

JSR aims to become a corporate group that is essential to a wide range of stakeholders from its ability to create useful new value through its business activities. We will achieve this by integrating management based on our business philosophy with CSR as an indicator of the appropriateness of our business activities.



## Creating Sustainable Value



By integrating business management with CSR, we will generate income for society and JSR Group. We will also contribute to the creation of a sustainable society.

### 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 (4Cs)

Challenge  
Communication  
Collaboration  
Cultivation

### Key Social Priorities and Issues

Energy, resources, water, food, biodiversity, disaster prevention and safety, aging society, climate change, human rights, U.N. Global Compact, U.N. Sustainable Development Goals (SDGs)

### Business Strategy

**JSR 20i6**  
Materials Innovation

We will base our business activities on specific priorities leading to the realization of our vision for 2020.

To respond to social priorities through business activities based on our corporate philosophy, management policies and medium-term management plan (April 2014–March 2017)

### Business Base

A business base is essential to the realization of our strategies and corporate management.

### Defensive CSR

A foundation for sustainable business activities

### Proactive CSR

We aim to respond to society's needs through our business activities.

#### Petrochemical Products Business

We will globally market products that offer new value in response to the needs of society and markets, such as Solution Polymerization SBR (SSBR).

#### Fine Chemicals Business

By taking JSR's advanced technologies global, we will help support the further growth of digital industries while contributing to the quality of the IT society and social convenience.

#### Strategic Business

The environment and aging are both major areas of social concern. By combining its materials and technologies to create solutions for these problems, JSR aims to contribute to the creation of a society in which people can enjoy healthy, fulfilling lives while using energy in environmentally responsible ways.

#### Supply Chain Management

We work to improve value across entire supply chains by establishing standards for CSR initiatives and other actions by suppliers, as part of our efforts to ensure that our customers are reliably supplied with quality products.

#### Voluntary Environmental, Health and Safety Activities (Responsible Care)

Initiatives by chemical manufacturers to protect the environment and the safety and health of all stakeholders

#### Compliance

We will maintain our status as a trusted company by complying with rules and moral standards.

#### Governance

The aim of our management policies is to maintain the value of JSR for society and a wide spectrum of stakeholders.

#### Human Rights

As a company with a presence in society, we will always consider and respect the individuality of all stakeholders.

### E2 Initiative™

Keeping them foremost in mind to qualify our products for environmental labeling

## Contributing to Society through Materials Innovation

JSR Group practices a unique brand of CSR. For us, CSR is becoming a company that continuously grows while contributing to society through the provision of essential materials and a company that discharges its responsibilities to stakeholders in accordance with the Corporate Mission.

### CSR Management

#### CSR Advancement Structure

JSR promotes CSR through a system of committees and a CSR Department established to reinforce CSR-related initiatives. There are four committees that function under the supervision of the CSR Committee: the Corporate Ethics Committee, which implements corporate ethics standards and works to prevent improper actions throughout the Group; the Responsible Care Committee, which works to realize a sustainable society through the implementation of initiatives that safeguard the environment, health, and safety; the Risk Management Committee, which seeks to further strengthen the Group's risk management system; and the Social Contribution Committee, which devises and promotes activities to help the Group make a contribution to society.

#### Compliance

JSR Group's concept of legal compliance is grounded in the principle of ethical action based on compliance with the law. 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 and identify issues and we 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 it to all employees in Japan. In March 2015, JSR had issued a Korean compliance handbook based on Korean regulations and have distributed to JSR Group companies in Korea. We will thorough law compliance in Korea, too.

#### Risk Management

JSR Group considers preventing major crises from occurring and minimizing the effects of crises on business activities an important management priority and engages in risk management activities. Using an independently developed system, each division and Group company each year periodically identifies, assesses, and formulates countermeasures against a wide range of risks, including explosion, fire, major earthquake, and pandemic outbreak. We designate particularly serious risks as "major company-wide risks," and the Risk Management Committee and the CSR Committee manage improvement in risk management. JSR Holds crisis management training once a year, and our president directs the emergency headquarters. On FY ended March 2015, the training was held assuming that there was an earthquake under the capital of Japan (North of Tokyo bay). JSR will continue to prepare to ensure safety, reduce damage and continue business in case of serious crisis by various trainings.

## Contributing to Society through Materials Innovation

### Responsibility to Our Stakeholders

JSR's Group's Essential Elements include values to be shared among all JSR employees to enable them to act responsibly and with confidence towards all stakeholders. For JSR, the term "stakeholder" refers to all customers and business partners, employees, society, and shareholders.

### Responsibility to Customers and Business Partners

We believe that JSR Group's most important role is to offer innovative materials and excellent products that meet customer needs and contribute to a better society. We devote effort to initiatives to ensure the quality and safety of our products so that our customers can use them with peace of mind. These efforts are recognized and appreciated, and we have received top-rank supplier awards from global customers.

### Responsibility to Our Employees

JSR Group develops mechanisms and fosters a corporate culture that enables all employees to accurately recognize and solve issues and that maintains and enhances organizational capabilities. We have put in place JSR Group global personnel system and engage in personnel development and management at the Group and global levels. Throughout JSR Group, synergies are generated through the contributions of a diverse workforce.

### Responsibility to Society

JSR Group engages in responsible care management by means including the creation of highly trustworthy business sites and initiatives to reduce environmental impacts. We also engage in activities that contribute to development of a sustainable society, such as the promotion of biodiversity conservation and socially beneficial activities.

### Responsibility to Shareholders

Through investor relations activities, we strive to promptly and accurately communicate to shareholders and investors information about the business situation and corporate policies. We hold the Ordinary General Meeting of Shareholders at an early date, promptly send the notice of convocation to shareholders, enable the exercise of voting rights via the Internet, and take other measures to ensure smooth exercise of voting rights by shareholders. We hold quarterly results briefings, seminars for institutional investors and analysts, and technical seminars (JSR Tech Seminars) and promote wide-ranging two-way communication.

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. Amid growing calls for corporate social responsibility, the Global Compact enables companies that operate on a worldwide level to declare their commitment to observing the Compact's ten principles. The principles include human rights, labor, the environment, and anti-corruption. Having declared its participation in the Global Compact and its commitment to act responsibly as a member of the international community, JSR Group will work even harder to actively fulfill its social responsibilities.



## Contributing to Society through Materials Innovation

### JSR Recognized Internationally for Socially Responsible Investment

JSR has been selected for inclusion in three international indices and one investment universe for socially responsible investment (SRI).

In Japan, few companies are selected for inclusion in three indices.

Our selection proves that our corporate activities are highly valued around the world, and guarantees our value.

JSR has also been selected for inclusion in the Global Compact 100.

#### Recognition for Ethical Investment



##### **MS-SRI (Japan) \***

(January 4, 2016)

We have been selected as a member of the Morningstar Socially Responsible Investment Index, Japan's major SRI index, since 2009.



##### **FTSE4Good (U.K.)**

We have been listed in the FTSE4Good Index Series since 2004.



##### **EURONEXT Vigeo World 120 (France)**

We were selected as one of the top 120 global companies included in the Euronext Vigeo World 120 Index.



##### **ETHIBEL PIONEER & EXCELLENCE Investment Registers (Belgium)**

We have been reconfirmed for inclusion in the Ethibel Pioneer & Excellence Investment Registers since June 2015.

\* 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 Constitution

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 constitution. 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, 2015—March 31, 2016

(Some parts include activities and initiatives conducted since April 2016)

## Strengthening Corporate Governance

### 2004

- Term of office of directors reduced from two years to one year

### 2005

- Introduction of the officer system
- Discontinuation of the retirement bonus system for directors and Audit & Supervisory Board members

### 2011

- Invitation of two independent outside directors to its Board of Directors consisting of six directors

### 2012

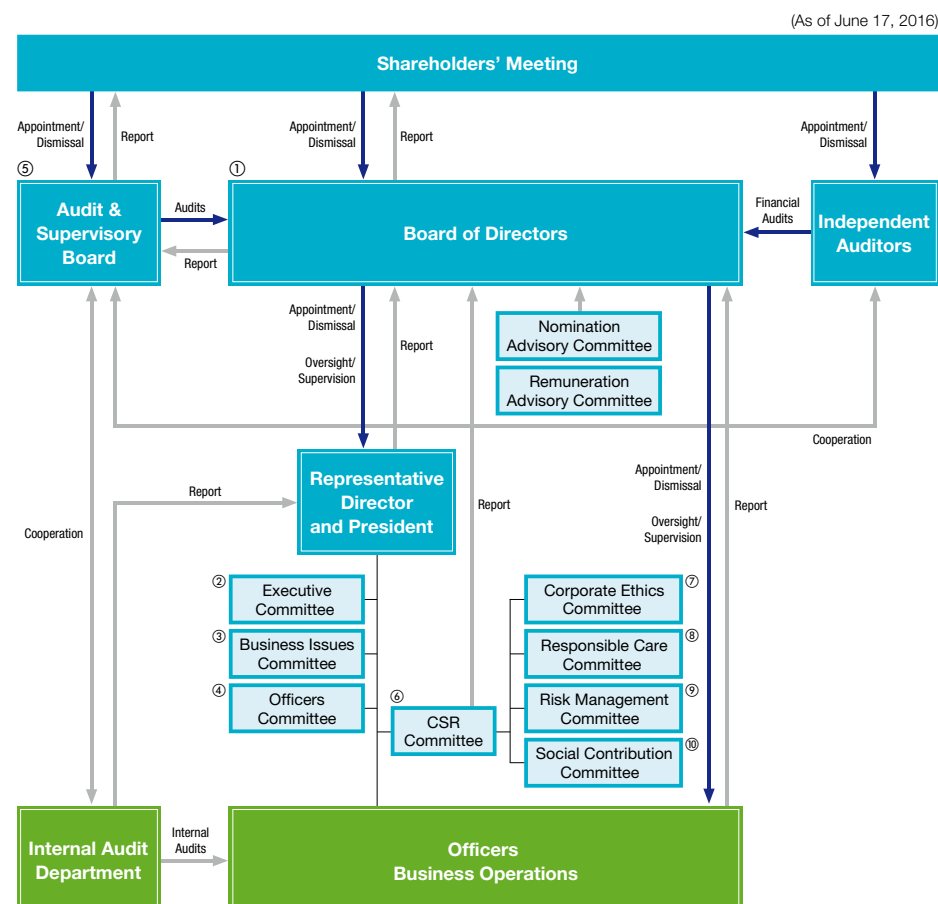
- Establishment of the Remuneration Advisory Committee, with participation by outside directors

### 2014

- Appointment of three independent outside directors to its Board of Directors consisting of seven directors and appointment of two independent outside Audit & Supervisory Board members to its Audit & Supervisory Board consisting of three members

### 2015

- Establishment of Nomination Advisory Committee of which majority members are outside directors in order to ensure the transparency of the policy and procedures of nominating candidates for directors and Audit & Supervisory Board members.
- Establishment of Remuneration Advisory Committee of which majority members are outside directors in order to ensure the objectivity and transparency of its directors' remuneration scheme.
- Introduction of Mid-term performance-based bonuses by using three years average of the consolidated ROE as performance evaluation reference.
- Disclosure of policies for cross shareholding, policies and procedures for nominating candidates for directors and Audit & Supervisory Board members, policies and procedures to determine remuneration for directors, and JSR's own criteria for judging independence for outside directors and Audit & Supervisory Board members.



## Corporate Governance System

### Directors and Corporate Auditors

(As of March 31, 2016)

Representative Director and President

**Mitsunobu Koshiba**

Representative Director

**Hozumi Sato**

Director

**Hisao Hasegawa**

**Hayato Hirano**

Standing Audit & Supervisory  
Board Member

**Shoichi Kataoka**

Outside Director

**Michio Kariya**

**Kazunori Yagi**

**Yuzuru Matsuda**

Outside Audit & Supervisory  
Board Member

**Hiroichi Uekusa**

**Hisako Kato**

### ■ Officer System

Clear segregation of the management and business execution functions

JSR has introduced an officer system to separate Company-wide management monitoring by directors and business execution by officers. The system accelerates decision-making from the functions of business execution by directors and officers, respectively, and also strengthens the supervisory function of directors and clarifies roles and responsibilities.

### ■ Audit System

Enhancement of the management monitoring function and assurance of transparency

Under the Company's audit system, business execution audits and account audits make significant contributions to fair, transparent, and timely management. Business audits cover the execution of duties by directors, and account audits cover financial statements submitted at Ordinary General Meetings of Shareholders. In order to further enhance monitoring and checking functions of its Audit & Supervisory Board, the Company appoints independent attorney and certified public accountant as outside Audit & Supervisory Board member.

### ■ Internal Control System

Efforts to ensure the effectiveness of and improve internal controls

In accordance with The Companies Act of Japan, JSR Group has established a basic policy governing its internal control system. Guided by this policy, the Company works to strengthen and augment its internal controls. The Internal Audit Department systematically audits business execution and compliance systems in each division and Group company, and confirms that rigorous legal compliance is observed throughout the Group.

#### ① Board of Directors

Management decisions that reflect outside opinions

The Board of Directors discusses and makes decisions on important business matters, and also supervises directors and officers' execution of business duties. The Board holds meetings monthly, in principle. It also includes three outside directors who, together with three Audit & Supervisory Board members (including two outside ones) engage in robust exchanges of opinions at Board meetings. By introducing independent and neutral outside directors with extensive business experience, we seek to reinforce the appropriateness of judgments made by management and monitor the legality of their execution of duties.

## Corporate Governance System

### Outside Directors (As of March 31, 2016)

The Company has appointed three outside directors in order to further reinforce the monitoring function of the Board of Directors. By welcoming outside directors with extensive experience and highly impartial, neutral perspectives, we will ensure more appropriate management decision-making and reinforce our ability to monitor the legality of business execution.

#### Michio Kariya

Michio Kariya served as president, CEO and COO of Nikon Corporation and is currently a executive advisor. Mr. Kariya has extensive experience in the management of Nikon, a globally renowned optical equipment company. He has helped strengthen corporate governance by deploying this experience to ensure reasonable judgments by management from external, independent and neutral perspectives, as well as management transparency and soundness. For this reason, Mr. Kariya has been named an outside director, as he was in the previous year.



#### Major activities in the year under review

Mr. Kariya participated in all 16 meetings of the Board of Directors held during the year under review, at which he contributed amply to fair and reasonable management decisions and transparent and sound management by addressing the Board as appropriate concerning matters under discussion. Mr. Kariya brought to the Board an independent outside perspective based on his extensive experience in the management of a company that operates an international business in optical machinery and equipment.

#### Kazunori Yagi

Kazunori Yagi is a corporate advisor for Yokogawa Electric Corporation. Mr. Yagi has extensive experience in the management of Yokogawa Electric, a globally renowned producer of control systems and measurement instruments. JSR anticipates that Mr. Yagi will help strengthen corporate governance by deploying this experience to ensure reasonable judgments by management from external, independent and neutral perspectives, as well as management transparency and soundness. For this reason, Mr. Yagi has been named an outside director as he was in the previous year.



#### Major activities in the year under review

Mr. Yagi participated in all 16 meetings of the Board of Directors held during the year under review, at which he contributed amply to fair and reasonable management decisions and transparent and sound management by addressing the Board as appropriate concerning matters under discussion. Mr. Yagi brought to the Board an independent outside perspective based on his extensive experience in the management of a company that operates an international business in control systems and measurement instruments.

#### Yuzuru Matsuda

Yuzuru Matsuda has served as the President and COO of KYOWA HAKKO KOGYO CO., LTD and Kyowa Hakko Kirin, Co. Ltd. Mr. Matsuda has vast experience in corporate management of global companies, especially in the field of medical products and biochemicals. Mr. Matsuda also possesses an independent perspective as an outside director. Mr. Matsuda has utilized his experiences and independent viewpoints to assist the Company in making crucial decisions, to supervise the Company at the Board





## Corporate Governance System

of Directors level, and to strengthen the fair corporate governance through enhancement of objective and reasonable business judgment and transparent and sound management. For this reason, Mr. Matsuda has been named an outside director as he was in the previous year.

### Major activities in the year under review

Mr. Matsuda participated in all 12 meetings of the Board of Directors held during the year under review after his appointment as a director. Mr. Matsuda has greatly contributed to continuous improvement of corporate value by ensuring reasonable judgment for, and accountable and sound management of, the businesses of the Company, by utilizing the range of his knowledge and vast experience on management of companies in the major global industries of medical products and biochemicals, and by providing necessary appropriate advice, as well as a neutral and independent viewpoint, at the Board of Directors meetings.

### ② Executive Committee

#### Rapid response to changes in the business environment

The Executive Committee holds extensive discussions on items concerning 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 concerning these issues. 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 to expedite decision-making and improve 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

#### Review of policies and strategies for individual projects

The Business Issues Committee engages in broad-ranging debate about items related to fundamental management policies and policies strategies, basic policies behind specific projects, and changes to business strategies. It also shares information to ensure a common understanding of such matters and discusses company directions. Its findings are reflected in deliberations of the Board of Directors and the Executive Committee. The Business Issues Committee, which meets once a week, consists of the president, officers with directorship status, and officers appointed by the president.

### ④ Officers Committee

#### Sharing of information on business conditions and issues

This committee is held in order to share information from all departments concerning the execution of business activities, to ensure members' thorough understanding of important business matters and to enhance their communications. This committee consists of the president, senior officers, officers and a standing Audit & Supervisory Board member, except overseas representatives. As a rule, this committee meets twice a month and is chaired by the president.

### ⑤ Audit & Supervisory Board

#### Auditing by specialists in an independent position

This Board meets every month as stipulated in the regulations governing this body. The Audit & Supervisory Board receive reports on important matters, hold discussions, and make decisions.

In accordance with standards for audits by Audit & Supervisory Board members of the Company, the Audit & Supervisory Board members attend meetings of the Board of Directors, and the standing corporate auditor attends Executive Committee and other important committee meetings to monitor how important decisions are reached and business activities are executed. The Audit & Supervisory Board

## Corporate Governance System

members also receive reports from the independent auditors, directors, and others. Through these activities, the Audit & Supervisory Board holds deliberations in order to form auditing opinions.

### Outside Audit & Supervisory Board Members

To ensure the fairness and transparency of management, the Company appoints one standing Audit & Supervisory Board members, as well as two outside Audit & Supervisory Board member. The outside Audit & Supervisory Board members have no personal, financial, or business interests in the Company. They are called upon to ensure the sound governance of the Company while drawing on their respective careers.

#### Hiroichi Uekusa

Hiroichi Uekusa has vast experience as a lawyer and does not concurrently hold the position of director in another company. Mr. Uekusa contributes to ensuring reasonable judgments by management, as well as management transparency and soundness by auditing the Company from a position of independence while drawing on the extensive knowledge and experience in legal matters he possesses as an attorney.



#### Major activities in the year under review

Mr. Uekusa attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Board held during the year under review. He contributed amply to the auditing of the Company and to fair and reasonable management decisions and transparent and sound management by addressing the Board of Directors and Audit & Supervisory Board as appropriate concerning matters under discussion. Mr. Uekusa brought to both boards an independent outside perspective based on his extensive experience as an attorney at law and his expert knowledge in a broad range of legal matters.

#### Hisako Kato

Hisako Kato as a Certified Public Accountant both in Japan and U.S. and a Certified Tax Accountant greatly contributes to further enhance its corporate governance by providing fair and reasonable judgment for, and accountable and sound management of, the businesses of the Company through utilization of her range of professional knowledge and vast experience on counting and tax matters, as well as independent and neutral view point as an independent outsider.



#### Major activities in the year under review

Ms. Kato attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Board held during the year under review. She contributed amply to the auditing of the Company and to fair and reasonable management decisions and transparent and sound management by addressing the Board of Directors and Audit & Supervisory Board as appropriate concerning matters under discussion. Ms. Kato brought to both boards an independent outside perspective based on her extensive experience as a certified public accountant, certified public tax accountant and her expert knowledge in a broad range of finance and accounting.

#### ⑥ CSR Committee

##### Implementation of CSR activities and rigorous compliance

The CSR Committee was established to ensure that JSR fulfills its responsibilities to society and complies with laws and regulations. Under the CSR Committee, four committees were established: the Corporate Ethics Committee, the Responsible Care 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 Company's CSR efforts.

## Corporate Governance System

The CSR Committee is chaired by the officer responsible for CSR and consists of officers responsible for manufacturing, manufacturing technology, environment & safety, R&D, human resources development, accounting & financing, corporate planning, corporate communication, legal, general affairs, petrochemicals businesses, fine businesses and life sciences businesses and secretaries of the four committees listed above also attend meetings of the CSR Committee. The Committee clarifies the Company's stance toward CSR and works to strengthen CSR efforts at JSR.

### ⑦ Corporate Ethics Committee

#### Promotion of ethical business activities group-wide

The Corporate Ethics Committee, chaired by the officer in charge of general affairs, was established under the CSR Committee to implement corporate ethics standards and prevent improper actions throughout JSR Group. JSR Group Principles of Corporate Ethics have been prepared to provide a code of conduct for executives and employees. It is also prepared in Traditional Chinese, Thai, and Korean, in addition to English and Simplified Chinese, so that Group employees all over the world can become better acquainted with the Principles. As for the reporting system, along with the internal hotline linked to the Corporate Ethics Committee and the external hotline linked to an external attorney, JSR introduced a hotline that is linked to a specialized external agency and is also available in English, Chinese, Korean and Thai.

### ⑧ Responsible Care Committee

#### Working to enhance safety, the environment, and quality

JSR conducts a Responsible Care program to fulfill its obligations to achieve sustainable development. The Responsible Care Committee was established under the CSR Committee to ensure that Responsible Care activities are conducted effectively across the entire company. The committee is chaired by the officer for safety and environmental affairs, demonstrating Responsible Care position as a core component of JSR's

management. This committee approves Responsible Care plans, evaluates and verifies results of activities, and helps to maintain and upgrade JSR's programs to eliminate accidents, reduce environmental impact, manage chemical substances, and ensure safety of products. Details and results of Responsible Care activities are disclosed through the CSR Report and Responsible Care Reports prepared by Yokkaichi plant.

The CSR Report is audited by a third party to improve the reliability and transparency of the content. Through these activities, the committee is dedicated to winning greater trust from customers and addressing any concerns among residents in the neighborhoods of JSR's facilities.

To make the information widely available, the CSR Report is posted on the JSR website ([http://www.jsr.co.jp/jsr\\_e/csr/](http://www.jsr.co.jp/jsr_e/csr/)).

### ⑨ Risk Management Committee

#### Further strengthening risk management systems

JSR places strong management priority on preventing serious crises from occurring and on minimizing the impact of crises that do occur on its business activities. To this end, the Company established the Risk Management Committee under the CSR Committee, with the officer responsible for Corporate Planning as chair. The Committee decides policies and plans in response to crises, both present and potential, and promotes continuous improvement.

### ⑩ Social Contribution Committee

#### Examining and promoting socially beneficial activities

The Social Contribution Committee was established under the CSR Committee and is chaired by the officer responsible for Corporate Communications. JSR has been involved in many activities that contribute to society at the local level. JSR will expand its activities to cover the whole society and provide more active approaches. The Social Contribution Committee studies the formulation of new programs and pursues initiatives according to its "Basic Approach to Social Contribution," published in January 2009.

## Corporate Governance System

### Status of Internal Audit, Audits by Audit & Supervisory Board Members and Financial Audits

#### Management oversight from various perspectives

JSR has adopted the Audit & Supervisory Board member system. There are three Audit & Supervisory Board members, including two from outside JSR Group. These auditors are staffed by one individual. Audits are performed as described in the section concerning the Audit & Supervisory Board.

The Audit & Supervisory Board members work closely with the independent auditors. The Audit & Supervisory Board members receive reports on the financial accountant's audit plan and audit results. Furthermore, the Audit & Supervisory Board members and financial accountants exchange information and opinions as necessary in the course of each fiscal year. The internal audit has been conducted by the Internal Audit Department as a specialized internal auditing unit. The Audit & Supervisory Board members receive reports on the audit plan and audit results from the Internal Audit Department regularly, exchange opinions, and enhance the auditing system.

### Nomination

#### Deliberation on nominations for corporate officers by the Nomination Advisory Committee

JSR established the Nomination Advisory Committee of which majority members are independent outside directors in order to ensure the transparency of the policy and procedures of nominating candidates for directors and Audit & Supervisory Board members. The committee deliberates criteria for ensuring the diversity in breadth of knowledge, experience, and capability as well as the size necessary for the Board of Directors, criteria and procedures for the nomination, and candidates for future president, directors, officers with directorship status (including senior officers), and Audit & Supervisory Board members, and submits its findings to the Board of Directors.

### Remuneration

#### Deliberation on remuneration for corporate officers by the Remuneration Advisory Committee

The remuneration of the Company's directors consists of a basic salary, a bonus based on consolidated performance for the year, and stock options that serve as a long-term incentive. The level of remuneration is commensurate with the Company's business results and is compared with those of other companies in the same industry and of similar size. The total limit for monthly salaries is decided by resolution at the Ordinary General Meeting of Shareholders. Performance-based bonuses and stock options are also approved by resolution at the Ordinary General Meeting of Shareholders. Total remuneration paid in FY ended March 2016, was ¥196 million, paid to eight directors, including four outside directors. Audit & Supervisory Board members are paid a basic fixed salary that is not performance-based. In FY ended March 2016, total salaries paid to Audit & Supervisory Board members amounted to ¥43 million, including ¥28 million paid to internal Audit & Supervisory Board members and ¥15 million to outside Audit & Supervisory.

The Company recently established the Remuneration Advisory Committee of which majority members are independent outside directors. The Committee deliberates about matters such as the basic remuneration policies, the remuneration system, and the annual bonus scheme and reports to the Board of Directors.

# Directors, Audit & Supervisory Board Members, and Officers

(As of June 17, 2016)

## Directors and Audit & Supervisory Board Members



Chairman of the Board  
**Hozumi Sato**



Representative Director  
and President  
**Mitsunobu Koshiba**



Representative Director  
**Koichi Kawasaki**



Director  
**Nobuo Kawahashi**



Director  
**Takao Shimizu**



Standing Audit &  
Supervisory Board Member  
**Atsushi Kumano**



Outside Director  
**Kazunori Yagi**



Outside Director  
**Yuzuru Matsuda**



Outside Director  
**Shiro Sugata**



Outside Audit &  
Supervisory  
Board Member  
**Hiroichi Uekusa**



Outside Audit &  
Supervisory  
Board Member  
**Hisako Kato**

## Officers (\*Directors)

Executive Managing Officer  
**Koichi Kawasaki\***  
Procurement, Logistics, Manufacturing and Technology, Product Safety & Quality Assurance, Safety and Environment Affairs, General Manager of Manufacturing and Technology Group

Managing Officer  
**Nobuo Kawahashi\***  
Research & Development

Managing Officer  
**Hayato Hirano**  
Petrochemical Products Sector (including Plastics), General Manager of Petrochemical Products Div., President of Techno Polymer Co., Ltd. and Japan Butyl Co., Ltd.

Managing Officer  
**Katsuya Inoue**  
Business Planning and Business Development, Fine Chemical Business, General Manager of Business Planning and Fine Chemical Business, Chairman of JSR Micro (Changshu) Co., Ltd.

Senior Officer  
**Takatoshi Nagatomo**  
President of JSR MOL Synthetic Rubber Ltd.

Senior Officer  
**Takeshi Sugimoto**  
Electronic Materials Business, General Manager of Electronic Materials Division

Senior Officer  
**Eric Johnson**  
Life Science, North America Business, General Manager of Life Science Division, President of JSR Micro, Inc.

Senior Officer  
**Takao Shimizu\***  
Office of President, Accounting, Finance, Corporate Communications, IT Strategy, General Manager of Office of President

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

Senior Officer  
**Kazumasa Yamawaki**  
Petrochemical Products Sector (deputy), Deputy General Manager of Petrochemical Products Division, General Manager of Business Planning Department, Petrochemical Products, President of KRATON JSR ELASTOMERS K. K., Director of JSR Elastomer Europe GmbH

Senior Officer  
**Makoto Doi**  
Legal, General Affairs, CSR, General Manager of Legal Department

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

Officer  
**Hiroaki Nemoto**  
LCD Materials Business, Display Solution Business, General Manager of Display Solution Division, General Manager of Display Materials Research Laboratories, Representative Director of JSR Micro Korea Co., Ltd.

Officer  
**Yoichi Mizuno**  
Optical Materials Business, General Manager of Optical Materials Division

Officer  
**Kiichiro Kamiya**  
Life Science (deputy), Deputy General Manager of Life Science Division, President of JSR Life Sciences Corporation, Director of MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.

Officer  
**Mika Nakayama**  
Corporate Planning, Diversity Development, Group Companies Coordination, General Manager of Corporate Planning, General Manager of Diversity Development Office, General Manager of Group Companies Coordination Department

Officer  
**Yoshikazu Yamaguchi**  
General Manager of Department of Business Development for Fine Chemicals

Officer  
**Koichi Saeki**  
Yokkaichi Plant, Yokkaichi Plant Manager

Officer  
**Kazushi Abe**  
President of ELASTOMIX CO., LTD., President of ELASROMIX (FOSHAN) CO., LTD., The Chief Director of JSR Group Corporate Pension Fund

Officer  
**Seiji Takahashi**  
Manufacturing and Technology (deputy), General Manager of Yokkaichi Plant Production Department III, General Manager of Manufacturing & Technology Group, SSBR Global Manufacturing & Technology Management Dept.

Officer  
**Yasufumi Fujii**  
Human Resources, General Manager of Human Resources Development Department, The Chief Director of JSR Health Insurance Society, The Chief Director of JSR Pension Fund