

Human Capital

● Aims of Human Capital Management

① Strengthen the linkage between management strategy and human capital strategy

Build a dynamic human capital portfolio and implement a continuous human capital portfolio and pursue continuous investment in and acquisition of talent

Secure and foster human capital ready to nimbly adapt to organizational changes resulting from business creation, growth, and environmental changes to continuously create corporate value

② Enhance employee engagement and organizational strength

Maximize experience and experiential values for members

Maintain a high level of engagement through provision of growth opportunities, fair evaluation and feedback, and achieve member-driven, growth support, and enhanced organizational strengths

Human Capital Strategy

We maximize value (provision) to customers and markets, linking efforts for the enhancement of corporate activity efficiency and business competitiveness and the creation of innovation, by maintaining a global perspective and strengthening dynamic diverse human capital and organizational capabilities according to the characteristics of countries, regions, and businesses

[Ideal Corporate and Organizational Culture]

- By respecting diversity, equity and inclusion (DE&I) and having employees build their own careers, all employees are maximizing their abilities.
- By ensuring employees and the company trust one another and grow together, employee engagement continues to increase resulting in continuous innovation.

Human Capital Policy

Our human capital strategy is, “maximize value (provision) to maintain a global perspective and strengthen dynamic, diverse talent and organizational capabilities tailored to each country, region, and business, thereby enhancing operational efficiency, improving competitiveness, and creating innovation to maximize the value delivered to customers and markets.”

Based on this strategy, we are planning and implementing various initiatives, initially focusing on Japan, with the aim of “creating value for all stakeholders” and “building a resilient organization that can embrace any changes in the operating environment.”

[Cultivation of Diverse Human Capital]

We are continually developing next-generation managerial talent as well as talent who create new technologies. Since 2007, we have conducted a future leaders program to cultivate next-generation management talent. With the help of external trainers, this training involves action learning based on actual case studies and exercises to envision an ideal image for one's division by stepping into the shoes of a supervisor to foster necessary business skills and broad perspectives as the next round of leaders. It also incorporates action learning in which teams tackle the scenario of creating a new business.

As for fostering the talent leading new technologies, we have been implementing a training program by an American company that supports DX promotion since 2017 and fostering data scientists with an emphasis on research.

[Cultivating a Culture and Introducing Systems to Continuously Support Self-driven Career Development]

Facing a rapidly changing external environment, to fulfill our mission of contributing to society through our business, it is becoming increasingly important for us to strike a balance between further business growth and enabling our employees to develop their careers and acquire higher levels of expertise. Given this background, the Company supports the continuous growth of its employees by encouraging them to personally form a proactive career vision from the perspectives of both work and life and then grow and raise their personal value through ongoing actions and experiences aimed at realizing their vision. In FY2023, we reviewed some of our employee education guidelines and education programs to encourage self-driven career development among our employees. Believing that gaining the understanding of higher-ranking employees is essential to creating workplaces that facilitate self-driven career development, we thus provide training for officers, department managers, and section managers. Based on our own personal experiences of actually thinking about careers, we are continuing to provide support so that we can assist members with their career development. Holding a series of training sessions for members to convey the importance of and approaches to self-driven career development, the Company is also enabling both managers and team members to share a common experience and understanding of career development, thereby promoting the creation of workplaces that facilitate career development while they lend each other support.

Together with this, we have also introduced an internal job recruitment system and a side job management guidelines. We believe that contributing to the company and society while employees increase their personal value and gain a sense of self-realization will lead to both individuals and the company creating sustainable value.

We aim to create a system and environment that makes it easy for all employees to work regardless of gender, age, nationality, or other attributes across the entire Group,

through upholding a fair human capital and remuneration system that emphasizes ability and results.

Currently, JSR Group operates in 12 countries and regions* around the world, with employees representing diverse backgrounds including their nationality, gender, age, and years of experience. We will flexibly incorporate new thinking and approaches born from this diversity to cultivate members who will continue to impact society and achieve the long-term growth of the Group's organizations.

* Japan, North America, China, Belgium, South Korea, Taiwan, Switzerland, United Kingdom, Netherlands, Thailand, Germany, and Singapore.

Employee Engagement

Goal

Continuously enhance employee engagement

Supporting adaption to change by promoting top-down initiatives that address common global issues

[Increasing Employee Engagement]

JSR Group believes that increasing employee engagement is the key to ensuring the sustainability of its corporate activities and to enhancing its corporate value. Guided by this belief, we are working to increase engagement by creating productive, comfortable, and rewarding workplaces; providing opportunities for employees to take on proactive challenges, build their careers, grow, and play active roles, underpinned by DE&I promotion; and fostering a culture of inclusivity.

At the same time, we have been conducting a global employee engagement survey since FY2021 to listen to the frank voices of employees, ascertain the issues in each organization, and effectively work to create a better work environment.

Following on from the approach taken in FY2023, in FY2024, we conducted an integrated survey that combined the employee engagement survey with the corporate ethics awareness survey. The integration led to a reduction in the burden placed on respondents, the centralization of results, and faster analysis. The global response rate in FY2024 was 86% (number of people subject to the survey: 4,662 / number of respondents: 4,012), meaning that a response rate above 80% has been maintained since the surveys were launched.

Upon receiving the survey results, each department head organized the factors and issues underlying the scores and shared them with the responsible executive officer. The executive officers summarized the key issues and actions in their respective areas of responsibility and arranged an opportunity to share and discuss them in person as a management team. The discussions extended beyond individual domains to cross-sectional themes such as the future of the Company, talent development, and corporate culture. They exchanged opinions on what they should be aiming for now and how the Company should change, taking into account its long history. This is designed to lay the foundation for Group-wide improvements that go beyond optimizing individual departments.

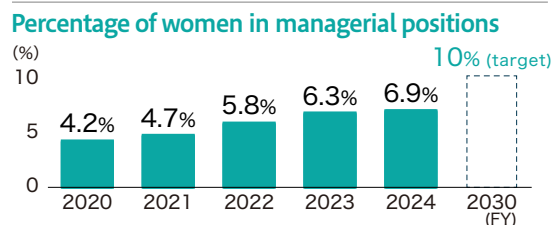
Going forward, we will progressively develop and implement specific improvement measures for each department, as well as Group-wide initiatives, to address the identified issues. While some improvements might take time, we will sincerely listen to employee feedback and implement a continuous improvement cycle to enhance employee engagement and increase corporate value.



Diversity, Equity, and Inclusion

Goal

Percentage of women in managerial positions by FY2030 10%



[Advancement Structure]

With the aim of steadily implementing its growth strategy and strengthening the linkage between Group-wide management, business strategies, and human capital strategies, JSR Group appointed a Chief Human Resource Officer (CHRO) in FY2024. The promotion

of DE&I is primarily led by the Human Resources Development Department and the CHRO Office, which fall under the purview of the CHRO.

[Promoting Active Participation and Advancement of Women in the Workforce]

The gender composition of JSR Group globally is 33% female and 64% male (remaining 3% was not declared). The percentage of females by job position is 18% for officer-level positions and 23% for managerial positions. The percentages at the non-consolidated level are low, with females accounting for around 19% of JSR, 9% of officers, and 7% of managerial positions. There is a substantial difference in the gender composition ratio of employees and in managerial/officer positions compared to JSR Group on a global basis (as of March 2025).

At JSR, we believe that promoting DE&I at the management level, which plays a central role in organizational operations, will lead to an improvement in the overall resilience of the Company. We have established a target of 10% for the percentage of women in managerial positions to be achieved by 2030 and are focusing on this as a key management issue (materiality). We are working to build an inclusive culture by reviewing existing measures as appropriate to achieve this target. For example, we provide individual career interviews for female employees, send employees to external training sessions, and hold DE&I training for those in managerial positions.

In FY2024, we launched an internal portal — “Introducing Female Leaders: Meet our JSR female leaders!”—featuring the career paths and perspectives of female leaders at JSR. By exposing employees to diverse career paths, we provide them with opportunities to learn about their own career options and possibilities, and to utilize that knowledge to further their career development. This content showcases the career paths of female leaders, along with their visions for the future when they were younger, the appeal of management positions, the challenges and strategies they faced in achieving a work-life balance, and the lessons learned from their experiences in having changed careers. These profiles make leadership feel more accessible and help employees envision leadership as an attractive career path.