

## 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 with focuses 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 lifecycle
- Active contribution to conserving biodiversity throughout its business activities and the entire product lifecycle

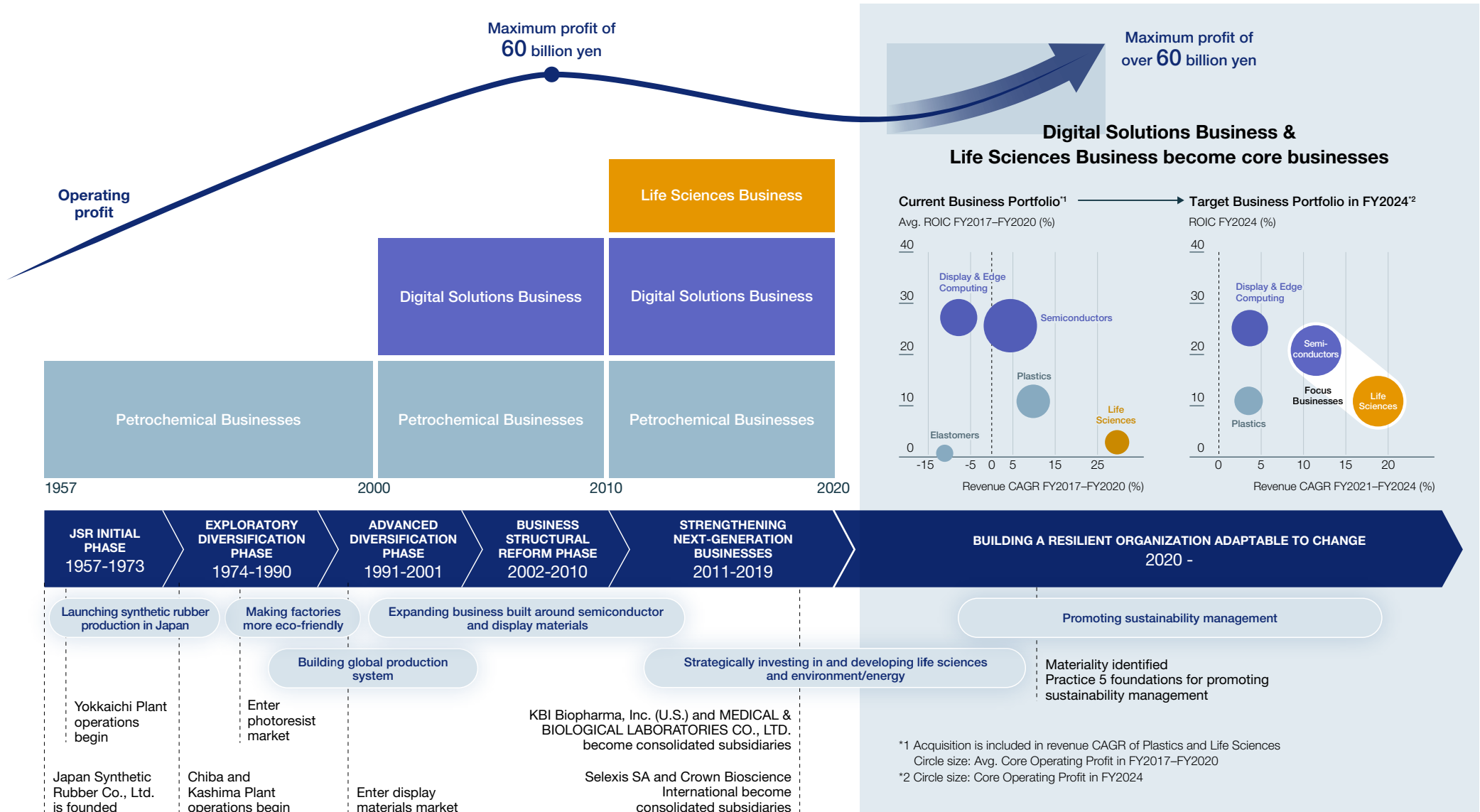
### Responsibility to shareholders

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

## How We Have Practiced Our Corporate Mission Historically

JSR Group has continually updated our business portfolio since our founding because we see changing times as opportunities.



## The Search for Solutions to Society's Problems

Taking a long-term view of society's problems, JSR Group sees the following four macro trends as having a big impact on society.





## Medium- to Long-term Value Creation

We seize upon social issues and use JSR's technological strengths to strive to contribute to society and increase our corporate value.

### Corporate Mission **Realization of Materials Innovation**





## The Value JSR Provides

By creating businesses that take advantage of our strong leading-edge technology, we will solve problems for our customers and society and make the world a more prosperous place.

### Quality of Life and Well-Being



JSR Group's outstanding technological capabilities are always advancing. Our aim is to leverage them to contribute to smart societies built on IoT, AI, and 5G and to realize societies where every person in the world can live more prosperously.

#### For example:

#### Meeting Customer Needs in Our Semiconductor Materials Business for the Development of Smart Societies

Semiconductors are essential to smartphones and the many other devices that information technology has made possible, and critical to data centers that process massive amounts of data so quickly. Moreover, when semiconductor circuit wiring can be made smaller, devices gain better functionality and operate with greater energy efficiency.

Currently, extreme ultraviolet (EUV) technology is used to pattern the finest lines on semiconductor chips. JSR is developing and manufacturing EUV photoresists, which are resins that support EUV technology for enhancement of smart societies.





## A Society of Health and Longevity



JSR offers materials and services powered by the latest technologies. These bring greater efficiency and speed to biopharmaceutical development processes. We are also helping to enhance health and longevity in society by offering products and services to enable personalized medicine.

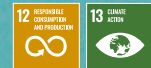
**For example:**

### Life Sciences Business Speeding up Drug Discovery and Helping to Develop Effective Drugs

JSR Group's drug discovery and development support services offer integrated support for the entire biopharmaceutical development process, from drug discovery to manufacturing. Services include contract development and manufacturing organization of biologics (CDMO) and contract research organization of pharmaceutical products (CRO). By supporting the efficiency of biopharmaceutical development, we contribute to a society of health and longevity by realizing the early practical application of cutting-edge medical care.



## Global Environmental Conservation



JSR Group is working to protect the global environment not only at the manufacturing stage but from many different angles. This includes creating new business opportunities that could help reduce the environmental impact of products themselves.

**For example:**

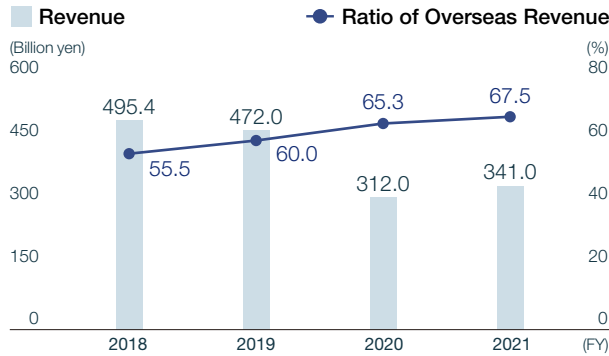
### Aiming to Reduce Environmental Impact by Offering Eco-Friendly Products to Customer Companies

In the field of display materials, "low-temperature materials" help limit energy consumption during manufacturing processes, while "recycled alignment films" further help lower environmental impact. In automobile plastics materials, we are promoting a range of eco-friendly products including VIVILLOY™, a paintless material that makes recycling easier. Products like these are helping to protect the global environment.

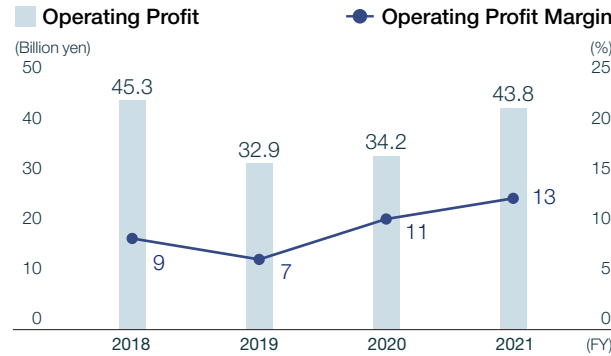


## Financial Information

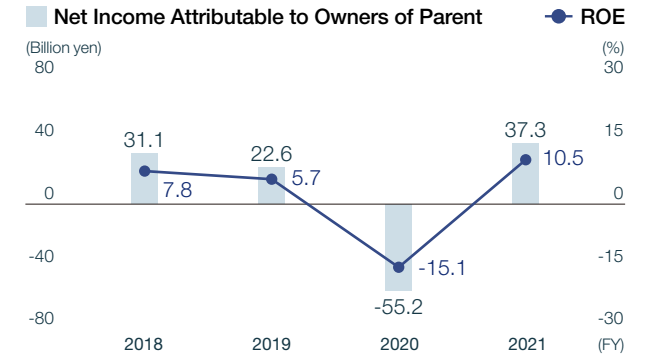
\* The Elastomers Business has been categorized as a discontinued business from FY2021. Certain data for FY2020 is presented after reclassification.



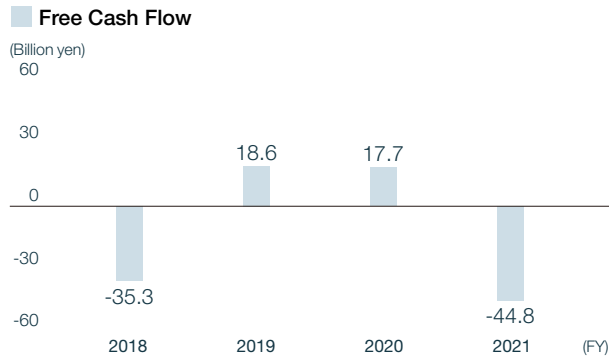
Following the transfer of the Elastomers Business, revenue rose in the Semiconductor Materials Business and Life Sciences Business. The main markets of these two core businesses are located outside of Japan and, consequently, the ratio of overseas revenue continues to increase every year.



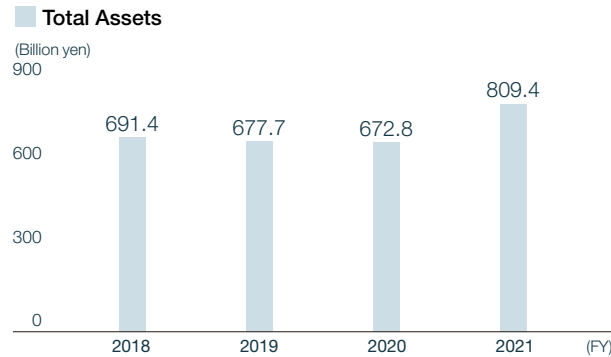
We are making positive progress toward the profit target of 60 billion yen laid out in the management policies for FY2024. We will prioritize the deployment of capital in high value added products in an effort to boost profit margins.



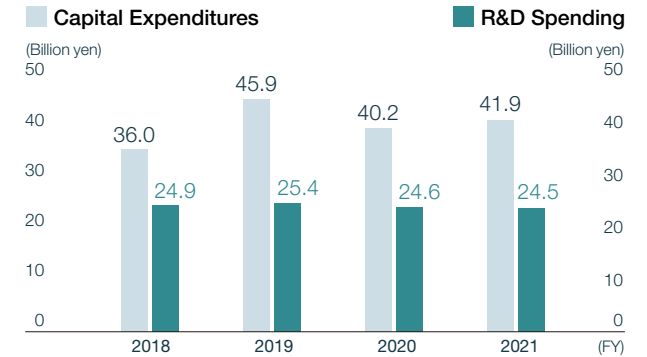
We achieved the ROE target of 10% or higher laid out in the management policies for FY2024 ahead of schedule in FY2021. We will prioritize the deployment of capital in high value added products in an effort to further increase profits and boost ROE under our capital policy featuring share buybacks.



We are achieving sustainable profit growth while seeking to increase corporate value by steadily implementing investments in growth fields. We will fulfill shareholder expectations by maintaining a total return ratio of around 50% including dividends and share buybacks.

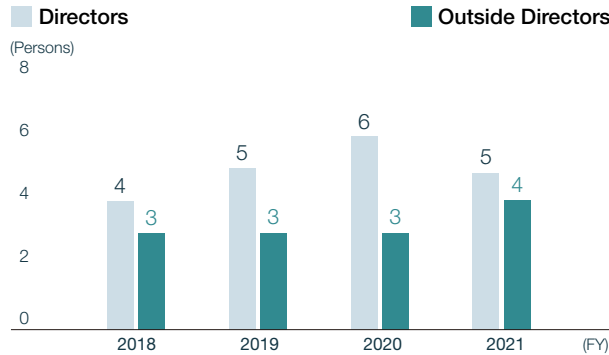


Assets are trending upward on M&A to expand our business operations. To maintain financial soundness, we have established medium-term resource allocation plans and manage asset efficiency and investment efficiency using ROIC and ROE on a company-wide and business segment basis. We are also working on debt capacity monitoring to maintain financial soundness and diversification of capital procurement methods.

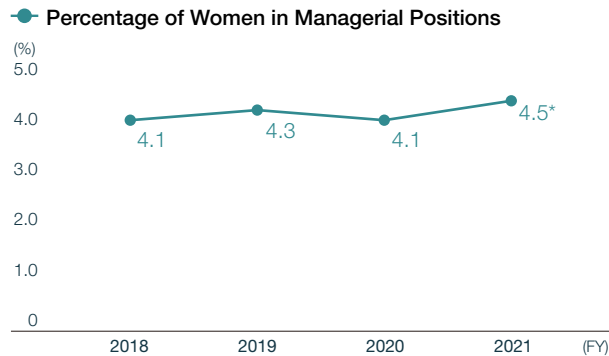


We anticipate operating cash flow of around 250 billion yen during the management policies period. Around 140 billion yen of this amount will be committed to CAPEX in the form of investments in the Semiconductor Materials Business and Life Sciences Business. Other uses will involve growth investments, including M&A, while increasing agility and flexibility.

## Non-Financial Information



In FY2019, JSR Corporation appointed a foreign national to CEO for the first time, while a female internal director was elected for the first time in June 2020, in order to address the rapid changes in business environment characterized by globalization, IT adoption, and digitalization. In FY2021, a foreign national was elected as outside director, further increasing the diversity of the Board of Directors.



JSR Corporation is evolving itself in response to the changing needs of employees in terms of respect for diversity, equity and inclusion. We are moving ahead with measures targeting the KPI of having women occupy 10% of managerial positions by FY2030.

\* As of April 1, 2022

Number of Employees (Consolidated)

9,696 persons

Employment Rate of Persons with Disabilities

2.59%

As of April 1, 2022

Number of Patents Held

5,084

Global Network

Japan 19 locations

Overseas 28 locations

As of April 1, 2022

Number of Workplace Accidents

JSR Corporation ..... 1 (2)

Manufacturing Partners of JSR Corporation ..... 0 (1)

Group Companies in Japan ..... 4 (3)

Manufacturing Partners of Group Companies in Japan ..... 1 (3)

\* Number of no lost time work accidents in parenthesis

Greenhouse Gas Emissions  
(Including Elastomers Business)

1,013 thousand t-CO<sub>2</sub>

Energy Usage  
(Including Elastomers Business)

0.35 KL/ton

Note: Numerical data as of March 31, 2022 unless otherwise noted