

Translation

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (under IFRS)

April 26, 2021

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

Scheduled date of ordinary general shareholders meeting: June 17, 2021
 Scheduled date to commence dividend payments: June 18, 2021
 Scheduled date to file annual securities report: June 17, 2021
 Preparation of supplementary material on quarterly 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, 2021 (from April 1, 2020 to March 31, 2021)

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

	Revenue		Core Operating profit		Operating profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	446,609	(5.4)	25,963	(21.9)	(61,633)	-	(54,530)	-
March 31, 2020	471,967	(4.7)	33,236	-	32,884	(27.3)	26,022	(22.5)

	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, 2021	(55,155)	-	(41,663)	-	(256.73)	(256.73)
March 31, 2020	22,604	(27.4)	20,136	(28.5)	104.38	104.19

	Return on equity	Return on assets	Operating profit ratio
Fiscal year ended	%	%	%
March 31, 2021	(15.1)	(9.3)	(13.8)
March 31, 2020	5.7	4.8	7.0

(Reference) Profit before tax March 31, 2021 (62,430) millions yen March 31, 2020 32,629

(Reference) Share of profit of investments accounted for using equity method
March 31, 2021 (4,132) million yen March 31, 2020 64

* Note

Core operating profit is calculated as operating profit excluding certain gains and expenses attributable to non-recurring factors.

* Note

The group has classified the Lithium-ion capacitor business as discontinued operations from the 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, core operating profit, 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 FY ended March 2021. The profit or loss using equity method from JM Energy is included in continuing operations in the FY ended March 2021. JM Energy changed its company name to Musashi Energy Solutions Co., Ltd. on November 1, 2020.

(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, 2021	672,773	370,736	333,995	49.6	1,554.17
March 31, 2020	677,713	437,412	396,793	58.5	1,848.01

(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, 2021	70,403	(52,687)	4,297	85,377
March 31, 2020	54,228	(35,592)	(25,264)	61,931

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, 2020	—	30.00	—	30.00	60.00	12,883	57.5	3.3
Fiscal year ended March 31, 2021	—	30.00	—	30.00	60.00	12,894	—	3.5
Fiscal year ending March 31, 2022 (Forecast)	—	30.00	—	30.00	60.00		40.3	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	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
Fiscal year ending March 31, 2022	468,000	4.8	53,000	104.1	53,000	-	35,000	-	32,000	-	148.90

Reference: Profit before tax Fiscal year ended March 31, 2022 51,500 million yen

* 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 March 31, 2021	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 March 31, 2021	11,223,335 shares
As of March 31, 2020	11,412,308 shares

c. Average number of shares during the period

For the fiscal year ended March 31, 2021	214,837,519 shares
For the fiscal year ended March 31, 2020	216,545,402 shares

(Reference) Summary of Non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2021
(from April 1, 2020 to March 31, 2021)**

(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, 2021	210,480	(6.5)	11,897	1.4	17,711	(8.8)	(30,217)	-
March 31, 2020	225,156	(8.2)	11,731	(43.7)	19,426	(41.2)	22,912	(12.3)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2021	(140.65)	-
March 31, 2020	105.81	105.61

(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, 2021	428,120	269,874	62.9	1,253.80
March 31, 2020	403,457	308,871	76.4	1,436.22

(Reference) Equity 269,446 million yen as of March 31, 2021 308,376 million yen as of March 31, 2020

* 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.

Please refer to the attached file on page 6 “1. Review of Operating Results (4) Business Outlook ” for the prerequisites for the earnings forecast and precautions for use.

How to obtain supplementary material on financial results

The material on financial results is available on the Company’s website on Monday, April 26, 2021

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1. Review of Operating Results

(1) Overview of Operating Results for FY ended March 2021

(General Review)

In FY ended March 2021 (April 1, 2020 to March 31, 2021), there were signs of a slowdown in the global economic recovery due to the spread of COVID-19, intensifying trade friction between the U.S. and China, the rise of protectionism, and other factors. As for trends among the Group's main customer industries, demand grew in the semiconductor market from 5G mobile communications systems (5G), computers, and data centers, and both memory and logic semiconductors performed well. The flat-panel display market was strong due to the promotion of telework and stay-at-home demand. Global automobile production for the full year fell from the previous year because of COVID-19 lockdowns and other restrictions, although production did recover in the second half of the year. Global automobile tire production over the full term was also down, due to the impact of falling automobile production and other factors, but a clear recovery trend was seen in the second half of the year. As for the exchange rate, the yen appreciated against the dollar year-on-year.

Amid these circumstances, JSR Group strived to expand business in growth fields as well as take steps such as cutting business costs to mitigate the risk of declining sales due to economic stagnation and weak demand. In the Elastomers Business, the Group focused on lowering manufacturing costs and other measures to guard against the risk of declining sales due to sluggish demand. The Group has been promoting the streamlining of raw materials and logistics and other cost-cutting measures, the optimization of sales prices, and the retooling of personnel structures with the implementation of an early retirement incentive program. Additionally, the Group has reorganized operations in the Display Materials Business by downsizing operations in South Korea and Taiwan and shifting operations to China, and in the Elastomers Business, the Group has implemented structural reforms throughout the organization, including adjustments to business and product segments. A one-time expense pertaining to these business structural reforms was recorded in FY ended March 2021.

In addition, JSR Group issued 35,000 million yen in straight bonds in May 2020 to secure funds for future investments in growth areas such as semiconductors and life sciences, and to diversify fund procurement to improve the stability of the Group's financial base. The Group took definitive steps regarding business expansion in growth areas, such as making Medical & Biological Laboratories Co., Ltd. (MBL) a wholly owned subsidiary to bolster competitiveness in the therapeutic discovery support field and in the development of new companion diagnostics, as well as commencing commercial production operations at a new U.S. facility of functional solvents intended for cutting-edge semiconductors.

As a result, the Group reported revenue of 446,609 million yen (down 5.4% year-on-year), an increase compared to the forecast at the time the Second Quarter results were announced, but a decrease compared to the previous fiscal year. Core operating profit was 25,963 million yen, up from the forecast at the time the Second Quarter results were announced, but down year-on-year. Although the Digital Solutions Business grew, the Group's business was affected by revenue declines in the Elastomers Business and Plastics Business, which were hit by the effects of COVID-19. The Group posted an operating loss of 61,633 million yen, versus an operating profit of 32,884 million yen in the previous fiscal year, due to the recording of restructuring expenses. Loss attributable to owners of parent was 55,155 million yen, compared with profit attributable to owners of parent of 22,604 million yen in the previous fiscal year.

(Millions of yen)

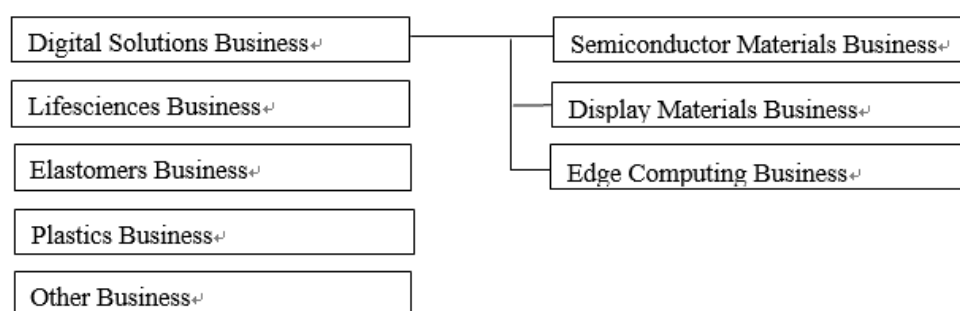
Segment	FY ended March 2020		FY ended March 2021		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Component ratio
Revenue						
Digital Solutions	144,805	30.7%	151,420	33.8%	6,615	4.6%
Life Sciences	50,496	10.7%	55,197	12.4%	4,701	9.3%
Elastomers	178,794	37.9%	143,186	32.1%	(35,608)	(19.9%)
Plastics	95,092	20.1%	79,123	17.7%	(15,969)	(16.8%)
Other	2,779	0.6%	17,682	4.0%	14,903	536.2%
Adjustment	0	0.0%	0	0.0%	0	84.7%
Total	471,967	100.0%	446,609	100.0%	(25,358)	(5.4%)

Revenue in Japan	198,238	42.0%	184,637	41.3%	(13,601)	(6.9%)
Overseas revenue	273,729	58.0%	261,971	58.7%	(11,757)	(4.3%)

Segment	FY ended March 2020		FY ended March 2021		Change	
	Percentage of revenue	Amount	Percentage of revenue	Percentage of revenue	Amount	Percentage of revenue
Core operating profit	33,236	7.0%	25,963	5.8%	(7,273)	(21.9%)
Profit attributable to owners of parent	22,604	4.8%	(55,155)	(12.3%)	(77,759)	-

(Business Segment Overview)

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



<Digital Solutions Business Segment>

The Digital Solutions Business segment experienced both increased revenue and profit compared to the previous fiscal year.

In the Semiconductor Materials Business, demand for both memory and logic semiconductors has been firm since the First Quarter of FY 2020. Sales of advanced photoresists were particularly strong, due in part to advanced device launches by major customers. In addition, smooth product launches were achieved of cleaning solutions and packaging materials for cutting-edge semiconductors destined for major customers, which contributed to revenue gains from the previous fiscal year. The sector secured higher core operating profit despite greater expenses incurred with expanded cleaning solutions sales. Since the Semiconductor Materials Business is deemed an essential business for people's livelihoods, global R&D, production, and other business activities continued without being impacted by the COVID-19 pandemic.

The Display Materials Business saw expanded sales volume to China of alignment films for wide-screen TV LCD panels, a focus point of the business. The sector posted lower revenue on lower sales of color-pigmented resists and photosensitive spacers caused by some customers abandoning LCD production, amid the shift of LCD production from South Korea and Taiwan to China. Despite this, the Display Materials Business boosted its core operating profit on the back of strong alignment film sales.

The Edge Computing Business suffered revenue and profit declines because of a sales decrease in near-infrared (NIR) filters.

Consequently, the Digital Solutions Business segment posted a core operating profit of 34,568 million yen (up 11.8% year-on-year) on revenue of 151,420 million yen (up 4.6% year-on-year).

<Life Sciences Business Segment>

In the Life Sciences Business, with the U.S. headquarters guiding strategies for the entire business segment, the Group has worked to expand revenue primarily in the biomedical drug discovery business and the biomedical drug contract development and manufacturing business, in addition to JSR materials. Favorable progress was achieved by the biologics Contract Research Organization (CRO) business provided by Group company Crown Bioscience International (Crown Bio). In the biologics Contract Development and Manufacturing Organization (CDMO) business, led by Group companies Selexis SA (Selexis) and KBI Biopharma, Inc. (KBI), Selexis posted solid revenue growth, while KBI achieved higher revenue on lower profit due to COVID-19-related supply-chain interruptions and a one-time accounting adjustment recorded in the previous fiscal year. Revenue from diagnostic reagent materials, bioprocess materials, and other products also climbed. The diagnostic reagent business of Medical & Biological Laboratories Co., Ltd. (MBL), which became a wholly owned subsidiary in the current fiscal year, grew steadily, contributing to overall higher revenue from the previous fiscal year.

As a result, the Life Sciences Business segment posted a core operating profit of 3,510 million yen (down 11.0% year-on-year) on revenue of 55,197 million yen (up 9.3% year-on-year).

<Elastomers Business Segment>

The COVID-19 pandemic's impact on production of automobile tires, one of the segment's main customer industries, was compounded by temporary production stoppages or reductions at tire-maker plants in Europe and elsewhere intended to curb the spread of COVID-19. Consequently, yearly production was down from the previous fiscal year, although production began to recover in the second half of the year.

Amid these circumstances, the sales volume of Solution Styrene-Butadiene Rubber (SSBR), positioned as a strategic product, remained at the same level as the previous fiscal year, despite a year-on-year decline in worldwide tire production. Nevertheless, the Elastomers Business 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 a core operating loss for the full term as a result of revenue declines and narrower price spreads.

Consequently, the Elastomers Business segment's core operating loss expanded from 1,758 million yen to 11,420 million yen on revenue of 143,186 million yen (down 19.9% year-on-year).

<Plastics Business Segment>

The Plastics Business segment saw a drop in sales volume and revenue from the previous fiscal year, due to weaker demand resulting from the COVID-19 pandemic. Core operating profit fell due to the segment's sales volume decline.

As a result, the Plastics Business segment posted a core operating profit of 4,430 million yen (down 29.0% year-on-year) on revenue of 79,123 million yen (down 16.8% year-on-year).

(2) Overview of Financial Position for FY ended March 2021

Total assets as of March 31, 2021 amounted to 672,773 million yen, down 4,941 million yen from a year earlier.

Current assets totaled 329,279 million yen, up 25,804 million yen, due to an increase in cash and cash equivalents resulting from the issue of bonds.

Non-current assets totaled 343,494 million yen, down 30,744 million yen, due to the recording of impairment losses for property, plant, and equipment.

Total liabilities amounted to 302,036 million yen, up 61,735 million yen, due to an increase in bonds and borrowings resulting from the issue of bonds.

In terms of equity, total equity attributable to owners of parent amounted to 333,995 million yen, down 62,798 million yen from a year earlier, due to the recording of net loss attributable to owners of parent. Total equity, including noncontrolling interests, amounted to 370,736 million yen, down 66,675 million yen.

(3) Overview of Cash Flows for FY ended March 2021

Cash and cash equivalents ("funds") as of March 31, 2021 stood at 85,377 million yen, up 23,445 million yen from a year earlier.

Net cash provided by operating activities amounted to 70,403 million yen, up 16,175 million yen from the previous year. The main factors included impairment loss of 79,575 million yen, loss before tax of 62,430 million yen, and depreciation expenses and depreciation charges of 29,477 million yen.

Net cash used in investing activities totaled 52,687 million yen, up 17,095 million yen from the previous year. The main item was 55,205 million yen in payments for purchase of property, plant and equipment.

Net cash provided by financing activities totaled 4,297 million yen, up 29,561 million yen from the previous year. The main items were 34,836 million yen in proceeds from the issue of bonds, 12,887 million yen in dividends paid, and 11,717 million yen in payments for acquisition of shares of subsidiaries not involving a change in the scope of

consolidation.

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

The business landscape is anticipated to improve in FY 2021, given the upward adjustment of the global economic growth rate and other factors, despite the rocky international situation caused by the re-emergence of COVID-19 infections and ongoing confrontations between the two major powers, the United States and China. While the economy is expected to pick up on the back of additional support measures and vaccine roll-outs in major countries, the complication of various risks, such as countries imposing stringent restrictions on economic activities to control the pandemic, means future prospects remain uncertain and geopolitical fluctuations must continue to be addressed. Global automobile production is likely to see a continued recovery from the impact of COVID-19, although the automotive industry outlook is expected to remain unclear due to the impact of semiconductor shortages on production. As with automobile production, the recovery trend in automobile tire production is predicted to continue, although the industry's prospects are not clear due to the suspension of operations by some automobile tire plants and sluggish worldwide business conditions. The semiconductor market, driven by digital infrastructure demand, is expected to see robust growth as an essential industry, and continued growth is predicted for display production as well. The solid demand forecasts over the medium-to-long term for the life sciences field remain unchanged.

Amid these business conditions, JSR will make proactive R&D and business investments in the growing Semiconductor Materials Business and Life Sciences Business toward further strengthening of its business structure and management framework in order to construct an organizational structure having both sustainability and resilience. At the same time, the Company will continue far-reaching structural reforms in the Petrochemical Products Business (Elastomers Business and Plastics Business). JSR will focus on lowering manufacturing costs and executing appropriate inventory control, with a commitment to maintaining industrial safety and stable operations.

In the Digital Solutions Business, the Group will be focusing in the Semiconductor Materials Business as before on materials intended primarily for state-of-the-art processes, with a greater emphasis on EUV photoresists for 5 nm and subsequent generation processes, to maintain and expand its share in the global lithography materials market. The Group will strive to expand sales of mounting materials by broadening its materials portfolio to ensure it captures 5G demand. In the area of cleaning solutions, the Group aims to increase its market share with the steady operation of a U.S. plant producing cleaning solutions for state-of-the-art semiconductors that commenced commercial production in the Second Half of 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, and ensure the implementation of structural reforms to address changes in customer industries. 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 will strive to further increase revenue and profitability by means of more new contracts in the CDMO business provided by KBI and Selexis and widening the pipeline (advance contracts) for Crown Bio's CRO business. KBI will work to leverage expanded capacity at its North Carolina, U.S., and Geneva, Switzerland, facilities, where it decided to invest in FY 2020, to increase revenue. Group unification will drive strong business expansion, through the combination of greater global adoption of diagnostic reagent materials and bioprocess materials, enhancement to the diagnostic reagent business after making Medical & Biological Laboratories a wholly owned subsidiary, and research activities at the JSR-Keio University Medical and Chemical Innovation Center (JKiC).

In the Elastomers Business, the Group will push forward with sales expansion of SSBR for high-performance tires, whose demand is expected to grow over the long term. Commercial SSBR production began in FY 2020 at JSR MOL Synthetic Rubber Ltd., a joint venture set up in Hungary, which completed a system enabling the Group

to supply SSBR globally from three sites in Japan, Thailand, and Hungary. The Group will also work to expand sales of binders for rechargeable batteries, in view of the growth in electric vehicles.

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.

For the FY ending March 2022, JSR forecasts revenue of 468,000 million yen (up 4.8 percent year-on-year), core operating profit of 53,000 million yen (up 104.1 percent year-on-year), operating profit of 53,000 million yen (compared to an operating loss of 61,600 million yen in the previous fiscal year), and profit for the year attributable to owners of parent of 32,000 million yen (compared to a loss of 55,200 million yen in the previous fiscal year). The forecast assumes an exchange rate of 106 yen per U.S. dollar. Actual business performance may vary substantially due to future developments in 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, 2021 and FY ending March 31, 2022)

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.

Although JSR posted a loss due to the recording of one-time business restructuring expenses, the Company plans to pay a year-end dividend of 30.00 yen per share, as already announced, in the interest of continuing stable dividends. Including the interim dividend already paid, the total annual dividend for FY ended March 2021 will be 60.00 yen per share.

With regard to the dividend for the next fiscal year (FY ending March 2022), JSR plans to pay 60.00 yen per share annually, the same amount as for FY ended March 2021, in consideration of the balance between returns to shareholders and retaining earnings for the Company's future growth, with the objective of sustainably improving the Company's business performance from a long-term perspective.

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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	61,931	85,377
Trade and other receivables	110,506	125,292
Inventories	112,840	104,862
Other financial assets	4,064	1,933
Other current assets	11,487	11,815
Subtotal	300,829	329,279
Assets related to disposal group classified as held for sale	2,646	—
Total current assets	303,475	329,279
Non-current assets		
Property, plant and equipment	215,664	170,428
Goodwill	58,283	58,633
Other intangible assets	15,891	15,014
Investments accounted for using equity method	25,385	21,015
Retirement benefit asset	2,560	4,905
Other financial assets	44,656	49,751
Other non-current assets	2,469	3,598
Deferred tax assets	9,331	20,150
Total non-current assets	374,238	343,494
Total assets	677,713	672,773

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	92,839	100,797
Contract liabilities	8,489	9,368
Borrowings	30,043	37,872
Income taxes payable	1,757	4,866
Provisions	–	1,837
Other financial liabilities	3,138	3,874
Other current liabilities	9,486	10,196
Subtotal	145,752	168,810
Liabilities related to disposal group classified as held for sale	2,646	–
Total current liabilities	148,398	168,810
Non-current liabilities		
Contract liabilities	–	7,861
Bonds and borrowings	52,684	81,406
Retirement benefit liability	16,216	16,434
Other financial liabilities	16,198	19,314
Other non-current liabilities	3,667	5,136
Deferred tax liabilities	3,139	3,077
Total non-current liabilities	91,903	133,227
Total liabilities	240,301	302,036
Equity		
Equity attributable to owners of parent		
Share capital	23,370	23,370
Capital surplus	18,242	11,562
Retained earnings	369,102	302,916
Treasury shares	(19,547)	(19,202)
Other components of equity	5,626	15,348
Total equity attributable to owners of parent	396,793	333,995
Non-controlling interests	40,619	36,741
Total equity	437,412	370,736
Total liabilities and equity	677,713	672,773

(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, 2020	Fiscal year ended March 31, 2021
Continuing operations		
Revenue	471,967	446,609
Cost of sales	(331,228)	(313,200)
Gross profit	140,739	133,408
Selling, general and administrative expenses	(104,343)	(105,117)
Other operating income	1,304	1,790
Other operating expenses	(4,879)	(87,584)
Share of profit (loss) of investments accounted for using equity method	64	(4,132)
Operating profit (loss)	32,884	(61,633)
Finance income	1,929	947
Finance costs	(2,184)	(1,743)
Profit before tax (loss)	32,629	(62,430)
Income taxes	(6,859)	7,900
Profit from continuing operations (loss)	25,770	(54,530)
Discontinued operations		
Loss from discontinued operations	252	—
Profit (loss)	26,022	(54,530)
Profit (loss) attributable to:		
Owners of parent	22,604	(55,155)
Non-controlling interests	3,418	625
Total	26,022	(54,530)
Earnings per share (loss)		
Basic earnings per share (loss) (Yen)	104.38	(256.73)
Continuing operations	103.22	(256.73)
Discontinued operations	1.16	—
Diluted earnings per share (loss) (Yen)	104.19	(256.73)
Continuing operations	103.03	(256.73)
Discontinued operations	1.16	—

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	26,022	(54,530)
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	(1,377)	5,101
Remeasurements of defined benefit liabilities (assets)	661	1,438
Share of other comprehensive income of entities accounted for using equity method	(31)	68
Items that may be reclassified to profit or loss		
Net change in fair value of cash flow hedges	(124)	28
Exchange differences on translation of foreign operations	(4,111)	6,167
Share of other comprehensive income of entities accounted for using equity method	(904)	65
Total other comprehensive income, net of tax	(5,886)	12,867
Total comprehensive income	20,136	(41,663)
Comprehensive income attributable to:		
Owners of parent	17,486	(43,458)
Non-controlling interests	2,650	1,795
Total	20,136	(41,663)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 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, 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

Fiscal year ended March 31, 2021

(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 (loss)			(55,155)			(55,155)	625	(54,530)
Other comprehensive income					11,697	11,697	1,170	12,867
Total comprehensive income	—	—	(55,155)	—	11,697	(43,458)	1,795	(41,663)
Share-based remuneration transactions		(6)		266	(9)	251		251
Dividends			(12,888)			(12,888)	(479)	(13,368)
Changes in treasury shares		(18)		80		62		62
Transfer from other components of equity to retained earnings			2,399		(2,399)	—		—
Changes in non-controlling interests		(6,656)			(27)	(6,682)	(5,198)	(11,881)
Other movements			(541)		460	(82)	5	(77)
Total transactions with owners, etc.	—	(6,679)	(11,031)	346	(1,975)	(19,339)	(5,673)	(25,012)
Balance at March 31, 2021	23,370	11,562	302,916	(19,202)	15,348	333,995	36,741	370,736

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before tax	32,629	(62,430)
Loss before tax from discontinued operations	(3,208)	—
Depreciation and amortization	26,359	29,477
Interest and dividend income	(1,369)	(903)
Interest expenses	1,825	1,743
Share of loss (profit) of investments accounted for using equity method	(64)	4,132
Impairment loss	1,801	79,575
Decrease (increase) in trade and other receivables	23,317	(13,009)
Decrease (increase) in inventories	1,446	9,807
Increase (decrease) in trade and other payables	(27,721)	11,772
Other	11,912	15,001
Dividends received	1,591	1,076
Interest received	216	201
Interest paid	(1,732)	(1,605)
Income taxes refund	—	958
Income taxes paid	(12,773)	(5,393)
Net cash provided by (used in) operating activities	54,228	70,403
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,036	2,145
Purchase of property, plant and equipment	(43,951)	(55,205)
Proceeds from sale of property, plant and equipment	913	284
Purchase of investments	(4,426)	(1,606)
Proceeds from sale of investments	15,449	2,016
Payments for acquisition of subsidiaries	(749)	—
Proceeds from acquisition of subsidiaries	—	498
Purchase of shares in associates	(1,928)	—
Payments for loans receivable	(1,441)	(567)
Collection of loans receivable	309	627
Other	(804)	(878)
Net cash provided by (used in) investing activities	(35,592)	(52,687)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,547	(2,424)
Repayments of long-term borrowings	(7,839)	(11,428)
Proceeds from long-term borrowings	5,846	11,320
Proceeds from issuance of bonds	—	34,836
Payments for purchase of treasury shares	(10,002)	(3)
Dividends paid	(13,052)	(12,887)
Dividends paid to non-controlling interests	(1,453)	(464)
Capital contribution from non-controlling interests	1,422	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(11,717)
Repayments of lease obligations	(3,025)	(3,264)
Other	292	327
Net cash provided by (used in) financing activities	(25,264)	4,297
Effect of exchange rate changes on cash and cash equivalents	(1,049)	1,432
Increase (decrease) in cash and cash equivalents	(7,677)	23,445
Cash and cash equivalents at beginning of period	70,785	61,931
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	61,931	85,377

(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 Nine Months of FY ending March 2021 is included in the Other segment.

(*) JM Energy changed company name to "Musashi Energy Solutions Co., Ltd." on November 1, 2020.

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; Materials for OLED; 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.

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

(Unit: Millions of yen)

	Reportable Segment				Other [Note 1]	Total	Adjustment [Note 2]	Consolidated
	Digital Solutions	Life Sciences	Elastomers	Plastics				
Revenue from external customers	144,805	50,496	178,794	95,092	2,779	471,967	0	471,967
Segment profit (loss) (Core operating profit) [Note 3]	30,917	3,945	(1,758)	6,237	(250)	39,091	(5,855)	33,236
Segment assets	145,736	129,485	260,488	69,035	11,485	616,230	58,837	675,068
Other items								
Depreciation expenses and depreciation charges	6,627	5,420	9,925	2,372	221	24,565	1,778	26,343
Impairment losses	-	60	1,454	-	-	1,514	-	1,514
Capital expenditures	18,341	8,613	15,560	2,891	-	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: Segment profit (loss) is presented as core operating profit after deducting non-recurring profit (loss) arising from business restructuring and other non-recurring factors from operating profit.

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Reportable Segment				Other [Note 1]	Total	Adjustment [Note 2]	Consolidated
	Digital Solutions	Life Sciences	Elastomers	Plastics				
Revenue from external customers	151,420	55,197	143,186	79,123	17,682	446,609	0	446,609
Segment profit (loss) (Core operating profit) [Note 3]	34,568	3,510	(11,420)	4,430	1,108	32,196	(6,233)	25,963
Segment assets	164,777	158,393	183,747	76,569	10,778	594,263	78,509	672,773
Other items								
Depreciation expenses and depreciation charges	7,525	6,236	11,169	2,631	238	27,800	1,677	29,477
Impairment losses	1,408	940	77,227	-	-	79,575	-	79,575
Capital expenditures	13,542	18,566	16,593	3,511	479	52,691	979	53,669

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 6,233 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: Segment profit (loss) has been changed from “Operating profit (loss)” to “Core operating profit” from FY ended March 2021. “Core operating profit” is presented as a profit (loss) after deducting non-recurring profit (loss) arising from business restructuring and other non-recurring factors from operating profit. The Company is undertaking business restructuring to achieve mid-to-long-term growth and increase corporate value. The change was made in response to the restructuring of the Display Solutions Business during the Second Quarter of FY ending March 2021, because it was deemed to be useful for the management of each segment and for users of consolidated financial statements to determine the Company’s recurring segment profit or loss.

Adjustments to reconcile segment profit to quarterly profit before tax are as follows

	(Millions of yen)	
	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Segment profit	33,236	25,963
Loss from sales of shares of subsidiaries and affiliated companies	(352)	-
Business Restructuring expenses	-	(87,436)
Special retirement benefits	-	(160)
Operating profit	32,884	(61,633)
Finance income	1,929	947
Finance costs	(2,184)	(1,743)
Profit before tax	32,629	(62,430)

(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, 2020 (April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
	(Millions of yen)	(Millions of yen)
Japan	198,238	184,637
China	67,022	73,317
U.S.	60,403	59,616
Other regions	146,304	129,039
Total	471,967	446,609

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

Property, plant and equipment

	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
	(Millions of yen)	(Millions of yen)
Japan	111,160	92,718
U.S.	23,769	40,319
Other regions	80,735	37,391
Total	215,664	170,428

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

Note: The presentation of amounts for some regions has been omitted for fiscal year ended March 31, 2021 because the amounts have become materially insignificant. Figures for fiscal year ended March 31, 2020 have been reclassified.

(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.

(Other Operating Income and Other Operating Expenses)

(Other Operating Income)

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

No important transactions

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

No important transactions

(Other Operating Expenses)

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

No important transactions

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Business Restructuring Expenses)

The Company recorded in “Other Operating Expenses” 80,513 million yen for expenses pertaining to restructuring and related measures in the Elastomers Business and 2,458 million yen for expenses pertaining to restructuring and related measures in the Display Solutions Business. The main items were impairment losses for property, plant, and equipment and special retirement benefits.

(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, 2020 (April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
(1) Basic earnings per share	104.38	△256.73
Continuing operations	103.22	△256.73
Discontinued operations	1.16	-
(Basis of calculation)		
Profit attributable to owners of parent (Millions of yen)	22,604	(55,155)
Continuing operations	22,352	(55,155)
Discontinued operations	252	-
Average number of shares outstanding during the year (1,000 shares)	216,545	214,838
(2) Diluted earnings per share	104.19	(256.73)
Continuing operations	103.03	(256.73)
Discontinued operations	1.16	-
(Basis of calculation)		
Increase in common stock due to stock options (1,000 shares)	405	-
Diluted average number of shares outstanding during the year (1,000 shares)	216,950	214,838

Note: Although 331,000 potential common shares with dilution effects were issued during fiscal year ended March 31, 2021, these shares were excluded from the calculation of diluted loss per share because they have the effect of anti-dilution.

(Material Subsequent Events)

Not applicable