



Overview of Opinion on Scheduled Commencement of the Tender Offer by JICC-02, Ltd.

JUNE 26, 2023

Disclaimer



Statements made on this material with respect to forward-looking statements such as the Company's forecasts for business results are based on current information obtained by the Company and certain assumptions deemed rational. Various factors may cause actual results or other situations to differ from the forecasts.

Summary of Board Resolution regarding the Tender Offer



On June 26, the JSR Board of Directors resolved unanimously to express an opinion supporting the Tender Offer by JICC-02, Ltd., and to recommend the shareholders, the stock option holders and ADR holders to tender their shares and stock options

Tender Offeror	JICC-02, Ltd. (wholly owned subsidiary of JIC Capital, Ltd. (JICC))
Tender Offer Period	20 business days (Aim to commence by late December 2023)
Purchase Price	<ul style="list-style-type: none">• 4,350 yen per common share• 434,900 yen per share option• 4,350 yen per share represented by American Depositary Share
Premium, etc.	<ul style="list-style-type: none">• A premium of ~41% of the average closing prices over several periods (details in page 9)• Tender Offer price exceeds the highest price (3,795 yen) of JSR's shares for the last 52 weeks
Minimum number of shares to be purchased	138,531,400 shares: 66.67% of ownership
Maximum number of shares to be purchased	None
Other	Once the Tender Offer is completed, JSR will be delisted through squeeze out procedures and will be a wholly-owned subsidiary of the Tender Offeror

Key Highlights of the Transaction



Establish a new strategic partnership with JICC to further strengthen the solid business foundation and to pursue sustainable growth

- **Accelerate flexible strategic investments, structural reforms, and industry restructuring by delisting with the strategic partner. Seek to further enhance corporate value** by strengthening our core business
 - Digital Solutions Business : **Enhance the global competitiveness of the domestic semiconductor sector**, and lead the industrial reform by enhancing competitiveness and expanding the business areas
 - Life Sciences Business : **Strengthen biopharmaceutical development and manufacturing services, and accelerate business expansion into the white space in Europe, America, and Asia**
- The transaction reinforces our strong business foundation and accelerates sustainable growth, and is **the best strategic option to all stakeholders of JSR at this stage**
- Based on the reports from the Special Committee, the Board of Directors **concluded that the terms of the Tender Offer including the price are reasonable**
- After continuous growth and expansion in corporate value is realized, plan to re-listing

Background to the Transaction



Current status

- Since its founding, the company has continued to reform its business structure and management system in response to the changing needs of society. We aim to be a leading technology company with resilience and sustainability.
- In our core semiconductor materials business, we have made aggressive investments in advanced technologies such as EUV, to establish JSR as a world-leader in semiconductor materials design, development, and manufacturing.
- Staying on the leading-edge requires significant investments for each of our businesses and we are committed to progressing this strategy.

Challenge

- Semiconductors are designated as a specified critical material under the Law for the Promotion of Economic Security, and the government's policy of establishing a foundation for technological development, design, and manufacturing is stated in policies such as the government's Framework Policy.
- As competition to develop next-generation technologies intensifies, manufacturers for semiconductors, semiconductor equipment, and foreign semiconductor materials are expanding their operations through strategic acquisitions. To enhance competitiveness in the domestic semiconductor materials industry, further industry reform is necessary.

Initiatives to resolve issues

- As we continuously assess opportunities to enhance corporate value, we have been reviewing capital policies, as well as strategic partnerships that enable drastic strategic investments, structural reforms, and the consolidation of the sector without restrictions from short-term expectations short-term performance.
- We will continue to reinforce our solid business foundation and to achieve mid- to long-term value creation for all of our stakeholders.

JSR's Strategic Priorities



Partnership with JICC accelerates the execution of our vision

Medium-Term Management Policy for FY 2024

Business and management structure with medium- to long-term **resilience** and **sustainability** creates value for all stakeholders

Further focus on our business portfolio with **Digital Solutions and Life Sciences** at its core

Achieve **ROE of 10% or higher**

Aim to **update highest core operating profit ***

*More than 60 billion yen (Digital Solutions and Life Sciences)

To establish a **strong business foundation** flexible towards change, implement initiatives in innovation, DX, ESG, and employee engagement

Partnership with JICC to accelerate our strategy and increase our presence as a leading technology company



Reinforce position in Japan's semiconductor materials sector by promoting industry restructuring



Further strategy to become a truly global business that contributes to society through innovative technologies



Continue to invest in research and development to sustain innovation and build competitive advantage

Source: Disclosures

Realizing our corporate mission : Materials Innovation

JICC Overview



Promote business restructuring to enhance international competitiveness of Japan's domestic industries through large-scale, long-term and neutral supply of risk capital

Overview of JICC

Company:	JIC Capital, Ltd.
Shareholder:	Japan Investment Corporation
Business description:	Equity investment and consulting related to equity investment activities

Overview of JIC

Company:	Japan Investment Corporation: JIC
Contributions:	380,499,960,000 yen (as of January 2021)
Shareholders:	Ministry of Finance, Development Bank of Japan, 24 private companies
Basis Law:	Industrial Competitiveness Enhancement Act

Mission & Background

- JICC aims to supply risk capital to achieve policy objectives of creating new businesses and industries to realize Society 5.0, promoting business portfolio transformation for enhancing the international competitiveness, and establishing next-generation social infrastructure to promote Digital Transformation ("DX").

Source: Disclosures

Features & Strengths

Contributing to important policy areas such as the semiconductor industry through investment activities	
Supply of large-scale, long-term, neutral risk capital	<ul style="list-style-type: none"> As a government-affiliated fund there is a capability to provide large-scale, long-term, neutral risk capital in the midst of an uncertain economic environment
Business support and growth promotion	<ul style="list-style-type: none"> Supporting management and providing strategic advice to investee companies to support business growth and improve competitiveness Leveraging domestic and international networks and resources to support business development and globalization

Past Investment (including those by INCJ, JIC's affiliate)

Semiconductors related	<ul style="list-style-type: none"> Renesas Electronics Corporation (2012)
Chemical	<ul style="list-style-type: none"> SUMIKASEKISUI FILM CO.,LTD. (2016) Kureha Battery Materials Japan Co.,Ltd. (2012), etc
Bio pharmaceutical	<ul style="list-style-type: none"> KBI Biopharma, Inc. (2015) <p>* co-investment with JSR</p>

Significance and Purpose of Strategic Partnership with JICC



The strategic partnership with JICC will accelerate our ability to play a leading role in the growth and reform of the Japanese semiconductor industry, and promote our growth strategy toward re-listing

- 1 Commitment to industry consolidation in semiconductor materials**
Taking advantage of its neutral position as a government-affiliated fund, a smooth reorganization and consolidation can be expected.
- 2 Consensus of strategic direction of the Life Sciences Business**
JICC is expected to support our strategic direction of the Life Science Business. They will support us to build out a comprehensive growth strategy and action plan based on the strategy.
- 3 Strategic partnerships with government-affiliated fund**
JICC is expected to provide medium- and long-term support (large-scale, long-term, and neutral supply of risk money) that will enhance corporate value, free from short-term focus on business performance from the market.
- 4 Know-how on business reform and growth strategies**
Leveraging management and industry expertise, investment track record, including those in the semiconductor industry and the ability to build growth strategies and equity stories.
- 5 Strengthening organizational capabilities for the future leveraging JICC's network**
JICC's network with domestic and foreign institutional investors and private businesses can be utilized to support the planning and execution of global growth strategies of JSR, including the recruitment of new global human resources

Opportunity for Shareholders



This Transaction provides our company shareholders with a reasonable opportunity to sell the shares at a premium price at a level comparable to other similar transactions

A reasonable opportunity for shareholders

Tender Offer Price
with Premium

A reasonable cash offer with a ~41% price premium of the average closing prices over several periods

- Premium of 34.51% of the closing price on the day before announcement
- Premium of 30.47% of the average price over the last 1 month
- Premium of 36.66% of the average price over the last 3 months
- Premium of 41.42% of the average price over the last 6 months

Board Resolution
Following Fair
Procedures

The Board of Directors unanimously resolved to express its opinion in favor of the Tender Offer and to recommend the shareholders to tender their shares

- The Special Committee, consisting of JSR's independent outside directors who are independent from the Tender Offeror, JSR and the success or failure of the Transaction, submitted the report stating that it is reasonable for the Board to express an opinion supporting the Tender Offer and to recommend the shareholders to tender their shares.
- The resolution to express an opinion supporting the Tender Offer and to recommend the shareholders to tender their shares was unanimously approved by all nine non-interested directors of the Board, and all three auditors expressed their opinion that they have no objection to the resolution.

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