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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (under IFRS)

April 25, 2022

Company name: JSR Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 4185
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Scheduled date of ordinary general shareholders meeting: June 17, 2022
 Scheduled date to commence dividend payments: June 20, 2022
 Scheduled date to file annual securities report: June 17, 2022
 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 fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	%
March 31, 2022	340,997	9.3	43,306	14.3	43,760	27.8	39,440	-
March 31, 2021	312,000	-	37,902	-	34,233	-	(54,530)	-

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
March 31, 2022	37,303	-	59,105	-	173.49	173.26
March 31, 2021	(55,155)	-	(41,663)	-	(256.73)	(256.34)

Fiscal year ended	Return on equity	Return on assets	Operating profit ratio
	%	%	%
March 31, 2022	10.5	6.1	12.8
March 31, 2021	(15.1)	4.9	11.0

(Reference): Profit before tax March 31, 2022 45,521 March 31, 2021 33,310

(Reference): Share of profit of investments accounted for using equity method
March 31, 2022 163 March 31, 2021 (669)

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 FY ended March 2022. In the condensed 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 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

	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
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2022	809,371	414,739	376,011	46.5	1,748.25
March 31, 2021	672,773	370,736	333,995	49.6	1,554.17

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of Yen
March 31, 2022	18,271	(63,117)	22,994	45,567
March 31, 2021	70,403	(52,687)	4,297	85,377

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	30.00	–	30.00	60.00	12,894	-	3.5
Fiscal year ended March 31, 2022	–	35.00	–	35.00	70.00	15,055	40.3	4.2
Fiscal year ending March 31, 2023 (Forecast)	–	35.00	–	35.00	70.00		32.7	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	410,000	20.2	57,500	32.8	57,500	31.4	49,000	24.2	46,000	23.3	213.88

(Reference): Profit before tax Fiscal year ending March 31, 2023 56,500

* 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
 - a. Changes in accounting policies required by IFRS: None
 - b. Changes in accounting policies due to other reasons: None
 - c. 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 March 31, 2022	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 March 31, 2022	11,047,900 shares
As of March 31, 2021	11,223,335 shares

c. Average number of shares during the period

For the fiscal year ended March 31, 2022	215,015,886 shares
For the fiscal year ended March 31, 2021	214,837,519 shares

(Reference) Summary of Non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2022
(from April 1, 2021 to March 31, 2022)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	260,987	24.0	40,305	238.8	48,312	172.8	45,489	-
March 31, 2021	210,480	(6.5)	11,897	1.4	17,711	(8.8)	(30,217)	-

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2022	211.56	211.28
March 31, 2021	(140.65)	-

* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied from the current fiscal year.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	504,471	294,821	58.4	1,369.08
March 31, 2021	428,120	269,874	62.9	1,253.80

(Reference) Equity 294,460 million yen as of March 31, 2022 269,446 million yen as of March 31, 2021

* 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, April 25, 2022.

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1. Review of Operating Results

(1) Overview of Operating Results for FY ended March 2022

(General Review)

In the FY ended March 2021, a recovery trend from the previous downturn was seen, fueled by both the control of COVID-19 and a rebound in economic activity. On the other hand, recent signs point to the pace of the global economy's recovery slowing down, including a fresh wave of COVID-19 infections, skyrocketing resource prices sparked by the Russian invasion of Ukraine that broke out in February 2022, worsening raw material and component shortages, and suppressed demand due to inflation mainly in the United States. As for the exchange rate, the yen depreciated against the dollar year-on-year.

As for trends among the Group's main customer industries, the semiconductor market remained strong for both memory and logic semiconductors due to continued growth in demand for 5th generation mobile communication systems (5G), PCs and data centers. The flat-panel display market was strong throughout the year, thanks to the promotion of telework and other factors, but panel market conditions softened in the second half of the year, prompting manufacturers to adjust panel production. The biopharmaceutical market continued to see strong growth. The speed of recovery in global automobile production was hampered by production cuts by automobile manufacturers stemming from semiconductor shortages and difficulties in procuring parts for overseas production.

To push its business forward amid these circumstances, JSR Group has been strengthening its business structure and management framework to realize a corporate structure imbued with sustainability and resilience, in line with the management policy for FY ending March 2025, and actively investing in R&D and businesses. As part of this, the Group has focused resources on medium and long-term growth in the Digital Solutions Business and Life Sciences Business, which are positioned as core businesses.

In the Digital Solutions Business, which is centered on the Semiconductor Materials Business, the Group made Inpria Corporation (Inpria) a wholly owned subsidiary. Inpria is a world leader in the design, development, and manufacturing of metal photoresists for extreme ultraviolet (EUV) lithography. The Group also embarked on the construction of a new plant for cutting-edge lithography materials, including EUV resists, at the main Yokkaichi Plant complex. Local subsidiaries were established in Singapore and Taiwan to further bolster marketing and customer support capabilities. The local subsidiaries will aim to further expand business in key markets for semiconductor production.

In the Life Sciences Business, the Group took definitive steps toward future business growth. These included the continued construction and startup of new plants in Europe and America by the Group company KBI Biopharma, Inc. (KBI) for its biologics contract development and manufacturing organization (CDMO) business; the acquisition of Ocello B.V., which possesses advanced 3D cell imaging technology, by Crown Bioscience International (Crown Bio); and the opening of the JSR Bioscience and informatics R&D center (JSR BiRD), a new research facility to spearhead new business generation.

Regarding the Elastomers Business, at the Board of Directors meeting held on May 11, 2021, the Company decided to establish a new subsidiary named Japan Synthetic Rubber Spin-off Preparation Co., Ltd. that succeeds to 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. Accordingly, JSR has classified the Elastomers Business as discontinued operations from the FY2021. Moreover, certain reclassifications have been made to the Consolidated Statement of Profit or Loss and related Notes on Consolidated Financial Statements for the FY ended March 2021 to conform to the presentation format for the FY ended March 2022. The share transfer to ENEOS Corporation was concluded on April 1, 2022.

As a result, the Group reported revenue of 340,997 million yen (up 9.3% year-on-year), core operating profit of 43,306 million yen (up 14.3% year-on-year), operating profit of 43,760 million yen (up 27.8% year-on-year), and profit attributable to owners of parent of 37,303 million yen, compared with loss attributable to owners of parent was 55,155 million yen in the previous fiscal year.

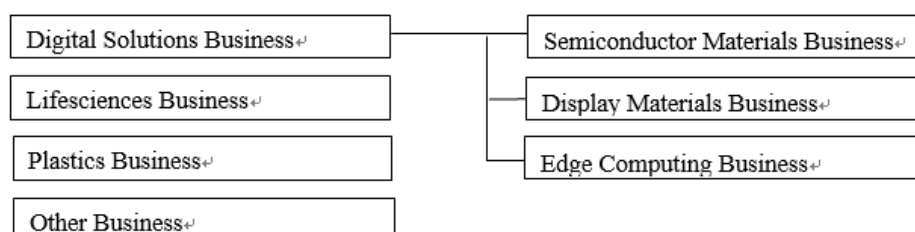
(Millions of yen)

Segment	FY ended March 2021		FY ended March 2022		Change	
	Amount	Component ratio	Amount	Component ratio	Amount	Component ratio
Revenue						
Digital Solutions	151,420	48.5%	165,030	48.4%	13,610	9.0%
Life Sciences	55,197	17.7%	72,452	21.2%	17,255	31.3%
Elastomers	79,123	25.4%	90,606	26.6%	11,483	14.5%
Plastics	26,259	8.4%	12,910	3.8%	(13,349)	(50.8%)
Other	0	0.0%	0	0.0%	(0)	(99.9%)
Adjustment	312,000	100.0%	340,997	100.0%	28,998	9.3%
Revenue in Japan	108,248	34.7%	110,688	32.5%	2,440	2.3%
Overseas revenue	203,752	65.3%	230,310	67.5%	26,558	13.0%

Segment	FY ended March 2021		FY ended March 2022		Change	
	Percentage of revenue	Amount	Percentage of revenue	Percentage of revenue	Amount	Percentage of revenue
Core operating profit	37,902	12.1%	43,306	12.7%	5,405	14.3%
Profit attributable to owners of parent	(55,155)	(17.7%)	37,303	10.9%	92,458	-

(Business Segment Overview)

The JSR Group's business is classified into three reportable segments: Digital Solutions, Life Sciences, and Plastics. The reportable segments are positioned as shown below.



<Digital Solutions Business Segment>

The Digital Solutions Business segment experienced both increased revenue and profit compared to the previous fiscal year.

In the Semiconductor Materials Business, demand was firm for materials for both memory and logic semiconductors. To solidify JSR's position as a leader in the advanced lithography field, the Company made Inpria a subsidiary and added metal resists, a future technology, to its product portfolio of EUV photoresists. Sales of cutting-edge photoresists were particularly strong, due in part to advanced device launches by major customers. In addition, smooth product launches were achieved for packaging materials destined for major customers. An impairment loss was recorded for cleaning solutions caused by startup delays at the U.S. plant. Nevertheless, revenue and core operating profit increased year-on-year.

The Display Materials Business promoted expanded sales particularly of competitive products in the China market where continued growth is expected. Expanded sales to China were seen for alignment films and insulating films for wide-screen TV LCD panels, a focus point of the business. Although sales of alignment films and insulating films were solid, the sector posted lower year-on-year revenue and core operating profit because of increased expenses arising from the Group's business restructuring associated with the closure or scaling back of local production in Taiwan and South Korea, amid the shift of LCD production from South Korea and Taiwan to China.

The Edge Computing Business suffered revenue and profit declines because of a sales decrease in near-infrared (NIR) filters.

As a result, the Digital Solutions Business segment posted a core operating profit of 39,002 million yen (up 12.8% year-on-year) on revenue of 165,030 million yen (up 9.0% year-on-year).

<Life Sciences Business Segment>

In the Life Sciences Business, with the U.S. headquarters guiding strategies for the entire business segment, the Group worked to expand revenue primarily in the biologics contract research business and the biologics contract development and manufacturing business, in addition to JSR materials. The contract research organization (CRO) business, provided by Group company Crown Bio, and KBI are steadily increasing their pipelines.

As a result, the Life Sciences Business segment posted a core operating profit of 3,168 million yen (down 9.7% year-on-year) on revenue of 72,452 million yen (up 31.3% year-on-year)

<Plastics Business Segment>

In the Plastics Business, sales volume rose from the previous fiscal year, mainly on the back of demand recovery in the automobile industry, and revenue also climbed. Core operating profit was up on the recovery in sales volume.

As a result, the Plastics Business segment posted a core operating profit of 5,323 million yen (up 20.2% year-on-year) on revenue of 90,606 million yen (up 14.5% year-on-year).

(2) Overview of Financial Position for FY ended March 2022

At the Board of Directors meeting held on May 11, 2021, the Company decided 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. On the same date, the Company concluded a share transfer agreement with ENEOS Corporation. The share transfer was executed as scheduled on April 1, 2022. As a result of the transfer decision, the assets and liabilities of the Elastomers Business have been classified as disposal groups classified as held for sale and the Elastomers Business has been classified as discontinued operations from the FY ended March 2022.

1. Asset

Total assets as of March 31, 2022 amounted to 809,371 million yen, up 136,598 million yen from a year earlier.

Current assets amounted 437,002 million yen, up 107,723 million yen, due to an increase in inventories, including the Elastomers Business.

Non-current assets amounted 372,369 million yen, up 28,875 million yen, due to an increase in goodwill resulting from making Inpria Corporation a wholly owned subsidiary.

2. Liabilities

Total liabilities amounted to 394,631 million yen, up 92,595 million yen, due to an increase in borrowings resulting from the issue of bonds.

3. Equity

In terms of equity, total equity attributable to owners of parent amounted to 376,011 million yen, up 42,016 million yen from a year earlier, due to the recording of profit attributable to owners of parent. Total equity, including noncontrolling interests, amounted to 414,739 million yen, up 44,003 million yen.

(3) Overview of Cash Flows for FY ended March 2022

Cash and cash equivalents (“funds”) as of March 31, 2022 stood at 45,567 million yen, down 39,809 million yen from a year earlier.

Net cash provided by operating activities amounted to 18,271 million yen, down 52,132 million yen from the previous year. The main items included profit before tax of 45,521 million yen, depreciation expenses and amortization charges of 22,482 million yen, and net increase in inventories of 46,454 million yen.

Net cash used in investing activities totaled 63,117 million yen, up 10,431 million yen from the previous year. The main items were 47,614 million yen in payments for purchase of property, plant and equipment, 47,348 million yen in payments for purchase of shares of subsidiaries resulting in change in scope of consolidation, 17,203 million yen in proceeds from sale of investments, and 15,224 million yen in proceeds from sale of investments in associates.

Net cash provided by financing activities totaled 22,994 million yen, up 18,698 million yen from the previous year. The main items were 39,338 million yen in net increase in short-term borrowings and 13,972 million yen in dividends paid.

The Group formulates a funding plan based on the annual business plan and controls liquidity risk in consideration of an appropriate balance of direct and indirect funding, as well as short-term and long-term funding.

(4) Business Outlook

Uncertainties are anticipated to continue in FY ending March 2023, including changes in the international situation driven by the re-emergence of COVID-19 infections, geopolitical fluctuations including heightened tensions around the Ukraine situation, suppressed demand in countries around the world due to broad price increases, and the impact on exchange rates of interest rate policies in various countries. On the other hand, global economic growth is expected to be on a recovery track due to the widespread roll-out of COVID-19 vaccines, the expanding deployment of booster shots and use of therapeutic drugs against COVID-19, and the favorable employment conditions and asset markets in the United States that are expected to support the economy.

In the current situation, the semiconductor market, JSR’s primary customer market, is expected to be sustained by digital infrastructure demand and see robust growth as an essential industry for society. Furthermore, the solid demand forecasts over the medium-to-long term for the life sciences field remain unchanged. In the global automobile market, the Plastics Business’s main customer market, the recovery trend in automobile production is predicted to continue.

Amid these business conditions, JSR will continue proactive R&D and business investments in the growing Semiconductor Materials Business and Life Sciences Business toward further strengthening of its business structure and management framework in order to build an organizational structure having both resilience and sustainability.

In the Digital Solutions Business, JSR Group will be focusing in the Semiconductor Materials Business as before on materials intended primarily for cutting-edge processes, with a greater emphasis on EUV photoresists for 3 nm and subsequent generation processes, to maintain and expand its share in the global lithography materials market. JSR Group will strive to expand sales of packaging materials by broadening its materials portfolio to ensure it captures semiconductor chip miniaturization and 5G demand. Although an impairment loss was sustained due to startup delays at the U.S. plant producing cleaning solutions that commenced new operations in the latter half of FY ended March 2021, the plant is already operating stably and the Group will focus on stabilizing revenue as soon as possible by expanding local production and optimizing costs. Furthermore, adoption at the U.S. plant will be leveraged to expand the cleaning solution business globally as a Group business. In the Display Materials Business, having steadily implemented structural reforms to address changes in customer industries, JSR Group will push for greater sales, especially of its competitive alignment films and insulating films for wide-screen TV LCD panels in the China market, where continued growth in the LCD panel market is anticipated. JSR Group will work to expand the Edge Computing Business by, for example, further expanding sales of NIR filters used chiefly in small smartphone cameras.

In the Life Sciences Business, the Group will strive to further increase revenue and profitability, with a focus on gaining more new contracts in the CDMO business provided by KBI and Selexis, expanding customer bases by widening pipelines (upfront contracts) and improving operational efficiencies, and expanding competitive services in Crown Bio’s CRO business. KBI will work to increase revenue by leveraging expanded capacity at its North Carolina, U.S., and Geneva, Switzerland, facilities, where commercial production is expected this fiscal year. Group unification will drive strong business expansion, through the combination of greater global adoption of diagnostic reagent materials and bioprocess materials, enhancement to the diagnostic reagent business of Medical & Biological Laboratories (MBL), and research activities at JSR BiRD and the JSR-Keio University

Medical and Chemical Innovation Center (JKiC).

For the FY ending March 2023, JSR forecasts revenue of 410,000 million yen (up 20.2 percent year-on-year), core operating profit of 57,500 million yen (up 32.8 percent year-on-year), operating profit of 57,500 million yen (up 31.4 percent year-on-year), and profit for the year attributable to owners of parent of 46,000 million yen (up 23.3 percent year-on-year). The forecast assumes an exchange rate of 116 yen per U.S. dollar. Actual business performance may vary substantially due to future developments in social conditions and economic conditions. JSR will promptly disclose revisions to the earnings forecast, should they become necessary.

(Basic Policy on Profit Allocation and Dividends for FY ended March 31, 2022 and FY ending March 31, 2023)

With respect to profit appropriation, the Company regards business growth over the long term as its top priority. To generate sustainable long-term growth, JSR strives to increase its competitiveness by developing new businesses through the reinforcement of research and development activities.

The Company determines returns to shareholders by taking into account business performance and medium-term and long-term demand for funds, while giving consideration to a balance between returning profits to shareholders and retaining earnings necessary for future business advancement.

The Company plans to pay a year-end dividend of 35.00 yen per share in the interest of continuing stable dividends. Including the interim dividend already paid, the total annual dividend for FY ended March 2022 will be 70.00 yen per share.

With regard to the dividend for the next fiscal year (FY ending March 2023), JSR plans to pay 70.00 yen per share annually, the same amount as for FY ended March 2022, in consideration of the balance between returns to shareholders and retaining earnings for the Company's future growth, with the objective of sustainably improving the Company's business performance from a long-term perspective.

2. Basic Approach to the Selection of Accounting Standards

JSR Group has voluntarily adopted International Financial Reporting Standards (IFRS) starting from FY ended March 2018 to improve convenience and the international comparability of financial information in the capital market.

3. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	85,377	45,567
Trade and other receivables	125,292	76,106
Inventories	104,862	104,934
Other financial assets	1,933	1,289
Other current assets	11,815	17,807
Subtotal	<u>329,279</u>	<u>245,704</u>
Assets related to disposal group classified as held for sale	-	191,298
Total current assets	<u>329,279</u>	<u>437,002</u>
Non-current assets		
Property, plant and equipment	170,428	159,539
Goodwill	58,633	117,640
Other intangible assets	15,014	24,571
Investments accounted for using equity method	21,015	2,984
Retirement benefit asset	4,905	5,192
Other financial assets	49,751	31,408
Other non-current assets	3,598	2,830
Deferred tax assets	20,150	28,205
Total non-current assets	<u>343,494</u>	<u>372,369</u>
Total assets	<u><u>672,773</u></u>	<u><u>809,371</u></u>

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	100,797	63,548
Contract liabilities	9,368	12,824
Bonds and borrowings	37,872	69,170
Income taxes payable	4,866	13,479
Provisions	1,837	2,718
Other financial liabilities	3,874	3,489
Other current liabilities	10,196	7,461
Subtotal	<u>168,810</u>	<u>172,689</u>
Liabilities related to disposal group classified as held for sale	-	115,576
Total current liabilities	<u>168,810</u>	<u>288,265</u>
Non-current liabilities		
Contract liabilities	7,861	11,582
Bonds and borrowings	81,406	48,737
Retirement benefit liability	16,434	10,278
Provisions	-	8,033
Other financial liabilities	19,314	17,795
Other non-current liabilities	5,136	4,809
Deferred tax liabilities	3,077	5,133
Total non-current liabilities	<u>133,227</u>	<u>106,366</u>
Total liabilities	<u>302,036</u>	<u>394,631</u>
Equity		
Equity attributable to owners of parent		
Share capital	23,370	23,370
Capital surplus	11,562	11,799
Retained earnings	302,916	333,335
Treasury shares	(19,202)	(18,874)
Other components of equity	15,348	26,381
Total equity attributable to owners of parent	<u>333,995</u>	<u>376,011</u>
Non-controlling interests	<u>36,741</u>	<u>38,728</u>
Total equity	<u>370,736</u>	<u>414,739</u>
Total liabilities and equity	<u><u>672,773</u></u>	<u><u>809,371</u></u>

(2) Consolidated Statement of Profit or Loss

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Continuing operations		
Revenue	312,000	340,997
Cost of sales	(198,192)	(214,937)
Gross profit	113,808	126,060
Selling, general and administrative expenses	(75,205)	(87,330)
Other operating income	1,601	10,819
Other operating expenses	(5,302)	(5,952)
Share of profit of investments accounted for using equity method	(669)	163
Operating profit	34,233	43,760
Finance income	162	3,415
Finance costs	(1,084)	(1,655)
Profit before tax	33,310	45,521
Income taxes	(7,990)	(8,370)
Profit from continuing operations	25,321	37,151
Discontinued operations		
Profit (loss) from discontinued operations	(79,851)	2,289
Profit (loss)	(54,530)	39,440
Profit(loss)attributable to:		
Owners of parent	(55,155)	37,303
Non-controlling interests	625	2,136
Total	(54,530)	39,440
Earnings per share (loss)		
Basic earnings per share (loss) (Yen)	(256.73)	173.49
Continuing operations	108.65	162.52
Discontinued operations	(365.38)	10.97
Diluted earnings per share (loss) (Yen)	(256.34)	173.26
Continuing operations	108.47	162.30
Discontinued operations	(364.81)	10.96

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(54,530)	39,440
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	5,101	1,141
Remeasurements of defined benefit liabilities (assets)	1,438	281
Share of other comprehensive income of entities accounted for using equity method	68	(2)
Items that may be reclassified to profit or loss		
Net change in fair value of cash flow hedges	28	34
Exchange differences on translation of foreign operations	6,167	17,573
Share of other comprehensive income of entities accounted for using equity method	65	640
Total other comprehensive income, net of tax	12,867	19,665
Total comprehensive income	(41,663)	59,105
Comprehensive income attributable to:		
Owners of parent	(43,458)	56,124
Non-controlling interests	1,795	2,981
Total	(41,663)	59,105

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 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, 2020	23,370	18,242	369,102	(19,547)	5,626	396,793	40,619	437,412
Profit (loss)			(55,155)			(55,155)	625	(54,530)
Other comprehensive income					11,697	11,697	1,170	12,867
Total comprehensive income	-	-	(55,155)	-	11,697	(43,458)	1,795	(41,663)
Share-based remuneration transactions		(6)		266	(9)	251		251
Dividends			(12,888)			(12,888)	(479)	(13,368)
Changes in treasury shares		(18)		80		62		62
Transfer from other components of equity to retained earnings			2,399		(2,399)	-		-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation						-		-
Changes in non-controlling interests		(6,656)			(27)	(6,682)	(5,198)	(11,881)
Other movements			(541)		460	(82)	5	(77)
Total transactions with owners, etc.	-	(6,679)	(11,031)	346	(1,975)	(19,339)	(5,673)	(25,012)
Balance at March 31, 2021	23,370	11,562	302,916	(19,202)	15,348	333,995	36,741	370,736

Fiscal year ended March 31, 2022

(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			37,303			37,303	2,136	39,440
Other comprehensive income					18,821	18,821	845	19,665
Total comprehensive income	-	-	37,303	-	18,821	56,124	2,981	59,105
Share-based remuneration transactions		226		248	(32)	441		441
Dividends			(13,975)			(13,975)	(1,127)	(15,102)
Changes in treasury shares		(17)		79		63		63
Transfer from other components of equity to retained earnings			7,663		(7,663)	-		-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation		34				34	133	167
Changes in non-controlling interests						-		-
Other movements		(6)	(573)		(92)	(671)		(671)
Total transactions with owners, etc.	-	237	(6,884)	327	(7,788)	(14,108)	(994)	(15,102)
Balance at March 31, 2022	23,370	11,799	333,335	(18,874)	26,381	376,011	38,728	414,739

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	33,310	45,521
Profit(loss) before tax from discontinued operations	(95,740)	3,371
Depreciation and amortization	29,477	22,482
Interest and dividend income	(903)	(1,782)
Interest expenses	1,743	2,535
Share of loss (profit) of investments accounted for using equity method	4,132	(163)
Impairment loss	79,575	5,650
Loss (gain) on step acquisitions	—	(7,467)
Decrease (increase) in trade and other receivables	(13,009)	(12,532)
Decrease (increase) in inventories	9,807	(46,454)
Increase in trade and other payables	11,772	10,066
Other	15,001	8,884
Dividends received	1,076	1,801
Interest received	201	367
Interest paid	(1,605)	(2,300)
Income taxes refund	958	—
Income taxes paid	(5,393)	(11,706)
Net cash provided by (used in) operating activities	<u>70,403</u>	<u>18,271</u>
Cash flows from investing activities		
Net decrease (increase) in time deposits	2,145	397
Purchase of property, plant and equipment	(55,205)	(47,614)
Proceeds from sale of property, plant and equipment	284	778
Purchase of investments	(1,606)	(1,652)
Proceeds from sale of investments	2,016	17,203
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(47,348)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(45)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	498	—
Proceeds from sale of investments in associates	—	15,224
Payments for loans receivable	(567)	(471)
Collection of loans receivable	627	811
Other	(878)	(400)
Net cash provided by (used in) investing activities	<u>(52,687)</u>	<u>(63,117)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,424)	39,338
Net increase in commercial papers	—	10,003
Repayments of long-term borrowings	(11,428)	(15,338)
Proceeds from long-term borrowings	11,320	7,863
Proceeds from issuance of bonds	34,836	—
Payments for purchase of treasury shares	(3)	(4)
Dividends paid	(12,887)	(13,972)
Dividends paid to non-controlling interests	(464)	(1,127)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(11,717)	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	160
Repayments of lease obligations	(3,264)	(4,348)
Other	327	419

Net cash provided by (used in) financing activities	4,297	22,994
Effect of exchange rate changes on cash and cash equivalents	1,432	(1,534)
Increase (decrease) in cash and cash equivalents	23,445	(23,386)
Cash and cash equivalents at beginning of period	61,931	85,377
Cash and cash equivalents included in assets related to disposal groups classified as held for sale	—	(16,424)
Cash and cash equivalents at end of period	<u>85,377</u>	<u>45,567</u>

(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.

The Group has classified Elastomers Business as discontinued operations from the current fiscal year, and segment information presents only amounts for continuing operations excluding Elastomers Business.

Main Products in Each Business Segment

Business segment	Main products
Digital Solutions Business	<Semiconductor Materials> Lithography materials (photoresists, multilayer materials); CMP materials; mounting 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	Diagnostic and research reagents and similar materials; bio-process materials; services to support drug development, 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.

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Reportable Segment			Other [Note 1]	Total	Adjustment [Note 2]	Consolidated
	Digital Solutions	Life Sciences	Plastics				
Revenue from external customers	151,420	55,197	79,123	26,259	311,999	0	312,000
Segment profit (loss) (Core operating profit) [Note 3]	34,568	3,510	4,430	1,627	44,135	(6,233)	37,902
Segment assets	164,777	158,393	76,569	10,778	410,516	262,256	672,773
Other items							
Depreciation expenses and depreciation charges	7,525	6,236	2,631	748	17,140	1,934	19,074
Impairment losses	1,408	940	-	-	2,348	-	2,348
Capital expenditures	13,542	18,566	3,511	645	36,264	3,923	40,188

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: The operating profit or operating loss downward adjustment of 6,233 million yen contains company-wide profits and losses not allocated to the reportable segments. The adjustment amount in the segment assets line are corporate assets not allocated to any reportable segment. Corporate assets mainly include investment of surplus funds (deposits, cash equivalents, and securities (debt instrument assets)) and long-term investment funds (securities (equity instrument assets)) by the parent company.

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.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reportable Segment			Other [Note 1]	Total	Adjustment [Note 2]	Consolidated
	Life Sciences	Life Sciences	Plastics				
Revenue from external customers	165,030	72,452	90,606	12,910	340,997	0	340,997
Segment profit (loss) (Core operating profit) [Note 3]	39,002	3,168	5,323	987	48,480	(5,174)	43,306
Segment assets	241,824	210,371	75,996	11,528	539,719	269,652	809,371
Other items							
Depreciation expenses and depreciation charges	9,394	8,021	2,753	627	20,795	1,687	22,482
Impairment losses	3,228	-	-	-	3,228	-	3,228
Capital expenditures	17,192	19,692	2,816	260	39,960	1,891	41,851

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: The operating profit or operating loss downward adjustment of 5,174 million yen contains company-wide profits and losses not allocated to the reportable segments. The adjustment amount in the segment assets line are corporate assets not allocated to any reportable segment. Corporate assets mainly include investment of surplus funds (deposits, cash equivalents, and securities (debt instrument assets)) and long-term investment funds (securities (equity instrument assets)) by the parent company.

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.

(Millions of yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Segment profit	37,902	43,306
Reversal of impairment loss	-	1,348
Profit from sales of subsidiaries and affiliated companies	-	332
Business restructuring expenses	(3,508)	-
Loss on valuation of investments in subsidiaries	-	(1,411)
Special retirement benefits	(160)	-
Others	-	186
Operating profit	34,233	43,760
Finance income	162	3,415
Finance costs	(1,084)	(1,655)
Profit before tax	33,310	45,521

(3) Information on Products and Services

Information on products and services is omitted, since similar information is stated in (1) Outline of Reportable Segments.

(4) Information by Region

The following is a breakdown by region of revenue and non-current assets.

Revenue from external customers

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
	(Millions of yen)	(Millions of yen)
Japan	108,248	110,688
China	55,459	65,757
U.S.	55,213	61,253
Other regions	93,079	103,300

Note: Revenue is divided into countries or regions based on the locations of customers.

Property, plant and equipment

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
	(Millions of yen)	(Millions of yen)
Japan	92,718	80,863
U.S.	40,319	55,492
Other regions	37,391	23,183
Total	170,428	159,539

Note: The presentation of non-current assets has been restricted to property, plant, and equipment to avoid unreasonable preparation costs

(5) Information on Major Customers

Information on major customers is omitted, since no single external customer accounts for more than 10 percent of the Group's revenue in terms of revenue through transactions with a single external customer.

(Other Operating Income and Other Operating Expenses)

(Other Operating Income)

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

No important transactions

Fiscal year ended March 31, 2021 (April 1, 2021 to March 31, 2022)

(Reversal of impairment loss)

The Company recorded in “Other Operating Income” 1,348 million yen as reversal of impairment loss in the Display Materials Business.

(Gain on step acquisitions)

The Company recorded in “Other Operating Income” 7,467 million yen as gain on revaluation pertaining to the additional acquisition of Inpria Corporation shares.

(Other Operating Expenses)

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Business Restructuring Expenses)

The Company recorded in “Other Operating Expenses” 2,458 million yen for expenses pertaining to restructuring and related measures in Display Materials Business. The main items were impairment losses for property, plant, and equipment and special retirement benefits.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Impairment Loss)

The Company recorded in “Other Operating Expenses” 3,228 million yen as impairment loss in the Semiconductor Materials Business.

(Loss on valuation of investments in subsidiaries)

The Company recorded in “Other Operating Expenses” 1,411 million yen as loss on valuation of investments in unconsolidated subsidiaries.

(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 Assets	
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*	8,218
Acquired assets	9
Current Asset	9,929
Current liabilities	
Trade and other payables	572
Other current liabilities	76
Non-current liabilities	
Deferred tax liabilities	2,219
Other non-current liabilities	9
Total liability assumed	2,877
Goodwill	49,049

*The item allocated to other non-current assets is 8,218 million yen for technology assets. The fair value of the non-current assets was calculated using the excess earnings method valuation model.

Measurements with the valuation model are based on such assumptions as future sales and technology obsolescence rates.

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 123 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.

(Notes on Disposal Groups Classified as Held for Sale and Discontinued Operations)

1. Disposal Groups Classified as Held for Sale

(The Separation of Elastomers Business and Transfer of Shares of Successor Company)

At the Board of Directors meeting held on May 11, 2021, the Company decided 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. On the same date, the Company concluded a share transfer agreement with ENEOS Corporation. The share transfer was executed as scheduled on April 1, 2022.

As a result of the transfer decision, the assets and liabilities of the Elastomers Business have been classified as disposal groups classified as held for sale and the Elastomers Business has been classified as discontinued operations from the FY ended March 2022.

The following are the assets and liabilities related to disposal groups classified as held for sale.

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Assets related to disposal groups classified as held for sale		
Cash and cash equivalents	—	16,424
Trade and other receivables	—	66,318
Inventories	—	50,115
Other financial assets (current assets)	—	364
Other current assets	—	3,145
Property, plant and equipment	—	46,466
Other intangible assets	—	1,740
Investments accounted for using equity method	—	1,528
Other financial assets (non-current assets)	—	3,920
Other non-current assets	—	70
Deferred tax assets	—	1,208
Total assets	—	191,298
Liabilities related to disposal groups classified as held for sale		
Trade and other payables	—	51,238
Bonds and borrowings (current liabilities)	—	21,500
Income taxes payable	—	333
Other financial liabilities (current liabilities)	—	807
Other current liabilities	—	2,115
Bonds and borrowings (non-current liabilities)	—	28,838
Retirement benefit liabilities	—	5,765
Other financial liabilities (non-current liabilities)	—	4,336

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Other non-current liabilities	—	644
Deferred tax liabilities	—	0
Total liabilities	—	115,576

As of March 31, 2022, other components of equity pertaining to the assets and liabilities related to disposal groups classified as held for sale amounted to 669 million yen (net of tax).

2. Discontinued Operations

As noted in *1. Disposal Groups Classified as Held for Sale* above, the Elastomers Business has been classified as discontinued operations.

(1) Profit or Loss from Discontinued Operations

The following is the profit or loss from discontinued operations.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Revenue	134,609	189,318
Cost of sales and expenses	(230,350)	(185,947)
Profit (loss) before tax from discontinued operations	(95,740)	3,371
Income tax expenses	15,890	(1,082)
Profit (loss) from discontinued operations	(79,851)	2,289

*Included in the cost of sales and expenses for the FY ended March 2022 is a loss of 1,495 million yen recognized due to the measurement, at fair value less costs to sell, of assets and/or disposal groups composed of discontinued operations. The fair value was calculated primarily on the basis of the value of the transferred business. The fair value hierarchy is classified as Level 3.

Refer to the Consolidated Statement of Profit or Loss for the basic and diluted earnings per share (loss) pertaining to discontinued operations.

(2) Cash Flows Arising from Discontinued Operations

The following are cash flows from discontinued operations.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Cash flows from operating activities	21,429	12,261
Cash flows from investing activities*	(15,054)	8,088
Cash flows from financing activities	(6,006)	1,205
Total	(460)	1,107
Cash flows from operating activities	(90)	22,661

*Included in the cash flows from investing activities for the FY ended March 2021 is a loss of 1,176 million yen for payments for sale of shares of subsidiaries resulting in change in scope of consolidation (cash and cash equivalents of the disposed subsidiaries).

(Per Share Information)

The following is the basic earnings per share and the basis of calculation and the diluted earnings per share and the basis of calculation.

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
(1) Basic earnings per share (Loss)	(256.73)	173.49
Continuing operations	108.65	162.52
Discontinued operations	(365.38)	10.97
(Basis of calculation)		
Profit attributable to owners of parent (Millions of yen)	(55,155)	37,303
Continuing operations	23,341	34,944
Discontinued operations	(78,497)	2,360
Average number of shares outstanding during the year (1,000 shares)	214,838	215,016
(2) Diluted earnings per share (Loss)	(256.34)	173.26
Continuing operations	108.47	162.30
Discontinued operations	(364.81)	10.96
(Basis of calculation)		
Increase in common stock due to stock options (1,000 shares)	331	285
Diluted average number of shares outstanding during the year (1,000 shares)	215,169	215,301

(Material Subsequent Events)

On April 1, 2022, the Company transferred the Elastomers Business to Japan Synthetic Rubber Spin-off Preparation Co., Ltd. (Successor Company), which was established on May 12, 2021 as a subsidiary of the company, by the absorption-type company split. Based on the share transfer agreement with ENEOS Corporation executed on May 11, 2021, the transfer of all shares of the Successor Company to ENEOS Corporation was completed. Accordingly, the Company lost control of the successor company.

The Company classified the assets and liabilities of the Elastomers Business as disposal groups classified as held for sale and classified the Elastomers Business as discontinued operations from the FY ended March 2022.

The impact of the transaction on Consolidated Financial Statements for the FY ending March 2023 is under review.