

Q3 2020

Financial Results

(April to December 2020)



JSR Corporation

Summary 1 – 20Q3 YtD Result vs Projection

(100Mil JPY)

| | | 20Q3 YtD | FY20 Pro |
|-------------------------|--|-------------|-------------|
| Consolidated | Sales | 3,168 | 4,200 |
| | Core Operating Profit | 161 | 195 |
| | Operating Profit | 126 | 165 |
| | Profit, attributable to owners of parent | 67 | 95 |
| Digital Solutions | Sales | 1,121 | 1,450 |
| | Core Operating Profit | 267 | 310 |
| Life Sciences | Sales | 404 | 580 |
| | Core Operating Profit | 29 | 55 |
| Elastomers | Sales | 993 | 1,310 |
| | Core Operating Profit | -127 | -140 |
| Plastics | Sales | 551 | 740 |
| | Core Operating Profit | 25 | 20 |
| Others/Adjustment | Sales | 100 | 120 |
| | Core Operating Profit | -33 | -50 |
| Exchange rate (JPY/USD) | | 106 | 106 |

*Core OP is calculated by excluding profit or loss caused by non-recurring factors from OP

*Core OP = OP in org. Pro

*Continuing operations only

The progress of 20Q3 YTD result was stronger than the projection.
 Digital solutions performed well, particularly in SEMI.
 Elastomers and Plastics improved as demand for auto and tires recovered in 20Q3.

Summary 2 - YoY, QoQ

(100Mil JPY)

| | | 19Q3ytd | 20Q3ytd | YoY | 20Q2 | 20Q3 | QoQ |
|-------------------|--|---------|---------|-------|-------|-------|--------|
| Consolidated | Sales | 3,587 | 3,168 | -12% | 1,010 | 1,227 | +22% |
| | Core Operating Profit | 308 | 161 | -48% | 14 | 124 | +781% |
| | Operating Profit | 306 | 126 | -59% | -13 | 116 | - |
| | Profit, attributable to owners of parent | 189 | 67 | -65% | -18 | 73 | - |
| Digital Solutions | Sales | 1,089 | 1,121 | +3% | 374 | 384 | +2% |
| | Core Operating Profit | 246 | 267 | +8% | 91 | 97 | +6% |
| Life Sciences | Sales | 387 | 404 | +4% | 135 | 142 | +5% |
| | Core Operating Profit | 42 | 29 | -30% | 8 | 13 | +68% |
| Elastomers | Sales | 1,365 | 993 | -27% | 312 | 407 | +30% |
| | Core Operating Profit | 10 | -127 | - | -71 | 0 | - |
| Plastics | Sales | 726 | 551 | -24% | 164 | 225 | +37% |
| | Core Operating Profit | 54 | 25 | -53% | 2 | 18 | +1131% |
| Others/Adjustment | Sales | 19 | 100 | +425% | 24 | 70 | +196% |
| | Core Operating Profit | -42 | -33 | - | -15 | -6 | - |

*Continuing operations only

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

YoY Digital Solutions: OP increased mainly due to increased sales of SEMI.

Life Sciences: Sales increased, but OP decreased due to the one-time upside profit occurred last year.

Elastomers and Plastics: Both sales and OP decreased due to weak demand caused by the spread of COVID-19.

QoQ Digital Solutions: OP increased due to increased sales of SEMI and Display materials.

Life sciences: OP increased due to the sales increase.

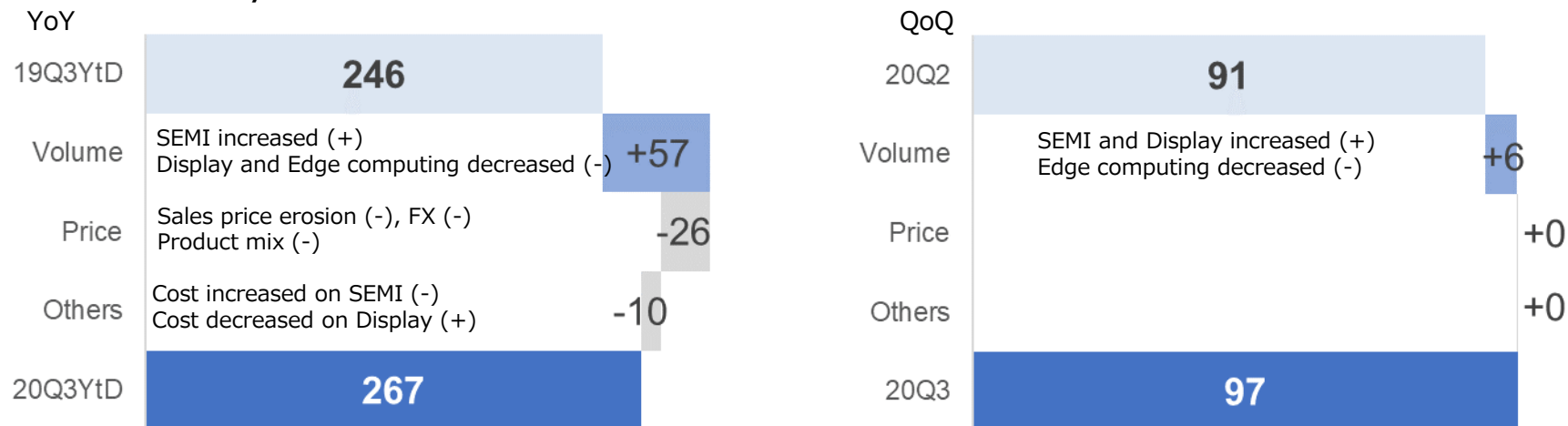
Elastomers and Plastics: OP increased as sales volume recovered significantly.

Segment Data : Digital Solutions business

(100Mil JPY)

| | 19Q3ytd | 20Q3ytd | YoY | 20Q2 | 20Q3 | QoQ |
|-------------------------|---------|---------|------|-------|-------|------|
| Sales | 1,089 | 1,121 | +3% | 374 | 384 | +2% |
| Semiconductor materials | 620 | 700 | +13% | 229 | 233 | +2% |
| Display materials | 374 | 353 | -6% | 118 | 126 | +6% |
| Edge computing | 96 | 68 | -29% | 27 | 25 | -10% |
| Core OP | 246 | 267 | +8% | 91 | 97 | +6% |
| Core OP margin | 22.6% | 23.8% | | 24.4% | 25.4% | |
| Exchange rate (JPY/USD) | 109 | 106 | -2% | 106 | 105 | -2% |

Core OP analysis



Appendix: Digital Solutions business - Sales growth rate

SEMI

ArF

YoY ytd

Approx. 110%

QoQ

Approx. 95%

Multilayer

Approx. 115%

Slightly Under 110%

Other Lithography

Slightly Under 120%

Slightly Under 115%

CMP

Approx. 120%

Slight increase

Cleaner

Approx. 115%

Slight increase

Packaging

Slight increase

Approx. 105%

Display

Alignment Films

YoY ytd

Slight decrease

QoQ

Slightly Under 115%

Di-electric materials

Slightly over 90%

Flat

Color Pigmented Resists

Slightly over 80%

Approx. 95%

Other LCD Materials

Slightly over 105%

Slightly over 90%

Edge

ARTON

YoY ytd

Approx. 85%

QoQ

Approx. 85%

Segment Data : Life Sciences business

(100Mil JPY)

| | 19Q3ytd | 20Q3ytd | YoY | 20Q2 | 20Q3 | QoQ |
|-------------------------|---------|---------|------|------|------|------|
| Sales | 387 | 404 | +4% | 135 | 142 | +5% |
| Core OP | 42 | 29 | -30% | 8 | 13 | +68% |
| Core OP margin | 10.8% | 7.3% | | 5.9% | 9.4% | |
| Exchange rate (JPY/USD) | 109 | 106 | -2% | 106 | 105 | -2% |

Core OP analysis

YoY Sales increased. OP decreased.

Sales of CRO increased.
OP decreased YoY due to one-time upside profit in CDMO last year.

QoQ Both sales and OP increased.

OP increased due to sales increase of CDMO and CRO.
Manufacturing operations of CDMO negatively impacted due to COVID-19 vaccine manufacturing priority in the US.

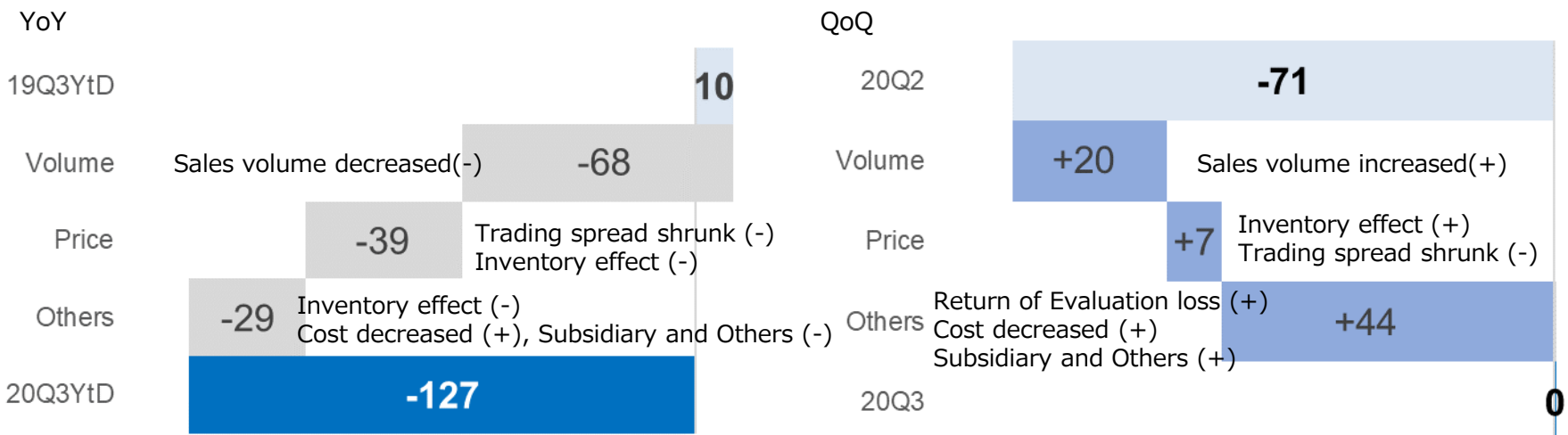
Segment Data : Elastomers business

(100Mil JPY)

| | 19Q3ytd | 20Q3ytd | YoY | 20Q2 | 20Q3 | QoQ |
|----------------|---------|---------|------|------|------|------|
| Sales | 1,365 | 993 | -27% | 312 | 407 | +30% |
| Core OP | 10 | -127 | - | -71 | 0 | - |
| Core OP margin | 0.7% | - | | - | 0.1% | |

| | | | | | | |
|-------------------------|---------|---------|------|---------|---------|------|
| Sales Volume (Ton) | 465,695 | 379,938 | -18% | 127,951 | 159,937 | +25% |
| Exchange rate (JPY/USD) | 109 | 106 | -2% | 106 | 105 | -2% |

Core OP analysis



*Please see APPENDIX for the detail of Elastomers OP

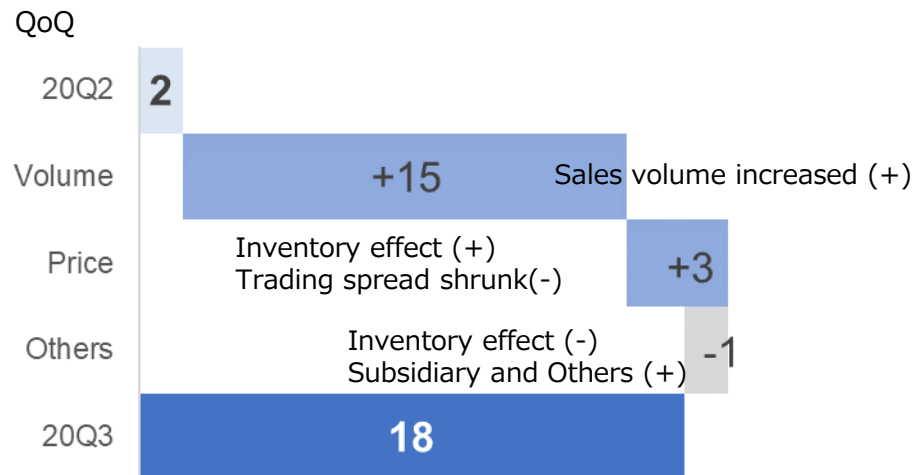
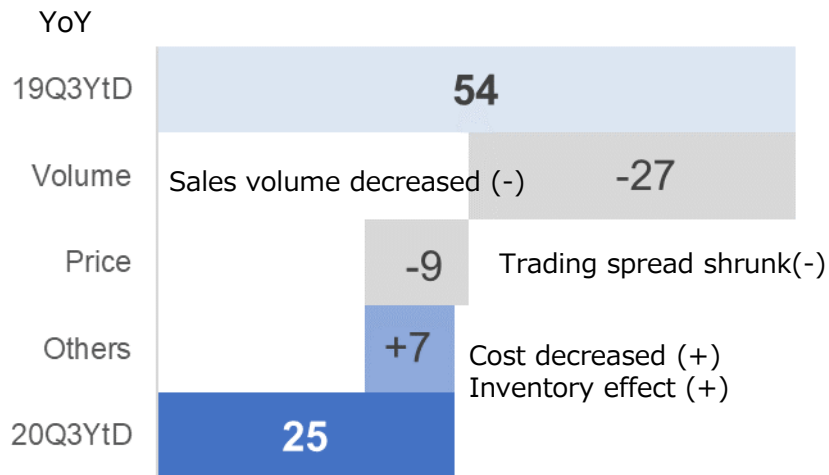
Segment Data : Plastics business

(100Mil JPY)

| | 19Q3ytd | 20Q3ytd | YoY | 20Q2 | 20Q3 | QoQ |
|----------------|---------|---------|------|------|------|---------|
| Sales | 726 | 551 | -24% | 164 | 225 | +37% |
| Core OP | 54 | 25 | -53% | 2 | 18 | +1,131% |
| Core OP margin | 7.4% | 4.5% | | 0.9% | 8.2% | |

| | | | | | | |
|-------------------------|-----|-----|-----|-----|-----|-----|
| Exchange rate (JPY/USD) | 109 | 106 | -2% | 106 | 105 | -2% |
|-------------------------|-----|-----|-----|-----|-----|-----|

Core OP analysis



Overall Statement of P/L

(100Mil JPY)

| | 19Q3 ytd | 20Q3 ytd | YoY |
|---|-------------|-------------|-------|
| Sales | 3,587 | 3,168 | -12% |
| Cost of sales | 2,502 | 2,221 | -11% |
| Gross profit | 1,085 | 947 | -13% |
| Selling, general and administrative expenses | 769 | 767 | -0% |
| Other operating income/expenses | -12 | -50 | - |
| Share of profit of investments accounted for using equity method | 2 | -3 | -237% |
| Operating Profit | 306 | 126 | -59% |
| Finance income/cost | -1 | -24 | - |
| Income taxes | 80 | 35 | -56% |
| Profit | 225 | 67 | -70% |
| Profit, attributable to owners of parent | 189 | 67 | -65% |
| Profit, attributable to non-controlling interests | 28 | 1 | -97% |

Breakdown from Core OP to OP

| | 19Q3 ytd | 20Q3 ytd |
|-------------------------------------|----------|----------|
| Core Operating Profit | 308 | 161 |
| Loss on sales of subsidiaries share | 2 | |
| Business restructuring expense | | 33 |
| Other | | 2 |
| Operating Profit | 306 | 126 |

| | | | |
|----------|-------|-------|------|
| EPS(JPY) | 87.27 | 31.07 | -64% |
|----------|-------|-------|------|

| | | | |
|-------------------------|-----|-----|-----|
| Exchange rate (JPY/USD) | 109 | 106 | -2% |
|-------------------------|-----|-----|-----|

Overall Statement of Financial position

(100Mil JPY)

| | 20/3E | 20/12E | +/- |
|---|--------------|--------------|-------------|
| Current assets | 3,035 | 3,252 | +217 |
| Cash and cash equivalents | 619 | 857 | +237 |
| Trade and other receivables | 1,105 | 1,177 | +72 |
| Inventories | 1,128 | 1,031 | -97 |
| Others | 182 | 187 | +5 |
| Non-current assets | 3,742 | 3,929 | +187 |
| Property, plant and equipment | 2,157 | 2,330 | +174 |
| Goodwill | 583 | 565 | -17 |
| Other intangible assets | 159 | 188 | +29 |
| Others | 844 | 846 | +2 |
| Total Assets | 6,777 | 7,181 | +404 |
| Current liabilities | 1,484 | 1,686 | +202 |
| Trade and other payables | 928 | 1,026 | +98 |
| Borrowings | 300 | 365 | +64 |
| Others | 255 | 295 | +39 |
| Non-current liabilities | 919 | 1,277 | +358 |
| Bonds and borrowings | 527 | 847 | +320 |
| Others | 392 | 431 | +39 |
| Total Liabilities | 2,403 | 2,963 | +560 |
| Equity attributable to owners of parent | 3,968 | 3,851 | -117 |
| Non-controlling interests | 406 | 367 | -39 |
| Total Equity | 4,374 | 4,218 | -156 |

Total Assets: +40.4 Bn yen

Total Liabilities: +56 Bn yen

Equity: -15.6 Bn yen

Equity ratio
(Equity attributable to owners of parents)

2020/12 E : 53.6%
2020/3 E : 58.5%

*Including both continuing operations and discontinued operations

Projections for FY20 <No Change. Revised on Oct. 27th>

(100Mil JPY)

| | | 20Q3 YtD | FY20 Pro |
|-------------------------|--|-------------|-------------|
| Consolidated | Sales | 3,168 | 4,200 |
| | Core Operating Profit | 161 | 195 |
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| Digital Solutions | Sales | 1,121 | 1,450 |
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| Life Sciences | Sales | 404 | 580 |
| | Core Operating Profit | 29 | 55 |
| Elastomers | Sales | 993 | 1,310 |
| | Core Operating Profit | -127 | -140 |
| Plastics | Sales | 551 | 740 |
| | Core Operating Profit | 25 | 20 |
| Others/Adjustment | Sales | 100 | 120 |
| | Core Operating Profit | -33 | -50 |
| Exchange rate (JPY/USD) | | 106 | 106 |
| Depreciation ** | | 189 | 280 |
| CAPEX | | 401 | 420 |
| RD expenses | | 180 | 250 |

Impact of COVID-19*

As of 27th Apr

As of 27th Oct

| | As of 27 th Apr | | As of 27 th Oct | | | |
|---------------------|----------------------------|------|----------------------------|-------------------|------|---------------|
| | 1H | 2H | 1H | 2H | | |
| Elastomers | -20% | -10% | Elastomers | -30% | -10% | Upside ±0% |
| Plastics | -20% | -10% | Plastics | -30% | -10% | |
| SEMI | -5% | -5% | SEMI | - | - | -4.2 Bn yen |
| Display | -10% | -10% | Display | -5% | - | |
| Life Sciences | not affected | | Life Sciences | not affected | | |
| Consolidated | -50 Bn yen | | Consolidated | -60 Bn yen | | |

*Compared to the sales forecast which does not include the COVID-19 impact

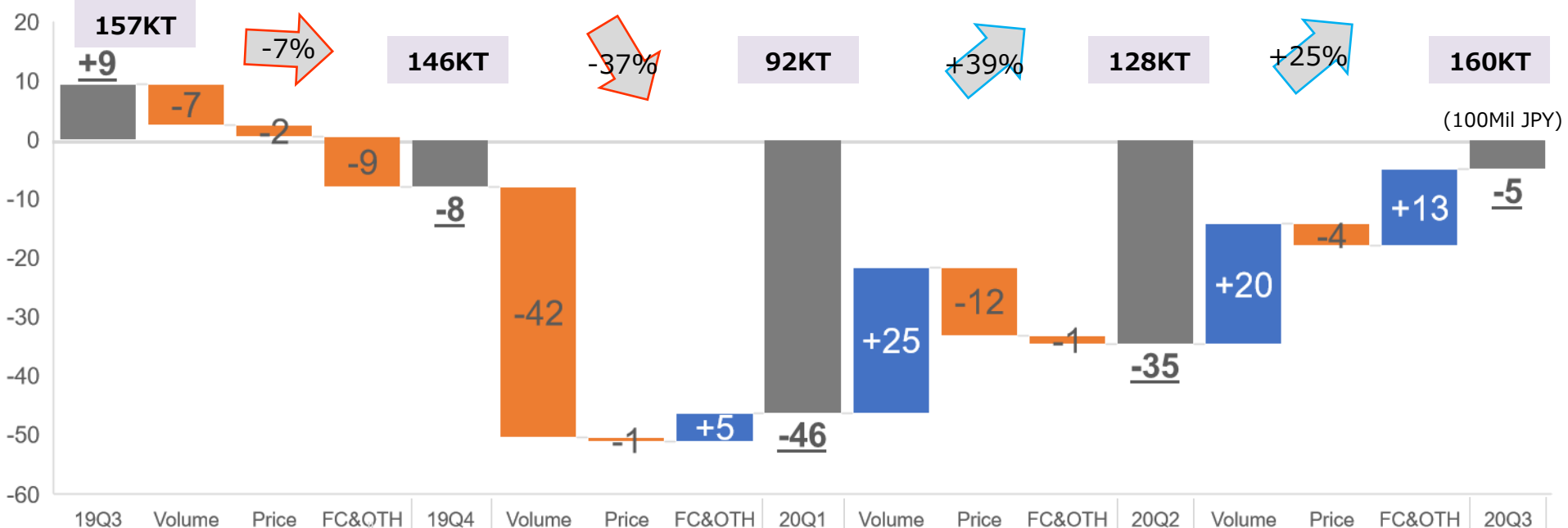
- Cost reduction is included in the projection in response to the risk of sales decline.
- As for Digital Solutions and Life Sciences, which are our growth drivers, priority would be given to capacity expansion from a medium- to long- term perspective.

*Continuing operations only

** Excluding IFRS 16 lease asset depreciation

Appendix: Elastomers business OP breakdown

Core OP analysis



| | 19Q4 | 20Q1 | 20Q2 | 20Q3 |
|-----------------------------------|------------|------------|------------|-----------|
| OP (Managerial Accounting) | -8 | -46 | -35 | -5 |
| Inventory effect (RM, FC) | -5 | 3 | -26 | -16 |
| Evaluation loss | 1 | -12 | -10 | 21 |
| Impairment of fixed assets | -15 | 0 | 0 | 0 |
| Core OP | -27 | -56 | -71 | 0 |

Appendix: Quarterly Trends by Segments

(100Mil JPY)

| | | 19Q1 | 19Q2 | 19Q3 | 19Q4 | 20Q1 | 20Q2 | 20Q3 |
|-------------------------|--|-------|-------|-------|-------|------|-------|-------|
| Consolidated | Sales | 1,194 | 1,205 | 1,188 | 1,133 | 931 | 1,010 | 1,227 |
| | Core Operating Profit | 103 | 97 | 109 | 24 | 24 | 14 | 124 |
| | Operating Profit | 103 | 94 | 109 | 23 | 24 | -13 | 116 |
| | Profit, attributable to owners of parent | 73 | 62 | 55 | 37 | 11 | -18 | 73 |
| Digital Solutions | Sales | 360 | 377 | 352 | 359 | 363 | 374 | 384 |
| | Semiconductor materials | 191 | 221 | 208 | 220 | 238 | 229 | 233 |
| | Display materials | 129 | 122 | 122 | 116 | 109 | 118 | 126 |
| | Edge computing | 40 | 33 | 22 | 22 | 16 | 27 | 25 |
| | Core Operating Profit | 83 | 87 | 75 | 63 | 78 | 91 | 97 |
| Life Sciences | Sales | 123 | 128 | 136 | 118 | 126 | 135 | 142 |
| | Core Operating Profit | 11 | 11 | 20 | -2 | 8 | 8 | 13 |
| Elastomers | Sales | 458 | 452 | 455 | 423 | 274 | 312 | 407 |
| | Core Operating Profit | 3 | -6 | 12 | -27 | -56 | -71 | 0 |
| Plastics | Sales | 248 | 241 | 237 | 224 | 162 | 164 | 225 |
| | Core Operating Profit | 20 | 17 | 17 | 9 | 5 | 2 | 18 |
| Others/Adjustment | Sales | 4 | 7 | 8 | 9 | 6 | 24 | 70 |
| | Core Operating Profit | -14 | -12 | -16 | -19 | -12 | -15 | -6 |
| Exchange rate (JPY/USD) | | 110 | 107 | 109 | 109 | 108 | 106 | 105 |

Appendix: IR Calendar

Announcement of Earnings Results

FY20 26th April 2021

JSR Management Policy Briefing

FY20 26th March 2021

*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.