

JSR Corporation



With chemistry, we can.

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JSR CORPORATION

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ANNUAL REPORT 2015

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FINANCIAL SECTION (SUPPLEMENTARY VOLUME)

Forward-Looking Statements

Statements regarding the Company's future plans, strategies, projected performance and outlook are based on information available at the time of writing. Readers are cautioned that economic trends in JSR's target markets and other risks, and factors beyond the Company's control could cause actual results to differ materially from those projected by management.

OVERVIEW

PROFILE

JSR Corporation (formerly Japan Synthetic Rubber Co., Ltd.) was established in December 1957 under the Special Measures Law for the Synthetic Rubber Manufacturing Industry with the aim of pioneering synthetic rubber production in Japan. Since that time, the Company has remained among Japan's market share leaders in synthetic rubber and other petrochemical materials. We also apply our polymer technologies in the field of fine chemicals to produce semiconductor materials, display materials, and other products, which command among the highest market shares in the industry.

JSR aims to leverage its stable core businesses of petrochemical products and fine chemical materials, to pursue sustained growth through strategic development of two new businesses: life sciences and lithium ion capacitors (LICs).



CORPORATE MISSION

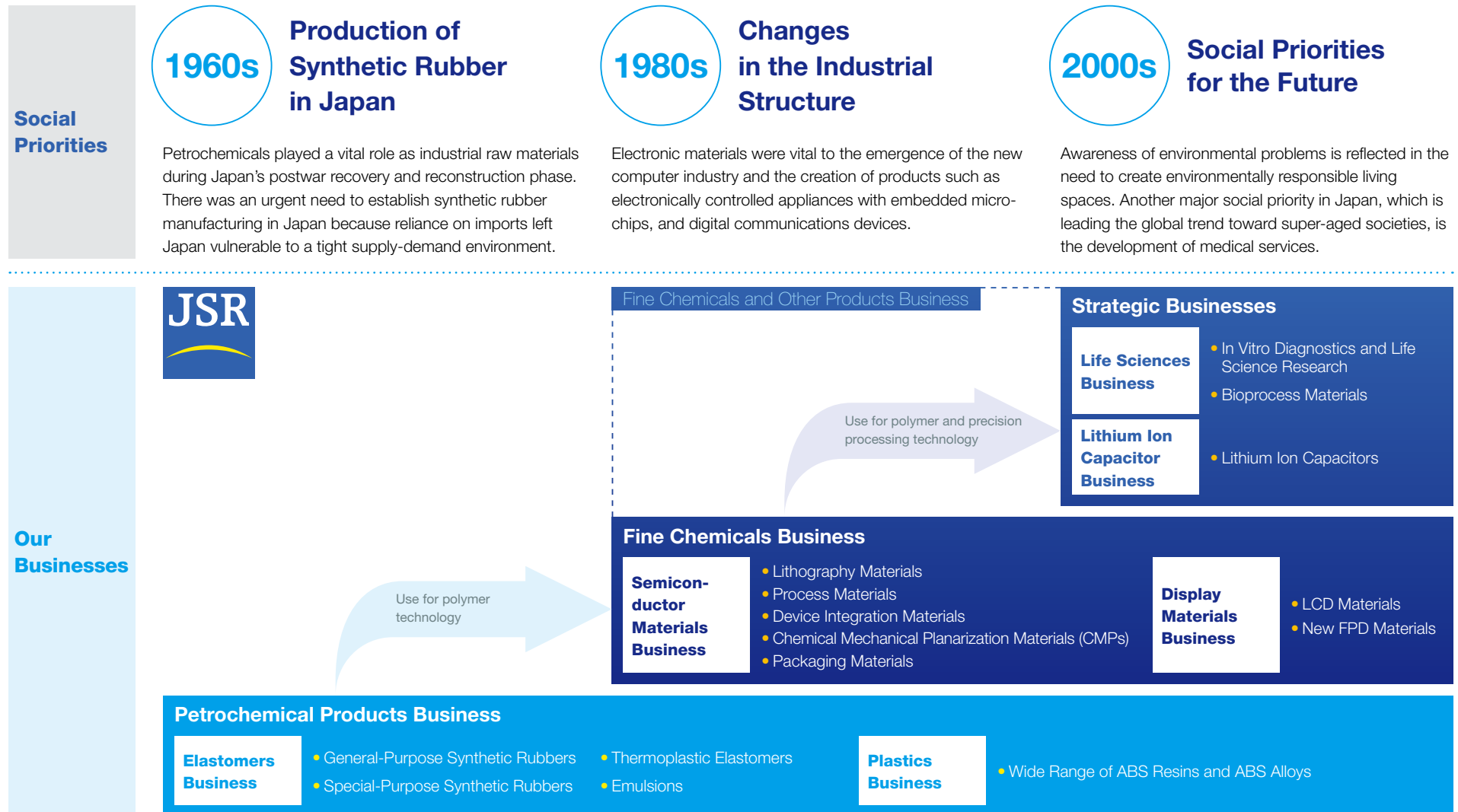
Materials Innovation

We create value through materials to enrich society, people and the environment

OVERVIEW

Business Outline

The JSR Group aims to create new value through materials and to help in solving social problems.



OVERVIEW

Consolidated Financial Highlights

In the year ended March 2015, strong performance by the Fine Chemicals and Other Products Business offset a downturn in the Petrochemical Products Business, allowing us to achieve growth in sales and income.

Note: Fiscal year means year ended March 31

¥ 404.1 billion

▲ (+2.5%) ¥ 394.3 billion

Net Sales

Despite a marginal decline in petrochemical products because of deteriorating market prices, revenues were higher thanks to strong sales of advanced semiconductor materials and a firm trend in sales of display materials.

¥ 364.7 billion

▲ (+8.1%) ¥ 337.3 billion

Net Assets

Net assets were higher primarily because of an ¥11.3 billion year-on-year increase in shareholders' equity, and a ¥15.7 billion year-on-year increase in cumulative comprehensive income. The equity ratio was 67.0%.

¥ 38.1 billion

▲ (+5.6%) ¥ 36.1 billion

Operating Income

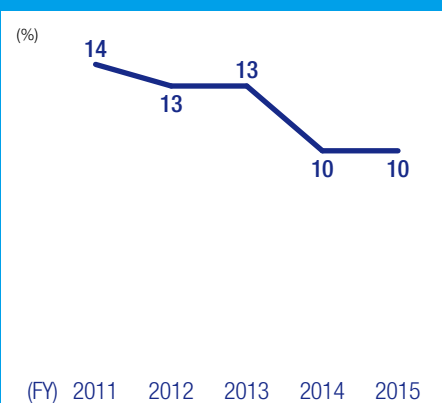
Income from the Petrochemical Products Business was significantly lower because of deteriorating market prices, but operating income was higher year on year thanks to a firm trend in income from the Fine Chemicals and Other Products Business.

10%

▶ (±0.0%) 10%

ROIC

ROIC remained even despite higher growth investment. Contributing factors included an 18.9% year-on-year increase in net income, which reached ¥29.9 billion.



8.7%

▲ (+0.8%) 7.9%

ROE

Income growth helped to produce a moderate increase in ROE, which we regard as a key financial indicator.





Nobu Koshiba

MITSUNOBU (Nobu) KOSHIBA
Representative Director and President

Policies Focusing on the Realization of Our Goals

In the year ended March 2015, growth in the Fine Chemicals and Other Products Business allowed us to achieve results that were moderately higher than our initial targets, despite a slower trend in the Petrochemical Products Business. We provide maximal effort to the realization of our goals that reflect environmental changes over the past year and progress in each business segment.

OUR STRATEGY

The JSR Vision

The trends toward diversification and the formation of a multipolar world are expected to accelerate. We see these environmental changes as opportunities to expand our corporate value through initiatives based on our business philosophy.

Vision for 2020

- Establish a corporate structure resistant to changes.
- Build up competitiveness that enables us to achieve sustainable growth.
- Develop a third pillar of business.

Become an esteemed company with
¥1 trillion market capitalization

Post JSR20i6

Phase III

Sustained Growth

Development of strategic businesses
as third core source of earnings

Emergence as a company capable
of stable, sustainable growth

* The "i" in "JSR20i6" (twenty-sixteen) emphasizes
the "Innovation" to realize Materials Innovation,
which is the heart of our corporate mission.

JSR20i6

Phase II

Following Our Path to Growth

Sustained efforts to link priority
measures implemented under
JSR20i3 to earnings

Core business areas (Solution
Polymerization SBR (S-SBR), advanced
lithography materials, etc.) as
growth drivers

JSR20i3

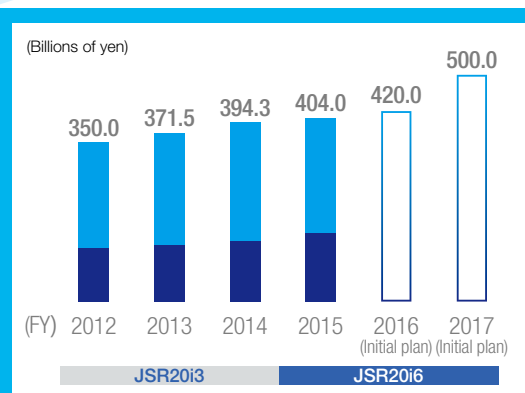
Phase I

Activation toward Growth

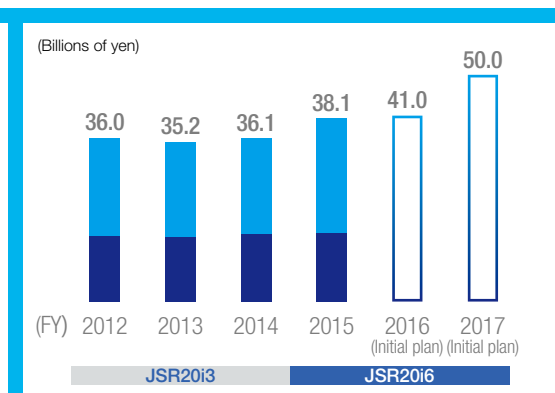
Concentration on key business
areas and products capable of
driving sustainable growth

Investment, business infrastructure
development, improvement of
competitiveness in core
business areas

Net Sales



Operating Income



□ Petrochemical Products Business ■ Fine Chemical and Other Products Business

Note: Fiscal year means year ended March 31

How would you describe the market environment in the year ended March 2015?

Question



The Petrochemical Products Business was affected by stagnating conditions, but we recorded excellent performance trends in the Fine Chemicals and Other Products Business.

The market environment in the year ended March 2015, drastically changed in the second half of the period; raw material prices fell along with the prices of finished products due to a plunge in crude oil prices. The yen rapidly weakened against major currencies. Meanwhile, the environment for our major customer industries was generally stable. There was a global increase in production by automotive tire and motor vehicle manufacturers, and the production of semiconductors was steady due to strong demand, especially for use in smartphones, tablets and other mobile devices. Trends in production of flat panel displays (FPDs) for large-screen TVs were also strong.

The impact on the elastomer business was particularly severe. Despite global growth in demand, market prices fell due to a worsening supply-demand balance caused by an over-supply situation, especially in East Asia. The result was reduced spreads between the prices of key raw materials and the prices of our products. Despite stagnating markets, net sales from the Petrochemical Products Business were about the same as

in the previous year, in part because of price adjustments implemented in the first half of the year to reflect higher raw material prices.

On the other hand, buoyant market trends helped to expand sales of semiconductor materials and display materials. Our withdrawal from the precision materials and processing business, which had become unprofitable, also contributed to a substantial year-on-year increase in net sales and operating income from the Fine Chemicals and Other Products Business. This offset the downturn in the Petrochemicals Product Business.

As a result, consolidated net sales in the year ended March 2015 were 2.5% higher year on year at ¥404.1 billion, while operating income rose by 5.6% to ¥38.1 billion, and net income by 18.9% to ¥29.9 billion.

OUR STRATEGY

To Our Shareholders

What were your priority initiatives in the year ended March 2015?

Question



We established JBE to provide production capacity for Solution Polymerization SBR (S-SBR), and we made preparations to put our Strategic businesses activities on a growth track.

Our main priority for the Petrochemical Products Business was the start-up of the first phase of S-SBR production facilities for our Thai joint venture, JSR BST Elastomer Co., Ltd. (JBE). The project fell behind schedule because of delays in obtaining customer approvals, but the plant is fully operational in now. We are also proceeding with a second phase of plant construction at JBE in order to double the plant's production capacity in anticipation of demand growth in the medium- to long-term future.

In the Semiconductor Materials business, major customers started full-scale production of leading-edge 20nm-generation products in which we holds large market share. Because of our high market share in this area and our capability of supplying high quality product consistently, this resulted in higher sales.

We were able to enhance the competitiveness of the Display Materials business through in-depth localized operations by our South Korean and Taiwanese group companies, and through the establishment of a technical service organization. In addition, we decided to establish a Chinese joint

venture, JSR Micro (Changshu) Co., Ltd., to expand sales in the Chinese market, which is expected to show rapid growth.

In the Strategic business category, we concentrated our resources in the areas of life sciences and lithium ion capacitors (LICs). In the life sciences area, we made significant progress toward the establishment of structures to support non-organic growth. In the LIC area, we steadily increased the number of companies using our products, and while this business is still small, there was a significant increase in sales. We also completed a new plant for the mass production of miniaturized products with the aim of expanding our sales.

As a result of these efforts, JSR was able to achieve the revenue targets set down at the beginning of fiscal 2015, which was the first year under JSR20i6. However, new strategies will be needed in the petrochemical products area because of the effects of a chronic over-supply situation and market stagnation. I intend to work tenaciously toward the achievement of our operating income target of ¥50 billion in the final year of JSR20i6.

OUR STRATEGY

To Our Shareholders

What is your growth scenario going forward?

Question



We aim to strengthen our structure in the Petrochemical Products Business in anticipation of worsening profitability, while working toward non-organic growth in the new Life Science business, which we have positioned as a new core segment.

There are two major changes in our strategies. First, we will strengthen the structure of our Petrochemical Product business. The breakeven point for the Petrochemical Products Business has improved by 20 points compared with the position before the Lehman shock, but profitability is expected to deteriorate over the next few years because of harsh trends in demand and market prices. By seizing opportunity now that financial resources are being generated by breakeven point improvement, we will invest ¥30-40 billion over the next four or five years in initiatives to bring facilities, some of which were built around 40 years ago, up to date and ensure safety. By doing so, we will make them more robust and more sustainable, so that they will still be usable 20 or 30 years from now. In addition to this facility improvement, we will also prepare for medium and long-term growth by restructuring our product portfolios.

In the Life Science business area, we have focused on collaboration with other companies. For example, we have strengthened our relationship

with MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. (MBL), a pioneering Japanese manufacturer of antibodies, and jointly acquired KBI Biopharma, Inc. (KBI), a contract developer and manufacturers of biopharmaceuticals in the United States. These moves will allow us to go beyond the expansion of our existing group business activities, and to expand into other business areas, including not only raw materials but also the development of reagents and reagent manufacturing processes, and contract manufacturing of reagents. For example, we could use the knowledge and sales channels of MBL in the area of reagents, and contract biopharmaceutical manufacturing capabilities of KBI in area of bioprocess materials. From a business portfolio perspective, the life sciences field is less vulnerable to raw material prices or economic trends than other business segments and offers opportunities to apply the strengths of JSR. We aim to achieve net sales of ¥30 billion in the year ending March 2017.

What is your thinking on capital strategy?

Question



While giving priority to investment in growth, we will also work to improve ROE and maintain a flexible approach to shareholder returns.

Apart from the period affected by the Lehman shock, long-term trends in our operating cash flows have generally remained stable despite fluctuations in earnings. During the period covered by mid-term management plan JSR20i6, we expect to generate cumulative cash flows amounting to around ¥160 billion.

Our capital allocation policy calls for growth investment of around ¥100 billion, including organic investment in existing business activities and inorganic investment, such as the acquisition of shareholdings in other companies, as typified by our investments in MBL and KBI. We intend to use our remaining cash flows and other cash reserves to maintain a gross payout ratio, including dividends, share buy-backs and other shareholder returns, of 50% or higher during the period of JSR20i6. This represents a change in policy on shareholder returns, which previously called for a payout ratio of 30%. Going forward, our policy on shareholder returns will be to combine stability with flexibility.

In addition to our commitment to shareholder returns, this change was also motivated by our desire to achieve a double-digit ROE. We aim to increase ROE from its present level of 8.7% to over 10% in the near future.

We have made decisions about a number of targets for growth investment, including the expansion of overseas business sites, and M&A activities.

The dividend for the year ended March 2015 was ¥40. The dividend ratio was 31.2%, and the gross payout ratio was 64.6%.

We will continue to give priority to growth investment in the allocation of resources. We will also implement shareholder return policies that target further improvement in ROE, while also taking into account prevailing economic conditions and our financial position.

Special Feature

Life Sciences Business—

Contributing to Sustainable Society where people can enjoy health and longevity



The extension of healthy lifespans and the reduction of health-care expenditure are priorities in developed countries. Efforts to achieve these goals are reflected in a trend toward individualized medicine, and in a shift in emphasis from cure to prevention. Individualized medicine enhances the effectiveness of therapies by matching treatment methods more precisely to the condition of each individual patient. To achieve this, doctors can use biopharmaceuticals, which cause fewer side-effects, and advanced, personalized diagnostics to identify conditions and determine which drugs will be the most effective for a specific patient. The shift in emphasis from cure to prevention is helping to reduce the healthcare burden by preventing diseases from occurring, or by discovering them earlier when they do occur. The keys to this approach are the ability to diagnose the potential for diseases, and day-to-day health monitoring.

The JSR Group will respond to these trends by expand-

ing its related activities, especially in the areas of advanced diagnostics and the development and manufacture of biopharmaceuticals.

China is working toward the domestic production of diagnostics for hepatitis, influenza and other infectious diseases. The JSR Group is collaborating with Chinese companies in the development, manufacture and sale of these diagnostics. Our aim is to achieve in-house production in China using JSR raw materials.

In addition to our work in these advanced fields, our strategy also includes the utilization of existing products and technologies in emerging countries.

Advanced Diagnostics

Companion diagnostics are used to optimize treatment methods for individualized medicine. Designed for external use, they are employed in conjunction with the clinical admin-

istration of pharmaceuticals to carry out prior diagnoses and determine whether or not particular drugs and therapies will be effective. They are used to identify patients who are likely to suffer side-effects. One of the most important measurement methods used involves diagnosis through the detection of disease-related substances adhering to antibodies attached to beads. Diagnostics designed to react to a wide range of antigens can be created by combining the JSR Group's beads technology with antibodies developed by MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.

Biopharmaceuticals

Biopharmaceuticals include antibody drugs, which are used in the treatment of cancer and other serious diseases. There has been a rapid increase in the development of these drugs in the past few years as they are highly effective and produce minimal side-effects. The JSR Group is contributing to the development of production processes for these biopharmaceuticals. Antibody drugs are extremely large biomolecules. They are cultured using microorganisms and animal cells, and the antibodies are then separated and refined to create pharmaceutical products. Biopharmaceuticals minimize side-effects by using biological and cytological functions that affect only disease sites, such as cancerous cells. At present the development and manufacture of biopharmaceuticals involves complex and expensive processes. The JSR Group is working to overcome these problems so that biopharmaceuticals can become more widely available.

OUR STRATEGY

Special Feature

Further expanding our business domains by increasing strategic partners not only in our group, but also linking raw material technologies with end users.

In the area of diagnostics, we have increased our shareholding, and strengthened our collaboration, with MBL, which possesses expertise relating to the use of antigens as biopharmaceuticals. We are also acquiring shareholdings in other companies, such as KBI Biopharma, a developer of biopharmaceutical production processes and a contract developer and manufacturer of biopharmaceuticals in the United States. These investments support our efforts to create new value across all stages of biopharmaceutical manufacturing.

We also plan to commence joint research with Keio University, which has its own hospital. This will allow us to foster collaboration with hospitals and medical professionals.

Our priority for the Life Sciences business was to link functional materials manufactured by the JSR Group with value chains leading to end users. Even if we create useful raw materials, they are unlikely to be adopted by pharmaceutical manufacturers unless there are also effective manufacturing processes for those materials. Our recent joint

acquisition of KBI has given us access to a company with the ability to develop manufacturing processes and carry out actual manufacturing if a pharmaceutical company discovers a substance with medicinal effects. The establishment of this cooperative relationship was the final step in the creation of a value chain linking our functional materials with product development, approval, sales channels and pharmaceutical companies.

*1 IVD: In Vitro Diagnostics

*2 JSR+mbIVC LifeScience Investment Limited Partnership

Business Areas

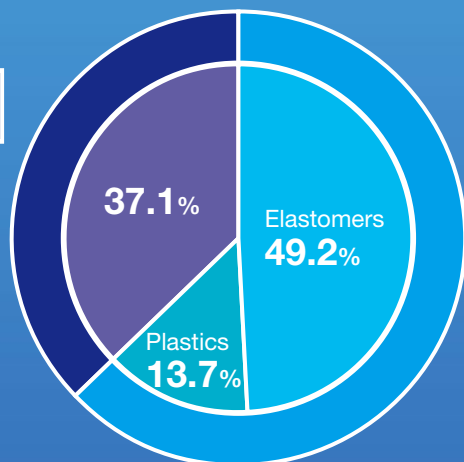


JSR = JSR/JSR Life Sciences/JSR Micro, Inc./JSR Micro NV

Obtain technical seeds and required infrastructure and functions through M&A, alliance, strategic partnership, etc.

Revenue Breakdown by Business Segment

Fine Chemicals and
Other Products Business



Petrochemical
Products Business



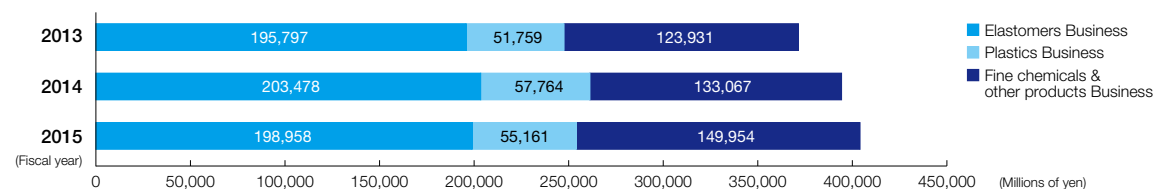
Creating Corporate Value

The three strategic domains for the JSR Group are Petrochemical Products, Fine Chemicals, and Strategic Businesses. In each of these areas, we are developing business activities based on medium- and long-term perspectives.

CREATING CORPORATE VALUE

At a Glance

Segment Sales



* Note: Fiscal year means year ended March 31

Petrochemical Products Business

Elastomers



General-Purpose Synthetic Rubbers

Solution Polymerization Styrene-Butadiene Rubber (S-SBR), Emulsion polymerization Styrene-Butadiene Rubber (E-SBR), Polybutadiene Rubber (BR)

Special-Purpose Synthetic Rubbers

Nitrile Rubber (NBR), Butyl Rubber (IIR), Ethylene-Propylene Rubber (EPM/EPDM)

Thermoplastic Elastomers (TPEs)

Syndiotactic 1, 2-Polybutadiene "JSR RB™", Hydrogenated Polymer "JSR DYNARON™", Styrene-Butadiene Thermoplastic Elastomers "JSR TR™", Styrene-Isoprene Thermoplastic Elastomers "JSR SIS™," etc.

Emulsion Products

Paper Coating Latex, SB Latex, Acrylic Emulsions, etc.

Performance Chemicals

High-Functional Dispersant "DYNAFLOW™", Organic/Inorganic Hybrid Coating Materials "GLASCA™", Battery Materials, Thermal Management Materials

Plastics



Styrenic Resins

Acrylonitrile-Butadiene-Styrene (ABS) Plastic, Acrylonitrile-Ethylene-Propylene-Styrene (AES) Plastic

Fine Chemicals and Other Products Business

Fine Chemicals

Semiconductor Materials



Lithography Materials

Photoresists, multilayer materials, etc.

CMP (Chemical Mechanical Planarization) Materials

CMP slurries and pads

Packaging Materials

Thick-film photoresists, photosensitive insulation materials, etc.

Display Materials



LCD Materials

Alignment films, protective coatings, color pigment dispersed resists, photosensitive spacers, etc.

New FPD Materials

Optical Coatings, OLED, etc.

Optical Materials



Precision Materials and Processing Business

Heat-Resistant Transparent Resin "ARTON™", ARTON™ Optical Films, etc.

Optical Materials

UV Curing Optical Fiber Coatings, etc.

Strategic Businesses

Life Sciences Materials



In-vitro Diagnostic and Research Reagents

Beads for Clinical Diagnostics, Research Reagents, Magnetic Beads, Size Standard Beads

Bioprocess Materials

Protein A affinity material, Ion-exchange material

Lithium Ion Capacitors



Cells

Laminate Cell, Prismatic Cell

Modules

Laminate Cell Module, Prismatic Cell Module

CREATING CORPORATE VALUE

Petrochemical Products Business



Using Our Technological Advantage in Solution Polymerization SBR (S-SBR)

JSR has targeted demand for high-performance S-SBR, especially the high-end and middle-high markets. In the year ended March 2015, we responded to deteriorating market conditions by restructuring our product portfolio and bringing forward the introduction of products for the high-end market. These products have been well-received in South Korea, Europe and Japan and have allowed us to gain a lead over our competitors through differentiation based on superior technology.

We also worked to expand our presence in the middle-end market by increasing supplies of products based on our exclusive technology in the year ended March 2015. We have not previously targeted this market because of the large number of competitors. However, we expect to achieve growth in this area by using our original technology to develop products that allow us to achieve high productivity and cost-competitiveness. The predicted shift toward electric vehicles is expected to result in an increase in use of high-torque vehicles. We will respond to this trend by supplying products with enhanced wear characteristics.

Note: Fiscal year means year ended March 31

Elastomers

Performance Overview

¥199.0 billion

-2.2%

Net Sales

¥10.7 billion

-38.1%

Operating Income

- Moderate year-on-year decline in total elastomer sales volumes
- Decrease in operating income from recurring expenses including the cost of regular maintenance
- Major decline in profit, mainly because of shrinking margins caused by a worsening supply-demand balance

Plastics

Performance Overview

¥55.2 billion

-4.5%

Net Sales

¥2.8 billion

-27.5%

Operating Income

- Sales decline due to decreasing domestic production of motor vehicles and industrial materials, including building materials and miscellaneous goods
- A weaker yen and price adjustments in the first half of the period to reflect rising raw material costs not sufficient to offset reduced sales volumes, net sales down
- Operating income significantly affected by reduced sales volumes, despite current improvement in profit margins

CREATING CORPORATE VALUE

S-SBR Business Strategy

JSR aims to be number one in terms of its share of the global market for Solution Polymerization SBR (S-SBR). We have three strategies for achieving this goal.

First, we will prepare predicted growth in demand over the medium- to long-term future by expanding the total supply capacity of the JSR Group. This strategy calls for the creation of a global network of production sites located close to user markets through the completion of a second phase of construction at the facilities of JBE in Thailand, and the planned construction of a plant in Hungary.

Second, we will strengthen our cost-competitiveness. Both JBE and the production operation in Hungary are joint ventures with local manufacturers. We will be able to ensure the constant supply of raw materials.

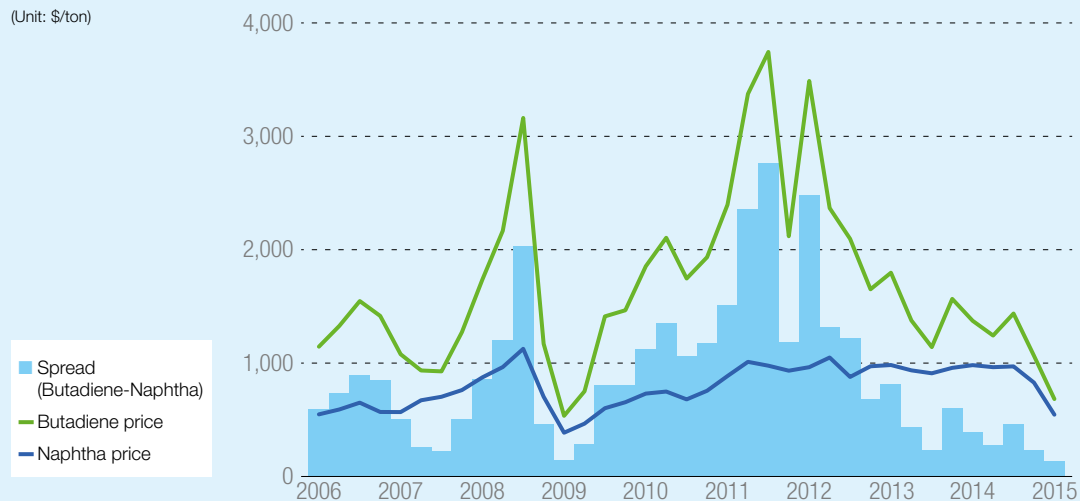
Butadiene supplies are expected to fall short of demand in the future, and we aim to establish a structure that will allow us to source this material at competitive prices.

Third, we will differentiate our products and establish a technological advantage by introducing products into the high-end market ahead of our competitors. We will maintain a dominant share of expanding demand in the high-end market through continual performance and quality-based differentiation. We will also introduce products based on our original technology into the large middle-end market.

We aim to achieve sustained growth by steadily implementing these three strategies.

Change in butadiene and naphtha prices

(Unit: \$/ton)



Source: JSR prepared the chart based on statistics of Platts and JSR, etc.

The change in raw material prices

Since butadiene is produced from naphtha, the cost of naphtha production closely approximates our raw material cost. Because butadiene is the main raw material, its price is linked to the price of butadiene-based synthetic rubber, so the price spread between naphtha and butadiene is the key to higher profits.

From 2013, the supply-demand balance for butadiene has gone from bad to worse, and the price spread between naphtha and butadiene has shrunk. In particular, the year ended March 2015, the benchmark butadiene price in the fourth quarter was \$700/t, dramatically reducing the price spread with naphtha. As a result, for year ended March 2015, profit was a key concern in the Petrochemical Products Business. Earnings will improve with a rise in the butadiene price or a drop in the price of naphtha, but since we forecast a continuation of the butadiene oversupply situation in the next fiscal year, the market doldrums are expected to continue. We anticipate that it will take about two years to fully eliminate the glut.

CREATING CORPORATE VALUE

Fine Chemicals and Other Products Business

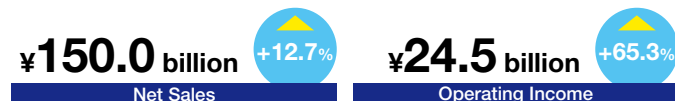


Semiconductor Materials: Yokkaichi Centralization Strategy

In the year ended March 2015, growth in the net sales of the Semiconductor Materials Business outpaced market growth. This reflects the start of full-scale high-volume manufacturing of leading-edge 20nm-generation products, an area in which JSR has a large market share, by major customers and other users. Emerging trends, such as Big Data and the Internet of Things (IoT) are expected to drive continuing growth in the semiconductor market. We aim to maintain our high market share when the 20nm generation is superseded by the 14nm generation and beyond, by developing new products and expanding sales. We will also focus on the development of products for the 10nm and later generations, especially through the development of EUV technology.

In 2014, we responded to this environment by changing our strategy for the Semiconductor Materials business. That strategy now calls for concentrated investment at Yokkaichi, which is a key base for the JSR Group's R&D and manufacturing operations. The aim of this investment is to create the best possible environment for product development and quality assurance. By centralizing the development and production of materials, we will speed up development while optimizing cost efficiency. We are working to optimize performance and quality through collaboration among raw material manufacturers, the R&D organization and our manufacturing operations. Most of our key products, including new resists and multilayer materials, are shipped from Yokkaichi.

Performance Overview



- Year-on-year growth in both net sales and operating income from the Fine Chemicals and Other Products Business
- Increased net sales of semiconductor materials and display materials thanks to strong trends in the semiconductor and FPD markets
- Major progress toward the development of a structure to support future business development

Semiconductor Materials

Performance Overview



- Firm trend in semiconductor demand
- Start of full-scale high-volume manufacturing of leading-edge 20nm generation products by major customer—large market share for JSR

Display Materials

Performance Overview



- Firm trend in demand for FPDs for large-screen TVs and multi-functional mobile devices
- Market growth driven by shift to larger TV screens especially significant for year-on-year growth in net sales

CREATING CORPORATE VALUE

Fine Chemicals and Other Products Business

Semiconductor Materials: Preparing for the EUV Generation

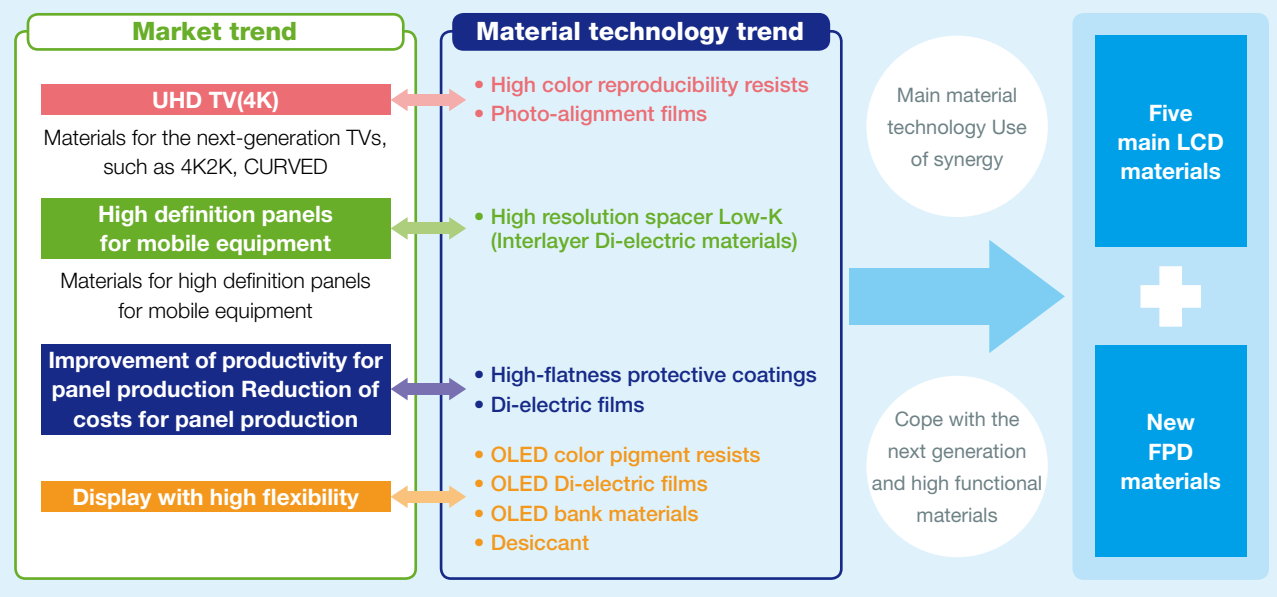
The establishment of Extreme Ultraviolet (EUV) lithography technology is seen as essential to the economic viability of semiconductor fabrication. EUV is one of the key technologies that will take semiconductors forward to the sub-10nm generation. JSR is preparing for high-volume manufacturing of chemically and non-chemically amplified resists developed using its global network. In 2015, we are collaborating with the Belgian organization imec, a leading research institute specializing in nano-electronic technology, to provide manufacturing and quality management services for EUV lithography materials, and there are plans for the establishment of joint venture.

Display Materials: Business Development in Asian-countries

Trends toward higher-definition televisions and large screens are reflected in predictions of continuing growth in the market for display materials. JSR anticipates a sustained contribution to earnings from this area. A key trend in this market is Asian-countries. China in particular is expected to become a major market by 2020 because of its government's policy of establishing a domestic manufacturing industry. JSR has established a Taiwanese joint venture, JSR Micro (Changshu) Co., Ltd., to manufacture display materials in China. Our future activities in this area will center on China, and we plan to relocate grade development and customer support operations to bases in South Korea and Taiwan.



Display Materials: Future Business Development



CREATING CORPORATE VALUE

Fine Chemicals and Other Products Business

Strategic Businesses

Performance Overview

¥17.1 billion
Net Sales

-15.5%

- Building a stronger relationship with Japanese antibody manufacturing pioneer Medical & Biological Laboratories Co., Ltd. (MBL)
- Joint acquisition of KBI Biopharma, a contract developer and manufacturers of biopharmaceuticals in the United States
- Start of commercial production at Lithium Ion Capacitor (LIC) plant with capacity for 3 million cells

Life Sciences: Creating Synergies

We further strengthened our Life Sciences business by increasing our shareholding in MBL, an equity method subsidiary. From a development perspective, synergies achieved through closer collaboration with MBL will allow us to speed up development and create added value by combining JSR Group's particle technology with MBL's antibody technology. From a

marketing perspective, we will be able to integrate our organizations and strengthen sales channels in the United States. Manufacturing operations will also be integrated.

Increasing pharmaceutical development costs and other factors have led us to adopt a business model based on outsourcing of manufacturing process development as well as actual manufacturing. A company that provides these services is known as a contract development & manufacturing organization (CDMO). In March 2015, in a joint acquisition, JSR acquired KBI Biopharma, Inc., a CDMO in the United States. KBI has advanced analysis method development technology, which it uses in business operations that center primarily on the European and North American market. It provides pharmaceutical manufacturers and other companies with integrated manufacturing technology development and manufacturing services that range from the initial development of biopharmaceuticals to clinical trials and commercial production. By using these services, pharmaceutical manufacturers are able to focus their efforts on the discovery of pharmaceuticals while reducing their drug development costs. This approach will ultimately contribute to the increased use of biopharmaceuticals.

Lithium Ion Capacitors: Track Record



Automatic Guided Vehicles (AGV)



Hybrid Excavators



Hybrid Buses



Radiographic Cassettes

Lithium Ion Capacitors (LICs): Start of Production at New Plant

The JSR Group has completed a new mass-production plant for flat prismatic can lithium ion capacitors. Products are already being shipped from the new plant, which is the only facility in the world with the capacity to produce three million cells per year. Over 10 companies have started to use the products. We plan to use the new facility to win orders from small-lot customers. Despite the overwhelming performance advantage provided by LICs manufactured by the JSR Group, sales have not yet started to expand rapidly, and our most important priority will be creation of a value chain. Our business model for LICs is based on the transformation of materials and parts into cells and modules, and cells and modules into systems for end users. We aim to strengthen the value chain for LICs of the business going forward, much like the one build for the Life Sciences business.

CREATING CORPORATE VALUE

R&D Policy and Organization



R&D Policy

We will use accumulated technologies to open up new fields of technology

We see our R&D achievements as keys that will unlock the future for JSR. We have built an extensive R&D organization, which has created many

new high-performance materials based on our original technologies. JSR's involvement in the petrochemical field began with elastomer technology. We have since developed our activities globally by creating highly competitive materials and technologies for a wide range of technology fields, including the seemingly disconnected area of IT. We have accumulated a record of continual effort to expand business areas behind our main business. That is, not only to deepen our knowledge of our core polymer technology, but also to develop ways of combining it with other technical fields such as optics, inorganic chemistry, and precision processing technology. We continue to challenge ourselves to develop new fields that offer major growth potential, such as next-generation electronics, life sciences, environment and energy.

Integrating R&D with business activities

After discovering seeds of innovation through our R&D activities, we need to link those seeds to actual business activities. JSR has created an organizational structure that ensures rapid decision-making in this area by giving senior R&D executives management roles in strategic business divisions to ensure close collaboration. Another example of the accelerating integration of R&D and business activities is the identification of needs through direct interaction between our researchers and customers. The priority countries and regions for cutting-edge research vary according to every field such as elastomers, semiconductor materials, display materials, life sciences, environment and energy. By locating our R&D and business sites in the most advanced areas, we are building a structure that will allow us to respond quickly to new trends. We also make extensive use of strategic investments and business partnerships to secure rapid access to the advanced specialist technologies and knowledge, and connect our businesses that we need for our strategic business activities. We are evolving a structure that can provide new value to society by flexibly integrating R&D with business activities within the JSR Group and beyond.

Number of Patents

The number of patents held by JSR is steadily increasing in Japan and overseas, mainly in the Fine Chemicals and Other Products Business.

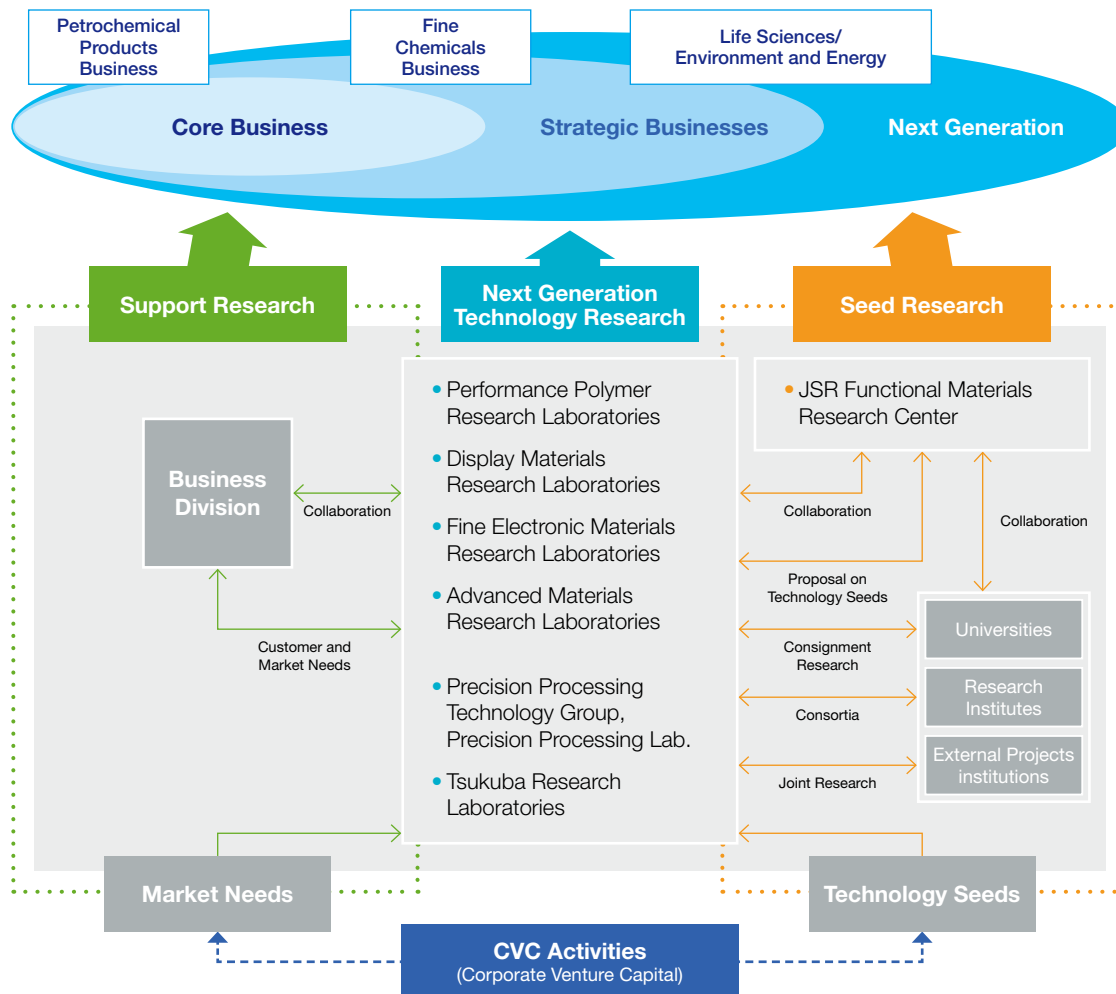
As of March 31		2009	2010	2011	2012	2013	2014	2015
Japan	Petrochemical Products	428	374	377	387	358	334	308
	Fine Chemicals and Other Products	1,269	1,465	1,685	1,972	2,331	2,633	2,717
	Others	73	75	67	79	89	104	99
	Subtotal	1,770	1,914	2,129	2,438	2,778	3,071	3,124
Overseas	Petrochemical Products	512	492	489	507	523	516	531
	Fine Chemicals and Other Products	1,955	2,164	2,365	2,516	2,741	2,957	2,810
	Others	34	39	36	33	34	33	29
	Subtotal	2,501	2,695	2,890	3,056	3,298	3,506	3,370
Total		4,271	4,609	5,019	5,494	6,076	6,577	6,494

CREATING CORPORATE VALUE

R&D Policy and Organization

Creating materials for the future through materials innovation

R&D Structure



R&D Organization:

A global approach to technology innovation centering on four R&D facilities in Japan

JSR currently has R&D facilities in Yokkaichi and Tsukuba in Japan. These R&D facilities support existing business activities while also helping to create new businesses. They therefore participate in highly innovative and exploratory research initiatives with customers, domestic and international universities, and research institutes. For example, in existing businesses, JSR Micro Korea and JSR Micro Taiwan have both built R&D facilities with clean rooms, allowing them to set up local integrated systems for Display materials, which serves not only the local production of products but also supports consistent development and innovation of technologies.

This capability allows them to promote their business by giving timely support to customers in South Korea and Taiwan.



Creating Sustainable Value

JSR aims to become a corporate group that is essential to a wide range of stakeholders because of its ability to create useful new value through its business activities. We will achieve this by integrating management based on our business philosophy with CSR as an indicator of the appropriateness of our business activities.

CORPORATE MISSION AND CSR

By integrating business management with CSR, we will generate income for society and JSR and contribute to the creation of a sustainable society.

Corporate Mission

Materials Innovation

We create value through materials to enrich society, people and the environment

Management Policies

—Fundamental Pillars of Management

- Continuous creation of businesses
- Enhancement of corporate culture
- Increase in corporate value

Management Policies

—Responsibility to our Stakeholders

- Responsibility to our customers / business partners
- Responsibility to our employees
- Responsibility to society
- Responsibility to shareholders

Course of Action (4Cs)

Challenge
Communication
Collaboration
Cultivation

Key Social Priorities and Issues

Energy, resources, water, food, biodiversity, disaster prevention and safety, climate change, human rights, U.N. Global Compact

Business Strategy

JSR 20i6
Materials Innovation

We will base our business activities on specific priorities leading to the realization of our vision for 2020.

To respond to social priorities through business activities based on our corporate philosophy, management policies and medium-term management plan (April 2014–March 2017)

Business Base

A business base is essential to the realization of our strategies and corporate management.

Defensive CSR

A foundation for sustainable business activities

Proactive CSR

We aim to respond to society's needs through our business activities.

Petrochemical Products Business

We will globally market products that offer new value in response to the needs of society and markets, such as Solution Polymerization SBR (S-SBR).

Fine Chemicals Business

By taking JSR's advanced technologies global, we will help support the further growth of digital industries while contributing to the quality of the IT society and social convenience.

Strategic Business

The environment and aging are both major areas of social concern. By combining its materials and technologies to create solutions for these problems, JSR aims to contribute to the creation of a society in which people can enjoy healthy, fulfilling lives while using energy in environmentally responsible ways.

Supply Chain Management

We work to improve value across entire supply chains by establishing standards for CSR initiatives and other actions by suppliers, as part of our efforts to ensure that our customers are reliably supplied with quality products.

Voluntary Environmental, Health and Safety Activities (Responsible Care)

Initiatives by chemical manufacturers to protect the environment and the safety and health of all stakeholders

Compliance

We will maintain our status as a trusted company by complying with rules and moral standards.

Governance

The aim of our management policies is to maintain the value of JSR for society and a wide spectrum of stakeholders.

Human Rights

As a company with a presence in society, we will always consider and respect the individuality of all stakeholders.

E2 Initiative™

Keeping them foremost in mind to qualify our products for environmental labeling

CREATING SUSTAINABLE VALUE

Contributing to Society through Materials Innovation

The JSR Group practices a unique brand of CSR. For us, CSR is about becoming a company that continuously grows while contributing to society through the provision of essential materials and a company that discharges its responsibilities to stakeholders in accordance with the Corporate Mission.

CSR Management

CSR Advancement Structure

JSR promotes CSR through a system of committees and a CSR Department established to reinforce CSR-related initiatives. There are four committees that function under the supervision of the CSR Committee: the Corporate Ethics Committee, which implements corporate ethics standards and works to prevent improper actions throughout the Group; the Responsible Care Committee, which works to realize a sustainable society through the implementation of initiatives that safeguard the environment, health, and safety; the Risk Management Committee, which seeks to further strengthen the Group's risk management system; and the Social Contribution Committee, which devises and promotes activities to help the Group make a contribution to society.

Compliance

The JSR Group's concept of legal compliance is grounded in the principle of ethical action based on compliance with the law. The Corporate Ethics Committee promotes activities to encourage employees to maintain high ethical standards and act with fairness and integrity. We conduct a Corporate Ethics Awareness Survey at business sites in Japan and overseas to ascertain the state of awareness of corporate ethics among employees and identify issues and we prepare a follow-up plan to address any issues identified in the survey. To strengthen compliance, in April 2013 we prepared the Compliance Handbook containing key points

concerning laws and regulations to be observed and distributed it to all employees in Japan.

Risk Management

The JSR Group considers preventing major crises from occurring and minimizing the effects of crises on business activities an important management priority and engages in risk management activities. Using an independently developed system, each division and Group company each year periodically identifies, assesses, and formulates countermeasures against a wide range of risks, including explosion, fire, major earthquake, and pandemic outbreak. We designate particularly serious risks as "major company-wide risks," and the Risk Management Committee and the CSR Committee manage improvement in risk management. In October 2013 we conducted the first-ever business continuity management (BCM) drill at JSR headquarters as a means of final confirmation and verification of the JSR BCM system. We will work to perfect the system in preparation for a group-wide rollout in fiscal March 2015.

Responsibility to Our Stakeholders

The JSR's Group's Essential Elements include values to be shared among all JSR employees to enable them to act responsibly and with confidence towards all stakeholders. For JSR, the term "stakeholder" refers to all customers and business partners, employees, society, and shareholders.

CREATING SUSTAINABLE VALUE

Contributing to Society through Materials Innovation

Responsibility to Customers and Business Partners

We believe that the JSR Group's most important role is to offer innovative materials and excellent products that meet customer needs and contribute to a better society. We devote effort to initiatives to ensure the quality and safety of our products so that our customers can use them with peace of mind. These efforts are recognized and appreciated, and we have received top-rank supplier awards from global customers.

Responsibility to Our Employees

The JSR Group develops mechanisms and fosters a corporate culture that enables all employees to accurately recognize and solve issues and that maintains and enhances organizational capabilities. We have put in place the JSR Group global personnel system and engage in personnel development and management at the Group and global levels. Throughout the JSR Group, synergies are generated through the contributions of a diverse workforce.

Responsibility to Society

The JSR Group engages in responsible care management by means including the creation of highly trustworthy business sites and initiatives to reduce environmental impacts. We also engage in activities that contribute to development of a sustainable society, such as the promotion of biodiversity conservation and socially beneficial activities.

Responsibility to Shareholders

Through investor relations activities, we strive to promptly and accurately communicate to shareholders and investors information about the business situation and corporate policies. We hold the Ordinary General Meeting of Shareholders at an early date, promptly send the notice of convocation to shareholders, enable the exercise of voting rights via the Internet, and take other measures to ensure smooth exercise of voting rights by shareholders. We hold quarterly results briefings, seminars for

institutional investors and analysts, and technical seminars (JSR Tech Seminars) and promote wide-ranging two-way communication.

Aiming to increase corporate value by creating business opportunities through materials

- Constantly enhancing its management efficiencies
- Inspiring trust by being highly transparent and conducting sound corporate management practices
- In April 2009, the JSR Group became a participant in the United Nations Global Compact. Amid growing calls for corporate social responsibility, the Global Compact enables companies that operate on a worldwide level to declare their commitment to observing the Compact's ten principles. The principles include human rights, labor, the environment, and anti-corruption. Having declared its participation in the Global Compact and its commitment to act responsibly as a member of the international community, the JSR Group will work even harder to actively fulfill its social responsibilities.

CREATING SUSTAINABLE VALUE

Contributing to Society through Materials Innovation

JSR Recognized Internationally for Socially Responsible Investment

JSR has been selected for inclusion in three international indices and one investment universe for socially responsible investment (SRI).

In Japan, few companies are selected for inclusion in three indices.

Our selection proves that our corporate activities are highly valued around the world, and guarantees our value.

JSR has also been selected for inclusion in the Global Compact 100.

Recognition for Ethical Investment



MS-SRI (Japan) *

(January 5, 2015)

We have been selected as a member of the Morningstar Socially Responsible Investment Index, Japan's major SRI index, since 2009.



FTSE4Good

FTSE4Good (U.K.)

We have been listed in the FTSE4Good Index Series since 2003.



EURONEXT Vigeo World 120 (France)

We were selected as one of 120 companies worldwide (including 17 Japanese companies) listed in the Euronext Vigeo World 120 Index in June 2014.



ETHIBEL PIONEER & EXCELLENCE Investment Registers (Belgium)

We have been reconfirmed for inclusion in the Ethibel Pioneer & Excellence Investment Registers since June 2015.

* The Morningstar Socially Responsible Investment Index comprises 150 companies selected from among listed companies in Japan by assessing their social responsibility. This index does not guarantee future performance, accuracy, completeness, etc. Morningstar Japan K.K. and Morningstar, Inc. shall not bear any responsibility for damage that might result from use of the index. Copyright and all other rights rest with Morningstar Japan K.K. and Morningstar, Inc. Copies, reproductions, and citations without permission are prohibited.

CREATING SUSTAINABLE VALUE

Corporate Governance System

Aiming to Maintain a Trusted, Appealing Corporate Constitution

JSR is constantly improving its system of corporate governance with the aim of obtaining the trust of shareholders and all other stakeholders and building an appealing corporate constitution. We will strengthen and enhance our corporate governance to ensure that management processes are implemented fairly, transparently and promptly, by implementing initiatives targeting each of the items required under our newly formulated corporate governance code.

Overview of the Corporate Governance System

Organizational structure:

Company that employs the Audit & Supervisory Board member system under which the Board of Directors and Audit & Supervisory Board members are monitoring the execution of the businesses of the Company.

Board of Directors:

Consisting of 7 directors, including 3 independent outside members

Audit & Supervisory Board:

Consisting of 3 Audit & Supervisory Board members including 2 independent outside members who have highly professional careers either as lawyers or certified public accountants

Strengthening Corporate Governance

2004

- Term of office of directors reduced from 2 years to 1 year

2005

- Introduction of the officer system
- Discontinuation of the retirement bonus system for directors and audit & supervisory board members

2011

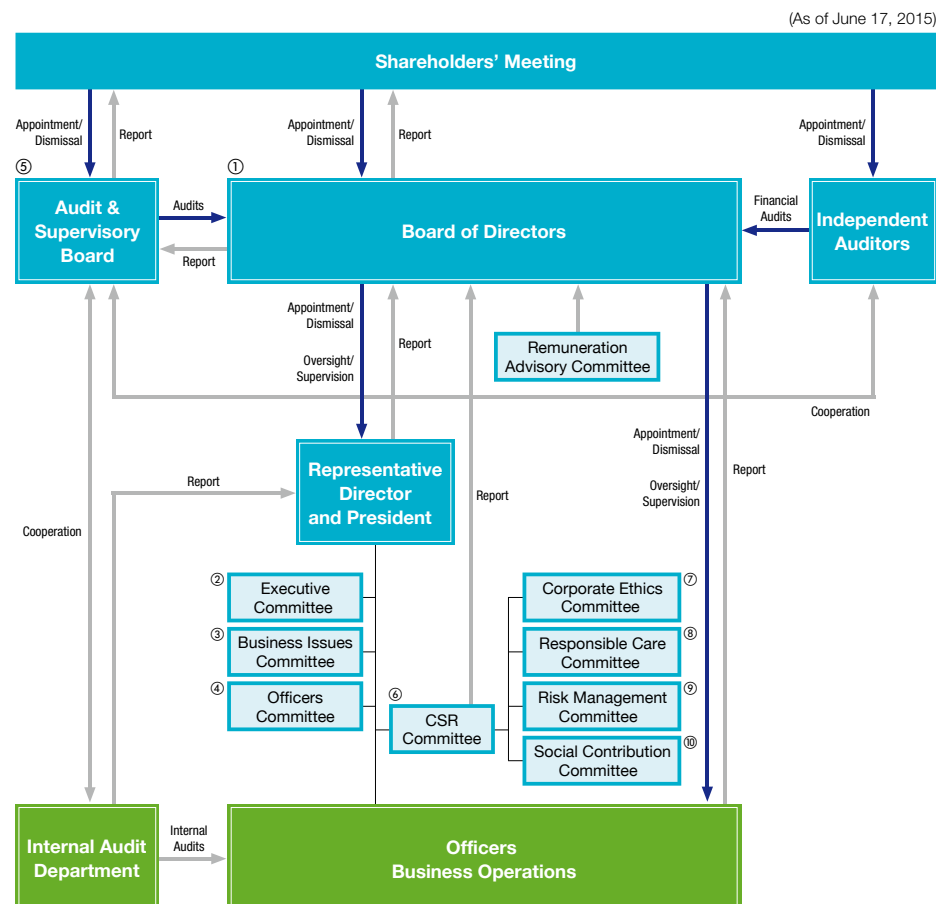
- Invitation of 2 independent outside directors to its Board of Directors consisting of 6 directors

2012

- Establishment of the Remuneration Advisory Committee, with participation by outside directors

2014

- Appointment of 3 independent outside directors to its Board of Directors consisting of 7 directors and appointment of 2 independent outside Audit & Supervisory Board members to its Audit & Supervisory Board consisting of 3 members



CREATING SUSTAINABLE VALUE

Corporate Governance System

Directors and Corporate Auditors

Representative Director and President

Mitsunobu Koshiba

Representative Director

Hozumi Sato

Director

Hayato Hirano

Standing Audit & Supervisory
Board Member

Shoichi Kataoka

Outside Director

Takuya Goto

Outside Director

Michio Kariya

Outside Director

Kazunori Yagi

Outside Audit & Supervisory Board
Member

Hiroichi Uekusa

Outside Audit & Supervisory Board
Member

Hisako Kato

(As of March 31, 2015)

Officer System

Clear segregation of the management and business execution functions

JSR has introduced an officer system to separate Company-wide management monitoring by directors and business execution by officers. The system accelerates decision-making from the functions of business execution by directors and officers, respectively, and also strengthens the supervisory function of directors and clarifies roles and responsibilities.

Audit System

Enhancement of the management monitoring function and assurance of transparency

Under the Company's audit system, business execution audits and account audits make significant contributions to fair, transparent, and timely management. Business audits cover the execution of duties by directors, and account audits cover financial statements submitted at Ordinary General Meetings of Shareholders. In order to further enhance monitoring and checking functions of its audit & supervisory board, the Company appoints independent attorney and certified public accountant as outside audit & supervisory board member.

Internal Control System

Efforts to ensure the effectiveness of and improve internal controls

In accordance with The Companies Act of Japan, the JSR Group has established a basic policy governing its internal control system. Guided by this policy, the Company works to strengthen and augment its internal controls. The Internal Audit Department systematically audits business execution and compliance systems in each division and Group company, and confirms that rigorous legal compliance is observed throughout the Group.

① Board of Directors

Management decisions that reflect outside opinions

The Board of directors discusses and makes decisions on important business matters, and also supervises directors and officers' execution of business duties. The Board holds meetings monthly, in principle. It also includes three outside directors who, together with three audit & supervisory board members (including two outside ones) engage in robust exchanges of opinions at Board meetings. By introducing independent and neutral outside directors with extensive business experience, we seek to reinforce the appropriateness of judgments made by management and monitor the legality of their execution of duties.

Corporate Governance System

Outside Directors

The Company has appointed three outside directors in order to further reinforce the monitoring function of the Board of Directors. By welcoming outside directors with extensive experience and highly impartial, neutral perspectives, we will ensure more appropriate management decision-making and reinforce our ability to monitor the legality of business execution.

Takuya Goto

Takuya Goto served as Representative Director and President, and Chairman, Board of Directors of Kao Corporation. Mr. Goto has extensive experience in the management of Kao, a prominent international consumer products and chemical company. He has helped strengthen corporate governance by deploying this experience to ensure reasonable judgments by management from external, independent and neutral perspectives, as well as management transparency and soundness. For this reason, Mr. Goto has been named an outside director, as he was in the previous year.



Major activities in the year under review

Mr. Goto participated in all 17 meetings of the Board of Directors held during the year under review, at which he contributed amply to fair and reasonable management decisions and transparent and sound management by addressing the Board as appropriate concerning matters under discussion. Mr. Goto brought to the Board an independent outside perspective based on his extensive experience in the management of a company that operates an international business in consumer products and industrial-use chemicals.

Michio Kariya

Michio Kariya served as president, CEO and COO of Nikon Corporation and is currently a executive advisor. Mr. Kariya has extensive experience in the management of Nikon, a globally renowned optical equipment company. He has helped strengthen corporate governance by deploying this experience to ensure reasonable judgments by management from external, independent and neutral perspectives, as well as management transparency and soundness. For this reason, Mr. Kariya has been named an outside director, as he was in the previous year.



Major activities in the year under review

Mr. Kariya participated in all 17 meetings of the Board of Directors held during the year under review, at which he contributed amply to fair and reasonable management decisions and transparent and sound management by addressing the Board as appropriate concerning matters under discussion. Mr. Kariya brought to the Board an independent outside perspective based on his extensive experience in the management of a company that operates an international business in optical machinery and equipment.

Kazunori Yagi

Kazunori Yagi is a corporate advisor for Yokogawa Electric Corporation. Mr. Yagi has extensive experience in the management of Yokogawa Electric, a globally renowned producer of control systems and measurement instruments. JSR anticipates that Mr. Yagi will help strengthen corporate governance by deploying this experience to ensure reasonable judgments by management from external, independent and neutral perspectives, as well as management transparency and soundness. For this reason, Mr. Yagi has been named an outside director as he was in the previous year.



Corporate Governance System

Major activities in the year under review

Mr. Yagi participated in all 17 meetings of the Board of Directors held during the year under review, at which he contributed amply to fair and reasonable management decisions and transparent and sound management by addressing the Board as appropriate concerning matters under discussion. Mr. Yagi brought to the Board an independent outside perspective based on his extensive experience in the management of a company that operates an international business in control systems and measurement instruments.

② Executive Committee

Rapid response to changes in the business environment

The Executive Committee holds extensive discussions on items concerning fundamental management initiatives, management policies, and management plans, along with important matters concerning the execution of business activities at each department. The committee thus gives direction concerning these issues. As required, certain items submitted to this committee are passed on to the Board of Directors for further discussion.

This committee is made up of the president, officers with directorship status, and officers appointed by the president, and responds to important business execution with the aim to expedite decision-making and improve the efficiency of such operations. As a rule, this committee meets once a week, and is chaired by the president. The standing audit & supervisory board member also attends these committee meetings.

③ Business Issues Committee

Review of policies and strategies for individual projects

The Business Issues Committee engages in broad-ranging debate about items related to fundamental management strategies and policies, basic policies behind specific projects, and changes to business strategies. It

also shares information to ensure a common understanding of such matters and discusses company directions. Its findings are reflected in deliberations of the Board of Directors and the Executive Committee. The Business Issues Committee, which meets once a week, consists of the president, officers with directorship status, and officers appointed by the president.

④ Officers Committee

Sharing of information on business conditions and issues

This committee is held in order to share information from all departments concerning the execution of business activities, to ensure members' thorough understanding of important business matters and to enhance their communications. This committee consists of the president, senior officers, officers and a standing audit & supervisory board member, except overseas representatives. As a rule, this committee meets twice a month and is chaired by the president.

⑤ Audit & Supervisory Board

Auditing by specialists in an independent position

This board meets every month as stipulated in the regulations governing this body. The audit & supervisory board receive reports on important matters, hold discussions, and make decisions.

In accordance with standards for audits by audit & supervisory board members of the Company, the audit & supervisory board members attend meetings of the Board of Directors, and the standing corporate auditor attends Executive Committee and other important committee meetings to monitor how important decisions are reached and business activities are executed. The audit & supervisory board members also receive reports from the independent auditors, directors, and others. Through these activities, the Audit & Supervisory Board holds deliberations in order to form auditing opinions.

Corporate Governance System

Outside Audit & Supervisory Board Members

To ensure the fairness and transparency of management, the Company appoints one standing audit & supervisory board members, as well as two outside audit & supervisory board member. The outside audit & supervisory board members have no personal, financial, or business interests in the Company. They are called upon to ensure the sound governance of the Company while drawing on their respective careers.

Hiroichi Uekusa

Hiroichi Uekusa does not concurrently hold the position of director in another company. Mr. Uekusa contributes to ensuring reasonable judgments by management, as well as management transparency and soundness by auditing the Company from a position of independence while drawing on the extensive knowledge and experience in legal matters he possesses as an attorney.



Major activities in the year under review

Mr. Uekusa attended 16 of the 17 meetings of the Board of Directors and 16 of the 17 meetings of the Audit & Supervisory Board held during the year under review. He contributed amply to the auditing of the Company and to fair and reasonable management decisions and transparent and sound management by addressing the Board of Directors and Audit & Supervisory Board as appropriate concerning matters under discussion. Mr. Uekusa brought to both boards an independent outside perspective based on his extensive experience as an attorney at law and his expert knowledge in a broad range of legal matters.

Hisako Kato (New appointee)

Ms. Kato will greatly contribute to further enhance its corporate governance by providing fair and reasonable judgment for, and accountable and sound management of, the businesses of the Company through utilization of her range of professional knowledge and vast experience on counting and tax matters as a Certified Public Accountant both in Japan and US and as a Certified Tax Accountant, as well as neutral and independent view point as an independent outsider.

Major activities in the year under review

Ms. Kato attended all 13 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board held since assume Audit & Supervisory Board Members. He contributed amply to the auditing of the Company and to fair and reasonable management decisions and transparent and sound management by addressing the Board of Directors and Audit & Supervisory Board as appropriate concerning matters under discussion. Ms. Kato brought to both boards an independent outside perspective based on his extensive experience as a certified public accountant, certified public tax accountant and his expert knowledge in a broad range of finance and accounting.



⑥ CSR Committee

Implementation of CSR activities and rigorous compliance

The CSR Committee was established to ensure that JSR fulfills its responsibilities to society and complies with laws and regulations. Under the CSR Committee, four committees were established: the Corporate Ethics Committee, the Responsible Care Committee, the Risk Management Committee, and the Social Contribution Committee. The CSR Committee integrates and guides the activities of the above four committees and meets four times each year along with special meetings as necessary to further strengthen the Company's CSR efforts.

Corporate Governance System

The CSR Committee is chaired by the officer responsible for CSR and consists of officers, senior officers, and officers. Bureaus of the four committees listed above also attend meetings of the CSR Committee. The Committee clarifies the Company's stance toward CSR and works to strengthen CSR efforts at JSR.

⑦ Corporate Ethics Committee

Promotion of ethical business activities group-wide

The Corporate Ethics Committee, chaired by the officer in charge of general affairs, was established under the CSR Committee to implement corporate ethics standards and prevent improper actions throughout the JSR Group. The JSR Group Principles of Corporate Ethics have been prepared to provide a code of conduct for executives and employees. It is also prepared in Traditional Chinese, Thai, and Korean, in addition to English and Simplified Chinese, so that Group employees all over the world can become better acquainted with the Principles. As for the reporting system, along with the internal hotline linked to the Corporate Ethics Committee and the external hotline linked to an external attorney, JSR introduced a hotline that is linked to a specialized external agency and is also available in English, Chinese, Korean and Thai.

⑧ Responsible Care Committee

Working to enhance safety, the environment, and quality

JSR conducts a Responsible Care program to fulfill its obligations to achieve sustainable development. The Responsible Care Committee was established under the CSR Committee to ensure that Responsible Care activities are conducted effectively across the entire company. The committee is chaired by the managing officer for safety and environmental affairs, demonstrating Responsible Care position as a core component of JSR's management. This committee approves Responsible Care plans, evaluates and verifies results of activities, and helps to maintain

and upgrade JSR's programs to eliminate accidents, reduce environmental impact, manage chemical substances, and ensure safety of products. Details and results of Responsible Care activities are disclosed through the CSR Report and Responsible Care Reports prepared by individual plants.

The CSR Report is audited by a third party to improve the reliability and transparency of the data. Through these activities, the committee is dedicated to winning greater trust from customers and addressing any concerns among residents in the neighborhoods of JSR's facilities.

To make the information widely available, the CSR Report is posted on the JSR website (http://www.jsr.co.jp/jsr_e/csr/index.shtml).

⑨ Risk Management Committee

Further strengthening risk management systems

JSR places strong management priority on preventing serious crises from occurring and on minimizing the impact of crises that do occur on its business activities. To this end, the Company established the Risk Management Committee under the CSR Committee, with the officer responsible for Corporate Planning as chair. The Committee decides policies and plans in response to crises, both present and potential, and promotes continuous improvement.

⑩ Social Contribution Committee

Examining and promoting socially beneficial activities

The Social Contribution Committee was established under the CSR Committee and is chaired by the officer responsible for Corporate Communications. JSR has been involved in many activities that contribute to society at the local level. JSR will expand its activities to cover the whole society and provide more active approaches. The Social Contribution Committee studies the formulation of new programs and pursues initiatives according to its "Basic Approach to Social Contribution," published in January 2009.

Corporate Governance System

Status of Internal Audit, Audits by Audit & Supervisory Board Members and Financial Audits

Management oversight from various perspectives

JSR has adopted the audit & supervisory board member system. There are three audit & supervisory board members, including two from outside the JSR Group. These auditors are staffed by one individual. Audits are performed as described in the section concerning the Audit & Supervisory Board.

The audit & supervisory board members work closely with the independent auditors. The audit & supervisory board members receive reports on the financial accountant's audit plan and audit results. Furthermore, the audit & supervisory board members and financial accountants exchange information and opinions as necessary in the course of each fiscal year. The internal audit has been conducted by the Internal Audit Department as a specialized internal auditing unit. The audit & supervisory board members receive reports on the audit plan and audit results from the Internal Audit Department regularly, exchange opinions, and enhance the auditing system.

Remuneration

Advice on remuneration for corporate officers from the Remuneration Advisory Committee

The remuneration of the Company's directors consists of a basic salary, a bonus based on consolidated performance for the year, and stock options that serve as a long-term incentive. The level of remuneration is commensurate with the Company's business results and is compared with those of other companies in the same industry and of similar size. The total limit for monthly salaries is decided by resolution at the Ordinary General Meeting of Shareholders. Performance-based bonuses and stock options are also approved by resolution at the Ordinary General Meeting of Shareholders. Total remuneration paid in fiscal 2015, ended March 31, 2015, was ¥188 million, paid to eight directors, including three outside directors and a director who retired during fiscal 2015. Audit & Supervi-

sory Board members are paid a basic fixed salary that is not performance-based. In fiscal 2015, total salaries paid to Audit & Supervisory Board members amounted to ¥37 million, including ¥27 million paid to internal Audit & Supervisory Board members and ¥10 million to outside corporate auditors.

The Company recently established the Remuneration Advisory Committee, which deliberates about matters such as the basic remuneration policies, the remuneration system, and the annual bonus scheme and reports to the Board of Directors.

CREATING SUSTAINABLE VALUE

Directors, Audit & Supervisory Board Members, and Officers (As of June 17, 2015)

Directors and Audit & Supervisory Board Members



Representative Director
and President
Mitsunobu Koshiba



Representative Director
Hozumi Sato



Director
Hisao Hasegawa



Director
Hayato Hirano



Standing Audit &
Supervisory Board
Member
Shoichi Kataoka



Outside Director
Michio Kariya



Outside Director
Kazunori Yagi



Outside Director
Yuzuru Matsuda



Outside Audit &
Supervisory
Board Member
Hiroichi Uekusa



Outside Audit &
Supervisory
Board Member
Hisako Kato

Officers (*Directors)

Executive Vice President

Hozumi Sato*

Strategic Businesses, Director of MEDICAL & BIOLOGICAL LABORATORIES CO., LTD., Executive Officer of JSR Life Sciences Limited Liability Company

Executive Managing Officer

Koichi Kawasaki

Petrochemical Products Sector (including Plastics), General Manager of Petrochemical Products Div., President of Japan Butyl Co., Ltd., Vice President of KRATON JSR ELASTOMERS K.K.

Managing Officer

Hisao Hasegawa*

Procurement, Logistics, Manufacturing and Technology, Product Safety & Quality Assurance, IT Strategy, General Manager of Manufacturing and Technology Group

Managing Officer

Yasuhiro Nagahiro

Safety and Environment Affairs

Senior Officer

Atsushi Kumano

President of JSR Micro Korea Co., Ltd.

Senior Officer

Nobuo Kawahashi

Research & Development, General Manager of R&D Department

Senior Officer

Kazuyoshi Nakazawa

Yokkaichi Plant, Yokkaichi Plant Manager

Senior Officer

Hayato Hirano*

Accounting and Finance, Corporate Communications, Group Companies Coordination, Human Resources, General Manager of Group Companies Coordination Department

Senior Officer

Katsuya Inoue

Business Planning and Business Development, Fine Chemicals Business, General Manager of Business Planning, Fine Chemicals Business

Senior Officer

Takatoshi Nagatomo

President of JSR MOL Synthetic Rubber Ltd.

Senior Officer

Takeshi Sugimoto

Electronic Materials Business, General Manager of Electronic Materials Division

Senior Officer

Eric Johnson

President of JSR Micro, Inc.

Senior Officer

Takao Shimizu

Corporate Planning, Office of the President, CSR, General Manager of Office of the President

Officer

Tsuyoshi Watanabe

China Business, Chairman of JSR (Shanghai) Co., Ltd.

Officer

Kazumasa Yamawaki

Petrochemical Products Sector (deputy), General Manager of Business Planning Dept. Petrochemical Products

Officer

Eiichi Kobayashi

Strategic Businesses (deputy), President of JM Energy Corporation

Officer

Makoto Doi

Legal, General Affairs, General Manager of Legal Department

Officer

Hiroaki Nemoto

Display Materials Business, General Manager of Display Materials Division, Chairman of JSR Micro (Changshu) Co., Ltd.

Officer

Yoichi Mizuno

Optical Materials Business, General Manager of Optical Materials Division

Officer

Kiichiro Kamiya

Strategic Businesses (deputy), President of JSR Life Sciences Corporation, Director of MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.

Officer

Mika Nakayama

Diversity Development, General Manager of Corporate Planning Dept. and Diversity Development Office

Officer

Yoshikazu Yamaguchi

General Manager of Business Development for Fine Chemical Business



HEAD OFFICE

JSR Corporation

1-9-2, Higashi-Shinbashi, Minato-ku, Tokyo
105-8640, Japan

BRANCH OFFICES

Nagoya Branch

A Wallisellen Branch (Switzerland)

B Taiwan Branch

C Singapore Branch

PLANTS

Yokkaichi Plant

100 Kawajiri-cho Yokkaichi,
Mie 510-8552, Japan

Chiba Plant

5, Chigusaigaan, Ichihara,
Chiba 229-0108, Japan

Kashima Plant

34-1, Tohwada, Kamisu,
Ibaraki 314-0102, Japan

JAPAN

Elastomers Business

ELASTOMIX CO., LTD.

Compounding of crude rubber and sales of compounded products.

Japan Butyl Co., Ltd.

Production, processing, and sales of butyl rubber.

KRATON JSR ELASTOMERS K. K.

Production, purchase, and sales of thermoplastic rubber.

Emulsion Technology, Co., Ltd.

Production and sale of acrylic emulsions, latex processed products including CL, adhesives, and cement admixture.

Plastics Business

Techno Polymer Co., Ltd.

Production, sales, and R&D of synthetic resin.

JAPAN COLORING CO., LTD.

Coloring of synthetic resin and sales of colored products.

Fine Chemicals and Other Products Business

D-MEC LTD.

Commissioned generation of 3D models, sales of solid modeling systems, and optically-hardened resins, and commissioned analysis by CAE.

JSR Micro Kyushu Co., Ltd.

Production of photoresist, semiconductors, and materials for displays.

JSR Optech Tsukuba Co., Ltd.

Production of UV curing type optical fiber coating materials.

JAPAN FINE COATINGS Co., Ltd.

Sales of coating materials for fiber-optic cables reinforced by ultraviolet or electron radiation and for other apparatus.

JM Energy Corporation

Development, manufacturing, and sales of lithium ion capacitors and modules.

Tri Chemical Laboratories Inc.

Production and sales of semiconductor materials and other materials for compound semiconductors.

JSR Life Sciences Corporation

Production and sales of life science related materials.

MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.

Research, development, manufacturing, and sales of diagnostic and research reagents.

SCIVAX Life Sciences, Inc.

Sales of three-dimensional (3D) cell culture plates, technology development, commissioned business, and consulting related to 3D cell culture.

Business in Other Fields

JSR Trading Co., Ltd.

Export, import, purchase, and sales of the following: various chemicals, machinery, equipment, physical distribution materials, living necessities, foodstuffs, beverages, and non-life insurance.

JEY-TRANS CO., LTD.

Freight forwarding, warehousing, and delivery management.

JSR Logistics & Customer Center Co., Ltd.

Customer service agent and logistics management.

JSR ENGINEERING CO., LTD.

Engineering and consultation for chemical engineering equipment.

JSR Business Services Co., Ltd.

Undertaking of general affairs, accounting, payroll calculation, and welfare.

JN System Partners Co., Ltd.

Computer system design, programming and system operation, and maintenance.

CMIC JSR Biologics Co., Ltd.

Developing design and manufacturing processes for next-generation antibodies

OVERSEAS

Elastomers Business

Kumho Polychem Co., Ltd. (*)

Production and sales of ethylene-propylene rubber (EPR).

ELASTOMIX (THAILAND) CO., LTD.

Compounding of crude rubber and sales of compounded products.

PT.ELASTOMIX INDONESIA

Compounding of crude rubber and sales of compounded products.

ELASTOMIX (FOSHAN) CO., LTD.

Compounding of crude rubber and sales of compounded products.

Tianjin Kuo Cheng Rubber Industry Co., Ltd.

Compounding of crude rubber and sales of compounded products.

JSR BST Elastomer Co., Ltd.

Sales and manufacturing of S-SBR (Solution Polymerization Styrene-Butadiene Rubber).

JSR Trading, Inc.

Purchases and sales of synthetic rubber.

JSR Trading (Shanghai) Co., Ltd.

Export, import, and purchases of industrial-use chemical products.

JSR MOL Synthetic Rubber, Ltd.

Sales and manufacturing of Solution Polymerization Styrene-Butadiene Rubber (S-SBR).

JSR Elastomer Korea Co., Ltd.

Sales agency of products such as synthetic rubbers.

Plastics Business

TECHNO POLYMER HONG KONG CO., LTD.

Sales and technical services of synthetic resin in Hong Kong and neighboring regions.

Techno Polymer (Thailand) Co., Ltd.

Sales and technical services of synthetic resin in ASEAN region.

Techno Europe N.V.

Sales and technical services of synthetic resin in Europe.

Techno Polymer (Shanghai) Co., Ltd.

Sales and technical services of synthetic resin in China.

Techno Polymer Shanghai Technical Development Co., Ltd.

Production and processing of plastics and technical services related to plastics in China.

Techno Polymer Guangzhou Co., Ltd.

Sales and technical services of synthetic resin in Guangzhou and neighboring regions.

TECHNO POLYMER AMERICA, INC.

Sales of plastics and technical services related to plastics in North America.

Fine Chemicals and Other Products Business

JSR Micro N.V.

Production and sales of semiconductor materials.

JSR Micro, Inc.

Production and sales of semiconductor materials.

JSR Micro Korea Co., Ltd.

Production, development, and sales of display materials and semiconductor materials.

JSR Micro Taiwan Co., Ltd.

Production, development, and sales of display materials.

JSR (Shanghai) Co., Ltd.

Sales agency of products such as synthetic rubber, semiconductor materials, liquid crystal display materials, and performance chemicals.

J&W Beijing Biotech Co., Ltd.

R&D of intermediate diagnostics, wholesale of intermediate diagnostics, processed goods, electronic products, and hardware. Import and export of cargo, commission agency services (exclude auction), assignment of technologies, consulting, and services.

JSR Electronic Materials Korea Co., Ltd.

Sales agent for semiconductor materials.

JSR Micro (Changshu) Co., Ltd.

Production of display materials.

JSR Trading Co., Ltd. Korea Branch

Exports, imports and sales of various chemicals.

JSR Trading Bangkok Co., Ltd.

Exports and imports, purchase and sales of chemicals and testing machinery.

KBI Biopharma, Inc.

Biopharmaceutical contract development and manufacturing services.

C O R P O R A T E D A T A

(As of March 31, 2015)

JSR Corporation

Established

December 10, 1957

Capital (Common Stock)

¥23,320 million

Employees

5,990

Closing date

JSR books are closed on March 31, each year.

Shareholders Information (As of March 31, 2015)

Stock Listing

Tokyo Stock Exchange

Number of Shares Issued

237,973,205 shares

Number of Shareholders

17,336

Major Shareholders

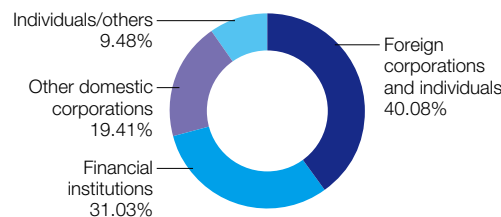
	Percentage of shares held (%)	Number of shares held (thousands)
Bridgestone Corporation	14.02	32,266
STATE STREET BANK AND TRUST COMPANY 505223	4.05	9,337
Japan Trustee Services Bank, Ltd. (Trust Account)	3.84	8,851
The Master Trust Bank of Japan, Ltd. (Trust Account)	3.77	8,680
Mizuho Bank, Ltd.	1.83	4,225
Nippon Life Insurance Company	1.61	3,717
Meiji Yasuda Life Insurance Company	1.57	3,631
THE BANK OF NEW YORK MELLON SA/NV 10	1.44	3,316
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.34	3,103
STATE STREET BANK AND TRUST COMPANY 505001	1.13	2,611

* 7,861,771 shares of treasury stock held by the Company are not included in the above breakdown of major shareholders.

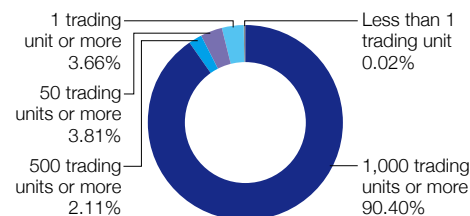
Composition of Shareholders

	Shareholders	Shares held (thousands)
Individuals and others	16,482	70,627
Foreign corporations and individuals	486	95,388
Other domestic corporations	243	46,199
Financial institutions	77	22,545
Securities companies	48	3,215
Total	17,336	237,973

By Type of Shareholders



By Number of Shares Held



Ordinary General Meeting of Shareholders

The annual general meeting of shareholders is held in June each year. The 2015 annual general meeting was held on June 17, 2015.

Transfer Agent and Register

The Chuo Mitsui Trust and Banking Co., Ltd.

Auditors

KPMG AZSA & Co.

Common stock price range

(Yen/share: Tokyo Stock Exchange)

		1st Q	2nd Q	3rd Q	4th Q
FY2005	High	2,520	2,180	2,265	2,255
	Low	1,892	1,655	1,790	2,040
FY2006	High	2,395	2,635	3,150	2,810
	Low	2,000	2,175	2,370	3,040
FY2007	High	3,710	2,930	3,170	3,240
	Low	2,535	2,280	2,505	2,530
FY2008	High	2,985	3,120	3,020	2,875
	Low	2,540	2,445	2,465	1,886
FY2009	High	2,460	2,180	1,397	1,312
	Low	2,000	1,246	795	990
FY2010	High	1,687	1,960	1,959	1,974
	Low	1,162	1,561	1,545	1,714
FY2011	High	1,999	1,666	1,543	1,875
	Low	1,436	1,201	1,341	1,183
FY2012	High	1,724	1,655	1,582	1,790
	Low	1,413	1,221	1,218	1,408
FY2013	High	1,695	1,455	1,644	1,994
	Low	1,255	1,274	1,224	1,670
FY2014	High	2,360	2,073	2,049	2,085
	Low	1,748	1,713	1,663	1,694
FY2015	High	1,933	1,975	2,229	2,171
	Low	1,622	1,681	1,711	1,893

