



May 11, 2021

Acquisition of JSR Corporation's Elastomers Business

ENEOS Corporation (President: Ota Katsuyuki; "ENEOS") is here to announce that it has signed an agreement with JSR Corporation ("JSR") today to acquire JSR's elastomers business, which includes the manufacture and sale of synthetic rubber.

JSR's elastomers business provides the tire materials that possess the highest level of performance in the industry. Solution polymerization styrene-butadiene rubber (SSBR), JSR's main product, is an indispensable raw material for treads (contact surface with road surface) of fuel-efficient and high-performance tires. JSR provides materials that are indispensable to the mobility industry and contributes to reducing environmental burden.

With the growing global demand for mobility, ENEOS expects tires to be needed regardless of changes in power sources and forms, and elastomers business is a field where growth can be expected in the future. Furthermore, ENEOS considers that tires will be required to achieve both mobility safety and economic efficiency at a higher level in the future as the technological innovation called CASE—Connected, Autonomous, Shared, Electric—progresses in the mobility industry. By integrating our research and development technology for elastomer raw materials with JSR's synthetic rubber modification technology cultivated over many years, ENEOS will be able to provide products that can meet such needs.

JSR will establish a new company and will transfer the elastomers business and the shares of subsidiaries and affiliates related to this business to the new company by splitting the company. After that, ENEOS is expected to acquire all the shares of the new company and make it a wholly owned subsidiary on April 1, 2022.

With reference to the 115 billion yen agreed to between the two companies through consultation with advisors, various price adjustment items should be considered to get the intrinsic purchase price (enterprise value basis) of the business. The equity purchase price will be determined from the intrinsic purchase price by considering the net interest-bearing debt, working capital, as well as other assets and liabilities at the time of completion of the acquisition.

In addition, JSR has implemented structural reforms*¹ including cost reductions, such as rationalization of raw materials and distribution costs, and optimization of selling prices. Our acquisition is based on the premise that such structural reforms, expected to result in cost reductions of approximately 6 billion yen, are completed.



In the 2040 long-term vision, ENEOS Group positions the high-performance materials business as a growth business for developing and strengthening our technological capabilities.

By acquiring technology in new core areas for our materials business, ENEOS will be able to provide high-performance materials that support various industries including the mobility industry. Through the provision of high-performance materials, ENEOS will achieve Goal 9 "Industry, innovation and infrastructure" of the United Nations' Sustainable Development Goals (SDGs), which means we will contribute to the goal of "building a resilient infrastructure, promoting sustainable industrialization, and fostering innovation."

*1 JSR FY03/2021 Financial results explanatory material (announced on April 26), please refer to page 14.

https://ssl4.eir-parts.net/doc/4185/ir_material_for_fiscal_ym4/99066/00.pdf

<Reference>

1. Overview of JSR Corporation

(1) Company name	JSR Corporation
(2) Establishment	December 10, 1957
(3) Headquarters	1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo, Japan
(4) Representative	Representative Director, CEO Eric Johnson
(5) Business description	Digital solutions business Life sciences business Elastomers business Plastics business
(6) Capital	23,370 million yen (as of March 31, 2020)

2. Overview of the new company

(1) Company name	Japan Synthetic Rubber Spin-off Preparation Co., Ltd.
(2) Headquarters	1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo, Japan
(3) Representative	Representative Director, President Hirano Hayato
(4) Business description	Elastomers business
(5) Capital	1 million yen
(6) Establishment	May 12, 2021
(7) Shareholding ratio	JSR 100% *ENEOS is expected to acquire all shares on April 1, 2022.