payable	-	222
Other current liabilities	-	1,016
Retirement benefit liabilities	-	254
Deferred tax liabilities	-	496
Total liabilities	-	2,646



## 2. Discontinued Operations

## (1) Profit or Loss from Discontinued Operations

The following are the profit or loss from discontinued operations.

	(Millions of yen)	
	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)
Revenue	1,392	590
Cost of sales and expenses	(3,623)	(3,798)
Loss before tax from discontinued operations	(2,232)	(3,208)
Income tax expenses	394	3,460
Profit (loss) from discontinued operations	(1,837)	252

## (2) Cash Flows Arising from Discontinued Operations

The following are cash flows from discontinued operations.

	(Millions of yen)	
	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)
Cash flows from operating activities	(1,091)	(1,278)
Cash flows from investing activities	(113)	(517)
Cash flows from financing activities	1,241	2,858
Total	37	1,062

## (Material Subsequent Events)

Not applicable