Translation

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To whom it may concern,

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Recording of Impairment Loss and Difference between Forecast and Actual Result of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

JSR Corporation announced today the recording of an impairment loss and a difference between the forecast of its consolidated financial results for the fiscal year ending March 31, 2021 announced on October 27 and the actual results announced today.

1. Recording of Impairment Loss

JSR group is in the process of structural reform of its elastomers business. On March 8 of this year, the Company announced that it would streamline its workforce by implementing an early retirement incentive program. In light of the most recent severe business results, the Company had a third party conduct a fair value assessment of the elastomer business as a whole and recognized an impairment loss. As a result, an impairment loss of ¥77.2 billion was recorded in the fiscal year ended March 2021.

2. Difference between Forecast and Actual Result of Consolidated Financial Results

(April 1, 2020 to March 31, 2021)

	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
Previous forecast (A)	420,000	19,500	16,500	11,000	9,500	44.21
Actual Result (B)	446,609	25,963	(61,633)	(54,530)	(55,155)	(256.73)
Difference (B-A)	26,609	6,463	(78,133)	(65,530)	(64,655)	-
Percentage of difference (%)	(6.3)	(33.1)	-	-	-	-
Reference: results for the fiscal year ended March 31, 2020(April 1, 2019 to March 31, 2020)	471,967	33,236	32,884	26,022	22,604	104.38

3. Reasons for the Difference from the Consolidated Financial Results Forecast

Core operating profit significantly exceeded the forecast announced in October 2020 due to strong performance in the digital solutions business, including the semiconductor materials business, and a recovery in demand in the petrochemical business. In the elastomers business, the Company is proceeding with structural reform. In addition to the rationalization of its personnel structure through the implementation of the early retirement incentive program announced on March 8 of this year, and the Company had a third party conduct a fair value assessment of the elastomers business as a whole. As a result, impairment losses were recognized and these were recorded as business structure reform expenses.

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