

Advancements in Sustainability

JSR Group defines sustainability as “contributing to society by creating value with our business activities.” Promoting sustainability Group-wide while respecting diversity is considered as one of our important strategies for enhancing corporate value.

● Governance and Management Framework in Sustainability

In 2020, JSR Group established its Sustainability Promotion Committee, which discusses and coordinates on matters related to sustainability, including policies, in line with internal and external circumstances relating to ESG and the SDGs.

The Sustainability Promotion Committee oversees and guides the activities of the four committees shown in the diagram, and holds regularly scheduled meetings (held four times annually) as well as extraordinary meetings. The Sustainability Promotion Committee is chaired by the President and is attended by the secretariats of these four committees as well as Company officers. This enables the committee, which strives to enhance corporate value, to discuss every business and function of the Group.



[Please refer to the JSR Sustainability Site for more details.](#)

The primary issues discussed by the Sustainability Promotion Committee in FY2024 were as follows.

- ▶ JSR Group's GHG Emission Reduction Targets for the Purpose of SBT Approval
- ▶ JSR Group materiality for FY2025 and beyond
- ▶ JSR Group's Policy for the ESG Index

● Progress on our Sustainability Initiatives during FY2024

JSR has established a target of reducing GHG emissions by 30% by FY2030 compared with FY2020 in an effort to address climate change, one of the priority issues faced by JSR Group. In FY2024, we achieved an 18% reduction by introducing renewable energy.

Furthermore, to fulfill our social responsibilities as a corporation, we have revised our GHG emission reduction targets to fall in line with the goals of the Paris Agreement. Specifically, we set our new goals based on scientific evidence, targeting a 42% reduction in JSR emissions (Scope 1 and Scope 2) by FY2030 compared with FY2023, and an 85% reduction by FY2029 in supplier and other non-JSR emissions on the basis of emissions from purchased products and services, capital goods, and upstream transport and delivery. These targets are considered science-based targets (SBTs) and have been certified by the SBTi (Science Based Targets initiative).

JSR will further accelerate initiatives regarding GHG emission reductions to achieve these targets.

Intellectual Capital

● R&D and Quality/Production

JSR Group seeks to develop cutting-edge technology to produce new value and contribute to solving social issues by offering the public outstanding products based on its focus on high quality.

 [Please refer to Research and Development for more details.](#)

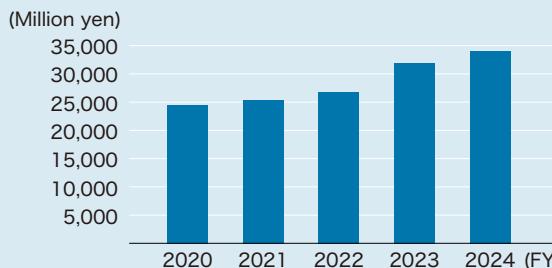
● Research and Development

JSR advances its research and development activities along the two axes of “business research” that enriches the lives of people and fundamental “corporate research” in anticipation of the future of society.

Business research focuses on our existing business areas and their related fields. In the electronic materials field, this type of research advances the development and mass production application of photoresists, CMP materials, precursors, and other materials that support AI technology, and provides backing for an evolution in the semiconductor industry through nano-level machining utilizing the latest EUV photoresist technologies. In addition, this area of research contributes to improved visual experiences for people through LCD orientation films, OLED materials, and other types of display materials.

Meanwhile, corporate research seeks to accelerate research and development utilizing software development and data science while also perfecting

R&D Expenses



cutting-edge analysis and process technologies. At the same time, it also undertakes the challenge of fundamental technology development in metamaterials, spintronics materials, and other new areas. In collaboration with universities and external partners, this area of research is geared toward the discovery of solutions to environmental, energy, and other social issues through technology.

Through these activities, we are helping to realize a safe, secure, and prosperous digital society, as well as a sustainable society with a low environmental impact, as we create new value for the future.

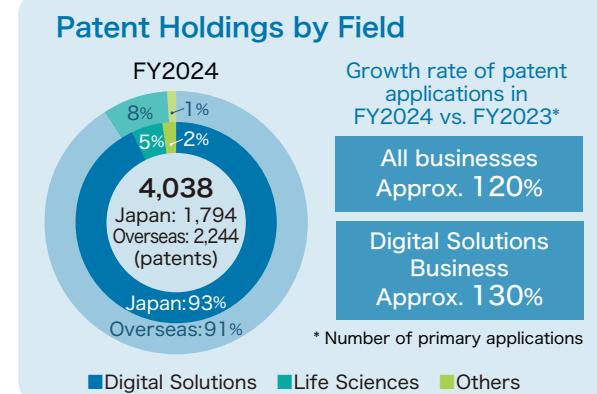
 [Please refer to Research and Development Organization for more details.](#)

● Intellectual Property Activities

Intellectual property is essential for delivering the outcomes of research and development to society. For our business, the R&D and intellectual property divisions work together to formulate intellectual property policies in accordance with the business environment and each business stage, and expand and create new businesses by actively acquiring and managing intellectual property.

Technological innovation that generates new value is underpinned by the tireless efforts of our researchers. As a means of driving this innovation, we

Patent Holdings by Field



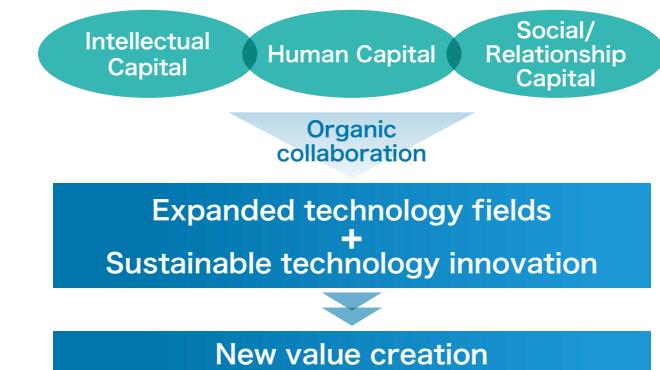
began administering a new invention reward program starting in the current fiscal year to better encourage the intellectual property activities of our employees.

 [Please refer to Intellectual Property Activities for more details.](#)

● Quality/Production

JSR is responsible for ensuring a stable supply of chemical products of a sufficient quality. Likewise, we produce and supply diverse products that range in size from the microscopic to the massive, including photoresists requiring control on the angstrom level*, display materials with visual appeal, and large plastic products for automotive applications. Supporting this diversity of products is process design based on chemical engineering, equipment technology, and maintenance skills. For example, controlling foreign substances of 10 nm² in size on a 300-mm wafer to under a few instances demands the same precision as searching for a pinhole in Tokyo Dome. This level of high precision is realized by the fusion of skills and quality awareness of our seasoned employees with facilities that are constantly improved. Through the power of people and technology, JSR has achieved the industry's highest standards for stable supply and superior quality.

*Angstrom (Å): A unit of length equivalent to 0.1 nanometers (nm) that is used to express dimensions on the atomic and molecular scales.



Environment and Safety

Working to build a robust management foundation for both the environment and safety



Policy

Seeing occupational safety, security and accident prevention, environmental conservation, and product safety as key foundations for its business activities, JSR Group conducts all business undertakings under the following Responsible Care® (RC) policy.

- ① We strive to ensure the safety of employees and local communities, and to contribute to environmental conservation and a sustainable global environment by ascertaining risks associated with our business activities and executing countermeasures.
- ② We strive to comply with laws, ordinances, and voluntary regulations by gathering information on and ensuring the full development of laws and regulations required for business activity.
- ③ We strive to ensure the safety of our products by developing products with consideration for safety, health, and the environment and providing information about them.

Philosophy

JSR Group has positioned environmental conservation and impact reduction, as well as health and safety, as materiality (priority issues) for the management foundation of the Group. We have set KPIs and targets for these issues and are working to achieve them.



[Please refer to the JSR Sustainability Site for more details.](#)

● Environmental Conservation and Impact Reduction

JSR Group recognizes that it is our duty to contribute to the realization of a sustainable global environment and society as a company that handles chemical substances.

Therefore, we consider reducing the environmental impact arising from our business activities and appropriately managing chemical substances to be priority issues. Accordingly, we are striving to reduce greenhouse gas (GHG) emissions and to appropriately manage waste. In particular, climate change will have a big impact on our business due to the risks from an increase in natural disasters and environmental regulations. Therefore, we consider reducing GHG emissions to be a medium- to long-term management issue and are working on it throughout JSR Group.

● Health and Safety

Our goal is that every person who works for JSR Group, our employees and those of contractors, can work safely and feel a sense of contentment. At the same time, as a responsible member of the local community, we continue to engage in business activities with a keen awareness of the environment and safety. Guided by the conviction that safety is the most important value for every person working in the manufacturing industry and is a major premise of our business activities, JSR formulated the Philosophy for Occupational Health and Safety, targeting zero accidents and disasters.

Environmental Conservation and Impact Reduction

Climate change response

We have set an interim target of a 30% reduction by FY2030 compared with FY2020 to ensure that we reach net-zero GHG emissions* by FY2050.

In addition to energy conservation promotions, in recent years, JSR Group has worked as a unified whole to advance the use of purchased electricity generated from renewable energy and energy transition.

* Calculated based on Scope 1 and Scope 2

Circular Economy

To realize a recycling-based society, JSR Group in Japan is promoting recycling under the established target of reducing the amount of waste sent to final off-site landfills to 0.1% or less of the amount of waste generated.

In addition, taking into account the national government's Resource Circulation Strategy for Plastics, JSR Group in Japan established a target of reaching a recycling rate of 100% including heat recovery and 60% excluding heat recovery by FY2030 for used plastics, and has been advancing recycling

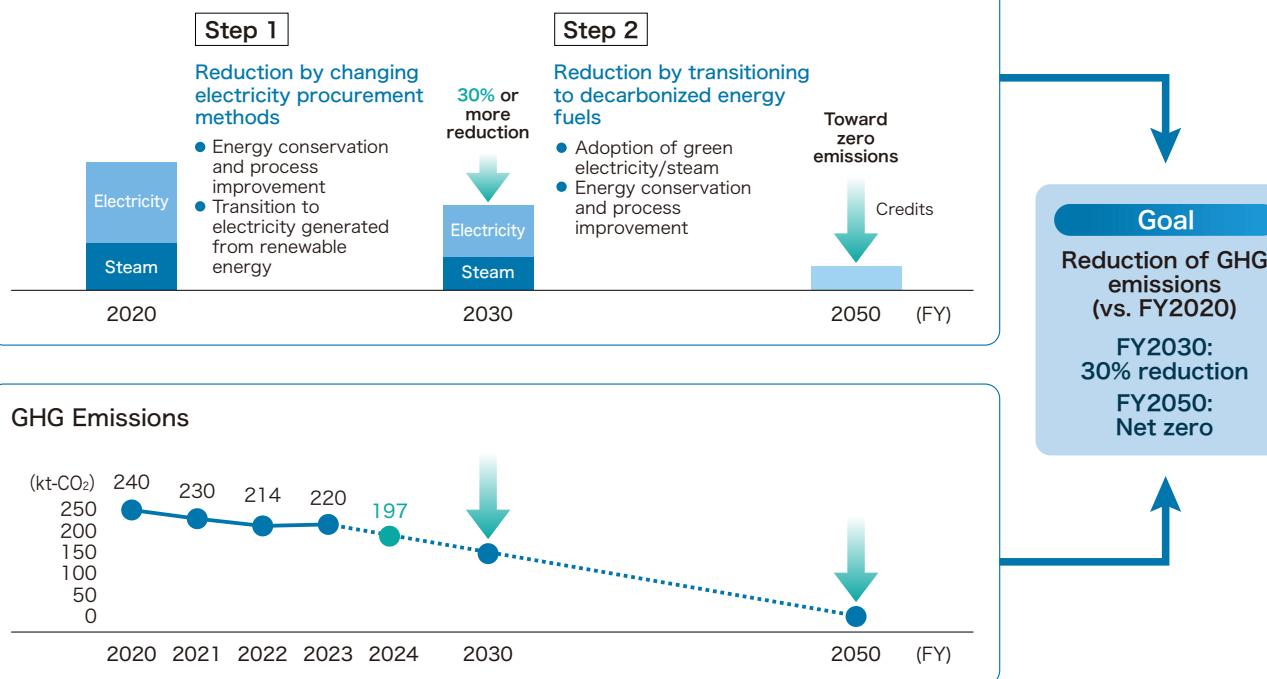


[Please refer to the JSR Sustainability Site for more details.](#)

toward this end. We have published details on the status of this initiative in the JSR Group Sustainability Report 2025.

JSR Group uses such water resources for drinking water, of course, but also as a raw material, cleaning solution, in treatment facilities for chemicals, and coolant in its manufacturing processes. We strive to recycle water in our processes. At the same time, we purify and check the quality of the water as required after use before discharging it into rivers or other bodies of water.

Overview of GHG Emission Reductions



Chemical Management

In addition to our compliance with the Chemical Substances Control Law and other similar laws in Japan, following the EU's enactment of the REACH Regulation in 2007, JSR Group has confirmed regulatory trends such as substance registration each time they have been strengthened in other countries. We respond to these without omission based on the business areas and structure of local subsidiaries.

From the perspective of ensuring product safety, we develop products in line with trends in chemical risk evaluations in each country from the design stage onward. We are also promoting voluntary initiatives to systematically reduce and eliminate harmful chemical substances from products.

Health and Safety

● Safety Philosophy

At JSR, safety forms the very foundation of business continuity. We are addressing safety as an important management issue necessary for the growth of the company. Based on our philosophy, basic policy, and courses of action for safety that set forth important actions for achieving both, we are committed to being a company where all employees feel safe and happy at work and are carrying out business activities that take the environment and safety into consideration as a responsible member of the local community.

[Safety Philosophy]

At JSR Corporation, safety is our highest priority and the foundation of all of our activities. Accordingly, we will create safe worksites and strive to maintain physical and mental health, with the goal of ensuring a safe return home at the end of each workday.

[Safety Policy]

● Extremely Safe Behavior

The Safety Philosophy has penetrated through the organization, the Courses of Action are established as applying to everyone, and safety competency is improving through independent safety activities.

● Enhanced Human Resources and Organizational Strength

High personal skills, organizational ability, and a healthy organizational culture are being maintained with the establishment and execution of the education and training programs needed for organizational management.

● Optimal Risk Management and Security Measures

Security measures corresponding to risk importance are being efficiently and effectively implemented using new technologies.

[Courses of Action of Safety]

- No matter the situation, we will act with safety foremost in mind.
- We will comply with established rules and never fail to act in accordance with safety basics.
- We will maintain safety by identifying and eliminating both actual and potential hazards.
- We will strive to create comfortable work environments and promote physical and mental health.

- Through communication and ingenuity, we will aim to achieve 100% employee participation in all safety activities.

● Safety Management System

JSR has established and operates a safety management system comprised of each business location and containing rules and procedures on occupational safety, security, and accident prevention based on the safety management regulations. JSR Group steadily implements PDCA cycles in accordance with the management system of each respective company in an effort to mitigate risks both potential and present.

To verify the effectiveness of this management system and our activities, we regularly conduct internal audits, safety patrols, and management reviews at each company, as well as Headquarters Environment and Safety Audits led by the President. As part of a process that is repeated every year, the results of these verifications are reflected in the targets and priorities for the next fiscal year, and by selecting the priorities to concentrate on in this way, we aim to achieve continuous improvement efficiently and effectively. We have compiled manuals that contain appropriate and effective response measures that help to prevent damages from spreading in the event of an accident or disaster. In addition, to prevent recurrences, we investigate to determine the root cause, implement countermeasures, and verify their effectiveness based on these manuals. In turn, we share this information within the Group to stop similar accidents before they occur.

Initiatives for Instilling JSR Group's Safety Concept and Improving Safety Levels

In FY2023, we reorganized JSR Group's shared philosophy regarding safety and have worked to instill it among all employees. In addition, we have effectively applied a proprietary safety level monitoring system in an effort to improve safety levels throughout the Group and to ensure safe, secure business activities. We have published the details on the status of this initiative in the JSR Group [Sustainability Report 2025](#).

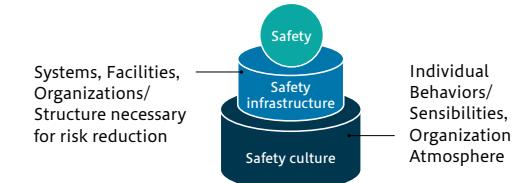


[Please refer to the JSR Sustainability Site for more details.](#)

JSR Group's Safety Goal

"Safety" means a state in which risk is at an acceptable level, supported and ensured by a safety infrastructure and safety culture.

JSR divides the status of safety into five stages and aims for the target safety stage to raise its safety level.



● Physical and Mental Health

JSR Group feels that a healthy mind and body are extremely important for employees and their families to live happy lives. We also feel that good health is imperative in the creation of a productive and vibrant workplace. Therefore, we take various actions in support of our employees so that they can remain healthy at work both mentally and physically.

JSR will advance "JSR Health Promotion" as an activity to promote health and fitness among our employees, who are the foundation of organizational activity, and thereby increase employee engagement.

The ultimate vision and goal of this initiative is to become an organization where all employees can think about their own health and take action. We aim to provide measures to maintain and improve the health of each employee in ways that suit them and that can be performed autonomously.

By objectively evaluating and improving the results of these initiatives through a third-party survey, and implementing the PDCA cycle, we will develop more effective health maintenance and improvement measures and support the health of our employees.

Respect for Human Rights

Philosophy

JSR Group positions respect for human rights as one form of materiality (important issue).

It is critical for the entire Group to enhance its understanding of human rights and take appropriate actions. JSR Group's Human Rights Policy therefore takes into account the UN Guiding Principles on Business and Human Rights, as well as the National Action Plan on Business and Human Rights established by the Japanese government. In addition, we have endorsed and signed the Global Compact advocated by the UN. We strive to fulfill our responsibility to respect human rights in all of our business activities.

● Advancement Structure and Initiatives

At JSR Group, the Corporate Ethics Committee, which is chaired by the officer in charge of general affairs and compliance and whose office is the General Affairs Department and Compliance Department, is responsible for promoting initiatives related to respect for and safeguarding of human rights.

In FY2024, we began human rights due diligence activities upon receiving the advice of a dedicated organization, and conducted desk research and workshops to identify and prioritize the potential negative impacts on human rights throughout our value chain.

Goal

Participation rate in e-learning on respect for human rights

82% (FY2022)

● Raising Awareness of Human Rights

Further educating Group employees of human rights is essential to fulfilling JSR Group's responsibilities in terms of respect for human rights. To this end, we are providing ongoing e-learning on human rights, aiming to systematically educate our employees on human rights.

In FY2022, we prepared the first installment of a Company-specific e-learning program with the help of a third-party organization and held e-learning seminars on the basic knowledge of human rights and overview of JSR Group's Human Rights Policy.

Going forward, the same course will continue to be implemented with a KPI above 80% participation rate globally. In FY2022, overall participation exceeded the target at 82%, but participation varied among each implementation site. For places with lower attendance, we will look into factors among those who did not attend to identify whether there is any bias due to department or position and take measures to improve attendance.



[Please refer to the JSR Sustainability Site for more details.](#)

● Respect for Human Rights in the Supply Chain

JSR Group also understands the necessity of promoting initiatives oriented toward respect for human rights not only within the Group but also across the entire supply chain. To put this into practice, we revised our questionnaire for suppliers in 2017 and incorporated relevant items on respect for human rights in the JSR Group CSR/Sustainable Procurement Policy established in 2018. In addition, JSR Group's Human Rights Policy clearly states that we will continue to encourage our business partners in the supply chain to support this policy and adopt a similar policy.

JSR Group's philosophy outlined in the above policies speaks for the requirements placed in companies by international society. JSR Group believes that it must share this philosophy with its business partners, and toward this end, we have conveyed both policies to the Group's main suppliers and collected consent forms stating their endorsement of the policies in FY2022. The entire Group is working to implement this effort with a target collection rate set at 100%. In FY2022, the collection rate was 90%.

We will continue taking the steps necessary to strengthen collaboration with partners in the supply chain and enhance our respect for human rights.

Supply Chain Management

Philosophy

JSR Group positions the “supply chain” as part of its materiality (priority issues) in terms of “Management Foundation.” An important role of JSR Group is to offer innovative materials and excellent products that meet customer needs and contribute to the making of a better society. Toward that purpose, we are working to build a sustainable supply chain and ensure that we can sustain stable procurement from sound suppliers.

Sustainable Procurement

Based on the belief that the development of supply chain management will lead to mutual prosperity between our business partners and JSR Group, we have established the JSR Group CSR/Sustainable Procurement Policy and ask our suppliers to comply with 36 items representing six areas.

Since FY2021, to fully share the needs of society and JSR Group’s philosophy, we have collected written consent for our CSR/Sustainable Procurement Policy and Human Rights Policy.

In FY2024, we achieved a collection rate of 99% for the Digital Solutions Business.

Assessment of Business Partners

JSR regularly confirms that its business partners conform to the Company’s procurement assessment standards. When assessing potential new business partners, we evaluate their financial status and quality control levels, and conduct on-site audits of safety, environmental, and quality concerns before starting trade. We also reassess as needed existing business partners following the same criteria. Some raw materials are difficult to procure in an emergency due to poor availability or scarcity. For them, we conduct regular audits, making on-site checks of matters having a bearing on supply continuity, and offering suggestions and guidance for quality reliability.

Efforts for Compliance with Responsible Minerals Procurement

Under our stance, as based on the JSR Group Purchasing Guidelines, that the use of minerals posing a high risk of having negative impacts on human rights in the supply chain (including the conflict minerals of tin, tantalum, tungsten, and gold as well as cobalt and mica) shall not be tolerated for any reason, either directly or indirectly, JSR Group conducts ongoing initiatives to confirm that its suppliers do not use these. In FY2015, we conducted our first investigation concerning the use of conflict minerals. Since then, we have conducted investigations using the Responsible Mineral Initiative (RMI) standard template when adopting new raw materials and when commencing a business relationship with a new supplier.

In FY2024, we received responses from 95% of suppliers for the Digital Solutions Business, and confirmed that they do not use these minerals or if they do, they procure them from smelters that have no issues.



[Please refer to JSR Group’s CSR/Sustainable Procurement Policy for more details.](#)
[Please refer to Supply Chain Management for more details.](#)

Education and Training of Employees in Charge of Procurement

We also focus on the education and training of employees in charge of procurement on the subject of CSR/sustainable procurement and conflict minerals initiatives. We acquire information on the latest trends by attending outside seminars and participating in a subcommittee under the Global Compact Network Japan. This includes introductory education to personnel newly assigned to purchasing departments to ensure that they fully understand the JSR Group Purchasing Guidelines. For employees in charge of procurement, we also recommend that they acquire the Japan Management Association-accredited Certified Procurement Professional (CPP) certification* as a part of efforts to acquire more advanced knowledge. We support them in this endeavor by paying the costs of workshops and examination fees.

* Certified Procurement Professional (CPP): A qualification certifying expertise in the purchasing and procurement field.