

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

May 11, 2021

To whom it may concern,

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(Code #4185, Tokyo Stock Exchange)
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**JSR Announces Plans for the Separation of the Company's Elastomer Business
and Transfer of Stock to ENEOS**

Today, the Board of Directors of JSR Corporation (hereinafter referred to as "JSR" or "Splitting Company") resolved to separate JSR's Elastomers business into a new standalone company named "Japan Synthetic Rubber Spin-off Preparation Co., Ltd. (tentative)" (hereinafter referred to as "Japan Synthetic Rubber" or "Successor Company"). Additionally, JSR resolved to transfer all stocks of Japan Synthetic Rubber to ENEOS Corporation and conclude a stock transfer agreement with ENEOS Corporation as described below.

The completion of the Company Separation and the Stock Transfer are subject to the necessary clearances, permits and approvals under domestic and international competition laws and other laws and regulations. Since this absorption-type split is a corporate separation to a newly established wholly-owned subsidiary of JSR, some disclosure items and details are omitted from this disclosure.

I. Purpose of the Transaction

JSR was established in December 1957 through the "Act on Special Measures for Synthetic Rubber Manufacturing Business," which was enacted to support the domestic production of synthetic rubber in Japan (former name: Japan Synthetic Rubber Co., Ltd.) In 1969, JSR became a private company and expanded its petrochemical business from synthetic rubber to emulsions and synthetic resins. Subsequently, JSR expanded its business to include semiconductor materials, display materials, optical materials, and other areas, leveraging JSR's unique polymer technology.

In recent years, as the business environment has become increasingly complex and uncertain, JSR has positioned its digital solutions and life sciences businesses, where the global market offers strong growth potential and where JSR can better leverage its strengths in technological innovation, as growth drivers for JSR over the medium- to long-term. To generate value to all stakeholders, JSR is building a strong organization that can respond to changes in the business environment and achieve sustainable growth.

As the number one synthetic rubber company in Japan, JSR's Elastomers business has earned international trust with its advanced technological capabilities, especially in the field of high value-added synthetic rubbers such as solution polymerized butadiene styrene rubber (SSBR). However, the business environment has become increasingly challenging due to intensifying global competition. To address these challenges, JSR launched a strategic review of its business portfolio while taking measures to improve profitability and implement structural business reforms. Following the conclusion of this strategic review, JSR resolved to separate the Elastomers

business and transfer this business to a new base where it can grow further.

JSR has determined that the best way to ensure the sustainable development of the Elastomers business is to transfer the business to ENEOS Corporation, a subsidiary of ENEOS Holdings, Japan's largest integrated energy, resources, and materials company. ENEOS Corporation is engaged in the manufacture and sale of petrochemical products globally, has advanced technological capabilities, greater business scale, and is actively working to strengthen its lineup of high value-added products. Consequently, JSR has resolved make the Elastomers business a separate Company and transfer the shares of that Company to ENEOS Corporation, a subsidiary of ENEOS Holdings, Inc.

II. Outline of the Company Separation

1. Summary of the Company Separation

(1) Schedule

Date of the Board of Directors to approve stock transfer	May 11, 2021
Establishment of the Successor Company	May 12, 2021 (Plan)
Board of Directors meeting to approve agreement of absorption-type split	May 11, 2021
Date of conclusion of absorption-type split agreement	May 18, 2021 (Plan)
Ordinary General Shareholders' Meeting to approve absorption-type split agreement	June 17, 2021 (Plan)
Effective date of the absorption-type company split	April 1, 2022 (Plan)

(2) Method

This is an absorption-type company split in which JSR is the Splitting Company and Japan Synthetic Rubber is the Successor Company.

(3) Details of Allocation to the Splitting Company

Upon the Absorption-type Split, the Successor Company will issue and allocate one share of common stock to the Splitting Company.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the absorption-type split

There will be no change in the handling of JSR's stock acquisition rights as a result of the absorption-type split.

(5) Capital to be increased or decreased as a result of the company separation

There will be no increase or decrease in the capital of JSR as a result of this absorption-type split.

(6) Rights and obligations to be ceded by the Successor Company

As of the effective date of the absorption-type split, the Successor Company will cede to the assets, liabilities, contractual status, rights and obligations, etc. related to JSR's Elastomers business as stipulated in the absorption-type split Agreement.

(7) Prospect of fulfillment of obligations

JSR has determined that there are no concerns with the prospects for the fulfillment of obligations to be borne by the successor company on and after the effective date of the absorption-type split.

2. Outline of the Parties related to the Company Separation

	Splitting Company (As of March 31, 2021)	Successor Company (unestablished as of May 11, 2021)																				
(1) Name	JSR Corporation	Japan Synthetic Rubber Spin-off Preparation Co., Ltd.(Tentative)																				
(2) Address	1-9-2 Higashi Shimbashi, Minato-ku, Tokyo	1-9-2 Higashi Shimbashi, Minato-ku, Tokyo																				
(3) Representative	Representative Director and CEO Eric Johnson	Representative Director and President Hayato Hirano																				
(4) Business Outline	R&D, Manufacturing and Sales of the following products; Elastomer, Plastics, Semiconductor Materials, Display Materials, Diagnostic and research reagents, Bioprocess Materials. CDMO, CMO for biologics.	Sales and Manufacturing of synthetic rubbers and high performance materials.																				
(5) Capital	JPY 23,370 million yen	1 million yen																				
(6) Date of establishment	December 10, 1957	May 12, 2021 (Plan)																				
(7) Number of shares issued	226,126,145 shares	1,000 shares																				
(8) Major Shareholders and Shareholding Ratio (As of March 31, 2021)	<table><tr><td>The Master Trust Bank of Japan (trust account)</td><td>8.94%</td></tr><tr><td>STATE STREET BANK AND TRUST COMPANY 505010</td><td>8.33%</td></tr><tr><td>Custody Bank of Japan, Ltd.</td><td>5.52%</td></tr><tr><td>JSR Corporation</td><td>4.96%</td></tr><tr><td>GOLDMAN SACKS & CO. REG</td><td>4.47%</td></tr><tr><td>MSCO CUSTOMER SECURITIES</td><td>2.96%</td></tr><tr><td>Bridgestone Corporation</td><td>2.89%</td></tr><tr><td>Nippon Life Insurance Company</td><td>1.64%</td></tr><tr><td>Morgan Stanley MUFG Securities</td><td>1.63%</td></tr><tr><td>Meiji Yasuda Life Insurance Company</td><td>1.61%</td></tr></table>	The Master Trust Bank of Japan (trust account)	8.94%	STATE STREET BANK AND TRUST COMPANY 505010	8.33%	Custody Bank of Japan, Ltd.	5.52%	JSR Corporation	4.96%	GOLDMAN SACKS & CO. REG	4.47%	MSCO CUSTOMER SECURITIES	2.96%	Bridgestone Corporation	2.89%	Nippon Life Insurance Company	1.64%	Morgan Stanley MUFG Securities	1.63%	Meiji Yasuda Life Insurance Company	1.61%	JSR Corporation 100.00% (Plan)
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(9) Relationship between the Splitting Company and Successor Company																						
Capital	At the time of Japan Synthetic Rubber's establishment, JSR holds 100% of the stocks of the Successor Company, but plans to transfer all such stocks to ENEOS Corporation on April 1, 2022.																					
Personnel	Hayato Hirano, Managing Officer of the Splitting Company will concurrently serve as Representative Director.																					
Business	Not applicable																					
Status of related parties	On the effective date of the absorption-type split, Japan Synthetic Rubber is a consolidated subsidiary of JSR and falls under the category of a related party; however, it is scheduled to transfer all of its stocks in the Successor Company to ENEOS Corporation on April 1, 2022, and will no longer be a related party.																					
(10) Financial position and operating results for the past three years																						
Fiscal Year	JSR Corporation (Consolidated)																					
	FY March 2019 (FY2018)	FY March 2020 (FY2019)	FY March 2021 (FY2020)																			
Consolidated Net Asset	440,360	437,412	370,736																			

(Million yen)			
Consolidated Total Asset (Million yen)	691,435	677,713	672,773
Consolidated Revenue (Million yen)	495,354	471,967	446,609
Consolidated Operating Profit (Million yen)	45,261	32,884	(61,633)
Profit Attribute to Owners of Parent (Million yen)	31,116	22,604	(55,155)
Consolidated Profit per Share (yen)	140.62	104.38	(256.73)
Dividends per Share (yen)	60	60	60

3. Overview of the business unit to be separated

(1) Business of the division to be separated

Part of the Elastomer product manufacturing and sales business operated by JSR. Subsidiaries and affiliates, related to the Elastomer business such as ELASTOMIX CO., LTD. and JSR Trading Co., Ltd. will also be included in the scope of this absorption-type company split.

(2) Operating results of the division to be separated (FY March 2021)

Unit: Million yen			
	Elastomer Business (a)	Consolidated Results (b)	Ratio (a/b)
Revenue	143,186	446,609	32%

(3) Items and amounts of assets of the division to be separated (as of March 31, 2021)

Unit: Million yen	
Items	Book Value
Current Assets	96,449
Non-current Assets	87,298
Total	183,747

(Note) The above amounts are as of March 31, 2021, and differ from the actual amounts to be separated.

4. Status after the Company Separation

Please refer to "2. Outline of the Parties related to the Company Separation " above for the name, head office location, title and name of representative, business, capital and fiscal year end, net assets and total assets of the Splitting Company and the Successor Company after the absorption-type split.

III. Outline of the Stock Transfer

1. Reason for the change

As described in "I. Purpose of the Transaction" above.

2. Method of transfer

After the Elastomer business is transferred to Japan Synthetic Rubber through an absorption-type split, the Company will transfer all of its Japan Synthetic Rubber stocks to ENEOS Corporation.

3. Overview of the Subsidiary to be transferred

As described in the " Successor Company" section of "2. Outline of the Parties related to the Company Separation " above.

4. Outline of Transferee

(1) Name	ENEOS Corporation	
(2) Address	1-1-2 Otemachi, Chiyoda-ku, Tokyo 100-8162, Japan	
(3) Representative	Representative Director Tsutomu Sugimori Representative Director, President Katsuyuki Ota	
(4) Business Outline	Refining and marketing of petroleum products (such as gasoline, kerosene, and lubricating oil), Import and sale of gas and coal, Manufacture and sale of petrochemical products and Supply of electricity and hydrogen	
(5) Capital	30 billion yen	
(6) Date of Establishment	May 10, 1888	
(7) Consolidated Net Asset (As of March 31, 2021)	760, 808 (Million yen)	
(8) Consolidated Total Asset (As of March 31, 2021)	3,368,039 (Million yen)	
(9) Major Shareholders and Shareholding Ratio (As of September 30, 2020)	ENEOS Holdings, Inc.	100.0 %
(10) Relationship between our Company and the Company		
Capital	Not applicable	
Personnel	Not applicable	
Business	There is a business relationship between JSR and ENEOS regarding the purchase and sale of petrochemical-related materials. In addition, JSR has business relationships with subsidiaries and other group companies of ENEOS regarding sales and purchase of petrochemical products and related materials.	
Status of related parties	Not applicable	

5. Number of shares to be transferred, Enterprise Value, and status of shares held before and after the transfer

(1) Shares held before the change	1,001 shares (Percentage of voting rights held : 100.00%)
(2) Number of shares to be transferred	1,001 shares (Percentage of voting rights held : 100.00%)
(3) Enterprise value	115 billion yen
(4) Number of shares held after the change	0 shares (Percentage of voting rights held : 0.00%)

(Note) JSR and ENEOS have agreed on an enterprise value of 115 billion yen for the Elastomers business, and the final stock transfer price will be determined after adjustments are made in consideration of the cash and deposits, interest-bearing debt, various other liabilities and assets, and working capital of the Elastomers business as of the completion of the absorption-type split.

6. Schedule

Date of resolution by the Board of Directors	May 11, 2021
Date of conclusion of stock purchase agreement	May 11, 2021
Execution date of share transfer	April 1, 2022 (Plan)

IV. Earnings Outlook

Please refer to "Notice of Classification of Discontinued Operations and Revision of Consolidated Financial Results Forecast" disclosed at the same time today for details of the impact of this transaction on JSR's consolidated earnings forecasts.

Please note forecasts are subject to change. Moving forward, JSR will promptly disclose any material changes as part of timely disclosure.

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