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.

April 13, 2020

To whom it may concern,

Company name: JSR Corporation

Representative: Eric Johnson, Representative Director, CEO

(Code #4185, Tokyo Stock Exchange)

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Notice Regarding Absorption-type Merger (Simplified Merger, Short Form Merger) of Consolidated Subsidiaries

JSR Corporation (JSR) will execute absorption-type merger with JSR ENGINEERING CO., LTD. (JSR Engineering), a wholly owned subsidiary of JSR. It was resolved at the meeting of the Board of Directors held today.

Since this absorption-type merger is a simplified and short-form merger of a wholly owned subsidiary, certain items and details have been omitted.

1. Purpose of the Merger

JSR Engineering was founded in 1984 as a 100% subsidiary of JSR and has been responsible for the engineering operations of JSR group. JSR have decided to absorb JSR Engineering and consolidate it into the company from the viewpoint of speeding up and strengthening the process development and plant engineering work from design to completion.

2. Summary of the Merger

(1) Schedule of the Merger

Merger resolution extraordinary general shareholders' meeting (JSR Engineering)	March 30, 2020
Merger resolution board of directors (JSR)	April 13, 2020
Conclusion of a merger agreement	April 13, 2020
Expected date of merger (effective date)	April 1, 2021 (planned)

*The Merger is a simplified merger prescribed in Article 796, Paragraph 2 of the Companies Act of Japan, and will be conducted without any approval of the general shareholders' meeting at JSR regarding the merger agreement.

(2) Method of the Merger

The Merger will be an absorption-type merger and JSR Engineering will be dissolved on the effective date. JSR will become the merging company and JSR Engineering will become the merged company.

(3) Contents of Allotment regarding the Merger

As it is an absorption-type merger of JSR with a wholly-owned subsidiary, there will be no issuance of new shares or allocation of money as a result of the Merger.

(4) Handling of Stock Acquisition Rights and Bonds Accompanying the Merger

There are no applicable items.

3. Outline of the companies involved in the merger (As of March 31, 2019)

	Merging Company	Merged Company
(1) Company name	JSR Corporation	JSR ENGINEERING CO., LTD.
(2) Address	1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo	100 Kawajiricho, Yokkaichi-shi, Mie
(3) Representative (Title: Name)	Representative Director and President: Mitsunobu Koshiba	Representative Director and President: Etsuo Noda
(4) Business	Development, manufacturing and sales of elastomers, plastics, semiconductor materials, display materials, diagnostic and research reagents, bioprocess materials, etc., as well as contract development and manufacturing of bio processes, and provision of drug discovery support services.	Engineering and consultation for chemical engineering equipment.
(5) Capital	23,370 million yen	180 million yen
(6) Date of establishment	December 10, 1957	February 24, 1984
(7) Number of shares issued	226,126,145 shares	3,600 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and their ownership percentages	Bridgestone Corporation 10.15% The Master Trust Bank of Japan, Ltd. (Trust Account) 7.17% Japan Trustee Services Bank, Ltd. (Trust Account) 6.81% Japan Trustee Services Bank, Ltd. (Trust Account 9) 3.54% BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 2.96%	JSR Corporation 100%

(10) Business Results and Financial Position for the Last Fiscal Year

Accounting period	JSR Corporation (Consolidated and International Accounting Standards (IFRS))
	Year ended March 2019
Equity attributable to owners of parent	401,998 million yen
Total assets	691,435 million yen
Equity attributable to owners of parent per share	1,823.69 yen
Revenue	496,746 million yen
Operating profit	43,030 million yen
Profit before tax	44,176 million yen
Profit attributable to owners of parent	31,116 million yen
Basic earnings per share	140.62 yen

Note 1: As of March 31, 2019, JSR held 5,694,900 shares (2.52%) of treasury stock.

Accounting period	JSR ENGINEERING CO., LTD. (Non-consolidated and Japanese standard)
	Year ended March 2019
Net assets	861 million yen
Total assets	11,910 million yen
Net assets per share	239,093.22 yen
Net sales	23,580 million yen
Operating profit	352 million yen
Ordinary profit	348 million yen
Net income	242 million yen
Net income per share	67,102.99 yen

4. Situation after the Merger

As a result of the Merger, the company name, location, title and name of the representative person, business content, capital and accounting period of JSR remain unchanged.

5. Outlook for the Future

Since the Merger is an absorption-type merger of a wholly-owned subsidiary, its impact on JSR's consolidated results of operations is minor.