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## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2021 (under IFRS)

July 30, 2020

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 Listing: Tokyo Stock Exchange  
 Securities code: 4185  
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Scheduled date to file quarterly securities report: August 7, 2020

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly 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 first three months of the fiscal year ending March 31, 2021 (from April 1, 2020 to June 30, 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	%
June 30, 2020	93,094	(22.0)	2,359	(77.1)	1,820	(82.1)	1,146	(85.7)
June 30, 2019	119,379	—	10,322	—	10,142	—	8,038	(9.1)

	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
June 30, 2020	1,128	(84.5)	1,983	(63.3)	5.25	5.24
June 30, 2019	7,291	(18.4)	5,400	(30.2)	33.20	33.13

#### \* Note

The group has classified the Lithium-ion capacitor business as discontinued operations from the Fourth Quarter of FY ended March 2020. In the condensed quarterly consolidated financial statements, 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. JSR lost control over the subsidiary for JM Energy Corporation (JM Energy) on April 1, 2020, and JM Energy became an equity method affiliate of JSR from the First Quarter of FY ending March 2021. The profit or loss using equity method from JM Energy is included in continuing operations in the First Quarter of FY ending March 2021.

### (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
June 30, 2020	689,942	432,169	391,444	56.7	1,822.88
March 31, 2020	677,713	437,412	396,793	58.5	1,848.01

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2021	—				
Fiscal year ending March 31, 2021 (Forecast)		30.00	—	30.00	60.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 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	%	
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

Note: Revisions to the forecast of earnings most recently announced: None

### \* 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
  - a. Changes in accounting policies required by IFRS: None
  - b. Changes in accounting policies due to other reasons: None
  - c. 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 June 30, 2020	226,126,145 shares
As of March 31, 2020	226,126,145 shares

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

As of June 30, 2020	11,386,083 shares
As of March 31, 2020	11,412,308 shares

- c. Average number of shares during the period

For the three months ended June 30, 2020	214,728,281 shares
For the three months ended June 30, 2019	219,595,826 shares

\* Quarterly financial results reports are not required to be subjected to quarterly reviews.

\* 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 Thursday, July 30, 2020

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Business Results

Overview of the First Quarter of FY ending March 2021 (April 1, 2020 to June 30, 2020)

Among the JSR Group's main customer industries, the semiconductor market has been firm despite the impact of the spread of COVID-19 infections, thanks to widening infrastructure and device demand due to further digitalization. The flat-panel display market, however, saw lower panel production.

Automobile production has dropped substantially from the previous fiscal year, and production declines have spread globally because of the impact from COVID-19. Automobile tire production was also down significantly year-on-year, as it has been hit by falling automobile production and other factors.

Amid these circumstances, JSR Group has strived to expand business in growth fields as well as taken steps such as cutting business costs to guard against the risk of declining sales due to economic activity stagnation and low demand.

In the Digital Solutions Business, the Group has been expanding sales of products in the Semiconductor Materials Business applicable to cutting-edge technologies, and in the Display Materials Business, it has been pushing to expand sales particularly of competitive products in the China market where continued growth is anticipated.

In the Life Sciences Business, with the U.S. headquarters guiding strategies for the entire business segment, the Group has worked to expand the biomedical drug discovery, production process development, and contract manufacturing, in addition to JSR materials.

In the Elastomers Business and the Plastics Business, the Group has focused on lowering manufacturing costs and other measures to guard against the risk of declining sales due to sluggish demand.

In the First Quarter of FY ending March 2021, the Company reported revenue of 93,094 million yen (down 22.0% year-on-year), operating profit of 2,359 million yen (down 77.1% year-on-year), and profit attributable to owners of parent of 1,128 million yen (down 84.5% year-on-year).

JSR has classified the lithium-ion capacitor business as discontinued operations from the Fourth Quarter of FY ended March 2020, and the reportable segment revenues, profits, and losses presents only amounts for continuing operations excluding the lithium-ion capacitor business. JSR lost control over JM Energy Corporation on April 1, 2020, and JM Energy Corporation became an equity method affiliate of JSR. The profit or loss using equity method from JM Energy Corporation in the First Quarter of FY ending March 2021 is included in the Other segment.

(Unit: Millions of yen)

Segment	First Quarter of FY ended March 2020 (April 1 to June 30, 2019)		First Quarter of FY ending March 2021 (April 1 to June 30, 2020)		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage
Revenue						
Digital Solutions	36,038	30.2%	36,341	39.0%	303	0.8%
Life Sciences	12,308	10.3%	12,606	13.6%	297	2.4%
Elastomers	45,792	38.4%	27,355	29.4%	(18,437)	(40.3%)
Plastics	24,822	20.8%	16,206	17.4%	(8,616)	(34.7%)
Other	419	0.3%	587	0.6%	168	40.0%
Adjustment	0	0.0%	0	0.0%	(0)	(100.0%)
Total	119,379	100.0%	93,094	100.0%	(26,285)	(22.0%)

Revenue in Japan	51,258	42.9%	35,850	38.5%	(15,408)	(30.1%)
Overseas revenue	68,121	57.1%	57,244	61.5%	(10,877)	(16.0%)

Segment	First Quarter of FY ended March 2020 (April 1 to June 30, 2019)		First Quarter of FY ending March 2021 (April 1 to June 30, 2020)		Change	
	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage
Operating profit	10,322	8.6%	2,359	2.5%	(7,963)	(77.1%)
Profit attributable to owners of parent	7,291	6.1%	1,128	1.2%	(6,163)	(84.5%)

**(i) Digital Solutions Business Segment**

Revenue in the Digital Solutions Business segment rose slightly from the same period of the previous year, on the back of sales volume growth in semiconductor materials, although sales volume for display materials and edge computing materials fell.

Operating profit declined slightly due to lower sales volume for display materials and edge computing materials.

Consequently, the Digital Solutions Business segment posted an operating profit of 7,777 million yen (down 6.7% year-on-year) on revenue of 36,341 million yen (up 0.8% year-on-year) in the first three months of FY ending March 2021.

**(ii) Life Sciences Business Segment**

The Life Sciences Business segment posted higher revenue from the same period of the previous year, supported chiefly by expanded sales in the biomedical drug contract development and manufacturing organization (CDMO) business and the drug contract research organization (CRO) business.

Profits increased driven by higher revenue, but operating profit decreased due to the impact of the one-time gain recorded in the same period of the previous year.

Consequently, the Life Sciences Business segment posted an operating profit of 822 million yen (down 28.3% year-on-year) on revenue of 12,606 million yen (up 2.4% year-on-year) in the first three months of FY ending March 2021.

**(iii) Elastomers Business Segment**

The Elastomers Business segment recorded a steep drop in sales volume and revenue from the same period of the previous year, due to lower demand resulting from the spread of COVID-19 infections.

Operating profit fell substantially due to the segment's considerable decline in sales volume.

Consequently, the Elastomers Business segment posted an operating loss of 5,572 million yen, versus an operating profit of 294 million yen in the same period of the previous year, on revenue of 27,355 million yen (down 40.3% year-on-year) in the first three months of FY ending March 2021.

**(iv) Plastics Business Segment**

The Plastics Business segment saw a steep drop in sales volume and revenue from the same period of the previous year, due to lower demand resulting from the spread of COVID-19 infections.

Operating profit fell substantially due to the segment's considerable decline in sales volume.

Consequently, the Plastics Business segment posted an operating profit of 500 million yen (down 74.6% year-on-year) on revenue of 16,206 million yen (down 34.7% year-on-year) in the first three months of FY ending March 2021.

**(2) Explanation of Future Forecast Information, such as Forecast of Consolidated Business Results**

There are no changes in the forecast of consolidated business results for the full term of FY ending March 2021, as announced in the "Consolidated Business Results for FY ended March 2020" on April 27, 2020.

**2. Condensed Quarterly Consolidated Financial Statements****(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	61,931	95,660
Trade and other receivables	110,506	86,522
Inventories	112,840	114,553
Other financial assets	4,064	3,566
Other current assets	11,487	8,011
Subtotal	300,829	308,312
Assets related to disposal group classified as held for sale	2,646	–
Total current assets	303,475	308,312
Non-current assets		
Property, plant and equipment	215,664	222,112
Goodwill	58,283	57,863
Other intangible assets	15,891	16,866
Investments accounted for using equity method	25,385	24,286
Retirement benefit asset	2,560	2,559
Other financial assets	44,656	46,141
Other non-current assets	2,469	2,350
Deferred tax assets	9,331	9,453
Total non-current assets	374,238	381,630
Total assets	677,713	689,942

	(Millions of yen)	
	As of March 31, 2020	As of June 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	92,839	74,442
Borrowings	30,043	36,319
Income taxes payable	1,757	1,389
Other financial liabilities	3,138	3,412
Other current liabilities	17,976	17,029
Subtotal	145,752	132,591
Liabilities related to disposal group classified as held for sale	2,646	–
Total current liabilities	148,398	132,591
Non-current liabilities		
Bonds and borrowings	52,684	87,137
Retirement benefit liability	16,216	16,308
Other financial liabilities	16,198	14,752
Other non-current liabilities	3,667	3,675
Deferred tax liabilities	3,139	3,310
Total non-current liabilities	91,903	125,182
Total liabilities	240,301	257,773
Equity		
Equity attributable to owners of parent		
Share capital	23,370	23,370
Capital surplus	18,242	17,946
Retained earnings	369,102	363,231
Treasury shares	(19,547)	(19,502)
Other components of equity	5,626	6,400
Total equity attributable to owners of parent	396,793	391,444
Non-controlling interests	40,619	40,725
Total equity	437,412	432,169
Total liabilities and equity	677,713	689,942



## (2) Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Continuing operations		
Revenue	119,379	93,094
Cost of sales	(83,283)	(65,739)
Gross profit	36,096	27,355
Selling, general and administrative expenses	(25,759)	(24,800)
Other operating income	177	460
Other operating expenses	(494)	(545)
Share of profit of investments accounted for using equity method	302	(111)
Operating profit	10,322	2,359
Finance income	416	180
Finance costs	(597)	(718)
Profit before tax	10,142	1,820
Income taxes	(1,877)	(674)
Profit from continuing operations	8,264	1,146
Discontinued operations		
Loss from discontinued operations	(227)	–
Profit	8,038	1,146
Profit attributable to:		
Owners of parent	7,291	1,128
Non-controlling interests	747	18
Total	8,038	1,146
Earnings per share		
Basic earnings per share (Yen)	33.20	5.25
Continuing operations	34.23	5.25
Discontinued operations	(1.03)	–
Diluted earnings per share (Yen)	33.13	5.24
Continuing operations	34.16	5.24
Discontinued operations	(1.03)	–

## (3) Condensed Quarterly Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	8,038	1,146
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	416	1,096
Share of other comprehensive income of entities accounted for using equity method	(2)	3
Items that may be reclassified to profit or loss		
Net change in fair value of cash flow hedges	(52)	(5)
Exchange differences on translation of foreign operations	(2,765)	613
Share of other comprehensive income of entities accounted for using equity method	(236)	(871)
Total other comprehensive income, net of tax	(2,638)	837
Total comprehensive income	5,400	1,983
Comprehensive income attributable to:		
Owners of parent	4,599	1,372
Non-controlling interests	801	610
Total	5,400	1,983

## (4) Condensed Quarterly Consolidated Statement of Changes in Equity

*First Quarter of FY ended March 2020 (April 1 to June 30, 2019)*

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
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			7,291			7,291	747	8,038
Other comprehensive income					(2,692)	(2,692)	54	(2,638)
Total comprehensive income	–	–	7,291	–	(2,692)	4,599	801	5,400
Share-based remuneration transactions		(49)			26	(23)		(23)
Dividends			(6,613)			(6,613)	(895)	(7,508)
Changes in treasury shares		(1)		(3,667)		(3,668)		(3,668)
Transfer from other components of equity to retained earnings			6,583		(6,583)	–		–
Changes in equity due to capital increase of subsidiary						–	1,422	1,422
Changes in non-controlling interests						–		–
Other movements						–		–
Total transactions with owners, etc.	–	(50)	(29)	(3,667)	(6,557)	(10,303)	527	(9,776)
Balance at June 30, 2019	23,370	18,386	358,870	(13,708)	9,509	396,427	39,689	436,116

*First Quarter of FY ending March 2021 (April 1 to June 30, 2020)*

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at April 1, 2020	23,370	18,242	369,102	(19,547)	5,626	396,793	40,619	437,412
Profit			1,128			1,128	18	1,146
Other comprehensive income					245	245	592	837
Total comprehensive income	–	–	1,128	–	245	1,372	610	1,983
Share-based remuneration transactions		(38)			73	35		35
Dividends			(6,441)			(6,441)	(462)	(6,904)
Changes in treasury shares		(7)		45		38		38
Transfer from other components of equity to retained earnings			3		(3)	–		–
Changes in non-controlling interests		(257)				(257)	(43)	(300)
Other movements		7	(561)		460	(95)	0	(94)
Total transactions with owners, etc.	–	(296)	(7,000)	45	530	(6,721)	(505)	(7,225)
Balance at June 30, 2020	23,370	17,946	363,231	(19,502)	6,400	391,444	40,725	432,169

## (5) Notes on Condensed Consolidated Financial Statements

(Cautionary Notes regarding Assumptions of Going Concern)

Not applicable

(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: Digital Solutions Business, which conducts mainly the manufacture and sale of semiconductor materials, display materials, and products related to edge computing; Life Sciences Business; 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; and Plastics Business, which engages mainly in the manufacture and sale of ABS and other resins for automobiles, office equipment, and amusement applications. 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.

JSR has classified the lithium-ion capacitor business as discontinued operations from the previous fiscal year, and segment information presents only amounts for continuing operations excluding the lithium-ion capacitor business. JSR lost control over JM Energy Corporation on April 1, 2020, and JM Energy Corporation became an equity method affiliate of JSR. The profit or loss using equity method from JM Energy Corporation in the First Quarter of FY ending March 2021 is included in the Other segment.

## Main Products in Each Business Segment

Business segment	Main products
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; services to support drug development, etc.
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

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

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

## First Quarter of FY ended March 31, 2020 (April 1 to June 30, 2019)

(Millions of yen)								
	Reportable Segment				Other [Note 1]	Total	Adjustment [Note 2]	Amount Recorded in the Condensed Quarterly Consolidated Statement of Profit or Loss
	Digital Solutions	Life Sciences	Elastomers	Plastics				
Revenue from external customers	36,038	12,308	45,792	24,822	419	119,379	0	119,379
Operating profit or (loss)	8,333	1,145	294	1,970	(28)	11,714	(1,392)	10,322
Finance income								416
Finance costs								(597)
Quarterly profit before tax								10,142

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 downward adjustment of 1,392 million yen contains company-wide profits and losses not allocated to the reportable segments.

## First Quarter of FY ending March 31, 2021 (April 1 to June 30, 2020)

(Millions of yen)								
	Reportable Segment				Other [Note 1]	Total	Adjustment [Note 2]	Amount Recorded in the Condensed Quarterly Consolidated Statement of Profit or Loss
	Digital Solutions	Life Sciences	Elastomers	Plastics				
Revenue from external customers	36,341	12,606	27,355	16,206	587	93,094	0	93,094
Operating profit or (loss)	7,777	822	(5,572)	500	107	3,635	(1,276)	2,359
Finance income								180
Finance costs								(718)
Quarterly profit before tax								1,820

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 downward adjustment of 1,276 million yen contains company-wide profits and losses not allocated to the reportable segments.