Q2 2019 Financial Results

(April to September 2019)

JSR Corporation

Summary 1 – 19H1 Result vs Projection

(100Mil JPY)

		19H1	191H org Pro	FY19 rev Pro
Consolidated	Sales	2,401	2,520	4,830
	Operating Profit	190	215	400
	Profit, attributable to owners of parent	135	150	280
Elastomers	Sales	910	1,000	1,855
	Operating Profit	-3	27	30
Plastics	Sales	490	510	995
	Operating Profit	36	50	80
Digital Solutions	Sales	737	725	1,430
	Operating Profit	170	165	325
Life Sciences	Sales	251	255	515
	Operating Profit	20	5	30
Others/Adjustment	Sales	14	30	35
	Operating Profit	-34	-32	-65

Exchange rate (JPY/USD)	109	110	108
Butadiene Price (USD/Ton) (a)	1,080	1,100	1,100
MOPJ (USD/Ton) (b)	*517*	550	550
Spread(a-b)	*562*	550	550

*Results for 19H1 did not reach our projection as a whole due to the severe business environment.
*Digital Solutions and Life Sciences exceeded the projection while Elastomers and Plastics delayed.
*We changed FY19 projection.

Summary 2 - YoY, QoQ

(100Mil JPY)

		18H1	19H1	YoY	19Q1	19Q2	QoQ
Consolidated	Sales	2,457	2,401	-2%	1,195	1,206	+1%
	Operating Profit	224	190	-15%	100	90	-11%
	Profit, attributable to owners of parent	167	135	-19%	73	62	-15%
Elastomers	Sales	994	910	-8%	458	452	-1%
	Operating Profit	47	-3	-	3	-6	-
Plastics	Sales	526	490	-7%	248	241	-3%
	Operating Profit	39	36	-8%	20	17	-16%
Digital Solutions	Sales	716	737	+3%	360	377	+5%
	Operating Profit	166	170	+3%	83	87	+5%
Life Sciences	Sales	193	251	+30%	123	128	+4%
	Operating Profit	4	20	+376%	11	8	-26%
Others/Adjustment	Sales	29	14	-52%	5	8	+53%
	Operating Profit	-33	-34	-	-17	-17	-

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

YoY: Elastomers and Plastics declined due to the impact of the demand environment.
Digital Solutions achieved Sales and OP increase.
Life Sciences achieved strong Sales and OP increase.

QoQ: Elastomers and Plastics suffered from the severe demand environment.
Digital Solutions and Life Sciences achieved growth.

Segment Data : Elastomers business

(100Mil JPY)

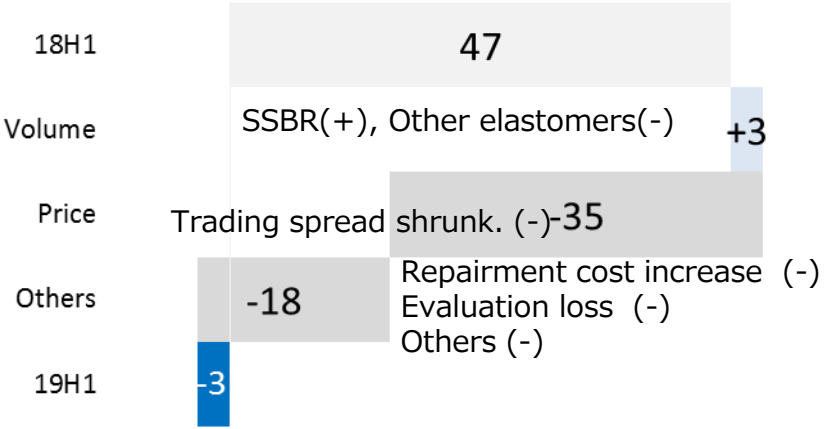
	18H1	19H1	YoY	19Q1	19Q2	QoQ
Sales	994	910	-8%	458	452	-1%
OP	47	-3	-	3	-6	-
OP margin	4.7%	-		0.6%	-	

Sales Volume (Ton)	318,923	308,980	-3%	152,240	156,740	+3%
Exchange rate (JPY/USD)	110	109	-1%	110	107	-2%
Butadiene(BD,USD/Ton)	1,579	1,080	-32%	979	1,180	+21%
MOPJ(USD/Ton)	654	*517*	*-21%*	541	*494*	*-9%*
Spread (BD-MOPJ)	925	*562*	*-39%*	438	*686*	*+56%*

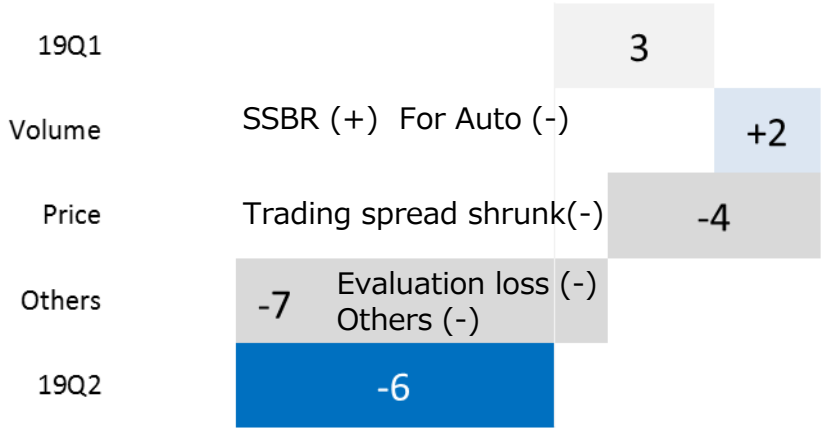
*BD : Platts S.E Asia(MEAN)

OP analysis

YoY



QoQ



Segment Data : Plastics business

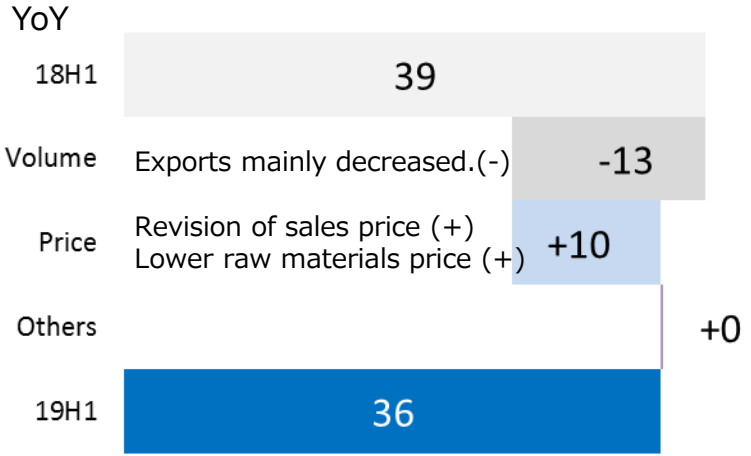
(100Mil JPY)

	18H1	19H1	YoY	19Q1	19Q2	QoQ
Sales	526	490	-7%	248	241	-3%
OP	39	36	-8%	20	17	-16%
OP margin	7.5%	7.4%		7.9%	6.9%	

Exchange rate (JPY/USD)	110	109	-1%	110	107	-2%
Acrylonitrile(AN,USD/Ton)	2,123	1,738	-18%	1,888	1,587	-16%
Butadiene(BD,USD/Ton)	1,579	1,080	-32%	979	1,180	+21%
Styrene(SM,USD/Ton)	1,421	1,038	-27%	1,066	1,010	-5%

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

OP analysis





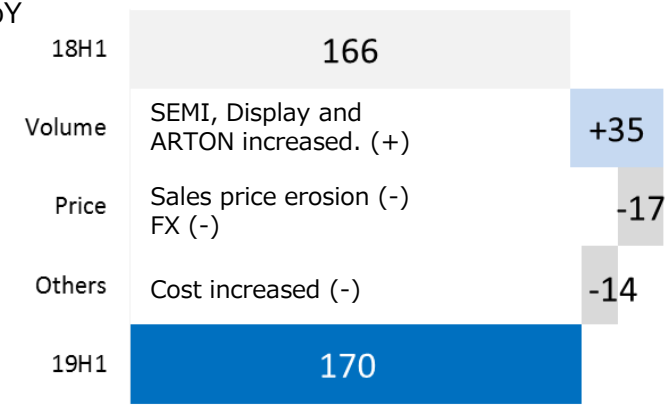
Segment Data : Digital Solutions business

(100Mil JPY)

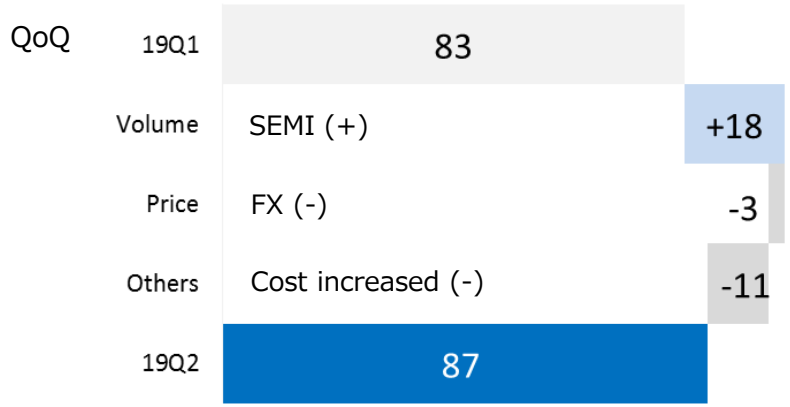
		18H1	19H1	YoY	19Q1	19Q2	QoQ
Sales		716	737	+3%	360	377	+5%
	Semiconductor materials	383	412	+8%	191	221	+16%
	Display materials	269	252	-6%	129	122	-5%
	Edge computing	64	73	+15%	40	33	-18%
OP		166	170	+3%	83	87	+5%
OP margin		23.2%	23.1%		23.1%	23.1%	
Exchange rate (JPY/USD)		110	109	-1%	110	107	-2%

OP analysis

YoY



QoQ



Sales growth rate

SEMI	YoY ytd	QoQ
ArF	Approx. 105%	Slightly Under 120%
Multilayer	Flat	Slightly over 115%
Other Lithography	Slight increase	Approx. 115%
CMP	Approx. 95%	Approx. 105%
Cleaner	Approx. 205%	Slightly Under 125%
Packaging	Slightly over 110%	Approx. 110%

Display	YoY ytd	QoQ
Alignment Films	Slightly Under 95%	Approx. 90%
Di-electric materials	Slightly Under 115%	Approx. 105%
Color Pigmented Resists	Slightly over 85%	Slight decrease
Other LCD Materials	Slightly over 90%	Slightly over 90%

Edge	YoY ytd	QoQ
ARTON	Approx. 150%	Approx. 90%

Segment Data : Life Sciences business

(100Mil JPY)

	18H1	19H1	YoY	19Q1	19Q2	QoQ
Sales	193	251	+30%	123	128	+4%
OP	4	20	+376%	11	8	-26%
OP margin	2.2%	7.9%		9.3%	6.6%	
Exchange rate (JPY/USD)	110	109	-1%	110	107	-2%

OP analysis

YoY Sales and OP expanded strongly.

IVD : Sales increase
CDMO(KBI/SELEXIS) : Strong sales increase
Bio process materials :Sales increase
CRO(Crown) : Strong sales increase

※1 OP of 19H1(19Q1) includes one-time upside by bringing in the profit scheduled 19H2 in our budget and financial accounting factors.
※2 Acquisition of Crown completed on May 31, 2018 and was consolidated from June 2018 results.

QoQ Sales increased. OP decreased. (※1 above)

IVD : Sales increase
CDMO(KBI/SELEXIS) : Sales increase

Overall Statement of P/L

(100Mil JPY)

	18H1	19H1	YoY
Sales	2,457	2,401	-2%
Cost of sales	1,735	1,689	-3%
Gross profit	722	712	-1%
Selling, general and administrative expenses	501	517	+3%
Other operating income/expenses	-1	-8	-
Share of profit of investments accounted for using equity method	5	2	-65%
Operating Profit	224	190	-15%
Finance income/cost	11	-1	-
Income taxes	62	38	-38%
Profit	173	151	-13%
Profit, attributable to owners of parent	167	135	-19%
Profit, attributable to non-controlling interests	6	16	+189%
EPS(JPY)	75.29	61.77	-18%
Exchange rate (JPY/USD)	110	109	-1%

Overall Statement of Financial position

(100Mil JPY)

	19/3E	19/9E	+/-
Current assets	3,390	3,081	-309
Cash and cash equivalents	708	650	-57
Trade and other receivables	1,353	1,164	-189
Inventories	1,170	1,166	-5
Others	159	100	-58
Non-current assets	3,525	3,594	+69
Property, plant and equipment	1,835	2,008	+174
Goodwill	591	577	-14
Other intangible assets	142	149	+7
Others	957	860	-97
Total Assets	6,914	6,675	-240
Current liabilities	1,725	1,424	-301
Trade and other payables	1,181	925	-255
Borrowings	335	267	-69
Others	209	232	+23
Non-current liabilities	786	896	+110
Borrowings	508	542	+34
Others	278	354	+76
Total Liabilities	2,511	2,319	-191
Equity attributable to owners of parent	4,020	3,951	-69
Non-controlling interests	384	404	+21
Total Equity	4,404	4,355	-48

Total Assets: -24.0 Bn yen

Total Liabilities: -19.1Bn yen

Equity: -4.8Bn yen
-Dividend payments and share buybacks

Equity ratio
(Equity attributable to owners of parents)
2019/9 E : 59.2%
2019/3 E : 58.1%

Projections for FY19 <Changed>

(100Mil JPY)

		19H1	191H org Pro	FY19 rev Pro	FY19 org Pro
Consolidated	Sales	2,401	2,520	4,830	5,080
	Operating Profit	190	215	400	445
	Profit, attributable to owners of parent	135	150	280	310
Elastomers	Sales	910	1,000	1,855	2,010
	Operating Profit	-3	27	30	55
Plastics	Sales	490	510	995	1,020
	Operating Profit	36	50	80	100
Digital Solutions	Sales	737	725	1,430	1,450
	Operating Profit	170	165	325	340
Life Sciences	Sales	251	255	515	540
	Operating Profit	20	5	30	15
Others/Adjustment	Sales	14	30	35	60
	Operating Profit	-34	-32	-65	-65
	Depreciation	126	115	250	250
	CAPEX	213	190	450	450
	RD expenses	124	130	270	270
	Exchange rate (JPY/USD)	109	110	108	110
	Butadiene Price (USD/Ton) (a)	1,080	1,100	1,100	1,100
	MOPJ (USD/Ton) (b)	*517*	550	550	550
	Spread(a-b)	*562*	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	19Q2
Consolidated	Sales	1,223	1,234	1,309	1,202	1,195	1,206
	Operating Profit	115	109	155	51	100	90
	Profit, attributable to owners of parent	89	78	110	34	73	62
Elastomers	Sales	497	497	524	489	458	452
	Operating Profit	25	23	27	-0	3	-6
Plastics	Sales	264	262	270	259	248	241
	Operating Profit	22	18	28	25	20	17
Digital Solutions	Sales	354	362	375	331	360	377
	Semiconductor materials	190	193	201	178	191	221
	Display materials	133	136	141	117	129	122
	Edge computing	31	33	34	36	40	33
	Operating Profit	82	84	107	54	83	87
Life Sciences	Sales	90	103	131	115	123	128
	Operating Profit	4	1	9	-6	11	8
Others/Adjustment	Sales	18	10	8	8	5	8
	Operating Profit	-17	-16	-16	-22	-17	-17

Exchange rate（JPY/USD）	109	111	113	110	110	107
Butadiene(BD,USD/Ton) (a)	1,568	1,589	1,087	1,072	979	1,180
MOPJ（USD/Ton）(b)	641	667	567	519	541	*494*
Spread(a-b)	927	922	519	553	438	*686*
Spread(a-b) 1Q delayed	764	927	922	519	553	438
Acrylonitrile(AN,USD/Ton)	2,035	2,210	1,785	1,578	1,888	1,587
Styrene(SM,USD/Ton)	1,415	1,427	1,114	1,034	1,066	1,010

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

Announcement of Earnings Results

19Q3	27th Jan 2020
FY19	27th April 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.