We all face the challenges presented by global environmental issues, issues such as climate change, conservation of resources and biodiversity, health-related issues such as safe water, food and health care, and issues related to the development of a society where all people are respected and hope for the future.

Various materials are utilized to effectively manage these issues and challenges as well as to form the basis of products and mechanisms designed to improve the world.

By pursuing new possibilities for materials through the potential of chemistry, and contributing to the development of society and a sustainable global environment, the JSR Group would like to ensure its own sustainable growth.

“Materials Innovation - We create value through materials to enrich society, people and the environment.”

It is our corporate mission to pursue such possibilities through the integration of business activities and CSR initiatives.
Corporate activities responding to unforeseen global changes

It is said that we are now living in a G-Zero World, a world in which no single country has the capacity to take the lead in the world. Geopolitical risks such as fluctuations in crude oil prices and the performance of related resources, companies worldwide restructuring, large-scale Chinese investment in advanced semiconductor companies, Brexit, disorder in the Middle East and East Asia, currency fluctuations, and negative interest rates have become increasingly evident, and are significantly affecting business development and sustainability. In addition, the value in capitalism economics is shifting from “ownership” to “sharing.” Furthermore, changes that have never been seen before are occurring, changes including rapid digitization through IoT and AI, and the virtualization of society through economies is shifting from “ownership” to “sharing.” Furthermore, changes that have never been seen before are occurring, changes including rapid digitization through IoT and AI, and the virtualization of society through economies is shifting from “ownership” to “sharing.”

Our Path to Growth: JSR Group Challenges

FY2015 marked the halfway point of the JSR 2016 Mid-Term Business Plan. The plastics business within the Petrochemical Products Business has performed well; however, the elastomers business has experienced a decrease in sales and profits due to reduced demand for domestic tires, reduced sales resulting from a slowdown in the growth of Asian markets, and the continued deterioration of market conditions. Within our Fine Chemicals and Other Products Business, the Life Sciences Business has experienced significant growth, though, overall sales and profits have decreased due to the significant negative impact of the slowdown in the flat panel display market.

In each business, we have continued to establish new joint ventures both domestically and overseas, construct new plants, and review the capital investment and systems that form the base of our businesses. We plan to continue working to fulfill our business development mission of reaching our financial targets.

Globally, there are currently 7,000 Group employees, of which 3,300 are working overseas. Our global development strategy up to the present has positioned Japan as a hub connecting each region. With approximately 55% of our total sales coming from overseas, however, we intend to change this position. In the fiscal year 2015, approximately 70% of our employees were positioned in overseas locations. We plan to continue working to fulfill our business development mission of reaching our financial targets.

Message to Stakeholders

We have signed the UN Global Compact and promote CSR initiatives with a focus on 10 Principles. As a corporation that operates on a global scale, we promote diversity in our workforce by hiring a wide range of new employees as we work to enable existing employees to demonstrate their diverse capabilities. As a corporation that operates on a global scale, we promote diversity in our workforce by hiring a wide range of new employees as we work to enable existing employees to demonstrate their diverse capabilities.

Connecting management and CSR

The JSR Group’s corporate mission is to create value through materials innovation for the enrichment of society, people and the environment. Shifting to achieve this corporate mission and fulfill our role as a responsible corporate citizen, we continue forward with corresponding activities aimed at fostering and maintaining solid relationships with all stakeholders. We intend to address key issues facing society by integrating management and CSR as we demonstrate our commitment to the JSR Group’s Corporate Mission by delivering actual results. To achieve the ultimate goal of sustainability, we have organized our approach to CSR into active and passive activities, both of which based on the core focal points of environment (E), society (S), and governance (G).

In active CSR, we work to meet the concept of environmentally-friendly products developed under our E2 initiative™ with our customers and society. In addition, we aim to provide products and services that bring with them new value such as health and longevity through the expansion of the Life Sciences Business.

In passive CSR, we promote both supply chain management and responsible care activities in the E, S and G domains. As a corporation in the chemical industry, we also realize our responsibility to place the highest priority on ensuring safety. To that end, we continue to improve our safety infrastructure as we deepen our safety culture. Although there were no serious injuries or deaths during FY2016, fires did occur at the Yokkaichi Plant on August 3 and October 6, 2015. While we responded quickly and extinguished the fires before they could become serious, we sincerely apologize for inconveniencing stakeholders, especially local residents and authorities. In the wake of these accidents, we have redoubled our commitment to safety as our most important responsibility and continue our sincere efforts to ensure a high level of safety throughout the entire Group. As we approach the 60th anniversary of our founding, we are also looking ahead with plans to replace aging equipment while advancing seismic reinforcement at our plants to better protect them against earthquakes. Through this process, we continue to move forward with initiatives to ensure stable and safe operations for the next 60 years.

As a critical factor in both active and passive CSR aimed at ensuring corporate sustainability through human resource development, we have been instituting various initiatives. As an example of our success in promoting diversity, we were designated a Nadeshiko Brand corporation in FY2016. Successful human resource development requires that all members of the organization recognize and value one another’s individual pride and ethic as important values. In doing so, we enhance the level of communication between management and employees as we continue to expand our ability to respond to change.
As part of our efforts to create a sustainable global environment and society, and to integrate management and CSR, we identified and disclosed JSR Group CSR priority issues in the CSR Report for the first time in FY2016.

During this fiscal year, we have focused on the following four priority issues: Safety and Disaster Prevention, Energy Saving, Resource Saving and Climate Change Countermeasures, Sustainable Society where People Can Enjoy Health and Longevity, and Communication with Stakeholders. For more detailed and specific CSR activities in the future, we have gathered and exchanged opinions with various stakeholders and experts in various fields to analyze issues. We aim for the JSR Group to recognize the importance of implementing CSR activities through its business. We also hope that this will facilitate better disclosure of information to the full range of stakeholders.

Going forward, we plan to incorporate newly identified priority issues, advice and opinions discussed during this dialogue into future activity plans.

Opinions from the experts
(The entire dialogue is available online)

- The resolve to integrate corporate missions, CSR, and issues facing society, and to review already identified priority issues is notable.
- The process of identifying CSR priority issues can be praised, even comparing it with international standards. The selected issues are important in the chemical industry.
- Aligning our strength in enabling an effective, high-quality, and stable supply, which is expected both internally and by society, with key initiatives is an excellent demonstration of our active CSR approach.
- Initiatives to accept diverse values and change thinking to create new values are now required. This will come to be required in and outside Japan. There should be a shift in focus to “glocal” as opposed to global, which is to say, thinking on a global scale while acting on a local scale.
- The scope of issues facing society should extend throughout the entire value chain.
- Investors choose JSR Group not only based on performance but also because of the non-financial factors as disclosed in the CSR Report and other available information. As such, CSR should be improved further while prioritizing environmental, social, and governance efforts without forgetting the importance of passive CSR.
- Presenting scenarios and social vision for business development in 10 to 20 years and their realization in the context of current business and CSR will enable JSR Group CSR communication.
- Mutual understanding should be further improved through communication with stakeholders.

Opinion participants:
Intact Inc. President: One Akayama
E-Square Inc. President: Hiro Motoki
Cauri Round Table (CRF) - Japan Director: Sayago Noda

JSR Group and Stakeholders
JSR Group is clarifying our responsibility to stakeholders in management policies.

Dialogue with Stakeholders:
(Identification of priority issues and the corresponding process)

As of April 2009, JSR Group became a participant in the United Nations Global Compact. Amidst increasing pressure to engage in corporate social responsibility, businesses operating on a global level need to make a greater commitment to human rights, labor, the environment and anti-corruption, as expressed in The Ten Principles of the United Nations Global Compact. We consider our participation in the Global Compact to be a proclamation of our dedication to acting responsibly in the international community and will strive to work even harder to fulfill our corporate social responsibility.

Priority issues identified by the JSR Group
We identified priority issues that the JSR Group should engage in from issues facing society that need to be addressed. Incorporating opinions from various stakeholders and opinions from experts, we set the following as priority issues for FY2017.

- Safety and Disaster Prevention
- Environmental Impact and Resource Reduction, and Climate Change Countermeasures
- Sustainable Society where People Can Enjoy Health and Longevity
- Communication with Stakeholders

Participation in the United Nations Global Compact
As of April 2009, JSR Group became a participant in the United Nations Global Compact. Amidst increasing pressure to engage in corporate social responsibility, businesses operating on a global level need to make a greater commitment to human rights, labor, the environment and anti-corruption, as expressed in The Ten Principles of the United Nations Global Compact. We consider our participation in the Global Compact to be a proclamation of our dedication to acting responsibly in the international community and will strive to work even harder to fulfill our corporate social responsibility.

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; and
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies;
10. Businesses should work against corruption in all its forms, including extortion and bribery.

UN Sustainable Development Goals (SDGs)
Selected at the United Nations Sustainable Development Summit held in September 2015. Seventeen Goals that all the world needs to work on such as severe poverty, the eradication of inequality and injustice, responding to worsening environmental problems, etc.
Corporate Mission and CSR Philosophy

Integration of management and CSR creates benefits for both society and the JSR Group through its contribution to the development of a sustainable global environment and society.

Corporate Mission and Priority Issues

Corporate Mission

Materials Innovation
We create value through materials to enrich society, people and the environment.

Management Policies
- Fundamental Pillars of Management
  - Continuous Creation of Businesses
  - Enhancement of Corporate Culture
  - Increase in Corporate Value

Management Policies
- Responsibility to Our Stakeholders
  - Responsibility to Our Customers / Business Partners
  - Responsibility to Our Employees
  - Responsibility to Society
  - Responsibility to Shareholders

Course of Action:
- CHALLENGE
- COMMUNICATION
- COLLABORATION
- CULTIVATION

Business foundation

Issues facing society that need to be addressed
- Energy, Resources, Water, Food, Biodiversity, Disaster prevention, safety, Health, Aging society, Climate change, and Human rights
- The United Nations Global Compact UN Sustainable Development Goals (SDGs)

Passive CSR
Efforts that form the foundation of sustainable business activities

Active CSR
Resolving issues facing society by conducting business

Under the corporate mission “Materials Innovation - We create value through materials to enrich society, people and the environment,” the JSR Group aims to build and maintain good relationship with all of our stakeholders and become an indispensable corporate citizen. We intend to resolve key social issues by integrating management and CSR as well as demonstrating our corporate mission with actual results.
Becoming a Safety-focused Organization

Safety is the most important factor for everyone working in the manufacturing industry and on the premises of our business activities. We are engaged in various activities as we remain conscious of our dedication to safety.

Safety Monument:

Featuring rough fieldstones, the outsides of the three monuments represent unpredictable elements; namely, risk factors, natural disasters, and conceits, respectively. Meanwhile, the perfect circles inside of the three monuments respectively represent “will, wisdom and practice of the top management, managers, and employees,” thereby symbolizing our determination to place the highest priority on safety to overcome the previously-mentioned unpredictable elements. The harmony created by the three perfect circles reminds us that human life is precious and must be protected. The supporting platform that extends horizontally represents a wide variety of backgrounds and foundations that underpin “will, wisdom and practice” and, at the same time, our prayers for the tranquil repose of the soul of the precious human life that was lost.

Achievements and Challenges in FY2016

FY2016 was focused on developing the framework of our safety infrastructure. Development of infrastructure-related high-level initiatives has finished on schedule. The strengthening of plant-related departments and the development of our safety system is scheduled to be complete in FY2017. Implementation of initiatives will start in FY2017 in order to ensure their completion with full-scale implementation scheduled for FY2018. Details of safety culture activities scheduled to be conducted in FY2016 have been verified. Implementation of these activities is scheduled to begin in FY2017. With the serious workplace accident that occurred in 2014, we have made a promise to strive for zero accidents and not to forget the lesson learned from this tragic event. As a demonstration of our resolution to develop a strong culture of safety to protect precious human life, we erected safety monuments in front of the administration building at the Yokkaichi Plant. We held the unveiling ceremony and safety ceremony on the anniversary of the accident on July 23 of the following year. From this point forward, we will hold a company-wide ceremony called the Pledge to Safety Day. On this day, all employees must reflect on the safety activities conducted during the year.

Roles of the Safety Infrastructure Reform Project and Workplace Accident Eradication Project

Achievements and Challenges in FY2016

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<tr>
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*1: Progress: ○, Delayed ( ), Not started ( )
*2: Process Hazard Analysis (PHA): Analysis method used to identify and evaluate risks in processes established to handle hazardous materials
*3: Occupational Health and Safety Assessment (OHSAS): International standards to establish and maintain occupational health and safety management systems

Before action

A protective cover (perforated metal) was installed to prevent people from getting caught in the agitator shaft

After action

Training equipment used to provide hands-on experience with combustion and explosion of solvents

*JSR Group CSR Priority Issues

Safety and Disaster Prevention

Members of the Safety Infrastructure Reform Project

1. Safety system team
2. Infrastructure team
3. Implementation team

Members of the Workplace Accident Eradication Project

Roles of the Safety Infrastructure Reform Project and Workplace Accident Eradication Project

Advancement of mutual understanding and cooperation in the workplace and between organizations

Integrate challenges into activities

Issue discovery and reform proposals

Achievements and Challenges in FY2016

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Working to Solve Environmental Issues through the Deployment of E2 Initiative™

Because both humans and a large number of other living things share planet earth and its resources, we must make an earnest effort to deal with environmental issues. The JSR Group has adopted its E2 Initiative™ as a concept to simultaneously reduce environmental impact and create new business opportunities using the environmentally-friendly aspects of our products. The E2 Initiative™ is based on "Eco-innovation," which is designed to create business opportunities based on the environment, and "Energy Management," which is focused on reducing CO₂ emissions. It is a concept that allows us to create value both in active and passive ways. As we shifted our concept of value from the conventional two approaches of "differentiation" and "cost," our new concept of "environmental performance" has become essential. By using the Lifecycle Assessment (LCA) to evaluate the environmental impact of our products from the design stage in the product development to the use of the product, we are working to solve environmental problems throughout business operations.

Electrode binders for lithium-ion secondary batteries as part of JSR’s efforts to create a low-carbon society

The JSR Group offers electrode binders (adhesives) for lithium-ion secondary batteries. Demand for these binders has increased due to efforts in the effective use of energy and creating a low-carbon society. Lithium-ion secondary batteries are used in hybrid and electric vehicles. As with normal dry-cell batteries, these batteries have positive and negative electrodes. These electrodes are made from carbon materials or metal oxide particles, which function as the activating material, to copper or aluminum foil (collector). Binders provided by the JSR Group are used in this binding process. JSR Group binders are made by dispersing resin in water, which has small environmental impact. This point bonding method also significantly reduces the bonding area of the resin that interferes with the electrical continuity of the active substance. This results in the creation of electrodes with low electrical resistance.

Water dispersion enables low electrical resistance via point bonding

This was made possible by JSR Group’s polymer design technologies, water dispersion technologies, and battery performance evaluation technologies. Not limited to electric vehicles, our materials are used in a wide variety of products, including computers, cellphones, electric vacuum cleaners, and so on.

Mask resist material*1 for injection molded solder processes that significantly simplifies processing and reduces environmental impact

As the miniaturization of transistors and wiring in IC chips continues to advance, demand for high-performance equipment used to build IC chips during semiconductor mounting processes continues to increase. JSR, IBM Japan, and Senju Metal Industry Co., Ltd. have worked together to develop a revolutionary injection molded solder (IMS) process that enables advanced high-density semiconductor mounting processes. IMS is a technology in which a specialized soldering device directly injects solder into the opening of mask resist material formed on substrates. The mask resist material developed by JSR can resist temperatures up to approximately 250°C, which is the temperature at which solder is used. This enables extremely fine solder bump*2 patterns of 30 microns to be formed anywhere on substrates. This eliminates the significant amount of plating required with conventional electrode position methods, and the corresponding maintenance and large amount of waste disposal. With a 100% utilization ratio of solder, this environmentally friendly process generates zero process inefficiency and reduces waste products. In comparison with conventional methods, this method simplifies processes and has low environmental impact, and so we hope that this method will be increasingly utilized.

*1 Mask resist material
Resin for which solubility changes with light. Patterns can be formed by applying this material to a substrate and then exposing it to light and developing it with chemicals. This material protects the wafer surface.

*2 Bump: A protrusion of solder that acts as an electrode to electrically connect the semiconductor device to the substrate.
Through Life Science Businesses, the JSR Group aims to contribute to the realization of a society where people can enjoy health and longevity.

One in every three Japanese persons is expected to be over 65 years of age by 2035 (according to the survey conducted by the Statistics Bureau, Ministry of Internal Affairs and Communications in September 2014). The extension of healthy longevity and the reduction of healthcare costs are priorities in such a super-aging society. The JSR Group has positioned the Life Science business as a third pillar of growth to resolve these issues.

### JSR Group Life Science Businesses

A super-aging society is already creating issues such as increased healthcare expenses and elder-to-elder nursing. Extending the number of years people can live healthily without daily assistance or care is now an issue that our society faces. Development of personalized medicines which enhance the effectiveness of therapies by matching treatment methods more precisely to the condition of the individual patient will increase healthy life expectancy in the future. Healthcare methodologies and techniques will likely change during the coming years. Examples of this shift include the development of diagnostic technologies for early detection of disease as well as advances in highly effective treatments and pharmaceuticals to treat serious diseases at early stages.

Life Science Businesses in the JSR Group is working to help advance this area of personalized care. While this business was originally developed as part of our diversification strategy, we have decided to promote the Life Sciences Business as a new base business in the JSR Group along with the Fine Chemicals Business in anticipation of the expanded scale of this industry.

#### Structure of initiatives in Life Science Businesses

We actively work with medical/pharmaceutical world where diagnostic reagents are actually used or biopharmaceutical are manufactured, so that we can receive feedbacks to specify the technologies needed and develop the products. To achieve this, we must cooperate and work with other companies that have experiences, technologies, and expertise in obtaining governmental permission and authorization unique to the pharmaceuticals industry. We have made progress in providing capital support to companies that possess excellent technologies, and we are engaged in initiatives that enable us as a materials manufacturer to reach the end user with our products to quickly and appropriately meet the demand of pharmaceutical companies and medical facilities that use final products.

### Bioprocess materials used for biopharmaceuticals

— JSR products used in manufacturing processes of bio-pharmaceuticals used in therapies for cancer and other diseases —

Bio-pharmaceuticals are developed and manufactured using biotechnologies. Bio-pharmaceuticals include antibodies*, vaccines, cells and nucleic acids. Specifically, antibodies for treatment of cancer and other serious diseases are being rapidly developed and utilized as pharmaceuticals because of their high degree of effectiveness and few side effects. Antibodies are manufactured by first cultured microorganisms or cells in which large amounts of antibodies are biologically synthesized. Antibodies are then collected from the culture and purified. The JSR Group Life Science Businesses provides bioprocess culture fluid used in the purification process. The purification of antibodies is both a technological and financial challenge. Advancement of purification technologies will reduce the cost of manufacturing, which will lead to widespread use of antibodies. This will enable the manufacturing of antibodies with new functionality.

The JSR Life Sciences Amphen™ A3 is a chromatography resin used in the initial purifying process to extract necessary antibody components from culture. Amphen™ A3 can extract and purify a larger amount of antibody efficiently than other conventional products in the marketplace. It can also be reused with minimal degradation of performance. With a high level of mechanical strength, it can be used in higher-flow rate purification processes, which also increases efficiency. Amphen™ A3 was announced at the Bioprocess International Conference & Exhibition held in October 2015. It has been commercially available since January of 2016. The JSR Group will continue its efforts to provide solutions for antibody manufacturing processes through the expansion of our base of strategic partners. We also provide reagents to help advance the research and development of next-generation antibodies and other bio-pharmaceuticals.

*Antibodies: Biomolecules produced by the immune system as a defensive response to eliminate foreign substances in the body. They consist of bio-derived proteins.

### Simplest manufacturing process diagram of Bio-pharmaceuticals (Ex. for antibodies)

Collaborative research project with Keio University to develop and demonstrate prosthetic limbs produced with 3D printing

JSR and the Keio University SFC Research Institute collaborated to develop the FABRAL™ 3D printer, which is an elastomer-based biocompatible material for 3D printing. With support from JSR and the Frontier Makers Project, promoted by the Ministry of Economy, Trade and Industry, researchers from the Keio University SFC Research Institute held a demonstration in the Philippines showcasing prosthetic legs created with 3D printing technology.

There are approximately 1,200,000 amputees in the Philippines. Unfortunately, the country is only capable of manufacturing 470 prosthetic legs per year, which results in many amputees being unable to leave their homes. Many amputees are also unable to afford the high cost of prosthetic legs. However, designs for prosthetic legs created using 3D printers are easily customizable, have replaceable parts, and are relatively inexpensive. The flexibility provided by JSR FABRAL™ 3D printer resin can be used for the sections that make contact with the amputated leg to reduce stress at those sections.

The JSR Group will continue to explore ways in which it can apply FABRAL™ to other areas such as health care.
Improve communication to deepen relationships with stakeholders and become an indispensable benefit to society.

Responsibilities to our stakeholders defined by the JSR Group management policies include:

- Responsibility to Customers and Business Partners
- Responsibility to Our Employees
- Responsibility to Society
- Responsibility to Shareholders

We will continue to deepen mutual understanding with stakeholders and rise up to their expectations. It is also our desire to create new values for society through cooperation and communication with stakeholders.

Responsibility to Employees

Diversity

JSR was selected as a Nadeshiko Brand® initiative in March 2016. We were selected as a 2016 Nadeshiko Brand initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, in recognition of efforts to advance women in the workplace, and our support of a healthy work-life balance.

As part of the Nadeshiko Brand selection process, companies’ efforts in the promotion of female career advancement and settlement of work-life balance are evaluated. The JSR Group is rapidly expanding its various business activities around the world, and we believe that harnessing diverse human resources is crucial for the advancement of our wide-ranging business strategies. To JSR, diversity expands beyond providing support for female employees, extending through our dedication to creating a corporate culture that values and respects individuality and diversity in the workforce.

- The Nadeshiko Brand program aims to distinguish companies that show outstanding support for women in the workplace, in order to elevate their investment status in the marketplace, and propel their corporate values over the mid and long term. Ultimately, the goal of the Nadeshiko Brand initiative is to accelerate the adoption of women support initiatives throughout Japan. This year, initiatives were evaluated on the basis of management level staffs commitment and actual performance regarding female advancement and the promotion of a healthy work-life balance. In FY2015, a total of 45 companies were selected.

Supporting Healthy Body and Mind

JSR feels that a healthy mind and body are extremely important for employees and their families to live happy lives. We also feel that they are imperative in the creation of a productive and vibrant workplace.

- JSR supports its employees’ physical health by providing various examinations.
- Subsidies are also provided to employees who receive complete medical screenings and brain scans such as MRIs. The JSR Health Insurance Society has promoted lifestyle disease prevention screenings (diabetes, high blood pressure, and obesity) paired with health guidance and counseling to achieve promising results.
- JSR has taken measures to improve employee mental health since the issue first began drawing attention.

- JSR Employee Mental Health Support
  - JSR health survey for employees
  - Counseling through third-party mental health care professionals
  - Occupational health care professionals present at all of JSR’s offices and plants
  - Mental health care training programs at each level of the corporate hierarchy

Clean-up activity

The JSR Group continues to implement social contribution activities at domestic and overseas offices and plants. In June 2015, JSR (Shanghai) Co., Ltd. (China) donated to a liver transplant program that provides support to children of poor families. This program is sponsored by Semiconductor Manufacturing International Corp., one of our electronics materials customers. JSR Micro, Inc. (US), donations of clothes, socks, and blankets were donated to homeless shelters near the company. Each site engages in blood donation activities as part of their volunteer program.

Visiting lecture (JSR Group)

Visit local clean-up activities.

- JSR Group sites in Japan and overseas contribute to the education of children and students through utilization of employee knowledge on chemistry.
- JSR BST Elastomer Co., Ltd. (Thailand) participated for the first time in the International Coastal Cleanup organized by the Ocean Conservancy NPO based in the U.S. Employees and their families helped clean the beach in cooperation with educational institutions and community volunteers.
- In addition, the Yosakoi Plant regularly holds local clean-up activities.

Local clean-up activity (Yosakoi Plant)

Best Supplier Award presentation ceremony

Participating in food education activities at a local elementary school

Participating in food education activities at a local elementary school
Inclusion in International Indices and universe for international Socially Responsible Investment (SRI) (as of June 30, 2016)

The JSR Group CSR activities have been independently reviewed by related institutions. We have earned inclusion in the following socially responsible investment (SRI) indices and brands.

We have also been a member of the Global Compact 100 since FY2014.

In March 2016, we were selected as a Nadeshiko Greenise company by the Ministry of Economy and Tokyo Stock Exchange in recognition of our efforts to support female employees.

We have been a constituent of the FTSE4Good Index since 2004.

We have been selected as one of the 125 global companies included in the EUROcheck Vigeo Eiris World 120 Index.

We were also selected as one of the 125 global companies included in the EUROcheck Vigeo Eiris World 120 Index.

EUV Resist Manufacturing & Qualification Center N.V.
Techno Polymer Co., Ltd.
Japan Coloring Co., Ltd.
Japan Fine Coatings Co., Ltd.
JM Energy Corporation
JSR Optech Tsukuba Co., Ltd.
D-MEC Ltd.
Emulsion Technology Co., Ltd.
Kraton JSR Elastomers K.K.
Japan Butyl Co., Ltd.
We have also been a member of the Global Compact 100 since FY2014.

The JSR Group CSR activities have been independently reviewed by related institutions. We have earned inclusion in the following socially responsible investment (SRI) indices and brands.

The JSR Group CSR activities have been independently review by related institutions. We have earned inclusion in the following socially responsible investment (SRI) indices and brands.

In March of 2016, we were selected as a Nadeshiko Greenise company by the Ministry of Economy and Tokyo Stock Exchange in recognition of our efforts to support female employees.

We have been a member of the Global Compact 100 since FY2014.

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We have also been a member of the Global Compact 100 since FY2014.

* The Morningstar Socially Responsible Investment Index represents 150 domestic companies selected as being exceptionally socially responsible. This stock index does not guarantee future performance and does it assume any responsibility. Morningstar, Japan K.K. and Morningstar, Inc. shall not bear any responsibility for damage that might result from the use of this index. Copyright and all other rights are reserved by Morningstar, Japan K.K. and Morningstar, Inc. Copies, reproductions, and citations without permission are prohibited.

Note: The Taiwan Branch was established on September 14, 2015, and operations have been transferred to the Taiwan Office.

We were selected as one of the 125 global companies included in the EUROcheck Vigeo Eiris World 120 Index.

Evaluating by Outside Organizations/JSR Group Profile

JSR Group Companies (as of March 31, 2016)

Japan
Biastomer Co., Ltd.
JSR Butyl Co., Ltd.
Kraton JSR Elastomers K.K.
Elastomer Technology Co., Ltd.
JSR Micro Kyushu Co., Ltd.
JSR Ophical Tsukuba Co., Ltd.
Jentown Energy Co., Ltd.
Japan Fine Coatings Co., Ltd.
Japan Coatings Co., Ltd.
Techno Polymer Co., Ltd.

China
JSR Trading Co., Ltd.
JSR Specimen & CUSTOMER CENTER Co., Ltd.
JSR TRAVEL Co., Ltd.
JSR Engineering Co., Ltd.
JSR Business Service Co., Ltd.
JSN Systems Research Co., Ltd.
JSN Life Sciences Corporation
Medical & Biological Laboratories Co., Ltd.
JSR Biologics Co., Ltd.
SUDNOL Life Sciences, Inc.

Europe
JSR MOL Synthesis Rubber Ltd.

Belgium
JSR Europe N.V.

India

Indonesia

Financial Information

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (consolidated) (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5,528</td>
</tr>
<tr>
<td>2013</td>
<td>5,716</td>
</tr>
<tr>
<td>2014</td>
<td>5,964</td>
</tr>
<tr>
<td>2015</td>
<td>6,427</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income (consolidated) (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>390</td>
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<tr>
<td>2015</td>
<td>344</td>
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</table>

Major JSR Group Businesses (as of March 31, 2016)

Manufacturing and sales of the following products

<table>
<thead>
<tr>
<th>Business Segments</th>
<th>Products/Materials</th>
</tr>
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<tbody>
<tr>
<td>Synthetic Rubbers</td>
<td>synthetic rubber such as styrene butadiene rubber, polylactic rubber, ethylene propylene rubber, etc. and carbon master batches and rubber compounds</td>
</tr>
<tr>
<td>TPEs</td>
<td>Thermoplastic elastomers and processed products</td>
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<tr>
<td>Emulsions</td>
<td>Polymer coatings, general purpose industrial latex, acrylics and latex compounding materials, etc.</td>
</tr>
<tr>
<td>Functional Chemicals</td>
<td>highly functional coating materials, high performance dielectrics, functional polyesters for industrial use, coated heat storage materials, materials for food resistant paint, battery materials, etc.</td>
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<tr>
<td>Others</td>
<td>commodity products such as butadiene monomer</td>
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<tr>
<td>Plastics</td>
<td>all types, ASR resins, all types, AR resins, etc.</td>
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<tr>
<td>Semiconductors</td>
<td>photolithography materials, photoresist materials, CMP materials, packaging materials, etc.</td>
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<tr>
<td>Display materials</td>
<td>optically functional display materials, LCD modules, and liquid crystal film, materials, functional coating materials, etc.</td>
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<tr>
<td>Optical materials</td>
<td>waveguide, waveguide-type optical fiber, optical fiber coupling materials, dosimetry, etc.</td>
</tr>
<tr>
<td>Strategic Business and other materials</td>
<td>strategic business areas for diagnostics, microelectronics, contract manufacturing, biopharmaceuticals, and others on capabilities</td>
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JSR Profile (as of March 31, 2016)

Company name: JSR Corporation
Established: December 10, 1957
Head office: Shiodome Sumitomo Building, 1-9-2 Hashigchi-Shintashi, Minato-ku, Tokyo, Japan
Representative Director: Mitsuhiro Koshiba
Capital: 23.3 billion yen
Number of employees: 6,587 (consolidated)

JSR Operations (as of March 31, 2016)

Branches
Nagoya Branch
Kyushu Branch
Research centers and laboratories
Plants
Elastomers

Japan

Installation and sales of the following products

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