Q4 2018
Financial Results
(Apr. 2018 to Mar. 2019)

JSR Corporation

Summary 1

FY18 Result vs Projection

Unit:100Mil JPY

		FY18 Act	FY18 Pro
Consolidated	Sales	4,967	4,900
	Operating Profit	430	480
	Profit, attributable to owners of parent	311	335
Elastomers	Sales	2,007	1,950
	Operating Profit	74	100
Plastics	Sales	1,054	1,000
	Operating Profit	92	95
Digital Solutions	Sales	1,422	1,500
	Operating Profit	327	330
Life Sciences	Sales	439	400
	Operating Profit	8	15
Others/Adjustment	Sales	45	50
	Operating Profit	-70	-60

Exchange rate (JPY/USD)	111	105
Butadiene Price (USD/Ton) (a)	1,329	1,300
MOPJ (USD/Ton) (b)	*598*	*600*
Spread(a-b)	*731*	*700*

*The financial result of FY18 was below the OP target.
*Despite steady progress until 18Q3, profit growth slowed in 18Q4 due to a slowdown in demand.

Summary 2

YoY, QoQ

Unit:100Mil JPY

		FY17	FY18	YoY	18Q3	18Q4	QoQ
Consolidated	Sales	4,219	4,967	+18%	1,309	1,202	-8%
	Operating Profit	436	430	-1%	155	51	-67%
	Profit, attributable to owners of parent	332	311	-6%	110	34	-69%
Elastomers	Sales	1,957	2,007	+3%	524	489	-7%
	Operating Profit	149	74	-50%	27	-0	-
Plastics	Sales	538	1,054	+96%	270	259	-4%
	Operating Profit	56	92	+65%	28	25	-11%
Digital Solutions	Sales	1,404	1,422	+1%	375	331	-12%
	Operating Profit	307	327	+6%	107	54	-50%
Life Sciences	Sales	264	439	+66%	131	115	-12%
	Operating Profit	-18	8	-	9	-6	-
Others/Adjustment	Sales	56	45	-20%	8	8	-8%
	Operating Profit	-58	-70	-	-16	-22	-

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

YoY: Elastomers' OP decreased (described later) . Plastics, Digital Solutions and Life Sciences business increased OP.

QoQ: Sales and OP decreased in all the businesses.

Factors behind QoQ OP decline

*Demand : (Seasonal decline in customers' production, Demand slow down)

*Price : (Decrease in trading spreads, FX)

*Others :
- Cost (Increased QoQ)

-Unordinary factors (PPA-amortization cost, Environmental reserve, Impairment, Difference from special factors in 18Q3)

Segment Data : Elastomers business

Unit:100Mil JPY

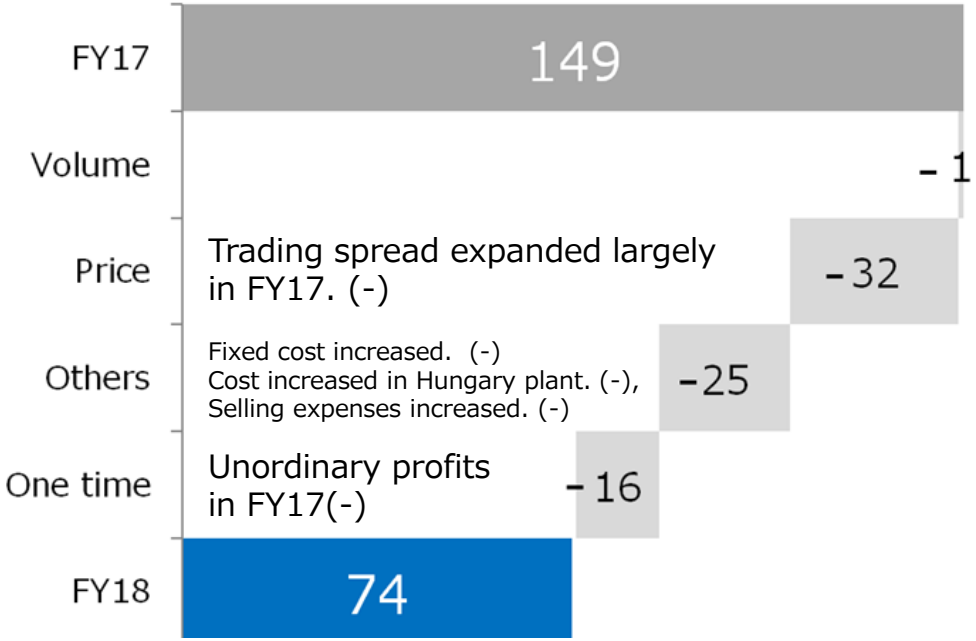
	FY17	FY18	YoY	18Q3	18Q4	QoQ
Sales	1,957	2,007	+3%	524	489	-7%
OP	149	74	-50%	27	-0	-
OP margin	7.6%	3.7%		5.2%	-	

Sales Volume(JSR+JBE,ton)	677,731	647,874	-4%	166,790	162,167	-3%
Exchange rate (JPY/USD)	111	111	+0%	113	110	-2%
Butadiene(BD,USD/Ton)	1,169	1,329	+14%	1,087	1,072	-1%
MOPJ(USD/Ton)	517	*598*	*+16%*	567	*519*	*-8%*
Spread (BD-MOPJ)	653	*731*	*+12%*	519	*553*	*+6%*

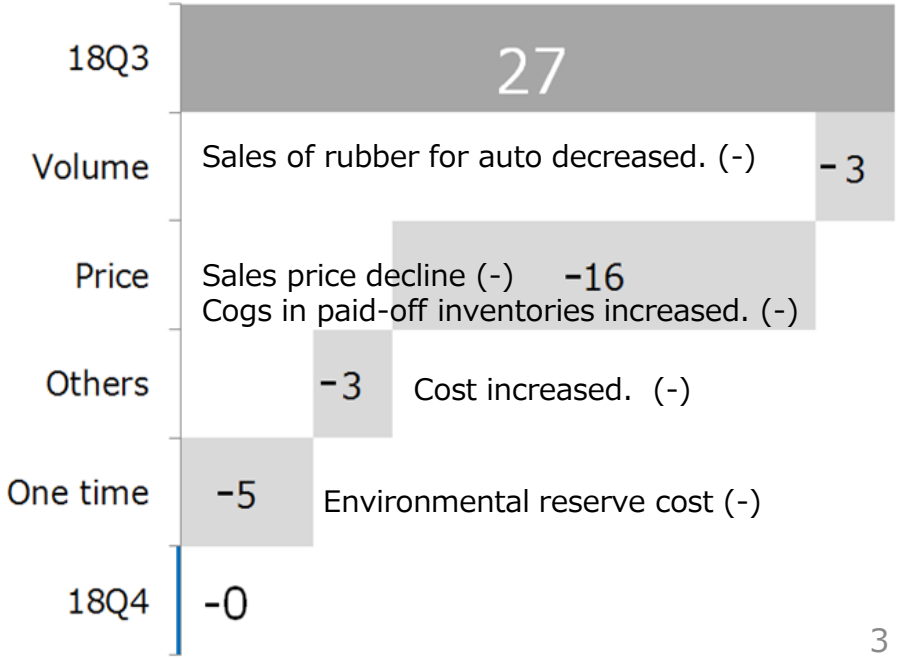
*BD : Platts S.E Asia(MEAN)

OP analysis

YoY



QoQ



Segment Data : Plastics business

Unit:100Mil JPY

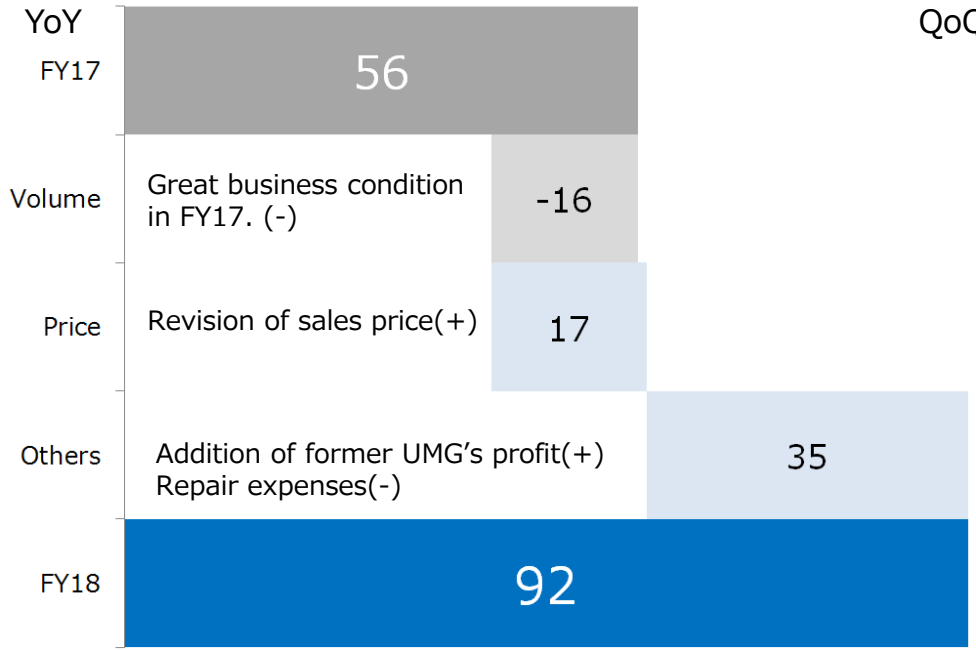
	FY17	FY18	YoY	18Q3	18Q4	QoQ
Sales	538	1,054	+96%	270	259	-4%
OP	56	92	+65%	28	25	-11%
OP margin	10.4%	8.7%		10.3%	9.6%	

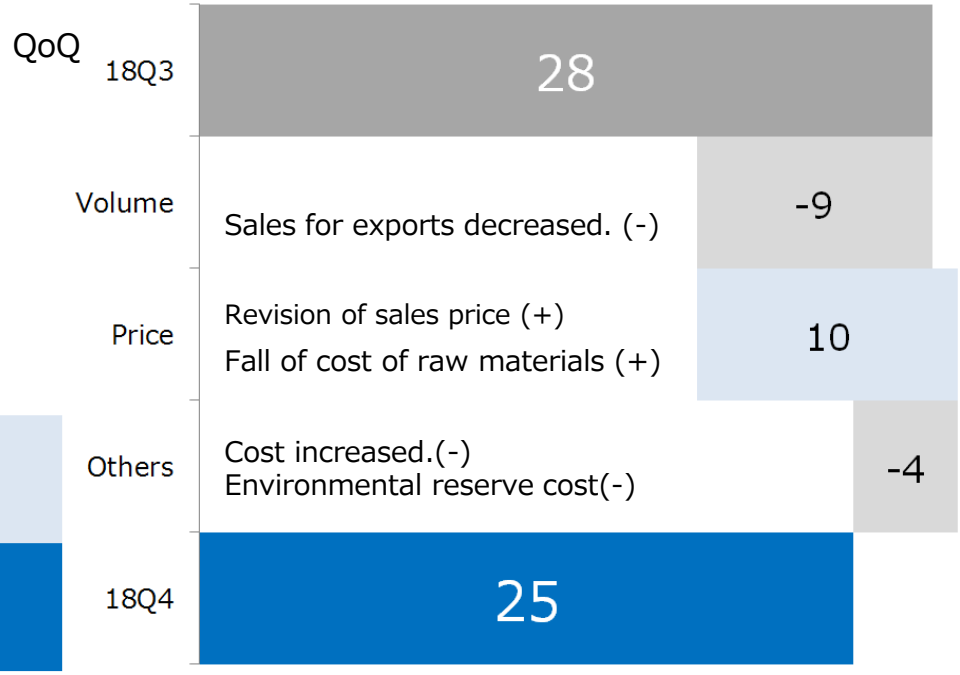
Exchange rate (JPY/USD)	111	111	+0%	113	110	-2%
Acrylonitrile(AN,USD/Ton)	1,714	1,904	+11%	1,785	1,578	-12%
Butadiene(BD,USD/Ton)	1,169	1,329	+14%	1,087	1,072	-1%
Styrene(SM,USD/Ton)	1,255	1,254	-0%	1,114	1,034	-7%

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

OP analysis

*Former UMG's profit is included in OP analysis "Others" below.





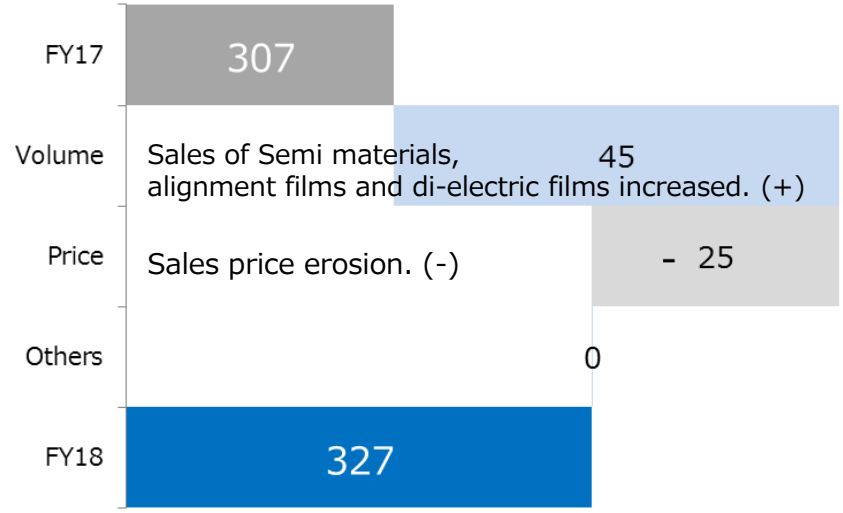
Segment Data : Digital Solutions business

Unit:100Mil JPY

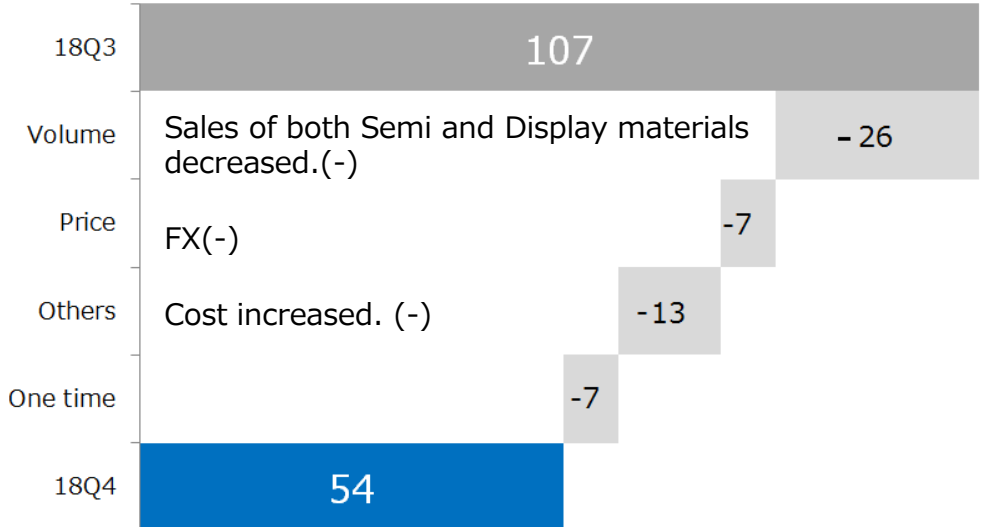
		FY17	FY18	YoY	18Q3	18Q4	QoQ
Sales		1,404	1,422	+1%	375	331	-12%
	Semiconductor materials	725	761	+5%	201	178	-11%
	Display materials	543	527	-3%	141	117	-17%
	Edge computing materials	136	134	-1%	34	36	+7%
OP		307	327	+6%	107	54	-50%
OP margin		21.9%	23.0%		28.4%	16.2%	
Exchange rate (JPY/USD)		111	111	+0%	113	110	-2%

OP analysis

YoY



QoQ



Sales growth rate

SEMI	YoY YTD	QoQ
ArF Photoresists	Approx. 110%	Approx. 85%
Multilayer Materials	Slight increase	Approx. 85%
Other Lithography Materials	Slightly over 105%	Slightly over 85%
CMP Materials	flat	Approx. 90%
Packaging Materials	Approx. 110%	Slightly over 95%
Cleaner	Slightly under 105%	Approx. 105%

Display	YoY YTD	QoQ
Alignment Films	Slightly over 95%	Approx. 80%
Color Pigmented Resists	Approx. 85%	Approx. 90%
Di-electric materials	Approx.105%	Slightly over 75%
Other LCD Materials	Slightly under 105%	Slightly under 90%

Edge	YoY YTD	QoQ
OFC	Slight decrease	Slightly under 85%
ARTON	flat	Slightly under 125%

Segment Data : Life Sciences business

Unit:100Mil JPY

	FY17	FY18	YoY	18Q3	18Q4	QoQ
Sales	264	439	+66%	131	115	-12%
OP	-18	8	-	9	-6	-
OP margin	-	1.8%		7.0%	-	
Exchange rate (JPY/USD)	111	111	+0%	113	110	-2%

OP analysis

YoY

*IVD, IVD materials : Steady sales increase.(+)
*Bio process : Sales expansion in CDMO(KBI/SELEXIS). (+)
Sales of Amsphere A3 expanded.(+)
*CRO : Acquisition of Crown completed on May 31, 2018 and was consolidated from June 2018.(+)

QoQ

*IVD, IVD materials : Slight sales decrease (-)
*Bio process : OP decreased in CDMO (Fixed cost increase). (-)
Sales of Amsphere A3 decreased(Timing of sales). (-)
*CRO : Sales decreased in Crown (Timing of sales). (-)

*Others: PPA amortizes 400Mil JPY in intangible assets by acquiring Crown (Cost from Jun 18 to Mar 19 incurred in 18Q4.)

(Consolidated) Overall Statement of Profit or Loss

Unit:100Mil JPY

	FY17	FY18	YoY
Sales	4,219	4,967	+18%
Cost of sales	2,918	3,500	+20%
Gross profit	1,301	1,467	+13%
Selling, general and administrative expenses	870	1,031	+19%
Other operating income/expenses	1	-12	-
Share of profit of investments accounted for using equity method	3	5	+58%
Operating Profit	436	430	-1%
Finance income/cost	26	11	-57%
Income taxes	112	106	-6%
Profit	350	336	-4%
Profit, attributable to owners of parent	332	311	-6%
Profit, attributable to non-controlling interests	17	25	+41%
EPS(JPY)	149.32	140.62	-6%
Exchange rate (JPY/USD)	111	111	+0%

(Consolidated) Overall Statement of Financial position

Unit:100Mil JPY

	18/3E	19/3E	YoY
Current assets	3,579	3,390	-189
Cash and cash equivalents	1,250	708	-542
Trade and other receivables	1,225	1,353	128
Inventories	876	1,170	295
Others	229	159	-70
Non-current assets	2,898	3,525	627
Property, plant and equipment	1,598	1,835	236
Goodwill	194	591	397
Other intangible assets	104	142	38
Others	1,002	957	-44
Total Assets	6,477	6,914	437
Current liabilities	1,540	1,725	184
Trade and other payables	1,103	1,181	77
Borrowings	259	335	76
Others	178	209	31
Non-current liabilities	821	786	-34
Borrowings	535	508	-27
Others	286	278	-8
Total Liabilities	2,361	2,511	150
Equity attributable to owners of parent	3,935	4,020	85
Non-controlling interests	181	384	202
Total Equity	4,116	4,404	287

Total Assets: +43.7Bn yen
-Goodwill increased due to acquisition of Crown (Cash decreased).
-Effects of merger of former UMG

Total Liabilities: +15.0Bn yen
- Effects of merger of former UMG.

Equity: +28.7Bn yen
-Increase Non-controlling interests (effects of merger of former UMG) and retained earnings.

Equity ratio
(Equity attributable to owners of parents)
2018/3 E : 60.8%
2019/3 E : 58.1%

(Consolidated) Statements of Cash Flows

Unit:100Mil JPY

		FY17	FY18	YoY
Cash flows from operating activities		436	309	-127
	Income before income taxes	462	442	-20
	Depreciation and amortization	170	218	49
	Change in working capital	-58	-263	-205
	Others	-138	-88	50
Cash flows from investment activities		-204	-663	-458
	Purchase of tangible and intangible assets	-373	-362	11
	Acquisition of shares of subsidiaries	-92	-362	-270
	Others	261	62	-200
FCF		232	-353	-585
Cash flows from financing activities		39	-190	-228
	Change in treasury stock	-0	-50	-50
	Cash dividends paid	-111	-122	-10
	Others	150	-18	-168
Effect of exchange rate change on cash and cash equivalents		5	1	-4
Net increase (decrease) in cash and cash equivalents		275	-543	-818
Cash and cash equivalents at end of period		1,250	708	-542

Projections for FY19

FY19 pro reflects the continuing uncertain business environment.
CAPEX and other investments will be carefully determined based on the business environment.

Unit:100Mil JPY

		FY18 Act	191H pro	192H pro	FY19 Pro	YoY
Consolidated	Sales	4,967	2,520	2,560	5,080	+2%
	Operating Profit	430	215	230	445	+3%
	Profit, attributable to owners of parent	311	150	160	310	-0%
Elastomers	Sales	2,007	1,000	1,010	2,010	+0%
	Operating Profit	74	27	28	55	-26%
Plastics	Sales	1,054	510	510	1,020	-3%
	Operating Profit	92	50	50	100	+9%
Digital Solutions	Sales	1,422	725	725	1,450	+2%
	Operating Profit	327	165	175	340	+4%
Life Sciences	Sales	439	255	285	540	+23%
	Operating Profit	8	5	10	15	+92%
Others/Adjustment	Sales	45	30	30	60	+34%
	Operating Profit	-70	-32	-33	-65	-
Depreciation		218	115	135	250	+15%
CAPEX		360	190	260	450	+25%
RD expenses		249	130	140	270	+8%
Exchange rate (JPY/USD)		111	110	110	110	-1%
Butadiene Price (USD/Ton) (a)		1,329	1,100	1,100	1,100	-17%
MOPJ (USD/Ton) (b)		*598*	550	550	550	-8%
Spread(a-b)		*731*	550	550	550	-25%

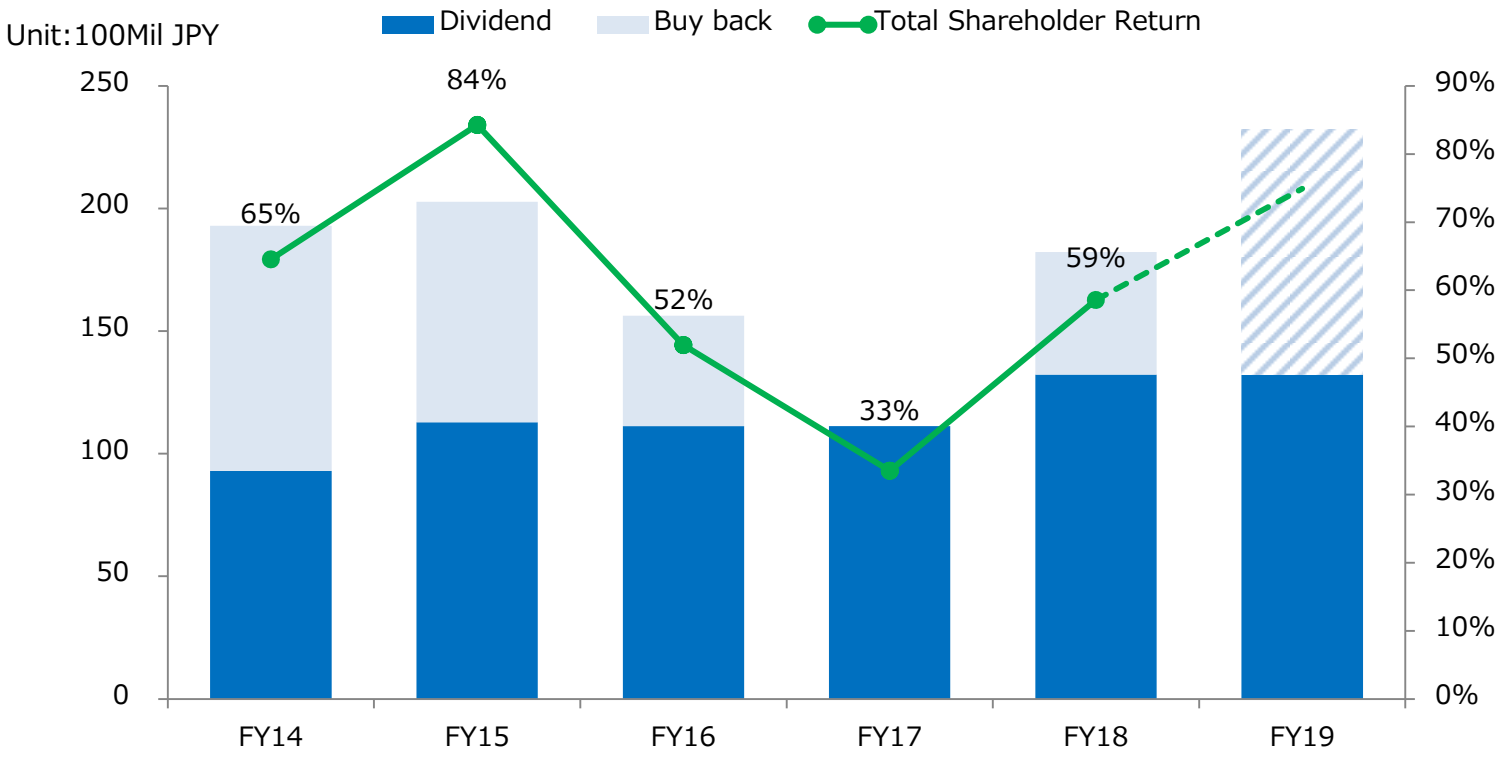
*Butadiene Price : Platts S.E Asia(MEAN)

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

Shareholder Return-Share Buy back

Acquisition of treasury stock announced on April 24, 2019

1.Number of shares : Up to 6.25 million
(Approximately 2.8% of total issued shares (Excluding treasury stock))
2.Acquisition amount : Up to 10.0 billion yen
3.Acquisition Period: 2019/4/25 to 2019/9/30
4. Purpose of purchase : To improve capital efficiency and exercise agile capital policies corresponding to changes in the business environment. Based on our shareholders return policy, which is approx. 50% of total shareholders return , it intends to purchase its own shares.



* Year-end dividends of ¥30 and annual dividends (anticipation) of ¥60 were unchanged.

【APPENDIX】Quarterly Sales & Operating Profit Trends by Segments

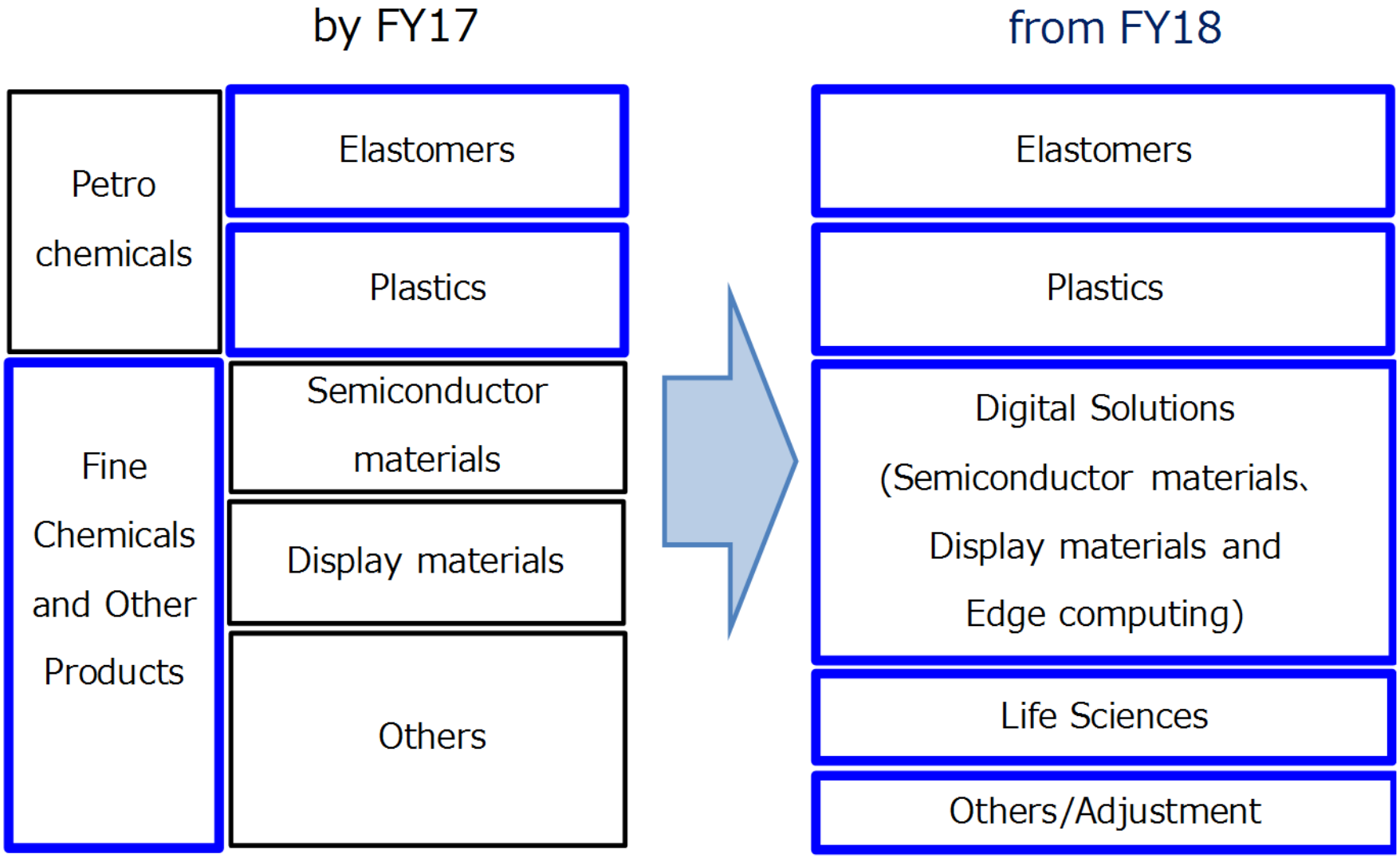
		17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4
Consolidated	Sales	1,011	1,024	1,100	1,084	1,223	1,234	1,309	1,202
	Operating Profit	127	107	138	64	115	109	155	51
	Profit, attributable to owners of parent	94	85	97	56	89	78	110	34
Elastomers	Sales	474	464	504	515	497	497	524	489
	Operating Profit	58	28	46	17	25	23	27	-0
Plastics	Sales	128	131	141	138	264	262	270	259
	Operating Profit	14	18	18	6	22	18	28	25
Digital Solutions	Sales	346	353	364	341	354	362	375	331
	Semiconductor materials	173	182	192	178	190	193	201	178
	Display materials	139	137	137	130	133	136	141	117
	Edge computing	34	34	36	33	31	33	34	36
	Operating Profit	81	80	85	61	82	84	107	54
Life Sciences	Sales	52	60	76	76	90	103	131	115
	Operating Profit	-14	-6	4	-2	4	1	9	-6
Others/Adjustment	Sales	11	16	14	14	18	10	8	8
	Operating Profit	-11	-13	-15	-18	-17	-16	-16	-22

Exchange rate（JPY/USD）	111	111	113	108	109	111	113	110
Butadiene(BD,USD/Ton) (a)	1,072	1,198	1,054	1,345	1,568	1,589	1,087	1,072
MOPJ（USD/Ton）(b)	446	468	570	581	641	667	567	*519*
Spread(a-b)	626	730	484	764	927	922	519	*553*
Spread(a-b) 1Q delayed	2,153	626	730	484	764	927	922	519
Acrylonitrile(AN,USD/Ton)	1,516	1,567	1,892	1,895	2,035	2,210	1,785	1,578
Styrene(SM,USD/Ton)	1,119	1,248	1,267	1,386	1,415	1,427	1,114	1,034

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

【APPENDIX】New Segment classification

Changed disclosure segment classification from FY ending March 2019



Announcement of Earnings Results

FY19Q1	July 29th 2019

*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.