

# Q1 2019 Financial Results

(April to June 2019)



JSR Corporation

# Summary 1 - 19Q1 Result vs Projection

(100Mil JPY)

		19Q1	191H pro	192H pro	FY19 Pro
Consolidated	Sales	1,195	2,520	2,560	5,080
	Operating Profit	100	215	230	445
	Profit, attributable to owners of parent	73	150	160	310
Elastomers	Sales	458	1,000	1,010	2,010
	Operating Profit	3	27	28	55
Plastics	Sales	248	510	510	1,020
	Operating Profit	20	50	50	100
Digital Solutions	Sales	360	725	725	1,450
	Operating Profit	83	165	175	340
Life Sciences	Sales	123	255	285	540
	Operating Profit	11	5	10	15
Others/Adjustment	Sales	5	30	30	60
	Operating Profit	-17	-32	-33	-65

Exchange rate (JPY/USD)	110	110	110
Butadiene Price (USD/Ton) (a)	979	1,100	1,100
MOPJ (USD/Ton) (b)	541	550	550
Spread(a-b)	438	550	550

\*Results for 19Q1 were almost in line with our projection as a whole, despite the severe business environment.

\*The uncertainty of the demand in customers affected the progress of each business.

# Summary 2 - YoY, QoQ

		18Q1	19Q1	YoY	18Q4	19Q1	QoQ	(100Mil JPY)
Consolidated	Sales	1,223	1,195	-2%	1,202	1,195	-1%	
	Operating Profit	115	100	-13%	51	100	+97%	
	Profit, attributable to owners of parent	89	73	-18%	34	73	+115%	
Elastomers	Sales	497	458	-8%	489	458	-6%	
	Operating Profit	25	3	-88%	-0	3	-	
Plastics	Sales	264	248	-6%	259	248	-4%	
	Operating Profit	22	20	-9%	25	20	-20%	
Digital Solutions	Sales	354	360	+2%	331	360	+9%	
	Operating Profit	82	83	+2%	54	83	+55%	
Life Sciences	Sales	90	123	+37%	115	123	+7%	
	Operating Profit	4	11	+211%	-6	11	-	
Others/Adjustment	Sales	18	5	-70%	8	5	-30%	
	Operating Profit	-17	-17	-	-22	-17	-	

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

YoY: Elastomers and Plastics declined due to the impact of the demand environment.  
Digital Solutions saw a slight OP increase.  
Life Sciences posted higher sales and OP.

QoQ: This was a good improvement over 18Q4 when we saw significant OP declines due to special factors.

# Segment Data : Elastomers business

(100Mil JPY)

	18Q1	19Q1	YoY
Sales	497	458	-8%
OP	25	3	-88%
OP margin	4.9%	0.6%	

	18Q4	19Q1	QoQ
Sales	489	458	-6%
OP	-0	3	-
OP margin	-	0.6%	

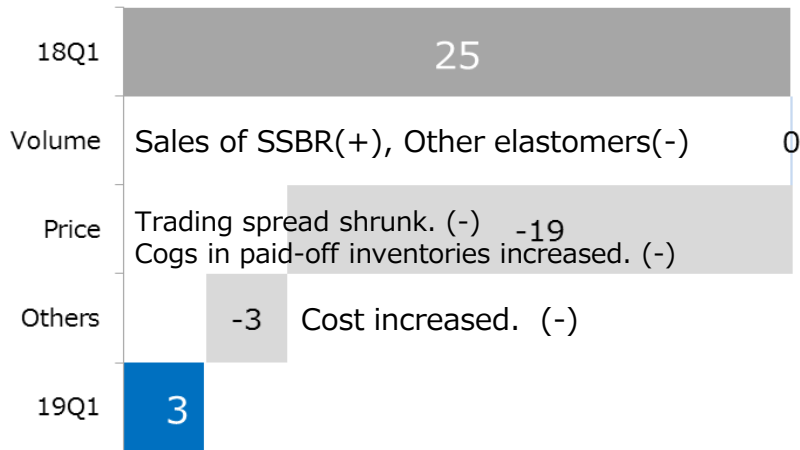
Sales Volume(JSR+JBE,ton)	162,025	152,240	-6%
Exchange rate (JPY/USD)	109	110	+1%
Butadiene(BD,USD/Ton)	1,568	979	-38%
MOPJ(USD/Ton)	641	541	-16%
Spread (BD-MOPJ)	927	438	-53%

Sales Volume(JSR+JBE,ton)	162,167	152,240	-6%
Exchange rate (JPY/USD)	110	110	-0%
Butadiene(BD,USD/Ton)	1,072	979	-9%
MOPJ(USD/Ton)	519	541	+4%
Spread (BD-MOPJ)	553	438	-21%

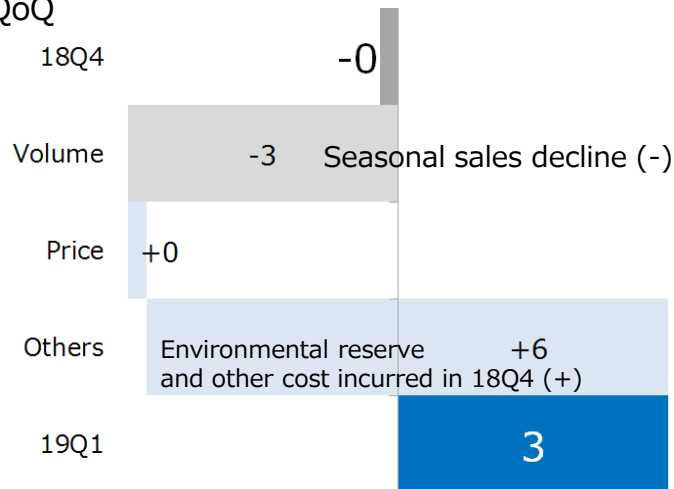
\*BD : Platts S.E Asia(MEAN)

## OP analysis

YoY



QoQ



# Segment Data : Plastics business

(100Mil JPY)

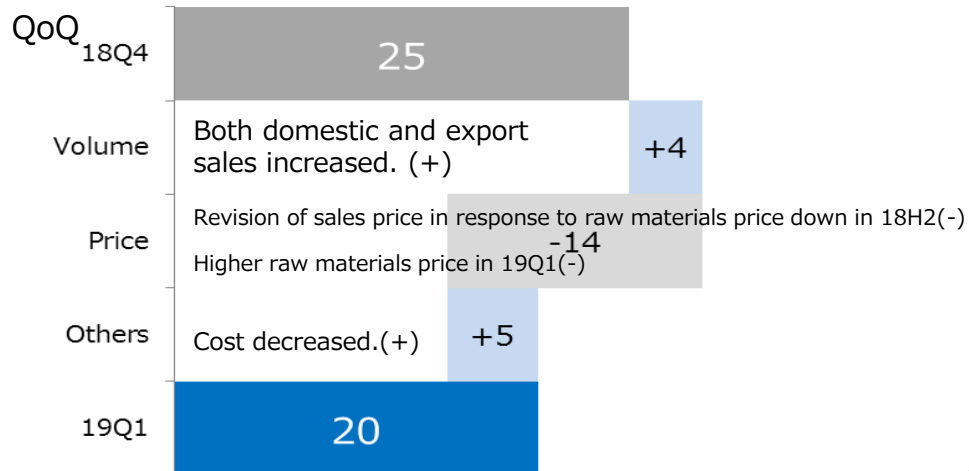
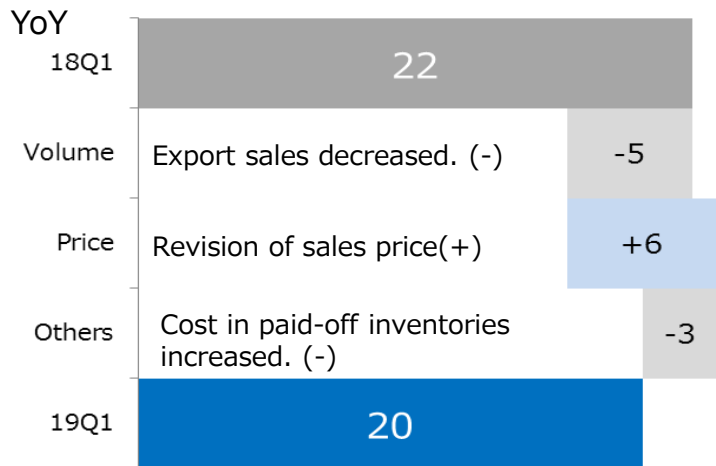
	18Q1	19Q1	YoY	18Q4	19Q1	QoQ
Sales	264	248	-6%	259	248	-4%
OP	22	20	-9%	25	20	-20%
OP margin	8.2%	7.9%		9.6%	7.9%	

Exchange rate (JPY/USD)	109	110	+1%	110	110	-0%
Acrylonitrile(AN,USD/Ton)	2,035	1,888	-7%	1,578	1,888	+20%
Butadiene(BD,USD/Ton)	1,568	979	-38%	1,072	979	-9%
Styrene(SM,USD/Ton)	1,415	1,066	-25%	1,034	1,066	+3%

\*BD : Platts S.E Asia(MEAN), AN,SM : ICIS N.E Asia(MEAN)

## OP analysis

\*OP analysis is the sum of Techno Polymer and UMG.



# Segment Data : Digital Solutions business

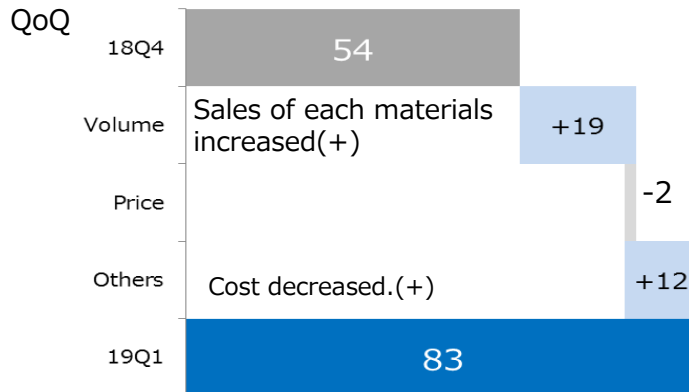
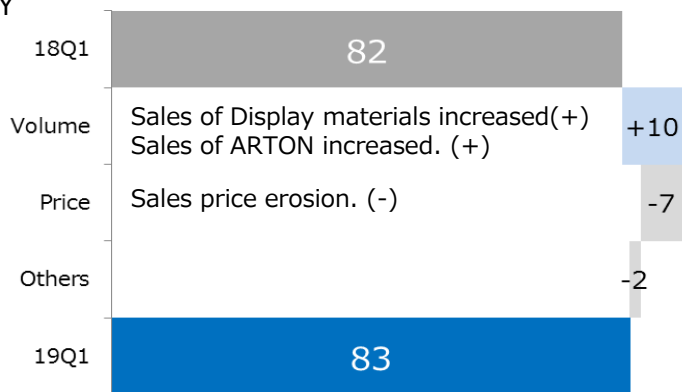
(100Mil JPY)

	18Q1	19Q1	YoY	18Q4	19Q1	QoQ
Sales	354	360	+2%	331	360	+9%
Semiconductor materials	190	191	+0%	178	191	+7%
Display materials	133	129	-2%	117	129	+10%
Edge computing	31	40	+29%	36	40	+11%
OP	82	83	+2%	54	83	+55%
OP margin	23.2%	23.1%		16.2%	23.1%	

## OP analysis

YoY

Exchange rate (JPY/USD)	109	110	+1%	110	110	-0%
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## Sales growth rate

SEMI	YoY YTD	QoQ
ArF Photoresists	Approx. 95%	Approx. 105%
Multilayer Materials	Slightly over 90%	Slight increase
Other Lithography Materials	Slightly over 95%	Slightly Under 105%
CMP Materials	Flat	Flat
Cleaner	Approx. 200%	Approx. 150%
Packaging Materials	Approx. 105%	Approx. 125%

Display	YoY YTD	QoQ
Alignment Films	Slightly over 95%	Approx. 115%
Di-electric materials	Slightly Under 115%	Approx. 130%
Color Pigmented Resists	Slightly Under 90%	Slight decrease
Other LCD Materials	Approx. 95%	Approx. 105%

Edge	YoY YTD	QoQ
ARTON	Slightly over 170%	Slightly over 120%
OFC	Approx. 75%	Slightly Under 90%

# Segment Data : Life Sciences business

	18Q1	19Q1	YoY
Sales	90	123	+37%
OP	4	11	+211%
OP margin	4.1%	9.3%	

18Q4	19Q1	QoQ
115	123	+7%
-6	11	-
-	9.3%	

(100Mil JPY)

Exchange rate (JPY/USD)	109	110	+1%
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110	110	-0%
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## OP analysis

### YoY

\*IVD, IVD materials : Flat sales growth

\*Bio process : Sales expansion in CDMO(KBI/SELEXIS) (+)  
Sales expansion in Amsphere A3 (+)

※OP of 19Q1 includes one-time upside by bringing in the profit scheduled later quarter in our budget and financial accounting factors.

\*CRO : Acquisition of Crown completed on May 31, 2018 and was consolidated from June 2018.  
While Crown's result was consolidated for 1 month in 18Q1, 3 months in 19Q1. (+)

### QoQ

\*IVD, IVD materials : Expenses reduction (+)

\*Bio process : Sales expansion in CDMO(KBI/SELEXIS) (+)  
Sales expansion in Amsphere A3 (+)

\*CRO : Flat sales growth

※OP of 18Q4 includes 400Mil JPY amortization expenses in intangible assets by acquiring Crown.  
(Cost from Jun 18 to Mar 19 incurred in 18Q4.)

# (Consolidated) Overall Statement of P/L

(100Mil JPY)

	18Q1	19Q1	YoY
Sales	1,223	1,195	-2%
Cost of sales	859	835	-3%
Gross profit	363	360	-1%
Selling, general and administrative expenses	252	260	+3%
Other operating income/expenses	0	-3	-
Share of profit of investments accounted for using equity method	4	3	-14%
Operating Profit	115	100	-13%
Finance income/cost	1	-2	-
Income taxes	28	18	-34%
Profit	88	80	-9%
Profit, attributable to owners of parent	89	73	-18%
Profit, attributable to non-controlling interests	-1	7	-
EPS(JPY)	40.16	33.20	-17%
Exchange rate (JPY/USD)	109	110	+1%



# (Consolidated) Overall Statement of Financial position

(100Mil JPY)

	19/3E	19/6E	YoY
Current assets	3,390	3,220	-170
Cash and cash equivalents	708	704	-4
Trade and other receivables	1,353	1,259	-94
Inventories	1,170	1,166	-4
Others	159	91	-68
Non-current assets	3,525	3,559	35
Property, plant and equipment	1,835	1,985	151
Goodwill	591	577	-14
Other intangible assets	142	146	4
Others	957	851	-106
<b>Total Assets</b>	<b>6,914</b>	<b>6,779</b>	<b>-135</b>
Current liabilities	1,725	1,491	-233
Trade and other payables	1,181	1,073	-108
Borrowings	335	246	-89
Others	209	172	-37
Non-current liabilities	786	927	141
Borrowings	508	557	50
Others	278	370	91
<b>Total Liabilities</b>	<b>2,511</b>	<b>2,418</b>	<b>-93</b>
Equity attributable to owners of parent	4,020	3,964	-56
Non-controlling interests	384	397	13
<b>Total Equity</b>	<b>4,404</b>	<b>4,361</b>	<b>-42</b>

Total Assets: -13.5 Bn yen

Total Liabilities: -9.3Bn yen

Equity: -4.2Bn yen  
-Dividend payments and share buybacks

Equity ratio  
(Equity attributable to owners of parents)  
2019/6 E : 58.5%  
2019/3 E : 58.1%

# Projections for FY19 <No changes>

(100Mil JPY)

		19Q1	191H pro	192H pro	FY19 Pro
Consolidated	Sales	1,195	2,520	2,560	5,080
	Operating Profit	100	215	230	445
	Profit, attributable to owners of parent	73	150	160	310
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	Operating Profit	11	5	10	15
Others/Adjustment	Sales	5	30	30	60
	Operating Profit	-17	-32	-33	-65
Depreciation		63	115	135	250
CAPEX		105	190	260	450
RD expenses		60	130	140	270
Exchange rate (JPY/USD)		110	110	110	110
Butadiene Price (USD/Ton) (a)		979	1,100	1,100	1,100
MOPJ (USD/Ton) (b)		541	550	550	550
Spread(a-b)		438	550	550	550

\*BD : Platts S.E Asia(MEAN),

\*The increase of RD expenses in FY19 includes some account changes from Cogs in group companies.

# 【APPENDIX】Quarterly Trends by Segments

(100Mil JPY)

		18Q1	18Q2	18Q3	18Q4	19Q1
Consolidated	Sales	1,223	1,234	1,309	1,202	1,195
	Operating Profit	115	109	155	51	100
	Profit, attributable to owners of parent	89	78	110	34	73
Elastomers	Sales	497	497	524	489	458
	Operating Profit	25	23	27	-0	3
Plastics	Sales	264	262	270	259	248
	Operating Profit	22	18	28	25	20
Digital Solutions	Sales	354	362	375	331	360
	Semiconductor materials	190	193	201	178	191
	Display materials	133	136	141	117	129
	Edge computing	31	33	34	36	40
	Operating Profit	82	84	107	54	83
Life Sciences	Sales	90	103	131	115	123
	Operating Profit	4	1	9	-6	11
Others/Adjustment	Sales	18	10	8	8	5
	Operating Profit	-17	-16	-16	-22	-17
Exchange rate (JPY/USD)		109	111	113	110	110
Butadiene(BD,USD/Ton) (a)		1,568	1,589	1,087	1,072	979
MOPJ (USD/Ton) (b)		641	667	567	519	541
Spread(a-b)		927	922	519	553	438
Spread(a-b) 1Q delayed		764	927	922	519	553
Acrylonitrile(AN,USD/Ton)		2,035	2,210	1,785	1,578	1,888
Styrene(SM,USD/Ton)		1,415	1,427	1,114	1,034	1,066

\*BD : Platts S.E Asia(MEAN), AN,SM : ICIS N.E Asia(MEAN)

# Announcement of Earnings Results

19Q2

28<sup>th</sup> Oct 2019

19Q3

27<sup>th</sup> Jan 2020

\*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.