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*In this report, Fiscal Year (FY) means the year ending March 31. For example, FY2017 means April 1, 2017 – March 31, 2018.*

### Forward-Looking Statements

Statements regarding the Company’s future plans, strategies, projected performance and outlook are based on information available at the time of writing. Readers are cautioned that economic trends in JSR’s target markets and other risks, and factors beyond the Company’s control could cause actual results to differ materially from those projected by management.
JSR Corporation (formerly Japan Synthetic Rubber Co., Ltd.) was established in December 1957 under the Special Measures Law for the Synthetic Rubber Manufacturing Industry with the aim of pioneering synthetic rubber production in Japan. Since transitioning into a private corporation in 1969, JSR has expanded its petrochemical business from synthetic rubber to include emulsions, plastics and other materials, and has augmented business operations for the semiconductor, flat panel display and optical materials fields by leveraging proprietary polymer technologies. The promotion of the Fine Chemicals Business based on IT materials has served as a gateway to innovative changes to the company’s business structure and we changed our company name to JSR Corporation at the timing of 40th anniversary on December 10, 1997.

Recently, the Life Sciences Business as the third business pillar is expanding its scale through measures such as mergers and acquisitions (M&A). A new company was established at the Plastics Business through a merger, too. Also, the previous Fine Chemicals Business was changed to the Digital Solutions Business to seek new business opportunities. We will achieve sustainable growth by steadily overcoming issues in each business fields and increasing our profits.
JSR Corporation aims to create new value through materials and to help in solving social problems.

**Social Priorities**

**PRODUCTION OF SYNTHETIC RUBBER IN JAPAN**

Petrochemicals played a vital role as industrial raw materials during Japan’s postwar recovery and reconstruction phase. There was an urgent need to establish synthetic rubber manufacturing in Japan because reliance on imports left Japan vulnerable to a tight supply-demand environment.

**CHANGES IN THE INDUSTRIAL STRUCTURE**

Electronic materials were vital to the emergence of the new computer industry and products such as electronic devices with embedded microchips, and digital communications devices.

**SOCIAL PRIORITIES FOR THE FUTURE**

Rising awareness of environmental problems is reflected in the need to create environmentally responsible living. Another major social priority in Japan, which is at the head of the pack in the global trend toward super-aging societies, is the development of medical services.

**New Segment Classification**

We have changed our disclosure segment classification from FY ending March 2019.

<table>
<thead>
<tr>
<th>By FY 2017</th>
<th>From FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemical Products Business</td>
<td>Elastomers Business</td>
</tr>
<tr>
<td>Elastomers Business</td>
<td>Plastics Business</td>
</tr>
<tr>
<td>Plastics Business</td>
<td>Elastomers Business</td>
</tr>
<tr>
<td>Fine Chemicals and Other Products Business</td>
<td>Plastics Business</td>
</tr>
<tr>
<td>Semiconductor Materials Business</td>
<td>Digital Solutions Business</td>
</tr>
<tr>
<td>Display Materials Business</td>
<td>(Semiconductor Materials Business, Display Materials Business and Edge Computing Business)</td>
</tr>
<tr>
<td>Other</td>
<td>Life Sciences Business</td>
</tr>
<tr>
<td></td>
<td>Other Businesses</td>
</tr>
</tbody>
</table>
In fiscal 2017, we achieved significant year-on-year increases in consolidated revenue and earnings, and also exceeded our full-year guidance.

Revenue increased substantially thanks to higher sales in the Elastomers Business—stemming from revision of sales prices to reflect rising raw materials costs—as well as our increased adoption of advanced materials in the Semiconductor Materials Business, where market conditions are healthy.

Total equity increased year on year, buoyed by a 22.4 billion yen rise in retained earnings. The equity ratio at fiscal year-end was 60.8%.

Operating profit increased year on year for several reasons. These included revision of sales prices in the Elastomers Business to reflect rising raw materials costs, sales expansion of solution polymerization styrene-butadiene rubber (SSBR) for fuel-efficient tires at our subsidiary in Thailand, and our efforts to expand sales in the Plastics Business.

Return on equity (ROE) increased year on year thanks to growth in profit.
OUR STRATEGY

TOWARD SUSTAINABLE GROWTH

As a company that provides innovative value to society, we will make efforts to address social issues and evolve our organization to achieve sustainable growth.

MITSUNOBU (Nobu) KOSHIBA
Representative Director and President
We launched a three-year mid-term business plan, JSR20i9* from April 2017. We place SSBR, Semiconductor Materials Business and Life Sciences Business as earnings driver and promote the profit expansion. Also we work on labor productivity improvement through working on digitalization and will enhance our competitiveness.

The trends toward global diversification and the formation of the multipolar world are expected to accelerate. We see these environmental changes as opportunities to expand our corporate value through initiatives based on our corporate mission.

*The “i” in “JSR20i3” (twenty-thirteen), “JSR20i6” (twenty-sixteen) and “JSR20i9” (twenty-nineteen) emphasizes the “Innovation” to realize Materials Innovation, which is the heart of our corporate mission.
Please explain the reasons for revenue and earnings growth in fiscal 2017.

Among JSR Group’s main customer industries, automobile tire production and automobile production rose above the previous year’s level globally, but domestic tire production remained mostly unchanged from the previous year. Demand in the semiconductor market grew, and production of panels in the display market was robust. The exchange rate had a slightly weaker yen compared to the previous year.

Amid these circumstances, the Petrochemicals Business of JSR Group saw revenue rise in the Elastomers Business over the previous year, despite a decline in overall sales volume, due to growth in the sales volume of solution polymerization styrene-butadiene rubber (SSBR) for fuel-efficient tires and revisions to sales prices to reflect butadiene prices, which shot up in the fourth quarter of the previous year. The Plastics Business also saw revenue increase from the previous year because of price revisions accompanied by the rise in raw materials prices and because of worldwide sales volume growth. Revenue in the Petrochemicals Business as a whole was also up from the previous year. Operating profit of the Elastomers Business increased significantly over the previous year on the back of improved profitability from the sales price revisions mentioned above. Similarly, the Plastics Business’s operating profit was up significantly, driven by increased sales volume and improved profitability from the sales price revisions mentioned above. These factors combined to push the operating profit of the Petrochemicals Business up significantly over the previous year.

In the Fine Chemicals and Other Products Business, the Semiconductor Materials Business saw a significant increase in revenue over the previous year due to larger sales volume of lithography materials, CMP materials, cleaning solutions, and packaging materials. In the Display Materials Business, the sales volume for the China market grew, although prices fell due to competition pressures and the overall sales volume declined. Revenue from the Life Sciences Business, positioned as JSR Group’s third core business, saw a notable increase, and revenue from the Fine Chemicals and Other Products Business as a whole increased compared to the previous year. Operating profit of the Fine Chemicals and Other Products Business was mostly unchanged from the previous year due to additional advance capital investment in the Life Sciences Business and other factors.

Profit attributable to owners of parent rose above the previous year’s level, thanks to increased operating profit.
In fiscal 2017, we reported revenue of 421,930 million yen (up 8.6% year-on-year), operating profit of 43,569 million yen (up 21.2% year-on-year), and profit attributable to owners of parent of 33,230 million yen (up 9.9% year-on-year).

JSR Group has maintained three reporting segments: Elastomers Business, Plastics Business, and Fine Chemicals and Other Products Business. With the expansion of the Life Sciences Business, however, Life Sciences Business will become a new reporting segment starting in fiscal 2018. Furthermore, the previous Petrochemical Products Business and the Fine Chemicals and Other Products Business will be discontinued, and the Fine Chemicals Business will be renamed Digital Solutions Business and made a reporting segment. Accordingly, the Group reporting segments from fiscal 2018 will be the Elastomers Business, the Digital Solutions Business, the Life Sciences Business, and the Plastics Business led by Techno-UMG Co., Ltd. The positioning of the reporting segments will be as shown below.

Please describe the progress of mid-term business plan, JSR20i9, and how you plan to proceed in the future.

In the JSR20i9, our consolidated numerical targets for fiscal 2019, the final year of the plan, are revenue of 460 billion yen, operating profit of 42 billion yen, and ROE of 8% or higher. In fiscal 2017, we posted revenue of 421.9 billion yen, operating profit of 43.6 billion yen, and ROE of 8.8%. In other words, we exceeded our final-fiscal-year numerical targets for operating profit and ROE. Although we achieved our numerical targets for fiscal 2017, the first year of the plan, we will not change our final targets because we are currently working on major issues in each business.
In the Elastomers Business, we aim to seize the No. 1 market share of the global market for SSBR, our strategic product. In fiscal 2017, we posted a steady increase in sales volume on the back of expanded production capacity. This reflected the launch of operations at the second-phase facilities of JSR BST Elastomer Co., Ltd. (JBE), our joint venture in Thailand. As for future issues, an important priority for fiscal 2018 is to launch operations at the plant of JSR MOL Synthetic Rubber Ltd., established in Hungary.

In the Plastics Business, in April 2018 we merged two companies, Techno Polymer Co., Ltd. and UMG ABS, Ltd. to form a new company, Techno-UMG Co., Ltd. This integration of two leading domestic manufacturers will enable us to combine the strengths in manufacturing, R&D, and sales amassed by both companies, which we will utilize to expand sales in high-end overseas markets.

In the Life Sciences Business, our plan is to broaden our presence in the bio-pharmaceutical field and make it a new pillar of our operations. Specifically, we are targeting revenue in that field in the 50 billion yen range in fiscal 2019, growing to more than 100 billion yen in the 2020s and thereafter. In the life sciences field, in addition to developing our own innovative materials and products, it is very effective to use M&As to incorporate other companies’ technologies.

In fiscal 2017, we acquired a Swiss company, Selexis SA, which has a technology in quickly generating cell lines used to culture antibodies efficiently. We also completed our acquisition of Crown Bioscience International, a provider of preclinical drug discovery and development support services, on May 31, 2018. Through these companies, together with
KBI Biopharma, Inc. and Medical & Biological Laboratories Co., Ltd., both already JSR Group members, we now have a system enabling us to offer a wide range of services and products. In addition, we established an industry-academia collaboration with the opening of the JSR-Keio University Medical and Chemical Innovation Center (JKiC) in October 2017. Our aim is to uncover new themes in the field of advanced medicine. Going forward, JSR Group companies will unite in an effort to expand our drug discovery and development support business in the bio-pharmaceutical field and contribute to reducing the costs and shortening the lead-times of pharmaceutical development.

What is management’s view on returning profits to shareholders?

With respect to profit appropriation, the Company regards business growth over the long term as its top priority. To generate sustainable long-term growth, JSR Group strives to increase its competitiveness by developing new businesses through the reinforcement of research and development activities from a long-term perspective.

The Company will appropriate profits by taking into account business performance and mid- and long-term demand for funds, while paying continuous, stable cash dividends based on consideration of taking balance between appropriating profits to our shareholders and retaining earnings necessary for future business advancement. Carefully considering the stock market environment and other factors, we will comprehensively study purchases of treasury shares as a measure to return profits to our shareholders. We allocate retained earnings to a variety of investments linked to future growth of businesses, contributing to the enhancement of corporate value. During the JSR20x9 mid-term business plan, we aim for a return to shareholders, through a combination of dividends and share buybacks, of 50 percent or higher.
CREATING CORPORATE VALUE

The three strategic domains for JSR Group are Elastomers Business, Digital Solutions Business and Life Sciences Business. In each of these domains, we are developing business activities based on mid- and long-term perspectives.
Revenue by Business Segments (Millions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Elastomers Business</th>
<th>Plastics Business</th>
<th>Digital Solutions Business, Life Sciences Business and Other Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (Japanese GAAP)</td>
<td>179,252</td>
<td>52,206</td>
<td>156,249</td>
</tr>
<tr>
<td>2016 (IFRS)</td>
<td>179,343</td>
<td>46,035</td>
<td>159,218</td>
</tr>
<tr>
<td>2017 (Fiscal year)</td>
<td>197,373</td>
<td>52,161</td>
<td>172,395</td>
</tr>
</tbody>
</table>

JSR Group has reclassified its disclosure segments effective from fiscal 2018, the fiscal year ending March 31, 2019. Please refer to page 3 for details.

Pursuant to Paragraph 1 Article 120 of the Rules of Corporate Accounting, the Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective from fiscal 2017, the fiscal year ended March 31, 2018. Moreover, numerical data for fiscal 2016, the fiscal year ended March 31, 2017, is presented in accordance with IFRS for reference purposes.
ELASTOMERS BUSINESS

Three-pronged SSBR Supply System; Tire-related Solutions

The SSBR market is expected to grow 6–7% annually as rising environmental awareness bolsters demand for fuel-efficient tires. Currently, we have a total SSBR production capacity of 160,000 tons (Thailand and Japan combined), but we will raise this to 220,000 tons when we commission a new factory in Hungary in fiscal 2018. By expanding sales of SSBR globally, we will target annual growth in sales volume of 10% or more, which is higher than the market growth rate.

Meanwhile, to strengthen sales in Europe, where demand is expected to grow, we established JSR Elastomer Europe GmbH in Germany, and in Tianjin, China, we established Tianjin Technology Center to provide technical support with close ties to customers. The spread of electric cars and the like is giving rise to growing technical needs for high-performance tires. For example, electric vehicles require tires with high abrasion resistance. In response, we will offer tire-related solutions that combine our comprehensive know-how and processing technologies, in addition to providing materials.

Expansion of SSBR Production Capacity

<table>
<thead>
<tr>
<th>FY ended March 31, 2017</th>
<th>FY ending March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SSBR production capacity</strong></td>
<td><strong>SSBR production capacity</strong></td>
</tr>
<tr>
<td>Japan: 60,000 tons</td>
<td>Hungary: 60,000 tons</td>
</tr>
<tr>
<td>Thailand: 100,000 tons</td>
<td>Japan: 60,000 tons</td>
</tr>
<tr>
<td><strong>Total:</strong> 160,000 tons</td>
<td><strong>Total:</strong> 220,000 tons</td>
</tr>
</tbody>
</table>

- Production of automobile tires increased year on year in China and elsewhere in Asia, as well as in Europe, but remained mostly unchanged in Japan.
- In the Elastomers Business segment, the sales volume declined slightly from the previous year, when exports had been healthy.
- Segment revenue increased year on year thanks to our revision of sales prices to reflect butadiene prices, which surged in the fourth quarter of the previous year.
- Segment operating profit also rose significantly year on year. This was due to improved profitability stemming from the sales price revision, as well as growth in the sales volume of SSBR for fuel-efficient tires at JSR BST Elastomer Co., Ltd. (JBE), our joint venture in Thailand, where second-phase facilities went into operation.
PLASTICS BUSINESS

Performance Overview

Revenue 52.2 billion yen +13.3%

Operating Profit 5.6 billion yen +44.8%

- The sales volume of the Plastics Business increased year on year owing mainly to higher demand among overseas customers for such products as automobiles, one of the segment’s main customer industries.
- Segment revenue also increased due to a revision of sales prices to reflect the surge in raw materials costs, as well as the higher sales volume.
- Operating profit jumped significantly thanks to the greater sales volume and improved profitability stemming from the sales price revision.

Overview of New Company

Merger of Plastics Business

On April 1, 2018, we established a new company, Techno-UMG Co., Ltd., through the merger of two companies: Techno Polymer Co., Ltd. (a wholly owned subsidiary of JSR) and UMG ABS, Ltd. (equally owned by Mitsubishi Chemical Corporation and Ube Industries, Ltd.).

Thanks to this integration of two leading domestic manufacturers of ABS and other styrene-based resins, we have expanded the scale of our Plastics Business in terms of revenue, production capacity, sales operations, and the like. Specifically, the former Techno Polymer has strengths in automotive interior material applications, while the former UMG ABS specializes in automotive exterior material applications. Both companies have accumulated impressive manufacturing, product development, and sales capabilities. We will use these assets to further enhance manufacturing efficiency and cost-competitiveness and thus enjoy stable domestic supply, while increasing the number of differentiated products to expand sales in high-end overseas markets.
DIGITAL SOLUTIONS BUSINESS

Seeking Top-runner Status in the EUV Sector

We work to maintain the industry top-runner status by securing a high global market share in the field of cutting-edge lithography materials including 10nm generations and engaging in commercial production of EUV lithography materials for next 7nm generations and beyond. In addition, we continuously expand sales of the peripheral materials, such as CMP materials, cleaning solutions and packaging materials.

In March 2017, the production facilities of EUV Resist Manufacturing & Qualification Center N.V. (EUV RMQC) was completed. EUV RMQC is a joint venture with imec, a world-leading research institute for research on cutting-edge nanoelectronics technology in Belgium, providing manufacturing and quality control services of EUV lithography materials. In order to contribute the industry for practical use of EUV lithography, JSR will push forward with its stable commercial production of EUV photoresists through evaluation by the segment’s main customers.

About EUV Joint Venture (EUV RMQC)

- JSR Micro NV: Strength: Production technologies and quality control capability of high purity functional materials
- imec: Strength: Cutting-edge equipment set and processes expertise

Global advanced semiconductor manufacturers

Sales
JSR Micro NV
Analytical equipment
Manufacturing facilities
Joint Venture
EUV RMQC
Production and quality control service of EUV lithography materials
Rights to use EUV exposure equipment
Evaluation equipment including EUV exposure equipment

imec
Offering well controlled tool sets

Build infrastructure of production and quality control facility of EUV lithography materials to the semiconductor industry for advanced devices.
Development of the Display Business in the Chinese Market

In the Display Materials Business, we entered China, where LCD panel production is expanding rapidly, and relocated the operating body from our head office (Japan) to there. We also strengthened our sales and technical service systems with the establishment of sales bases in Beijing, Hefei, Chongqing, Fuzhou, and Shenzhen. We particularly focused on sales expansion of alignment films and insulating films, achieving an increased market share, and a new factory built for JSR Micro (Changshu) Co., Ltd. started operations during fiscal 2017. We will continue restructuring our business while targeting further sales expansion in the Chinese market.
LIFE SCIENCES BUSINESS

Life Sciences as a New Business Pillar

In the Life Sciences Business, which has grown to become the third pillar of JSR Group’s businesses, we established a system capable of providing integrated support for all processes, from antibody drug discovery to manufacturing. In addition to two companies that are already Group members, KBI Biopharma, Inc. and Medical & Biological Laboratories Co., Ltd. (MBL), we acquired two other companies in this business: Switzerland-based Selexis SA, which has a technology in quickly generating cell lines used to culture antibodies efficiently, and U.S.-based Crown Bioscience International, a provider of preclinical drug discovery and development support services. Accordingly, we now have an integrated system in place to support all processes, from antibody drug discovery to manufacturing. All Group companies involved in the Life Sciences Business will unite in an effort to expand our bio-pharmaceutical discovery support business. Our aim is to provide services that improve the probability of success in the drug discovery process for antibody drugs and shorten the development period.

To address demand for commercial-level manufacturing, KBI completed an upgrade of its facilities at the end of 2017 and has started rolling out production. In the first half of 2018, we launched analytical services at a base established on the premises of JSR Micro NV in Europe. In addition, we started commercial production at new manufacturing facilities, also established on NV’s premises, to address expected growth in demand from the increased adoption of Amsphere™ A3, chromatography resin for refining use.

Meanwhile, we recently established the JSR-Keio University Medical and Chemical Innovation Center (JKiC) in research alliance with Keio University and Keio University Hospital. Through this industry-academia collaboration, we will work to develop innovative materials and products that support advancements in new medical fields, with the aim of expanding our Life Sciences Business into the future.

We will provide innovative services, products, and materials to pharmaceutical companies, biotechnology companies, and academia covering the entire development process for new medical treatments.
With deep expertise in its core polymer and precision manufacturing technologies, JSR Group has widened the scope of its technological domains by integrating technologies from disparate fields such as photochemistry, inorganic chemistry, precision processing, and biotechnologies. On this basis, the Group has advanced R&D activities, and its accumulated efforts have enabled it to develop unique strengths relative to chemical companies worldwide, which is our driving force to expand superior materials and technologies globally.

JSR Group’s main R&D centers are located at Yokkaichi City in Mie Prefecture and Tsukuba City in Ibaraki Prefecture. There we carry out R&D activities aimed at tracking swiftly evolving societal needs such as the changes that are emanating from the digital revolution.

Our R&D mission can be broadly divided into two categories: “business support research” for business domains we are developing, and “next-generation technology research,” such as novel and applied research for peripheral fields. In promoting research, we emphasize close linkages in the Group’s value chain, ranging from market development to process development and manufacturing technology development, and extending to manufacturing, sales, and distribution. We also promote integration within the system, with researchers themselves making direct contacts to customers to uncover their needs. Moreover, we are enhancing technical services in various countries and building a system capable of providing global and timely support for customers’ business promotion activities.

For next-generation technology and seed research, it is necessary for R&D to anticipate latent market needs. Particularly in the case of new R&D fields, we promote open innovation such as joint research with universities and research institutions in Japan and overseas. We have established the JSR-Keio University Medical and Chemical Innovation Center (JKiC), a joint research facility on Keio University’s Shinanomachi campus, which opened in October 2017.

We will create innovation through investigating the wholly novel concept of fusing medicine and chemistry, which will lead to establish practical technologies that contribute to global society with people living long and healthy lives.
CREATING SUSTAINABLE VALUE

We are a company that delivers “sustainable growth” toward the future. Our corporate mission, “Materials Innovation,” states that “We create value through materials to enrich society, people, and the environment.” Based on this mission, we are building good relationships with various stakeholders in our quest to become a trusted and indispensable corporate citizen. Accordingly, we are working to resolve social issues based on our belief that our practicing our corporate mission in management and engaging in CSR activities are one and the same.
Integration of management and CSR creates benefits for both society and 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: The 4Cs**
- CHALLENGE
- COMMUNICATION
- COLLABORATION
- CULTIVATION

**Issues facing society that need to be addressed**

**Innovation**

Social Issues that JSR Group Can Help Resolve

- Eco-Friendly Products
- Health and Longevity
- Better Access to Healthcare and Medical Care
- Quality of Life and Happiness

**Sustainability**

Social Issues Attributable to JSR Group’s Corporate Activity

- Health and Safety Initiatives
- Environmental Impact Reduction
- Climate Change Mitigation
- Water Resources Conservation
- Waste Reduction
- Human Rights
- Labor Environment
- Diversity
- Supply Chain Management
- Communication with Stakeholders
CSR MANAGEMENT

Our corporate mission, “Materials Innovation,” states that “We create value through materials to enrich society, people, and the environment.” Based on this mission, we are building good relationships with various stakeholders in our quest to become a trusted and indispensable corporate citizen. Accordingly, we are working to resolve social issues based on our belief that our practicing our corporate mission in management and engaging in CSR activities are one and the same.

CSR Advancement Structure
JSR Group promotes CSR through the CSR Committee, which reports to Representative Directors. There are four committees that function under the supervision of the CSR committee: the Corporate Ethics Committee, which enlightens corporate ethics standards and strengthens compliance; the Responsible Care Committee, which works to realize a sustainable society through promoting responsible care; the Risk Management Committee, which seeks to further strengthen the Group’s risk management system; and the Social Contribution Committee, which considers and promotes the Group’s necessary contribution to society. The CSR Committee coordinates and guides the activities of these four committees and works to strengthen and promote CSR management through regular meetings four times a year, as well as extraordinary meetings.

Compliance
JSR Group practices corporate ethics to fulfill its responsibility to stakeholders, which is its management policy, in addition to ensuring legal compliance as a matter of course. We have also formulated the “JSR Group Corporate Ethics Guidelines” to provide specific guidance related to corporate ethics. The Corporate Ethics Committee promotes activities to encourage employees to maintain high ethical standards and act with fairness and integrity. We conduct a Corporate Ethics Awareness Survey at business sites in Japan and overseas to ascertain the state of awareness of corporate ethics among employees, identify issues and prepare a follow-up plan to address any issues identified in the survey. To strengthen compliance, in April 2013 we prepared the Compliance Handbook containing key points concerning laws and regulations to be observed and distributed to all employees in Japan. JSR has issued compliance handbooks based on regulations in South Korea and China and distributed to JSR Group companies in South Korea and China.

Risk Management
JSR Group considers preventing major crises from occurring and minimizing the impact of unprecedented crises on its business activities if they were to occur as important management priorities, and engages in risk management activities accordingly. JSR Group operates its own risk management system to periodically identify, evaluate, and formulate countermeasures for a wide range of risks, including explosions, fires, major earthquakes, and terrorist attacks. Among identified risks, we designate serious risks which are likely to have a big impact on the continuation of business as “major company-wide risks” and we monitor and periodically review the risks that the management itself has identified. In these ways, we are building and maintaining systems to prevent and/or prepare for the occurrence of crises.

JSR holds crisis management training once a year for members of the Disaster Countermeasure Division, which is headed by the president. In fiscal 2017, our annual crisis management training was held assuming that a major earthquake occurred immediately beneath nation’s capital (centered on the northern part of Tokyo Bay) that damaged not only our headquarters but Group companies and other bases across the Kanto District. JSR Group will continue to prepare through training assuming various crises and other ways to ensure safety, reduce damage and keep our businesses running in the event of a serious crisis.
CSR MANAGEMENT

Responsibility to Our Stakeholders
Based on our recognition that “everything derives from social expectations,” we emphasize dialogue with stakeholders to avoid resorting to one-sided judgment criteria. For JSR Group, the term “stakeholder” refers to all customers and business partners, employees, society, and shareholders.

Responsibility to Our Customers and Business Partners
We believe that the most important role for JSR Group is to contribute to the creation of a better society by supplying innovative materials and quality products that meet the needs of our customers. We would like our customers to use our products in relief, and we place particular emphasis on quality assurance and product safety initiatives. These initiatives have been recognized, and we have received top-rank supplier awards from global customers.

Through communication with our business partners, meanwhile, we are improving the business activities of JSR Group.

Responsibility to Our Employees
We strive to develop mechanisms and a corporate culture to help employees accurately perceive and solve issues in order to foster a JSR that not only maintains its organizational capacity but ensures its future growth. We are also focused on promoting work-style innovation and raising the added value of our operations. At the same time, we have established a global personnel system for JSR Group and are engaged in training and managing the Group’s human resources on a global level. Throughout the entire JSR Group, synergetic effects are being generated from the great successes being achieved by our diverse human resources.

Responsibility to Society
Seeking to earn the deep trust of communities and societies where it conducts its business activities, JSR Group is working to reduce environmental impacts through responsible care initiatives. We are also making efforts aimed at sustainable social development. These include promoting biodiversity, reducing waste, recycling resources, and engaging in social contribution activities.

Responsibility to Our Shareholders
Through our IR activities, we work hard to ensure that shareholders and investors are promptly and accurately informed about our business situation and corporate policies. To facilitate the exercise of shareholders’ voting rights, we convene ordinary general meetings of shareholders early so as to avoid the heaviest-scheduled dates, and send out convocation notices well in advance of meeting dates. We have also introduced a system that allows shareholders to vote via the Internet. Our wide-ranging mutual communication activities also include quarterly briefings on our financial results and seminars for institutional investors and analysts (including technical seminars).

Aiming to increase corporate value by creating business opportunities through materials

- Constantly enhancing its management efficiencies
- Inspiring trust by being highly transparent and conducting sound corporate management practices

In April 2009, JSR Group became a participant in the United Nations Global Compact. As a company that conducts business globally, we recognize the need to increase our considerations of human rights, labor, the environment, and anti-corruption cited in the Ten Principles of the UN Global Compact. To this end, we will step up proactive efforts to fulfill our corporate social responsibilities. Moreover through our business activities, we will promote initiatives to achieve the “Sustainable Development Goals (SDGs)” adopted by the United Nations in 2015.
CSR PERFORMANCE

Evaluation by Outside Organizations
The CSR activities of JSR Group have been assessed by external evaluation agencies. We have been selected for inclusion in the ESG indexes and the socially responsible investment (SRI) indices listed below, and we have also been selected for inclusion in the Global Compact 100. In addition, we received next-generation “Kurumin” accreditation, awarded by the Ministry of Health, Labour and Welfare as a company that supports parenting.

Inclusion in ESG indexes and socially responsible investment (SRI) indexes and stocks (As of July 1, 2018)

FTSE4Good (U.K.)
We have been listed in the FTSE4Good Index Series since 2004.

SNAM Sustainability Index (Japan)
We were selected for inclusion in the SNAM Sustainability Investment Fund as a company that Sompo Japan Nipponkoa Asset Management (SNAM) evaluates highly on environment, social and governance (ESG).

FTSE Blossom Japan Index (Japan)
We were selected by FTSE Russell for inclusion in the FTSE Blossom Japan Index as a Japanese company that makes exceptional responses in the field of ESG (environment, society, and governance).

MSCI Japan Empowering Women Index (WIN)
We were selected by MSCI for inclusion in the MSCI Japan Empowering Women Index (WIN) as a company that practices exceptional gender diversity.

Health and Productivity Management program 2018 “White 500” (Japan)
We were recognized as a company demonstrating outstanding health and productivity management by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi.

* The Morningstar Socially Responsible Investment Index comprises 150 companies selected from among listed companies in Japan by assessing their social responsibility. This index does not guarantee future performance, accuracy, completeness, etc. Morningstar Japan K.K. and Morningstar, Inc. shall not bear any responsibility for damage that might result from use of the index. Copyright and all other rights rest with Morningstar Japan K.K. and Morningstar, Inc. Copies, reproductions, and citations without permission are prohibited.
CORPORATE GOVERNANCE SYSTEM

Aiming to Maintain a Trusted, Appealing Corporate Structure

JSR is constantly improving its system of corporate governance with the aim of obtaining the trust of shareholders and all other stakeholders and building an appealing corporate structure. We will strengthen and enhance our corporate governance to ensure that management processes are implemented fairly, transparently and promptly, by implementing initiatives targeting each of the items required under the corporate governance code.

Target Period: April 1, 2017 – March 31, 2018

Corporate Governance Structure Diagram

(As of June 15, 2018)
Basic Views and Policies on Corporate Governance of JSR

1. Basic policy
(1) It is JSR Group’s goal to make steady progress in realizing its corporate mission (Materials Innovation: We create value through materials to enrich society, people and the environment). This shall be done through efficient and transparent business management, by sustaining sound and healthy business practices. The Group will also continuously strive to create new corporate values with the hope of becoming an attractive corporation that can earn the trust of and satisfy the interests of all our stakeholders.

(2) The Company therefore has been and will continue focusing on the enhancement of corporate governance as an important management challenge.

2. Corporate governance structure
(1) As a company with audit & supervisory board members, JSR principally monitors and oversees the execution of duties by directors and the management through its Board of Directors and audit & supervisory board members.

(2) JSR has continuously strengthened the function of management supervision, improved efficiency in decision making and execution of business duties, and enhanced the transparency and soundness of business management through the introduction of an officer system and the appointment of outside directors and audit & supervisory board members, who are independent from the Company and have extensive business experience and a high level of expertise.

(3) The Board of Directors has established JSR’s corporate mission and makes important decisions including those of the Company’s business strategies.

(4) The Board of Directors has developed an environment where management can take appropriate risks and demonstrate entrepreneurship through the introduction of a performance-based director remuneration scheme.

(5) The Board of Directors supervises directors and management through the assessment of business performance and appointment of directors.

(6) The current Board of Directors consists of seven (7) directors, three (3) of whom are independent outside directors with vast experience and extensive expertise in management of corporations and businesses. In the future, the Company will elect two (2) or more independent outside directors with similar expertise in order to increase corporate value and oversee business management.

(7) The current Audit & Supervisory Board consists of three (3) audit & supervisory board members, two (2) of whom are independent outside audit & supervisory board members with extensive and sophisticated expertise (one is a lawyer and the other is a certified public accountant qualified as a certified public tax accountant as well). In the future, the Company will elect two independent outside audit & supervisory board members with vast experience and extensive and sophisticated expertise in such fields as law, accounting, and etc., to effectively audit the execution of duties by directors and the management.

(8) JSR has established the Remuneration Advisory Committee of which majority members are independent outside directors and the chair of which is an independent director in order to ensure the objectivity and transparency of its directors’ remuneration scheme. The committee deliberates the basic policy of remuneration, the remuneration structure, the mechanism of a performance-based remuneration, the setting of targets, and assessment of performance, and submits its findings to the Board of Directors.
CORPORATE GOVERNANCE SYSTEM

(9) JSR has set basic policies on remuneration of directors as follows: the remuneration scheme should increase corporate value over the mid- and long-term, attract diverse and superior personnel, be linked to short-term, mid-term and long-term business performance, have management and shareholders share profits, and ensure high transparency. Remuneration for directors consists of a fixed basic remuneration, an annual bonus linked to the attainment level of business performance in each fiscal year, a mid-term business performance-based bonus linked to the attainment level of the mid- and long-term business performance, and restricted stock shares as remuneration designed to facilitate earlier sharing of corporate values between directors and the shareholders of the Company. In light of their roles, remuneration for outside directors and audit and supervisory board members consists of basic remuneration only.

(10) JSR has established the Nomination Advisory Committee of which majority members are independent outside directors and the chair of which is an independent director to ensure the transparency of the policy and procedures of nominating candidates for directors. The committee deliberates criteria for the size, diversity in breadth of knowledge, experience, and capability necessary for the Board of Directors as well as criteria and procedures for nominating and/or identifying candidates for future appointment as president, directors, officers with directorship status (including senior officers), and audit & supervisory board members, and submits its findings to the Board of Directors.

3. Relationship with stakeholders

(1) JSR has set “Responsibility to Our Stakeholders” (responsibility to customers, business partners, employees, society, and shareholders) as one of the important pillars of its management policies in order to express its commitment to its stakeholders.

(2) JSR has appropriately responded to issues related to sustainability, such as social and environmental issues and also promoted measures to secure diversity including those for encouraging greater participation of female employees. For details of JSR Group’s CSR report, please visit the following site:


PDF file:


4. Securing the rights and equal and equitable treatment of shareholders

(1) JSR has continued to develop an environment where shareholders can appropriately exercise their voting rights at the ordinary general meeting of shareholders.

1) JSR will continue to implement the following measures: holding an ordinary general meeting of shareholders earlier than other companies (in the middle of June each year); dispatching the notice of convocation of an ordinary general meeting of shareholders three (3) weeks prior to the date of the meeting; introducing an electronic voting platform via the Internet, etc.; participating in the electronic voting
platform for institutional investors; enhancing contents of the convoca-
tion notice; and translating the convo-
cation notice into English, etc.
For details of materials prepared for
its ordinary general meeting of share-
holders, please visit the following site :
http://www.jsr.co.jp/jsr_e/ir/share-
holder.shtml
2) JSR will study measures to deal with
institutions investors, etc. who hold the Company’s shares under the
names of trust banks and who desire to participate in an ordinary gen-
eral meeting of shareholders of the
Company.

(2) JSR will explain its basic idea on its cap-
ital policies to shareholders. Especially in the case of those policies that may undermine the interests of exist-
ing shareholders, such as introduc-
ting takeover defense measures, MBO,
and increase in capital stock, etc., the Company is determined to sufficiently examine their necessity and rational-
ity and to take appropriate procedures to ensure sufficient explanation to shareholders.

(3) JSR has maintained cross-sharehold-
ings by comprehensively considering
the rationality of both business man-
agement strategies and economics of holding cross-shareholdings. The Board of Directors will periodically review the status and the policies for maintain-
ing cross-shareholdings. When exercis-
ing voting rights of cross-shareholdings, the Company, respecting the judgment of the management of companies in question in principle, comprehensively determines to vote for or against their proposals after reviewing whether or not their corporate governance system and proposals will contribute to the improve-
ment of their corporate value over the mid- and long-term.

5.Capital policy
(1) While prioritizing growth investment in its Elastomers, Plastics, Digital
Solutions and Life Sciences Businesses to continuously create corporate value, JSR has been aiming at providing appro-
riate returns to shareholders, including combination of dividends and treasury stock acquisitions, by taking into account its business performance and mid- and long-term capital requirements.

(2) JSR has been continuously endeavoring to improve capital efficiency indices, such as ROE and ROIC.

6.Dialogue with shareholders
(1) JSR has promoted constructive dia-
logue with shareholders in the following manner.
1) JSR appoints an officer in charge of IR. The president or the officer in charge of IR explains business perfor-

mance, financial positions, and the details and progress of the mid-term business plan at the quarterly analyst
meeting and mid-term business plan explana-
tory annual meeting for institutional investors.
2) Every year, the president or the offi-
cer in charge of IR holds interviews with institutional investors in Japan and overseas to explain the above
matters.
3) Opinions and questions that JSR receives from investors through the above-mentioned dialogues are peri-
odically fed back to management.

(2) In dialogues with shareholders, JSR
has strived to appropriately treat insider
information.

7.Information disclosure policy
(1) JSR has set its information disclosure policy and prepared organizations and systems for information disclosure. The Company has strived to ensure prompt, accurate, active and fair disclosure
CORPORATE GOVERNANCE SYSTEM

Management System

1. Board of Directors
The Board of directors consists of seven (7) directors three (3) of whom are independent outside directors with independence and extensive experience of business and management) and holds meetings once monthly, in principle. The Board discusses and makes decisions on important business matters, including the direction of the Company’s business strategy, and also supervises directors’ and officers’ execution of their business duties.

The Board of Directors is chaired by the chairman in principle. However, in the absence of the chairman, a representative director other than the president is currently serving as the chairman for the purpose of securing corporate governance by distinguishing the rolls of president, the chief executive officer of the Company, from those of chairman of the Board of Directors responsible for monitoring and overseeing the execution of the Company’s operations. In addition, all three (3) audit & supervisory board members including two (2) outside audit & supervisory board members regularly attend the Board of Directors meetings to state their opinions.

JSR has established the Remuneration Advisory Committee and Nomination Advisory Committee as an advisory organization to Board of Directors. For details of the committees, please refer to “Basic Views and Policies on Corporate Governance of JSR 2.(8), (10)”.

2. Executive Committee
The Executive Committee holds extensive discussions on items relating to fundamental management initiatives, management policies, and management plans, along with important matters concerning the execution of business activities at each department. The committee thus gives direction in relation to these issues or receives reporting. As required, certain items submitted to this committee are passed on to the Board of Directors for further discussion.

This committee is made up of the president, officers with directorship status, and officers appointed by the president, and responds to important business execution with the aim of expediting decision making and improving the efficiency of such operations. As a rule, this committee meets once a week, and is chaired by the president. The standing audit & supervisory board member also attends these committee meetings.

3. Business Issues Committee
The Business Issues Committee engages in broad-ranging debate about items related to fundamental management strategies and policies, basic policies behind specific projects, and changes to business strategies. It also shares information to ensure a common understanding of such matters and discusses the company’s direction. Its findings are reflected in deliberations of the Board of Directors and the Executive Committee. The Business Issues Committee, which meets twice a month, consists of the president, executive managing officers and managing officers, and is chaired by the president.
4. Officers Committee
This committee consists of the president and all officers (except for those of overseas officers who attend the committee meeting at least annually) and aims to ensure members’ thorough understanding of management conditions and important management issues. As a rule, this committee, which meets once a month, is chaired by the president and the standing audit & supervisory board member is also present.

5. Audit & Supervisory Board and audit & supervisory board members
The Audit & Supervisory Board, consisting of three (3) audit & supervisory board members and holding meetings once monthly in principle as stipulated in the Regulations of the Audit & Supervisory Board, receives reports on important matters, holds discussions, and makes decisions. The two (2) outside audit & supervisory board members are independent ones, a lawyer and a certified public accountant qualified as a certified public tax accountant as well, and conduct audits from a standpoint independent from the Company and by using their professional expertise.

In accordance with standards for audits by audit & supervisory board members, the audit & supervisory board members attend meetings of the Board of Directors, and other important meetings including Executive Committee meetings to monitor how important decisions are reached and business activities are executed. The audit & supervisory board members also receive reports from the independent auditors, directors, and employees. Through these activities, audit & supervisory board members holds deliberations in order to form auditing opinions.

6. Outline of Audit by Audit & Supervisory Board Members, Internal Audit, and Independent Auditors
(1) Audit by audit & supervisory board members
The details of audit by audit & supervisory board members are stated as in the above 5. Audit & Supervisory Board and audit & supervisory board members.

(2) Internal Audit
JSR has established the Corporate Audit Department to improve the effectiveness of JSR Group’s internal control system. In accordance with the audit plan, the Corporate Audit Department regularly conducts internal audits such as compliance audits and business operation audits at its divisions and departments as well as its Group companies both in Japan and overseas and reports the audit results to the president, related departments, and audit & supervisory board members.

(3) Independent Auditors
JSR’s independent auditor is KPMG AZSA LLC. The audit & supervisory board members work closely with the independent auditors. The audit & supervisory board members interview the independent auditors about the audit plan and receive reports on the audit results. Furthermore, the audit & supervisory board members and independent auditors exchange information and opinions as necessary in the course of each fiscal year.

7. CSR Committee
Through JSR Group’s Corporate Social Responsibility (CSR) policy, the Company is committed to behave faithfully as a good corporate citizen and meet the expectations of our stakeholders. It has established the CSR Committee to promote CSR. Under the CSR Committee, there are the following four committees: the Corporate Ethics Committee, the Responsible Care (RC) Committee, the Risk Management Committee, and the Social Contribution Committee. The CSR Committee integrates and guides the activities of the above four committees and meets four times each year along with special meetings as necessary to further strengthen the management of the Company’s CSR and proceed CSR activities.
CORPORATE GOVERNANCE SYSTEM

Directors and Audit & Supervisory Board Member
(As of March 31, 2018)

Representative Director and President
Mitsunobu Koshiba

Representative Director
Koichi Kawasaki

Director
Nobuo Kawahashi
Hideki Miyazaki

Standing Audit & Supervisory Board Member
Atsushi Kumano

Independent Outside Director
Yuzuru Matsuda
Shiro Sugata
Tadayuki Seki

Independent Outside Audit & Supervisory Board Member
Hisako Kato
Sumio Moriwaki

Independent Outside Directors
(As of March 31, 2017)
The Company has appointed three independent outside directors in order to further reinforce the Board of Directors’ monitoring functions as well as the important decision-making functions in an appropriate and timely manner. By welcoming independent outside directors with extensive experience in management of companies and businesses with highly independent and neutral perspectives, the Company ensures reasonable judgement for, and transparent and sound management of, the businesses of the Company.

Yuzuru Matsuda
Mr. Yuzuru Matsuda served as the President and Chief Officer of KYOWA HAKKO KOGYO CO., LTD and Kyowa Hakko Kirin Co., Ltd. He has vast experience in corporate management for global companies especially in the field of medical and biochemical products and pharmaceuticals. He also possesses an independent perspective as outside personnel. He has utilized his experiences and independent viewpoints to help the Company in making crucial decisions, to supervise the performance of duty at the BOD level, and to strengthen the Company’s fair corporate governance through enhancement of fair and reasonable business judgment and transparent and sound management, thereby continually contributing further to the enhancement of JSR Group’s corporate value.

[Major activities in the year under review]
Mr. Matsuda participated in all 17 meetings of the Board of Directors held during the current fiscal year. Mr. Matsuda has been greatly contributing to ensuring reasonable judgment for, and transparent and sound management of, the businesses of the Company, by providing necessary appropriate advices at the meetings of the Board of Directors as well as attending Nomination Advisory Committee and Remuneration Advisory Committee.
CORPORATE GOVERNANCE SYSTEM

Shiro Sugata
Mr. Shiro Sugata served as the Representative Director and President of USHIO INC., where he currently serves as Advisor. He also served as Vice Chairman, Executive Director at the Japan Association of Corporate Executives. He has vast experience in the corporate management of global companies especially in the field of optical application products and industrial machineries. He also has experience obtained through activities in the business community and possesses the perspective of independent outside personnel.

He has utilized his experiences and independent viewpoints to help the Company in making crucial decisions, to supervise the performance of duty at the BOD level, and to strengthen the Company’s fair corporate governance through enhancement of fair and reasonable business judgment and transparent and sound management, thereby continuously contributing further to the enhancement of JSR Group’s corporate value.

Major activities in the year under review
Mr. Sugata participated in all 17 meetings of the Board of Directors held during the current fiscal year. Mr. Sugata has been greatly contributing to ensuring reasonable judgment for, and transparent and sound management of, the businesses of the Company, by providing necessary appropriate advices at the meetings of the Board of Directors as well as attending Nomination Advisory Committee and Remuneration Advisory Committee.

Tadayuki Seki
Mr. Tadayuki Seki served as the Representative Director and Executive Vice President and thereafter as an Advisory Member at ITOCHU Corporation. He has vast experience in the corporate management of a general trading company which operates a global trading business, as well as extensive experience in financing and accounting matters cultivated during his service as CFO, and possesses the perspectives of independent outside personnel.

He has utilized his experiences and independent viewpoints to help the Company in making crucial decisions, to supervise the performance of duty at the BOD level, and to strengthen the Company’s fair corporate governance through enhancement of fair and reasonable business judgment and transparent and sound management, thereby continuously contributing further to the enhancement of JSR Group’s corporate value.

Major activities in the year under review
Mr. Seki participated in all 13 meetings of the Board of Directors held after his appointment as a Director. Mr. Seki has been greatly contributing to ensuring reasonable judgment for, and transparent and sound management of, the businesses of the Company, by providing necessary appropriate advices at the meetings of the Board of Directors as well as attending Nomination Advisory Committee and Remuneration Advisory Committee.
Independent Outside Audit & Supervisory Board Members

The Company appoints one standing Audit & Supervisory Board member and two independent outside ones (but not standing) in order to further enhance management monitoring functions of the Audit & Supervisory Board and its members. By appointing certified public accountants and lawyers with respective highly professional knowledge and vast experience in their field with highly independent and neutral perspective, the Company ensures reasonable judgement for, and transparent and sound management of, the businesses of the Company.

Hisako Kato
Ms. Hisako Kato has a vast financial and accounting expertise and experience as a Certified Public Account both in Japan and US and as a Certified Tax Accountant. She has utilized her vast experience, knowledge, and sophisticated expertise as well as her viewpoint as an independent outsider to audit the Directors’ decision-making and execution of operation, and to commit to enhancing fair and reasonable judgment for, and accountable and sound management of, the businesses of the Company.

[Major activities in the year under review]
Ms. Kato participated in all 17 meetings of the Board of Directors and in all 19 meetings of the Audit & Supervisory Board respectively held during the current fiscal year. Ms. Kato has been greatly contributing to ensuring reasonable judgment for, and transparent and sound management of, the businesses of the Company, by providing necessary and appropriate advices at the meetings of the Board of Directors and Audit & Supervisory Board.

Sumio Moriwaki
Mr. Sumio Moriwaki has a vast legal expertise and experience as a lawyer. He has utilized his vast experience, knowledge, and sophisticated expertise as well as his viewpoint as an independent outsider to audit the Directors’ decision-making and execution of operations and has been greatly contributing to ensuring reasonable judgment for, and transparent and sound management of, the businesses of the Company.

[Major activities in the year under review]
Mr. Moriwaki participated in all 13 meetings of the Board of Directors and in all 14 meetings of the Audit & Supervisory Board respectively held after his appointment as an Audit & Supervisory Board Member. Mr. Moriwaki has been greatly contributing to ensuring reasonable judgment for, and transparent and sound management of, the businesses of the Company, by providing necessary and appropriate advices at the meetings of the Board of Directors and Audit & Supervisory Board.
Representative Director and Executive Managing Officer
Koichi Kawasaki
Procurement, Logistics, Manufacturing and Technology, Product Safety & Quality Assurance, Safety and Environment Affairs
President of Japan Butyl Co., Ltd.

Director and Executive Managing Officer
Nobuo Kawahashi
Research & Development, Human Resources, Diversity Development
President of Japan Butyl Co., Ltd.

Managing Officer
Hayato Hirano
Elastomer Business, Plastics Business
General Manager of Elastomer Div.
President of Techno-UMG Co., Ltd.

Managing Officer
Katsuya Inoue
Corporate Planning, Business Planning and Investment & Development, Digital Solutions Business
General Manager of Corporate Planning Div.
Chairman of JSR Micro (Changshu) Co., Ltd.

Managing Officer
Eric Johnson
Life Science, North America Business
General Manager of Life Sciences Div.
President of JSR Micro, Inc.

Director and Managing Officer
Hideki Miyazaki
Accounting, Finance, Corporate Communications
Senior Officer
Takao Shimizu
Office of the President, IT
Strategy, Business Process Renovation
General Manager of Office of the President
General Manager of Office of Business Process Renovation

Senior Officer
Tsuyoshi Watanabe
China Business, Chairman of JSR (Shanghai) Co., Ltd.

Senior Officer
Kazumasa Yamawaki
Elastomer Business (deputy)
Deputy General Manager of Elastomer Div.
General Manager of Business Planning Dept., Elastomer Div. Executive Vice President
President of KRATON JSR ELASTOMERS K.K. Director of JSR Elastomer Europe GmbH

Senior Officer
Makoto Doi
Legal General Manager of Legal Dept.

Senior Officer
Kiichiro Kamiya
Life Sciences (deputy)
Deputy General Manager of Life Sciences Div.
President of MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. JSR Life Sciences Limited
Liability Company Executive Officer

Senior Officer
Yoshikazu Yamaguchi
Display Solution Business Representative Director of JSR Micro Korea Co., Ltd.

Officer
Eiichi Kobayashi
Executive Vice President of JSR Micro, Inc.

Officer
Hiroaki Nemoto
Emerging Business

Officer
Yoichi Mizuno
Edge Computing Business,
General Manager of Edge Computing Div.

Officer
Mika Nakayama
General Manager of Intellectual Property Dept.

Officer
Koichi Saeki
Yokkaichi Plant, Yokkaichi Plant Manager

Officer
Kazushi Abe
Chairman of JSR (Shanghai) Co., Ltd., The Chief Director of JSR Group

Officer
Seiji Takehashi
Manufacturing and Technology (deputy)
General Manager of SSBR Global Manufacturing & Technology Management Dept.

Officer
Yasufumi Fujii
General Affairs, Secretarial Office
General Manager of General Affairs Dept.

Officer
Mikio Yamachika
Lithium Ion Capacitors Business,
President of JM Energy Corporation

Officer
Tim Lowery
Executive Vice President of JSR Micro, Inc.

Officer
Koichi Hara
General Manager of Life Sciences Business Planning Dept. Director of MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.

Outside Director
Yuzuru Matsuda

Outside Director
Shiro Sugata

Officer
Eiichi Kobayashi
Executive Vice President of JSR Micro, Inc.

Officer
Hiroaki Nemoto
Emerging Business

Officer
Yoichi Mizuno
Edge Computing Business,
General Manager of Edge Computing Div.

Officer
Mika Nakayama
General Manager of Intellectual Property Dept.

Officer
Koichi Saeki
Yokkaichi Plant, Yokkaichi Plant Manager

Officer
Kazushi Abe
Chairman of JSR (Shanghai) Co., Ltd., The Chief Director of JSR Group

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General Manager of General Affairs Dept.

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Lithium Ion Capacitors Business,
President of JM Energy Corporation

Officer
Tim Lowery
Executive Vice President of JSR Micro, Inc.

Officer
Koichi Hara
General Manager of Life Sciences Business Planning Dept. Director of MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.
### JAPAN

**Elastomers Business**

**ELASTOMIX CO., LTD.**
Compounding of crude rubber and sales of compounded products

**Japan Butyl Co., Ltd.**
Production, processing, and sales of butyl rubber

**KRAFON JSR ELASTOMERS K. K.**
Production, purchase, and sales of thermoplastic rubber

**Emulsion Technology, Co., Ltd.**
Compounding and sales of crude latex

**Plastics Business**

**Techno-UMG Co., Ltd.**
Production, sales, and R&D of ABS resin

**JAPAN COLORING CO., LTD.**
Coloring of synthetic resin and sales of colored products

**Digital Solutions Business**

**D-MEC LTD.**
Commissioned generation of 3D models, sales of solid modeling systems, and optically-hardened resins, and commissioned analysis by CAE

**JSR Micro Kyushu Co., Ltd.**
Production of photoresist, semiconductors, and materials for displays

**JAPAN FINE COATINGS Co., Ltd.**
Sales and manufacture of coating materials for fiber-optic cables reinforced by ultraviolet or electron radiation and for other apparatus

**Life Sciences Business**

**JSR Life Sciences Corporation**
Production and sales of life science related materials

**MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.**
Research, development, manufacturing, and sales of diagnostic and research reagents

**LEXI Co., Ltd.**
Development of medical software and hardware, development of engineering and business systems

**CMC JSR Biologics Co., Ltd.**
Development of design and manufacturing process for next-generation antibodies and methods for management and quality control of next-generation antibodies

**Other Businesses**

**JM Energy Corporation**
Design, development, production and sales of lithium ion capacitors

### OVERSEAS

**Elastomers Business**

**Kumho Polychem Co., Ltd.**
Production and sales of ethylene-propylene rubber (EPR)

**ELASTOMIX (THAILAND) CO., LTD.**
Compounding of crude rubber and sales of compounded products

**PT.ELASTOMIX INDONESIA**
Compounding of crude rubber and sales of compounded products

**ELASTOMIX (FOSHAN) CO., LTD.**
Compounding of crude rubber and sales of compounded products

**ELASTOMIX MEXICO, S.A. de C.V.**
Production and sales of rubber carbon master batch

**Tianjin Kuo Cheng Rubber Industry Co., Ltd.**
Compounding of crude rubber and sales of compounded products

**JSR BST Elastomer Co., Ltd.**
Sales and manufacturing of SSSR (Solution Polymerization Styrene-Butadiene Rubber)

**JSR MOL Synthetic Rubber, Ltd.**
Sales and manufacturing of Solution Polymerization Styrene-Butadiene Rubber (SSBR)

**Elastomer Korea Co., Ltd.**
Sales agency of products such as synthetic rubber

**JSR Elastomer Europe GmbH**
Sales agency of products such as synthetic rubber

**JSR Elastomer India Private Limited**
Sales agent for synthetic rubber and other elastomer products

**Plastics Business**

**Techno-UMG Hong Kong Co., Ltd.**
Sales and technical services of synthetic resin in Hong Kong and neighboring regions

**Techno Polymer (Thailand) Co., Ltd.**
Sales and technical services of synthetic resin in ASEAN region

**Techno Europe N.V.**
Sales and technical services of synthetic resin in Europe

**Techno-UMG Europe GmbH**
Sales and technical services of synthetic resin in Europe

**Techno-UMG Shanghai Co., Ltd.**
Sales and technical services of synthetic resin in China

**Techno-UMG Shanghai Technical Center Co., Ltd.**
Production and processing of plastics and technical services related to plastics in China

**Techno-UMG Guangzhou Co., Ltd.**
Sales and technical services of synthetic resin in Guangzhou and neighboring regions

**Techno-UMG America, Inc.**
Sales of plastics and technical services related to plastics in North America

**PT. Techno UMG Indonesia**
Sales and technical services of synthetic resin in ASEAN region

**Digital Solutions Business**

**JSR Micro N.V.**
Production and sales of semiconductor materials and life sciences related materials

**JSR Micro, Inc.**
Production and sales of semiconductor materials and sales of life sciences products

**JSR Micro Korea Co., Ltd.**
Production, development, and sales of display materials

**JSR Electronic Materials Korea Co., Ltd.**
Sales agent for semiconductor materials

**JSR Micro (Changshu) Co., Ltd.**
Production of display materials

**JSR Micro Taiwan Co., Ltd.**
Production, development, and sales of display materials

**EUV Resist Manufacturing & Qualification Center N.V.**
Production of EUV photoresist for semiconductors

**JSR (Shanghai) Co., Ltd.**
Sales agency of products such as synthetic rubber, semiconductor materials, liquid crystal display materials, and performance chemicals

**Life Sciences Business**

**JSR Micro N.V.**
Production and sales of semiconductor materials and life sciences related materials

**JSR Micro, Inc.**
Production and sales of semiconductor materials and sales of life sciences products

**J&B Beijing Biotech Co., Ltd.**
Development, manufacturing and sale of latex reagent intermediates and chimerasimensent reagent intermediates

**MBL Beijing Biotech Co., Ltd.**
Sales of in-vitro diagnostic reagents, basic research reagents, IVD reagent materials and bioprocess materials, sales and contract manufacturing of gene diagnostic materials and synthetic DNA, RNA products

**MBL International Corporation**
Development, manufacturing and sales of solutions-based products for both life science research and clinical diagnostics

**MBL Hangzhou Biotech Co., Ltd.**
Manufacture of clinical diagnostics materials antibody and intermediate

**KBI Biopharma, Inc.**
Biopharmaceutical contract development and manufacturing services

**Selenis SA**
Cell line development services

**Crown Bioscience International**
Efficiency testing services for candidates of drugs against oncology, inflammation, cardiovascular and metabolic disease and development of antibodies for those diseases

### Other Businesses

**JSR Trading, Inc.**
Purchases and sales of synthetic rubber

**JSR Trading (Shanghai) Co., Ltd.**
Export, import, sales and purchases of industrial-use chemical products

**JSR Trading Bangkok Co., Ltd.**
Export, purchases and sales of various chemicals and distribution materials, Purchase and wholesale of various equipment

**JSRT Mexico S.A. de C.V.**
Sales of synthetic rubber, steel box, materials and market development
### JSR Corporation

**Established**
December 10, 1957

**Capital (Common Stock)**
23,370 million yen

**Employees**
7,203

**Closing date**
JSR books are closed on March 31, each year.

### Shareholders Information (As of March 31, 2018)

**Stock Listing**
Tokyo Stock Exchange

**Number of Shares Issued**
226,126,145 shares

**Number of Shareholders**
14,811

### Major Shareholders

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Percentage of shares held (voting rights)(%)</th>
<th>Number of shares held (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridgestone Corporation</td>
<td>10.05</td>
<td>22,366</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>6.22</td>
<td>13,837</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>5.47</td>
<td>12,185</td>
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<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 9)</td>
<td>3.33</td>
<td>7,405</td>
</tr>
<tr>
<td>BNYMBSAMV AS AGENT/CLIENTS LUX UCITS NON TREATY 1</td>
<td>3.24</td>
<td>7,219</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 5)</td>
<td>1.81</td>
<td>4,025</td>
</tr>
<tr>
<td>Mizuho Bank, Ltd.</td>
<td>1.67</td>
<td>3,745</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>1.67</td>
<td>3,717</td>
</tr>
<tr>
<td>STATE STREET BANK WEST CLIENT-TREASURY 606234</td>
<td>1.67</td>
<td>3,708</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>1.63</td>
<td>3,631</td>
</tr>
</tbody>
</table>

* 3,534,779 shares of treasury stock held by the Company are not included in the above breakdown of major shareholders.

### Composition of Shareholders

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Shares held (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals and others</td>
<td>13,891 13,827</td>
</tr>
<tr>
<td>Foreign corporations and individuals</td>
<td>578 89,002</td>
</tr>
<tr>
<td>Other domestic corporations</td>
<td>217 34,487</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>87 82,028</td>
</tr>
<tr>
<td>Securities companies</td>
<td>43 3,247</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>1 3,535</td>
</tr>
<tr>
<td>Total</td>
<td>14,811 226,126</td>
</tr>
</tbody>
</table>

### By Type of Shareholders

#### Individuals/other

- 6.21%

#### Other domestic corporations

- 15.49%

#### Financial institutions

- 38.31%

#### Foreign corporations and individuals

- 39.99%

### By Number of Shares Held

<table>
<thead>
<tr>
<th>Number of Shares Held</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 trading unit or more</td>
<td>0.02%</td>
</tr>
<tr>
<td>1 trading unit or more</td>
<td>3.33%</td>
</tr>
<tr>
<td>50 trading units or more</td>
<td>4.42%</td>
</tr>
<tr>
<td>500 trading units or more</td>
<td>2.52%</td>
</tr>
<tr>
<td>1,000 trading units or more</td>
<td>89.71%</td>
</tr>
</tbody>
</table>

### Ordinary General Meeting of Shareholders

The annual General Meeting of Shareholders is held in June each year. The 2018 annual General Meeting was held on June 15, 2018.

### Transfer Agent and Register

SUMITOMO MITSUI TRUST BANK, LIMITED

### Independent Auditors

KPMG AZSA LLC.