

Medium-term Management Policy

JSR Group is building a resilient organization and transforming its corporate culture under a medium-term management policy.

Vision <ul style="list-style-type: none"> • Creating value for all stakeholders, aiming for sustainable growth • Building a resilient organization that can embrace any changes in the operating environment 	Business Portfolio	Digital Solutions Business (especially Semiconductor Materials) and Life Sciences Business are core businesses	
	Business Target	ROE More than 10%	Core Operating Profit Exceed Prior Peak (recorded in FY2007) 60 billion yen or more (Digital Solutions and Life Sciences)
	Structure	Resilient Infrastructure Innovation/Digitalization/ESG commitment/Employee engagement	

Under its medium-term management policy for the period leading up to FY2024, JSR Group’s highest priority is to “shift toward a business structure and management framework characterized by resilience and sustainability over the medium to long term.” Another goal is to use our technology to solve society’s problems. To this end, we are positioning the Digital Solutions Business (particularly its Semiconductor Materials Business, which is geared toward innovation) and Life Sciences Business as core businesses for achieving sustained growth. Our specific targets for FY2024 are to achieve operating profit of 60 billion yen, which would exceed the prior peak, along with ROE of at least 10% while maximizing ROIC.

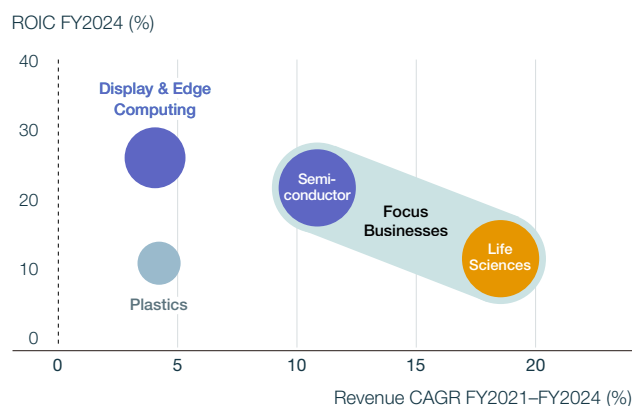
Previously, JSR Group wrote a detailed management policy every three years, but the new Medium-Term Management Policy covers five years. The purpose is to enable us to respond with flexibility to drastic changes in the business environment and set a more long-term strategic direction.

Business Portfolio

Pursuing efficiency with strategically focused realignment

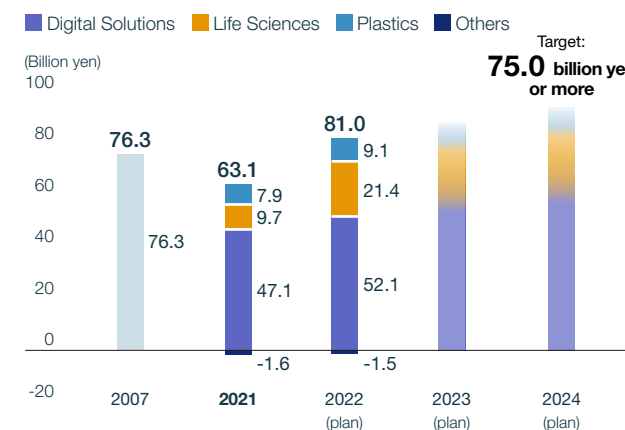
During the period leading up to FY2024, we will analyze the capital cost of each business, using ROIC as the basis, and focusing resources on those businesses with

Target Business Portfolio in FY2024



the best future prospects. As for those focus businesses where stable medium- to long-term growth is expected and in which JSR Group can manifest its strengths, the plan is to try to realize strong top-line growth and maintain high profitability in the Digital Solutions Business and achieve 20% growth, including the top line, in the Life

EBITDA



Sciences Business. We also aim to achieve an EBITDA of 75 billion yen in FY2024.

Business Target

Aiming to raise corporate value by boosting profitability

During the period covered by the Medium-Term Management Policy, we will be focusing resources on the Semiconductor Materials Business of the Digital Solutions Business as well as on the Life Sciences Business as we seek to create distinctive value. In the Digital Solutions Business, we will leverage our comprehensive technical strengths, including JSR Group's powerful development expertise, to provide advanced materials and a wide range of other products. In the Life Sciences Business, we will support development of complex biopharmaceuticals by applying the powerful technical

strengths we have cultivated through our history.

With this approach, we aim to increase revenue from these two focus businesses, from 200 billion yen in FY2020 to 300 billion yen by FY2024, with a CAGR of 10%. We also aim to grow the core operating profit to a new peak of at least 60 billion yen, expanding the core operating profit margin from about 15% in FY2020 to 20% or more in FY2024. We will also work to boost capital productivity, with a target ROE of at least 10%, by managing our business portfolio with ROIC as a criterion.

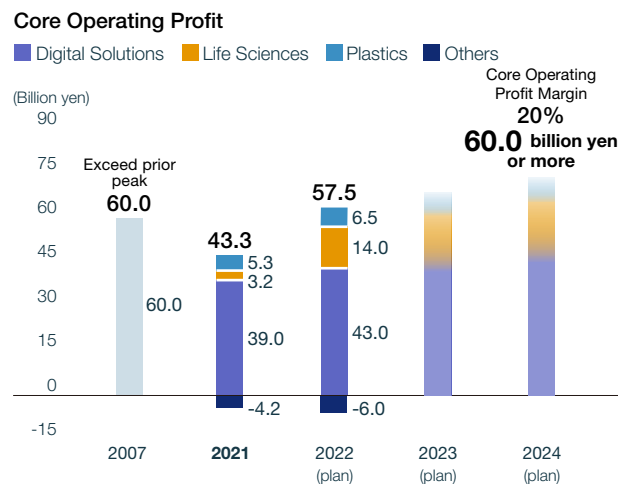
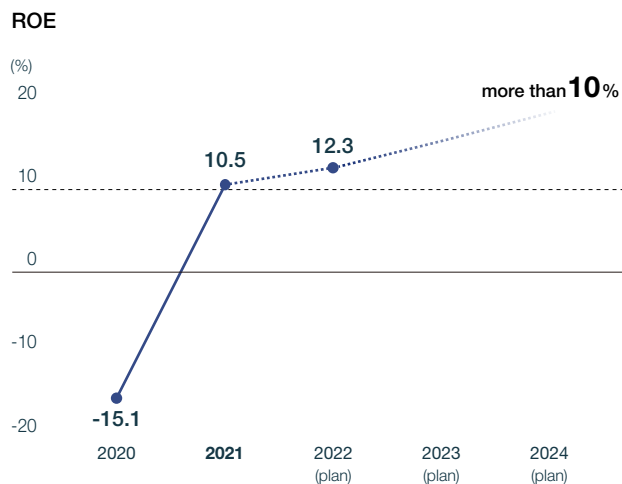
Structure

Building a resilient management foundation that responds to changing times

We are living in a time of uncertainty as society grows more diverse and complex. To turn changes in the environment into opportunities and grow from them, JSR

Group must strengthen the corporate culture it has fostered and transform so it can respond to change. The Group has defined Five Foundations to underlie our corporate culture as we work to realize sustained growth. The Five Foundations are Sustainability, which helps to increase value for all stakeholders; Innovative Culture that promotes the innovation that will ensure we remain a leading-edge technology company; Globalization to enhance our awareness and capability to respond to global change and expand our infrastructure; Digitalization to promote operating efficiency by harnessing trends in digital transformation (DX); and Operational Excellence that ensures that each department's activities are directly tied to targets of the Medium-Term Management Policy.

Going forward, by undertaking these initiatives, we aim to build a resilient management foundation and continually increase corporate value.



5 Foundations

