



Name of listed company	JSR Corporation
Representative	Mitsunobu Koshiba, President
Code #4185	Stock Exchange: Tokyo and Osaka
Inquiry to	Masanao Kojima, Corporate Communications Department
TEL	(03)6218-3517

## **Notice of Capital and Business Alliance with MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. and Subscription of New Shares Through Third-Party Allocation**

**Tokyo, Japan, March 12, 2013** –JSR Corporation (hereafter “JSR”) announced today that it signed a capital and business alliance agreement (hereafter “the agreement”) with MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. (hereafter “MBL”) after the JSR board of directors resolved to form a capital and business alliance (hereafter “the alliance”) with MBL and purchase new shares issued by MBL through third-party allocation at the JSR meeting of the board of directors held on the same date.

### **1. Reasons and Aims of the Agreement**

Under the midterm business plan JSR 20i3, the JSR Group (hereafter “the Group”) positions the Biomedical Materials Business as a strategic business in which it will invest and grow from here forward. In the Biomedical Materials field, the Group is putting forth a Group-wide effort using its global network to advance the development and sales of bioprocess materials, diagnostic intermediates, companion diagnostic medicine, high-performance medical polymers and other products. As a part of these efforts and in light of the shift from Chemical drugs to Biological drugs in the medical treatment field, the Group is aggressively advancing the establishment of its businesses in diagnostic products and reagents for cutting-edge drug research (i.e. the new drug development support and diagnostics business) in Japan, the US, Europe and China.

MBL has, since its establishment in 1969 as the first antibody manufacturer in Japan, done business in the life sciences area, especially focusing on the clinical diagnostic field and development and sales in the immunology, molecular biology, cellular biology fields. In recent years, in addition to immunological diagnosis, MBL has strengthened its activities in the diagnostic area, specifically gene diagnostic products as well as pathological and cytological diagnosis, and also in the area of treatment of cancer and communicable diseases, specifically antibody drugs and cell therapy. MBL is currently developing its businesses in Japan, the US and China with an emphasis on Japan. From here forward, MBL plans to acquire new technology while strengthening and accelerating business development outside of Japan even further. JSR signed the agreement after determining that collaboration between the Group and MBL would bring forth a synergy effect due to the congruency of these plans at MBL with the Group’s plans for business advancement, its target business areas, and its current products to support new drug discovery and diagnostics business.

With the signing of the agreement, JSR and MBL aim to contribute to the life sciences area by collaborating and integrating MBL’s antibody, antigen and genetic technology and reagent development technology with the Group’s biomedical material technology as well as by accelerating the Group’s efforts in its products to support new drug discovery and diagnostics business and by expanding MBL’s business.

2. Description of the alliance, etc.

(1) Description of the capital alliance

JSR will fully undertake 8,704,000 common stocks newly issued by third-party allocation by MBL (Percentage to total number of issued shares after third-party allocation: 33.4%, Percentage of voting rights held: 33.7%). The summary of MBL's third-party allocation undertaken by JSR is as follows. For details of third-party allocation, please see the "Notices of entering into the capital and business alliance agreement with JSR Corporation and issuing new stocks by third-party allocation and changes in the largest shareholder and other affiliates" (Japanese only) announced today by MBL.

a. Number of shares to be undertaken	8,704,000 common stocks
b. Amount to be paid in price per share	517 yen
c. Gross amount to be paid in	4,499,968,000 yen
d. Proposed date of payment	March 29, 2013

Number of shares to be acquired, acquisition cost and holding of shares before and after the acquisition

(i) Number of shares owned before the change	0 shares (Number of voting right: 0) (Percentage to a total number of issued shares before the third-party allocation: 0%) (Percentage of voting right held: 0%)
(ii) Number of shares to be acquired	8,704,000 shares (Number of voting rights: 8,704) (Percentage to a total number of issued shares after the third-party allocation: 33.4%) (Percentage of voting rights held: 33.7%) (Acquisition cost: 4.5 billion yen)
(iii) Number of shares owned after the change	8,704,000 shares (Number of voting rights: 8,704) (Percentage of a total number of issued stocks after the third-party allocation: 33.4%) (Percentage of voting rights held: 33.7%)

※ The date of payment for the third-party allocation falls on the last business day of March. Preparing for the case where JSR is not registered on the shareholder registry on the record date for MBL's the 44th ordinary general meeting of shareholders scheduled to be held in June 2013 (hereinafter called "the 44th ordinary general meeting of shareholders") for the reason of the procedures for administrating the shareholder registry despite completion of the payment for the above shares to be acquired, MBL adopted the resolution that the company would grant JSR voting rights subject to the above shares to be acquired at the 44th ordinary general meeting of shareholders according to the Article 123, Paragraph 4 of the Companies Act if JSR completes a payment for the third-party allocation before the 44th ordinary general meeting of shareholders and even if it is not registered or recorded on the shareholder registry as of the record date for the 44th ordinary general meeting of shareholders.

(2) Description of the business alliance

JSR and MBL has agreed to advance the business alliance on the following matters under the capital and business alliance agreement. Concrete policy for and description of the business alliance will be determined after discussion among both parties.

(i) Development of latex beads reagents

Seek development and global sale of high-performance latex beads reagents by combining MBL's antibody, antigen and gene technologies with JSR's technology for development of latex materials.

(ii) Development of tools for drug development in the epigenome field

Achieve early development and global sale of advanced reagents related to epigenome study by integrating development of epigenome-related reagents performed by MBL with that of the Group's exosome-related reagent development.

(iii) Utilization of JSR overseas infrastructure

Aim for acceleration of global expansion into the life sciences fields by using JSR infrastructure. Specifically, JSR's US subsidiary will be used as a center of joint research and marketing and JSR's Belgian subsidiary as center of sale/logistic and marketing in the Euro zone.

(iv) Other

Acceleration of information gathering and technology and commercialization in the life science fields by integrating networks of researchers and joint development projects that are currently being advanced individually by JSR and MBL.

(3) Delegation of a Director

MBL will appoint one Director designated by JSR, subject to the approval at the 44th ordinary general meeting of shareholders.

3. Outline of the counterparty in the alliance (as of December 31, 2012)

(1)	Name	MEDICAL & BIOLOGICAL LABORATORIES CO.,LTD.	
(2)	Location	5-3 Sakae 4 chome, Naka-ku, Nagoya	
(3)	Name and title of the Representative	Jun Sasaki, Representative Director and President	
(4)	Business activities	1) Research, development, manufacturing, import and export and sale of medical drugs and reagents for medical and biological research 2) Research, development, manufacturing, import and export and sale of pharmaceuticals 3) Publishing of books in and educational campaign for medical science and biology and their closely-related areas 4) Operation of medical treatment business 5) Manufacturing, import and export and sale of medical products and medical devices 6) Research, manufacturing, import and export and sale of poisonous and deleterious substances 7) Investments in and financing to companies 8) Management of assets under investment partnerships 9) Bookkeeping and account closing tasks of the company and diagnosis, guidance and consulting on management and accounting 10) All businesses incidental to the above items	
(5)	Capital	2,228,600,000 yen	
(6)	Founded	August 23, 1969	
(7)	Major shareholders and shareholding ratio (as of September 30, 2012)	Sachiko Suno Katsuhiko Nishida Nippon Life Insurance Company Tetsutaro Asano Hiroshi Suno MBL Employees' Shareholding Association Kanichiro Ohtsuka Nisshin Trading, Inc. Mineko Asano	7.7% 3.4% 1.7% 1.6% 1.4% 1.3% 1.0% 0.9% 0.7%
(8)	Relationship between the listed companies and the company	Capital relationship	There is no capital relationship between JSR and MBL deserving mention. There is also no capital relationship between JSR's related parties and affiliates and the company's related parties and affiliates deserving special mention.

	Personnel relationship	There is no personnel relationship between JSR and MBL deserving mention. There is also no personnel relationship between JSR's related parties and affiliates and the company's related parties and affiliates deserving special mention.
	Business relationship	There is no business relationship between JSR and MBL deserving mention. There is also no business relationship between JSR's related parties and affiliates and the company's related parties and affiliates deserving special mention.
	Applicability of the related party	The company does not fall under JSR's related party. The company's related parties and affiliates also do not fall under JSR's related party.

(9) Consolidated results of operation and financial position of the company for the past 3 years

Fiscal year	Fiscal year ended March 2010	Fiscal year ended March 2011	Fiscal year ended March 2012
Consolidated net assets	4,406,715,000 yen	4,234,881,000 yen	4,565,957,000 yen
Consolidated total assets	8,246,775,000 yen	7,994,556,000 yen	8,405,398,000 yen
Consolidated net assets per share	253.16 yen	243.08 yen	264.08 yen
Consolidated sales	6,093,693,000 yen	6,250,218,000 yen	6,562,711,000 yen
Consolidated operating income	479,955,000 yen	395,175,000 yen	381,451,000 yen
Consolidated ordinary profit	322,715,000 yen	195,309,000 yen	309,208,000 yen
Consolidated net income	266,658,000 yen	△112,786,000 yen	318,806,000 yen
Consolidated net income per share	15.55 yen	△6.58 yen	18.59 yen
Dividends per share	4.00 yen	4.00 yen	4.00 yen

4. Schedule

(1)	Resolution of the Board of Directors	March 12, 2013
(2)	Entering into the capital and business alliance agreement	March 12, 2013
(3)	Date of payment	March 29, 2013
(4)	Start date of business alliance	April 1, 2013

5. Prospects

Following undertaking the third-party allocation associated with the alliance, MBL and its consolidated subsidiaries will become JSR's affiliated companies accounted for by the equity method at consolidated accounting for the fiscal year ending March 2014. Therefore, the alliance will have no effects on JSR's business results for this fiscal year.