

# CEO MESSAGE

**Substance over form.  
Action over words.**

**JSR is becoming a truly  
Togatta Company.**

Togatta: To clarify distinctive strengths that stand out in the market, sharpen our unique edge, and achieve clear differentiation.

**Tetsuro Hori**

Representative Director, CEO,  
President Officer



## JSR as Seen from the Outside

I assumed the position of Vice President at JSR on January 1, 2025 and my first impression was that JSR embodies the qualities of a traditional Japanese chemical manufacturer—sincere and disciplined, yet at times too reliant on top management's intentions, preferring harmony over open debate. At the same time, I was deeply impressed by our people. Our employees are highly educated, capable, and act with integrity. Their intelligence and diligence are among JSR's greatest strengths, and I became convinced that if these qualities were combined with a culture that encourages open discussion and diverse viewpoints, JSR could become even more competitive.

Founded in 1957 as Japan Synthetic Rubber to meet Japan's need for domestically produced rubber, JSR has continuously evolved—expanding into semiconductor materials, display materials, ARTON resins, and lithium-ion capacitors. This enduring spirit of challenge defines who we are. My goal is to carry that spirit forward into our next phase of growth by fostering openness, encouraging dialogue, and rethinking how we design our workplaces. Creating an environment where people feel free to speak their minds is the first step toward transformation.

## Recognizing the Challenges

Looking objectively at JSR over the past few years, I saw that open and constructive dialogue was not consistently practiced across the organization. This was not the result of individual shortcomings, but of structural issues: insufficient discussion around management autonomy, accountability, and how to use constructive feedback from the field as a source of strength.

For example, collaboration weakened between regions and functions, particularly between Japan and the U.S., leading to fragmentation rather than unity. When communication falters, the quality and speed of decision-making inevitably decline. This became especially clear after we expanded into Life Sciences (LS).



We also need to reflect on certain strategic decisions. In some investments and post-acquisition integrations, we lacked the persistence to test our hypotheses with data and customer insights. When that discipline weakens, synergies remain theoretical and fail to deliver tangible value.

In addition, there were moments when management thinking leaned toward selling underperforming businesses rather than taking the more difficult path of rebuilding them. But I believe the essence of business lies in refining, improving, and growing—not simply divesting. When that mindset fades, long-term value creation suffers.

These are not isolated issues but interconnected organizational challenges: building an effective board of directors, maintaining healthy tension between management and the board, strengthening data- and customer-driven decision-making, and fostering a culture that welcomes differing opinions.

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My focus now is to strengthen collaboration across the JSR Group and rebuild the management framework that supports it. This means enhancing decision-making discipline, improving post-acquisition integration, and embedding a customer-first approach that translates strategy into daily practice. Value is created when strategy anticipates change and is backed by strong, consistent leadership.

With that in mind, I intend to lead with a spirit of rebuilding—reexamining our foundations to prepare JSR for its next stage of growth. I bring extensive experience in management strategy, M&A, finance, legal affairs, and talent development from the semiconductor manufacturing equipment industry. While JSR is a materials manufacturer, many of the

fundamentals are the same: how we perceive stakeholders, how we make decisions, and how we develop people. My aim is to tailor my experience to JSR's context—to strengthen how we assign talent, design organizations, and visualize management data. The key is to balance the speed of implementation with the organization's capacity for change. We must remain flexible and resilient, without ever losing sight of our core strengths: technology and integrity.

## Rebuilding How We Create Value

Going forward, we are rethinking management from the ground up—not



### The CEO's Three Core Principles

In my approach to leadership and work, I place the highest value on three principles: Diligence, Perseverance, and Integrity.

**Diligence.** I believe that meaningful results come from steady, consistent effort—by fully engaging with each task, avoiding shortcuts, and building progress step by step. Over time, these small advances ultimately lead to significant achievements.

**Perseverance.** Transformation does not happen simply by declaring ideals. Real execution demands considerable energy, patience, and a willingness to face friction. It also demands trust, built carefully with every stakeholder. Meeting challenges head-on and seeing them through to completion—that persistence is what truly moves an organization forward.

**Integrity.** We must always act in line with our values and do what is right, even in the face of uncertainty. While shortcuts or quick fixes may seem tempting, staying on the right path is what preserves trust and sustains growth over the long term.

Guided by these three principles in our daily decisions and actions, we will continue to move forward with purpose, one step at a time.

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simply refining existing systems, but rebuilding them to meet the demands of a changing world. To achieve this, we must return to a few essential principles.

First, our decisions must be grounded in data and facts, not past assumptions or precedents. We will form hypotheses, test them thoroughly, and revise when necessary. This means constantly reviewing how we allocate investment, talent, and time—guided by evidence and real feedback from the field. Metrics are not just for show; they have meaning when linked to real-world performance. We will apply them with discipline and use them as tools to drive continuous improvement.

At the same time, our starting point will always be the customer—identifying unmet needs, collaborating from the problem-definition stage, and building relationships measured by results.

Second, we will shift from a product-out to a market-in mindset. Our photoresist technology, particularly metal oxide resist (MOR) for EUV, is globally competitive and uniquely valuable. We will fully leverage this strength while continuously demonstrating to customers what comes next. By anticipating change together, we go beyond R&D and build lasting trust.

Data and logic will guide us, but instinct also plays an essential role. We will not rely on numbers alone, but will go to the field, see and hear things for ourselves, and make decisions based on firsthand understanding. We will avoid entering areas where we lack conviction, but when we have confidence and see a clear path to success, we will move quickly. Through ongoing dialogue and review, we will create a shared understanding between management and the field.

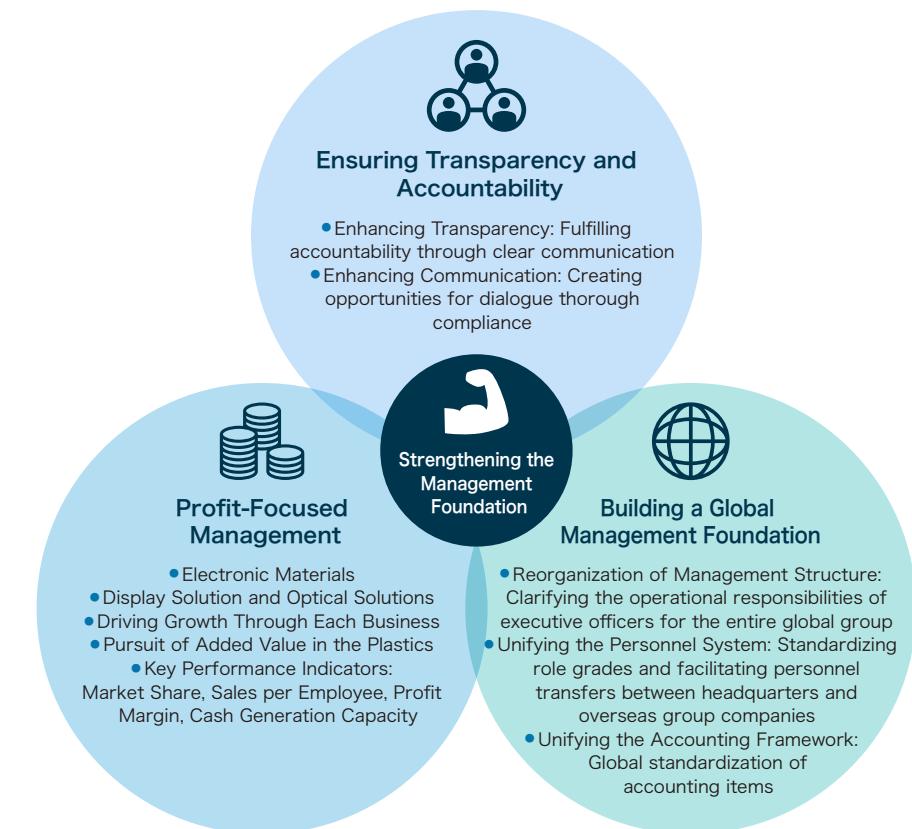
In addition, we are reshaping our workplaces to encourage open dialogue. Discussions should focus on what is said, not who says it. Disagreement is not conflict, but a way to create value. Before making decisions, we will intentionally gather both supporting and opposing views, clarify key points, and document conclusions and reasoning transparently. This process elevates the quality of ideas and of decisions themselves.

We will also listen openly to questions and feedback from the field

and communicate our strategies, capital allocation, and non-financial initiatives clearly and transparently through integrated reports. By holding ourselves accountable for both internal and external communication, we will strengthen trust and accelerate decision-making.

As JSR evolves into a more global organization, building talent management systems that transcend national and organizational borders is essential. We are currently standardizing role grades across all regions—

## Overview of Management Policy



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including the U.S., South Korea, Taiwan, and China—so we can evaluate and promote employees consistently. This will enable smoother talent movement and the free exchange of ideas.

Headquarters leaders will also take on global responsibility for their respective functions. Aligning global standards with local realities is not easy, but the discussion process itself builds understanding and unity.

In the past, some of our mid-term management plans leaned too heavily on broad slogans rather than concrete, actionable measures. Now, we are focusing on first building a true global platform—one that enables autonomous, bottom-up change. JSR's next stage of growth will come through substance, not form; through action, not words.

These initiatives will not remain abstract. They will be integrated into daily operations. Our management approach will be anchored by six elements that directly drive business value: economic logic, market-in thinking, hands-on management, practical intuition, open communication, and globally integrated operations. Together, these will form the foundation of a faster, more responsive, and value-focused JSR.

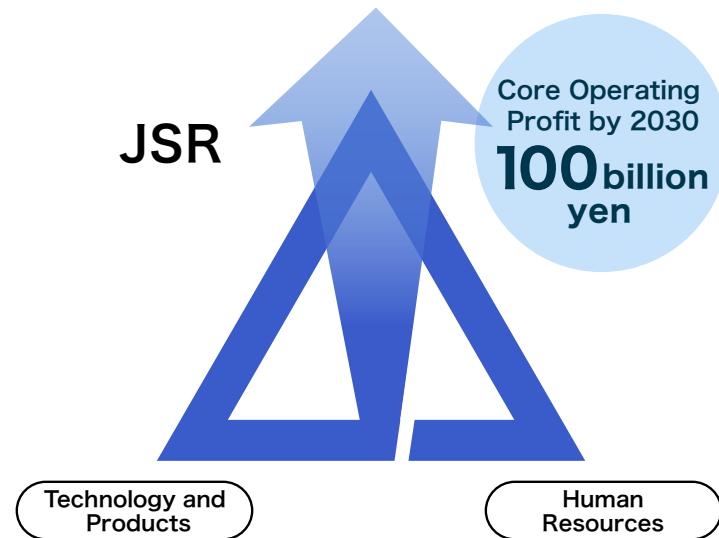
## Building a Togatta Company

My goal is to build a truly Togatta company – one that sharpens its unique strengths and clearly differentiates itself in the market. Internally, I often repeat three messages: “Be a Togatta company,” “Act with an independent mind,” and “Create cutting-edge products.”

In today’s fiercely competitive world, being competent is no longer enough. Companies that blend in eventually fade away. To stand out, we must nurture people with distinctive strengths that resonate globally—people whose individuality becomes the source of JSR’s presence and influence.

First, our products. For JSR to grow sustainably, we must remain the partner that customers trust most. In fast-moving technology fields, that means anticipating needs—even before customers realize them—and continually evolving and developing both our people and our products to

## What is a “Togatta” company?



sharpen the distinctive strengths that set us apart.

Second, our people. Independent-minded individuals do not follow the crowd. They have a clear sense of purpose, speak up with conviction, and take responsibility for outcomes. Regardless of title or background, they engage based on facts and reason. Our evaluation and promotion systems are becoming more transparent and globally consistent, allowing people to work fluidly across borders. Diversity is our foundation, but true competitiveness comes from the dynamic exchange among people of different backgrounds who challenge and strengthen one another. Cutting-edge talent is not forged in isolation—it is shaped through collaboration and proven by results.

Finally, our execution. Even the best strategy or technology has no value without the ability to execute. Which is why we will test small, learn fast, and scale up. We are embedding speed, perseverance, and resilience into our daily operations. Development, manufacturing, quality, and sales

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will collaborate seamlessly—from start to finish—until results appear on customers' production lines. Meetings will be streamlined and purposeful: we will make decisions where they need to be made, and capture learning where it actually happens. This focus and discipline will turn ideas and talent into measurable outcomes.

A Togatta company is not simply one with a “sharp edge”; it is a company that clarifies its distinctive strengths and commits to them with focus and discipline. That is why we are clearly defining what we will not do and concentrating our energy where we excel. Our global people strategy ensures

the right people are in the right roles through transparent evaluation and unified systems. Our culture values open dialogue, fact-based discussion, and a willingness to learn from experience—including failure. When these elements align, every part of the organization strengthens the others and we build a competitive advantage that lasts.

JSR has overcome many challenges to reach this point. Now, it is time to reconnect with our founding spirit—to lead with substance, not form; with action, not words. I am proud to lead JSR forward as the partner our customers trust and the company all stakeholders choose.

## TOPICS

### Transforming corporate culture and strengthening competitiveness through direct dialogue with employees

One of our management policies is “Management through Dialogue.” To bring this to life, our CEO regularly visits sites and engages in direct conversations with employees. Through these open conversations, we aim to strengthen communication between management and employees, incorporate field insights into decision-making, and cultivate a more open and transparent corporate culture.

In these dialogue sessions, employees share honest feedback on how to create a better working environment. Ideas have included improving the

design and functionality of company workwear, encouraging communication among colleagues, and enhancing everyday work practices. We also held candid discussions about potential challenges in our corporate culture and hiring approach.

At the end of each session, our CEO outlined the kind of independent-minded individuals we aim to attract and develop, and responded to questions and comments from participating employees.

By continuing to reflect employees’ voices in management, we aim to raise productivity, accelerate innovation, and further strengthen our competitiveness—driving sustainable growth for the entire JSR Group.



Dialogue session with female employees



Scenes from town hall meetings

