

**Translation**

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## Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2022 (under IFRS)

January 31, 2022

Company name: JSR Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 4185  
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Scheduled date to file quarterly securities report: February 10, 2022

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded, unless otherwise noted)

### 1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Core Operating profit		Operating profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	256,594	14.7	42,289	45.0	42,101	58.5	37,411	454.3
December 31, 2020	223,728	-	29,163	-	26,565	-	6,749	(69.0)

Fiscal year ended	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
December 31, 2021	35,372	430.0	45,632	497.0	164.52	164.30
December 31, 2020	6,674	(64.8)	7,643	(64.6)	31.07	31.02

Reference: Profit before tax                      December 31, 2021    43,139 (79.7%)    December 31, 2020    24,012 (-)

Note: Core operating profit is calculated as operating profit excluding certain gains and expenses attributable to non-recurring factors.

Note: The group has classified the Elastomers business as discontinued operations from the First Quarter of FY ending March 2022. In the condensed quarterly consolidated financial statements, the group has presented profit or loss from discontinued operations separately from continuing operations, and revenue, core operating profit, operating profit and profit before tax are presented for the amount of continuing operations. As the amounts for the Third Quarter of FY ended March 2021 have also been adjusted to reflect this change, the percent change from the previous year's result is not presented.

### (2) Consolidated financial position

As of	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2021	761,262	401,849	364,275	47.9	1,693.67
March 31, 2021	672,773	370,736	333,995	49.6	1,554.17

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	30.00	–	30.00	60.00
Fiscal year ending March 31, 2022	–	35.00	–		
Fiscal year ending March 31, 2022 (Forecast)				35.00	70.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	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
Fiscal year ending March 31, 2022	346,500	11.1	52,500	38.5	52,300	52.8	39,000	-	35,500	-	165.06

Reference: Profit before tax Fiscal year ending March 31, 2022 51,800

Note: Revisions to the earnings forecasts most recently announced: None

Note: Core operating profit is calculated as operating profit excluding certain gains and expenses attributable to non-recurring factors.

Note: The group has classified the Elastomers business as discontinued operations from the First Quarter of FY ending March 2022. In the “Consolidated earnings forecasts for the fiscal year ending March 31, 2022” and FY ended March 2021, the group has presented profit or loss from discontinued operations separately from continuing operations, and revenue, core operating profit, operating profit and profit before tax are presented for the amount of continuing operations. The amounts of FY ended March 2021 are before audit.

### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

New: 1 (Company Name: Inpria Corporation)

(2) Changes in accounting policies and changes in accounting estimates

- Changes in accounting policies required by IFRS: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	226,126,145 shares
As of March 31, 2021	226,126,145 shares

b. Number of treasury shares at the end of the period

As of December 31, 2021	11,045,571 shares
As of March 31, 2021	11,223,335 shares

c. Average number of shares during the period

For the nine months ended December 31, 2021	214,997,323 shares
For the nine months ended December 31, 2020	214,815,861 shares

\* Quarterly financial results reports are not required to be subjected to quarterly reviews.

\* Proper use of earnings forecasts, and other special matters

*Caution regarding forward-looking statements*

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors.

*How to obtain supplementary material on financial results*

The material on financial results is available on the Company's website on Monday, January 31, 2022.

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Business Results

Overview of the First Nine Months of FY ending March 2022 (April 1, 2021 to December 31, 2021)

Among the JSR Group's main customer industries, the semiconductor market has been favorable, thanks to widening infrastructure and device demand driven by digitalization. The biopharmaceuticals related markets also saw solid growth.

In the Digital Solutions Business, the Group has been expanding sales of products in the Semiconductor Materials Business for cutting-edge technologies. In addition, to strengthen our position as a leader in the field of advanced lithography, we have added future technology to our photoresist product portfolio by making Inpria Corporation, a U.S. manufacturer of metal resists for next-generation EUV applications, a subsidiary. And in the Display Materials Business, it has been pushing to further expand sales particularly of competitive products in the China market where continued growth is anticipated.

In the Life Sciences Business, with the U.S. headquarters guiding strategies for the entire business segment, the Group has worked to expand the biologics contract development and manufacturing organization (CDMO) business and the drug contract research organization (CRO) business, which has led to a substantial increase in revenue.

In the Plastics Business, the Group has focused on harnessing demand recovery in the automotive industry, which has bolstered revenue.

In the first nine months of FY ending March 2022, the Company reported revenue of 256,594 million yen (up 14.7% year-on-year), core operating profit of 42,289 million yen (up 45.0% year-on-year), and profit attributable to owners of parent of 35,372 million yen (up 430% year-on-year).

Accordingly, JSR has classified the Elastomers Business as discontinued operations from the First Quarter of FY ending March 2022. Moreover, certain reclassifications have been made to the Condensed Quarterly Consolidated Statement of Profit or Loss and related Notes on Condensed Quarterly Consolidated Financial Statements for the Third Quarter of FY ended March 2021 to conform to the presentation format for the Third Quarter of FY ending March 2022.

(Unit: Millions of yen)

Segment	First Nine Months of FY ended March 2021 (April 1 to December 31, 2020)		First Nine Months of FY ending March 2022 (April 1 to December 31, 2021)		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage
Revenue						
Digital Solutions	112,135	50.1%	123,289	48.0%	11,154	9.9%
Life Sciences	40,360	18.1%	53,320	20.8%	12,960	32.1%
Plastics	55,054	24.6%	70,664	27.6%	15,610	28.4%
Other	16,179	7.2%	9,322	3.6%	(6,857)	(42.4%)
Adjustment	0	0.0%	(0)	(0.0%)	(0)	—%
Total	223,728	100.00%	256,594	100.0%	32,867	14.7%
Revenue in Japan	76,394	34.1%	84,987	33.1%	8,593	11.2%
Overseas revenue	147,333	65.9%	171,607	66.9%	24,274	16.5%
Segment	First Nine Months of FY ended March 2021 (April 1 to December 31, 2020)		First Nine Months of FY ending March 2022 (April 1 to December 31, 2021)		Change	
	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage
Core Operating profit	29,163	13.0%	42,289	16.5%	13,126	45.0%
Profit attributable to owners of parent	6,674	3.0%	35,372	13.8%	28,698	430.0%

<Digital Solutions Business Segment>

Revenue in the Digital Solutions Business segment rose from the same period of the previous year, thanks to growth in sales of semiconductor materials on the back of a strong semiconductor market and continued sales growth of display materials in China.

Core operating profit increased due to higher profit accompanying increased revenue from semiconductor materials and revaluation gain of shares of Inpria Corporation.

Consequently, the Digital Solutions Business segment posted a core operating profit of 36,334 million yen (up 36.2% year-on-year) on revenue of 123,289 million yen (up 9.9% year-on-year) in the first nine months of FY ending March 2022.

<Life Sciences Business Segment>

The Life Sciences Business segment posted higher revenue from the same period of the previous year, supported chiefly by expanded sales in the CDMO business, in the CRO business, and of bioprocess materials.

Core operating profit was up due to revenue increases, despite higher expenses caused by growth investments.

Consequently, the Life Sciences Business segment posted a core operating profit of 3,840 million yen (up 30.4% year-on-year) on revenue of 53,320 million yen (up 32.1% year-on-year) in the first nine months of FY ending March 2022.

<Plastics Business Segment>

The Plastics Business segment saw an increase in revenue from the same period of the previous year, due to substantial growth in sales volume on the back of a recovery in automobile production, which had been sluggish in the previous fiscal year.

Core operating profit increased due to higher profit owing to the rise in revenue.

Consequently, the Plastics Business segment posted a core operating profit of 5,050 million yen (up 102.1% year-on-year) on revenue of 70,664 million yen (up 28.4% year-on-year) in the first nine months of FY ending March 2022.

(2) Explanation of Future Forecast Information, such as Forecast of Consolidated Business Results

There are no changes in the forecast of consolidated business results for the full term of FY ending March 2022, as announced in the “Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2022” on November 8, 2021.

**Consolidated Financial Statements****(1) Consolidated Statement of Financial Position**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	85,377	51,952
Trade and other receivables	125,292	77,752
Inventories	104,862	85,697
Other financial assets	1,933	293
Other current assets	11,815	15,959
Subtotal	329,279	231,653
Assets related to disposal group classified as held for sale	-	173,788
Total current assets	329,279	405,442
Non-current assets		
Property, plant and equipment	170,428	154,694
Goodwill	58,633	117,802
Other intangible assets	15,014	14,706
Investments accounted for using equity method	21,015	2,892
Retirement benefit asset	4,905	4,874
Other financial assets	49,751	32,038
Other non-current assets	3,598	2,584
Deferred tax assets	20,150	26,231
Total non-current assets	343,494	355,821
Total assets	672,773	761,262

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	100,797	65,507
Contract liabilities	9,368	9,749
Borrowings	37,872	41,280
Income taxes payable	4,866	11,512
Provisions	1,837	85
Other financial liabilities	3,874	2,697
Other current liabilities	10,196	6,875
Subtotal	<u>168,810</u>	<u>137,705</u>
Liabilities related to disposal group classified as held for sale	—	126,434
Total current liabilities	<u>168,810</u>	<u>264,139</u>
Non-current liabilities		
Contract liabilities	7,861	12,390
Bonds and borrowings	81,406	48,627
Retirement benefit liability	16,434	10,151
Other financial liabilities	19,314	15,852
Other non-current liabilities	5,136	4,622
Deferred tax liabilities	3,077	3,632
Total non-current liabilities	<u>133,227</u>	<u>95,274</u>
Total liabilities	<u>302,036</u>	<u>359,413</u>
Equity		
Equity attributable to owners of parent		
Share capital	23,370	23,370
Capital surplus	11,562	11,906
Retained earnings	302,916	331,950
Treasury shares	(19,202)	(18,900)
Other components of equity	15,348	15,948
Total equity attributable to owners of parent	<u>333,995</u>	<u>364,275</u>
Non-controlling interests	36,741	37,574
Total equity	<u>370,736</u>	<u>401,849</u>
Total liabilities and equity	<u><u>672,773</u></u>	<u><u>761,262</u></u>



## (2) Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Continuing operations		
Revenue	223,728	256,594
Cost of sales	(139,656)	(159,252)
Gross profit	84,072	97,342
Selling, general and administrative expenses	(54,870)	(62,756)
Other operating income	1,236	9,733
Other operating expenses	(3,802)	(2,194)
Share of loss of investments accounted for using equity method	(71)	(25)
Operating profit	26,565	42,101
Finance income	510	2,255
Finance costs	(3,063)	(1,217)
Profit before tax	24,012	43,139
Income taxes	(6,074)	(9,414)
Profit from continuing operations	17,938	33,725
Discontinued operations		
Profit (loss) from discontinued operations	(11,189)	3,686
Profit	6,749	37,411
Profit attributable to:		
Owners of parent	6,674	35,372
Non-controlling interests	75	2,039
Total	6,749	37,411
Earnings per share (loss)		
Basic earnings per share (loss) (Yen)		
Continuing operations	31.07	164.52
Discontinued operations	78.82	146.80
Discontinued operations	(47.75)	17.72
Diluted earnings per share (loss) (Yen)		
Continuing operations	31.02	164.30
Discontinued operations	78.69	146.61
Discontinued operations	(47.67)	17.69

## (3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	6,749	37,411
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair value through other comprehensive income	1,185	1,480
Remeasurements of defined benefit liabilities (assets)	(129)	211
Share of other comprehensive income of entities accounted for using equity method	0	(2)
Items that may be reclassified to profit or loss		
Net change in fair value of cash flow hedges	7	18
Exchange differences on translation of foreign operations	447	5,962
Share of other comprehensive income of entities accounted for using equity method	(615)	553
Total other comprehensive income, net of tax	895	8,221
Total comprehensive income	<u>7,643</u>	<u>45,632</u>
Comprehensive income attributable to:		
Owners of parent	6,764	43,805
Non-controlling interests	880	1,827
Total	<u>7,643</u>	<u>45,632</u>

## (4) Condensed Quarterly Consolidated Statement of Changes in Equity

*Nine months ended December 31, 2020*

(Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2020	23,370	18,242	369,102	(19,547)	5,626	396,793	40,619	437,412
Profit			6,674			6,674	75	6,749
Other comprehensive income					90	90	805	895
Total comprehensive income	-	-	6,674	-	90	6,764	880	7,643
Share-based remuneration transactions		12		266	(107)	170		170
Dividends			(12,888)			(12,888)	(463)	(13,352)
Changes in treasury shares		(11)		58		47		47
Transfer from other components of equity to retained earnings			726		(726)	-		-
Changes in non-controlling interests		(5,691)			(23)	(5,714)	(4,298)	(10,012)
Other movements			(554)		460	(95)	0	(94)
Total transactions with owners, etc.	-	(5,690)	(12,716)	324	(397)	(18,480)	(4,761)	(23,241)
Balance at December 31, 2020	23,370	12,551	363,060	(19,223)	5,319	385,077	36,738	421,814

*Nine months ended December 31, 2021*

(Millions of yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2021	23,370	11,562	302,916	(19,202)	15,348	333,995	36,741	370,736
Profit			35,372			35,372	2,039	37,411
Other comprehensive income					8,433	8,433	(212)	8,221
Total comprehensive income	-	-	35,372	-	8,433	43,805	1,827	45,632
Share-based remuneration transactions		328		248	(196)	380		380
Dividends			(13,975)			(13,975)	(1,127)	(15,102)
Changes in treasury shares		(12)		54		42		42
Transfer from other components of equity to retained earnings			7,637		(7,637)	-		-
Loss of control of subsidiaries		34				34	133	167
Other movements		(6)				(6)		(6)
Total transactions with owners, etc.	-	343	(6,337)	302	(7,833)	(13,525)	(994)	(14,519)
Balance at December 31, 2021	23,370	11,906	331,950	(18,900)	15,948	364,275	37,574	401,849

## (5) Notes on Condensed Consolidated Financial Statements

(Cautionary Notes regarding Assumptions of Going Concern)

Not applicable

(Segment Information)

### (1) Outline of Reportable Segments

JSR Group reportable segments are components of the Group for which separate financial information is available. The Board of Directors determines the basis of business segments that are subject to regular reviews for decisions on the allocation of managerial resources and the evaluation of business results.

The Group has established divisions by product at its head office. Each division formulates comprehensive domestic and overseas strategies for its products and conducts business activities according to the strategies. Core Group companies take the initiative in working out comprehensive domestic and overseas strategies and conduct business activities according to the strategies. Thus, the JSR Group's businesses consist of business segments by product based on divisions and core Group companies.

JSR Group conventionally had four reportable segments: Digital Solutions Business, which conducts mainly the manufacture and sale of semiconductor materials, display materials, and products related to edge computing; Life Sciences Business; Elastomers Business, which consists mainly of the manufacture and sale of general-purpose synthetic rubber products for automobile tires, functional special synthetic rubber for automobile components, thermoplastic elastomers for modifying plastics, and synthetic rubber latex for coated paper; and Plastics Business, which engages mainly in the manufacture and sale of ABS and other resins for automobiles, office equipment, and amusement applications.

As of the First Quarter of FY ending March 2022, JSR Group has three reportable segments: Digital Solutions Business, Life Sciences Business, and Plastics Business.

This change is the result of JSR's decision to establish a new subsidiary named Japan Synthetic Rubber Spin-off Preparation Co., Ltd. that succeeds to part of the Company's Elastomers Business through an absorption-type split, after which JSR will transfer all shares of Japan Synthetic Rubber Spin-off Preparation Co., Ltd. to ENEOS Corporation. With the conclusion of a stock transfer agreement with ENEOS Corporation dated May 11, 2021, JSR has classified the Elastomers Business as discontinued operations. The portion of the Elastomers Business not succeeded to Japan Synthetic Rubber Spin-off Preparation Co., Ltd. by the Company has been reclassified to the Other segment because of the decrease in its monetary importance.

The Digital Solutions Business is a reportable segment comprising multiple segments based on the nature of the products and services, the nature of production processes, and similarity in markets and other economic characteristics.

The accounting methods for reportable segments are the same as the methods adopted for preparation of consolidated financial statements.

JSR has classified the Elastomers Business as discontinued operations from the First Quarter of FY ending March 2022, and segment information presents only amounts for continuing operations excluding the Elastomers Business.

## Main Products in Each Business Segment

Business segment	Main products
Digital Solutions Business	<Semiconductor Materials> Lithography materials (photoresists, multilayer materials); mounting materials; cleaning solutions; CMP materials; etc. <Display Materials> Materials for color LCDs; Materials for OLED; etc. <Edge Computing Materials> Heat-resistant transparent resins and functional films; high-functional UV curable resins; photo fabrication; etc.
Life Sciences Business	Services to support drug development; bio-process materials; Diagnostic and research reagents and similar materials; etc.
Plastics Business	Synthetic resins including ABS resins, AES resins, AS resins, and ASA resins

## (2) Reportable Segment Revenues, Profits and Losses

The following information pertains to the Group's reportable segments.

First Nine Months of FY ended March 31, 2021 (April 1 to December 31, 2020)

(Unit: Millions of yen)

	Reportable Segment			Other [Note 1]	Total	Adjustment [Note 2]	Consolidated
	Digital Solutions	Life Sciences	Plastics				
Revenue from external customers	112,135	40,360	55,054	16,179	223,728	0	223,728
Segment profit (loss) (Core operating profit) [Note 3]	26,668	2,944	2,499	1,144	33,255	(4,092)	29,163

Note 1: The Other segment is a business segment not contained in the reportable segments. It includes the purchase and sale of chemicals and other businesses.

Note 2: Segment profit (loss) downward adjustment of 4,092 million yen contains company-wide profits and losses not allocated to the reportable segments.

Note 3: Segment profit (loss) is presented as core operating profit after deducting non-recurring profit (loss) arising from business restructuring and other non-recurring factors from operating profit.

## First Nine Months of FY ending March 31, 2022 (April 1 to December 31, 2021)

(Unit: Millions of yen)

	Reportable Segment			Other [Note 1]	Total	Adjustment [Note 2]	Consolidat ed
	Digital Solutions	Life Sciences	Plastics				
Revenue from external customers	123,289	53,320	70,664	9,322	256,594	(0)	256,594
Segment profit (loss) (Core operating profit) [Note 3]	36,334	3,840	5,050	816	46,041	(3,751)	42,289

Note 1: The Other segment is a business segment not contained in the reportable segments. It includes the purchase and sale of chemicals and other businesses.

Note 2: Segment profit (loss) downward adjustment of 3,751 million yen contains company-wide profits and losses not allocated to the reportable segments.

Note 3: Segment profit (loss) is presented as core operating profit after deducting non-recurring profit (loss) arising from business restructuring and other non-recurring factors from operating profit.

Adjustments to reconcile segment profit to quarterly profit before tax are as follows

(Unit: Millions of yen)

	First Nine Months of FY ended March 2021 (April 1 to December 31, 2020)	First Nine Months of FY ending March 2022 (April 1 to December 31, 2021)
Segment profit	29,163	42,289
Reversal of impairment losses	-	1,175
Business structural reform expenses	(2,438)	-
Loss on valuation of capital investments in subsidiaries	-	(1,411)
Special retirement benefits	(160)	-
Others	-	48
Operating profit	26,565	42,101
Finance income	510	2,255
Finance costs	(3,063)	(1,217)
Profit before tax	24,012	43,139

## (Business Combinations)

(Wholly Owned Subsidiary through Acquisition of Shares of Inpria Corporation)

## (1) Outline of the Business Combination

On October 29, 2021, our company acquired an additional 78.7% stake in Inpria Corporation (Location: Oregon, USA, CEO: Andrew Grenville, “Inpria”) which develops and manufactures metal resists for EUV, making it a wholly owned subsidiary of our company.

## ① Name and Business of the Acquired Company

Name Inpria Corporation

Business Development and manufacturing of metal based EUV resists

## ② Date of Acquisition

October 29, 2021

## ③ Percentage of Voting Rights Acquired

Percentage of Voting Rights Held Immediately before the Date of Acquisition 21.3%

Percentage of Voting Rights Additionally Acquired on the Date of Acquisition 78.7%

Percentage of Voting Rights at Date of Acquisition 100.0%

## ④ Method of Acquiring Control

Acquisition of Shares for Cash

## ⑤ Purpose of Business Combination

Inpria has been working on the development of metal based EUV resists since its establishment in 2007. Its main product, which is composed primarily of tin oxide, has achieved the world's highest resolution using EUV exposure systems. In addition, the metal-based resist is superior to conventional resists in terms of pattern transfer performance during dry etching and is highly suitable for semiconductor mass production processes. With the completion of this acquisition, JSR will add metal resists, a promising future technology, to its photoresist product portfolio, which is one of its strengths, and aims to seamlessly provide value as an advanced materials company that supports the further shrinking technologies of its customers.

## (2) Fair value of Consideration Paid, Assets Acquired, and Liabilities Assumed at the Date of Acquisition

	Amount
	Millions of yen
Fair value of equity interests held immediately prior to the acquisition date	9,447
Cash	46,654
Total Fair value of consideration paid	56,101
Current Asset	
Cash and cash equivalents	1,043
Trade and other receivables	151
Other current assets	151
Non-current assets	
Property, plant and equipment	357
Other non-current assets	9
Acquired assets	1,711
Current liabilities	
Trade and other payables	572
Other current liabilities	76
Non-current liabilities	
Other non-current liabilities	9
Total liability assumed	658
Goodwill	55,048

The initial accounting is still provisional for the amount of goodwill incurred and the amounts of assets acquired and liabilities assumed on the date of the business combination because the designation of identifiable assets and liabilities on the date of the business combination are still under review and, consequently, the allocation of the acquisition valuation is incomplete as of December 31, 2021.

The valuation gain recognized as a result of the remeasurement of equity interests held by JSR immediately prior to the date of acquisition at its fair value on the date of acquisition of control was 7,467 million yen and is accounted for in the *Other operating income* line item in the Condensed Quarterly Consolidated Statement of Profit or Loss. Acquisition-related costs pertaining to the business combination were 122 million yen. The amount incurred in the Third Quarter of FY ending March 2022 is accounted for as an expense in the *Selling, general and administrative* line item in the Condensed Quarterly Consolidated Statement of Profit or Loss.

Goodwill is primarily composed of expected future earning power. The goodwill cannot be reported as a deductible for tax purposes.



## (3) Effect of Business Combination on Cash Flows

	Amount
	Millions of yen
Cash and cash equivalents paid for acquisition	46,654
Cash and cash equivalents held by the acquired company at the time of acquisition	1,043
Purchase of shares of subsidiaries resulting in change in scope of consolidation	45,611

## (4) Impact on our Group's Performance

The impact on sales revenue and quarterly profit arising from Inpria included in the Condensed Consolidated Statements of Profit or Loss and the impact on sales revenue and quarterly profit assuming that the business combination is carried out at the beginning of the period is immaterial.