

Corporate Governance

Four Characteristics of Corporate Governance at JSR

The Company, by enhancing its corporate governance, endeavors to realize its corporate mission, achieve its business plan, and increase corporate value over the medium to long term.

Introducing the outside officers who ensure the fairness and appropriateness of managerial and oversight functions and management decisions

The current Board of Directors consists of nine (9) directors, three (3) of whom are independent outside directors with vast experience and extensive expertise in the management of corporations and businesses. In the future, the Company will appoint 1/3 (one third) or more independent outside directors with similar experience and expertise in order to enhance corporate value and oversee business management.

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. In the future, the Company will appoint two independent outside audit & supervisory board members with vast experience and extensive and sophisticated expertise in such fields as law, accounting, etc., to effectively audit the execution of duties by directors and management.

Ratio of independent outside directors with experience in management of corporations

Ratio of outside audit & supervisory board members who are business specialists



The Nomination Advisory Committee and Remuneration Advisory Committee function effectively in appointing and dismissing officers and determining executive remuneration

The Company established the Nomination Advisory Committee of which a majority of members are independent outside directors and the chair of which is a lead independent outside director to ensure the transparency of the policy and procedures of appointing candidates for directors. The committee deliberates criteria for the size, diversity in breadth of knowledge, experience, and capabilities necessary for the Board of Directors as well as criteria and procedures for nominating and/or identifying candidates for future appointment as CEO and/or president, directors, officers with directorship status (including senior officers), and audit & supervisory board members, and submits its findings to the Board of Directors. In addition, the Nomination Advisory Committee evaluates the performance of the CEO and President based on the annual management activity reports submitted each year by the CEO and President, and advises whether improvements to the quality of management are needed. The Company also established the Remuneration Advisory Committee of which a majority of members are independent outside directors and the chair of which is a lead independent outside director in order to ensure the objectivity and transparency of its directors' remuneration framework. 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.



- Nomination Advisory Committee Chair
- Remuneration Advisory Committee Chair

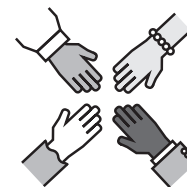
Effective management of a diverse Board of Directors

To respond to globalization, IT, digitalization, and other rapid changes in the business environment, the Company in FY2019 appointed its first non-Japanese CEO to assume responsibility for global management primarily from the United States. In addition, the Company appointed a President and COO who assists the CEO in Japan and oversees the Digital Solutions and Elastomers businesses. At the Ordinary General Meeting of Shareholders held in June 2020, the appointment of a female director from inside the company was approved, and the Company is working to further expand the diversity of the Board.

In addition, the effectiveness of the Company's Board of Directors is evaluated annually. The evaluation determines whether the structure of the Company's Board of Directors is appropriately diverse in terms of nationality and gender and other factors, whether, as a deliberative body, members' experience, skills, and knowledge in specialized fields are being drawn on in overseeing management and encouraging bold decision making and engagement with investors and shareholders, and identifies points that require efforts for improvement.

Going forward, the Company will continue to ensure the diversity of knowledge, experience, and abilities required by the Board of Directors, and work to improve corporate value over the medium and long term from the perspectives of sustainability and resilience.

A Diverse Board of Directors

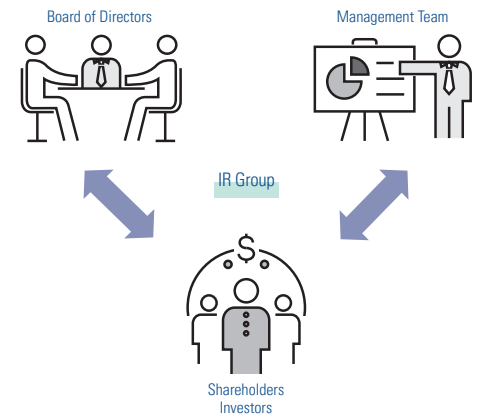


Reflecting the voices of investors and analysts in management

The Company appoints an officer in charge of IR. The CEO, the president or the officer in charge of IR explain, at briefings on business results and the mid-term business plan for institutional investors and/or market analysts, the business performance, financial positions, and the details and progress of the mid-term business plan.

In addition, the CEO, the president or the officer in charge of IR also hold face-to-face meetings with institutional investors, both in Japan and overseas, to explain the above mentioned business results and progress of the mid-term business plan.

In discussions with investors and/or analysts, the Company has strived to appropriately treat insider information and feed back to management and the board of directors the opinions and questions expressed by the investors and/or analysts during such discussions.



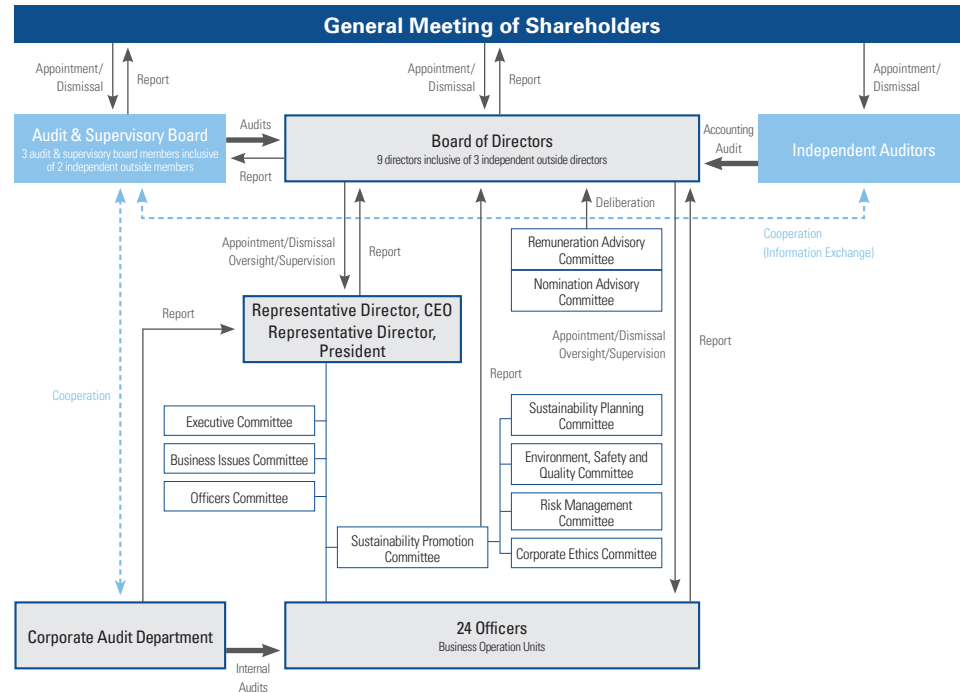
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Basic Views

It is the 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 and by sustaining sound and healthy business practices. The Group will also continuously strive to create new corporate value with the hope of becoming an attractive corporation that can earn the trust of, and satisfy the interests of, all our stakeholders.

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. The Company continuously has strengthened the function of management supervision, improved efficiency in decision making and business duties execution, and enhanced the transparency and soundness of its business management to raise corporate value over the medium to long term. To that end, it has implemented measures, such as the introduction of an officer system, appointment of outside directors and audit & supervisory board members who are independent from the Company and have extensive business experience and expertise, establishment of the Remuneration Advisory Committee and the Nomination Advisory Committee,

Corporate Governance Structure Diagram (As of June 17, 2020)



each of which a majority of members are independent outside directors and the chair of which is an independent outside director, and the introduction of three types of performance-based remuneration for directors, other than outside directors covering short, medium and long term.

Corporate Governance Structure

1. Board of Directors

The Board of Directors consists of nine (9) directors, three (3) of whom are independent outside directors with independent and extensive experience in business and management, and holds meetings once a month, 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.

To respond to globalization, IT, digitalization, and other rapid changes in the business environment, the Board of Directors in FY2019 approved the appointment of the Company's first non-Japanese CEO to assume responsibility for global management primarily from the United States, as well as of a President and COO to assist the CEO in taking charge of management in Japan. At the Ordinary General Meeting of Shareholders held on June 17, 2020, a proposal to appoint a female director from inside the company was approved, adding further diversity to the Board of Directors. Going forward, based on the findings of the Nomination Advisory Committee, the Company will ensure the diversity of knowledge, experience, and abilities required for the Board of Directors in light of current business strategies, and seek to maintain the optimal Board composition within a twelve (12) member limit.

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 comprised of the CEO, 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 operations. As a rule, this committee meets once a week, and is chaired by the CEO or 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

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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 in principle, consists of the CEO, the president and officers with directorship status, and is chaired by the CEO or the president.

4. Officers Committee

This committee consists of the CEO, the president and all officers and aims to ensure members' thorough understanding of business conditions and important business matters. This committee 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, a lawyer and a certified public accountant qualified as a certified public tax accountant, 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 independent auditors, directors, and employees. Through these activities, audit & supervisory board members hold the 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.

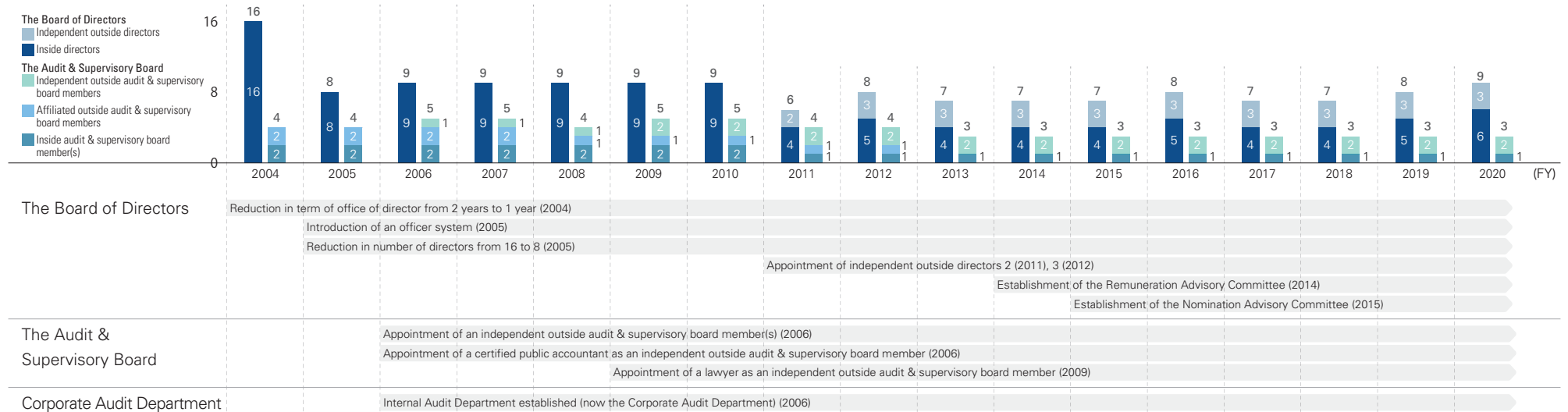
(2) Internal Audit

JSR has established the Corporate Audit Department to improve the effectiveness of the JSR Group's internal control system. In accordance with the internal 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 CEO, 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.

Governance history since 2004



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7. Sustainability Promotion Committee

In order to establish good relationships with various stakeholders and to become a company that is trustworthy and indispensable, the JSR Group has established the Sustainability Promotion Committee with the purpose of shifting its focus from CSR (Corporate Social Responsibility) activities to Sustainability activities that contribute to all stakeholders by creating value through corporate activities.

The Company has set up the following four committees under the Sustainability Promotion Committee: the Sustainability Planning Committee, the Environment, Safety and Quality Committee, the Risk Management Committee, and the Corporate Ethics Committee. The Sustainability Promotion Committee integrates and guides the activities of the above four committees and meets four times each year, along with other meetings as necessary, to further strengthen the management of Company.

Concerning the summary of results of evaluation of the effectiveness of the Company's Board of Directors

The Board of Directors of the Company has been conducting an evaluation in order to maximize corporate value of the Company by enhancing its effectiveness. The FY2019 effectiveness evaluation findings reached the conclusion that the JSR Board of Directors is functioning effectively. Effectiveness evaluations will continue to be performed moving forward.

Summary and Results of Board of Directors Effectiveness Evaluation for FY2019

Overview of Evaluation Results

Evaluation process

The Board of Directors evaluated its effectiveness through a self-assessment while utilizing aggregated data and evaluation support provided by a third party that has expertise in the relevant field.

In November 2019, a questionnaire was distributed to all eight directors (including three independent outside directors) and three audit & supervisory board members of our company (including two independent outside audit & supervisory board members). After collecting questionnaire responses, the board members discussed the results of the questionnaire, as well as the opinions expressed through the questionnaire, and evaluated the effectiveness of the Board of Directors.

Evaluation Results

The Board of Directors is properly structured by consisting of inside and outside directors as well as audit & supervisory board members from diverse perspectives (e.g. different nationalities and gender). The Board of Directors serves as a meeting body that oversees management and encourages top management to make bold decisions by utilizing each member's experiences, skills, and specialization.

The Nomination Advisory Committee and the Remuneration Advisory Committee are enhancing their supervisory functions by working effectively and providing adequate advice to the Board of Directors while ensuring their own independence and objectivity towards the Board of Directors.

Conclusions

The Board of Directors has drawn the conclusion that "The Board of the Directors of the Company is functioning effectively."

Things that require improvement

- As ESG investment and activities for the SDGs are becoming increasingly important, the Board of Directors recognizes that it is necessary to increase opportunity to discuss the sustainability & resilient management while taking into account these activities. The Board needs to further monitor activities which allow the Company to proceed with business strategies that focus on "sustainability & resilience" and to enhance corporate value.
- Regarding the composition of the Board of Directors, an outside director who has a thorough knowledge of IT and digital technologies resigned from his position in the middle of the fiscal year. Therefore, the Company needs to find a specialist in this field to fill the position. Besides that, it is also desirable that the Company finds people from diverse backgrounds for its Board of Directors. The Board of Directors hopes that the Company will develop more female employees that assume roles as directors.

Future Activities

- The Board of Directors will appropriately monitor the execution status of a new mid-term business plan which starts in FY2020. From the perspectives of sustainability & resilience, the Board of Directors will also promote integration between sustainability and business strategies, enhance the Company's operations through resilient activities (establish a multi-layered and robust system, reinvest in the plants and ERP, etc.), in parallel with the growth of major businesses, it will strengthen the Company's ability to respond to various crises, and maximize its corporate value.
- The Board of Directors once again confirmed the ongoing need to monitor important business issues when evaluating the Board's effectiveness. The business issues listed below will be on the agenda of Board meetings, and Board members will carefully discuss the issues and monitor the status of response measures.

Important business challenges

1. Carry out business based on the "sustainability & resilience."
2. Streamline the Company's overall business portfolio and optimize its overall resource allocation.
3. Create business models and business strategies in the Life Sciences Business so that it will become JSR's third business pillar.
4. In the Elastomers Business whose profitability has declined, determine business strategies and the way the business should be.
5. Expand the portfolio of our Digital Solutions Business which is the primary source of our company's revenue at the moment.
6. Implement crisis management and response (including Business Continuity Plan (BCP) due to the novel coronavirus).

Going forward, JSR will continue striving to ensure a highly effective Board of Directors based on regular evaluations of its effectiveness.

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Assurance of Fairness and Transparency in the Directors' Remuneration Scheme (Initiatives by the Remuneration Advisory Committee)

JSR established the Remuneration Advisory Committee in FY2014. The Committee is chaired by an independent outside director, and consists of three independent outside directors (including the chair) and the Chairman of the Board. The Committee, consulting data and recommendations from outside organizations and taking each fiscal year's business performance and other factors into consideration, reports its findings to the Board of Directors on a fair, transparent, and competitive remuneration framework and remuneration amounts as well as a basic policy on directors' remuneration.

In FY2019 ended in March 2020, the Committee, as in other years, verified the validity of the remuneration framework, remuneration amounts, and the basic policy on directors' remuneration against benchmark data and verified the interconnectedness between the mid-term business plan and the remuneration framework. The Committee also endeavors for full transparency in disclosures of the directors' remuneration framework. The Director Remuneration section in JSR's FY ended in March 2019 Annual Report was mentioned on the Japanese Financial Services Agency's website as an example of best practices.

Principles on remuneration for directors and audit & supervisory board members

In order to maintain the competitive advantages of JSR Group as a global company, the Company has established principles on remuneration for directors and audit & supervisory board members which enable the Company to develop and recruit internationally competitive and diverse human resources capable of managing the businesses, and to provide short-, mid- and long-term incentives for its directors that are aligned with the benefit of its shareholders, and to encourage and motivate its management, while maintaining the transparency and accountability, to accomplish the management strategies and business strategies of the Company. Remuneration framework should:

- (1) attract, secure, and reward diverse and excellent personnel regardless of nationality for the purpose of further enhancing and improving its competitive advantages and global management;
- (2) encourage the management to demonstrate healthy entrepreneurial spirit by motivating them to achieve the objectives of business strategies aiming at continuous growth; and
- (3) promote medium- to long-term improvement in corporate value by sharing the benefit between management and shareholders via the reinforcement of stock ownership during his/her term of office as director.

Remuneration Structure

Remuneration for directors of the Company consists of basic remuneration, annual bonuses linked to the annual business performance of the Company, and Mid-Term Performance-Linked Bonus that are linked to the level of achievement of medium- to long-term results and Restricted Stock Share as Remuneration designed to facilitate earlier sharing of corporate values between directors and the shareholders of the Company. However, remuneration for outside directors and audit & supervisory board members, in light of their roles, consists only of basic remuneration. Remuneration for the Chairman of the Board consists of 3 (three) types of remuneration: a fixed basic remuneration, a Mid-Term Performance-Linked Bonus, and Restricted Stock Share as Remuneration in a similar manner as described above. The Chairman of the Board of the board, who is responsible for monitoring and supervising the Board while striving to improve corporate value from a perspective different from that of executive directors engaged in business execution, is excluded from performance-based annual bonuses.

The table below shows each remuneration composition when basic remuneration is set at 100 and the standard amount of the performance-linked remuneration is set when a target has been achieved 100%.

Remuneration System

		Basic Remuneration	Performance-Linked Remuneration			Basic remuneration vs. performance-linked remuneration
			Annual Bonus	Mid-Term Performance-Linked Bonus	Restricted Stock Share as Remuneration	
Directors (not including outside directors)	CEO	100	100	About 133	About 67	100:300
	President	100	30	50	25	100:105
	Chairman of the Board	100	0	50	25	100:75
	Concurrently serve as Executive Managing Officer / Managing Officer / Senior Officer	100	25	30	15	100:70

* In view of the duties involved, an annual bonus has not been paid to the Chairman of the Board since 2020.

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Appropriateness of the remuneration level of the Company

When considering the above mentioned remuneration structure and composition thereof, the Remuneration Advisory Committee verifies the appropriateness of the level of remuneration through annual benchmarking study by using the remuneration database possessed by a third party consultant specialized in remuneration for executives and by comparing with the companies whose size, type, and line of business are similar to those of the Company.

In addition, when determining the composition of performance-linked remunerations and other remuneration for the director who is responsible for overseeing and managing the Company's international businesses, the Remuneration Advisory Committee verifies the appropriateness of remuneration level for such director through another annual benchmarking study using a method similar to the one described above and using the survey data on remuneration prevailing in the region where such director is responsible for as well as considering each director's job responsibilities and the magnitude of impact on management of the JSR Group.

Procedures for determining remuneration, etc.

In relation to remuneration for the directors, the Board of Directors (referred to as "BOD" in this section) deliberates and determines the policies of remuneration for directors, remuneration framework, and amount of remuneration for individual directors.

In order to ensure independence and objectivity during deliberation and decision-making processes at the BOD mentioned above and to enhance monitoring function and accountability of the BOD, the Company established the Remuneration Advisory Committee as an advisory body for the BOD.

Items for deliberation and reports by the Remuneration Advisory Committee

The Remuneration Advisory Committee, upon an inquiry from the BOD, deliberates the remuneration of the eligible persons and related items as listed below and reports the result to the BOD, or provides the Audit & Supervisory Board with advice.

Persons eligible: Inside directors (including representative directors and executive directors), outside directors, audit & supervisory board members, officers, executive advisors, senior advisors, and other important employees

Items for deliberation: Establishment of the remuneration policies, designing the remuneration framework, setting performance targets, reviewing rationale of incentive remunerations, appropriateness of the level and composition of the remunerations, and determination of the amount of remuneration of each position based on the remuneration framework and others

Composition of the Remuneration Advisory Committee and attributes of Chairperson

The Remuneration Advisory Committee consists of at least 3 committee members, and more than half of the members shall be independent outside directors, of which a chairperson shall be elected from independent outside directors by resolution of the BOD in order to ensure independence, objectivity, and accountability as well as effectiveness of the Remuneration Advisory Committee. In addition, a third party consultant, specialist in this field, and staff members for the Committee also attend the Remuneration Advisory Committee meetings as observers.

Annual Bonus Payout Ratio Targets and Results (FY2019)

	Performance Evaluation Reference		Payout Ratio
	Target	Result	
Consolidated Revenue	508.0 billion yen	472.0 billion yen	26.2%
Consolidated Operating Profit	44.5 billion yen	32.9 billion yen	46.7%

* (Notes on the Payout Ratio in the table above) As the consolidated revenue and operating income were affected by reduction in raw materials for petrochemical businesses and the extraordinary losses etc., the Company set the payout ratio relating thereto at 26.2% and 46.7%, respectively by re-calculating consolidated revenue and operating income after excluding such temporary factors in accordance with the suggestion by the Remuneration Advisory Committee. As a result, the payout ratio for Annual Bonuses was about 37% by averaging those from consolidated annual revenue and operating profit, respectively (reflecting evaluation result of performance of the Group as a whole).

Annual Bonus Payout Ratio Range (FY2019)

Payout Ratio	Range of Payout Ratio corresponding to the result of the Performance Evaluation Reference		200%
	0%	100%(Target)	
Consolidated Revenue	471.9 billion yen or less	508.0 billion yen	544.1 billion yen or more
Consolidated Operating Profit	29.1 billion yen or less	44.5 billion yen	59.9 billion yen or more

3-Year Average of Consolidated Annual ROE

FY Mar 2016	FY Mar 2017	FY Mar 2018	FY Mar 2019	FY Mar 2020
6.8%	8.4%	8.8%	7.8%	5.7%
		Target	Actual	Payout Ratio
FY Mar 2016-FY Mar 2018		10%	8.0%	50%
FY Mar 2017-FY Mar 2019		10%	8.3%	58.3%
FY Mar 2018-FY Mar 2020		10%	7.4%	50%

Range of Mid-Term Performance-Linked Bonus Payout Ratio (FY2019)

Actual ROE average	Range of Payout Ratio corresponding to the actual ROE of the most recent 3-year average				
	less than 6%	6% or more	8%	10%	12% or more
Payout Ratio	0%	50%	50%	100%(target)	150%

* Payout Ratio is 50% when actual ROE average is between 6% and 8% and is calculated proportionately in accordance with the above table when actual ROE average is between 8% and 12%.

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Succession and Evaluation of the Group's Management Structure (Initiatives by the Nomination Advisory Committee)

The Nomination Advisory Committee was established in FY2015. Currently, the Committee consists of three independent outside directors (one of whom is the chair), as well as the CEO and the President and COO. The Committee carries out objective and long-term examinations of appointments and dismissals of the CEO and President, the Board of Directors' composition and elections, the Group's management structure, and succession plans for vital management posts. In FY2019, the Committee carried out a follow-up review and evaluation of the new management structure and monitored such initiatives as the Board of Directors' composition and elections and the nurturing and training status of next-generation management candidates. Furthermore, the CEO and President submit annual management activity reports to the Committee, which deliberates on the nomination and removal/dismissal of top management and makes recommendations to the Board of Directors.

Nomination Advisory Committee

JSR established the Nomination Advisory Committee to ensure the transparency of the policy and procedures of appointing candidates for directors, audit & supervisory board members and officers with directorship status (including senior officers). A majority of Committee members are independent outside directors and the chair is also an independent outside director.

The committee deliberates the standard for the diversity in breadth of knowledge, experience, and capability necessary for the Board of Directors, criteria and procedures for the nomination, and candidates for future appointment as CEO, the president, directors, officers with directorship status (including senior officers), and audit & supervisory board members, and reports its findings to the Board of Directors.

In addition, the CEO and/or the president submit to the Committee an annual report on a broad range of strategic management activities. Based on the report, the Committee assesses the business result and performance of the CEO and/or the president and advises the Board of Directors whether or not improvement in management quality is necessary.

Dismissal of Directors

The Committee will deliberate and report to the Board of Directors in a timely fashion when the Committee judges there arises a reason that necessitates dismissal of directors including the CEO. In order to ensure transparency of the deliberation, the Committee takes necessary measures such as deliberation solely among outside independent directors for the agenda relating to appointment/reappointment or dismissal of CEO.

Upon receipt of the aforementioned annual management activities report and based on the business result and performance evaluation of the CEO and/or the president as well as business circumstances and economic outlook, etc., the Committee annually deliberates and judges appropriateness of the appointment, dismissal of the CEO and/or the president and terms of office.

Criteria for appointing candidates for directors

When nominating candidates for directors, JSR makes it a rule to ensure an appropriate balance among diversity in breadth of knowledge, experience, and capability essential to the Board of Directors and the size thereof in order to make important management decisions and oversee the execution of duties in an appropriate and timely fashion. JSR appoints persons who are mentally and physically sound and have an exceptional personality and popularity, and high principles and ethical view. In light of these considerations, JSR appoints as candidates for inside directors persons who have extensive knowledge, experience, and high capability with a superior track record in such fields as business management (including international), R&D, manufacturing, manufacturing technology, human resources, and finance and accounting, etc. JSR appoints as candidates for outside directors persons who have independence, vast experience and extensive expertise of management of the major companies in various fields and of business management both in Japan and overseas as well as the capability to actively express opinions and raise issues on growth strategy and enhancement of governance from a broad perspective.

Criteria for appointing candidates for audit & supervisory board member

From the perspective of ensuring the transparency and soundness of business management through auditing the process of directors' decision making and execution of duties in accordance with laws and regulations, such as the Companies Act, the articles of incorporation and internal rules, JSR appoints persons with vast experience and extensive and sophisticated expertise necessary for audit (including one person with sufficient knowledge of finance and accounting) among those who are mentally and physically sound and have an exceptional personality and popularity, and high principles and ethical view. Regarding candidates for outside audit & supervisory board members, in particular, JSR nominates persons who have independence and extensive experience and knowledge of laws and accounting.

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Policy for training directors and audit & supervisory board members

JSR conducts introductory seminars and plant and laboratory tours and other opportunities for newly elected officers, given their potential as future director candidates, to deepen their understanding of the Company and its businesses.

Moreover, when a Board of Directors meeting is held, JSR picks up key issues closely related to its businesses as “Specific Themes for Review and Discussion” and thereby provides an opportunity to exchange opinions on such themes. This opportunity helps directors and audit & supervisory board members not only deepen their understanding of the Company’s business challenges but also promotes communication between board members. Furthermore, JSR holds regular seminars by outside lecturers prior to the ordinary general meeting of shareholders to review the status of corporate governance in general and legal reforms.

Succession Plan

The Committee systematically develops and selects candidates for the successor to the CEO and/or the president in an objective and transparent manner by providing the pool of candidates with necessary training and coaching to enhance skills and leadership and by actively participating in the selection process through interviews, etc.

Policy on constructive dialogue with shareholders

To promote constructive dialogue with shareholders and investors, officers responsible for the Accounting and Finance Department and the Corporate Communications Department take charge of IR activities, and work together to facilitate dialogue. JSR holds an analyst meeting every quarter and a mid-term business plan briefing once every fiscal year. In such meetings, the CEO, the president or an officer in charge of IR, explain business performance, financial position, details and progress of the mid-term business plan to analysts. Every year, the CEO, the president or an officer in charge of IR holds interviews with major institutional investors in Japan and overseas to explain the details and progress of the mid-term business plan. JSR has been endeavoring to provide investors with Company information on its website, such as financial statements, information on mid-term business plans and progress thereof, and details of business performance of main businesses, as well as information on CSR activities including efforts to conserve the environment and responsible care, and on R&D activities. Opinions and questions that JSR receives from investors through the above-mentioned discussions are fed back to management as IR activity reports. In discussions with shareholders, JSR has appropriately treated insider information (setting moratoriums from the start of a new fiscal year to the day of announcing business results, establishing regulations for preventing insider trading, and conducting employee education seminars).

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Independent Outside Directors (As of June 17, 2020)

The Company has appointed 3 independent outside directors to further strengthen the functions of the Board of Directors to supervise management and make decisions in a timely and appropriate manner.

By appointing independent outside directors with a broad range of corporate management experiences and an independent perspective as outside personnel, the Company ensures fair and reasonable business judgement and transparent and sound management.



Yuzuru Matsuda

Mr. Matsuda served as the President and Chief Operating Officer of KYOWA HAKKO KOGYO CO., LTD and Kyowa Hakko Kirin, Co., Ltd (currently known as Kyowa Kirin Co., Ltd.) as well as an Advisor to Kyowa Hakko Kirin. He has vast experience in corporate management for global companies especially in the field of medical products and biochemical. He also possesses the 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 judgement and transparent and sound management, thereby continually contributing further to the enhancement of JSR Group's corporate value. He is therefore appointed again as an outside director.



Shiro Sugata

Mr. 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 and also has experience obtained through activities in the business community, and possesses the perspective as 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 judgement and transparent and sound management, thereby continually contributing further to the enhancement of JSR Group's corporate value. He is therefore appointed again as an outside director.



Tadayuki Seki

Mr. 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 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 judgement and transparent and sound management, thereby continually contributing further to the enhancement of JSR Group's corporate value. He is therefore appointed again as an outside director.

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Directors and Audit & Supervisory Board Members (As of June 17, 2020)



Representative Director, CEO
Eric Johnson
 North America Business
 President of JSR North America Holdings, Inc.



Representative Director, President, COO
Nobuo Kawahashi



Director, Chairman of the Board
Mitsunobu Koshiba



Director, Executive Managing Officer
Koichi Kawasaki
 Manufacturing and Technology, Product Safety & Quality Assurance, Safety and Environment Affairs, Human Resources, Diversity Development
 President of Japan Butyl Co., Ltd.



Director, Managing Officer
Hideki Miyazaki
 Accounting, Finance, Corporate Communications, IT Strategy, Cyber Security Management, Business Process Renovation



Director, Senior Officer
Mika Nakayama
 Sustainability Promotion
 General Manager of Sustainability Promotion Dept.



Outside Director
Yuzuru Matsuda



Outside Director
Shiro Sugata



Outside Director
Tadayuki Seki



Standing Audit & Supervisory Board Member
Tomoaki Iwabuchi



Outside Audit & Supervisory Board Member
Hisako Kato



Outside Audit & Supervisory Board Member
Sumio Moriwaki

Officers (As of June 17, 2020)*

Managing Officer
Hayato Hirano
 Supervising Elastomers Business, Plastics Business

Managing Officer
Katsuya Inoue
 Corporate Planning, Emerging Business, Office of the CEO General Manager of Corporate Planning Div.
 General Manager of Office of the CEO
 General Manager of Investment, Business Innovation
 Executive Officer of JSR Active Innovation Fund, LLC

Managing Officer
Tadahiro Suhara
 Supervising Digital Solutions Business
 Representative Director of JSR Micro Korea Co., Ltd.

Senior Officer
Kazumasa Yamawaki
 Plastics Business
 President of Techno UMG Co., Ltd.

Senior Officer
Makoto Doi
 Legal, General Affairs, Secretarial Office
 General Manager of Legal Dept.

Senior Officer
Yoshikazu Yamaguchi
 Electronic Materials Business
 General Manager of Electronic Materials Div.
 General Manager of Taiwan Branch., Electronic Materials Div.

Senior Officer
Kazushi Abe
 Elastomers Business
 General Manager of Elastomer Div.
 President of ELASTOMIX CO., LTD.
 Director and President of KRATON JSR ELASTOMERS K.K
 President of ELASTOMIX(FOSHAN)CO., LTD.
 Representative Director of JSR Elastomer Europe GmbH

Officer
Koichi Saeki
 Yokkaichi Plant
 Yokkaichi Plant Manager

Senior Officer
Seiji Takahashi
 Manufacturing and Technology (Deputy), Procurement, Logistics
 General Manager of SSBR Global Manufacturing & Technology Management Dept.

Officer
Eiichi Kobayashi
 Executive Vice President of JSR North America Holdings, Inc.

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

Officer
Yasufumi Fujii
 General Manager of Corporate Audit Dept.

Officer
Mikio Yamachika
 Manufacturing and Technology (Deputy)

Officer
Tim Lowery
 Life Sciences Business
 General Manager of Life Sciences Div.
 President of JSR Life Sciences, LLC

Officer
Koichi Hara
 Executive Vice President of JSR North America Holdings, Inc.

Officer
Junichi Takahashi
 Product Safety & Quality Assurance (Deputy)

Officer
Keisuke Wakiyama
 Display Solution Business, China Business
 General Manager of Display Solution Business Div.
 Chairman of JSR (Shanghai) Co., Ltd
 Chairman of JSR Micro (Changshu) Co., Ltd.
 Chairman of JSR Display Technology (Shanghai) Co., Ltd.

Officer
Ichiko Tachibana
 General Manager of Support Dept., Emerging Business
 JSR Active Innovation Fund, LLC

Officer
Toru Kimura
 Research & Development (CTO)
 General Manager of Research & Development
 General Manager of RD Technology and Digital Transformation Center

Officer
Yutaka Yoshimoto
 Office of President
 General Manager of Office of President

Officer
Hiroaki Tokuhisa
 Research & Development (Deputy)
 General Manager of Yokkaichi Research Center
 General Manager of Performance Polymer Research Laboratories
 General Manager of Tire Materials Technology Development Center

* excluding those who concurrently serve as directors