

Translation

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To whom it may concern,

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Classification of Discontinued Operations and Revision to Consolidated Financial Results Forecast for the Fiscal Year ending March 31, 2022

JSR Corporation has decided to classify its elastomers business as a discontinued operation in the first quarter of the fiscal year ending March 2022 based on the announcement on May 11, 2021 "JSR Announces Plans for the Separation of the Company's Elastomer Business and Transfer of Stock to ENEOS." Accordingly, we have revised consolidated financial results forecast for the fiscal year ending March 31, 2022 originally announced on April 26, 2021.

In the forecast (B) below, revenue, core operating profit and operating profit represent only the amounts of continuing operations excluding discontinued operations. On the other hand, for the forecast (B), profit, profit attributable to owners of parent and basic earnings per share, the figures include the income from discontinued operations.

Revised consolidated financial results forecast for the fiscal year ending March 31, 2022

(April 1, 2021 to March 31, 2022)

	Revenue	Core Operating profit	Operating profit	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
Previous forecast (A)	468,000	53,000	53,000	35,000	32,000	148.90
Revised forecast (B)	318,000	43,000	43,000	30,000	27,000	125.64
Difference (B-A)	(150,000)	(10,000)	(10,000)	(5,000)	(5,000)	
Percentage of difference (%)	(32.1)	(18.9)	(18.9)	(14.3)	(15.6)	
Reference: results for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)	303,423	37,383	33,766	(54,530)	(55,155)	(256.73)

(Reference) Profit before tax Previous forecast (A) 51,500 Revised forecast (B) 42,500

- Figures for the fiscal year ended March 2021 include net sales, core operating income, and operating income only for continuing operations excluding discontinued operations, and net income, net income attributable to owners of the parent, and basic earnings per share, including income from discontinued operations. However, this is the pre-audit value.
- We are working to reform our business structure to achieve mid- and long-term growth, increase our corporate value, and show core operating profit after deducting profits and losses generated from non-recurring factors from operating profit.

1. Classification of discontinued operations

As announced today in the press release “JSR Announces Plans for the Separation of the Company's Elastomer Business and Transfer of Stock to ENEOS”, JSR has decided to transfer the elastomers business to the newly established Japan Synthetic Rubber Company Spin-off Preparation Co., Ltd., a subsidiary of JSR, through an absorption-type company split, and to transfer all its shares to ENEOS Corporation. As a result, the elastomers business has been classified as a discontinued business from the first quarter of the fiscal year ending March 2022, and revenue, core operating income, and operating income are presented as amounts of continuing business. On the other hand, profit, profit attributable to owners of parent and basic earnings per share, the figures include the income from discontinued operations.

2. Reasons for Revisions

The outlook for the impact of the transfer of the elastomers business based on the share transfer agreement with ENEOS Corporation., the company split of Japan Synthetic Rubber Spin-off Preparation Co., Ltd., the dissolution of the joint venture agreement with Kumho Polychem Co., Ltd., an equity-method affiliate, based on the "Notice of Change in Equity Method Affiliate" announced today, and other restructuring charges for the elastomer business was reflected in the full-year earnings forecast as a loss from discontinued operations.

(Note) Statement regarding appropriate use of forward-looking statements and other notes

The preceding descriptions of projections and plans are “forward-looking statements,” which involve known and unknown risks and uncertainties. These variables could cause the JSR Group’s actual performance and financial results to differ substantially from management’s projections and plans.

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