



Q1 FY2023 Financial Results

(April 2023 to June 2023)

AUGUST 7, 2023

Agenda



1	Overall Summary	<ul style="list-style-type: none">• Key Takeaways• Summary : Q1 FY23 Result
2	Result	<ul style="list-style-type: none">• Result – YoY, QoQ
3	Segment Data	<ul style="list-style-type: none">• Digital Solutions Business<ul style="list-style-type: none">• Revenue Growth Rate• Life Sciences Business• Plastics Business
4	Outlook	<ul style="list-style-type: none">• Act vs FY23 Projection (No Revision)• Summary of FY23 Projection (Re-posted)• Market Environment Assumption
5	Topics	<ul style="list-style-type: none">• LS (CDMO): Production Schedule of KBI's New Facility
6	Appendix	<ul style="list-style-type: none">• Overall Statement of P/L• Statement of Financial Position• Statement of Cash Flows• Quarterly Trends by Segments• IR Calendar

***Note**

DS :Digital Solutions business

SEMI :Semiconductor materials

DISP :Display materials

EC :Edge Computing

LS :Life Sciences business

PLA :Plastic business

1. Key Takeaways

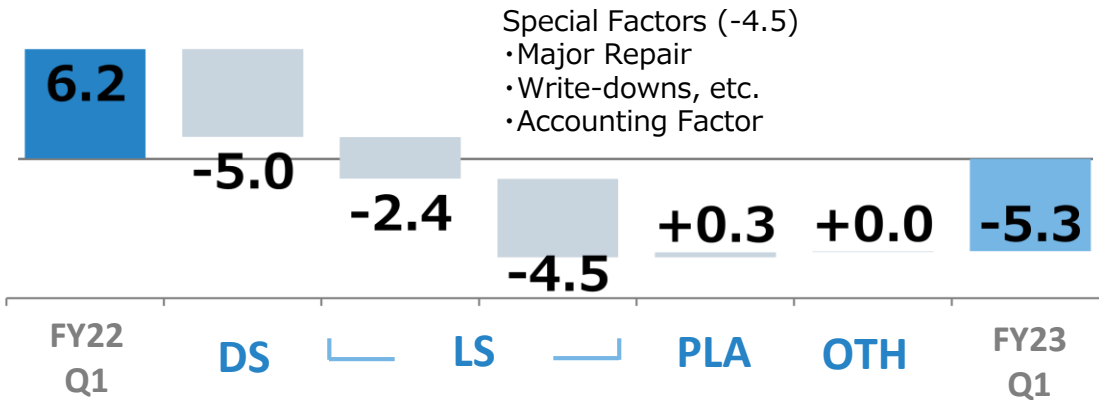
Decrease in profit is due to weaker semiconductor cycle and inclusion of one-off special factors for LS. A recovery in profit from Q2 FY23 is expected while closely monitoring the demand environment.

<p>Q1 FY23 Results YoY Decrease in Revenue and Profit</p>	<ul style="list-style-type: none"> • Core operating loss in Q1 due to one-time special factors in LS. <ul style="list-style-type: none"> ✓ Following the previous quarter, SEMI revenue decreased due to decline in demand for semiconductors overall. ✓ LS was impacted by major repairs at CDMO and inventory write-downs, etc. No sales of IVD's antigen test kit. • Compared to a Q1 forecast, the differences were SEMI demand fell short and the additional provision for write-downs in LS. The rest was mostly in line with our expectations as a whole. Costs were under control.
<p>FY23 Projection YoY Increase in Revenue and Profit</p>	<ul style="list-style-type: none"> • No change to full-year earnings projection. A recovery is expected toward H2 FY23. However, the pace of demand recovery will be watched carefully. <ul style="list-style-type: none"> ✓ Demand conditions for SEMI are expected to recover gradually from Q2 with a full recovery in next year. JSR's market share is expected to expand steadily in advanced EUV areas (EUV sales grew +25% YoY in Q1). The demand environment for DISP is in recovery trend. ✓ The new CDMO facility of LS is up and running smoothly. Overall production will expand significantly from Q2 onwards, including the resumption of operations after major repairs at the Colorado facility. Profitability initiatives are also being promoted.
<p>Strategic Partnership with JICC*</p>	<ul style="list-style-type: none"> • On June 26, 2023, JSR disclosed the supporting opinion regarding the Tender Offer to be commenced by JICC-02 Co, Ltd. (JICC) with the recommendation for our shareholders to tender their shares in the Tender Offer. JICC plans to launch the Tender Offer around December 2023. • The transaction will establish a strategic partnership with JICC, who are aligned with the strategic direction of JSR, focused on achieving sustainable growth of corporate value. Going private under this transaction, we will accelerate our strategy and support the promotion of industry restructuring of semiconductor materials and reinforce our international competitiveness and mid- to long-term growth for all of our businesses. • We expect the transaction is the best strategic option to all stakeholders of JSR. • Procedures based on relevant regulations in Japan and overseas are in progress.

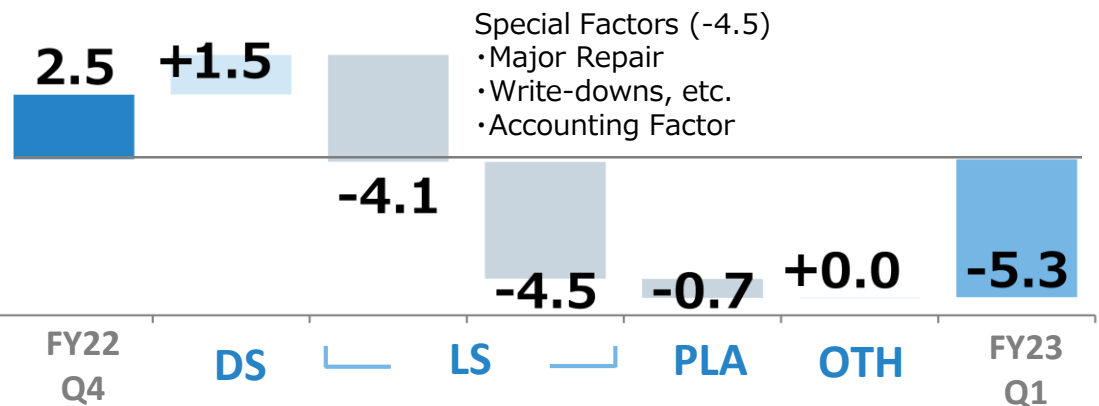
1. Summary : Q1 FY23 Result

Core OP YoY (Bn JPY)

Q1 FY23 Act: Revenue 8.5bn, Core OP -5.3bn



Core OP QoQ (Bn JPY)



YoY

Digital Solutions Business	
SEMI	<ul style="list-style-type: none"> Revenue declined due to a sharp fall in demand in the semiconductor market.
DISP/EC	<ul style="list-style-type: none"> Robust recovery following a drop in demand in H2 FY22. But revenue of DISP declined from the previous year. EC performance was impacted by a decline in smartphone demand, resulting in revenue decrease from the previous year.
Life Sciences Business	
<ul style="list-style-type: none"> LS profit declined, impacted by CDMO's major repairs (as scheduled) in addition to inventory write-downs, etc. Profitability initiatives were implemented in Q1. Demand for CRO slowed partially in the customer sector. 	
Plastics Business	
<ul style="list-style-type: none"> Demand is trending towards recovery. Price revisions also progressed. 	

QoQ

Digital Solutions Business	
SEMI	<ul style="list-style-type: none"> The demand environment was flat but showed a recovery in sales. EUV's leading-edge Logic and DRAM evaluations at customers are progressing well.
DISP/EC	<ul style="list-style-type: none"> DISP saw significant revenue growth due to a recovery in demand.
Life Sciences Business	
<ul style="list-style-type: none"> Performance impacted by CDMO repairs and write-downs, etc. There was a timing difference in IVD's test kit sales (sales were incurred in H2 FY22, but no sales in Q1). 	
Plastics Business	
<ul style="list-style-type: none"> Despite volume increase, profit decreased due to inventory effect, etc. 	

2. Result – YoY, QoQ

YoY Revenue and profit decreased in DS and LS. DS: Mainly due to the effect of the semiconductor cycle.
LS: Mainly due to the one-time factors.

QoQ DS: Revenue and profit increased. From the previous quarter, sales recovered.
LS: Revenue and profit decreased due to the one-time factors and timing difference of IVD's test kit sales.

		(Bn JPY)							YoY	QoQ
		22Q1	23Q1	YoY	22Q4	23Q1	QoQ			
Consolidated	Revenue	93.3	85.0	-9%	95.9	85.0	-11%	Consolidated	Revenue - Core OP -	Revenue - Core OP -
	Core Operating Profit	6.2	-5.3	-	2.5	-5.3	-	DS	Revenue - Core OP -	Revenue + Core OP +
	Operating Profit	7.3	-6.1	-	-2.9	-6.1	-	SEMI	Revenue - Core OP -	Revenue + Core OP +
	Profit, attributable to owners of parent	5.7	-2.6	-	-3.8	-2.6	-	DISP	Revenue - Core OP -	Revenue + Core OP +
Digital Solutions	Revenue	42.9	37.7	-12%	35.4	37.7	+7%	EDGE	Revenue - Core OP -	Revenue + Core OP -
	Semiconductor materials	30.5	26.2	-14%	25.2	26.2	+4%	LS	Revenue - Core OP -	Revenue - Core OP -
	Display materials	10.4	9.9	-5%	8.6	9.9	+15%	PLA	Revenue - Core OP +	Revenue - Core OP -
	Edge computing	2.0	1.6	-20%	1.6	1.6	+2%	OTH	Revenue - Core OP +	Revenue - Core OP +
Core Operating Profit	7.7	2.6	-66%	1.1	2.6	+139%				
Life Sciences	Revenue	22.7	21.2	-7%	33.4	21.2	-37%			
	Core Operating Profit	0.0	-6.9	-	1.8	-6.9	-			
Plastics	Revenue	22.8	22.7	-0%	23.6	22.7	-4%			
	Core Operating Profit	-0.5	-0.2	-	0.6	-0.2	-			
Others/Adjustment	Revenue	4.9	3.4	-30%	3.6	3.4	-5%			
	Core Operating Profit	-1.0	-0.9	-	-0.9	-0.9	-			
Exchange rate (USD/JPY)		130	137	+6%	132	137	+4%			

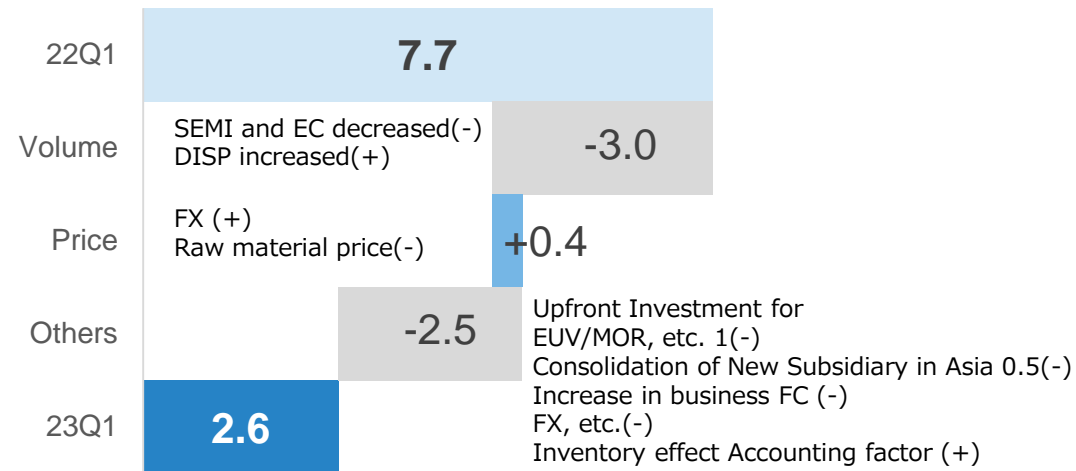
3. Segment Data: Digital Solutions Business

(Bn JPY)

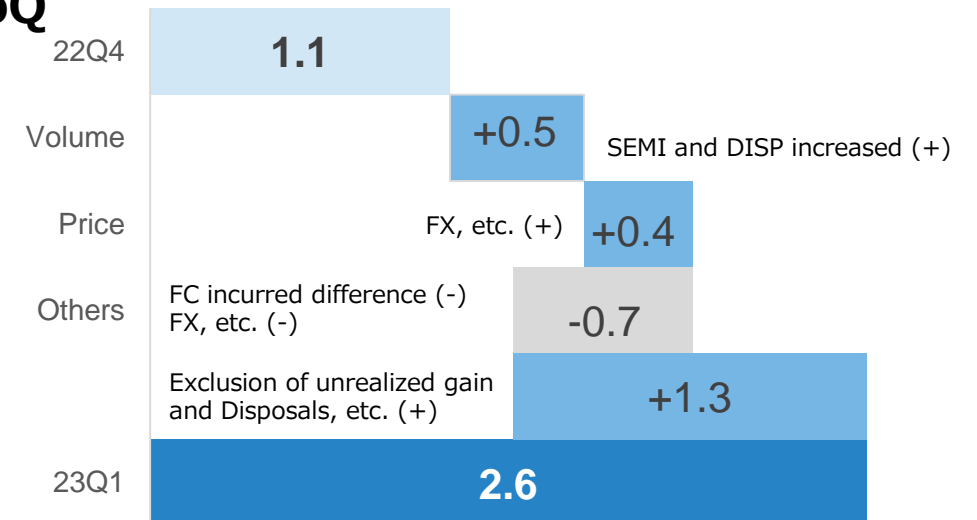
	22Q1	23Q1	YoY	YoY (CER)*	22Q4	23Q1	QoQ
Revenue	42.9	37.7	-12%	-14%	35.4	37.7	+7%
Semiconductor materials	30.5	26.2	-14%	-17%	25.2	26.2	+4%
Display materials	10.4	9.9	-5%	-6%	8.6	9.9	+15%
Edge computing	2.0	1.6	-20%	-20%	1.6	1.6	+2%
Core OP	7.7	2.6	-66%	-75%	1.1	2.6	+139%
Core OP margin	17.8%	7.0%			3.1%	7.0%	
Exchange rate (USD/JPY)	130	137	+6%	0%	132	137	+4%

Core OP analysis

YoY



QoQ



*MOR: Metal Oxide Resist

*Reference data: CER (Constant Exchange Rate. Excluding FX impacts)

3. Digital Solutions Business - Revenue Growth Rate



		YoY ytd	QoQ
Semiconductor materials	EUV	Slightly Under +25%	Approx. -35%
	ArF	Slightly over -10%	Approx. +10%
	Multilayer	Approx. -15%	Slightly over +5%
	Other Lithography	Approx. -5%	Approx. +5%
	CMP	Slightly over -20%	Slightly over -10%
	Cleaner	Slightly over -50%	Flat
	Packaging	Approx. -10%	Slightly Under +40%
Display materials	Alignment Films	Slightly over -5%	Approx. +20%
	Passivation Coat	Slightly over +10%	Approx. +15%
	Color Pigmented Resists	Approx. -35%	Slightly over +10%
	OLED Materials	Slightly Under +55%	Slightly Under +20%
Edge computing	ARTON	Approx. -20%	Flat

3. Segment Data : Life Sciences Business

(Bn JPY)

	22Q1	23Q1	YoY	YoY (CER)*	22Q4	23Q1	QoQ
Revenue	22.7	21.2	-7%	-11%	33.4	21.2	-37%
CDMO		11.8				11.8	
CRO		5.4				5.4	
BPM		0.3				0.3	
IVD		3.6				3.6	
Others/Adjustments		0.1				0.1	
Core OP	0.0	-6.9	-	-	1.8	-6.9	-
Core OP margin	0.1%	-			5.3%	-	
Exchange rate (USD/JPY)	130	137	+6%	0%	132	137	+4%

Core OP analysis

YoY

	Revenue	Core Operating Profit
Total	-7%	-
CDMO	Slightly over +10%	Decrease in OP
CRO	Approx. -5%	Decrease in OP
BPM	Approx. -80%	Decrease in OP
IVD	Slightly Under -30%	Decrease in OP

QoQ

	Revenue	Core Operating Profit
Total	-37%	-
CDMO	Approx. -20%	Decrease in OP
CRO	Approx. +10%	Decrease in OP
BPM	Slightly over -65%	Same level as previous quarter
IVD	Slightly Under -75%	Decrease in OP

CDMO: Contract Development and Manufacturing Organization of biologics

CRO: Contract Research Organization of pharmaceutical products

BPM: Bioprocess Materials

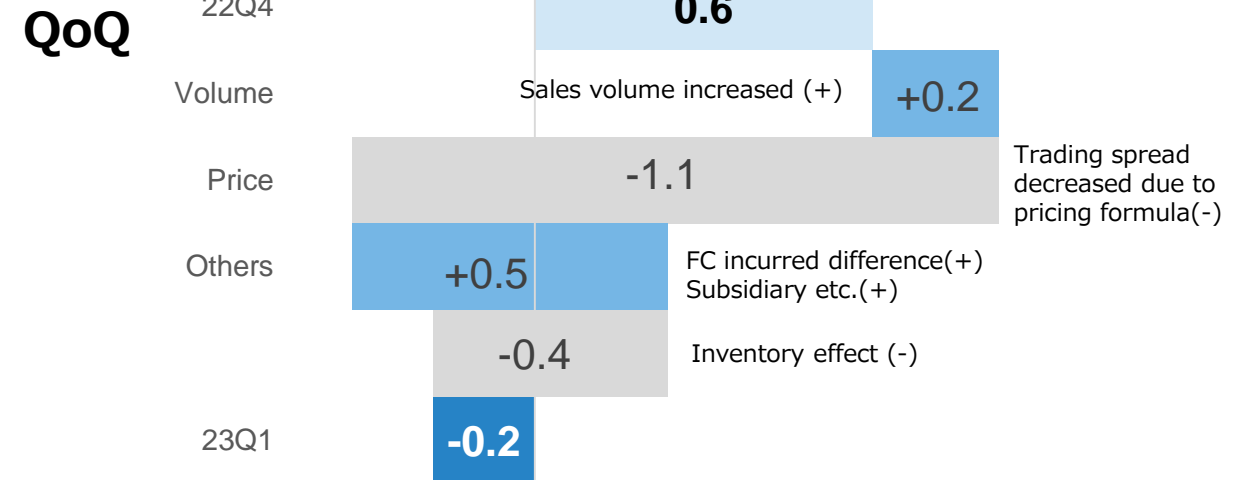
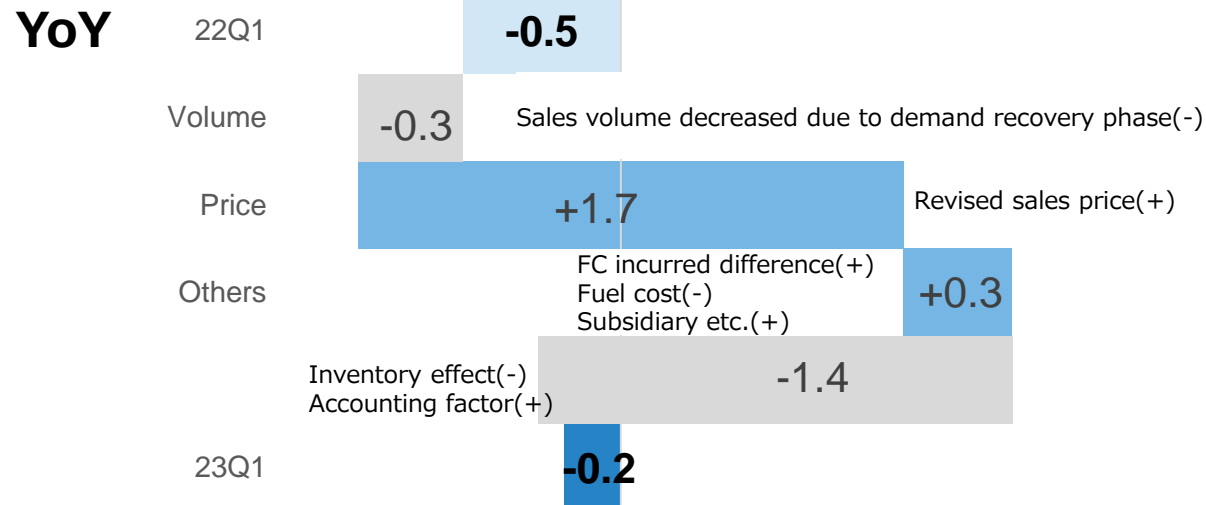
IVD: In Vitro Diagnostics and Life Science Research

3. Segment Data : Plastics Business

(Bn JPY)

	22Q1	23Q1	YoY	YoY (CER)*	22Q4	23Q1	QoQ
Revenue	22.8	22.7	-0%	-2%	23.6	22.7	-4%
Core OP	-0.5	-0.2	-	-	0.6	-0.2	-
Core OP margin	-	-			2.4%	-	
Exchange rate (USD/JPY)	130	137	+6%	0%	132	137	+4%

Core OP analysis



4. Act vs FY23 Projection (No Revision)

<Revised on April 27, 2023>

(Bn JPY)

		FY23Q1 Act	FY23 Pro	Progress
Consolidated	Revenue	85.0	442.0	19%
	Core Operating Profit	-5.3	42.0	-
	Operating Profit	-6.1	42.0	-
	Profit, attributable to owners of parent	-2.6	25.0	-
Digital Solutions	Revenue	37.7	175.0	22%
	Semiconductor materials	26.2	126.0	21%
	Display materials	9.9	40.0	25%
	Edge computing	1.6	9.0	18%
	Core Operating Profit	2.6	27.0	10%
Life Sciences	Revenue	21.2	142.5	15%
	CDMO	11.8	70.0	17%
	CRO	5.4	31.5	17%
	BPM	0.3	5.5	6%
	IVD	3.6	35.5	10%
	Others/Adjustment	0.1	-	-
	Core Operating Profit	-6.9	16.0	-
Plastics	Revenue	22.7	107.5	21%
	Core Operating Profit	-0.2	4.0	-
Others/Adjustment	Revenue	3.4	17.0	20%
	Core Operating Profit	-0.9	-5.0	-
Exchange rate (USD/JPY)		137	135	

Counter measures to achieve the FY23 target

Digital Solutions Business

- Q1 progress of revenue was 22%, partially delayed due to the weak demand in SEMI.
- Toward H2 FY23, we expect demand recovery and sales increase of the advanced materials.
- Business restructuring, EUV/MOR investment, and business augmentation in Asia are underway.

Life Sciences Business

- Overall businesses are in line with the target, except for the one-time factors.
- CDMO's operation is going well. We expect to exceed the original production schedule of the new facility.
- We focus to strengthen sales effort for CRO under sluggish biotech market environment.
- Profitability initiatives are in progress. Further structural reforms are under consideration to improve profitability.
- IVD's antigen test kit sales are expected in H2.

Plastics Business

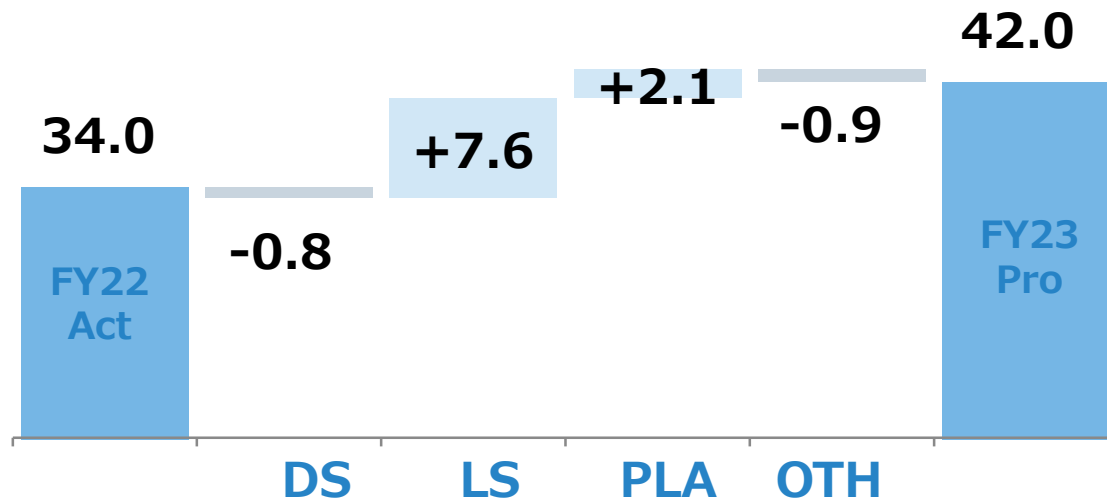
- Demand is trending towards clear recovery.
- Pricing effort will be strengthened with the effect expected from Q2.

*MOR: Metal Oxide Resist

4. Summary of FY23 Projection (Re-posted)

FY22 Result vs FY23 Projection Difference (Bn JPY)

FY23 Pro: Revenue 442bn, Core OP 42bn



Significant profit improvements

LS driving growth

Paving the way for DS' V-shaped recovery in FY24

Digital Solutions Business

- Sales nearly flat, profit down on increased investment.
- Project negative growth of SEMI market for the full year despite the market recovery expected in H2.
- SEMI
 - Take initiatives for FY24 (business restructuring, EUV/MOR investment, business augmentation in Asia)
 - Market share in key materials remained stable. Increased share in advanced fields.

- DISP/EC
 - Anticipate increased revenue and profit.
 - Expect stable recovery in the FPD panel market.
 - Expand market share of optical IPS and OLED materials.
 - Factor in EC's market share increase.

Life Sciences Business

- Expand CDMO's profit growth toward H2. The new plant will be in full production in H2 FY23. Launched a restructuring project to achieve 20% OP margin in FY24.
- Include confirmed orders of IVD's antigen test kits.
- Incorporated the new biobank business in CRO through M&A.

Plastics Business

- Expect recovery of the auto market.
- Expect improved trading spread with revision of sales price.

4. Market Environment Assumption

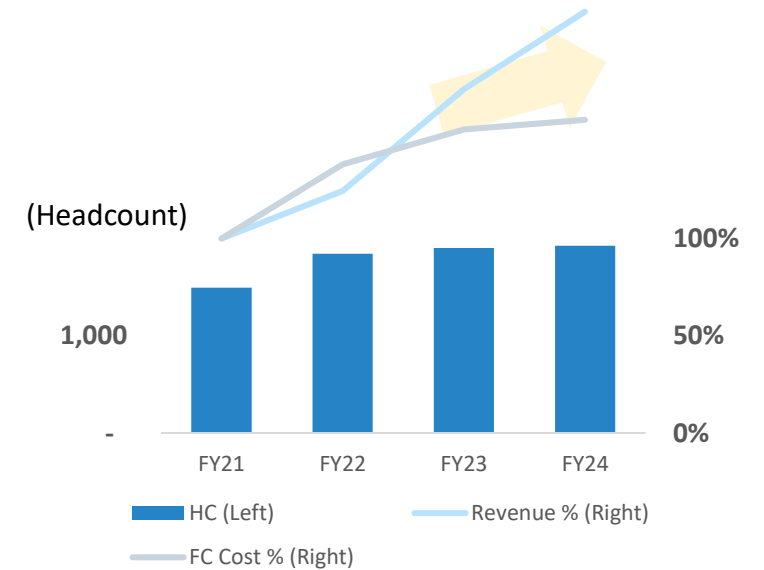
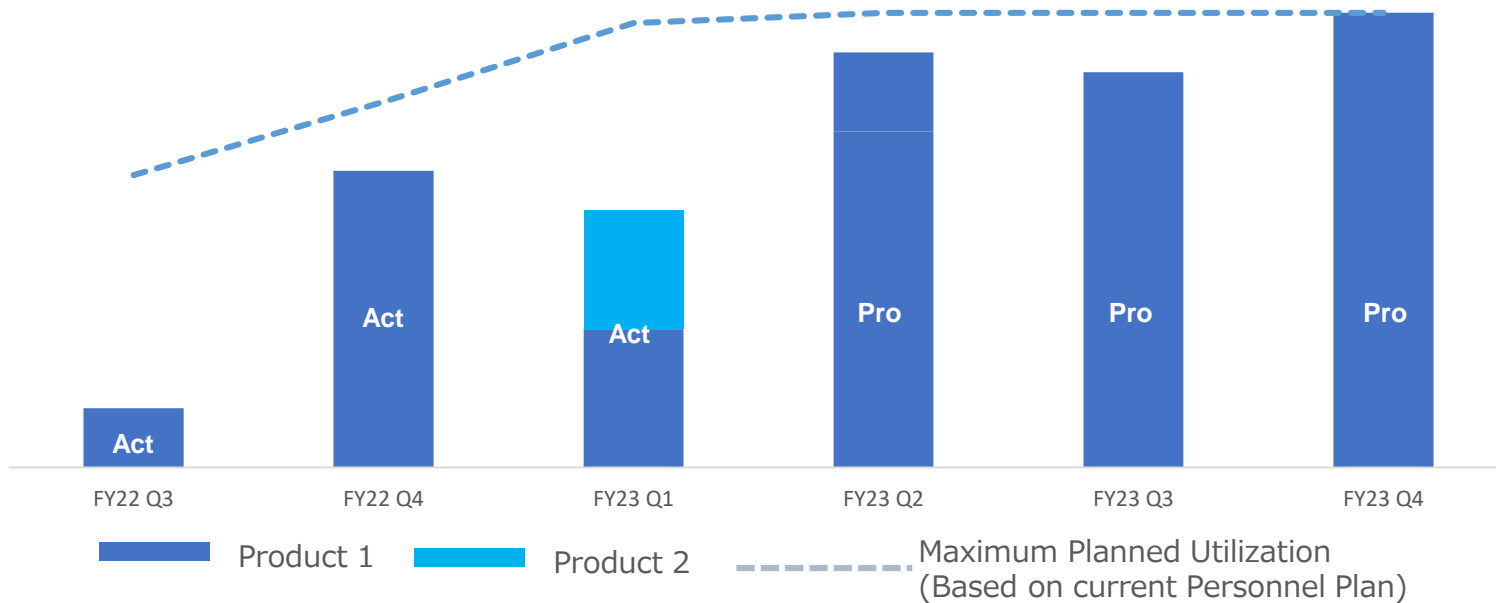
	FY22Act	Q1 FY23 Act	FY23 Outlook (No revision)	FY24 Outlook (No revision)
FX (USD/JPY)	135	137	135	-
Silicon Wafer Input (YoY)	+/-0%	-15~20%	-5%	+14%
Panel Makers Utilization Rate	71%	82%	78%	83%
Panel Production (YoY)	-19%	+2%	+12%	+8%
Smartphone Shipments (YoY)	-9%	-8%	+3%	+4%
Global Automobile Production (YoY)	+8%	+14%	+5%	+4%
Bio Pharmaceutical Market (YoY)	+8%	-	+7%	+9%

5. LS (CDMO): Production Schedule of KBI's New Facility

New facility in North Carolina: Steady ramp-up. Expected to Operate Exceeding the Projection (Pro) for the Full Year.

KBI: Continue to Reinforce Profitability Initiatives

of batch started in each Q/Utilization



*The above production plan is subject to change as it is reviewed from time to time.
No major changes from previous disclosure.

*As of June 2023.

* Percentage when FY21 is 100%

* No change is reflected in the graph from the previous disclosure.

Appendix: Overall Statement of P/L



	(Bn JPY)		
	22Q1	23Q1	YoY
Revenue	93.3	85.0	-9%
Cost of sales	61.6	60.7	-1%
Gross profit	31.7	24.4	-23%
Selling, general and administrative expenses	25.4	29.7	+17%
Other operating income/expenses	1.0	-0.8	-
Share of profit of investments accounted for using equity method	-0.0	-0.0	-
Operating Profit	7.3	-6.1	-
Finance income/cost	2.4	2.0	-17%
Income taxes	4.1	-1.8	-
Profit	5.5	-2.4	-
Profit, attributable to owners of parent	5.7	-2.6	-
Profit, attributable to non-controlling interests	-0.2	0.2	-
EPS(JPY)	27.09	-12.44	-
Exchange rate(USD/JPY)	130	137	+6%

Breakdown from Core OP to OP

	(Bn JPY)	
	22Q1	23Q1
Core Operating Profit	6.2	-5.3
Business structural reform expenses	-	-0.8
Loss on valuation of capital investments in subsidiaries	1.0	-
Operating Profit	7.3	-6.1

Appendix: Statement of Financial Position



(Bn JPY)

	23/3E	23/6E	+/-
Current assets	299.3	302.4	+3.1
Cash and cash equivalents	72.6	81.3	+8.7
Trade and other receivables	78.8	77.7	-1.1
Inventories	118.4	119.7	+1.3
Others	29.4	23.6	-5.7
Non-current assets	416.7	441.3	+24.6
Property, plant and equipment	169.6	174.6	+5.0
Goodwill	147.9	160.1	+12.2
Other intangible assets	34.2	36.0	+1.8
Others	65.0	70.5	+5.5
Total Assets	716.0	743.6	+27.7
Current liabilities	181.8	200.8	+19.0
Trade and other payables	79.6	72.6	-7.1
Bonds and borrowings	62.5	93.2	+30.7
Others	39.6	35.0	-4.6
Non-current liabilities	153.3	155.9	+2.7
Bonds and borrowings	95.7	95.1	-0.6
Others	57.6	60.8	+3.2
Total Liabilities	335.0	356.7	+21.7
Equity attributable to owners of parent	355.5	361.2	+5.7
Non-controlling interests	25.4	25.7	+0.3
Total Equity	380.9	386.9	+6.0

(Bn JPY)

	FY23Q1 Act	FY23 Pro
Depreciation *1	7.3	32.0
CAPEX *2	6.8	37.0
RD expenses	7.9	30.0

*1 Including IFRS16 lease asset depreciation.

*2 Inspection basis

Net Debt

(Cash and cash equivalents – Debt with interest)

2023/3E: approx. 86bn JPY

2023/6 E : approx.107bn JPY

Equity ratio

(Equity attributable to owners of parents)

2023/3E: 49.7%

2023/6E: 48.6%

Appendix: Statement of Cash Flows



(Bn JPY)

	22Q1	23Q1	YoY +/-
Cash flows from operating activities	-4.2	1.1	5.3
Income before income taxes	9.6	-4.2	-13.8
Depreciation and amortization	6.5	7.3	0.7
Change in working capital	-4.9	2.8	7.6
Others	-15.5	-4.7	10.8
Cash flows from investment activities	27.4	-11.0	-38.4
Purchase of tangible and intangible assets	-7.2	-11.6	-4.4
Acquisition of shares of subsidiaries and affiliate	0.0	0.0	0.0
Sales of shares of subsidiaries and affiliates	35.1	0.0	-35.1
Others	-0.5	0.5	1.0
FCF	23.2	-9.9	-33.1
Cash flows from financing activities	-38.7	17.7	56.4
Debt Increase/Decrease	0.3	26.4	26.1
Change in treasury stock	-30.1	0.0	30.1
Cash dividends paid	-8.0	-7.4	0.6
Others	-0.8	-1.2	-0.4
Net income (decrease) in cash and cash equivalents	1.2	0.9	-0.3
Increase (decrease) in cash and cash equivalents	-14.3	8.7	23.0
Cash and cash equivalents at beginning of period	45.6	72.6	27.1
Cash and cash equivalents at end of period	47.6	81.3	33.7

*CF is before audit.

Appendix: Quarterly Trends by Segments



(Bn JPY)

		22Q1	22Q2	22Q3	22Q4	FY22	23Q1	Q1 YoY	Q1 YoY (CER)*
Consolidated	Revenue	93.3	104.0	115.7	95.9	408.9	85.0	-9%	-11%
	Core Operating Profit	6.2	10.7	14.6	2.5	34.0	-5.3	-	-
	Operating Profit	7.3	10.4	14.5	-2.9	29.4	-6.1	-	-
	Profit, attributable to owners of parent	5.7	9.0	4.8	-3.8	15.8	-2.6	-	-
Digital Solutions	Revenue	42.9	47.7	44.5	35.4	170.4	37.7	-12%	-14%
	Semiconductor materials	30.5	37.7	33.0	25.2	126.4	26.2	-14%	-17%
	Display materials	10.4	8.0	9.6	8.6	36.6	9.9	-5%	-6%
	Edge computing	2.0	2.0	1.9	1.6	7.5	1.6	-20%	-20%
	Core Operating Profit	7.7	10.8	8.2	1.1	27.8	2.6	-66%	-75%
	Core Operating Profit Margin	18%	23%	18%	3%	16%	7%	-61%	-
Life Sciences	Revenue	22.7	28.7	41.6	33.4	126.5	21.2	-7%	-11%
	Core Operating Profit	0.0	0.7	6.0	1.8	8.4	-6.9	-	-
	Core Operating Profit Margin	0%	2%	14%	5%	7%	-	-	-
Plastics	Revenue	22.8	22.9	26.6	23.6	95.8	22.7	-0%	-2%
	Core Operating Profit	-0.5	0.4	1.4	0.6	1.9	-0.2	-	-
	Core Operating Profit Margin	-	2%	5%	2%	2%	-	-	-
Others/Adjustment	Revenue	4.9	4.7	3.0	3.6	16.2	3.4	-30%	-30%
	Core Operating Profit	-1.0	-1.2	-1.0	-0.9	-4.1	-0.9	-	-
	Exchange rate (USD/JPY)	130	138	142	132	135	137	+6%	0%

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

Announcement of Earnings Results

Q2 FY23

November 6, 2023

*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.