



**Translation**

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December 20<sup>th</sup>, 2017

To whom it may concern,

Company Name: JSR Corporation  
Name of Representative: Mitsunobu Koshiba,  
Representative Director and President  
Security Code: 4185, Tokyo Stock Exchange (First Section)

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**Announcement regarding acquisition of Crown Bioscience International (and making it a subsidiary)**

TOKYO, December 20, 2017 – JSR Corporation agreed with Crown Bioscience International (hereinafter “Crown”, Registration: Cayman Islands, CEO: Jean-Pierre Wery, a listed company in TPEX: 6554), which is a contract research organization (“CRO”) providing services to pharmas to support drug development in pre-clinical phases, to acquire 100% ownership of the Company and make it a subsidiary of JSR (the “Transaction”)

Execution of the Transaction is subject to resolution of a shareholders’ meeting of the Company and approvals of related authorities, and it is expected to be completed by the end of June, 2018.

1. Purpose of the acquisition

JSR group positioned its Life Science Business as a third pillar following its Petrochemical and Fine chemical businesses, and recognizes that its duty is to provide values by contributing to improvement in drug development process and to expand its Life Science business.

Crown is a global drug discovery and development services company providing translational platforms to advanced oncology, inflammation, cardiovascular and metabolic disease research. Also, as a premier CRO, Crown has deep industry relationships and conducts its businesses globally. JSR’s forecast, based on consultation with Crown’s management team, is for the company to realize Revenue and EBITDA margin of NT\$2,700M and NT\$600M respectively in 2018, with the understanding that such projected financial information may vary from actual results..

On the other hand, JSR group has engaged in pure and strategic research, drug discovery and diagnostics development as the upstream of drug development processes, and also structured a scheme to provide values throughout manufacturing processes of biopharmaceuticals, which is the downstream of drug development processes, from cell line development to process development and manufacturing.

Upon completion of the Transaction, JSR’s capabilities in its Life Science business will extend from pure and strategic research, drug discovery and diagnostics development, to cell line development, process development and manufacturing. We commit to provide values to pharma industry by providing products and services in drug development processes ranging seamlessly from the discovery process to GMP manufacturing.

2. Method of the Transaction

The Transaction will be implemented by merger between a wholly owned subsidiary of JSR Corporation newly established in Cayman Islands for the purpose of the Transaction (“Merger Sub”) and Crown, and Crown will be the

surviving entity (\*1). All existing shares of Crown will be cancelled and existing shareholders of Crown will be granted rights to receive cash (NT\$75/share (JP¥278/share)) • (Estimated total purchase price: approx. NT\$12 billion (approx.. JP¥44 billion) from JSR Corporation as a consideration for the Transaction. As a result of the Transaction, shares of Merger Sub will be converted to shares of Crown. Consequently, Crown will become a wholly-owned subsidiary of JSR. Immediately after the Transaction, Crown will be delisted from TPEx.

(\*1) The method is called “reverse triangular merger” and commonly used in friendly acquisition.

### 3.Outline of the Company (exchange rate JP¥3.7 / NT\$)

(1) C o m p a n y N a m e	Crown Bioscience International			
(2) A d d r e s s	Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111 Cayman Islands			
(3) R e p r e s e n t a t i v e ( T i t l e : N a m e )	CEO : Jean-Pierre Wery			
(4) B u s i n e s s	Efficacy testing services for candidates of drugs against oncology, inflammation, cardiovascular and metabolic disease and development of antibodies for those diseases.			
(5) C a p i t a l	NT\$ 1,436,703 k (As of September 30, 2017)			
(6) D a t e o f E s t a b l i s h m e n t	2006			
(7) M a j o r S h a r e h o l d e r s a n d t h e i r o w n e r s h i p p e r c e n t a g e s ( A s o f A p r i l 2 2 , 2 0 1 7 )	OrbiMed Asia Partners, L.P.	10.42%		
	Qiming Venture Partners, L.P.	7.48%		
	Investment account in custody by Yuanta Bank	4.68%		
	Tournament Bioventure LLC	4.58%		
	GKFF Ventures I, LLC	3.86%		
(8) R e l a t i o n s h i p b e t w e e n t h e C o m p a n y a n d J S R	C a p i t a l	There is no matter to be stated here.		
	P e r s o n a l	There is no matter to be stated here.		
	B u s i n e s s	JSR Group sells very small amount of products to Crown.		
(9) O u t l i n e o f t h e C o m p a n y ' s p e r f o r m a n c e a n d f i n a n c i a l s t a t e f o r l a s t t h r e e y e a r s o n a c o n s o l i d a t e d b a s i s .				
	Fiscal Year	2014	2015	2016
	E q u i t y ( N T \$ i n m ( J P ¥ i n m ) )	-1,358 (-5,026)	1,651 (6,109)	2,283 (8,449)
	A s s e t s ( N T \$ i n m ( J P ¥ i n m ) )	2,146,460 (7,942)	2,536 (9,382)	3,381 (12,508)
	E q u i t y p e r s h a r e ( N T \$ ( J P ¥ ) )	-36 (-135)	13 (47)	16 (58)
	R e v e n u e ( N T \$ i n m ( J P ¥ i n m ) )	1,095 (4,052)	1,510 (5,588)	1,976 (7,310)
	O p e r a t i n g p r o f i t ( N T \$ i n m ( J P ¥ i n m ) )	1 (3)	108 (399)	145 (538)
	P r o f i t b e f o r e t a x ( N T \$ i n m ( J P ¥ i n m ) )	-277 (-1,024)	146 (541)	213 (788)
	P r o f i t a f t e r t a x a t t r i b u t a b l e t o s h a r e h o l d e r s o f t h e p a r e n t ( N T \$ i n m ( J P ¥ i n m ) )	-278 (-1,027)	99 (365)	178 (658)
	P r o f i t a f t e r t a x a t t r i b u t a b l e t o s h a r e h o l d e r s o f t h e p a r e n t p e r s h a r e ( N T \$ ( J P ¥ ) )	-7 (-28)	1 (3)	1 (5)



#### 4. Schedule

(1)	Resolution of the Board of Directors of JSR	December 11, 2017
(2)	Execution of a definitive agreement	December 19, 2017
(3)	Shareholders' meeting of Crown	February 8, 2018 (Plan)
(4)	Closing	June, 2018 (plan)

#### 5. Forecast

After the transaction, Crown will become one of consolidated subsidiaries of JSR. We will disclose an impact of this consolidation on a forecast of performance of JSR as the Transaction proceeds.

(Reference Only) Profits and losses of JSR in current and last fiscal year on a consolidated basis (disclosed on October 23, 2017) (Unit : JPY in mil)

	Revenue	Operating profit	Ordinary profit	Profit after tax attributable to shareholders of the parent
Fiscal year 2017 (Forecast)	410,000	43,000	-	31,500
Fiscal year 2016 (Actual)	388,455	35,943	-	30,243

#### *Caution regarding forward-looking statements*

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors.

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