

# JSR Group Materiality (Priority Issues)

Based on its Corporate Mission—Materials Innovation: We create value through materials to enrich society, people and the environment—JSR Group identifies materiality (priority issues) with the aim of contributing to the realization of a sustainable global environment and society by creating value through its corporate activities.

The Group's current materiality (priority issues) for the period from FY2022 to FY2024 were set in FY2021. As the final fiscal year, we confirmed the progress made in achieving each KPI and identified the results that will form the foundation of our strategy for the next period in FY2024.

As far as materiality in business activity is concerned, our goals are to provide materials to support digital development in a smart society and increase sales of sustainable products that help reduce power consumption by a factor of three compared with FY2020. Against these goals, sales of sustainability products increased 3.5 times

in FY2024. In addition, we expanded our sustainability products sales ratio 2.3 times against the goal of a twofold increase compared with FY2020.

Turning to JSR's materiality from a Management Foundation perspective, we set the goal of reducing GHG emissions by 30% by FY2030 compared with FY2020 to help conserve and reduce the impact on the environment.

As of FY2024, we had achieved an 18% reduction. To achieve sustainable growth and fulfill our social responsibility, we adopted a science-based targets (SBT) of reducing emissions by 42% by FY2030 (compared with FY2023) and it was approved by the Science Based Targets initiative (SBTi) in July 2025.

Taking into account changes in social needs and the various expectations from our stakeholders, we will advance a review of our materiality based on an evaluation of these results and reflect them in our Medium-term Management Plan from FY2025 onward.

## Identification Process

### Business Activity

#### ● Interviews with each business division

Conduct interviews and discussions on the positive and negative impacts with each business division

#### ● Joint discussion among business divisions

Understand the positive and negative impacts of JSR Group

### Management Foundation

#### ● Two workshop sessions with younger employees

Ten young JSR employees discussed the priorities for JSR's key themes with consideration for balanced diversity without bias toward specialized departments

#### ● Workshop involving specialized departments

In response to the results of the two workshop sessions, we conducted more in-depth work on the main topics of the environment and employees involving specialized departments

## Materiality

### Advancement of three priority issues

Contribution to quality of life and happiness	Materials to support digital development in a smart society Reduction of power consumption
Contribution to a healthy and long-living society	Early development of medical products Increased probability of successful development/Improved development efficiency
Contribution to preservation of the global environment	Comfortable driving by improving vehicle creak noise Providing products designed to support plastic recycling



### Promotion throughout the Group Five priority issues

Environmental conservation and impact reduction	Entire Group working in unison toward net-zero GHG emissions in 2050
Employees, DE&I, and work styles	Respecting diversity, aiming to increase employee engagement
Health and safety	In addition to making safety our top priority, maintaining good physical and mental health
Respect for human rights	Enhancing understanding of human rights, taking proper action
Supply chain	Sustaining stable procurement from sound suppliers



We will continue to review and identify materiality through the following operations.

- 1 If the need to reexamine suitability arises, we will respond through engagement with experts and employees as well as Responsible Care activities.
- 2 Regularly review and ensure the transparency and persuasiveness of the process of materiality identification through exchanging opinions with experts at the time of formulating the new Medium-term Management Plan.