

Compliance



Please refer to the JSR Sustainability Site for more details.

Philosophy

JSR Group has been endeavoring, by building up and maintaining good relationships with all our stakeholders, to become a trustworthy and indispensable corporate citizen. We have been vigorously executing our Code of Conduct in order to fulfill “Our Responsibility to our Stakeholders,” an essential part of our management policies, as well as to ensure compliance with relevant laws and regulations during the course of our business.

● Corporate Ethics Advancement Activities and Advancement Structure

JSR Group is advancing corporate ethics activities together with all of its Group companies, both in Japan and overseas, in an effort led by the Corporate Ethics Committee, which is chaired by the officer in charge of compliance. JSR is committed to instilling the JSR Group Principles of Corporate Ethics, grasping and improving corporate ethics-related issues by conducting the Corporate Ethics Awareness Survey, and establishing and properly administering the Corporate Ethics Hotline.

Moreover, the Corporate Ethics Committee oversees the advancement of legal compliance measures throughout the Group.

● JSR Group Principles of Corporate Ethics and the Corporate Ethics Awareness Survey

JSR Group formulated the JSR Group Principles of Corporate Ethics, which defines the Code of Conduct shared by the Group across the globe. The principles represent a Code of Conduct that all directors and employees (full-time, contract, part-time, and

temporary employees as well as employees on short-term contracts) of JSR companies should comply with to develop our corporate activities while fulfilling our responsibility to our stakeholders. JSR Group works to grasp and improve corporate ethics-related issues, including compliance with the Code of Conduct, by conducting annual surveys on corporate ethics awareness that target the directors and employees of JSR Group companies in Japan and overseas.

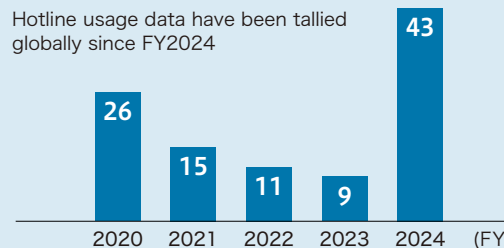
In response to the fraudulent use of expenses by a member of the top management that was uncovered in 2024, JSR executed corrective measures. This included taking strict disciplinary action, tightening expense filing and approval procedures for top management, and strengthening the expense monitoring system as measures to prevent recurrence.

● Corporate Ethics Hotline (whistleblowing system)

JSR Group has introduced three types of internal reporting channels as the Corporate Ethics Hotline: an internal hotline operated by the corporate ethics committees of the Company and each Group company, an external hotline operated by an outside law firm or a professional organization, and a business partner hotline that can be used by any company or individual that does business with the Group.

JSR Group Hotline Usage Status (Number of Reports)

Hotline usage data have been tallied globally since FY2024



● Legal Compliance Measures

Every JSR Group member defines the legal compliance regulations that form the basis of its legal compliance. Each company then uses the regulations to solidify its compliance through regular review and improvement as well as legal training to increase awareness of laws and regulations and instill commitment to compliance.

As an initiative to prevent bribery and unfair competition, JSR Group has formulated policies and rules that specify the items necessary for complying with the related laws and regulations of Japan, the United States, and the United Kingdom. Moreover, the Group also participates in global initiatives regarding the prevention of bribery.

Similarly, as far as taxation is concerned, JSR Group understands that compliance with the tax systems of each country and region in which the Group does business is an important role that it must fulfill as a corporation, and is therefore committed to making appropriate tax payments in line with the laws and regulations of each country, including transfer pricing taxation and tax haven countermeasures.

In addition, JSR Group has established compliance systems across a broad range of areas, including those for the protection of personal information, bioethics, and information disclosure involving the transparency of relationships with medical institutions. Please refer to the JSR Sustainability Site for more details.