Translation

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May 11, 2021

To whom it may concern,

Company name: JSR Corporation
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(Code #4185, Tokyo Stock Exchange)
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Notice of Change in Equity Method Affiliates

Tokyo, Japan, May 11, 2021– JSR Corporation (Representative Director, CEO: Eric Johnson, hereinafter referred to as “JSR”) announces that the Board of Directors decided at a meeting held today to transfer all shares held of Kumho Polychem Co., Ltd. (located in Seoul, Republic of Korea, hereinafter referred to as "KPC"), an equity method affiliate, to Kumho Petrochemical Co., Ltd. (located in Seoul, Republic of Korea, hereinafter referred to as "KKPC) and to dissolve its joint venture agreement. As a result, KPC will no longer be an equity method affiliate of the Company.

1. Reasons for the share transfer and dissolution of the joint venture

KPC was established in 1985 as a joint venture between JSR and KKPC and has been mainly engaged in the manufacture and sale of ethylene propylene rubber. Since its establishment, KPC's products have been recognized as indispensable products for the automotive industry.

In light of the current business environment, JSR is reviewing its strategies in each of its businesses. In order for this business to continue to grow, transformation is necessary in several ways including consideration of the investment of management resources at an appropriate scale. Therefore, we have reached an agreement with KKPC to dissolve the joint venture agreement with KPC, judging that enabling rapid decision-making under KKPC’s sole control will lead to increased corporate value.

2. Profile of joint venture

(1) Name	Kumho Polychem Co., Ltd	
(2) Location	8F, East Wing, Signature Tower #100, Cheonggyecheon-ro, Jung-gu, Seoul 100-230, Korea	
(3) Representative	Chairman Chan Koo Park, Vice President Takeshi Sugimoto	
(4) Description of business	Production and sales of Ethylene Propylene Rubber	
(5) Capital	WON 21,500,000,000	
(6) Date of establishment	June 5, 1985	
(7) Major shareholders and percentage of shares held	JSR Corporation 50% , Kumho Petrochemical 50%	
(8) Relationship	Capital	JSR's equity interest in KPC is 50%.

	Personnel	An employee of JSR serves as the Executive Vice President of KPC. In addition, one director and two employees of the Company serve as directors and auditors of KPC.
	Business	JSR purchases products from this company.

(9) Operating results and financial position for the three most recent fiscal years

（Unit Million WON）

	FY2018 ended December	FY2019 ended December	FY2020 ended December
Total Asset	480,523	429,172	405,905
Net Asset	318,614	308,730	304,688
Revenue	476,796	390,670	328,029
Operating Profit	△2,751	△8,155	△2,993
Profit	△5,073	△9,176	△5,483

3. Profile of joint venture partner

(1) Name	Kumho Petrochemical Co., Ltd. (KKPC)
(2) Location	10th-14th Floor, Signature Tower East Wing, 100 Cheonggyecheon-ro, Jung-gu, Seoul, Republic of Korea
(3) Representative	CEO Chan-Koo Park, Dong-Joon Moon
(4) Description of business	Production of synthetic rubbers, plastics, functional chemicals, etc. KKPC group provides services in construction, logistics, financial relate d matters.
(5) Capital	167,456 million WON
(6) Date of establishment	December 28, 1970

4. Details of the share transfer

(1) Number of shares held prior to transfer	2,150,000 shares（Percentage of voting rights : 50%）
(2) Number of shares transfer	2,150,000 shares
(3) Number of shares held after transfer	0 shares（Percentage of voting rights : 0%）
(4) Date of share transfer	July 1, 2021

5. Impact on Financial Performance

Please refer to "Notice of Classification of Discontinued Operations and Revision of Consolidated Financial Results Forecasts" disclosed at the same time today for details of the impact of this matter on consolidated results.

As there is a possibility of changes in the future, we will promptly disclose any matters that should be announced.

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