

CEO Message



Our Path to Enhanced Societal and Stakeholder Value

Eric Johnson
Representative Director, CEO, President

Strategic Partnership with JICC

On June 26, 2023, we reached an agreement with JIC Capital Co., Ltd. (JICC) to proceed with a public Tender Offer for our issued shares, as outlined in the “Announcement of Opinion on Scheduled Commencement of the Tender Offer and Recommendation for all our shareholders to tender their shares in the Tender Offer to be Conducted by JICC-02, Ltd. for the Shares in JSR Corporation”



shared by JSR Corporation.

Over the past few years, we have continued to look at opportunities that would enhance the value of JSR. During this time, we have reviewed our capital policies, investigated strategic partnerships, looked at investments, implemented structural reforms to our business, strategized the role that we could play in the consolidation of the sector and forged the best way for us to accelerate our growth.

It was part of this process that led us to approach JICC last November to discuss the current market and how we could jointly support the growth of the semiconductor sector in Japan. It soon became apparent that JICC was the best partner for JSR. Their mission of “promoting business restructuring to enhance the international competitiveness of domestic industries through the supply of large-scale, long-term, neutral money” fits with our strategy and ambition.

JICC has a good understanding of our business, sector and strategy and has the network, industry connections and resources to support the business’ mid to long-term growth strategy. JICC brings a wealth of business experience in areas including research and development, capital investment and mergers and acquisitions, particularly in Digital Solutions and Life Sciences, as well as significant

financial resources.

Partnering with JICC will help accelerate the implementation of our strategy and build on the strong momentum we have generated, enabling us to unlock new opportunities across our business. We will continue to focus on our two core businesses-Digital Solutions, in particular semiconductor materials, and Life Sciences. We see significant opportunities to grow these businesses and expand market share globally.

Under JICC’s ownership and as a private business, we will have greater time and flexibility to implement our long-term strategy. We will continue to grow and increase our corporate value and believe that the company will relist on the Tokyo Stock Exchange sometime in the future.

We firmly believe that this transaction is in the best interests of all our stakeholders.

Defining Our Brand as a Leader: Technology, Innovation and Excellence

We remain confident in our strategy and committed to our mission of enhancing societal value as a leading technology company. We continue to monitor the operating environment to ensure that we can adjust where needed, while still driving the platform of innovation and R&D we have worked

hard to establish. R&D lies at the center of everything we do and supports our long-term growth by underpinning the development of new and innovative technologies that will drive JSR's continued evolution. Our mission of driving materials innovation lies at the heart of our value creation strategy as we leverage JSR's technological strengths to contribute to society and bring value to all our stakeholders.

The sectors in which we operate are rapidly evolving. Staying up to date on technological developments and continual innovation is critical not only to our success but to our very survival. As an important player in the semiconductor industry, and a growing change-maker in the life sciences, JSR embraces the dynamism of these markets. We continue to find new ways to drive innovation and invest in new technologies to both support continued growth and ensure we remain agile and resilient. Throughout the past year we have continued to innovate, accelerating our R&D efforts in important and emerging areas such as support for personalized therapies for cancer, and the increasing potential of quantum computing.

In semiconductor materials, we continue to invest in new applications for metal oxide resist (MOR) and are already seeing its implementation in

commercial use. MOR is enabling a new regime for semiconductor materials businesses and investing in this technology will give us a strong competitive advantage. Seeing adoption of leading-edge extreme ultraviolet (EUV) imaging technology as the insertion point for MOR in the next generation of equipment, we have invested in early MOR production to capitalize on its benefits over conventional chemically-amplified resists. We see strong potential in these areas moving forward.

In Life Sciences, we continue to look at bioinformatics with a focus on using sequenced human tissue samples to test therapeutic efficacy and find new applications, including personalized medicine. An area where we are already seeing this in practice is breast cancer treatments, which have been segmented into different therapeutic regimes based on initial companion diagnostics and genetic markers.

Another area with encouraging long-term potential is quantum computing. We believe quantum computing will present significant opportunities for both of our key segments, especially in areas such as materials science and biologics development. While it is too early to understand the full potential value of this technology, we see an inflection point on the horizon, with innovation rapidly evolving in other new technologies such as artificial intelligence (AI). We

will continue to invest in developing that competency so we can be at the forefront when these new technologies emerge for more practical use.

We have also continued to foster and grow our partnerships for all our core segments. In Digital Solutions, we continue to partner with Belgian consortium imec to accelerate R&D efforts and share cultural and operational learnings. In Life Sciences, we have grown our relationship with Keio



University as well as developing new relationships with other universities, such as Hokkaido University. These partnerships enable us to build on our culture of innovation, curiosity and engagement as we continue to evolve.

Staying the Course: Management Policy FY2024

For JSR Group to deliver value sustainably, we

need to both keep a finger on the pulse of social change and understand the environmental challenges we face. While we transitioned from a three-year to a five-year strategic plan through fiscal year ending March 2025, the impact of the pandemic has meant we are working to execute our objectives in a four-year period. We recognize the importance of staying flexible and attuned to changing market dynamics and are undertaking an

annual review of our core established metrics, which include return on equity, profitability and sustainability. We will assess these on a yearly basis and adjust as required.

We have identified Five Foundations as critical to our success as we transform to become leaner, more efficient and focus on the sustainable growth outlined in the management policy, with an eye toward building resilience as an organization. These foundations—Innovative Culture, Digitalization, Globalization, Operational Excellence and Sustainability—will serve as our guiding principles as we progress through this transformation and continue to drive corporate value.

We understand the importance of digital transformation and have appointed a Chief Digital Officer who will lead us in accelerating our digital strategy. Digitalization requires a holistic approach and we will work to evolve our platforms and competencies to find new solutions. We will also continue to grow our data analysis capability and secure buy-in across the organization.

Embracing Sustainability: Our ESG Initiatives and Environmental Commitments

Sustainability is a critical part of our strategy and we recognize that to be a truly sustainable organization,



we must drive investment and innovation across the organization. We will do this by continuing to be proactive in implementing robust Environmental, Social, and Governance (ESG) strategies and targets. We will specifically focus on our infrastructure, enhancing employee engagement, and driving new climate initiatives.

We are currently focused on making improvements in two areas. First is to implement dynamic assessments of our strategy and targets, and update our materiality where required to meet constantly evolving business and societal needs. The second is to continue to reinforce corporate culture by enhancing employee engagement through initiatives such as Diversity, Equity and Inclusion (DEI). Furthermore, as outlined in the JSR Sustainability Challenge, we are working on identifying the impact of our operations to ensure we provide our teams with clear metrics and strategies to guide them as they work to support our sustainability efforts.

We have made good progress over the past year in several areas. We completed our second employee engagement survey, and we have committed to accelerating our efforts in DEI as a result. We also heard from our teams that they want to understand what the recent transformation of our

business means for our heritage and the DNA of our company moving forward. We have accelerated our engagement with employees with new initiatives to help them understand and bring them along on our journey as we evolve.

Focusing on diversity is important for us and we are committed to being part of the cultural conversations, including finding new ways to make sure we empower women and under-represented groups throughout our organization and beyond. Bridging gender, cultural and identity-related divides by truly understanding our workforce and the challenges it faces is vital in creating a globally united JSR where all employees can realize their true potential.

It is critical that we embed sustainability into our business strategies and corporate management, and we have established systems and key performance indicators (KPIs) based on our materiality studies. In developing these KPIs—encompassing environment, employee engagement, health and safety and supply chain issues—it became clear that we must have a strategic focus on understanding real market opportunities relative to environmental trends and environmental impact when contemplating all investments. The Sustainability Promotion

department has been given the authority to oversee business units to ensure that their decisions also consider climate and environmental related recommendations in addition to financial assessments.

While we will continue to leverage our material science-related technological capabilities, we are determined to deepen our relationships with our global customer base. All these efforts are inextricably linked to sustainability, which requires a holistic view toward ensuring JSR's future while also



addressing vital environmental issues such as climate change facilitated by greenhouse gas emissions.

To continue delivering the quality and service our customers expect of us, we must also continue bringing strong, capable people into our workforce and are focused on attracting the best and brightest. Optimizing employee engagement and satisfaction is fundamental to cultivating a truly excellent culture.

Sustainability is a journey, and we will continue to pursue our initiatives while making adjustments and improvements along the way.

Engaging With Our Stakeholders: Maintaining Trust

Finally, I would like to express my gratitude to our stakeholders and reemphasize my commitment to our stated mission. As JSR continues to evolve, we are well positioned to meet challenges with solutions and embrace new opportunities as we focus on addressing the most pressing needs of business and society. Our efforts toward achieving this will show our valued stakeholders that their faith in JSR as a technology leader and excellent corporate citizen is well placed.



Eric Johnson
Representative Director, CEO, President

A handwritten signature in black ink, appearing to read 'Eric Johnson', located below the printed name and title.