

Translation

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September 14, 2020

To whom it may concern,

Company name: JSR Corporation  
Representative: Eric Johnson, Representative Director, CEO  
(Code #4185, Tokyo Stock Exchange)  
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### Notice Regarding Reorganization of Display Solutions Business

JSR Corporation (Representative Director, CEO: Eric Johnson, herein after referred to as “JSR”) announced today that the board of directors have decided to reorganize the business on a global basis in response to changes in the competitive environment of the LCD panel materials market as described below. Through the implementation of these measures, we will strengthen the competitiveness of this business by focusing more thoroughly on the Chinese market and high value-added products.

#### 1. Contents of Reorganization

##### (1) Withdrawal from some products and markets

Products: Color resists and Photosensitive spacers

Regions: South Korea and Taiwan

Time of withdrawal: By the end of September 2021

- Continuing Business: Alignment layers, Passivation Coatings, Over Coatings and OLED materials in globally and Color Resists and Photosensitive Spacers in China.
- The revenue scale of the withdrawal business is equivalent to approximately 2% of consolidated revenue for the fiscal year 2019. The impact on consolidated financial results is minor due to the small amount.

##### (2) Plant closure of a consolidated subsidiary of JSR, JSR Micro Taiwan Co., Ltd. (herein after referred to as “JMW”) and its production transfer to other consolidated subsidiaries of JSR

Manufacturing Operation: Plant closure in the end of March 2022

Transferred products: Over coatings, Passivation coatings and others for Taiwan and China.

Transfer to: JSR Micro Kyushu Co., Ltd. and JSR Micro (Changshu) Co., Ltd.

Time of transfer: Completion by the end of March 2022

- (3) Capacity reduction of a consolidated subsidiary of JSR, JSR Micro Korea Co., Ltd. (herein after referred to as “JMK”) and its production transfer to other consolidated subsidiaries of JSR
- Manufacturing Operation: Changing from two-shifts to a single day-shift by the end of March 2022
- Transferred products: Color resists, Photosensitive spacers, Over coatings, Passivation coatings and others for China.
- Transfer to: JSR Micro Kyushu Co., Ltd. and JSR Micro (Changshu) Co., Ltd.

(4) Reform of Global Sales and R&D Functions

JMW and JMK will continue providing sales and technical services to our customers in South Korea and Taiwan. However, we will aim for more efficient operations by consolidating some of the resources, mainly R&D, from JMK and JMW to JSR and JSR (Shanghai) Co., Ltd. (herein after referred to as “JSR-SH”). JSR has also decided to expand the development lab of JSR-SH, which enables to expand the technical services for our customers.

2. Reduction of Workforce

As a result of this reorganization, we plan to implement the necessary workforce reductions at JMW and JMK by the end of March 2022, when the withdrawal and transfer of the business is completed.

3. About JMW

(1) Name of the company	JSR Micro Taiwan Co., Ltd.
(2) Address	No.11, Kehu 1st Rd., Huwei Town, Yunlin County 632, Central Taiwan Science Park Huwei Park, Taiwan, R.O.C.
(3) Representative	Representative Director and President Hiroaki Nemoto
(4) Purpose of Enterprise	Manufacturing and sales of Color resists, Photosensitive spacers, Over coatings, Passivation coatings and others.
(5) Date of Establishment	March 16, 2005

4. About JMK

(1) Name of the company	JSR Micro Korea Co., Ltd.
(2) Address	97, Gwahaksaneop 4-ro, Oksan-myeon, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, 28122 Korea
(3) Representative	Representative Director and President David Sangmin Park Representative Director Tadahiro Suhara
(4) Purpose of Enterprise	Manufacturing and sales of Color resists, Photosensitive spacers, Over coatings, Passivation coatings, Alignment layers and others.
(5) Date of Establishment	January 28th, 2003

## 5. Outlook for the future

Through this reorganization, we will ensure sound and sustainable growth by thoroughly concentrating on highly competitive businesses and growth markets such as Alignment layers and Passivation coatings. In addition, we will continue to contribute to the display industry by promoting the business development of advanced materials and process solutions to the 8KTV and 5G mobile device market utilizing our distinctive technologies such as low-temperature material technology (\*).

(\*) In the cell manufacturing process of LCD panels, our materials have a curable range from the current high temperature used of 200°C or higher, to a low temperature of 150°C. This low-temperature curability is expected to help make possible high-performance, high-brightness LCD panels manufactured with reduced environmental impact in terms of power and energy consumption.

For more detailed information on the impact on our consolidated financial result forecast, please refer to “Revision to Consolidated Financial Results Forecast for the Fiscal Year ending March 31, 2021” which was disclosed at this same time. The impact will dependent upon the determination of the amount of property, plant and equipment to be managed and additional severance payments to employees. We will promptly disclose further revision of consolidated financial results forecast when it is available and required.