May 9, 2016

Company name:	JSR Corporation
Representative:	Mitsunobu Koshiba President and Representative Director
Security code:	4185 (shares listed on First Section of Tokyo Stock Exchange)
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JSR Corporation Reach Basic Agreement with Ube Industries and Mitsubishi Rayon to Start Negotiation for Merger of Subsidiaries in ABS Resin Business

TOKYO, May 9, 2016 —JSR Corporation today announced that JSR has reached basic agreement with Ube Industries, Ltd. and Mitsubishi Rayon Co., Ltd. to start negotiation for the merger of their respective subsidiaries in the ABS resin business. The merger concerns Techno Polymer Co., Ltd., a wholly-owned subsidiary of JSR, and UMG ABS, LTD., which is equally owned by Ube Industries (50%) and Mitsubishi Rayon (50%). The details of the basic agreement are as follows.

1. Details of Basic Agreement

(1) JSR, Ube Industries and Mitsubishi Rayon have agreed to negotiate in good faith to conclude a merger agreement and shareholders agreement between Techno Polymer and UMG ABS, seeking to reach a final agreement by October 31, 2016. The main purpose of the merger is to optimize operations, improve manufacturing efficiencies, and secure cost competitiveness for the ABS resin business, in order to secure the stable supply of products in Japan and expand sales in global markets, amid an increasingly severe business environment.

(2) The basic agreement is not a legally binding agreement. Under the basic agreement, the parties will discuss concrete details regarding a business merger including the percentage of ownership in the merged company and name of the new company. The parties will then gain approval from their respective Boards of Directors and carry out other necessary procedures to reach a legally-binding final agreement.

(3) Schedule

i) Conduct due diligence, and investigate and study the benefits of the merger: May–September 2016
ii) Target date of concluding final agreement: October 31, 2016
iii) Target date of merger: October 1, 2017

The procedure for this business merger will be conducted while submitting required notifications to the government in and outside of Japan including the Japan Fair Trade Commission.

2. Data for Companies Subject to Merger (As of March 31, 2015)

(1)	Company Name	Techno Polymer Co., Ltd.			UMG ABS, LTD.		
(2)	Location	Minato-ku, Tokyo			Chuo-ku, Tokyo		
(3)	President	Yasuki Sajima, Representative Director			Yasuaki Ii, Representative Director		
(4)	Business Description	Manufacturing, processing, sales, and R&D for styrene resins (ABS, AS, AES, ASA, and other polymer alloys)			ABS resin business (compound products using ABS, ASA, SAN, and AES polymers; alloy products containing other resins)		
(5)	Capital Stock	¥3,000,000,000			¥3,000,000,000		
(6)	Established	July 1, 1996			April 1, 2002		
(7)	Shares Issued	60,000			2,000		
(8)	Fiscal year-end	March 31			March 31		
(9)	Shareholders	JSR (100%)			Ube Industries (50%) Mitsubishi Rayon (50%)		
(10)	Non-Consolidated Earnings and Financial Data for Last Three Years (Million Yen)						
Fiscal Year		Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015
Non-consolidated net sales		42,497	44,556	42,662	36,834	41,168	42,349

3. Future Outlook

Matters for disclosure in relation to the merger will be promptly disclosed as details are finalized.