

The JSR Group Principles of Corporate Ethics

Corporate Code of Conduct



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Message from the President

The JSR Group renewed its Essential Elements (see pages 3 to 4) in April 2011, based on the idea of sharing the purpose of working among all our global group company members, while promoting individuals' self-motivation and voluntary initiatives.

We have also revised our code of conduct outlined in the "JSR Group: Principles of Corporate Ethics," to make it conform to the new section of our management policy, "Responsibility to Our Stakeholders," renaming it "Corporate Code of Conduct."

The aim is to make it clear that the Code of Conduct of the "JSR Group: Principles of Corporate Ethics" is designed to fulfill the responsibilities set forth in the management policies "Responsibility to Our Stakeholders." Moreover, the new Code of Conduct contains new principles that are indispensable for being a company more trusted by society, including biodiversity conservation, environmental friendliness in our supply chain, corporate social contribution, risk management, and the provision of more challenging opportunities for our employees.

As a member of society, the JSR Group needs to carry out our responsibilities to all our stakeholders. There sometimes may be business scenarios and situations in which you are not sure what to do, whether at the individual level or departmental level. In such cases, please refer to our management policies "Responsibility to Our Stakeholders" and the Code of Conduct so that you can choose to do the right thing.

Let's work together and strive to act in good faith to be deserving of social trust, as a good corporate citizen.

July 4, 2011



Mitsunobu Koshiba
President
JSR Corporation

A handwritten signature in dark ink, appearing to read "Mitsunobu Koshiba".

Corporate Code of Conduct

— Introduction —

Purpose

We have established this Code of Conduct as the basic rules that all JSR Group companies, their directors and employees (full-time, contract, part-time, and temporary employees as well as employees on short-term contracts) should comply with, in order to execute the management policies "Our Responsibility to our Stakeholders" in engaging in business activities.

Contents Construction

This Code of Conduct contains the principles to be followed to execute our responsibility to individual stakeholders: "Responsibility to Our Customers/Business Partners," "Responsibility to Our Employees," "Responsibility to Society," and "Responsibility to Shareholders."

In addition to the above, the common principle is provided to fulfill responsibility to all our stakeholders.

Scope

"The JSR Group: Principles of Corporate Ethics" applies to the following companies. In these Principles of Corporate Ethics, JSR Group companies shall be referred to as the "JSR Group."

October 1, 2011

Division	Company Name
Elastomer Business	ELASTOMIX CO., LTD.
	ELASTOMIX (THAILAND) CO., LTD.
	ELASTOMIX (FOSHAN) CO., LTD.
Emulsion Business	Emulsion Technology Co., Ltd.
Plastics Business	Techno Polymer Co., Ltd.
	JAPAN COLORING CO., LTD.
	TECHNO POLYMER HONG KONG CO., LTD.
	Techno Polymer (Thailand) Co., Ltd.
	Techno Polymer (Shanghai) Co., Ltd.
	Techno Polymer Guangzhou Co., Ltd.
	TECHNO POLYMER AMERICA, INC.
	Shanghai Rainbow Color Plastics Co., Ltd.
Opt-Electronics Business	JSR Micro Kyushu Co., Ltd.
	JSR Microtech Inc.
	JSR Optech Tsukuba Co., Ltd.
	D-MEC Ltd.
	JM Enrgy Corporation
	JSR Micro, Inc.
	JSR Micro N.V.
	JSR Micro Korea Co., Ltd.
	JSR Micro Taiwan Co., Ltd.
Business in Other Fields	JSR Trading CO., LTD.
	JSR ENGINEERING CO., LTD.
	JSR LOGISTICS CO., LTD.
	JSR Business Service Co., Ltd.
	Nichigo Kogyo Co., Ltd.
	JSR (Shanghai) Co., Ltd.
	JSR Trading (Shanghai) Co., Ltd.
	JSR Trading, Inc.

JSR Group's Essential Elements

Corporate Mission

Materials Innovation

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

Management Policies

JSR's Fundamental Pillars of Management

Continuous creation of businesses

As society evolves, so does the demand for specialized materials and advanced products. JSR continuously evolves to anticipate and responds to changing marketing needs and, in doing so, achieve dynamic growth.

Enhancement of corporate culture

As society evolves, so will our organization. JSR will build on its existing positive corporate culture to create an organization and management style with the vitality to keep evolving.

Increase in corporate value

JSR will position itself to increase our overall corporate value by creating businesses through materials with focuses on customer satisfaction and the fulfillment of employees.

Responsibility to Our Stakeholders

Responsibility to our customers / business partners

When interacting with our business partners and customers, the JSR Group will:

- Constantly evolve to meet the demand for new materials
- Always strive to increase customer satisfaction
- Act in good faith and maintain fair and equitable business relations
- Continue to be socially and environmentally conscious throughout the supply chain

Responsibility to our Employees

All employees should expect:

- To be evaluated and rewarded based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

Responsibility to Society

All members of the JSR Group will honor our responsibility to both the local and global communities through:

- Responsible and respectful business practices (Responsible Care) that consider the environment and safety
- Support of environmental conservation by providing eco-friendly products
- Reduction of our environmental impact throughout the entire product lifecycle
- Active contribution to conserving biodiversity throughout its business activities and the entire product lifecycle

Responsibility to Shareholders

The JSR Group will maintain its responsibility to its shareholders by:

- 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

Course of Action: 4C

Challenge

All employees of the JSR Group should share a common, global focus and desire to succeed. Employees should feel confident to autonomously take on new challenges, learning from successes while viewing setbacks as opportunities to learn, grow and improve.



Communication

All employees should feel comfortable and confident maintaining open lines of bi-directional communication at all levels within the JSR Group. Employees should strive for organizational transparency through direct conversations as the best means to share value and achieve common goals, especially in the face of growth and diversification.

Collaboration

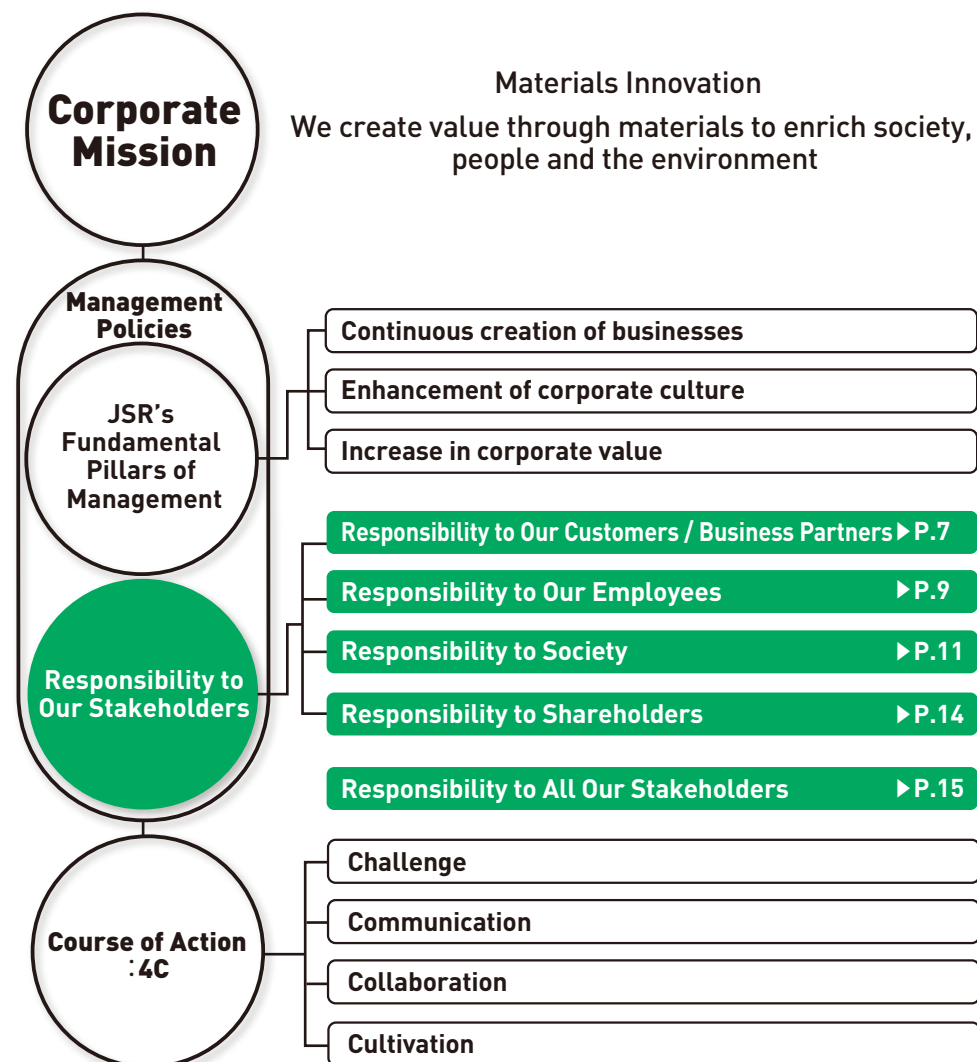
Employees will work together in the spirit of cooperation valuing common, corporate goals over internal or departmental barriers. Employees will also be encouraged to actively collaborate with external resources and not be bound to conventional ideas.

Cultivation

All employees will cultivate an environment that supports bi-directional communication between managers and subordinates and provides opportunities to develop together as individuals and as members of productive, supportive teams.

"Responsibility to Our Stakeholders" and Corporate Code of Conduct

An explanation of the relationship between "Responsibility to Our Stakeholders" and the 15 rules in the Corporate Code of Conduct.



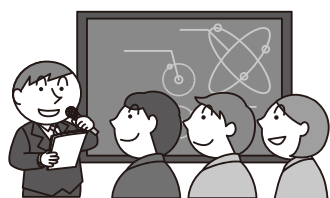
Responsibility to Our Customers / Business Partners

When interacting with our business partners and customers, the JSR Group will:

- Constantly evolve to meet the demand for new materials
- Always strive to increase customer satisfaction
- Act in good faith and maintain fair and equitable business relations
- Continue to be socially and environmentally conscious throughout the supply chain

Code of Conduct

Code of Conduct to fulfill Responsibility to our Customers / Business Partners



It's important to provide relevant information in addition to a safe product.

1 Code of Conduct for Product Safety

When performing business activities, we shall abide by the law in relation to product safety, proactively provide adequate product information to our customers and prevent accidents that may be attributed to our products. Through these efforts, we strive to maintain and improve relations with customers.

2 Code of Conduct for Fair and Proper Transactions

- ① We shall observe laws regulating transactions, such as competition laws, in Japan and other relevant countries where such laws are applicable to our business operations.
- ② In transactions with small-size subcontractors, we shall not perform unfair practices such as delayed payment to subcontractors.
- ③ To prevent our technologies and products from being used for harmful affairs and actions which may threaten international peace and safety, we shall observe laws and regulations in relation to import and export, including foreign exchange and foreign trade control laws.
- ④ With regard to purchase transactions, we shall conduct transactions that are fair, transparent, and based on economic rationality, as well as consider our responsibility to society, such as compliance with laws and ordinances, protection of resources, environmental conservation, safety and human rights.



3 Code of Conduct for Gifts and Entertainment

- ① Whether inside or outside the country, we shall not give gifts to and/or entertain politicians, government officials or other relevant parties in a manner that may generate profits through illegal means or violate bribery regulations.
- ② We shall not give and/or receive gifts and/or provide or receive entertainment to or from customers, suppliers and other stakeholders, which may lead to bribery or unfair acts. We shall not be involved in the exchange of gifts or entertainment that may go beyond the accepted social norms.
- ③ Within the JSR Group, we shall not give and/or receive gifts and/or provide entertainment.



Responsibility to Our Employees

All employees should expect:

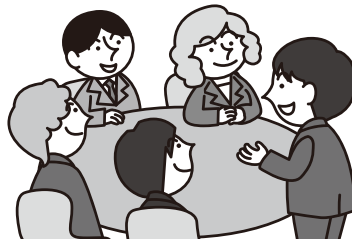
- To be evaluated and rewarded based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

Code of Conduct

Code of Conduct to fulfill Responsibility to our Employees

Code of Conduct for Providing a Comfortable Work Environment

- ① We shall ensure the fair treatment of employees, based on each person's tasks, roles, and level of commitment.
- ② We shall respect the diversity of our workforce and make efforts to create a workplace environment that enables every employee to make the best use of their abilities and to find a rewarding sense of satisfaction in their work.



- ③ We shall respect the human rights and diverse characteristics of all individuals, and shall not discriminate against gender, age, nationality, race, ethnic group, origin, religion, beliefs, social status, physical disability or other relevant conditions when determining employment status and/or working conditions.
- ④ We shall not force religion and/or belief on others.
- ⑤ We shall provide a workplace free from sexual harassment and any harassment arising from positions of power. In addition, we will not engage in or make verbal comments with sexual connotations that will make counterparts feel uncomfortable.
- ⑥ We shall strive to maintain and improve safety and hygiene levels for all relevant parties, based on our safety philosophy that "safety is more important than production." Additionally, we shall pay sufficient attention to the maintenance of the mental and physical health of ourselves and those we work with.



- ⑦ In the event that a staff member reports the violation or possible violation of the law and/or the Principles of Corporate Ethics to his/her superiors and/or internal/external hotline, we shall fully protect the said staff member's identity and protect him or her from unfavorable treatment.
- ⑧ We will provide a work environment that facilitates flexible "work life management" for employees, and strive to improve both productivity and employee satisfaction.

Responsibility to Society

All members of the JSR Group will honor our responsibility to both the local and global communities through:

- Responsible and respectful business practices (Responsible Care) that consider the environment and safety
- Support of environmental conservation by providing eco-friendly products
- Reduction of our environmental impact throughout the entire product lifecycle
- Active contribution to conserving biodiversity throughout its business activities and the entire product lifecycle

Code of Conduct

Code of Conduct to fulfill Responsibility to Society

1 Code of Conduct for the Environment and Safety

- ① We will seek to form a symbiotic relationship with society by promoting accident-free and disaster-free operations and securing the safety of our employees and local communities.



We value the environment.

- ② We will strive to conserve the environment by reducing environmental loads/impacts throughout the life cycle of a product, from development to disposal.
- ③ We will comply with all relevant domestic and foreign laws and regulations in using chemical substances in our business activities.
- ④ To help prevent global warming and promote effective use of valuable resources, we will make active efforts in our business activities, such as resource saving, energy conservation, waste reduction, and recycling of used products.
- ⑤ We will pay utmost consideration to the maintenance, conservation and sustainable use of biodiversity that supports our daily lives and our business activities.

2 Code of Conduct for Respecting Human Rights



- ① We will respect and uphold basic human rights declared internationally and protected under constitution and legal precedents of respective countries, and will not infringe basic human rights.
- ② We will abide by national and international labor codes and respect workers' right of association and right for collective negotiation in the realm of basic labor rights.
- ③ We shall never allow child labor or forced compulsory labor, whether at the JSR Group or in the workplaces of business partners and collaborating companies.

3 Code of Conduct for Risk Management

We will keep track of imminent or potential risks we may face, and prevent such risks before they happen. Should any risk become evident, we will strive to minimize its adverse effects on our business activities and society.



4 Code of Conduct for Corporate Social Responsibility

- ① As a responsible member of society, we will make active efforts to meet societal demands and address social challenges, as well as to contribute to society through our business activities in conformity with our corporate mission.
- ② We will pursue sustained efforts in corporate social contribution activities by taking full advantage of the chemical and technological knowledge on which the business foundation of the JSR Group has been built.
- ③ We will actively encourage our employees to be involved in society and voluntarily join activities that benefit society.



5 Code of Conduct against Antisocial Forces

Our basic policy, upheld by our top executive and company as a whole, is to reject any relation with antisocial forces including any business transactions, and firmly reject any demand with collaboration from police and external organizations specialized in security issues.

6 Code of Conduct for Coexistence with International Society

In our international business activities, we shall abide by international rules and local laws, respect local culture and customs, and conduct business operations in a manner which will contribute to the development of local communities.

Responsibility to Shareholders

The JSR Group will maintain its responsibility to its shareholders by:

- 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

Code of Conduct

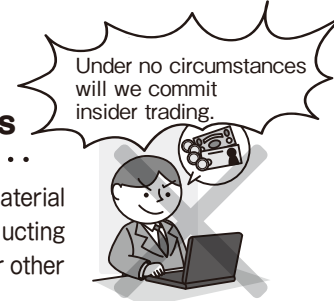
Code of Conduct to fulfill Responsibility to Shareholders

1 Code of Conduct for Proper Recording of Information and Disclosure

- ① When evaluating business activities, we shall focus not only on final results but also on business processes that deliver those results. We will strive to accurately and explicitly record our business activities.
- ② We shall disclose information on management and business activities in a timely and appropriate manner.

2 Code of Conduct for Preventing Insider Transactions

- ① We shall not use, for our private interests, undisclosed material information which we have come to know through conducting our business and which concerns the JSR Group and/or other companies in which we engage.
- ② In the case that we have and hold any undisclosed material information, we shall not release such information until it is disclosed officially. Additionally, we shall not sell and/or purchase JSR's and/or other relevant companies' shares or relevant financial products until official disclosures are made.



Responsibility to All Our Stakeholders

The JSR Group will maintain its responsibility to all of its stakeholders by:

- Striving to prevent any loss of reputation for the company or its corporate values, including intangible values such as social credibility and dignity.

Code of Conduct

Code of Conduct to fulfill Responsibility to all our Shareholders

1 Code of Conduct for Fair Fulfillment of Daily Duties

- ① We shall not perform any dishonest transactions with the aim of securing unfair private gain through commercial transactions or other business practices.
- ② We shall accurately record job duties and shall not record anything falsely and/or fictitiously.



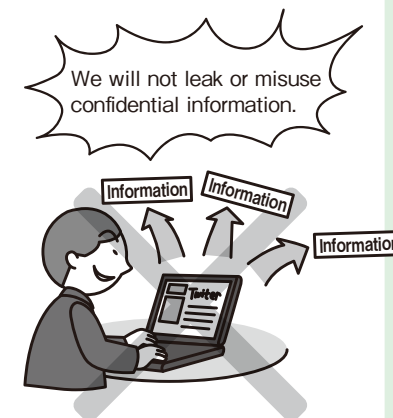
2 Code of Conduct for Use of the JSR Group's Assets and Intellectual Properties

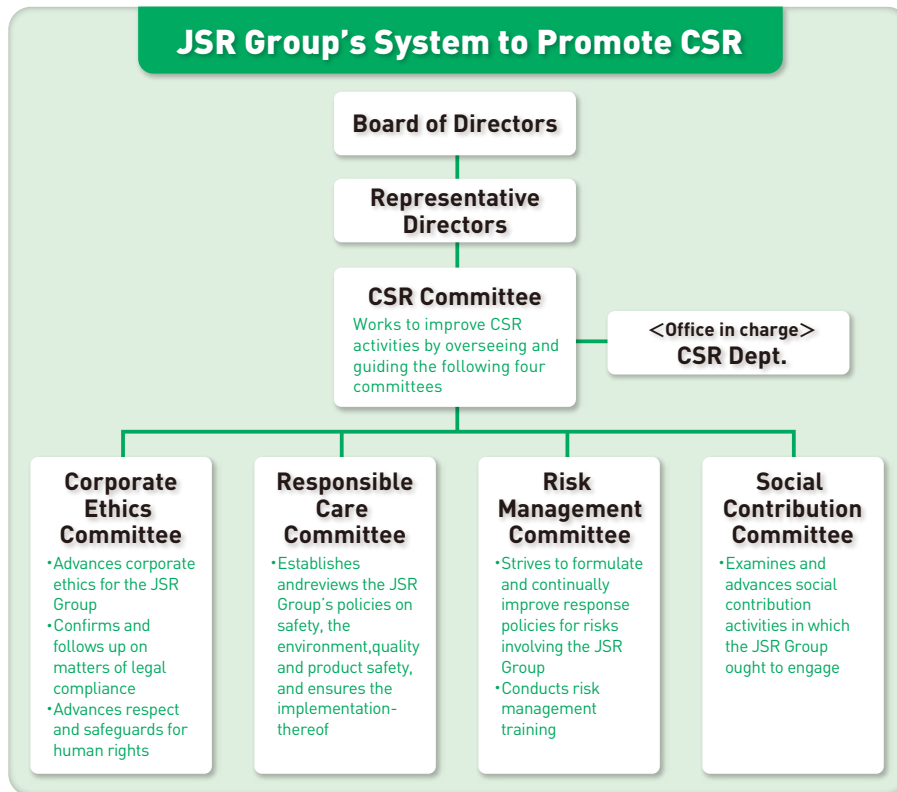
- ① We shall efficiently use the JSR Group facilities, machines, equipment and any other commodities. We shall not use the JSR Group's properties for private interest.
- ② We shall protect the know-how, patents, utility models, industrial designs, trademarks and other relevant intellectual property that the JSR Group has and holds. Additionally, we shall not infringe on other companies' intellectual property without justifiable reason.



3 Code of Conduct for the Control of Information

- ① We shall not obtain information necessary for our business activities by any illegal means.
- ② We shall strive for thorough control of confidential information concerning the JSR Group, and/or third parties, including customers of, or suppliers to, the JSR Group. We shall also prevent such information from unauthorized disclosure, and from being leaked or used illegally.
- ③ While being employed or after leaving a company, we shall not provide to others, without rightful authority, confidential information which has been obtained in the course of company duties. We shall not use such information for private interest.
- ④ We shall observe the Act on the Protection of Personal Information and strive to prevent illegal acquisition, use and disclosure of personal information on directors and employees of the JSR Group and on third parties, including customers of, or suppliers to, the JSR Group we have come to know while conducting our business.





United Nations Global Compact

On April 2009, the JSR Group became a participant in the Global Compact policy advocated by the United Nations. Amidst increasing calls for corporate social responsibility, further consideration is required of firms engaged in business activities on a global scale in respect to human rights, labor, the environment and anti-corruption, as expressed in the ten principles of the Global Compact. We consider joining the Global Compact to be a proclamation for acting responsibly in the international community, and we intend to work hard to proactively execute our "corporate social responsibility."

The Ten Principles (United Nations Global Compact)

- ① Businesses should support and respect the protection of internationally proclaimed human rights; and
- ② make sure that they are not complicit in human rights abuses.
- ③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ④ the elimination of all forms of forced and compulsory labor;
- ⑤ the effective abolition of child labor; and
- ⑥ the elimination of discrimination in respect of employment and occupation.
- ⑦ Businesses should support a precautionary approach to environmental challenges;
- ⑧ undertake initiatives to promote greater environmental responsibility; and
- ⑨ encourage the development and diffusion of environmentally friendly technologies.
- ⑩ Businesses should work against corruption in all its forms, including extortion and bribery.



Materials Innovation



With chemistry, we can.



The paper used for this publication helps to make effective use of wood that has been felled to thin out and revitalize forests