

JSR Corporation

Materials Innovation

Annual Report

2016 For the year ended March 31, 2016



Overview

02

Our Strategy

05

Creating Corporate Value

13

Creating Sustainable Value

22

02 Profile

03 Business Outline

04 Consolidated Financial Highlights

06 JSR's Vision

07 To Our Shareholders

11 Special Feature

14 At a Glance

15 Petrochemical Products Business

17 Fine Chemicals and
Other Products Business

17 Semiconductor Materials

18 Display Materials

19 Strategic Businesses

20 R&D Policy and Organization

23 Corporate Mission and CSR

24 Corporate Social Responsibility

26 Corporate Governance System

33 Directors, Audit & Supervisory Board
Members, and Officers

34 JSR Global Network

35 Corporate Data

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.



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 life sciences business.

Corporate Mission

Materials Innovation

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



Business Outline

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

Social Priorities

1960s

Production of Synthetic Rubber in Japan

Petrochemicals played a vital role as industrial raw materials during Japan's postwar recovery and reconstruction phase. There was an urgent need to establish synthetic rubber manufacturing in Japan because reliance on imports left Japan vulnerable to a tight supply-demand environment.

1980s

Changes in the Industrial Structure

Electronic materials were vital to the emergence of the new computer industry and products such as electronically controlled appliances with embedded microchips, and digital communications devices.

2000s

Social Priorities for the Future

Awareness of environmental problems is reflected in the need to create environmentally responsible living. Another major social priority in Japan, which is leading the global trend toward super-aged societies, is the development of medical services.

Our Businesses

Fine Chemicals and Other Products Business

Use for polymer and precision processing technology

Strategic Businesses

Life Sciences Business

- in-vitro Diagnostics and Life Science Research
- Bioprocess Materials

Lithium Ion Capacitors Business

- Lithium Ion Capacitors

Fine Chemicals Business

Semi-conductor Materials Business

- Lithography Materials
- Process Materials
- Device Integration Materials
- Chemical Mechanical Planarization Materials (CMPs)

Display Materials Business

- LCD Materials
- New FPD Materials

Petrochemical Products Business

Elastomers Business

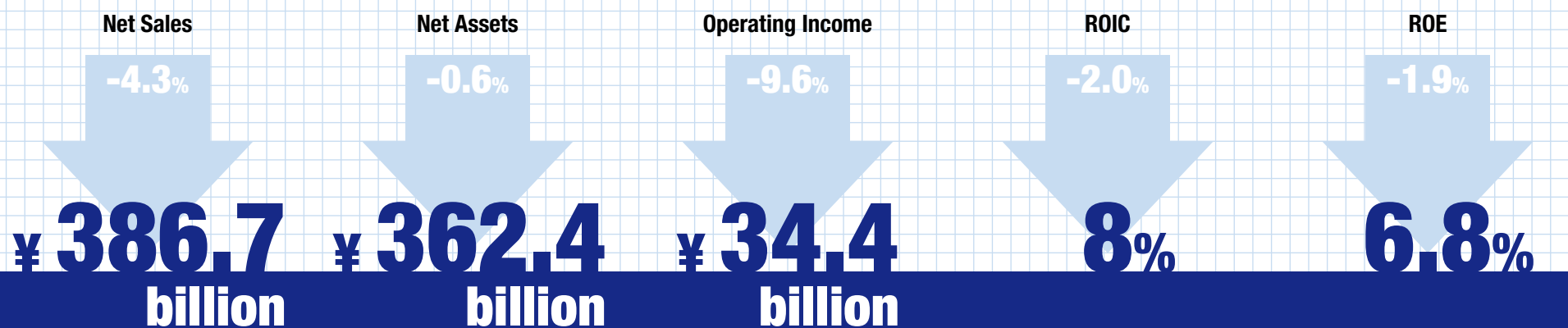
- General-Purpose Synthetic Rubbers
- Special-Purpose Synthetic Rubbers
- Thermoplastic Elastomers
- Emulsions

Plastics Business

- Wide Range of ABS Resins and ABS Alloys

Consolidated Financial Highlights

In the FY ended March 2016, business results fell significantly below the initial forecast due to yearlong weak demand in the core businesses. Fourth quarter results in particular were affected by a sudden demand slowdown in our customers' markets and the impact of the weak yen.



Previous year
¥404.1 billion

Although SSBR sales rose sharply, and the net sales of life sciences business showed growth, overall revenues declined due to a slump in elastomer product prices, weakness in the semiconductor market, and an abrupt second-half slowdown in the FPD market.

Previous year
¥364.7 billion

Net assets were lower, primarily because of a ¥10.3 billion year-on-year decrease in accumulated other comprehensive income. The equity ratio was 68.4%.

Previous year
¥38.1 billion

Income in the Petrochemical Products Business segment declined as higher profitability and income in the plastics business could not offset lower income in the elastomers business. Income in the Fine Chemicals and Other Products Business segment also declined on lower sales of semiconductor materials and display materials.

Previous year
10%

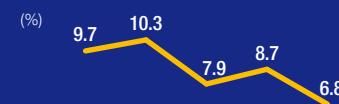
ROIC decreased as a result of factors including a year-on-year decrease in income, despite continuing investment to capture growth opportunities.



(FY) 2012 2013 2014 2015 2016

Previous year
8.7%

ROE decreased by 1.9 points because of factors including an increase in equity and a decrease of ¥5.9 billion in profit attributable to owners of parent.

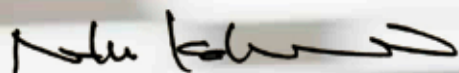


(FY) 2012 2013 2014 2015 2016

Note: FY means year ended March 31

Our Strategy

A Course Change to Realize the Business Vision



MITSUNOBU (Nobu) KOSHIBA
Representative Director and President

In a difficult business environment, JSR has identified growth opportunities in each business. We are examining and selecting areas for allocation of enterprise resources. Nevertheless, our business vision is unchanged, and we will steadily invest in growth opportunities to realize the vision.



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.

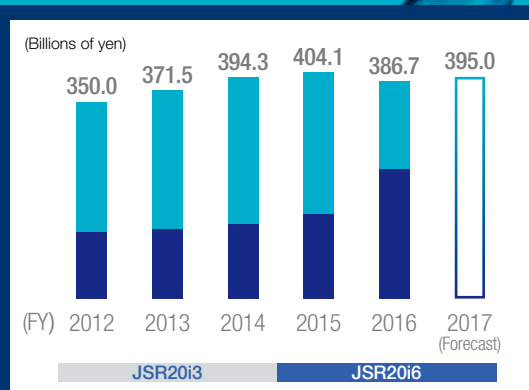
Vision for 2020

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

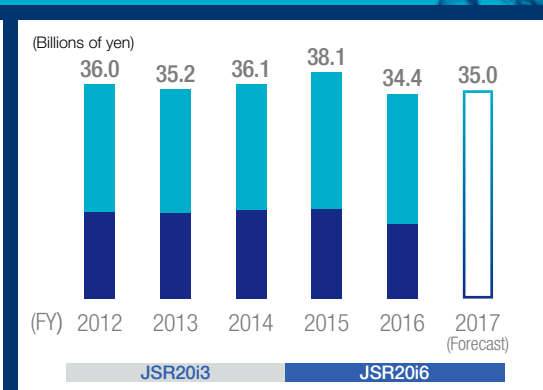
Become an esteemed company with ¥1 trillion market capitalization



Net Sales



Operating Income



■ Petrochemical Products Business □ Fine Chemical and Other Products Business

Note: FY means year ended March 31

Our Strategy

To Our Shareholders

To what do you attribute the decline in revenues and income in fiscal year 2016?

The main factor was greater than expected weakness in the demand environment for customers of our core businesses.



Analysis of trends in JSR Group's key industries in the FY ended March 2016 indicates that while worldwide production of automobiles and tires increased slightly year on year, tire production in Japan slumped. Semiconductor production slowed abruptly as demand growth faltered and major production adjustments were implemented during the second half in the flat panel display (FPD) market. In addition, the yen strengthened at the fiscal year-end.

In this business environment, overall net sales in the Petrochemical Products Business segment declined year on year. In the Elastomers Business segment, although sales of Solution Styrene-Butadiene Rubber (SSBR) grew substantially, slumping domestic tire production had a significant negative effect on sales of other elastomers. In addition, the supply-demand balance in East Asia failed to improve due to a state of oversupply coupled with slowing demand growth, resulting in continued weakness in the elastomer products market. Operating income in the Petrochemical

Products Business fell year on year as an increase in operating income in the Plastics Business segment resulting from profitability improvement failed to compensate for a decline in operating income in the Elastomers Business segment. Net sales in the Fine Chemicals and Other Products Business segment increased year on year on a substantial increase in net sales in the life sciences area of the strategic business field, despite lower net sales in the Fine Chemicals business due to the impact of fluctuations in the FPD market. Operating income in the Fine Chemicals and Other Products Business segment declined year on year due to the significant impact of the net sales decrease in the Fine Chemicals business.

As a result, consolidated net sales in FY ended March 2016 were ¥386,709 million (down 4.3% year on year), operating income was ¥34,408 million (down 9.6%), and profit attributable to owners of parent was ¥24,069 million (down 19.6%).

Our Strategy

To Our Shareholders

Will there be any changes in management policy in light of the current situation?

Although our business vision remains unchanged, we will make course corrections in each business.



In the 2000s, when the JSR20i3 mid-term management plan was launched, there was stable growth in the Petrochemical Products Business segment. We concentrated enterprise resources on the Fine Chemicals business, which benefited from an excellent market environment, as a growth driver. Even in those favorable circumstances, we foresaw market changes in the Fine Chemicals business and have invested cash flows generated during good times in areas offering prospects for market growth to prepare a third pillar of JSR Group's business portfolio. Nevertheless, from FY ended March 2015 to 2016 we anticipated continued low growth in our core businesses, the Petrochemical Products Business and Fine Chemicals business, and made course corrections in resource allocation. Although we were exploring next-generation growth scenarios in four areas, ultimately it was decided to concentrate enterprise resources on the life sciences business and develop it as a third pillar. From the time of the launch of JSR20i3 to the present, net sales have grown as a result of business scale expansion from these initiatives, selling, general and administrative expenses have increased simultaneously, and operating income has remained nearly flat.

In FY ending March 2017, the final year of JSR20i6, we anticipate continued low market growth and intensification of competition in the core businesses. Although our corporate vision will remain unchanged, we will examine business growth opportunities and carefully select areas for allocation of enterprise resources while preparing to reduce investment risk.

Our Strategy

To Our Shareholders



What course corrections will be made to secure growth opportunities?

We will review the balance between earnings opportunities and business costs and steadily develop growth sectors.



The clearest answer will be to summarize our current operating policy. For the time being, we will not actively be making business investments, but rather pursuing steady growth.

In the Petrochemical Products Business, we will focus on SSBR, a product for which market growth is expected to continue. To accelerate global business expansion, we decided to augment supply capacity in a second phase of construction at JSR BST Elastomer Co., Ltd. (JBE) in Thailand and start up production in Hungary. These movements mark a shift to a policy of pursuing global expansion by leveraging JSR's technologies.

In the Fine Chemicals business, we have shifted from a global network of development sites and consolidated development at Yokkaichi, and our semiconductor materials have captured high market share in 20nm, 16nm, and 14nm node processes. The semiconductor industry is entering the multiple patterning era, and I think JSR occupies an advantageous position in the market. In our LCD materials business, while the business is developing favorably in China, it is not progressing in line with expectations in South Korea and Taiwan. We will pursue business cost reductions. With regard to strategic businesses, to turn around the lithium ion capacitor (LICs) business, we have withdrawn from the automotive market, where a certain level of demand existed, and will concentrate solely on high-output applications. In the life sciences area, positioned as JSR's third business pillar, MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. (MBL) and KBI Biopharma, Inc. will act as drivers of value chain expansion.

By clearly defining a policy for each business in this way, we will pursue a balance between earnings opportunities and cost and make course corrections in preparation for growth over the medium to long term.

To Our Shareholders

What is your thinking on capital strategy, including shareholder returns?

We will take a flexible approach to shareholder returns, aiming for a gross payout ratio of 50% or higher.

The Company considers its most important priority to be improvement of business results over the long term through reinforcement of research and development from a long-term perspective and measures to boost corporate competitiveness, such as new business development.

We will maintain continuous, stable dividend payments while taking into account business results and medium- and long-term capital requirements and considering the balance between shareholder returns and enhancement of internal reserves for future growth. We will flexibly make treasury stock purchases to supplement dividends as a form of shareholder return, taking into consideration the market environment. We will allocate internal reserves to a variety of investments that will lead to new growth and contribute to enhancement of corporate value. During the period of the JSR2016 mid-term management plan, we will aim for a gross payout ratio of 50% or higher through dividends and treasury stock purchases. The dividend per share for FY ended March 2016 was ¥50, up ¥10 from FY ended March 2015, and the dividend payout ratio was 47.2%. The gross payout ratio was 84.2%, substantially higher than the ratio of 64.5% in FY ended March 2015.

I request the continued support of our shareholders and investors in the years to come.



Special Feature

As a Third Pillar, Life Sciences Business

Establishment of Business Unit and New Brand “JSR Life Sciences”

JSR has decided to develop the life sciences business as a third pillar. Therefore, JSR Life Sciences was established as a global business unit and given its own logo and brand identity in April 2016.



The new logo's selected colors were determined to be unique in the current marketplace, but the industry is clearly comfortable with blues and greens. JSR Life Sciences Bioprocess division has adopted the tagline of “Innovation from Lab Through Launch.” The new brand and business unit encompass all global life sciences-focused businesses and departments.

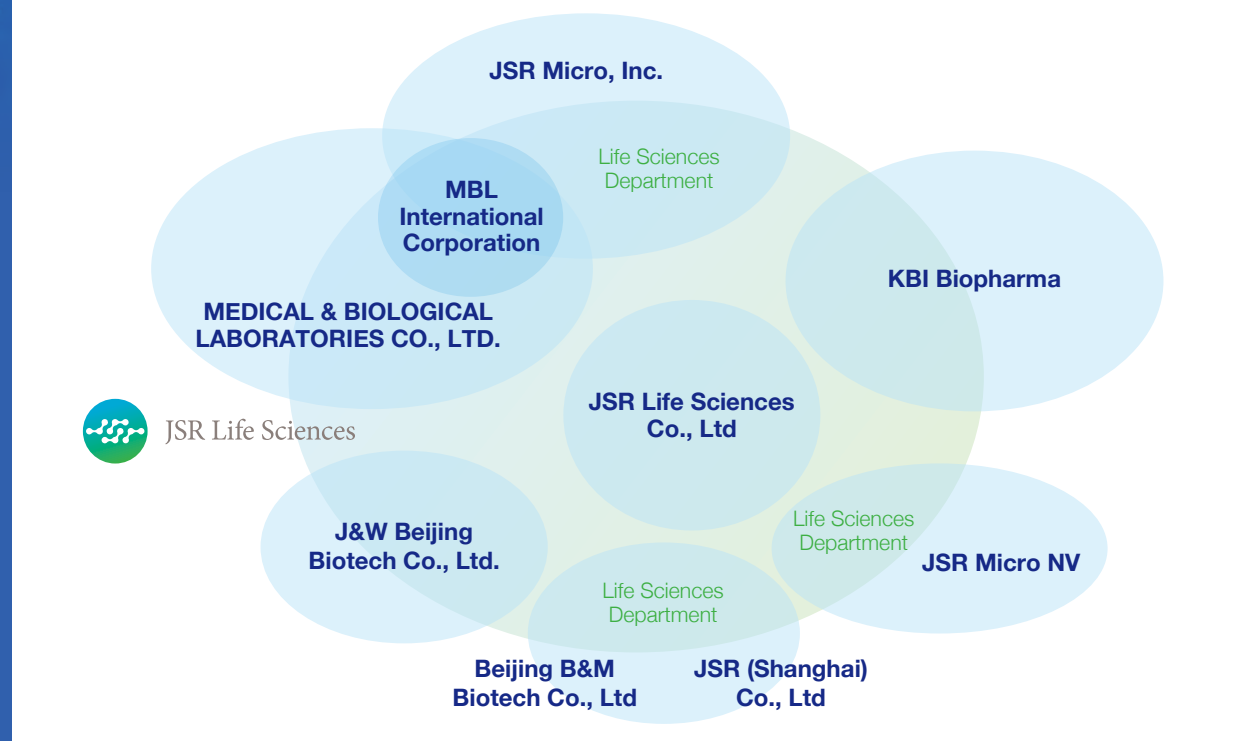
Establishment of JSR-Keio University Medical and Chemical Innovation Center

Looking to the future and responding to the needs of clinical and medical research, we have agreed with Keio University to establish “JSR-Keio University Medical and Chemical Innovation Center” as a research base for manufacturers, academia, and medical researchers. The chemical materials researchers at JSR Group developing advanced materials and products can now work closely with Keio University School of Medicine, which is engaged in medical research ranging from

foundational to clinical. The joint research projects plans to cover the following fields: precision medicine, stem cell biology and cell based medicine, and designed medical

devices. The center will be constructed at Keio University in Tokyo, where Keio University Hospital resides. It is expected to begin operations from October 2017.

JSR Group companies that collaborate to comprise JSR Life Sciences



Special Feature

JSR Life Sciences Global Structure

Together with JSR Group companies and strategic partners, JSR is engaging in diverse businesses ranging from seeds and functional materials to products meeting final needs in the

medical field. We have established an organizational framework for the biopharmaceutical and diagnostic/research reagent drug businesses and have newly established the Life Sciences Division in JSR. We also appointed an American as

the General Manager of JSR Life Sciences to oversee the business as a unified whole.

Global Structure

J&W Beijing Biotech Co., Ltd.

*JSR ownership: 75%

Established on Apr. 1, 2012

- Diagnostic reagent materials
- Diagnostic intermediates
(marketing/manufacturing/R&D in China)



Beijing B&M Biotech Co., Ltd

*Subsidiary of MBL

- Diagnostic/research reagent material (distribution)
- Contract analysis/manufacturing of antigens



JSR Life Sciences Corporation

Established on Apr. 1, 2012

- Diagnostic/research reagent materials (manufacturing/distribution/R&D)
- Bioprocess materials (manufacturing/distribution/R&D)



JSR Micro, Inc.

- Diagnostic/research reagent materials (sales and marketing)
- Bioprocess materials (applications center of excellence, sales, marketing)



JSR Micro N.V.

- Diagnostic/research reagent materials (marketing in Europe)
- Bioprocess materials (marketing/material manufacturing/R&D)



MEDICAL BIOLOGICAL LABORATORIES CO., LTD.

*JSR ownership as of Oct. 2015: 51%

- Research reagents/diagnostics (marketing/research/manufacturing)



Europe

- Advanced medical market

Asia

- Emerging countries market

Japan

- Particle material market

North America

- Advanced medical market

JSR Corporation

Establishment of Life Science Division in Apr. 2016

- Diagnostic & Research Reagents (marketing/overall management)
- Bioprocessing (marketing/overall management)
(manufacturing/distribution/R&D)



MBL International Corp

*JSR Micro, Inc ownership: 51%

- Research reagents/diagnostic (marketing/research/manufacturing)



KBI Biopharma, Inc.

*JSR ownership since 2014: 51%

- Biopharmaceuticals (Contract analysis/manufacturing)

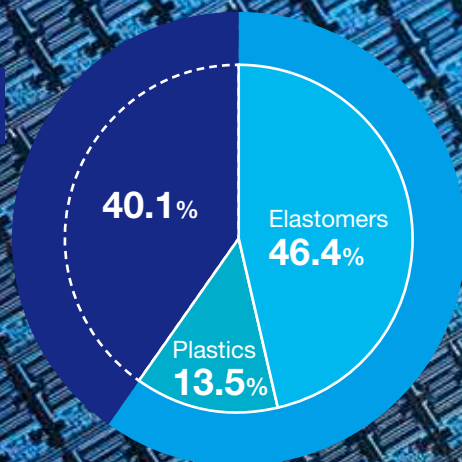


Creating Corporate Value

The three strategic domains for 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.

Revenue Breakdown by Business Segment

Fine Chemicals and Other Products Business

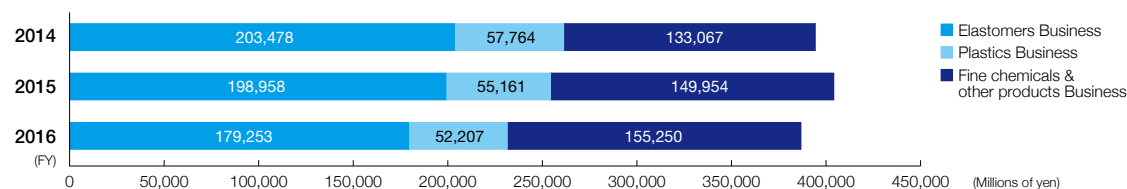


Petrochemical Products Business



At a Glance

Segment Sales



* Note: FY means year ended March 31

Petrochemical Products Business

Elastomers



General-Purpose Synthetic Rubbers

Solution Polymerization Styrene-Butadiene Rubber (SSBR), Emulsion polymerization Styrene-Butadiene Rubber (ESBR), 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



Petrochemical Products Business



Elastomers

Performance Overview

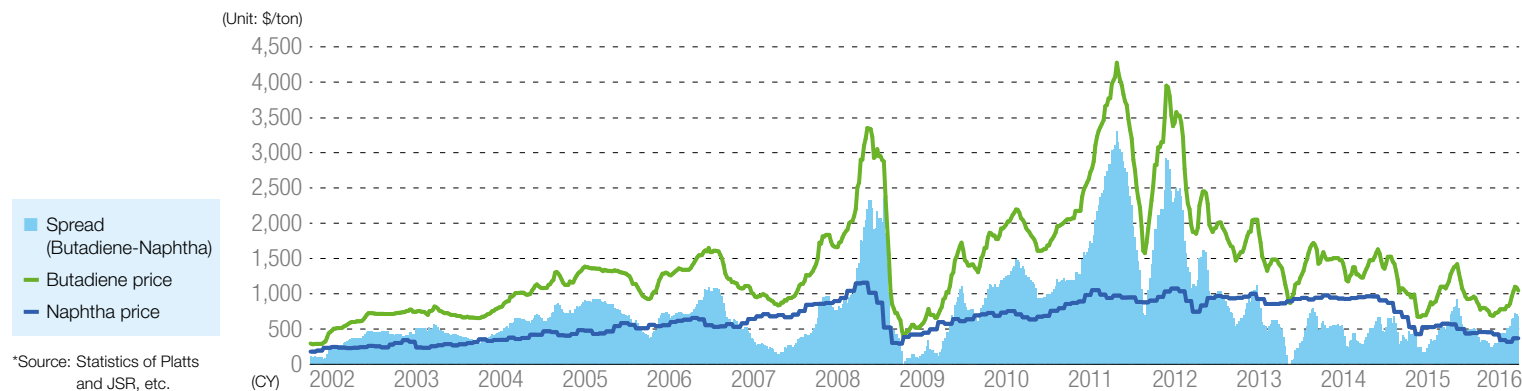
-9.9%	-30.2%
¥179.3 billion	¥7.5 billion
Net Sales	Operating Income

The SSBR Business Strategy

In the Petrochemical Products Business, the butadiene-naphtha spread and the Company's business income are linked. The key factor that put downward pressure on the Group's overall income in FY ended March 2016 was first quarter and fourth quarter income in the Petrochemical Products Business. At this time, we forecast continuing market price stagnation in FY ending March 2017 and beyond.

- Year-on-year increase in automobile tire production in North America, China, and Europe; year-on-year decrease in Japan
- Year-on-year decrease in total elastomer sales volumes
- Significant increase in SSBR sales volumes thanks to the contribution from full-scale operation at JSR BST Elastomer Co., Ltd. (JBE), the joint venture in Thailand
- Year-on-year decrease in net sales on a decline in product prices accompanying falling raw materials prices and lower sales volumes

Change in butadiene and naphtha prices

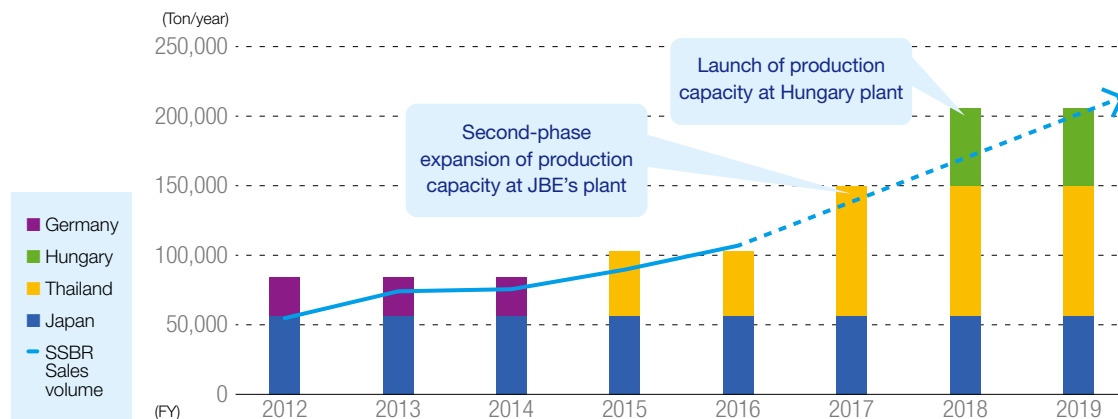


Petrochemical Products Business

We also plan to increase supply capacity for SSBR, a product whose sales volume is steadily increasing, by 19% year on year in 2016 in a second phase of construction at JBE and also plan to start production in Hungary in 2018. In addition, our capacity utilization rate of nearly 100% is extremely high compared to other companies.

Production in Thailand started up behind schedule, due partly to manufacturing delays and partly to approval delays. Our SSBR is used in original equipment applications, and it took time to obtain approval from automakers. Because the product is used in original equipment, once approval has been obtained, demand can be expected to continuously increase. This is a business model that differentiates JSR from competitors. Future plans call for reinforcing the Group's sales bases in Europe, where SSBR demand will increase, and building a technical support system in China, where market needs exist. Although we are now introducing fourth-generation SSBR in Thailand, we are also establishing the technology for a fifth-generation product. In addition, we are working to introduce a product for the high-volume segment with the aim of increasing JSR's global market share for SSBR.

Change in JSR's SSBR production capacity and sales volume



Plastics

Performance Overview

-5.4%
¥52.2 billion
 Net Sales

+80.0%
¥5.1 billion
 Operating Income

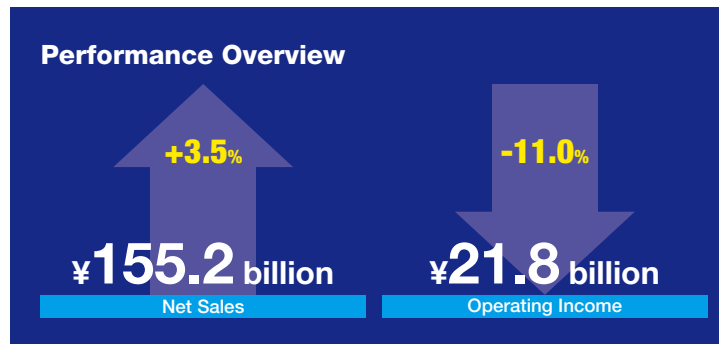
- Sales increase in Japan and overseas, despite a year-on-year decrease in domestic automobile production
- Year-on-year increase in sales volumes for industrial material applications due mainly to strong sales of materials for miscellaneous goods
- Year-on-year decrease in net sales as the sales volume increase failed to compensate for a decline in product prices accompanying falling raw materials prices
- Year-on-year increase in operating income from profitability improvement and higher sales volumes

Preparing for a Leap Forward in Plastics

JSR, Ube Industries, and Mitsubishi Rayon are proceeding with integration of our ABS respective resins businesses through the merger of Techno Polymer, a wholly owned subsidiary of JSR, and UMG ABS, a company in which Ube Industries and Mitsubishi Rayon each holds a 50% equity interest. Due diligence is now underway. The three companies are proceeding with realignment of the synthetic resin industry to develop a business structure capable of stable supply into the future in the Japanese market, which is shrinking year by year. The aim is to actively pursue overseas sales expansion by combining the differentiated materials technologies of the merging companies.



Fine Chemicals and Other Products Business

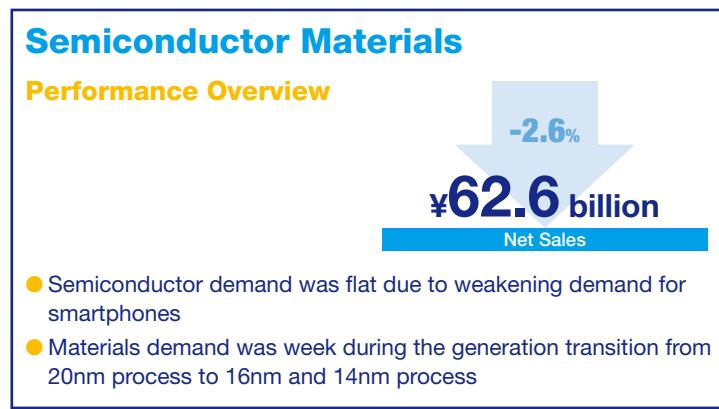
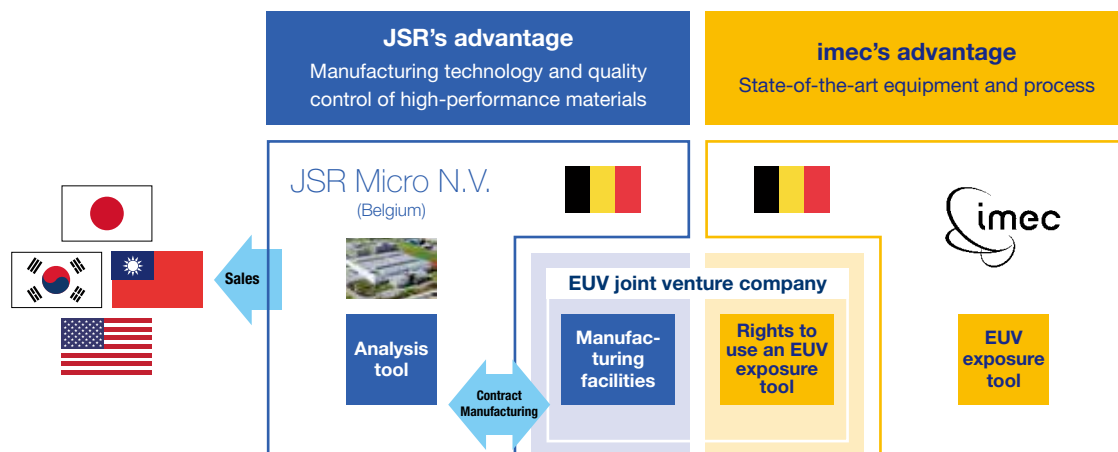


Preparing for Commercialization of EUV Resists

In the Semiconductor Materials business, JSR lithography materials have captured a high market share in leading-edge 20nm processes, and we expect to keep the high share in next-generation 16nm and 14nm processes. Furthermore, we will focus on extreme ultraviolet (EUV) lithography materials. EUV lithography is expected to be a key technology that will

- Display materials business plunged sharply due to the demand slowdown of our customers
- Net sales of the life sciences business substantially expanded

Image of an EUV joint venture company

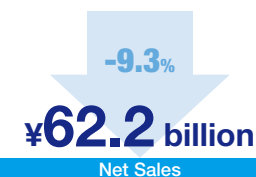


Fine Chemicals and Other Products Business

propel advancement of the semiconductor miniaturization and density growth predicted by Moore's law even in sub-10nm generations. In February 2016, JSR and imec, a world-leading nano-electronic R&D center, established joint venture company EUV Resist Manufacturing & Qualification Center N.V. (EUV RMQC). Investigation of practical application of EUV technology is gaining impetus in the semiconductor industry, and establishment of mass-production facilities and a quality assurance system is essential. EUV RMQC will leverage the key strengths of the JV partners, JSR's high-performance materials manufacturing technologies and quality control capabilities and imec's state-of-the-art equipment and processes, to provide EUV lithography materials technology to companies in the semiconductor industry that manufacture leading-edge devices.

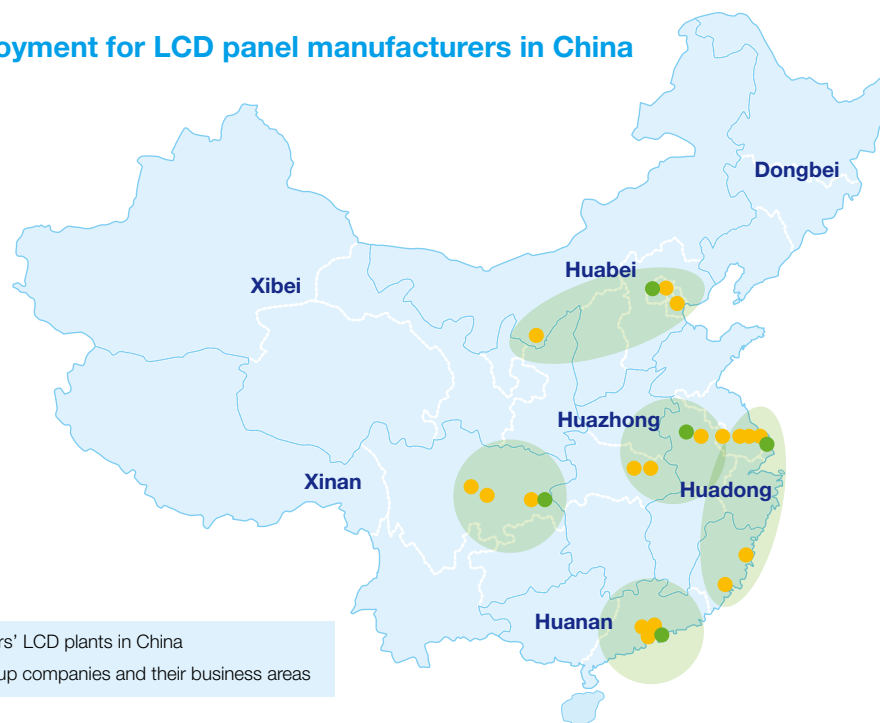
Display Materials

Performance Overview



- Sudden slowdown in demand for large-screen TVs and multifunctional mobile devices from the second half onward
- Marked decline in selling prices due to intensifying competition

Business deployment for LCD panel manufacturers in China



- Location of customers' LCD plants in China
- Location of JSR Group companies and their business areas

Development of the Display Business in the Chinese Market

China's worldwide share of liquid crystal panel production is expected to exceed 20% in 2016. JSR entered the Chinese market, where continued high growth is expected, ahead of competitors and will proceed steadily with sales expansion in China. Specifically, we are constructing a plant at JSR Micro (Changshu) Co., Ltd. (JMCH), a joint venture established in China to manufacture display materials, and plan to start operation in 2016. In response to the commoditization of liquid crystal panels, we are working to secure business income through operational reforms and are pursuing expansion of the product line related to mobile products, from which continued growth can be expected. Furthermore, we will work to maintain income from the business overall through drastic structural reform of operations at each production site and aim to continuously expand the product portfolio.

Fine Chemicals and Other Products Business

Business Policies for Strategic Businesses

The Company will reposition its activities in the life sciences area, which has been positioned as a strategic business in the Fine Chemicals and Other Products Business segment, as a new pillar of the business portfolio comparable to the Fine Chemicals business. Building on our success in expanding the scale of this business, we will newly establish a Life Sciences Business Division and focus on two fields: bioprocess fields and diagnostic and research reagent fields. Although the importance of the Japanese market will not change, leading-edge technologies and markets in these fields are concentrated mainly in the United States and Europe. An American JSR senior officer will serve as general manager of the division and lead the business globally.

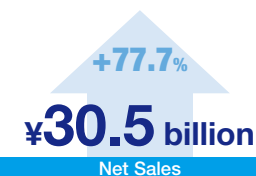
In the area of bioprocess materials, the Group will make efforts to increase KBI's contract development and manufacturing, biopharmaceuticals for which demand is growing year by year, in Europe as well as the United States. We will work to increase overseas sales of diagnostic and research reagent materials by leveraging the strengths of MBL. We are also considering entering new fields to further expand the business.

The diagnostic intermediates business of J&W Beijing Biotech Co., Ltd. (J&W), a joint venture in China, is also progressing steadily. In Japan, we are proceeding with construction of JSR-Keio University Medical and Chemical Innovation Center, a joint research facility with Keio University School of Medicine.

Although the Group completed construction of a new plant with the expectation of increasing sales in the lithium ion capacitors (LICs) business, JSR LICs were not adopted for high-volume applications. To turn the LICs business around, we have undertaken operating cost reductions and changed the market. We will aim to achieve profitability by focusing the business on applications where the ultra-low resistance, high voltage, and high durability characteristic of LICs can be expected to result in high added value.

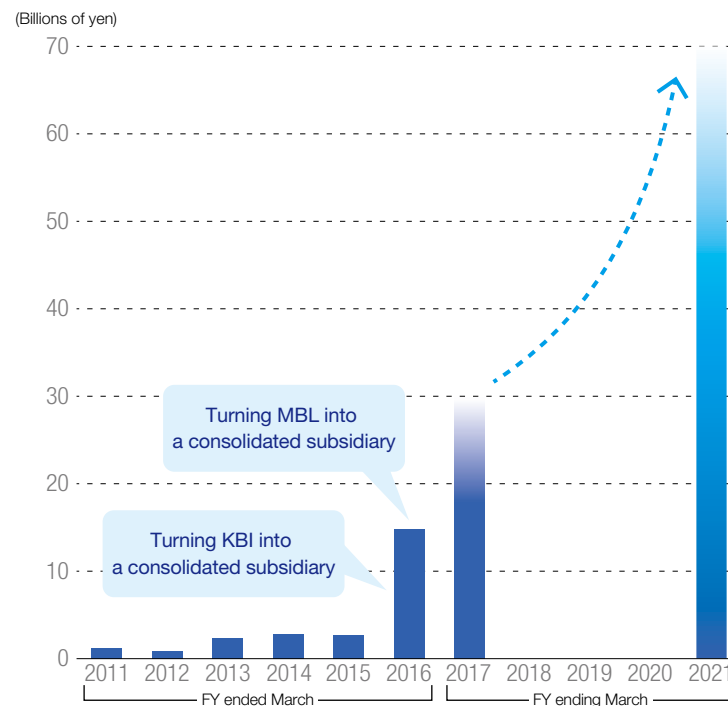
Strategic Businesses

Performance Overview



- Substantial increase in net sales due to the effect of two newly consolidated Group companies

Sales of the Life Science Business



R&D Policy and Organization



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		2010	2011	2012	2013	2014	2015	2016
Japan	Petrochemical Products	374	377	387	358	334	308	303
	Fine Chemicals and Other Products	1,465	1,685	1,972	2,331	2,633	2,717	2,867
	Others	75	67	79	89	104	99	90
	Subtotal	1,914	2,129	2,438	2,778	3,071	3,124	3,260
Overseas	Petrochemical Products	492	489	507	523	516	531	545
	Fine Chemicals and Other Products	2,164	2,365	2,516	2,741	2,957	2,810	3,075
	Others	39	36	33	34	33	29	22
	Subtotal	2,695	2,890	3,056	3,298	3,506	3,370	3,642
Total		4,609	5,019	5,494	6,076	6,577	6,494	6,902

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 consistently striven to enhance an R&D organization that has created many new high-performance materials based on our original technologies. JSR's involvement in the petrochemical field began at the time of our founding 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 research and development 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.

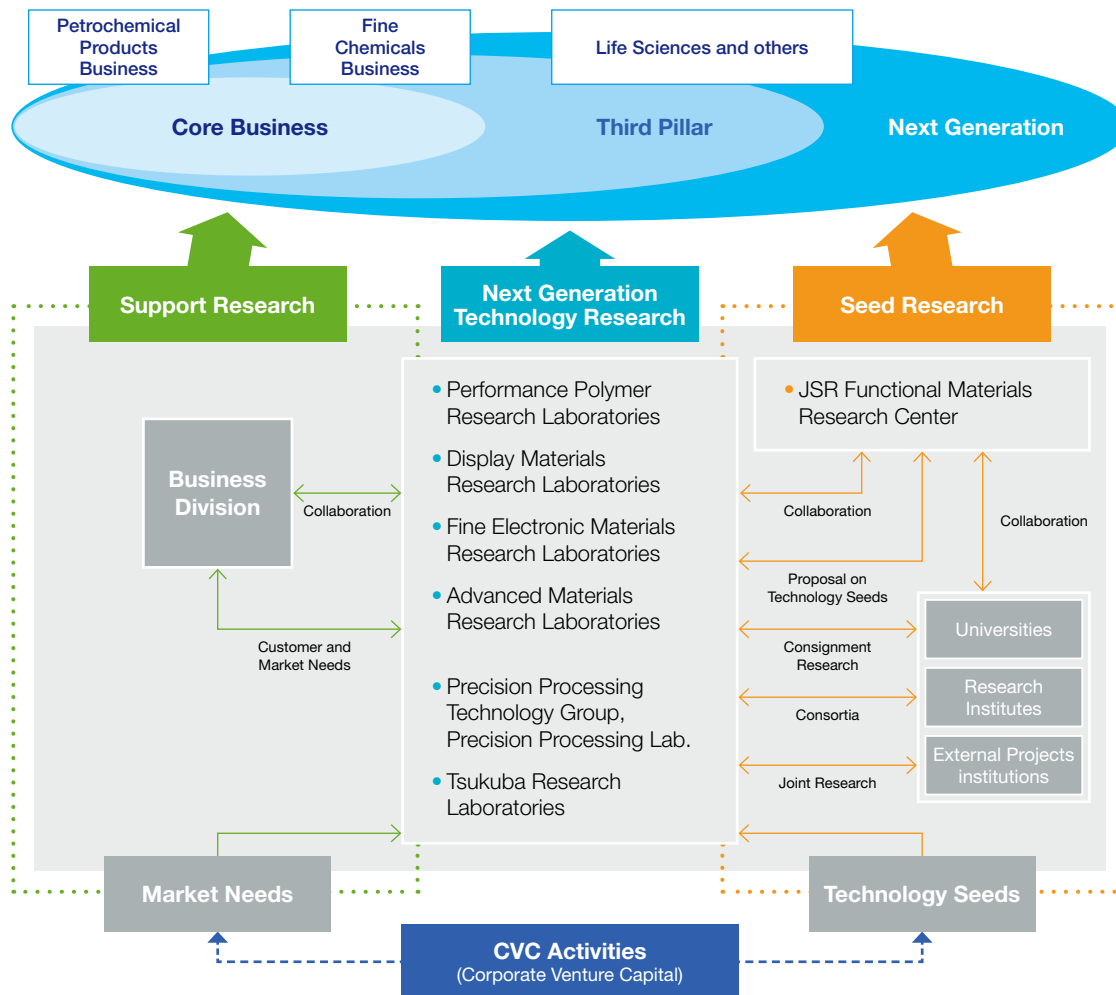
Integrating R&D with business activities

After discovering seeds of innovation through our R&D activities, we need to link those seeds to actual business activities. Another example of the accelerating integration of R&D and business activities through direct interaction between our researchers and customers. The leading 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 next-generation business creation. We are evolving a structure that can provide new value to society by flexibly integrating R&D with business activities within JSR Group and beyond.

R&D Policy and Organization

Creating materials for the future through materials innovation

R&D Structure



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 launch new businesses.

In our existing businesses, we are enhancing technical service support in a number of countries and constructing a system capable of providing timely support for customers' business promotion. To launch new businesses, they therefore participate in highly innovative and exploratory research initiatives with customers, domestic and international universities, and research institutes. Located within Kinki University's Molecular Engineering Institute, JSR Functional Materials Research Center is the focus of seed investigation and research in JSR Group. We have established JSR-Keio University Medical and Chemical Innovation Center, a joint research facility, within Keio University Shinanomachi Campus, and are conducting research relating to new medical fields to realize health and longevity.

JSR aims to become a corporate group that is essential to a wide range of stakeholders from 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.



Creating Sustainable Value





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



Contributing to Society through Materials Innovation

JSR Group practices a unique brand of CSR. For us, CSR is 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

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. In March 2015, JSR had issued a Korean compliance handbook based on Korean regulations and have distributed to JSR Group companies in Korea. We will thorough law compliance in Korea, too.

Risk Management

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. JSR Holds crisis management training once a year, and our president directors the emergency headquarters. On FY ended March 2015, the training was held assuming that there was an earthquake under the capital of Japan (North of Tokyo bay). JSR will continue to prepare to ensure safety, reduce damage and continue business in case of serious crisis by various trainings.

Contributing to Society through Materials Innovation

Responsibility to Our Stakeholders

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.

Responsibility to Customers and Business Partners

We believe that 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

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 JSR Group global personnel system and engage in personnel development and management at the Group and global levels. Throughout JSR Group, synergies are generated through the contributions of a diverse workforce.

Responsibility to Society

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, 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, JSR Group will work even harder to actively fulfill its social responsibilities.

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 4, 2016)

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



FTSE4Good (U.K.)

We have been listed in the FTSE4Good Index Series since 2004.



EURONEXT Vigeo World 120 (France)

We were selected as one of the top 120 global companies included in the Euronext Vigeo World 120 Index.



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.

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 the corporate governance code.

Target Period: April 1, 2015—March 31, 2016

(Some parts include activities and initiatives conducted since April 2016)

Strengthening Corporate Governance

2004

- Term of office of directors reduced from two years to one year

2005

- Introduction of the officer system
- Discontinuation of the retirement bonus system for directors and Audit & Supervisory Board members

2011

- Invitation of two independent outside directors to its Board of Directors consisting of six directors

2012

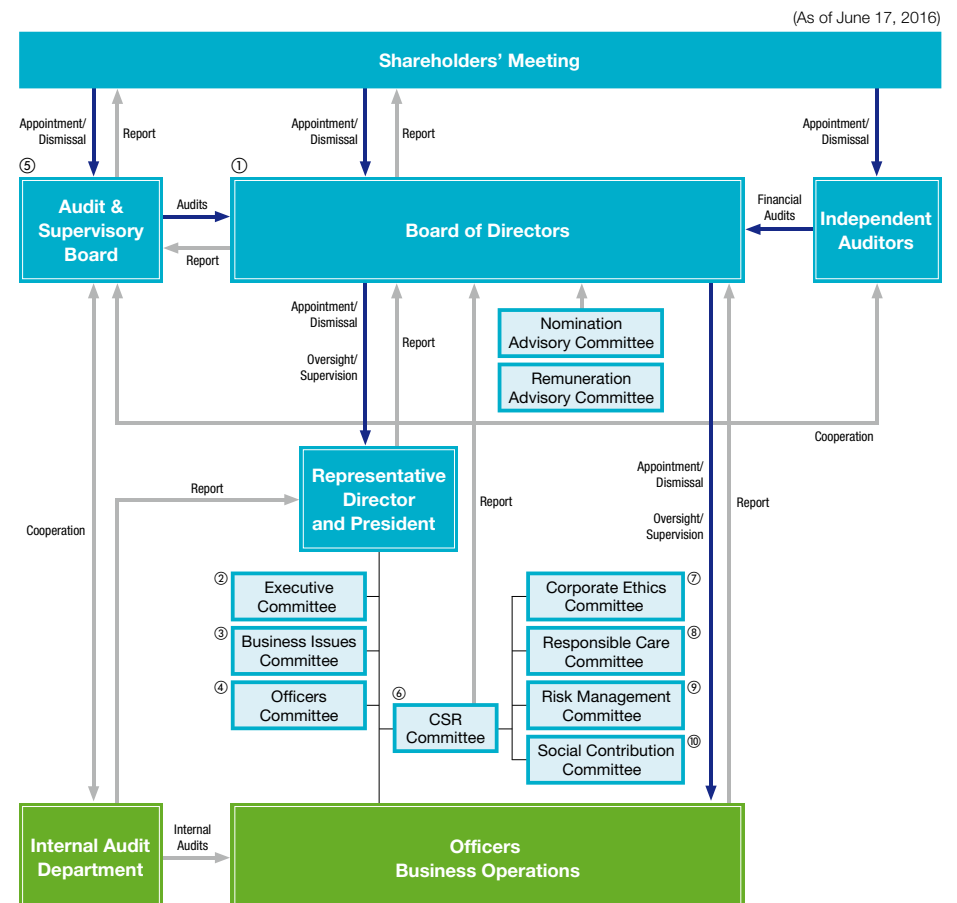
- Establishment of the Remuneration Advisory Committee, with participation by outside directors

2014

- Appointment of three independent outside directors to its Board of Directors consisting of seven directors and appointment of two independent outside Audit & Supervisory Board members to its Audit & Supervisory Board consisting of three members

2015

- Establishment of Nomination Advisory Committee of which majority members are outside directors in order to ensure the transparency of the policy and procedures of nominating candidates for directors and Audit & Supervisory Board members.
- Establishment of Remuneration Advisory Committee of which majority members are outside directors in order to ensure the objectivity and transparency of its directors' remuneration scheme.
- Introduction of Mid-term performance-based bonuses by using three years average of the consolidated ROE as performance evaluation reference.
- Disclosure of policies for cross shareholding, policies and procedures for nominating candidates for directors and Audit & Supervisory Board members, policies and procedures to determine remuneration for directors, and JSR's own criteria for judging independence for outside directors and Audit & Supervisory Board members.



Corporate Governance System

Directors and Corporate Auditors

(As of March 31, 2016)

Representative Director and President

Mitsunobu Koshiba

Representative Director

Hozumi Sato

Director

Hisao Hasegawa

Hayato Hirano

Standing Audit & Supervisory
Board Member

Shoichi Kataoka

Outside Director

Michio Kariya

Kazunori Yagi

Yuzuru Matsuda

Outside Audit & Supervisory
Board Member

Hiroichi Uekusa

Hisako Kato

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, 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.

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 (As of March 31, 2016)

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.

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 16 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.



Major activities in the year under review

Mr. Yagi participated in all 16 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.

Yuzuru Matsuda

Yuzuru Matsuda has served as the President and COO of KYOWA HAKKO KOGYO CO., LTD and Kyowa Hakko Kirin, Co. Ltd. Mr. Matsuda has vast experience in corporate management of global companies, especially in the field of medical products and biochemicals. Mr. Matsuda also possesses an independent perspective as an outside director. Mr. Matsuda has utilized his experiences and independent viewpoints to assist the Company in making crucial decisions, to supervise the Company at the Board



Corporate Governance System

of Directors level, and to strengthen the fair corporate governance through enhancement of objective and reasonable business judgment and transparent and sound management. For this reason, Mr. Matsuda has been named an outside director as he was in the previous year.

Major activities in the year under review

Mr. Matsuda participated in all 12 meetings of the Board of Directors held during the year under review after his appointment as a director. Mr. Matsuda has greatly contributed to continuous improvement of corporate value by ensuring reasonable judgment for, and accountable and sound management of, the businesses of the Company, by utilizing the range of his knowledge and vast experience on management of companies in the major global industries of medical products and biochemicals, and by providing necessary appropriate advice, as well as a neutral and independent viewpoint, at the Board of Directors meetings.

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 policies and policies strategies, 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

Corporate Governance System

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.

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 has vast experience as a lawyer and 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 all 16 meetings of the Board of Directors and all 18 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

Hisako Kato as a Certified Public Accountant both in Japan and U.S. and a Certified Tax Accountant greatly contributes 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 well as independent and neutral view point as an independent outsider.



Major activities in the year under review

Ms. Kato attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Board held during the year under review. She 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 her extensive experience as a certified public accountant, certified public tax accountant and her 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 responsible for manufacturing, manufacturing technology, environment & safety, R&D, human resources development, accounting & financing, corporate planning, corporate communication, legal, general affairs, petrochemicals businesses, fine businesses and life sciences businesses and secretaries 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 JSR Group. 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 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 Yokkaichi plant.

The CSR Report is audited by a third party to improve the reliability and transparency of the content. 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/).

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 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.

Nomination

Deliberation on nominations for corporate officers by the Nomination Advisory Committee

JSR established the Nomination Advisory Committee of which majority members are independent outside directors in order to ensure the transparency of the policy and procedures of nominating candidates for directors and Audit & Supervisory Board members. The committee deliberates criteria for ensuring the diversity in breadth of knowledge, experience, and capability as well as the size necessary for the Board of Directors, criteria and procedures for the nomination, and candidates for future president, directors, officers with directorship status (including senior officers), and Audit & Supervisory Board members, and submits its findings to the Board of Directors.

Remuneration

Deliberation on remuneration for corporate officers by 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 FY ended March 2016, was ¥196 million, paid to eight directors, including four outside directors. Audit & Supervisory Board members are paid a basic fixed salary that is not performance-based. In FY ended March 2016, total salaries paid to Audit & Supervisory Board members amounted to ¥43 million, including ¥28 million paid to internal Audit & Supervisory Board members and ¥15 million to outside Audit & Supervisory.

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

Directors, Audit & Supervisory Board Members, and Officers

(As of June 17, 2016)

Directors and Audit & Supervisory Board Members



Chairman of the Board
Hozumi Sato



Representative Director
and President
Mitsunobu Koshiba



Representative Director
Koichi Kawasaki



Director
Nobuo Kawahashi



Director
Takao Shimizu



Standing Audit &
Supervisory Board Member
Atsushi Kumano



Outside Director
Kazunori Yagi



Outside Director
Yuzuru Matsuda



Outside Director
Shiro Sugata



Outside Audit &
Supervisory
Board Member
Hiroichi Uekusa



Outside Audit &
Supervisory
Board Member
Hisako Kato

Officers (*Directors)

Executive Managing Officer
Koichi Kawasaki*
Procurement, Logistics, Manufacturing and
Technology, Product Safety & Quality
Assurance, Safety and Environment Affairs,
General Manager of Manufacturing and
Technology Group

Managing Officer
Nobuo Kawahashi*
Research & Development

Managing Officer
Hayato Hirano
Petrochemical Products Sector (including
Plastics), General Manager of Petrochemical
Products Div., President of Techno Polymer
Co., Ltd. and Japan Butyl Co., Ltd.

Managing Officer
Katsuya Inoue
Business Planning and Business Develop-
ment, Fine Chemical Business, General
Manager of Business Planning and Fine
Chemical Business, Chairman of JSR Micro
(Changshu) Co., Ltd.

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
Life Science, North America Business,
General Manager of Life Science Division,
President of JSR Micro, Inc.

Senior Officer
Takao Shimizu*
Office of President, Accounting, Finance,
Corporate Communications, IT Strategy,
General Manager of Office of President

Senior Officer
Tsuyoshi Watanabe
China Business, Chairman of JSR (Shanghai)
Co., Ltd.

Senior Officer
Kazumasa Yamawaki
Petrochemical Products Sector (deputy),
Deputy General Manager of Petrochemical
Products Division, General Manager of
Business Planning Department, Petrochemi-
cal Products, President of KRATON JSR
ELASTOMERS K. K., Director of JSR
Elastomer Europe GmbH

Senior Officer
Makoto Doi
Legal, General Affairs, CSR, General
Manager of Legal Department

Officer
Eiichi Kobayashi
Executive Vice President of JSR Micro, Inc.

Officer
Hiroaki Nemoto
LCD Materials Business, Display Solution
Business, General Manager of Display
Solution Division, General Manager of Display
Materials Research Laboratories, Represen-
tative Director of JSR Micro Korea Co., Ltd.

Officer
Yoichi Mizuno
Optical Materials Business, General Manager
of Optical Materials Division

Officer
Kiichiro Kamiya
Life Science (deputy), Deputy General
Manager of Life Science Division, President
of JSR Life Sciences Corporation, Director of
MEDICAL & BIOLOGICAL LABORATORIES
CO., LTD.

Officer
Mika Nakayama
Corporate Planning, Diversity Development,
Group Companies Coordination, General
Manager of Corporate Planning, General
Manager of Diversity Development Office,
General Manager of Group Companies
Coordination Department

Officer
Yoshikazu Yamaguchi
General Manager of Department of Business
Development for Fine Chemicals

Officer
Koichi Saeki
Yokkaichi Plant, Yokkaichi Plant Manager

Officer
Kazushi Abe
President of ELASTOMIX CO., LTD.,
President of ELASROMIX (FOSHAN) CO.,
LTD., The Chief Director of JSR Group
Corporate Pension Fund

Officer
Seiji Takahashi
Manufacturing and Technology (deputy),
General Manager of Yokkaichi Plant
Production Department III, General Manager
of Manufacturing & Technology Group, SSBF
Global Manufacturing & Technology
Management Dept.

Officer
Yasufumi Fujii
Human Resources, General Manager of
Human Resources Development Depart-
ment, The Chief Director of JSR Health
Insurance Society, The Chief Director of JSR
Pension Fund



HEAD OFFICE

JSR Corporation

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

BRANCH OFFICES

Nagoya Branch

Taiwan Branch
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.

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.

ORGANOGENIX, 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 SSBR (Solution Polymerization Styrene-Butadiene Rubber).

JSR MOL Synthetic Rubber, Ltd.

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

JSR Elastomer Korea Co., Ltd.

Sales agency of products such as synthetic rubbers.

JSR Elastomer Europe GmbH

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 Electronic Materials Korea Co., Ltd.

Sales agent for semiconductor materials.

JSR Micro (Changshu) Co., Ltd.

Production of display materials.

JSR Micro Taiwan Co., Ltd.

Production, development, and sales of display materials.

EUV Resist Manufacturing & Qualification Center N.V.

EUV Resist Manufacturing (Production & Quality Control)

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.

KBI Biopharma, Inc.

Biopharmaceutical contract development and manufacturing services.

JSR Trading, Inc.

Purchases and sales of synthetic rubber.

JSR Trading (Shanghai) Co., Ltd.

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

JSR Trading Bangkok Co., Ltd.

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

Corporate Data

(As of March 31, 2016)

JSR Corporation

Established

December 10, 1957

Capital (Common Stock)

¥23,320 million

Employees

6,587

Closing date

JSR books are closed on March 31, each year.

Shareholders Information (As of March 31, 2016)

Stock Listing

Tokyo Stock Exchange

Number of Shares Issued

226,074,545 shares

Number of Shareholders

17,449

Major Shareholders

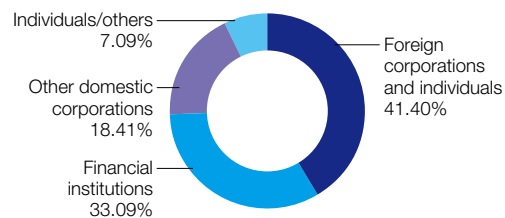
Name of shareholder	Percentage of shares held (%)	Number of shares held (thousands)
Bridgestone Corporation	12.35	27,866
Japan Trustee Services Bank, Ltd. (trust account)	4.37	9,855
The Master Trust Bank of Japan, Ltd. (trust account)	3.54	7,988
Japan Trustee Services Bank, Ltd. (trust account 9)	3.22	7,282
BNYML-NON TREATY ACCOUNT	2.92	6,602
JP MORGAN CHASE BANK 385632	2.57	5,809
STATE STREET BANK CLIENT OMNIBUS OM04	2.47	5,592
HSBC BANK PLC A/C CLIENTS 1	2.11	4,771
Mizuho Bank, Ltd.	1.87	4,225
Nippon Life Insurance Company	1.64	3,716

* 488,223 shares of treasury stock held by the Company are not included in the above breakdown of major shareholders.

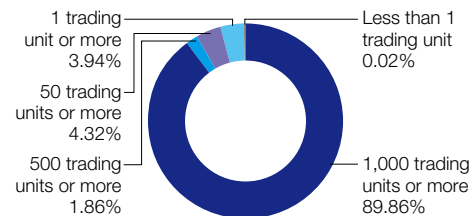
Composition of Shareholders

	Shareholders	Shares held (thousands)
Individuals and others	16,607	16,030
Foreign corporations and individuals	484	93,604
Other domestic corporations	241	41,631
Financial institutions	77	71,646
Securities companies	40	3,164
Total	17,449	226,075

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 2016 annual general meeting was held on June 17, 2016.

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
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
FY2016	High	2,296	2,227	2,054	1,903
	Low	1,998	1,626	1,688	1,455

