

JSR Corporation
Summary of Questions and Answers at the Fiscal Year Ending March 2024
(Held on April 30, 2024)

Supplementary Materials for Financial Results:

https://ssl4.eir-parts.net/doc/4185/ir_material_for_fiscal_ym4/154514/00.pdf

1. Life Science Business (LS)

(Q)According to your explanation, the results of business restructuring and operational strengthening will be shown after 2024, but from Q3 to Q4, profit declined significantly. Is there any indication that past decisions, such as management decisions made around 2020, are causing the deficit? I would like to know what exactly you are doing to restructure your business so that it will become profitable after 2024.

- The problems in 2023 were mainly caused by supply chain instability under the pressure of the COVID-19 pandemic, which accelerated the problems. If we had noticed the structural problems earlier, we might have been able to overcome them a little better.
- KBI has a new management team and is working to refine and improve its business processes. In fact, KBI expects profitability to improve significantly in 2024 and expects improvements to accelerate into 2025.

(Q)CDMO's business saw an increase in QoQ of 6%. Please tell us about the progress of the new plant and demand trends for small and medium-sized biotech ventures. As for small and medium-sized biotech ventures, three months ago there was a sense of bottoming out in demand, but is there a recovery? I would like to know if there is a possibility that JSR can increase share because of the US BIOSECURE Act.

- Regarding the macroeconomic situation, the CDMO market is showing positive signs. There are also positive signs in the venture sector, but it is too early to say that the recovery has started, as funds are not starting to flow. In terms of pipeline performance in our CDMO business, we are in a very good position to be where KBI stands.
- In terms of the BIOSECURE Act in US, we think there is some potential. However, there are still some uncertainties and many unknowns, and we will refrain from commenting on whether this will benefit us.

2. Digital Solutions Business (DS)

(Q)Regarding the outlook for the semiconductor industry, it is said that the input of silicon wafers

is 5~10%. Do you have a separate outlook for Memory and Logic? How much impact do you expect the generative AI related? Is EUV growing for DRAM or beyond 3nm Logic?

- I can't go into details, but as an overview, I expect a recovery in 2024. However, I remain cautious about market signs for FY 24 as I believe there are risks.
- As for the Memory and Logic situation, DRAM is recovering. NAND is slightly delayed. Logic is also showing good signs. But we're just starting to see signs, so we're trying to be careful.
- Generative AI is good news for the semiconductor industry and will have a big impact in the medium to long term. Generative AI will have a big impact on the industry not just in terms of volume but also in terms of advancing technology.

3. TOB Related

(Q)At the TOB, it is said that the approval of each country was firmly obtained. In fact, were there any objections that were not expected in proceeding with this discussion? I would like you to tell me whether the reaction of those around you was reasonable.

- I think the overall opinion was positive. I am not aware of any unexpected objections. I got strong support through the process.

(Q)It also said that the target of the industry restructuring was vertical for material manufacturers, both before and after. The condition was that it was a Japanese manufacturer, but is this the same?

- We are considering various scenarios for our future strategy. We don't want to frame ourselves. We will look at the best opportunities to drive efficiency, which is very valuable within the Japanese ecosystem. Perhaps we have a great opportunity to build good partnerships with like-minded companies in Japan to drive real value creation.

4. Others

(Q)How does a weaker yen affect Japan's economy and JSR's performance?

- In terms of sales, a weaker yen is good for us. But in the long run, I think the most important thing is stability and predictability, because there will be instability in the supply chain and instability in the business environment. In the medium to long term, a stable exchange rate is desired, but in the short term, our company's export-oriented manufacturing industry has many positive effects on profits.

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