Q3 2019 Financial Results

(April to December 2019)

JSR Corporation

Summary 1 – 19Q3 ytd Result vs Projection

(100Mil JPY)

		19Q3ytd	FY19 Pro
Consolidated	Sales	3,591	4,830
	Operating Profit	296	400
	Profit, attributable to owners of parent	189	280
Elastomers	Sales	1,365	1,855
	Operating Profit	10	30
Plastics	Sales	726	995
	Operating Profit	54	80
Digital Solutions	Sales	1,089	1,430
	Operating Profit	246	325
Life Sciences	Sales	387	515
	Operating Profit	39	30
Others/Adjustment	Sales	23	35
	Operating Profit	-52	-65
	Exchange rate (JPY/USD)	109	108

*Results for 19Q3 was in line with our full year projection as a whole.
*Life Sciences exceeded the projection. Digital Solutions was in line.
*Elastomers and Plastics delayed due to the weaker market condition.

Summary 2 - YoY, QoQ

(100Mil JPY)

		18Q3ytd	19Q3ytd	YoY	19Q2	19Q3	QoQ
Consolidated	Sales	3,765	3,591	-5%	1,206	1,189	-1%
	Operating Profit	379	296	-22%	90	106	+19%
	Profit, attributable to owners of parent	277	189	-32%	62	55	-11%
Elastomers	Sales	1,518	1,365	-10%	452	455	+1%
	Operating Profit	74	10	-87%	-6	12	-
Plastics	Sales	796	726	-9%	241	237	-2%
	Operating Profit	67	54	-21%	17	17	+3%
Digital Solutions	Sales	1,091	1,089	-0%	377	352	-7%
	Operating Profit	273	246	-10%	87	75	-14%
Life Sciences	Sales	323	387	+20%	128	136	+7%
	Operating Profit	13	39	+195%	8	20	+131%
Others/Adjustment	Sales	37	23	-37%	8	10	+15%
	Operating Profit	-49	-52	-	-17	-18	-

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

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

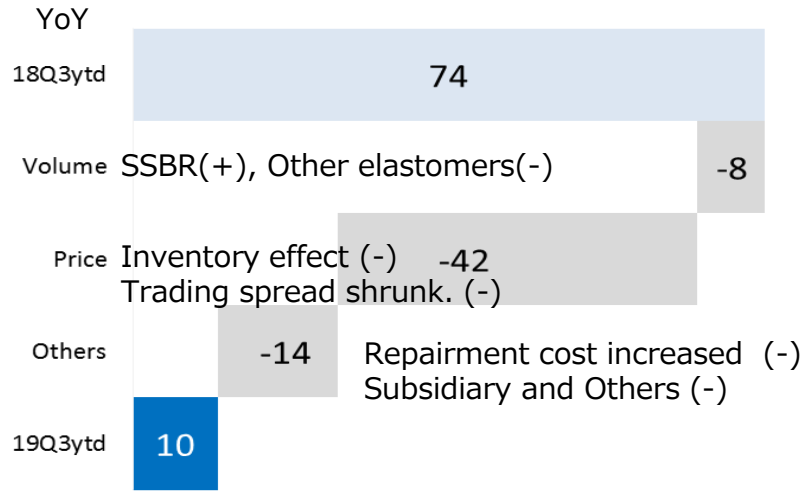
QoQ: Elastomers recovered OP. Plastics stayed almost flat.
Digital Solutions declined mainly due to timing factor. Life Sciences achieved growth.

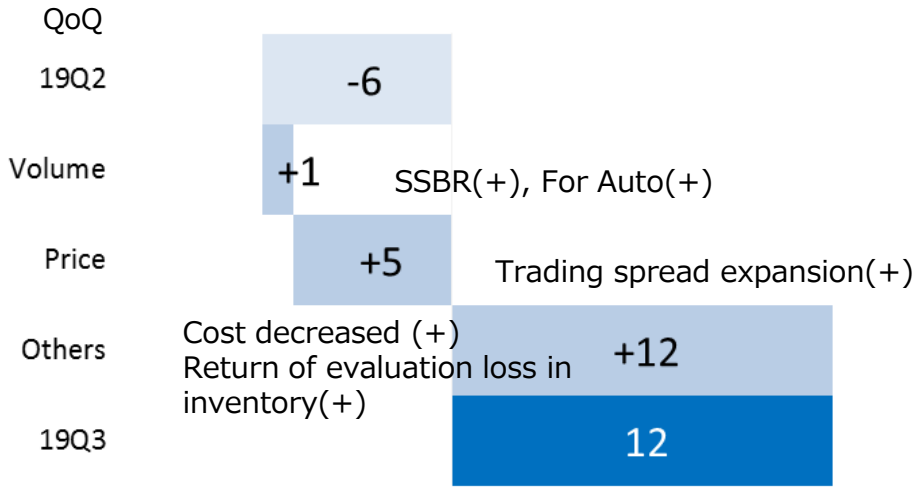
Segment Data : Elastomers business

(100Mil JPY)

	18Q3ytd	19Q3ytd	YoY	19Q2	19Q3	QoQ
Sales	1,518	1,365	-10%	452	455	+1%
OP	74	10	-87%	-6	12	-
OP margin	4.9%	0.7%		-	2.7%	
Sales Volume (Ton)	485,706	465,695	-4%	156,740	156,715	-0%
Exchange rate (JPY/USD)	111	109	-2%	107	109	+1%

OP analysis



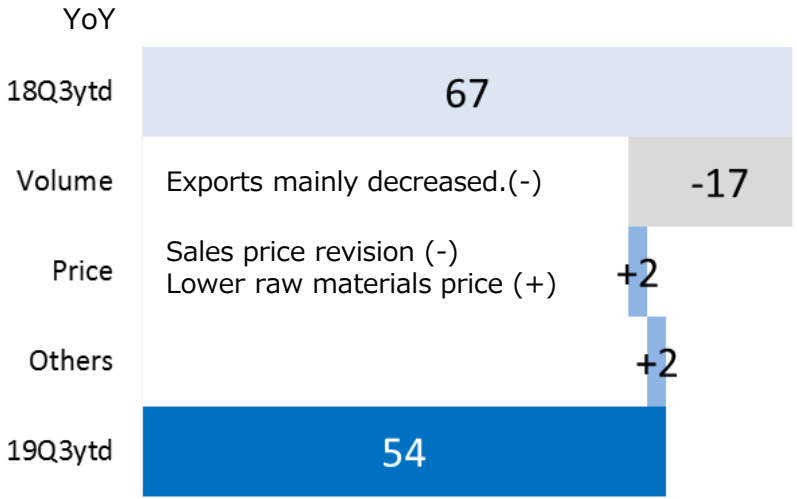


Segment Data : Plastics business

	18Q3ytd	19Q3ytd	YoY	19Q2	19Q3	QoQ
Sales	796	726	-9%	241	237	-2%
OP	67	54	-21%	17	17	+3%
OP margin	8.5%	7.4%		6.9%	7.3%	
Exchange rate (JPY/USD)	111	109	-2%	107	109	+1%

(100Mil JPY)

OP analysis



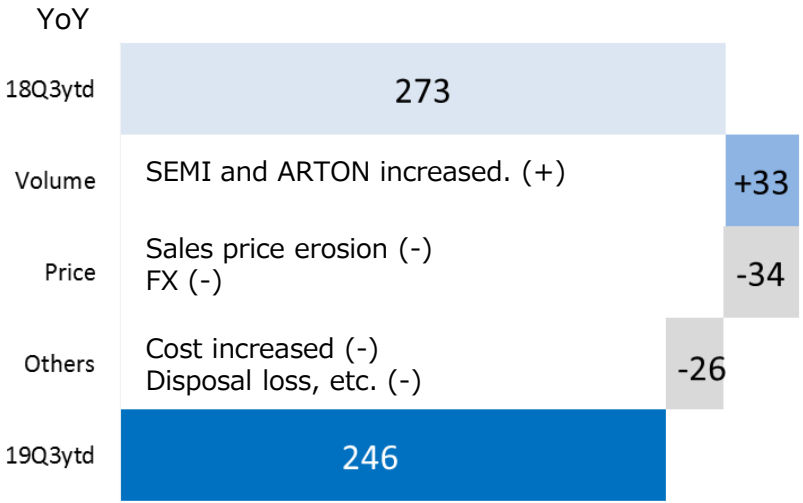


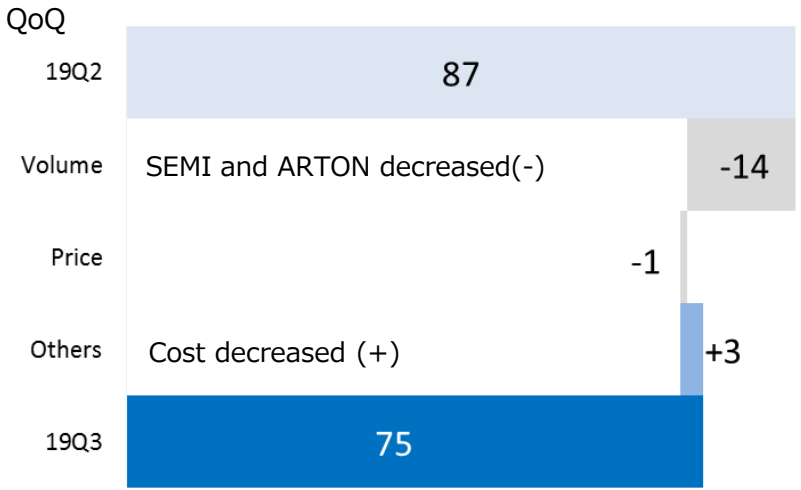
Segment Data : Digital Solutions business

(100Mil JPY)

	18Q3ytd	19Q3ytd	YoY	19Q2	19Q3	QoQ
Sales	1,091	1,089	-0%	377	352	-7%
Semiconductor materials	583	620	+6%	221	208	-6%
Display materials	410	374	-9%	122	122	-0%
Edge computing	98	96	-2%	33	22	-33%
OP	273	246	-10%	87	75	-14%
OP margin	25.0%	22.6%		23.1%	21.4%	
Exchange rate (JPY/USD)	111	109	-2%	107	109	+1%

OP analysis





Appendix: Digital Solutions business - Sales growth rate

SEMI	YoY ytd	QoQ
ArF	Flat	Slightly Under 90%
Multilayer	Slight decrease	Approx. 90%
Other Lithography	Approx. 105%	Approx. 105%
CMP	Slight decrease	Approx. 110%
Cleaner	Slightly over 220%	Slightly over 125%
Packaging	Approx. 115%	Approx. 95%

Display	YoY ytd	QoQ
Alignment Films	Approx. 90%	Flat
Di-electric materials	Approx. 110%	Slightly Under 105%
Color Pigmented Resists	Approx. 90%	Slightly Under 110%
Other LCD Materials	Slightly Under 95%	Approx. 110%

Edge	YoY ytd	QoQ
ARTON	Approx. 135%	Approx. 75%

Segment Data : Life Sciences business

(100Mil JPY)

	18Q3ytd	19Q3ytd	YoY	19Q2	19Q3	QoQ
Sales	323	387	+20%	128	136	+7%
OP	13	39	+195%	8	20	+131%
OP margin	4.1%	10.2%		6.6%	14.3%	
Exchange rate (JPY/USD)	111	109	-2%	107	109	+1%

OP analysis

YoY Sales and OP expanded strongly.

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

※1 OP of 19Q1 and 19Q3 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 increased. (※1 above)

CDMO(KBI/SELEXIS) : Sales increase
CRO(Crown): Sales increase

Overall Statement of P/L

(100Mil JPY)

	18Q3ytd	19Q3ytd	YoY
Sales	3,765	3,591	-5%
Cost of sales	2,620	2,509	-4%
Gross profit	1,145	1,082	-6%
Selling, general and administrative expenses	766	776	+1%
Other operating income/expenses	-4	-12	-
Share of profit of investments accounted for using equity method	4	2	-46%
Operating Profit	379	296	-22%
Finance income/cost	8	-1	-
Income taxes	93	77	-17%
Profit	294	218	-26%
Profit, attributable to owners of parent	277	189	-32%
Profit, attributable to non-controlling interests	16	28	+71%

EPS(JPY)	125.13	87.27	-30%

Exchange rate (JPY/USD)	111	109	-2%

Overall Statement of Financial position

(100Mil JPY)

	19/3E	19/12E	+/-
Current assets	3,390	3,281	-108
Cash and cash equivalents	708	672	-36
Trade and other receivables	1,353	1,288	-65
Inventories	1,170	1,199	+28
Others	159	123	-35
Non-current assets	3,525	3,724	+199
Property, plant and equipment	1,835	2,119	+284
Goodwill	591	585	-6
Other intangible assets	142	152	+10
Others	957	869	-89
Total Assets	6,914	7,005	+91
Current liabilities	1,725	1,676	-49
Trade and other payables	1,181	1,163	-18
Borrowings	335	300	-35
Others	209	213	+4
Non-current liabilities	786	938	+152
Borrowings	508	556	+48
Others	278	383	+104
Total Liabilities	2,511	2,614	+103
Equity attributable to owners of parent	4,020	3,975	-45
Non-controlling interests	384	416	+33
Total Equity	4,404	4,391	-12

Total Assets: +9.1 Bn yen

Total Liabilities: +10.3 Bn yen

Equity: -1.2 Bn yen
-Dividend payments and share buybacks

Equity ratio
(Equity attributable to owners of parents)
2019/12 E : 56.7%
2019/3 E : 58.1%

Projections for FY19 <No Change. Revised on Oct.28th>

(100Mil JPY)

		19Q3ytd	FY19 Pro
Consolidated	Sales	3,591	4,830
	Operating Profit	296	400
	Profit, attributable to owners of parent	189	280
Elastomers	Sales	1,365	1,855
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Others/Adjustment	Sales	23	35
	Operating Profit	-52	-65
Exchange rate (JPY/USD)		109	108
Depreciation		195	250
CAPEX		336	450
RD expenses		184	270

*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	19Q3
Consolidated	Sales	1,223	1,234	1,309	1,202	1,195	1,206	1,189
	Operating Profit	115	109	155	51	100	90	106
	Profit, attributable to owners of parent	89	78	110	34	73	62	55
Elastomers	Sales	497	497	524	489	458	452	455
	Operating Profit	25	23	27	-0	3	-6	12
Plastics	Sales	264	262	270	259	248	241	237
	Operating Profit	22	18	28	25	20	17	17
Digital Solutions	Sales	354	362	375	331	360	377	352
	Semiconductor materials	190	193	201	178	191	221	208
	Display materials	133	136	141	117	129	122	122
	Edge computing	31	33	34	36	40	33	22
	Operating Profit	82	84	107	54	83	87	75
Life Sciences	Sales	90	103	131	115	123	128	136
	Operating Profit	4	1	9	-6	11	8	20
Others/Adjustment	Sales	18	10	8	8	5	8	10
	Operating Profit	-17	-16	-16	-22	-17	-17	-18

Exchange rate (JPY/USD)		109	111	113	110	110	107	109

Appendix: IR Calendar

Announcement of Earnings Results

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.