

## CORPORATE MISSION

# MATERIALS INNOVATION

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

## MANAGEMENT POLICIES

Our efforts to realize the corporate mission of JSR Group are guided by a management policy consisting of two core components. The first is a set of universal and unchanging “fundamental pillars of management” through which we work to achieve continuing growth. The second is our “responsibilities to stakeholders,” which are an expression of our responsibilities as a good corporate citizen.

### Fundamental Pillars of Management

#### Continuous creation of businesses

As society evolves, so does the demand for specialized materials and advanced products. JSR continuously evolves to anticipate and respond to changing marketing needs and, in doing so, achieve dynamic growth.

#### Enhancement of corporate culture

As society evolves, so will our organization. JSR will build on its existing positive corporate culture to create an organization and management style with the vitality to keep evolving.

#### Increase in corporate value

JSR will position itself to increase our overall corporate value by creating businesses through materials that focus on customer satisfaction and the fulfillment of employees.

### Responsibility to Our Stakeholders

#### Responsibility to our customers /business partners

When interacting with our business partners and customers, the JSR Group will:

- Constantly evolve to meet the demand for new materials
- Always strive to increase customer satisfaction
- Act in good faith and maintain fair and equitable business relations
- Continue to be socially and environmentally conscious throughout the supply chain

#### Responsibility to our employees

All employees should expect:

- To be evaluated and rewarded based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

#### Responsibility to society

All members of the JSR Group will honor our responsibility to both the local and global communities through:

- Responsible and respectful business practices (Responsible Care) that consider the environment and safety
- Support of environmental conservation by providing eco-friendly products
- Reduction of our environmental impact throughout the entire product life cycle
- Active contribution to conserving biodiversity throughout our business activities and the entire product life

#### Responsibility to shareholders

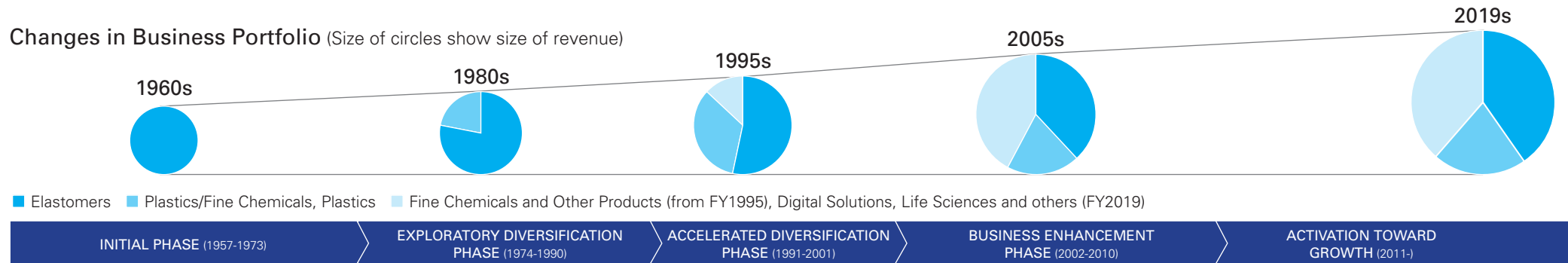
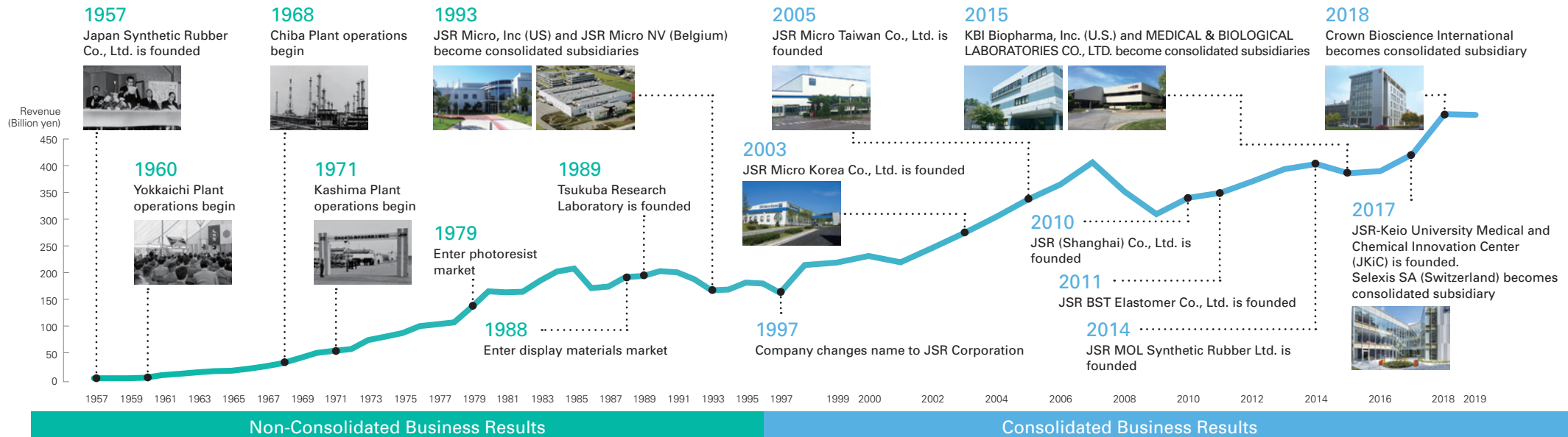
Group will maintain its responsibility to shareholders by:

- Aiming to increase corporate value by creating business opportunities through materials
- Constantly enhancing management efficiencies
- Inspiring trust by being highly transparent and conducting sound corporate management practices

# Track Record of Creating Value

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 on our 40th anniversary on December 10, 1997. Recently, the previous Fine Chemicals Business was renamed the Digital Solutions Business to encompass a broader focus for new business opportunities. The Life Sciences Business was established as the third business pillar and is expanding its scale through various measures including mergers and acquisitions (M&A). A new company was established in the Plastics Business through merger. We will strive for continued, sustainable growth by focusing on increasing profits while also diligently facing challenges in each field of our business.



# Corporate Value Creation Process

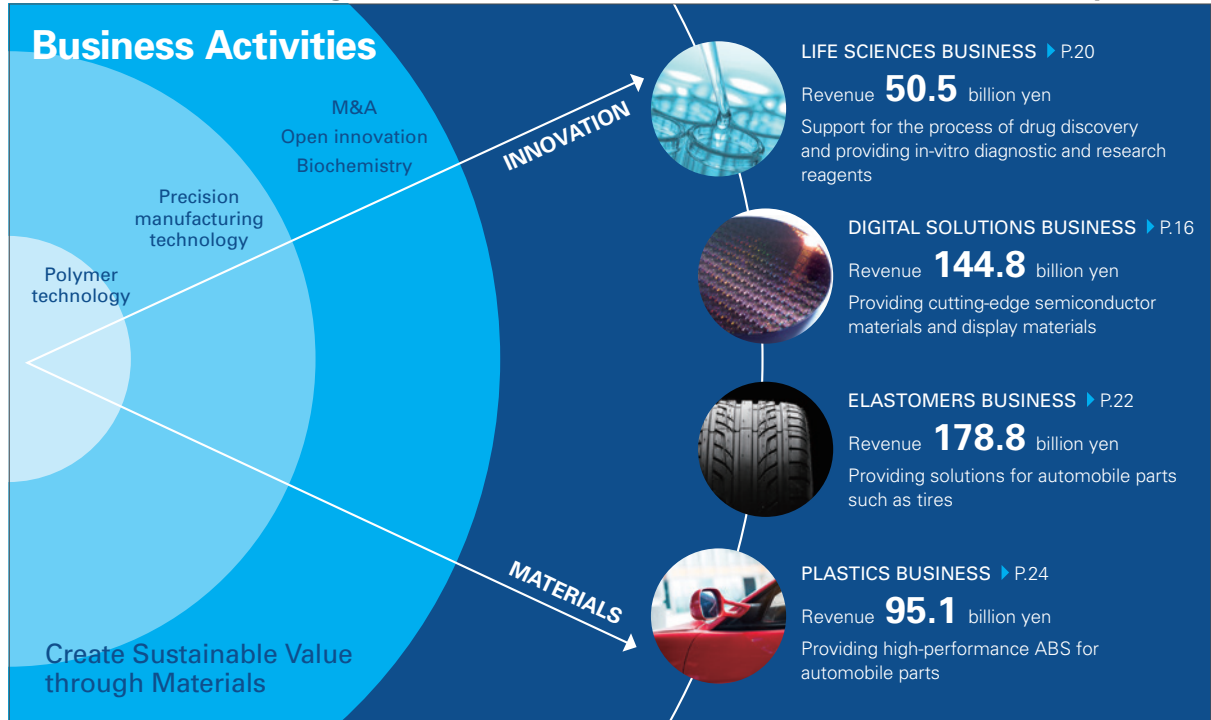
## Our Strategies for Value Creation

## FY2019 Results (Output)

## Providing Value to Society (OUTCOME)

**The JSR Approach – Macro Trends**

- Global Warming
- Population Growth/ Natural Resources
- Emerging Markets
- Digital Revolution



**The JSR Approach – Aiming to be a Truly Global Company**

### Management Foundation

Strong Financial Foundation ▶ P.28	Global Network ▶ P.29	Evolving Technical Capabilities ▶ P.34
Environment ▶ P.36	Human Resources ▶ P.39	Corporate Governance ▶ P.42
Compliance ▶ P.52	Risk Management ▶ P.53	Supply Chain Management ▶ P.54

Resilience and Sustainability ▶ P.8

Corporate Mission ▶ P.2

JSR contributes to society through customer companies.

**Contributions to customer companies**

- Meeting customer needs, providing solutions, contributing to technological innovation
- Contribution to product safety taking into account everything from raw materials to finished products
- Contributions to manufacturing processes through efficient resource use

**Contributions to society**

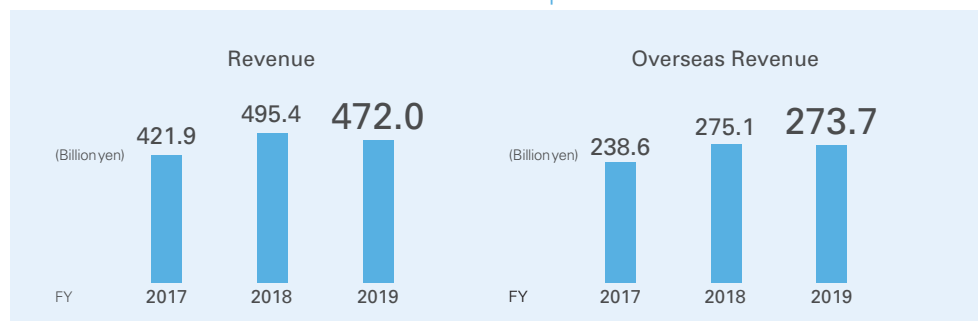
- Contributing to quality of life and well-being**
  - Achieving a smart (AI, IoT) society
  - Achieving high-speed communications
  - The spread of 4K and 8K TV
  - Achieving comfortable mobility
- Contributing to a society of health and longevity**
  - Shortening the drug discovery period
  - From treatment to prevention
  - Promoting personalized medicine
- Contribute to Global Environmental Conservation**
  - Efficient energy use through improved tire performance
  - Achieving a recycling-oriented society through mono-materialization

**SDG Contributions**

# FY2019 Financial & Non-Financial Highlights

## Financial Information

### Financial Capital



Operating Profit  
(% against total revenue)

**32.9** Billion yen  
(7.0%)

Profit, Attributable to Owners of Parent

**22.6** Billion yen

Dividend Payout Ratio

**57.5%**

Capital Expenditure

**45.9** Billion yen

ROE

**5.7%**

## Non-Financial Information

### Human Capital and Intellectual Capital

Number of Employees  
(Group consolidated basis)

**9,050**  
(As of March 31, 2020)

Percentage of Women in  
Managerial Positions

**4.3%**  
(JSR Corporation, as of  
April 1, 2019)

Employment Rate of Individuals  
with Disabilities

**2.38%**  
(JSR Corporation)

R&D Expenses

**25.4** Billion yen

\* Whole JSR Group, including contract  
research expense of goods purchased.

Number of Patents Held

**6,670**

Number of  
Workplace  
Accidents

JSR Corporation.....	<b>1(0)</b>
Manufacturing Partners of JSR or Group ....	<b>0(4)</b>
Group Companies in Japan.....	<b>3(4)</b>
Manufacturing Partners of Group Companies in Japan .....	<b>2(3)</b>

\* Number of non-working accidents in brackets.

### Social and Relationship Capital

Global Network

Japan **32** locations Overseas **41** locations

\* Including JSR headquarters, main production and R&D  
sites and 23 Group companies.

### Natural Capital

Greenhouse Gas  
(CO<sub>2</sub>) Emissions

**973**  
kt-CO<sub>2</sub>

\* JSR Corporation, Group  
companies in Japan and other  
countries in total, Scope 1 +  
Scope 2.

Basic Unit of Energy  
Consumption

**0.38**  
kL/ton

\* Only for JSR Corporation.  
0.18 for Group companies in  
Japan and 0.48 for Group  
companies in other countries.

\* Since FY2017, JSR has prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) under the stipulations of Article 120, Paragraph 1 of the Corporate Accounting Regulations.

\* For FY2018 and FY2019, total amounts for ongoing businesses are shown.