

Translation

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May 9, 2022

To whom it may concern,

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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

. At the Board of Directors meeting held on May 9, 2022, the Company resolved to dispose of treasury shares (Hereinafter referred to as the "Disposal of Treasury Shares".) as restricted stock compensation for directors excluding outside directors, officers, and executives of certain subsidiaries. Subject to the approval of the election of the Eligible Directors at the 77 th Ordinary General Shareholders Meeting to be held on June 17, 2022, the number of shares to be disposed of, the disposal price and the total disposal amount will be resolved at the Board of Directors meeting to be held on July 11, 2022. Details are as follows.

1. Outline of Disposal

(1)	Date of disposal	August 10, 2022
(2)	Class and number of shares to be disposed of	Common stock Number of shares to be resolved at the Board of Directors' meeting to be held on July 11, 2022
(3)	Disposal value	Closing price, etc. of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (resolution to be made at the meeting of the Board of Directors to be held on July 11, 2022)
(4)	Total disposal amount	To be resolved at the Board of Directors meeting to be held on July 11, 2022)
(5)	Number of persons to whom shares are allotted	Directors (excluding outside directors): 5 persons, Officers : 15 persons Executives of certain subsidiaries: 5 persons
(6)	Other	Based on the closing price of the Company common stock on the Tokyo Stock Exchange on May 6, 2022 of 3,520 yen as the disposal price, the number of shares to be disposed of would be 148,800 shares and the total disposal amount would be 523,776,000 yen.

2. Purpose and reasons for the disposal

At the Board of Directors meeting held on May 9, 2017, the Company reviewed its executive compensation plan and resolved to introduce a restricted stock compensation plan (Hereinafter referred to as the "Plan"). In addition, at the 76 Ordinary General Shareholders Meeting held on June 17, 2021 (hereinafter referred to as the "General Shareholders Meeting"), the Company received approval to pay to the Directors of the Company (Excluding Outside Directors Hereinafter referred to as "Eligible Directors") an annual amount of up to 400 million yen as monetary compensation (Hereinafter referred to as "restricted stock compensation") to be used as assets contributed for the restricted stock acquisition under the Plan. In addition, the Plan will also be applied to officers who do not concurrently serve as directors of the Company and executives of certain subsidiaries of the Company.

The Plan is intended to provide the Eligible Directors etc., Officers and executives of some of the Company's subsidiaries (Hereinafter referred to as "Eligible Directors etc. ".) with an incentive to continuously enhance the Company's corporate value over the medium to long term, as well as to promote sharing of value with shareholders by owning shares in our company. The outline of the Plan is as follows.

[Outline of the Plan]

Eligible Directors, etc. will receive all or a part of monetary compensation claims provided by the Company under the Plan as properties contributed in kind and will be issued or disposed of with respect to the common shares of the Company (The common shares of the Company to be issued or disposed of under the Plan will hereinafter be referred to as the "Allotted Shares").

The total number of common shares to be newly issued or disposed of by the Company to Eligible Directors under the Plan shall be 400,000 shares or less per year. However, in the event of a stock split (Includes gratis allotment of the Company common stock) or a consolidation of the Company's common stock taking effect on or after the date of the resolution of the General Shareholders Meeting, or in the event of any other event requiring adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted stock, such total number shall be adjusted within a reasonable range.

The amount to be paid per share of common stock to be newly issued or disposed of under the Plan shall be within a range that is not particularly advantageous to the Eligible Directors etc., based on, for example, the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (If no transaction was made on the same day, the closing price on the preceding trading day).

In issuing or disposing of the Company's common shares under the Plan, the Company and the Eligible Directors etc., shall enter into a restricted stock allotment agreement (Hereinafter referred to as the "Allotment Agreement"), or leave trails of "understanding and agreeing" with the Plan Rules for the purpose of obtaining the same effect as the execution of Allotment Agreement, which includes the following items: (1) The Company's directors and officers shall not be allowed to transfer, create a security interest on, or otherwise dispose of the Allotted Shares to a third party for 30 years, and such restriction shall be lifted upon their retirement for reasons deemed justifiable by the Board of Directors; (2) executives of certain subsidiaries shall be prohibited from transferring, creating a security interest on, or otherwise disposing of the Allotted Shares to a third party for 3 years, and shall be uniformly lifted upon expiration of the Restriction Period; and (3) the Company shall acquire the Allotted Shares without compensation in case of certain events.

In the Disposal of Treasury Shares, 25 Eligible Directors, etc., who are scheduled to be allotted will pay all of the monetary compensation claims and monetary claims to the Company as properties contributed in kind and receive the disposition of common shares of the Company under the Plan.

3. Outline of the Allotment Agreement

(1) Transfer restriction period: The transfer restriction period shall be 30 years for directors and officers of the Company and 3 years for executives of some subsidiaries after August 10, 2022.

(2) Lifting of transfer restriction by expiration of transfer restriction period

The Company will lift the transfer restrictions on all of the Allotted Shares at the expiration of the transfer restriction period, on the condition that the Eligible Directors, etc. have been officers, executive officers, company auditors, employees or other positions equivalent thereto (Hereinafter referred to as the "Positions") of the Company or its the Company subsidiaries continuously during the Transfer Restriction Period. The Company will, in principle, acquire the Allotted Shares for which the transfer restrictions have not been lifted at the time of expiration of the transfer restriction period without compensation.

(3) Treatment in case of resignation, etc.

In the event that the Eligible Directors, etc. resign from any of the Positions prior to the expiration of the transfer restriction period, the Company will automatically acquire the Allotted Shares without compensation, except for cases where there are justifiable grounds such as expiration of the term of office or death of the Eligible Directors, etc. approved by the Board of Directors of the Company. In the event of the expiration of the term of office, death, or any other cause deemed justifiable by the Board of Directors of the Company, the number of the Allotted Shares for which the transfer restrictions shall be lifted and the timing for lifting the transfer restrictions shall be reasonably adjusted as necessary.

(4) Treatment in reorganization, etc.

If, during the transfer restriction period, a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other matter concerning organizational restructuring, etc. is determined, the number of Allotted Shares for which the transfer restriction will be cancelled and the time of cancellation of the transfer restriction will be reasonably adjusted as necessary.

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