



Q3 FY2023 Financial Results

(April 2023 to December 2023)

FEBRUARY 5, 2024

Agenda



1	Overall Summary	<ul style="list-style-type: none">• Key Takeaways• Summary : Q3 FY23 Result
2	Results	<ul style="list-style-type: none">• Results – 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">• Market Outlook• Act vs FY23 Consolidated Earnings Forecast (No revision)
5	Topics	<ul style="list-style-type: none">• LS (CDMO): Production Schedule of KBI's New Facility• Summary of FY23 Consolidated Earnings Forecast (Re-posted)
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

***Note**

DS :Digital Solutions business
SEMI :Semiconductor materials
DISP :Display materials
EC :Edge Computing
LS :Life Sciences business
PLA :Plastic business

1. Key Takeaways

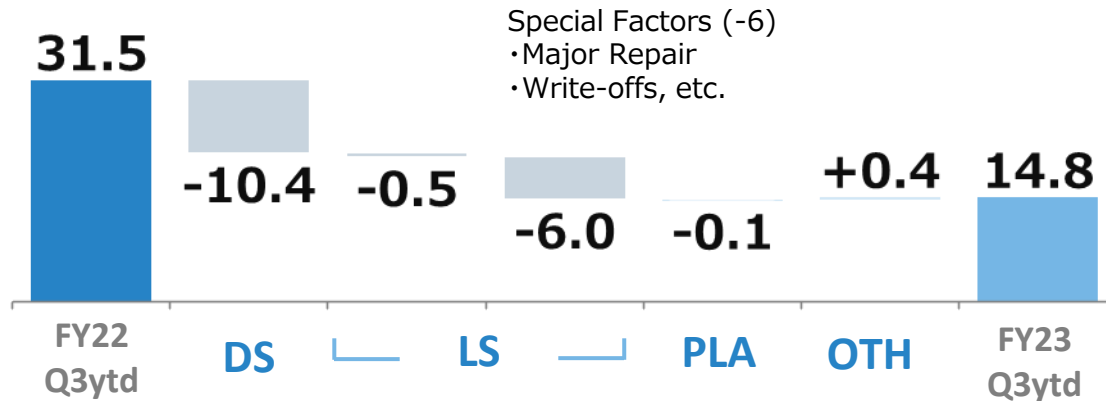
- **Significant increase in sales and profits QoQ.**
- **Demand in our customers' industries such as semiconductors and biotech sectors, has yet to fully recover.**
- **Progress towards mid to long-term growth is on track, despite short-term demand adjustments.**

<p>Q3 FY23 Results YoY Decrease in Revenue /Profit QoQ Increase in Revenue /Profit</p>	<ul style="list-style-type: none"> • Revenue and profit increased QoQ due to sales increase in SEMI and LS. • Core OP of DS exceeded our earnings forecast due to SEMI's good progress. Demand is still recovering when compared to the previous year. • LS saw increase in revenue and profit QoQ by sales expansion of IVD's test kits. Q3 includes part of the one-off events.
<p>Outlook</p>	<ul style="list-style-type: none"> • DS: Seasonal operation adjustments are expected in Q4. Full recovery of SEMI's demand is expected in FY24 as demand for advanced applications is on recovering trend. Market share continues to expand, primarily in the advanced field of EUV. • LS: CDMO's new facility is expected to operate at a higher utilization. We are carefully monitoring the recovery of the biotech industry, which remains volatile. An estimate of one-off events is under review. • Measures to maintain profitability and address short term fall in demand are being implemented. Steady progress in laying the foundation for expanding market share and supporting business growth in the mid to long-term.
<p>Strategic Partnership with JICC* Announced on June 26,2023</p>	<ul style="list-style-type: none"> • The transaction will establish a strategic partnership with JICC, focusing on achieving sustainable growth in corporate value. By going private under this transaction, we will accelerate our strategy, support the promotion of industry restructuring of semiconductor materials, and reinforce our international competitiveness and mid- to long-term growth for all the businesses. • We believe that the transaction is the best strategic option for all stakeholders of JSR. • Currently, the regulatory processes in China is under review. • As disclosed on December 19, 2023, the launch for the tender offer is expected to be in late February 2024 at the earliest. If the tender offer has not launched at the end of March 2024, the Offeror will make another announcement on the progress of the tender offer. • We continue to pursue our strategy along with this strategic partnership.

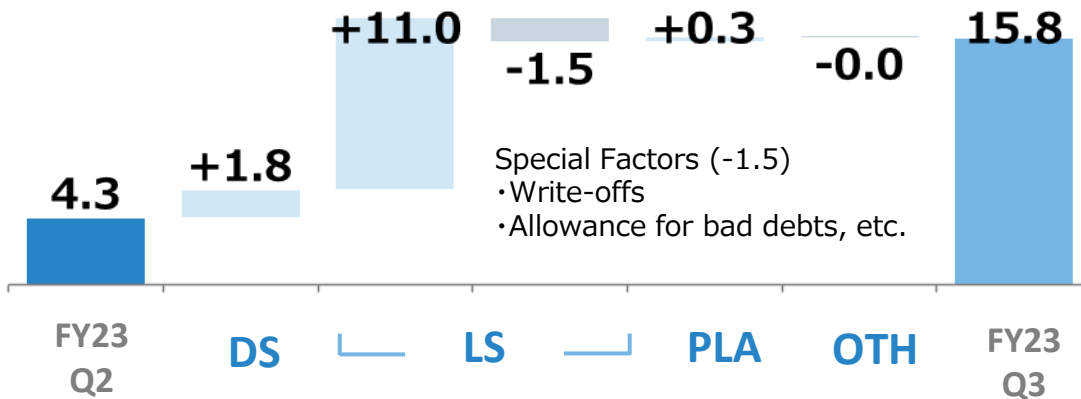
1. Summary : Q3 FY23 Result

Core OP YoY (Bn JPY)

Q3 FY23 ytd Act: Revenue 301.8bn, Core OP -14.8bn



Core OP QoQ (Bn JPY)



YoY

Digital Solutions Business	
SEMI	• Revenue declined due to a fall in demand in the semiconductor market.
DISP/EC	• For DISP, revenue and OP increased due to demand recovery. • EC performance was impacted by a decline in smartphone demand, resulting in revenue decrease from the previous year.
Life Sciences Business	
	• Revenue increased due to CDMO's sales expansion while OP declined due to one-off events.
Plastics Business	
	• Auto demand is trending towards recovery while demand for other applications is slowing down, which led to a decline in sales.

QoQ

Digital Solutions Business	
SEMI	• Revenue and OP increased. The demand environment remains sluggish but bottomed out from Q4 FY22. • Market share for EUV's leading-edge Logic and DRAM are progressing well.
DISP/EC	• Revenue declined for DISP due to lower utilization in Q3 as high utilization in H1.
Life Sciences Business	
	• Revenue and OP significantly increased due to an increase in sales of IVD's test kits. Q3 include one-off events such as write-offs and allowance for bad debts.
Plastics Business	
	• Revenue and profit increased due to sales volume expansion through demand recovery.

2. Result – YoY, QoQ

YoY

Decrease in profit in DS and LS, impacted by the semiconductor cycle for SEMI and the sluggish biotech industry and one-off events.

QoQ

Significant increase in revenue and profit. Our main customers' industries remain challenging but show some improvements QoQ. For LS, revenue and profit increased due to sales expansion of IVD's test kits.

		(Bn JPY)					
		22Q3ytd	23Q3ytd	YoY	23Q2	23Q3	QoQ
Consolidated	Revenue	313.0	301.8	-4%	95.7	121.1	+26%
	Core Operating Profit	31.5	14.8	-53%	4.3	15.9	+271%
	Operating Profit	32.2	12.9	-60%	3.4	15.6	+361%
	Profit, attributable to owners of parent	19.6	5.4	-73%	0.4	7.5	+1,609%
Digital Solutions	Revenue	135.1	123.6	-8%	41.8	44.1	+5%
	Semiconductor materials	101.2	86.5	-15%	28.9	31.4	+9%
	Display materials	28.0	31.8	+14%	11.1	10.8	-3%
	Edge computing	5.9	5.3	-9%	1.8	1.9	+3%
	Core Operating Profit	26.7	16.3	-39%	5.9	7.7	+30%
Life Sciences	Revenue	93.0	97.5	+5%	27.3	48.9	+79%
	Core Operating Profit	6.7	0.2	-98%	-1.3	8.3	-
Plastics	Revenue	72.3	70.3	-3%	23.1	24.4	+5%
	Core Operating Profit	1.3	1.2	-8%	0.5	0.8	+58%
Others/Adjustment	Revenue	12.6	10.5	-17%	3.4	3.7	+8%
	Core Operating Profit	-3.2	-2.7	-	-0.9	-0.9	-
Exchange rate (USD/JPY)		137	143	+5%	145	148	+2%

	YoY	QoQ
Consolidated	Revenue - Core OP -	Revenue + Core OP +
DS	Revenue - Core OP -	Revenue + Core OP +
SEMI	Revenue - Core OP -	Revenue + Core OP +
DISP	Revenue + Core OP +	Revenue - Core OP +
EC	Revenue - Core OP -	Revenue/ Core OP Flat
LS	Revenue + Core OP -	Revenue + Core OP +
PLA	Revenue - Core OP -	Revenue + Core OP +
OTH	Revenue - Core OP +	Revenue/ Core OP Flat

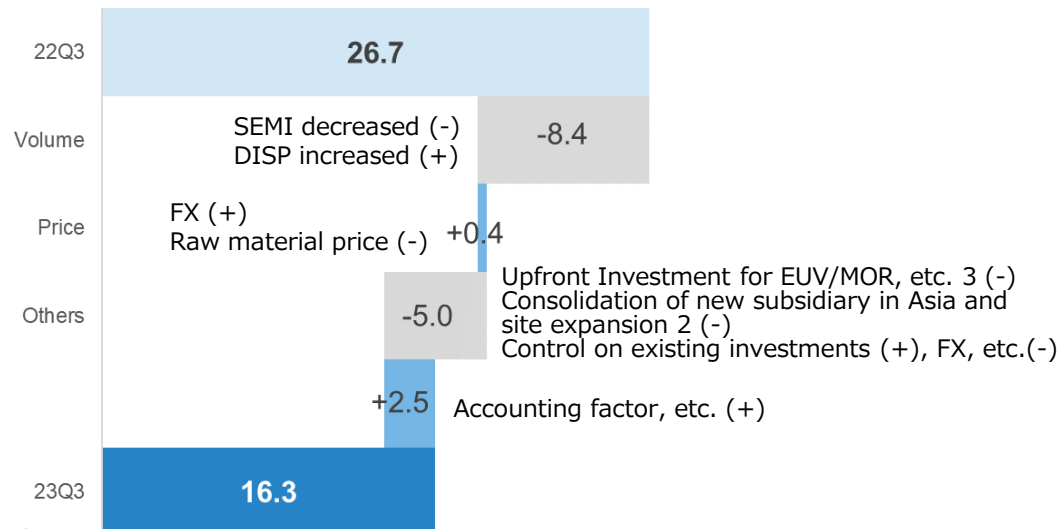
3. Segment Data: Digital Solutions Business

(Bn JPY)

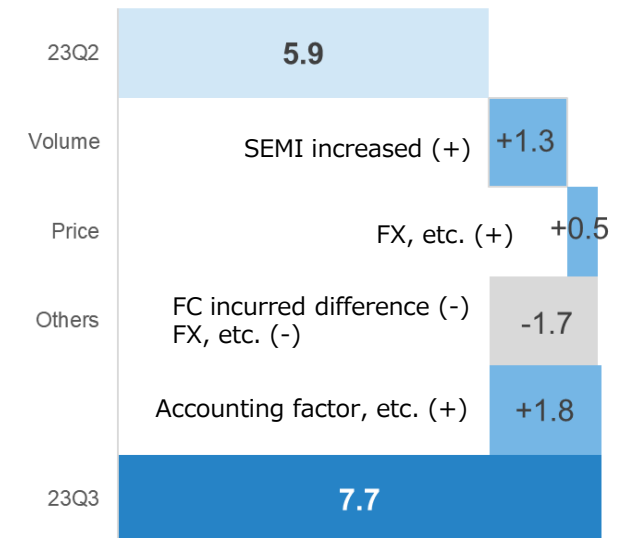
	22Q3ytd	23Q3ytd	YoY	YoY (CER)*	23Q2	23Q3	QoQ
Revenue	135.1	123.6	-8%	-10%	41.8	44.1	+5%
Semiconductor materials	101.2	86.5	-15%	-17%	28.9	31.4	+9%
Display materials	28.0	31.8	+14%	+13%	11.1	10.8	-3%
Edge computing	5.9	5.3	-9%	-9%	1.8	1.9	+3%
Core OP	26.7	16.3	-39%	-44%	5.9	7.7	+30%
Core OP margin	19.8%	13.1%			14.1%	17.5%	
Exchange rate (USD/JPY)	137	143	+5%	0%	145	148	+2%

Core OP analysis (Bn JPY)

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	Approx. +10%	Slightly over -10%
	ArF	Slightly Under -15%	Approx. +10%
	Multilayer	Slightly over -15%	Slightly Under +20%
	Other Lithography	Approx. -10%	Approx. +5%
	CMP	Approx. -5%	Approx. +15%
	Cleaner	Approx. -60%	Approx. +10%
	Packaging	Approx. +5%	Approx. +5%
Display materials	Alignment Films	Slightly Under +5%	Slightly over -5%
	Passivation Coat	Slightly Under +50%	Approx. -15%
	Color Pigmented Resists	Approx. -25%	Approx. -5%
	OLED Materials	Approx. +50%	Approx. +35%
Edge computing	ARTON	Slightly Under -10%	Slightly increased

3. Segment Data : Life Sciences Business

(Bn JPY)

	22Q3ytd	23Q3ytd	YoY	YoY (CER)*	23Q2	23Q3	QoQ
Revenue	93.0	97.5	+5%	+1%	27.3	48.9	+79%
CDMO		45.8			16.3	17.7	+8%
CRO		18.4			6.1	6.9	+14%
BPM		1.4			0.5	0.5	-2%
IVD		31.8			4.3	23.9	+460%
Others/Adjustments		0.2			0.1	-0.1	-
Core OP	6.7	0.2	-98%	-87%	-1.3	8.3	-
Core OP margin	7.2%	0.2%			-	16.9%	
Exchange rate (USD/JPY)	137	143	+5%	0%	145	148	+2%

Core OP analysis

YoY

	Revenue	Core Operating Profit
Total	+5%	-98%
CDMO	Slightly over +25%	Decrease in OP
CRO	Slightly Under +5%	Decrease in OP
BPM	Slightly over -60%	Decrease in OP
IVD	Approx. -10%	Increase in OP

QoQ

	Revenue	Core Operating Profit
Total	+79%	-
CDMO	+8%	Decrease in OP
CRO	+14%	Increase in OP
BPM	-2%	Increase in OP
IVD	+460%	Increase in OP

CDMO: Contract Development and Manufacturing Organization of biologics

CRO: Contract Research Organization of pharmaceutical products

BPM: Bioprocess Materials

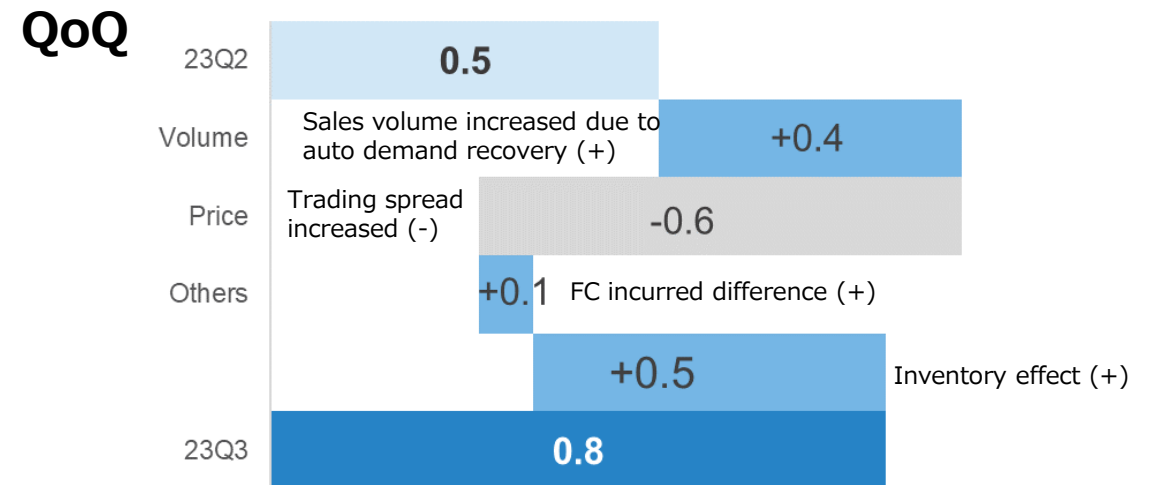
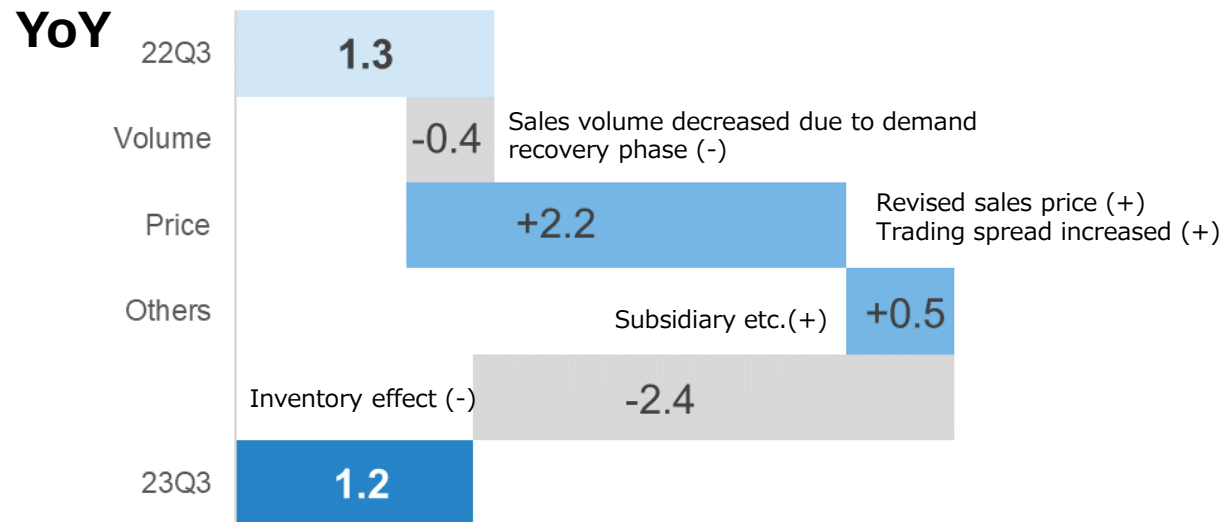
IVD: In Vitro Diagnostics and Life Science Research

3. Segment Data : Plastics Business

(Bn JPY)

	22Q3ytd	23Q3ytd	YoY	YoY (CER)*	23Q2	23Q3	QoQ
Revenue	72.3	70.3	-3%	-4%	23.1	24.4	+5%
Core OP	1.3	1.2	-8%	-8%	0.5	0.8	+58%
Core OP margin	1.8%	1.7%			2.3%	3.4%	
Exchange rate (USD/JPY)	137	143	+5%	0%	145	148	+2%

Core OP analysis (Bn JPY)



4. Market Outlook



	FY22 Act	Q3 FY23 ytd Act	FY23 Outlook		FY24 Outlook
			Apr. 27	Nov. 6	Feb. 5
FX (USD/JPY)	135	143	135	143	-
Silicon Wafer Input (YoY)	+/-0%	-15~-20%	-5%	-10~-15%	+5~+10%
Panel Makers Utilization Rate Panel Production (YoY)	71% -19%	77% +13%	78% +12%	77% +10%	79% +6%
Smartphone Shipments (YoY)	-9%	+0.8%	+3%	-5%	+4%
Automobile Production (YoY) Global Makers Japanese Makers (Global)	+8% +4%	+10% +9%	+5% -	+5% +6%	+3% +1%
Bio Pharmaceutical Market Biotech Industry Funding (YoY)	+8% -45%	- -13%	+7% -	+9% -	+11% -

*JSR estimates based on resources of outside research institutions.

4. Act vs FY23 Consolidated Earnings Forecast (No Revision)



<Revised on November 6, 2023>

(Bn JPY)

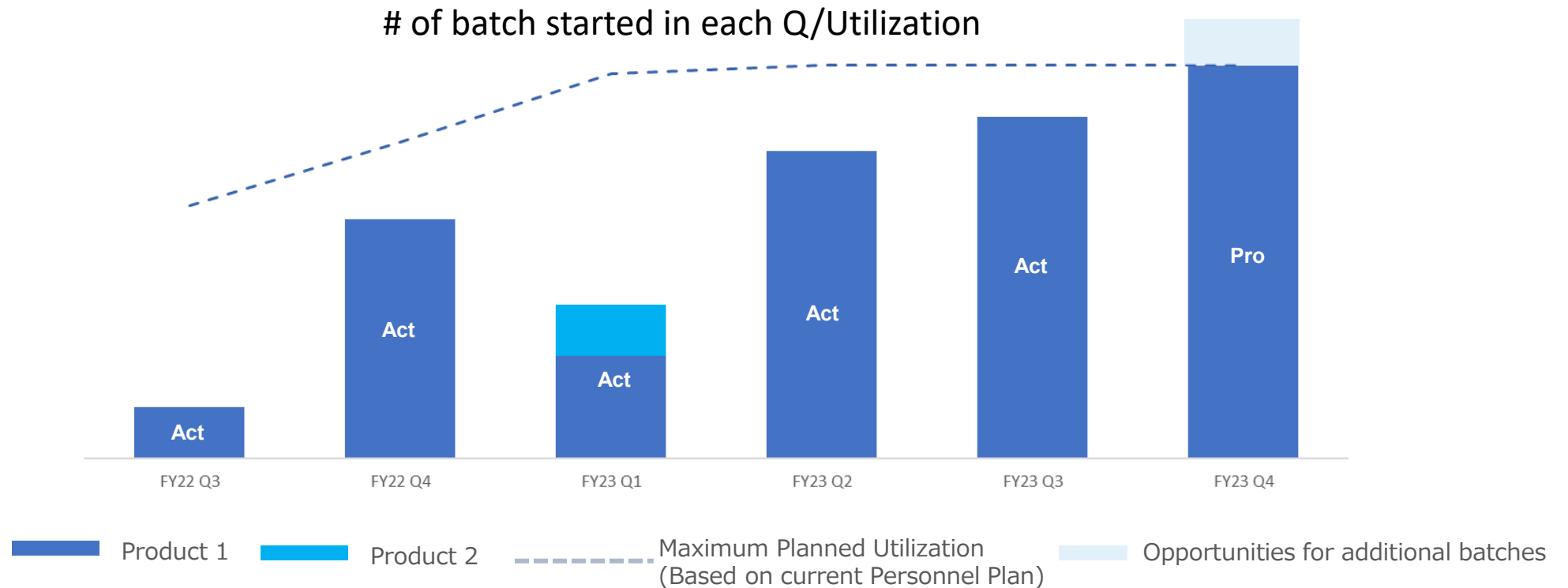
		FY22	①FY23 Pro (as of Nov.6)	FY22 vs FY23 Pro YoY	②23Q3ytd	①-② (23Q4)	Progress
Consolidated	Revenue	408.9	413.0	+1%	301.8	111.1	73%
	Core Operating Profit	34.0	18.0	-47%	14.8	3.1	83%
	Operating Profit	29.4	16.0	-46%	12.9	3.1	81%
	Profit, attributable to owners of parent	15.8	8.5	-46%	5.4	3.1	63%
Digital Solutions	Revenue	170.4	160.5	-6%	123.6	36.9	77%
	Semiconductor materials	126.4	112.0	-11%	86.5	25.5	77%
	Display materials	36.6	41.0	+12%	31.8	9.2	78%
	Edge computing	7.5	7.5	+0%	5.3	2.2	71%
	Core Operating Profit	27.8	14.5	-48%	16.3	-1.8	112%
Life Sciences	Revenue	126.5	138.0	+9%	97.5	40.5	71%
	CDMO		70.0		45.8	24.2	65%
	CRO		28.0		18.4	9.6	66%
	BPM		4.5		1.4	3.1	31%
	IVD		35.5		31.8	3.7	90%
	Oth/Adj		-		0.2	-	-
	Core Operating Profit	8.4	4.5	-47%	0.2	4.3	3%
Plastics	Revenue	95.8	100.5	+5%	70.3	30.2	70%
	Core Operating Profit	1.9	3.5	+87%	1.2	2.3	34%
Others/ Adjustment	Revenue	16.2	14.0	-13%	10.5	3.5	75%
	Core Operating Profit	-4.1	-4.5	-	-2.7	-1.8	-
	Exchange rate (USD/JPY)	135	143	+6%	143	145	

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



New facility in North Carolina: Progressed as planned. Expanding operations toward Q4.

- The company is in the process of restructuring this fiscal year. Currently promoting profitability improvement initiatives.
- Continue high sales growth and improve CF generation.



*The above production plan is subject to change as it is reviewed from time to time.

No major changes from previous disclosure.

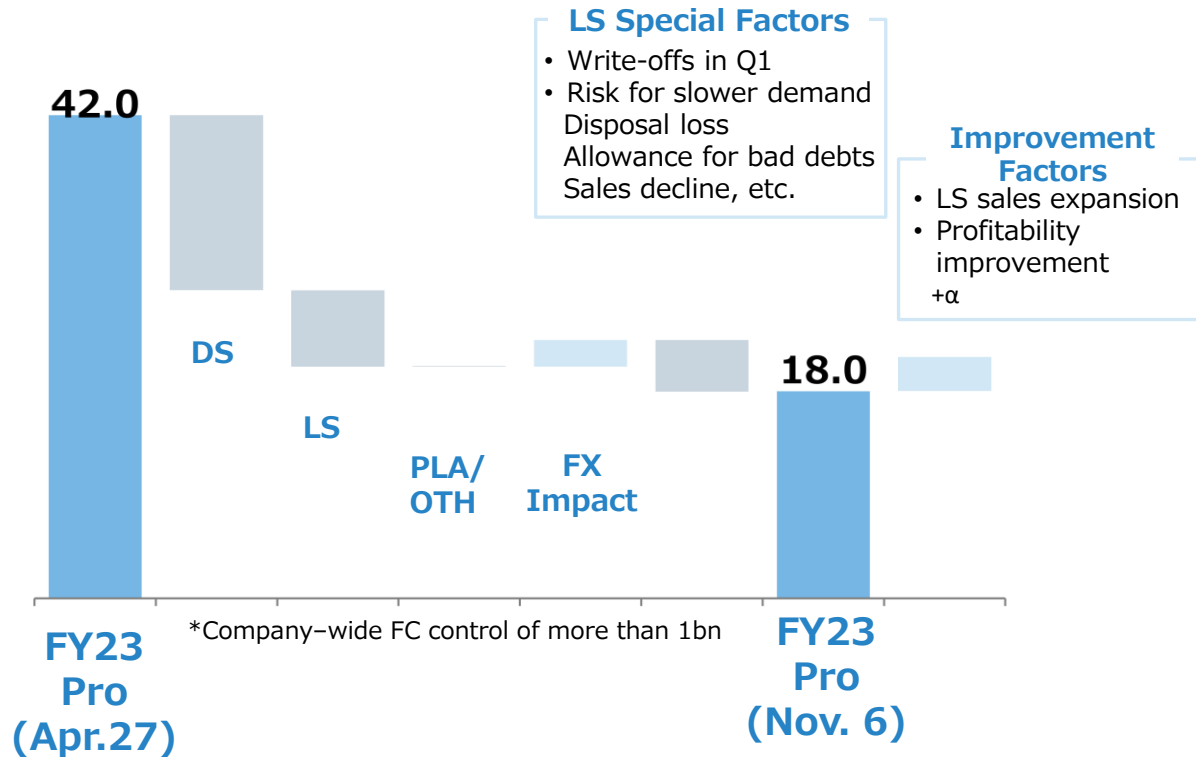
*As of January 2024.

5. Summary of FY23 Consolidated Earnings Forecast (Re-posted)



Revision Difference (Bn JPY)

FY23 Pro (Nov. 6): Revenue 413bn, Core OP 18bn



Factoring the near-term uncertainty of demand environment
Paving the way for V-shaped recovery for the demand recovery phase

Digital Solutions Business

- SEMI
- Expect demand to be nearly flat HoH. (Originally expected recovery in H2)
 - Project sales decline of 10% compared to the original forecast.
 - 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
- Expect the FPD panel market to remain stable but factor operation adjustments to account for the rebound from H1.
 - Expand our market share of optical IPS and OLED materials.
 - Factor in EC's sluggish market for smartphones. Focus on expanding our market share.

Life Sciences Business

- Expect each sub-segment to expand sales in H2 but incorporated uncertainty such as biotech industry to the forecast.
- Plan the new facility to be in full production in H2.
- Continue short-term profitability improvement initiatives and structural reform projects towards mid to long-term growth.

Plastics Business

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

Appendix: Overall Statement of P/L

	(Bn JPY)		
	22Q3ytd	23Q3ytd	YoY
Revenue	313.0	301.8	-4%
Cost of sales	201.3	196.1	-3%
Gross profit	111.7	105.7	-5%
Selling, general and administrative expenses	80.8	91.5	+13%
Other operating income/expenses	1.3	-1.5	-
Share of profit of investments accounted for using equity method	0.1	0.1	+78%
Operating Profit	32.2	12.9	-60%
Finance income/cost	1.1	-3.5	-
Income taxes	13.8	3.3	-76%
Profit	19.5	6.2	-68%
Profit, attributable to owners of parent	19.6	5.4	-73%
Profit, attributable to non-controlling interests	-0.1	0.8	-
EPS(JPY)	93.73	25.83	-72%
Exchange rate(USD/JPY)	137	143	+5%

Breakdown from Core OP to OP

	(Bn JPY)	
	22Q3ytd	23Q3ytd
Core Operating Profit	31.5	14.8
Business restructuring expenses	-0.1	-1.9
Loss on sales of fixed assets	-0.2	-
Gain on sale of shares of subsidiaries	1.0	-
Others	0.0	-
Operating Profit	32.2	12.9

Appendix: Statement of Financial Position



(Bn JPY)

	23/3E	23/12E	+/-
Current assets	299.5	320.8	+21.2
Cash and cash equivalents	72.6	77.6	+5.0
Trade and other receivables	79.0	112.8	+33.8
Inventories	118.5	111.6	-6.9
Others	29.4	18.8	-10.6
Non-current assets	418.0	439.5	+21.5
Property, plant and equipment	169.6	172.9	+3.3
Goodwill	135.7	144.8	+9.1
Other intangible assets	47.7	49.6	+1.9
Others	65.0	72.2	+7.2
Total Assets	717.5	760.2	+42.7
Current liabilities	182.0	214.3	+32.4
Trade and other payables	79.9	79.9	+0.0
Bonds and borrowings	62.5	99.6	+37.1
Others	39.6	34.8	-4.8
Non-current liabilities	154.6	152.4	-2.2
Bonds and borrowings	95.7	92.5	-3.2
Others	58.9	59.9	+1.0
Total Liabilities	336.6	366.7	+30.1
Equity attributable to owners of parent	355.5	367.4	+11.9
Non-controlling interests	25.4	26.1	+0.7
Total Equity	380.9	393.5	+12.6

(Bn JPY)

	23Q3ytd	FY23 Pro
Depreciation *1	24.3	32.0
CAPEX *2	23.4	37.0
RD expenses	23.0	30.0

*1 Including IFRS16 lease asset depreciation.

*2 Inspection basis

Net Debt

(Debt with interest - Cash and cash equivalents)

2023/3E: approx. 86bn JPY
2023/12E: approx.115bn JPY

Equity ratio

(Equity attributable to owners of parents)

2023/3E: 49.5%
2023/12E: 48.3%

Appendix: Statement of Cash Flows



(Bn JPY)

	22Q3ytd	23Q3ytd	YoY +/-
Cash flows from operating activities	9.0	17.1	8.0
Income before income taxes	33.3	9.4	-23.9
Depreciation and amortization	21.3	24.3	3.0
Change in working capital	-21.2	-12.0	9.2
Others	-24.4	-4.7	19.7
Cash flows from investment activities	27.5	-34.9	-62.4
Purchase of tangible and intangible assets	-20.9	-33.4	-12.5
Acquisition of shares of subsidiaries and affiliate	0.0	0.0	0.0
Sales of shares of subsidiaries and affiliates	50.9	0.0	-50.9
Others	-2.5	-1.5	1.0
FCF	36.5	-17.8	-54.3
Cash flows from financing activities	-27.8	20.6	48.4
Debt Increase/Decrease	20.2	31.3	11.2
Change in treasury stock	-30.1	0.0	30.1
Cash dividends paid	-15.6	-7.7	7.9
Others	-2.3	-3.1	-0.8
Effect of exchange rate changes on cash and cash equivalents	-0.2	2.3	2.5
Increase (decrease) in cash and cash equivalents	8.5	5.0	-3.5
Cash and cash equivalents at beginning of period	45.6	72.6	27.1
Cash and cash equivalents at end of period	70.5	77.6	7.2

*CF is before audit.

Appendix: Quarterly Trends by Segments



(Bn JPY)

		22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	Q3ytd YoY	Q3ytd YoY (CER)*
Consolidated	Revenue	93.3	104.0	115.7	95.9	85.0	95.7	121.1	-4%	-6%
	Core Operating Profit	6.2	10.7	14.6	2.5	-5.3	4.3	15.9	-53%	-55%
	Operating Profit	7.3	10.4	14.5	-2.9	-6.1	3.4	15.6	-60%	-
	Profit, attributable to owners of parent	5.7	9.0	4.8	-3.8	-2.6	0.4	7.5	-73%	-
Digital Solutions	Revenue	42.9	47.7	44.5	35.4	37.7	41.8	44.1	-8%	-10%
	Semiconductor materials	30.5	37.7	33.0	25.2	26.2	28.9	31.4	-15%	-17%
	Display materials	10.4	8.0	9.6	8.6	9.9	11.1	10.8	+14%	+13%
	Edge computing	2.0	2.0	1.9	1.6	1.6	1.8	1.9	-9%	-9%
	Core Operating Profit	7.7	10.8	8.2	1.1	2.6	5.9	7.7	-39%	-44%
	Core Operating Profit Margin	18%	23%	18%	3%	7%	14%	17%	-	-
Life Sciences	Revenue	22.7	28.7	41.6	33.4	21.2	27.3	48.9	+5%	+1%
	Core Operating Profit	0.0	0.7	6.0	1.8	-6.9	-1.3	8.3	-98%	-87%
	Core Operating Profit Margin	0%	2%	14%	5%	-	-5%	17%	-	-
Plastics	Revenue	22.8	22.9	26.6	23.6	22.7	23.1	24.4	-3%	-4%
	Core Operating Profit	-0.5	0.4	1.4	0.6	-0.2	0.5	0.8	-8%	-8%
	Core Operating Profit Margin	-	2%	5%	2%	-	2%	3%	-	-
Others/Adjustment	Revenue	4.9	4.7	3.0	3.6	3.4	3.4	3.7	-17%	-17%
	Core Operating Profit	-1.0	-1.2	-1.0	-0.9	-0.9	-0.9	-0.9	-	-
Exchange rate (USD/JPY)		130	138	142	132	137	145	148	+5%	-2%

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