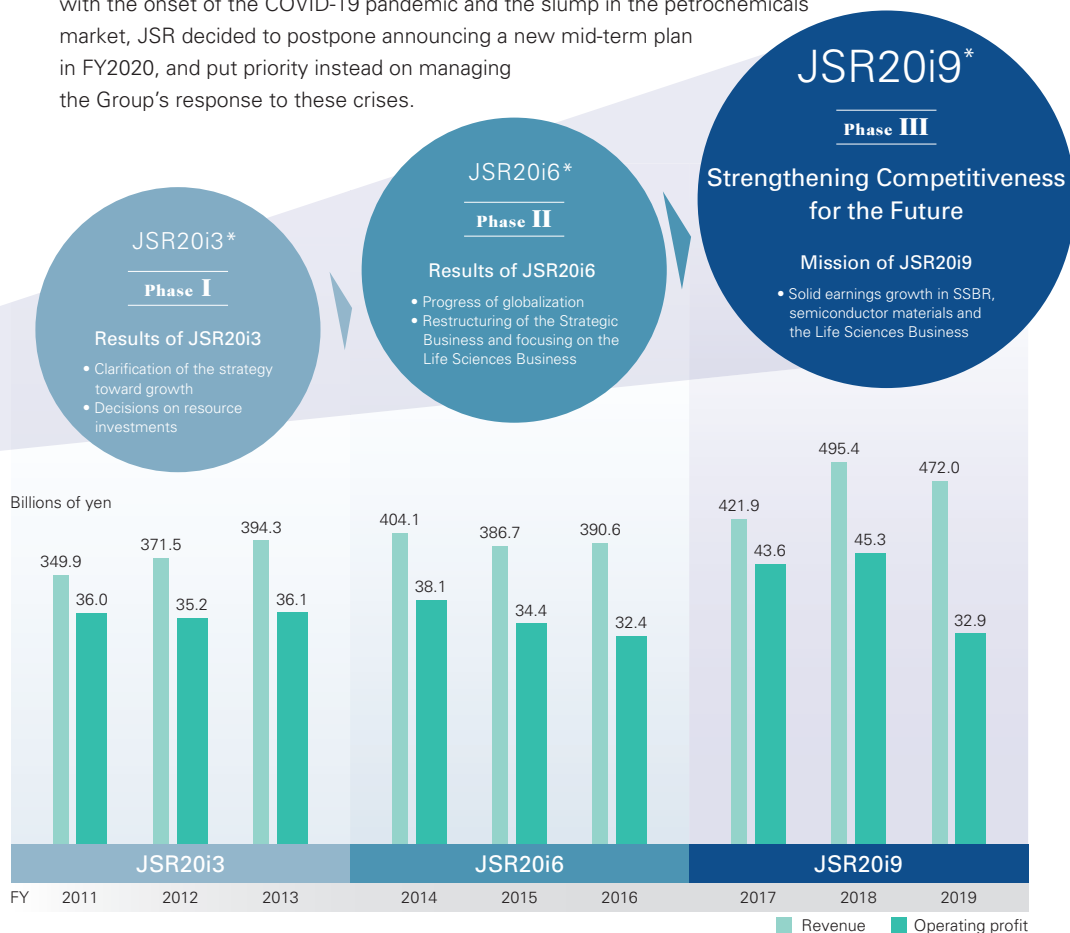


Mid-Term Business Plan and Sustainability Challenge

Mid-Term Business Plan Review

The JSR20i9* Mid-Term Business Plan, whose three-year period started from the fiscal year ended March 31, 2018 (FY2017), was positioned as a time for “strengthening competitiveness for the future.” Initiatives under the plan resulted in increased sales of cutting-edge photoresists and other products in the Semiconductor Materials Business and the establishment of the Life Sciences Business as a third core business, while in the Elastomers Business, sales of strategic solution styrene-butadiene rubber (SSBR) outpaced growth in the market. JSR began formulating a new mid-term business plan to succeed JSR20i9, with a view to achieving the long-term vision for 2050, namely, to “fulfill our responsibilities to stakeholders through sustainable future growth.” However, with the onset of the COVID-19 pandemic and the slump in the petrochemicals market, JSR decided to postpone announcing a new mid-term plan in FY2020, and put priority instead on managing the Group’s response to these crises.

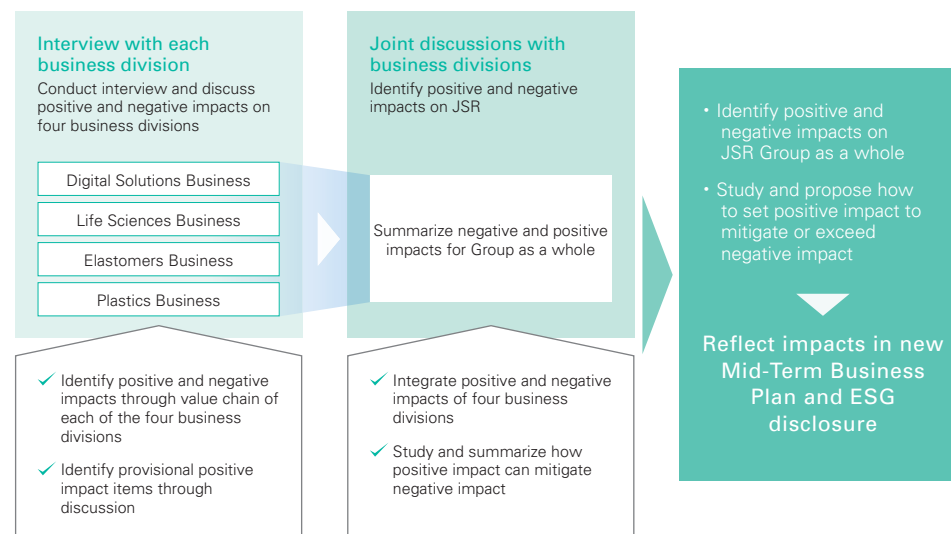


Sustainability Challenge

For the new mid-term business plan, JSR is considering a reassessment of its priority issues (materiality). In reviewing materiality, based on points raised in discussions with experts conducted in 2019, the Group is recategorizing its material issues into “business activities” and “management foundations.” With regard to business activities, the JSR Sustainability Challenge was undertaken to identify positive and negative impacts on society.

In the JSR Sustainability Challenge, hearings were conducted to grasp the positive and negative social impacts of each of the Group’s four business segments. An interim report was generated, incorporating the positive and negative impacts identified. Based on these findings, a joint workshop for all business segments was held to discuss which negative impacts should be reduced and which positive impacts should be reinforced while envisioning the future ideal shape of the Group. The Group is also working to develop, as far as possible, quantitative measurements for both positive and negative impacts. JSR is also preparing to address priority issues related to the management foundations in a similar way.

Implementation Process for “JSR Sustainability Challenge”



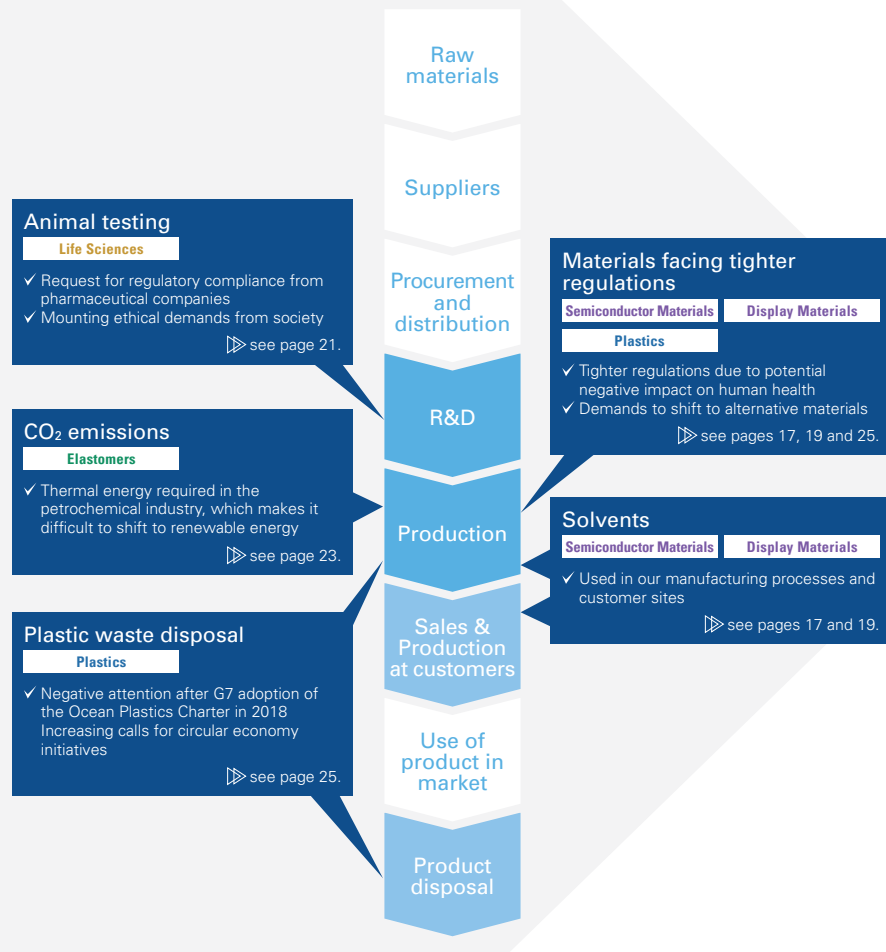
* The “i” in “JSR20i3” (twenty-thirteen), “JSR20i6” (twenty-sixteen) and “JSR20i9”(twenty-nineteen) emphasizes the “Innovation” to realize Materials Innovation, which is the heart of our corporate mission.

JSR Sustainability Challenge

JSR Group impacts society in various ways, from the sourcing of raw materials to manufacturing by customer companies, uses in the market, and product disposal. Under the current Sustainability Challenge, the Group closely reviewed each stage of operations from upstream R&D to downstream product disposal, looking at impacts in terms of climate change, resource recycling, digital transformation, and health. The positive and negative impacts of business activities identified in the

review are summarized in the figure below. With a view to integrating these results into the Group's future development, JSR is formulating a long-term vision for 2050. By focusing on contributing to the three areas of quality of life and well-being, a healthy and long-living society, and global environmental conservation, the Group will pursue sustainable future growth and fulfill its responsibilities to stakeholders.

Negative impacts



Positive impacts

Digital Solutions ▶ see pages 17 and 19.

Semiconductor Materials
Reduce semiconductor power consumption while improving nanotechnology to contribute to a smart society including IoT, AI and 5G JSR's cutting-edge semiconductor materials can achieve miniaturization and high performance with less power. Adopting a higher performance GPU is expected to reduce power consumption by 280 times.

Display Materials
Possible to reduce LCD TV power consumption 30% by boosting display brightness and low-temperature curing
As the No. 1 global supplier of alignment films for high-performance displays, JSR is poised to reduce power consumption for displays around the world.

Life Sciences ▶ see page 21.

Improve drug development success rates and shorten development timeline for customers
Through our contract development and manufacturing organizations (CDMO), timeline from drug discovery through mass production to approval of human clinical trials can be shortened from 12-24 months to 9 months.

Elastomers ▶ see page 23.

JSR Group products help offset greenhouse gases emitted by manufacturing processes by more than double through products that reduce greenhouse gas emissions within society
With JSR's unique SSBR for fuel-efficient tires, reduction in CO₂ emissions from automobiles is expected to be 2.7 times greater than CO₂ produced during the manufacturing process.

Plastics ▶ see page 25.

Promoting mono-materialization aimed at reuse of plastic resources
Contributing to customers by incorporating new materials to convert composite materials to mono-materials.
Easy recyclability and reduction of environmental burden by eliminating coatings for brightly colored materials, reducing the need for solvents.
JSR is proposing a 50% weight reduction while maintaining rigidity.

Social value created by JSR through positive impacts

Contribution to quality of life and happiness

- ◆ Realization of a smart society (AI, IoT)
- ◆ Realization of high-speed communications
- ◆ Spread of 4K/8K TV
- ◆ Realization of comfortable mobility

Contribution to a healthy and long-living society

- ◆ Shortening the drug discovery and development timeline
- ◆ From treatment to prevention
- ◆ Supporting the future of personalized medicine

Contribution to preservation of the global environment

- ◆ Efficient use of energy
- ◆ Bringing about a recycling-oriented society