

Q2 2020

Financial Results

(April 2020 to September 2020)



JSR Corporation

Summary 1 – FY20H1 Result vs Projection

(100Mil JPY)

| | | 20H1 Act | FY20 org Pro | FY20 rev Pro |
|-------------------------|--|-------------|-----------------|-----------------|
| Consolidated | Sales | 1,940 | 4,230 | 4,200 |
| | Core Operating Profit | 38 | 230 | 195 |
| | Operating Profit | 11 | 230 | 165 |
| | Profit, attributable to owners of parent | -7 | 150 | 95 |
| Digital Solutions | Sales | 738 | 1,350 | 1,450 |
| | Core Operating Profit | 169 | 240 | 310 |
| Life Sciences | Sales | 262 | 610 | 580 |
| | Core Operating Profit | 16 | 55 | 55 |
| Elastomers | Sales | 586 | 1,450 | 1,310 |
| | Core Operating Profit | -127 | -50 | -140 |
| Plastics | Sales | 326 | 790 | 740 |
| | Core Operating Profit | 7 | 40 | 20 |
| Others/Adjustment | Sales | 30 | 30 | 120 |
| | Core Operating Profit | -27 | -55 | -50 |
| Exchange rate (JPY/USD) | | 107 | 109 | 106 |

*Core OP is calculated by excluding profit or loss caused by non-recurring factors from OP

*Core OP = OP in org. Pro

*Continuing operations only

We lowered our projection to reflect the impact of COVID-19 on Elastomers and Plastics. On the other hand, we revised upward the projection for Digital Solutions based on the strong sales.

Summary 2 - YoY, QoQ

(100Mil JPY)

| | | 19H1 | 20H1 | YoY | 20Q1 | 20Q2 | QoQ |
|-------------------|--|-------|-------|-------|------|-------|-------|
| Consolidated | Sales | 2,399 | 1,940 | -19% | 931 | 1,010 | +8% |
| | Core Operating Profit | 200 | 38 | -81% | 24 | 14 | -41% |
| | Operating Profit | 198 | 11 | -95% | 24 | -13 | - |
| | Profit, attributable to owners of parent | 135 | -7 | - | 11 | -18 | - |
| Digital Solutions | Sales | 737 | 738 | +0% | 363 | 374 | +3% |
| | Core Operating Profit | 170 | 169 | -1% | 78 | 91 | +18% |
| Life Sciences | Sales | 251 | 262 | +4% | 126 | 135 | +7% |
| | Core Operating Profit | 22 | 16 | -27% | 8 | 8 | -3% |
| Elastomers | Sales | 910 | 586 | -36% | 274 | 312 | +14% |
| | Core Operating Profit | -3 | -127 | - | -56 | -71 | - |
| Plastics | Sales | 490 | 326 | -33% | 162 | 164 | +1% |
| | Core Operating Profit | 36 | 7 | -82% | 5 | 2 | -70% |
| Others/Adjustment | Sales | 11 | 30 | +174% | 6 | 24 | +304% |
| | Core Operating Profit | -26 | -27 | - | -12 | -15 | - |

*Continuing operations only

YoY : Both sales and OP decreased. QoQ : Sales increased but OP decreased.

YoY Digital Solutions: OP stayed almost flat due to weak demand for Display and Edge Computing, while SEMI sales increased.

Life Sciences: OP decreased due to the one-time upside profit occurred last year, despite increased sales.

Elastomer and Plastics: both sales and OP decreased due to weak demand caused by the spread of COVID-19.

QoQ Digital Solutions: OP increased due to the sales increase.

Life sciences: OP stayed flat while sales increased.

Elastomers: Sales has recovered. OP decreased due to inventory factors and evaluation loss.

Plastics OP decreased due to inventory factors.

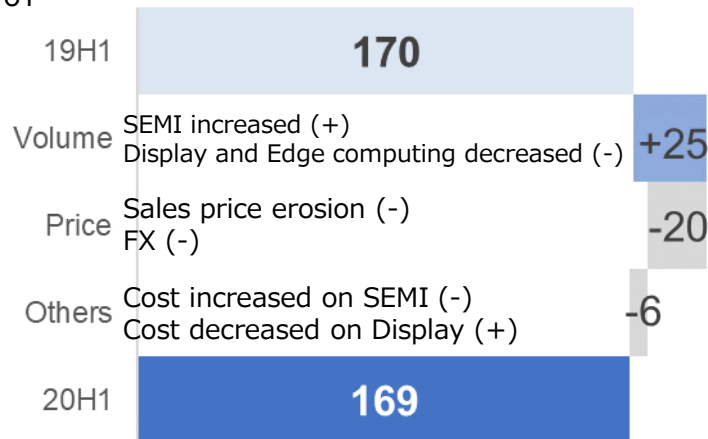
Segment Data : Digital Solutions business

(100Mil JPY)

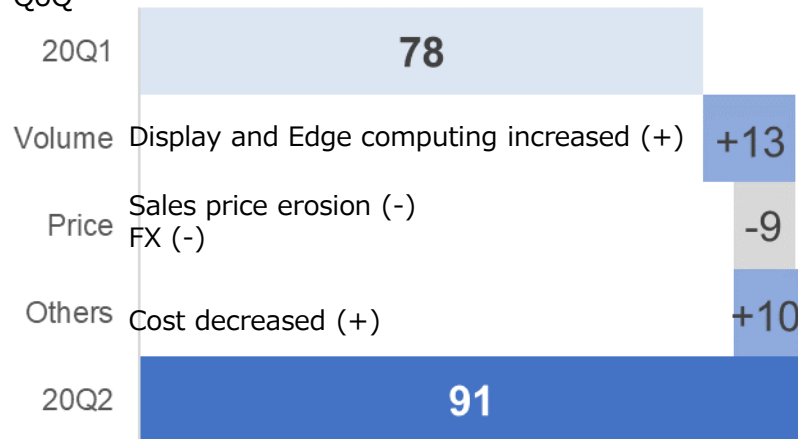
| | 19H1 | 20H1 | YoY | 20Q1 | 20Q2 | QoQ |
|-------------------------|-------|-------|------|-------|-------|------|
| Sales | 737 | 738 | +0% | 363 | 374 | +3% |
| Semiconductor materials | 412 | 467 | +13% | 238 | 229 | -4% |
| Display materials | 252 | 227 | -10% | 109 | 118 | +9% |
| Edge computing | 73 | 44 | -41% | 16 | 27 | +70% |
| Core OP | 170 | 169 | -1% | 78 | 91 | +18% |
| Core OP margin | 23.1% | 22.9% | | 21.4% | 24.4% | |
| Exchange rate (JPY/USD) | 109 | 107 | -2% | 108 | 106 | -1% |

Core OP analysis

YoY



QoQ



Appendix: Digital Solutions business - Sales growth rate

| SEMI | YoY ytd | QoQ |
|-------------------------|---------------------|---------------------|
| ArF | Approx. 110% | Slight increase |
| Multilayer | Slightly Under 115% | Approx. 90% |
| Other Lithography | Slightly over 115% | Flat |
| CMP | Approx. 125% | Approx. 105% |
| Cleaner | Approx. 130% | Slightly Under 90% |
| Packaging | Slight increase | Approx. 90% |
| Display | YoY ytd | QoQ |
| Alignment Films | Approx. 90% | Slightly Under 115% |
| Di-electric materials | Slightly over 90% | Slightly over 115% |
| Color Pigmented Resists | Approx. 85% | Slight increase |
| Other LCD Materials | Slightly over 110% | Flat |
| Edge | YoY ytd | QoQ |
| ARTON | Approx. 75% | Approx. 180% |

Segment Data : Life Sciences business

(100Mil JPY)

| | 19H1 | 20H1 | YoY | 20Q1 | 20Q2 | QoQ |
|-------------------------|------|------|------|------|------|-----|
| Sales | 251 | 262 | +4% | 126 | 135 | +7% |
| Core OP | 22 | 16 | -27% | 8 | 8 | -3% |
| Core OP margin | 8.9% | 6.2% | | 6.5% | 5.9% | |
| Exchange rate (JPY/USD) | 109 | 107 | -2% | 108 | 106 | -1% |

Core OP analysis

YoY Sales increased. OP decreased. COVID-19 impact was limited.

Sales of CRO increased.

OP decreased YoY due to one-time upside profit in CDMO in 19Q1.

QoQ Sales increased. OP decreased.

Sales increased mainly in CRO, Bio Process materials and IVD. But OP growth was flat due to temporary shutdown of a part of CDMO operations.

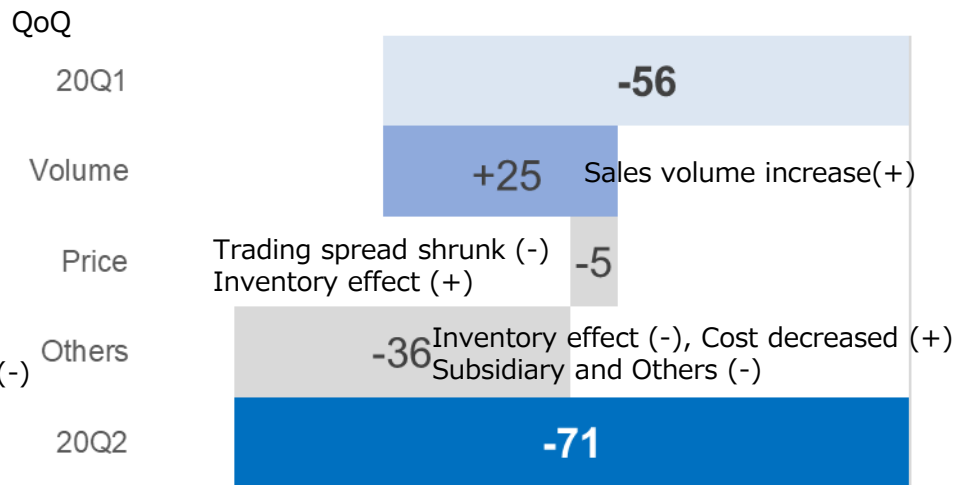
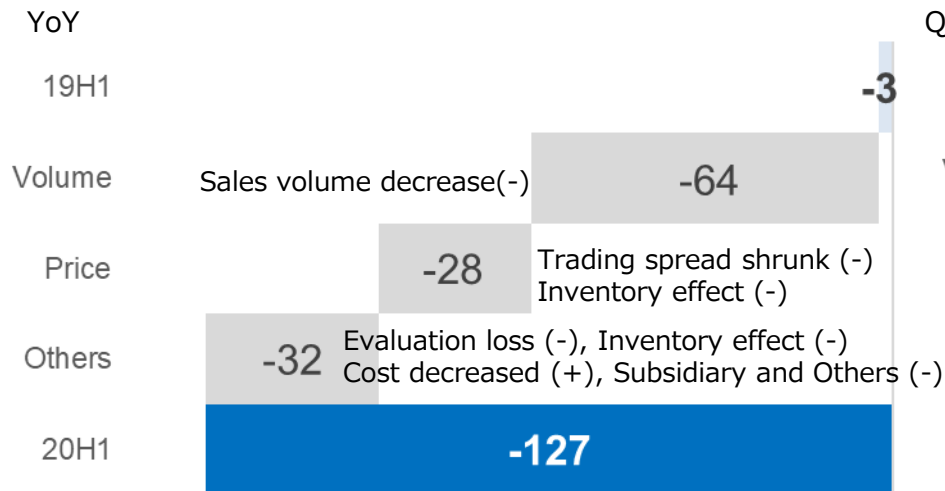
Segment Data : Elastomers business

(100Mil JPY)

| | 19H1 | 20H1 | YoY | 20Q1 | 20Q2 | QoQ |
|----------------|------|------|------|------|------|------|
| Sales | 910 | 586 | -36% | 274 | 312 | +14% |
| Core OP | -3 | -127 | - | -56 | -71 | - |
| Core OP margin | - | - | | - | - | |

| | | | | | | |
|-------------------------|---------|---------|------|--------|---------|------|
| Sales Volume (Ton) | 308,980 | 220,001 | -29% | 92,050 | 127,951 | +39% |
| Exchange rate (JPY/USD) | 109 | 107 | -2% | 108 | 106 | -1% |

Core OP analysis



*Please see APPENDIX for the detail of Elastomers OP 6

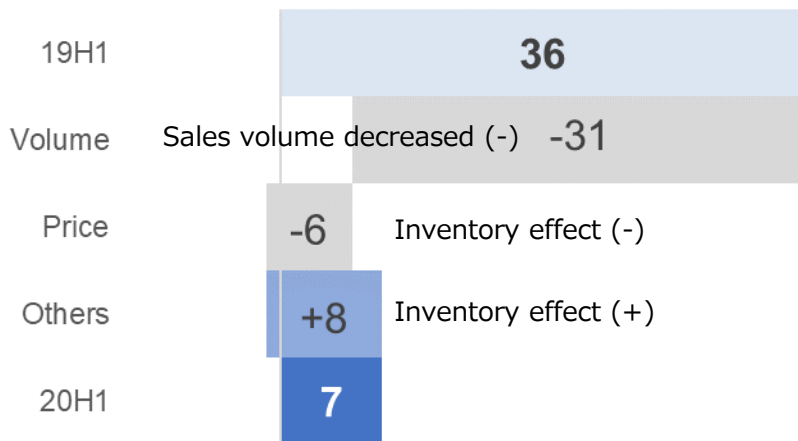
Segment Data : Plastics business

(100Mil JPY)

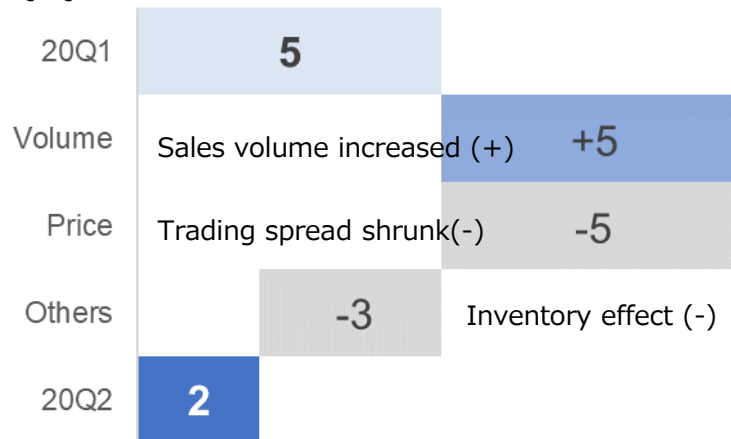
| | 19H1 | 20H1 | YoY | 20Q1 | 20Q2 | QoQ |
|-------------------------|------|------|------|------|------|------|
| Sales | 490 | 326 | -33% | 162 | 164 | +1% |
| Core OP | 36 | 7 | -82% | 5 | 2 | -70% |
| Core OP margin | 7.4% | 2.0% | | 3.1% | 0.9% | |
| Exchange rate (JPY/USD) | 109 | 107 | -2% | 108 | 106 | -1% |

Core OP analysis

YoY



QoQ



Overall Statement of P/L

(100Mil JPY)

| | 19H1 | 20H1 | YoY |
|--|-------|-------|-------|
| Sales | 2,399 | 1,940 | -19% |
| Cost of sales | 1,683 | 1,383 | -18% |
| Gross profit | 716 | 557 | -22% |
| Selling, general and administrative expenses | 512 | 504 | -1% |
| Other operating income/expenses | -8 | -40 | - |
| Share of profit of investments accounted for using equity method | 2 | -3 | -247% |
| Operating Profit | 198 | 11 | -95% |
| Finance income/cost | -1 | -12 | - |
| Income taxes | 40 | 6 | -84% |
| Profit | 156 | -8 | -105% |
| Profit, attributable to owners of parent | 135 | -7 | -105% |
| Profit, attributable to non-controlling interests | 16 | -1 | -107% |

| | | | |
|----------|-------|--------|-------|
| EPS(JPY) | 61.77 | △ 3.15 | -105% |
|----------|-------|--------|-------|

| | | | |
|-------------------------|-----|-----|-----|
| Exchange rate (JPY/USD) | 109 | 107 | -2% |
|-------------------------|-----|-----|-----|

Breakdown from Core OP to OP

| | 19H1 | 20H1 |
|-------------------------------------|------|------|
| Core Operating Profit | 200 | 38 |
| Loss on sales of subsidiaries share | 2 | |
| Business restructuring expense | | 27 |
| Other | | |
| Operating Profit | 198 | 11 |

Overall Statement of Financial position

(100Mil JPY)

| | 20/3E | 20/9E | +/- |
|---|--------------|--------------|-------------|
| Current assets | 3,035 | 3,104 | +69 |
| Cash and cash equivalents | 619 | 946 | +327 |
| Trade and other receivables | 1,105 | 919 | -186 |
| Inventories | 1,128 | 1,062 | -67 |
| Others | 182 | 177 | -5 |
| Non-current assets | 3,742 | 3,881 | +139 |
| Property, plant and equipment | 2,157 | 2,273 | +116 |
| Goodwill | 583 | 573 | -10 |
| Other intangible assets | 159 | 195 | +36 |
| Others | 844 | 841 | -3 |
| Total Assets | 6,777 | 6,985 | +208 |
| Current liabilities | 1,484 | 1,417 | -67 |
| Trade and other payables | 928 | 767 | -162 |
| Borrowings | 300 | 358 | +58 |
| Others | 255 | 292 | +37 |
| Non-current liabilities | 919 | 1,285 | +366 |
| Bonds and borrowings | 527 | 866 | +339 |
| Others | 392 | 420 | +27 |
| Total Liabilities | 2,403 | 2,702 | +299 |
| Equity attributable to owners of parent | 3,968 | 3,880 | -88 |
| Non-controlling interests | 406 | 403 | -4 |
| Total Equity | 4,374 | 4,283 | -91 |

Total Assets: +20.8 Bn yen

Total Liabilities: +29.9 Bn yen

Equity: -9.1 Bn yen

Equity ratio

(Equity attributable to owners of parents)

2020/9 E : 55.6%

2020/3 E : 58.5%

*Including both continuing operations and discontinued operations

Projections for FY20 <Changed>

(100Mil JPY)

| | | 20H1 Act | FY20 Pro |
|-------------------------|--|-------------|-------------|
| Consolidated | Sales | 1,940 | 4,200 |
| | Core Operating Profit | 38 | 195 |
| | Operating Profit | 11 | 165 |
| | Profit, attributable to owners of parent | -7 | 95 |
| Digital Solutions | Sales | 738 | 1,450 |
| | Core Operating Profit | 169 | 310 |
| Life Sciences | Sales | 262 | 580 |
| | Core Operating Profit | 16 | 55 |
| Elastomers | Sales | 586 | 1,310 |
| | Core Operating Profit | -127 | -140 |
| Plastics | Sales | 326 | 740 |
| | Core Operating Profit | 7 | 20 |
| Others/Adjustment | Sales | 30 | 120 |
| | Core Operating Profit | -27 | -50 |
| Exchange rate (JPY/USD) | | 107 | 106 |
| Depreciation** | | 124 | 280 |
| CAPEX | | 275 | 420 |
| RD expenses | | 122 | 250 |

Impact of COVID-19*

As of 27th Apr

| | 1H | 2H |
|---------------------|-------------------|------|
| Elastomers | -20% | -10% |
| Plastics | -20% | -10% |
| SEMI | -5% | -5% |
| Display | -10% | -10% |
| Life Sciences | not affected | |
| Consolidated | -50 Bn yen | |

As of 27th Oct

| | 1H | 2H |
|---------------------|-------------------|------|
| Elastomers | -30% | -10% |
| Plastics | -30% | -10% |
| SEMI | - | - |
| Display | -5% | - |
| Life Sciences | not affected | |
| Consolidated | -60 Bn yen | |

*Compared to the sales forecast which does not include the COVID-19 impact

- Cost reduction is included in the projection in response to the risk of sales decline.
- As for Digital Solutions and Life Sciences, which are our growth drivers, priority would be given to capacity expansion from a medium- to long- term perspective.

*Continuing operations only

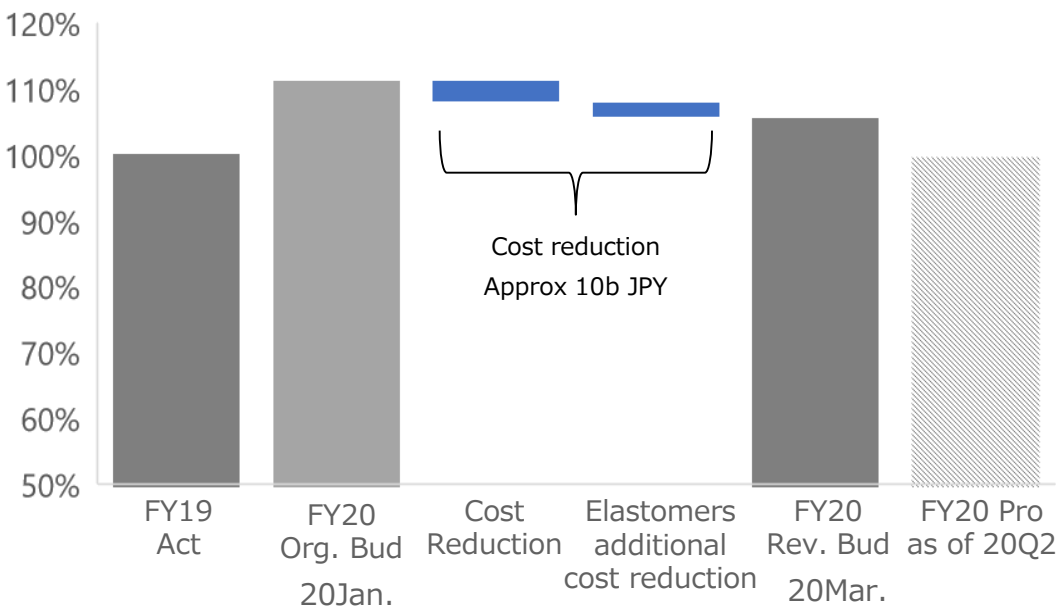
** Excluding IFRS 16 lease asset depreciation

Appendix: Cost management under COVID-19

Assuming the impact of COVID-19, we continue operation safely and promote cost control. We plan further cost control in FY20H2. On the other hand, we will prioritize investment in growth businesses and promote structural reform.

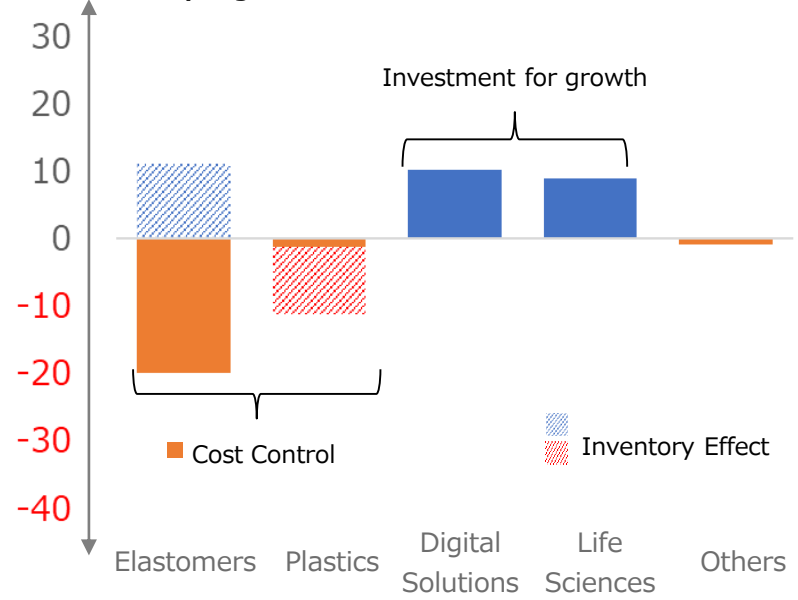
Fixed cost budget and progress as of FY20Q2

Status of Company-wide fixed cost budget



Fixed cost by segment 20H1/19H1 YoY

(100Mil JPY)



Appendix: Elastomers business OP breakdown



Core OP analysis

(100Mil JPY)



| | | | | |
|----------------------------|-----|-----|-----|-----|
| Inventory effect (RM, FC) | -5 | 3 | -26 | -20 |
| Evaluation loss | 1 | -12 | -10 | 23 |
| Impairment of fixed assets | -15 | 0 | 0 | 0 |
| Core OP | -27 | -56 | -71 | -12 |

Appendix: Quarterly Trends by Segments

(100Mil JPY)

| | | 19Q1 | 19Q2 | 19Q3 | 19Q4 | 20Q1 | 20Q2 |
|-------------------|--|-------|-------|-------|-------|------|-------|
| Consolidated | Sales | 1,194 | 1,205 | 1,188 | 1,133 | 931 | 1,010 |
| | Core Operating Profit | 103 | 97 | 109 | 24 | 24 | 14 |
| | Operating Profit | 103 | 94 | 109 | 23 | 24 | -13 |
| | Profit, attributable to owners of parent | 73 | 62 | 55 | 37 | 11 | -18 |
| Digital Solutions | Sales | 360 | 377 | 352 | 359 | 363 | 374 |
| | Semiconductor materials | 191 | 221 | 208 | 220 | 238 | 229 |
| | Display materials | 129 | 122 | 122 | 116 | 109 | 118 |
| | Edge computing | 40 | 33 | 22 | 22 | 16 | 27 |
| | Core Operating Profit | 83 | 87 | 75 | 63 | 78 | 91 |
| Life Sciences | Sales | 123 | 128 | 136 | 118 | 126 | 135 |
| | Core Operating Profit | 11 | 11 | 20 | -2 | 8 | 8 |
| Elastomers | Sales | 458 | 452 | 455 | 423 | 274 | 312 |
| | Core Operating Profit | 3 | -6 | 12 | -27 | -56 | -71 |
| Plastics | Sales | 248 | 241 | 237 | 224 | 162 | 164 |
| | Core Operating Profit | 20 | 17 | 17 | 9 | 5 | 2 |
| Others/Adjustment | Sales | 4 | 7 | 8 | 9 | 6 | 24 |
| | Core Operating Profit | -14 | -12 | -16 | -19 | -12 | -15 |

| | | | | | | |
|-------------------------|-----|-----|-----|-----|-----|-----|
| Exchange rate (JPY/USD) | 110 | 107 | 109 | 109 | 108 | 106 |
|-------------------------|-----|-----|-----|-----|-----|-----|

Announcement of Earnings Results

FY20Q3 25th January 2021

*Please note that the above is subject to change.

NB: The forecasts, future plans and strategies made in this document contain a variety of uncertain factors since it has been prepared based on judgments from information that is currently available. Actual business results may differ from those projected, depending on factors such as the economic status of the market surrounding the company.