

*This Notice is a translation of the original; “Kabushiki-gaisha E-TEC no Kabushiki no Shutoku (Kogaishaka) ni Kansuru Oshirase” written in Japanese, for convenience purpose only, and in the event of any discrepancy, the original in Japanese shall prevail.*

November 12, 2024

For Immediate Release

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**Notice Regarding Acquisition of Shares of Emulsion Technology Co., Ltd.**  
**(to Make It a Subsidiary)**

NIPPON SHOKUBAI CO., LTD. (the “Company”) hereby announces that the Company and JSR Corporation (hereinafter “JSR”) have reached an agreement on the acquisition of shares of Emulsion Technology Co., Ltd. (hereinafter “E-TEC”), a company engaged in the emulsion and other businesses, by the Company (hereinafter, this “Transaction”), and, today, entered into a share purchase agreement (hereinafter, the “SPA”).

1. Reasons for the acquisition of shares

Since its founding in 1941, the Company has expanded its business by placing its unique technologies related to organic synthesis based on oxidation catalyst technology at the core. Under the long-term vision “TechnoAmenity for the future,” which started in 2022, we aim to expand the “Solutions Business,” which capitalizes on the research and development capabilities cultivated by the Company to provide unique solutions to overcome the problems that customers face, with the goal of transforming its business portfolio from existing fields to growth fields. Against a backdrop of growing population and urbanization, the construction chemicals market, where the “Industrial & Household Business,” which belongs to the Solutions Business, offers its solutions, is expected to grow worldwide. The Company has, to date, introduced coating resins and polymers for cement additives to the respective target markets. In the meantime, we have also aspired to enhance our ability to make more effective proposals by acquiring external technologies or businesses to achieve a business model that provides one-stop solutions for customers’ problems in pursuit of further business expansion.

Meanwhile, E-TEC was founded as a subsidiary of JSR in 1963 and is currently engaged in the emulsion business, which is to be acquired through this Transaction, and the fine business. In the emulsion business, E-TEC manufactures and sells construction, civil engineering and other industrial-use products, such as waterproof materials, adhesives, and pressure-sensitive adhesives made of synthetic rubber latex or acrylic emulsion, leveraging its core technologies “emulsion polymerization technology” and “compound technology,” which combines emulsion with other materials to achieve advanced performance.

We believe that this Transaction will allow us to strengthen our product portfolio centered on construction chemicals, expand the emulsion polymerization technology and production capacity, and enhance our ability to make more effective proposals with the compound technology. Based on this belief, we have decided to enter into the SPA. We also believe that this Transaction will deepen the collaborative relationship between E-TEC and the Group, which would help E-TEC strengthen its product portfolio and integrate R&D capabilities of both companies, enabling E-TEC to expand its business and eventually further enhance its corporate value.

## 2. Method of the change

In advance of executing this Transaction, E-TEC will conduct an absorption-type corporate split, under which its fine business will be carved out to transfer its rights and obligations to a newly incorporated subsidiary of JSR (hereinafter this “Corporate Split”). The Company will execute this Transaction subject to, among other conditions, the completion of all required proceedings and regulatory approvals for this Transactions under the Anti-Monopoly Act.

## 3. Overview of the subsidiary subject to change

(1) Name	Emulsion Technology Co., Ltd.		
(2) Location	1-6-16 Obata, Yokkaichi, Mie		
(3) Job title and name of representative	Nemoto Hiroaki, President & CEO		
(4) Description of business	Production and marketing of industrial materials, civil engineering and construction materials made of synthetic rubber latex or acrylic emulsion as base, and production and marketing of acrylic emulsion and fine products		
(5) Share capital	168 million yen		
(6) Date of establishment	October 19, 1963		
(7) Major shareholders and ownership ratios	JSR Corporation		100.0%
(8) Relationship between the Company and said company	Capital relationship	No relationship to be noted.	
	Personnel relationship	No relationship to be noted.	
	Business relationship	E-TEC purchases acrylic esters and other materials from the Company.	
(9) Non-consolidated operating results and financial position of said company for the last three years <sup>(Note 1)</sup>	(Millions of yen)		
As of / Fiscal year ended	March 31, 2022	March 31, 2023	March 31, 2024
Net assets	7,047	7,479	7,686
Total assets	10,840	12,171	12,269
Net sales	13,670	12,774	13,305
Operating profit	1,266	1,192	918
Ordinary profit	1,261	1,191	922
Profit	906	837	647

Note 1: While the non-consolidated operating results and financial position for the last three years shown above includes the results of the fine business run by E-TEC, the Company will acquire all the shares of E-TEC, which is to be mainly engaged in the emulsion business, after completing the Corporate Split.

#### 4. Overview of the counterparty to the acquisition of shares

(1) Name	JSR Corporation	
(2) Location	Shiodome Sumitomo Bldg., 1-9-2 Higashi-Shinbashi, Minato-ku, Tokyo	
(3) Job title and name of representative	Eric Johnson, Representative Director, CEO and President	
(4) Description of business	Manufacturing and sales of semiconductor materials, display materials, ABS and other products.; contract development and manufacturing of biopharmaceuticals (CDMO), contract research and development of pharmaceuticals (CRO), and other drug discovery and development services; etc.	
(5) Share capital	23,370 million yen	
(6) Date of establishment	December 10, 1957	
(7) Net assets	287,154 million yen	
(8) Total assets	509,640 million yen	
(9) Major shareholders and ownership ratios (As of June 30, 2024)	JIC PE Joint Investment Fund No. 1 Investment Business Limited Partnership	97.0%
	JIC PE Fund No. 1 Investment Business Limited Partnership	3.0%
(10) Relationship between the Company and said company	Capital relationship	No relationship to be noted.
	Personnel relationship	No relationship to be noted.
	Business relationship	No relationship to be noted.
	Related party relationship	Not applicable

#### 5. Number of shares to be acquired and shareholding before and after the acquisition

(1) Number of shares held before the change	0 shares (Ratio of voting rights held: 0.0%)
(2) Number of shares to be acquired	192,000 shares
(3) Acquisition cost (plan)	7,200 million yen <sup>(Note 2)</sup>
(4) Number of shares held after the change	192,000 shares (Ratio of voting rights held: 100.0%)

Note 2: The acquisition cost will be finalized at an amount after price adjustment to be conducted based on the price adjustment clause stipulated in the SPA.

#### 6. Timetable

(1) Date of resolution	November 12, 2024 <sup>(Note 3)</sup>
(2) Date of agreement conclusion	November 12, 2024
(3) Date of execution of share transfer	April 1, 2025 (plan)

Note 3: Resolution of the Company is the discretion by President based on the resolution of the Board Meeting.

#### 7. Future outlook

The Company expects the impact of this Transaction on the financial results for the fiscal year ending March 31, 2025 to be immaterial.