

Translation

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September 17, 2021

To whom it may concern,

Company name: JSR Corporation
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(Code #4185, Tokyo Stock Exchange)
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Announcement regarding acquisition of Inpria Corporation (and making it a subsidiary)

JSR Corporation announces that it signed an agreement today to acquire an additional 79%¹ of shares in Inpria Corporation, a U.S. manufacturer of metal-based photoresists for Extreme Ultraviolet (EUV) lithography, making it a wholly owned subsidiary of JSR Corporation. This will result in the acquisition of all shares of the company, together with the 21% shares already acquired in 2017 and 2020.

The execution of the acquisition is subject to several factors, including the receipt of regulatory approvals, and is expected to be completed by the end of October 2021.

1. Purpose of Acquisition

The JSR Group is focusing on expansion in its digital solutions and the life sciences businesses, which have high growth potential in the global market and are ideally suited to leverage the company's strengths in technological innovation. In semiconductor materials, which is part of the digital solutions business, JSR has focused on developing high value-added products backed by technological capabilities and strengthening production capacity. The company has experienced steady growth by leveraging sales of photoresists, our mainstay product line, through market expansion, while also expanding our overall semiconductor materials product portfolio.

EUV technology is being applied in commercial production in the most advanced lithography processes used in semiconductor manufacturing, and JSR's EUV photoresists have earned a high level of trust. Device manufacturers continue to scale semiconductor devices, the use of EUV photoresists

¹ Fluctuations may occur due to the exercise of options and warrants.

is therefore expected to increase. As customers move forward to advanced generations centering on 2nm and beyond, EUV photoresists with higher resolution will be required, and there are high expectations for non-chemically amplified metal-based materials as a promising solution to achieve this goal.

Inpria has been working on the development of metal based EUV resists since its establishment in 2007. Its main product, which is composed primarily of tin oxide, has achieved the world's highest resolution using EUV exposure systems. In addition, the metal-based resist is superior to conventional resists in terms of pattern transfer performance during dry etching and is highly suitable for semiconductor mass production processes.

With the completion of this acquisition, JSR will add Inpria’s metal-based resist to our photoresist product portfolio to seamlessly provide value as an advanced materials company that supports our customers' current and future technologies.

2. Method of the Transaction

The transaction will be implemented through a merger between a wholly owned special purpose subsidiary of JSR Corporation, newly established in Delaware, U.S. for the purpose of the transaction (hereinafter referred to as "SPC"), and Inpria Corporation with Inpria as the surviving entity (*1). All existing shares of Inpria will be cancelled and existing shareholders of Inpria will be granted rights to receive cash from JSR Corporation as a consideration for the transaction. As a result of the transaction, shares of SPC will be converted to shares of Inpria and Inpria will become a wholly owned subsidiary of JSR.

JSR and Inpria agreed on the enterprise value of Inpria's business at US\$514 million. This is confirmed in the range of calculation results that the Company comprehensively evaluated using the DCF method and the Comparable Multiple Valuation Method based on Inpria's future profitability.

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

3. Outline of the Company

1	Company Name	Inpria Corporation
2	Address	1100 NE Circle Blvd., Suite 360 Corvallis, Oregon 97330
3	Representative	Andrew Grenville, CEO
4	Businesses	Development and manufacturing of metal based EUV resists
5	Capital	74,224 thousand U.S. dollars (As of June 30, 2021)
6	Date of Establishment	2007
7	Major Shareholders and their ownership percentages (As of July 12, 2021)	JSR Corporation 21.3%

8	Relationship between the Company and JSR	Capital	We have made strategic investments (21% shares).	
		Personal	One director of a subsidiary of JSR has been appointed as an outside director of Inpria.	
		Business	There is no matter to be stated here.	
9	Outline of the Company's performance and financial state for last three years (thousand U.S. dollars)			
	Fiscal Year ending December	2018	2019	2020
	Net Asset	11,250	(523)	16,038
	Total Asset	11,850	10,443	18,993
	Revenue	-	213	232
	Operating Profit	(10,434)	(11,971)	(12,461)
	Net Loss	(10,246)	(12,035)	(12,250)

Note: Other shareholders information is not be disclosed due to confidentiality obligations.

4. Schedule (Japan Time)

1	Resolution of JSR	September 17, 2021
2	Execution of agreement	September 17, 2021
3	Closing	October 2021 (Plan)

Note: "Resolution of JSR" is the resolution by CEO based on the resolution of the Board of Directors.

5. Future Outlook

Inpria will become a consolidated subsidiary of JSR Corporation after the completion of the acquisition. The impact of this acquisition on our consolidated business performance will be disclosed promptly depending on the progress of this acquisition.

(Reference Only) Consolidated earnings forecasts for the fiscal year ending March 31, 2022

(from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Revenue		Core Operating profit		Operating profit		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	318,000	1.9	43,000	13.5	43,000	25.6	30,000	-	27,000	-	125.64

Reference: Profit before tax Fiscal year ending March 31, 2022 42,500

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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