Company name:	Ube Industries, Ltd.
Representative:	Yuzuru Yamamoto President and Representative Director
Security code:	4208 (shares listed on First Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
Contact:	Shinsuke Tokumitsu General Manager, IR/PR Department Tel: +81-3-5419-6110
Company name:	JSR Corporation
Representative:	Mitsunobu Koshiba Representative Director and President
Security code:	4185 (shares listed on First Section of Tokyo Stock Exchange)
Contact:	Nobuhiko Kuwashima General Manager, Corporate Communications Department Tel: +81-3-6218-3517
Company name:	Mitsubishi Rayon Co., Ltd.
Representative:	Hitoshi Ochi Representative Director and President
Contact:	Hajime Takasaka General Manager, Public Relations and Investor Relations Office, Mitsubishi Chemical Holdings Corporation Tel: +81-3-6748-7120

Ube Industries, JSR Corporation, and Mitsubishi Rayon Sign Shareholders Agreement for Integration of ABS Resin Business

TOKYO, March 30, 2017 — Ube Industries, Ltd., JSR Corporation, and Mitsubishi Rayon Co., Ltd. previously signed a basic agreement to start negotiations on the integration of the ABS resin business of their respective subsidiaries. The integration 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 were announced in the press release dated May 9, 2016.

Under the basic agreement, Ube Industries, JSR, and Mitsubishi Rayon (hereinafter, “the parties”) conducted numerous discussions with a view to realizing the integration. Having gained approval at the meetings of their respective Boards of Directors, held by March 30, 2017, the parties today signed a shareholders agreement to integrate the ABS resin business of Techno Polymer and UMG ABS and jointly operate the integrated new company, with a scheduled effective date of October 1, 2017. The details of the shareholders agreement are as follows.

As described in 2. (2) below, the integration will take the form of an absorption-type split, with UMG ABS as the absorbed company and Techno Polymer as the successor company (hereinafter, “the absorption-type split”). As the absorption-type split will be conducted by the subsidiaries of the parties, some matters for disclosure and details about the absorption-type split have been withheld.

1. Purpose of the Integration

The business conditions surrounding the ABS resin business are becoming increasingly challenging both in and outside of Japan. The purpose of the integration is to optimize operations, enhance 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.

2. Summary of Integration

(1) Schedule for Integration

Ube Industries, JSR, and Mitsubishi Rayon sign basic agreement	April 28, 2016
Board of Directors approve the integration: Mitsubishi Rayon JSR Ube Industries	March 27, 2017 March 29, 2017 March 30, 2017
Ube Industries, JSR, and Mitsubishi Rayon sign shareholders agreement	March 30, 2017
Absorption-type split to take effect	October 1, 2017 (may be subject to change)[Note]

Note: The absorption-type split is subject to the completion of procedures stipulated in Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, competition laws of other relevant countries, and other relevant laws and regulations. In the event that these procedures are delayed or the need arises to change the integration schedule due to other reasons, the parties will separately discuss the matter and may change the schedule.

(2) Method of Integration

The integration will take the form of an absorption-type split, with UMG ABS as the absorbed company and Techno Polymer as the successor company. The entire business of UMG ABS will be absorbed, with UMG ABS receiving some of the shares of Techno Polymer in kind. After the absorption-type split, Techno Polymer will remain as a subsidiary of JSR. UMG will be equally owned by UBE (50%) and MRC (50%) as before.

(3) Details of Share Allocations for the Integration

Upon completing the absorption-type split, Techno Polymer will allocate common shares to UMG ABS so that, on the day that the absorption-type split takes effect, JSR will own 51% and UMG ABS will own 49% of the issued shares of the new company.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of Integration

UMG ABS, as the absorbed company of the absorption-type split, has not issued any stock acquisition rights or bonds with stock acquisition rights.

(5) Change in Capital Due to Company Split

The capital of Techno Polymer will not change due to the absorption-type split.

(6) Rights and Obligations Assumed by the Successor Company

After the absorption-type split, Techno Polymer will contractually assume the assets, liabilities, rights, and obligations relating to the manufacturing, research, development, and sales of ABS, AES, and ASA resins of UMG ABS.

(7) Expected Fulfillment of Obligations

The successor company is expected to fulfill the obligations following the absorption-type split.

3. Approach to Calculating the Details of Share Allocations for the Integration

The details of the share allocations to the successor company and the absorbed company due to the

absorption-type split were finalized through discussions among the parties. The parties carefully examined the details of assets pertaining to the both companies' business, evaluated the both companies' businesses using the discounted cash flow method, also considered the net asset ratio in parallel.

4. Data on Merging Companies

(1) Data on Successor Company

		Successor Company (As of March 30, 2017)
(1)	Company Name	Techno Polymer Co., Ltd.
(2)	Location	Minato-ku, Tokyo
(3)	President	Hayato Hirano
(4)	Business Description	Manufacturing, processing, sales, and R&D for styrene resins (ABS, AS, AES, ASA, and other polymer alloys)
(5)	Capital Stock	¥3,000,000,000
(6)	Established	July 1, 1996
(7)	Shares Issued	60,000
(8)	Fiscal Year-End	March 31
(9)	Number of Employees	254
(10)	Shareholders	JSR (100%)
(11)	Relationship to JSR	
	Capital Relationship	JSR owns 100% of the issued shares of the successor company.
	Personnel Relationship	Managing executive officer of JSR holds a position as part-time director of the successor company. One employee of JSR also holds a position as part-time auditor of the absorbed company. Two hundred and fifty employees of JSR are on temporary assignment to the successor company.
	Business Relationship	The successor company has signed a raw materials supply agreement with JSR, and purchases raw materials from JSR.
	Status as Related Party	The successor company is a wholly-owned subsidiary of JSR, and is a related party of JSR.

(12) Non-Consolidated Earnings and Financial Data for Last Three Years (Million Yen, Except Where Noted)

Fiscal Year	Fiscal Year Ended March31, 2014	Fiscal Year Ended March31, 2015	Fiscal Year Ended March31, 2016
Net Assets	13,188	14,459	15,992
Total Assets	26,207	25,856	25,347
Net Assets Per Share (Yen)	219,805	240,992	266,529
Net Sales	44,556	42,663	41,788
Operating Income	3,264	2,678	4,659
Ordinary Income	3,678	3,136	4,585
Net Income	2,349	2,139	3,072
Net Income Per Share (Yen)	39,144	35,657	51,203
Dividend Per Share (Yen)	19,571	17,828	25,601

(2) Data on Absorbed Company

		Absorbed Company (As of March 30, 2017)
(1)	Company Name	UMG ABS, Ltd.
(2)	Location	Chuo-ku, Tokyo
(3)	President	Yasuaki Ii
(4)	Business Description	ABS resin business (compound products using ABS, ASA, SAN, and AES polymers; alloy products containing other resins)
(5)	Capital Stock	¥3,000,000,000
(6)	Established	April 1, 2002
(7)	Shares Issued	2,000 shares (including treasury shares)
(8)	Fiscal Year-End	March 31
(9)	Number of Employees	481
(10)	Shareholders	Ube Industries (50%), Mitsubishi Rayon (50%) *Shareholding ratio excludes treasury stock.
(11)	Relationship to Ube Industries	
	Capital Relationship	Ube Industries owns 50% of the issued shares of the absorbed company.
	Personnel Relationship	Managing executive officer and executive officer of Ube Industries are part-time directors of the absorbed company. One employee of Ube Industries also holds a position as auditor of the absorbed company. Two employees of UBE Industries are on temporary assignment to the absorbed company.
	Business Relationship	The absorbed company purchases raw materials from Ube Industries.
	Status as Related Party	The absorbed company is an equity-method affiliate of Ube Industries and a related party of Ube Industries.
(12)	Relationship to Mitsubishi Rayon	
	Capital Relationship	Mitsubishi Rayon owns 50% of the issued shares of the absorbed company.
	Personnel Relationship	Managing executive officer and employee of Mitsubishi Rayon are part-time directors of the absorbed company. One employee of Mitsubishi Rayon also holds a position as auditor of the absorbed company. One hundred and twenty-seven employees of Mitsubishi Rayon are on temporary assignment to the absorbed company.
	Business Relationship	The absorbed company purchases raw materials from Mitsubishi Rayon.
	Status as Related Party	The absorbed company is an equity-method affiliate of Mitsubishi Rayon and a related party of Mitsubishi Rayon.

(13) Non-Consolidated Earnings and Financial Data for Last Three Years (Million Yen, Except Where Noted)

Fiscal Year	Fiscal Year Ended March31, 2014	Fiscal Year Ended March31, 2015	Fiscal Year Ended March31, 2016
Net Assets	8,123	9,609	13,258
Total Assets	29,311	29,091	28,461
Net Assets Per Share (Yen)	4,061,608	4,804,271	6,628,824
Net Sales	41,168	42,349	43,130
Operating Income	397	2,076	5,100
Ordinary Income	762	2,655	5,091
Net Income	329	1,641	3,989
Net Income Per Share (Yen)	164,406	820,668	1,994,457
Dividend Per Share (Yen)	38,502	192,193	467,085

5. Status after Integration

Status of Successor Company after Absorption-Type Split

(1)	Company Name	To be decided
(2)	Location	Minato-ku, Tokyo
(3)	President	President and Representative Director to be decided
(4)	Business Description	Manufacturing, processing, sales, and R&D for styrene resins (ABS, AS, AES, ASA, and other polymer alloys)
(5)	Capital Stock	¥3,000,000,000
(6)	Fiscal Year-End	March 31
(7)	Shareholders	JSR (51%), UMG ABS(49%)

6. Future Outlook

Matters to be disclosed in relation to the integration will be promptly disclosed when decided.