



**Translation**

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To whom it may concern,

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**Results of Assessment on the Effectiveness of the Board of Directors (Summary)**

Our Board of Directors recently analyzed and assessed the overall effectiveness of the Board in FY2016 (hereinafter “this assessment”), with the help of external experts. The results are summarized below.

**1. Method used to assess effectiveness**

For this assessment, we used the “third-party-assisted self-evaluation” method, in which self-evaluation is carried out with the help of external experts\*.

To ascertain the present state of the Board of Directors, we created a questionnaire on the effectiveness of the Board and its committees (the Nomination Advisory Committee and the Remuneration Advisory Committee), as well as that of the individual directors and audit and supervisory board members, based on preliminary interviews with some of the directors. All directors and audit & supervisory board members then responded to the questionnaire. Of the various steps in the evaluation process, external experts were commissioned to conduct preliminary interviews and to create, distribute, collect and analyze questionnaires.

Based on the results of this analysis by external experts, the Board members then held extensive discussions at several Board meetings and on other occasions, culminating in a full analysis and assessment of the effectiveness of our Board of Directors.

\* The Company sought assistance from Japan Board Review Co., Ltd. being an external experts specialized in evaluation of effectiveness of the board of directors.

**2. Results of analysis and assessment on the effectiveness of the Board of Directors**

In this assessment, we confirmed that the size and composition of the Board are appropriate as a Board of Directors with emphasis on supervisory functions, that the Board is being managed appropriately, and that its effectiveness as a Board of Directors is ensured.

We also confirmed, among others, that the size, composition and roles of the Nomination Advisory Committee and the Remuneration Advisory Committee are appropriate, and that the audit & supervisory board members make a significant contribution to improving the effectiveness of the Board.

(1) Size and composition, roles and functions, and management of the Board of Directors

To enhance the management supervision functions of the Board, we believe it important for the Board to include independent outside directors who have a wealth of management experience. Based on this rationale, we appointed two independent outside directors in 2011, when there were six directors in all, and three independent outside directors in 2012, when there were eight in all. This is the current composition of the Board. In this way, we have been actively taking measures to enhance the effectiveness of the Board of Directors over a number of years.

On verifying the current state of our Board in this assessment, we confirmed that its size and composition are appropriate, that the directors and audit & supervisory board members share a common awareness of the functions and roles of the Board as well as the chairman and the outside and inside directors, that the Board is being managed appropriately based on that awareness, that the outside directors and outside audit & supervisory board members fulfil their respective functions and roles in decision making by the Board, and that the effectiveness of the Board is ensured.

At the same time, however, the Board also recognized that a challenge in future will be to enhance discussions of medium- to long-term business themes as well as follow-up action on investment projects decided by the Board.

(2) Size and composition, roles and functions, and management of the Nomination Advisory Committee and the Remuneration Advisory Committee

The Nomination Advisory Committee and the Remuneration Advisory Committee both have a majority of independent outside directors and are chaired by independent outside director. The Board confirmed that the Committees are appropriate in size and composition and that they are managed appropriately; in the Nominations Advisory Committee, in particular, succession plans are discussed after sufficient information has been presented to outside directors who sit on the Committee.

(3) Support system for outside directors

The Company has been striving to provide sufficient information with outside directors ever since it appointed independent outside directors in 2011, prior to the introduction of Corporate Governance Code. On verifying the current state of our support system for outside directors in this assessment, we have confirmed that sufficient explanations are given to outside directors in advance of Board meetings, and that the Board holds open and lively discussions on this basis.

(4) Roles and expectations of audit & supervisory board members

In this assessment, the contribution of the audit & supervisory board members in improving the effectiveness of the Board of Directors was highly evaluated by both directors and audit & supervisory board members.

On the other hand, the Board confirmed that a challenge for the future will be to further enhance communication between audit & supervisory board members and outside directors.

(5) Relations with investors and shareholders

We confirmed that our Board of Directors is striving to ensure that information from the Company is provided appropriately and sufficiently in both quality and quantity, based on the principle of actively pursuing dialogue with investors.

On the other hand, the Board recognized that a challenge for the future will be to enhance the quality of dialogue with investors by improving the ways in which the Board shares information on the evaluation of the Company by investors and shareholders.

**3. Future initiatives based on the assessment result**

Based on the result of this assessment, our Board of Directors will continue to take steps to improve its effectiveness through efforts to address the issues highlighted above. We will also assess and verify the effectiveness of the Board of Directors every year from now on, and will strive to improve corporate value by continuously improving the effectiveness of the Board.