

Corporate Governance

 Please refer to the JSR Sustainability Site for more details.
https://www.jsr.co.jp/jsr_e/sustainability/governance/governance.shtml

Philosophy

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

Shift toward Strengthening of Corporate Governance

We have been working to strengthen the management supervisory function and maintain the transparency and soundness of the Company, and to achieve prompt and efficient decision-making and business execution that will improve the Company's medium- to long-term corporate value. These efforts include appointing independent outside directors, establishing the Remuneration Advisory Committee and the Nomination Advisory Committee, and evaluating the effectiveness of the Board of Directors. We continue to strengthen governance, including implementation of the Malus Clawback clause in FY2021, under which all or part of incentive remuneration will be returned or seized in the event of certain circumstances, to ensure the soundness of the remuneration system for officers.

Governance Highlights

Performance-Linked Director Remuneration

Remuneration for directors consists of a fixed basic remuneration, an annual bonus, performance-linked remuneration to be granted after the applicable period aimed at steadily implementing the Medium-Term Management Plan ending in FY2024 and business structure reform, and restricted shares. This composition is designed to facilitate improvement of corporate value as well as sharing of corporate value between directors and shareholders. For details, see page 46.

Diversity of the Board of Directors

In response to rapid changes in the business environment, such as globalization, utilization of IT and digitalization, JSR appointed its first foreign national Chief Executive Officer (CEO) in FY2019, and appointed a foreign outside director with extensive experience as a partner of an investment firm in FY2021. In addition, since FY2020, appointment of internal directors has included female candidates as we strive to further increase the diversity of the Board of Directors. The appointment of directors is based on the criteria of ensuring a balance of the candidates' necessary knowledge, experience, and skills, board diversity, and size (board capacity). Candidates are chosen for their mental and physical health, outstanding personality, and leadership, as well as expertise and sense of ethics.

Female directors

1 person

Non-Japanese directors

2 persons

Governance Framework Drawing on Outside Strengths

The three current Audit & Supervisory Board members include an attorney and a certified public accountant, both of whom are independent and possess advanced expertise and vast experience.

In addition, the Board of Directors includes outside directors in fields where JSR Group expects to grow.

Ratio of outside directors

44%

Ratio of outside Audit & Supervisory Board members

66%

Main Agenda Items of the Board of Directors

Business Related

- Split of the elastomer business and transfer of shares of the successor company
- Acquisition of Inpria Corporation
- Progress report of each business and medium- to long-term strategy review
- Confirmation of policy on cross-shareholdings based on Corporate Governance Code and divestment
- Report on sustainability management
- Cybersecurity report

Governance Structure

Board of Directors

The Board of Director 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. In addition, all three Audit & Supervisory Board members including two independent outside Audit & Supervisory Board members regularly attend the Board of Directors meetings to state their opinions.

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 12 member limit.

Executive Committee

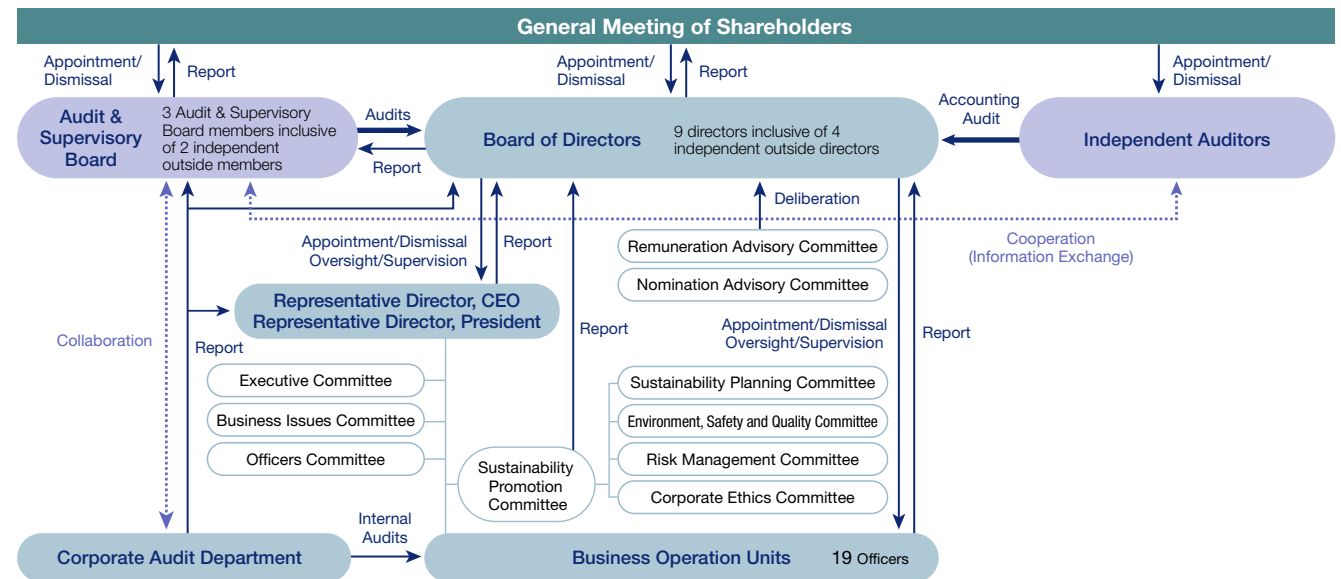
This Executive Committee is comprised of the CEO, the

President, and executive officers or general managers appointed by the CEO or the President and it responds to important business execution with the aim of expediting decision making and improving the efficiency of operations with meetings held generally every week. 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 or receives reports in relation to these issues.

Business Issues Committee

The Business Issues Committee generally holds monthly meetings consisting of the CEO, the President, and executive officers appointed by the CEO or the President. It engages in broad-ranging debate on items related to fundamental management strategies and policies, basic policies behind specific projects, and changes to business strategies. It also shares information and issues to ensure a common understanding of such matters and discusses the Company’s direction. Its findings are reflected in deliberations of the Board of Directors and the Executive Committee.

Corporate Governance Structure Diagram (As of June 17, 2022)



Officers Committee

This Officers Committee consists of the CEO, the President and all officers and aims to ensure members' thorough understanding of business conditions and important business matters. The standing Audit & Supervisory Board member is also present at committee meetings.

Audit & Supervisory Board and Audit & Supervisory Board Members

The Audit & Supervisory Board, consisting of three 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.

Outline of Internal Audit, Audit by Audit & Supervisory Board Members, 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 Audit & Supervisory Board and Audit & Supervisory Board members.

(2) Internal Audit

JSR has established the Corporate Audit Department to improve the effectiveness of 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

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.

Sustainability Promotion Committee

In order to establish good relationships with various stakeholders and to become a company that is trustworthy and indispensable, 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.

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 FY2021 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 FY2021

Evaluation Process

The Board of Directors conducted a questionnaire targeting the nine directors (including four independent outside directors) as well as three Audit & Supervisory Board members (including two independent outside auditors). The Board of Directors has evaluated and analyzed the results of the evaluation by setting up discussion sessions at the Board of Directors meetings several times to discuss the results of the questionnaire as well as the comments expressed in the self-evaluation. To improve objectivity in the FY2021 evaluation process, the Board of Directors hired a third party with expertise in the field of analyzing and evaluating the results of the questionnaire.

Conclusions

The Board of Directors has drawn the conclusion that The Board of Directors of the Company is functioning effectively based on the following reasons.

Reasons for Evaluation

- Our company's Board of Directors comprises inside and outside directors as well as Audit & Supervisory Board members. The board has the right composition in terms of diversity (e.g., nationality, gender, etc.). The Board of Directors is functioning as a meeting structure to encourage discussions on improving the medium- to long-term corporate value as well as the supervision of operations execution while the members of the board are making use of their experiences and knowledge, respectively. In addition, the Company has properly executed decision-making and progress monitoring on the structural reforms of the Elastomers Business that was raised as an important management issue in last year's evaluation, as well as conducted investments for the growth of the Semiconductor Materials Business and Life Sciences Business.
- To run the Board of Directors, significant management challenges, risks, etc., are brought up for discussion in a timely manner, and sufficient information is provided to outside board members prior to board meetings so that they can participate in highly transparent, free and lively discussions that will take place during the board meetings.
- The Nomination Advisory Committee and the Remuneration Advisory Committee have an adequate composition, respectively, and the members of these committees adequately report the results of their discussions to the board after having sufficient discussions while ensuring independence and

objectivity. By doing so, these two committees reinforce the supervisory functions of the Board of Directors. Appropriate measures were taken to address continuous review and revision of the remuneration system from a global standpoint, which was recognized as an issue in last year's evaluation.

- The Board of Directors considers that communicating with investors and shareholders is their significant role and responsibility. The board strives to reflect capital market expectations in the company's operations as well as the performance of their duties and to maximize corporate value by holding discussions on the status of their activities every quarter and talking directly with shareholders and investors.

The Board of Directors will conduct ongoing discussions and monitor the progress of the following key management issues reconfirmed in the process of evaluating the effectiveness of the Board of Directors, as well as changes in the external environment (environmental issues, geopolitical risks, etc.) that could impact these issues. In addition, the Board of Directors will make ongoing efforts to address the challenges of board effectiveness identified in this year's evaluation.

Significant Management Challenges

- (1) Establishing a sustainable and resilient organization and business structure adaptable to a drastically changing business environment;
- (2) Implementing growth strategies for the Semiconductor Materials Business;

- (3) Strengthening the foundation and achieving steady growth for the Life Sciences Business;
- (4) Addressing challenges to achieving sustainable business growth, such as carbon neutrality and maximizing employee engagement; and
- (5) Conducting ongoing investment in innovation including digital transformation

Issues Noted

- While the Board of Directors of the Company is currently functioning effectively, it is necessary to further strengthen the monitoring function of the Board going forward. As we progress towards a monitoring model, we need to review the specific approach to monitoring, as well as the size and composition, and qualifications and diversity of the Board of Directors. In addition, we should also strive for a Board of Directors that is capable of promoting changes in the Company over the long term.
- While discussions on sustainability management at the Board of Directors meetings have progressed more than before, it is essential to consider measures for even more active discussions.
- Although the rating for the overall support structure for outside directors and outside Audit & Supervisory Board members is high, it is necessary to enhance the support structure through training and education, including site visits that were difficult to implement during the COVID-19 pandemic and online learning in order to further improve understanding of the business among outside directors and Audit & Supervisory Board members.

Executive Compensation

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-, medium- 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. The 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 Governance

Procedures for Determining Remuneration

In relation to remuneration for the directors, the Board of Directors 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 Board of Directors mentioned previously and to enhance the monitoring function and accountability of the Board of Directors, the Company established the Remuneration Advisory Committee as an advisory body for the Board of Directors.

Items for Deliberation and Reports by the Remuneration Advisory Committee

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

Remuneration Framework

	Remuneration Structure	Time of Payment or Granting	Summary of AGM Approval
Fixed Salary	Basic Remuneration	Monthly Payment	The maximum amount for directors is JPY 60 million per month (inclusive of JPY 10 million per month for outside directors). The maximum amount of basic remuneration for Audit & Supervisory Board members is JPY 10 million per month.
	Annual Bonus	Payment at a fixed time every year	The maximum annual amount for directors excluding outside directors is JPY 432 million.
Performance-Linked Remuneration	Performance-Linked Remuneration	In principle, units shall be granted in FY2021, and shares and money shall be provided in a lump sum after the end of the Performance Evaluation Period.	<ul style="list-style-type: none"> • Maximum amount of monetary compensation claims and total amount of money: Number of fixed share units 800,000 × share price at delivery for target period. • Maximum number of shares to be granted: 400,000 shares for target period.
	Remuneration for granting Restricted Stock Shares	Payment at a fixed time every year	<ul style="list-style-type: none"> • Up to 400 million yen per year and up to 400,000 shares per year. • The lifting of the transfer restriction is a period of up to 3 ~ 30 years determined in advance by the Board of Directors. In addition, if resignation, etc., occurs for justifiable reasons determined by the Board of Directors during the transfer restriction period.

Persons eligible: Inside directors (including representative directors and executive directors), outside directors, Audit & Supervisory Board members, officers, executive advisors, senior advisors, chairman emeritus 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 Board of Directors in order to ensure independence, objectivity, and accountability as well as effectiveness of the Remuneration Advisory Committee. In addition, Willis Towers Watson (WTW) as a third party remuneration consultant, and staff members for the Committee also attend the Remuneration Advisory Committee meetings as observers.

Remuneration Framework of the Company Remuneration Structure

The Company's executive remuneration consisted of basic remuneration as fixed compensation, annual bonuses that are linked to the level of companywide performance in a single year, performance-linked stock compensation plan (performance share units) aimed at achieving the Medium-Term Management Plan ending in FY2024 and steady business structure reform, as well as compensation for the granting of restricted shares (non-monetary compensation) to promote continuous improvement of corporate value and the sharing of value with shareholders. Remuneration for outside directors and Audit & Supervisory Board members is only basic remuneration in light of their roles.

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 an 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 remuneration and other remuneration for the director who is responsible for overseeing and managing the Company's international businesses, etc., the Remuneration Advisory Committee verifies the appropriateness of the 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.

Remuneration Composition for Directors (Excluding Outside Directors)

The Company has a policy to increase the portion of performance-linked remuneration for directors who assume heavier responsibilities for corporate management. Based on this policy, the Company determines the level of remuneration for directors depending on their responsibilities and title considering the latent risks involved in achieving performance targets while increasing the portion of performance-linked remuneration for senior directors. The proportion of each

Proportion of Each Remuneration Component, Assuming Basic Remuneration at 100 (with Standard Performance-Linked Remuneration for 100% Achievement of Target)

		Basic Remuneration	Performance-Linked Remuneration			Basic Remuneration: Performance-Linked Remuneration
			Annual Bonus	Performance-Linked Remuneration (per fiscal year)	Restricted Stock Shares	
Directors (Excluding Outside Directors)	CEO	100	100	200	200	100:500
	President	100	30	Around 38	Around 38	100:105
	Executive Managing Officer Managing Officer Senior Officer (concurrent post)	100	25	Around 23	Around 23	100:70

* An Executive Managing officer who also concurrently serves the position of a subordinate director is compensated with a concurrent director allowance that is separate from the table.

remuneration component, assuming basic remuneration at 100 (with standard performance-linked remuneration for 100% achievement of target) is as indicated in the table below. The proportion of each remuneration component for the CEO who oversees the North America Business is determined based on a survey conducted by an external specialist organization on the executive compensation components of the region concerned.

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 four 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 FY2021, 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

Skills Matrix of Directors and Audit & Supervisory Board Members

	Name		Corporate Management Experience	Sales & Marketing	Manufacturing, R&D & IP	Finance & Accounting	Legal, Compliance & Risk Management	Sustainability	Globalization	Specialized Knowledge and Experience in Core Business Segments	
										Digital Solutions	Life Science
Director	Eric Johnson		○	○	○			○	○	○	○
	Nobuo Kawahashi		○	○	○			○	○	○	○
	Seiji Takahashi				○				○		
	Ichiko Tachibana						○	○			
	Kenichi Emoto					○			○	○	
	Tadayuki Seki	Independent outside officer				○	○	○	○		
	David Robert Hale	Independent outside officer	○			○		○	○		○
	Masato Iwasaki	Independent outside officer	○	○	○		○	○	○		○
	Kazuo Ushida	Independent outside officer	○		○			○		○	
Audit & Supervisory Board Member	Tomoaki Iwabuchi					○	○	○			
	Junko Kai	Independent outside officer					○	○			
	Takaaki Tokuhiko	Independent outside officer				○	○		○		

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.

The specific elements in terms of knowledge, experience, and capability essential to the Board of Directors are identified based on medium- and long-term management policies and strategies, and are disclosed in the skills matrix.

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.

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.

Main Activities of Outside Officers in FY2021

Name	Position	Main Activities
Yuzuru Matsuda	Director	Yuzuru Matsuda attended all 18 Board of Directors meetings held in FY2021. Utilizing his extensive experience in management of a multinational company engaged in the fields of ethical pharmaceuticals and biochemicals along with his outside perspectives independent of the Company, he shared his views as necessary during deliberations of agenda items and contributed to the continuous improvement of corporate value by ensuring the rationality of management's decision making and the transparency and soundness of management. Matsuda chairs the Remuneration Advisory Committee and made every effort to ensure the rationality and transparency of the officer remuneration system. Also, Matsuda assisted in the review of the succession plan for the Group's management structure as chairperson of the Nomination Advisory Committee from an objective and long-term perspective.
Shiro Sugata	Director	Shiro Sugata attended all 18 Board of Directors meetings held in FY2021. Utilizing his extensive experience in entrepreneurship and in management of a multinational company engaged in the fields of optical products and industrial machinery coupled with his outside perspectives independent of the Company, he shared his views as necessary during deliberations of agenda items and contributed to the continuous improvement of corporate value by ensuring the rationality of management's decision making and the transparency and soundness of management. Sugata serves on the Remuneration Advisory Committee and made every effort to ensure the rationality and transparency of the officer remuneration system. Also, Sugata assisted in the review of the succession plan for the Group's management structure as member of the Nomination Advisory Committee from an objective and long-term perspective.
Tadayuki Seki	Director	Tadayuki Seki attended all 18 Board of Directors meetings held in FY2021. Utilizing his extensive experience in finance and accounting as CFO and in management positions at a multinational trading company coupled with his outside perspectives independent of the Company, he shared his views as necessary during deliberations of agenda items and contributed to the continuous improvement of corporate value by ensuring the rationality of management's decision making and the transparency and soundness of management. Seki serves on the Remuneration Advisory Committee and made every effort to ensure the rationality and transparency of the officer remuneration system. Also, Seki assisted in the review of the succession plan for the Group's management structure as member of the Nomination Advisory Committee from an objective and long-term perspective.
David Robert Hale	Director	David Robert Hale attended 13 of 13 Board of Directors meetings held after his appointment. He utilized his extensive experience in global business administration as well as business transformation and expansion as a partner at an investment firm engaged in long-term investments and as director of investee companies, coupled with his international and outside perspectives, in important decision making by the Board of Directors, supervision of execution of duties, and strengthening of corporate governance. As a result, he contributed to the continuous improvement of corporate value by ensuring the rationality of management's decision making and the transparency and soundness of management. Hale serves on the Remuneration Advisory Committee and made every effort to ensure the rationality and transparency of the officer remuneration system. Also, Hale assisted in the review of the succession plan for the Group's management structure as member of the Nomination Advisory Committee from an objective and long-term perspective.
Hisako Kato	Audit & Supervisory Board Member	Hisako Kato attended all 18 Board of Directors meetings and all 18 Audit & Supervisory Board meetings held in FY2021. She utilized her wide ranging specialist knowledge and extensive experience in finance and accounting as Certified Public Accountant and licensed tax accountant coupled with her outside perspectives independent of the Company in audits, and she shared her views as necessary during deliberations of agenda items at Board of Directors meetings and contributed to ensuring the rationality of management's decision making and the transparency and soundness of management.
Junko Kai	Audit & Supervisory Board Member	Junko Kai attended 13 of 13 Board of Directors meetings and 13 of 13 Audit & Supervisory Board meetings held after her appointment. She utilized her wide ranging specialist knowledge and extensive experience in law as an attorney-at-law coupled with her outside perspectives independent of the Company in audits, and she shared her views as necessary during deliberations of agenda items at Board of Directors meetings and contributed to ensuring the rationality of management's decision making and the transparency and soundness of management.

Outside Director's Messages



Tadayuki Seki
Outside Director

In April 2022, JSR completed our most wide-ranging business structure reform since our founding. Since then, we have continued to transform our business portfolio, bolstering the foundation of our Semiconductor Materials Business and Life Sciences Business and investing for the next generation.

As we do so, the deliberations of the Board of Directors focus on one key question: how to increase our corporate

value in future. Of particular concern these days is the need for enterprises to enhance value in both economic and social terms. JSR too has named resilience and sustainability as important strategies. Therefore, we are stepping up efforts in non-financial aspects like ESG, human resources, R&D, and DX. Each of these efforts is an important way to increase latent value.

Going forward, my intention is to monitor management of both the financial and non-financial sides and support efforts to ensure strong governance. My guiding principle as an Outside Director will be not to stand in the way of JSR's unique dynamic actions but rather to encourage them.



David Robert Hale
Outside Director

JSR's Board of Directors is focused on long-term value creation for stakeholders through transformation and growth. The executive directors and outside directors are aligned on the strategy for JSR to grow corporate value by focusing resources on the Digital Solutions and Life Sciences businesses. Within that strategy, the Outside Directors primarily focus on the deliberating the key topics, while monitoring and supporting management.

In the last fiscal year for example, one of the topics for the board of directors included the acquisition of Inpria. The acquisition of Inpria is expected to secure JSR Corporation's

long-term technical leadership and market share in photoresist chemicals for semiconductors, and is expected to drive value creation for shareholders and society. Therefore, the Board determined to approve Inpria.

JSR is a global company, with many important customers, employees, and critical operations outside of Japan. As an Outside Director who is American, I try to contribute a global perspective to the JSR Board. Collectively, JSR's Board members can bring experience with governance practices and strategic initiatives from Japan and overseas. We apply these perspectives through JSR's corporate governance framework, operating with a board culture that emphasizes respectful but candid discussions focused on the key strategic issues. In this way, we hope to meet the high expectations of all stakeholders for JSR's future transformation and growth.

Policy on Constructive Dialogue with Shareholders

To promote constructive dialogue with shareholders and investors, officers responsible for the 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 sustainability 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).