

JSP

Change for Growth

Corporate Report
2023



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About this publication

Based on our corporate philosophy of “Creatively and Actively Contributing to Society”, the JSP Group develops business with the aim of realizing our long-term vision. We have clearly defined sustainability management in the basic concepts of the 2021–2023 medium-term business plan, “Change for Growth” currently underway. This report contains information related to sustainability management and materiality, which is also available on our website. (<https://www.co-jsp.co.jp/english/sustainability/>)

Reporting period

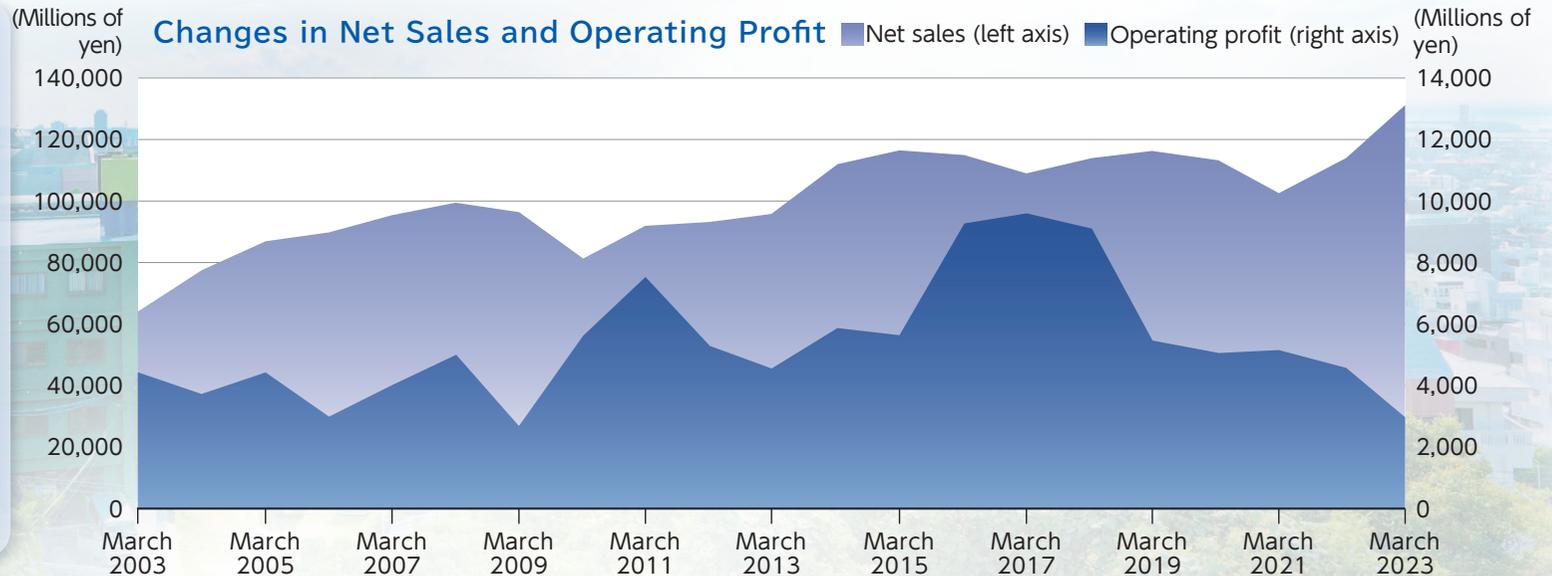
April 1, 2022, to March 31, 2023 (Some sections refer to activities occurring on or after April 1, 2023)

Forward-looking statements

This publication contains forward-looking statements regarding management plans, strategies, and performance. These statements are based on Company determinations in light of information available as of March 31, 2023. Accordingly, information contained herein is subject to risks and uncertainties, and actual results may differ materially from those discussed in forward-looking statements.

History

Since our establishment in 1962 as Japan Styrene Paper, JSP has developed our business globally by using our world-leading development and technological capabilities. Furthermore, we are utilizing the characteristics of foamed plastics to contribute to the reduction of environmental burden and CO₂ emissions. The world is a place with full of diverse values which continue to change depending on the place and time. The JSP Group will continue to embrace challenges to meet the changing demands of our customers and society, and to share our values.



Founding Period (1962 to 1984)



We started production of polystyrene paper and established our company as a manufacturer specializing in the foaming business. Afterwards, we developed the world's first foamed polyethylene sheet (MIRAMAT) and foamed polypropylene beads (ARPRO/P-BLOCK). We launched MIRABOARD and MIRAFOAM on the market, thereby creating the current lineup of our main products.

- 1962**
Est. Japan Styrene Paper.
Osaka Sales Office opened.
Operation of Hiratsuka Plant started.
- 1970**
Nagoya Sales Office opened.
- 1971**
Operation of Kanuma No. 1 Plant started.
Fukuoka Sales Office opened.
- 1972**
Sales Offices in Sapporo, Sendai and Hiroshima opened.
- 1973**
Est. Shingu Styrene Paper Co., Ltd.
- 1977**
Est. Kyushu Styrene Paper Co., Ltd.
- 1979**
Est. Hokkaido Styrene Paper Co., Ltd.
- 1980**
Operation of Kanuma No. 2 Plant started.

Growth Period (1985 to 2003)



We made our first overseas expansion in the United States with foamed beads (ARPRO/P-BLOCK). With that as a foothold, we expanded into European and Asian countries. We were listed on the Second Section of the Tokyo Stock Exchange and entered into a growth period by gradually expanding the size of our business. In 2003, we merged with Mitsubishi Chemical Foam Plastic Co., Ltd. and added an expandable polystyrene (EPS) business to solidify our technical and management base as a specialist in foamed products.

- 1988**
Received the Science and Technology Director-General's Award for ARPRO/P-BLOCK.
- 1989**
Changed the company name to JSP Corporation.
- 1990**
Listed on the Second Section of the Tokyo Stock Exchange.
Opened Kanuma Research Center.
- 1991**
Operation of Yokkaichi Plant started.
- 1994**
Acquired Kanuma No.3 Plant.
- 1999**
Operation of Kanuma No. 4 Plant started.
- 2001**
Introduced Inner Company System.
- 2003**
JSP Corporation and Mitsubishi Chemical Foam Plastic Co., Ltd. merged to form a new JSP

Expansion Period (from 2004)



We were listed on the First Section of the Tokyo Stock Exchange and our net sales exceeded ¥100 billion. The adoption of ARPRO/P-BLOCK as automotive parts has expanded significantly and we have enhanced our facilities around the world. We also expanded into Brazil and strengthened our network to supply a wide range of products throughout the world. We also increased our competitiveness by actively promoting the renewal of production facilities in Japan. In response to the global trend of protecting the global environment, we are investing in the establishment of a recycling center and the development of products that can reduce environmental impact.

- 2005**
Listed on the First Section of the Tokyo Stock Exchange.
- 2008**
Operation of Recycling Center at Kanuma started.
- 2012**
Celebrated the 50th anniversary of our founding.
- 2014**
Operation of Kitakyushu Plant started.
- 2015**
Capital and business alliance with Mitsubishi Gas Chemical Company to be a consolidated subsidiary.
- 2019**
Operation of new factory at Kansai Plant started.
- 2022**
Listed on the Prime Market of the Tokyo Stock Exchange.

At a Glance JSP's Strength

We aim to be "A Global Company for Global Society".

JSP's Strength

1. Wide Range of Markets

JSP offers a wide range of production for application such as food packaging, precision equipment packaging, housing, construction, civil engineering, automobiles and logistics. By developing technologies that meet the needs of customers in each field and having a wide range of markets, we are enhancing the possibilities of foam products.



2. Development capabilities specialized in foaming technology

As a specialized manufacturer of foam products, we aim to be a company that can contribute to the affluent daily lives of people around the world through cutting-edge foam technology. Many of our products were developed by JSP for the first time in the world. Our mainstay products (foamed polypropylene) have a global market exceeding 50%. By further advancing our foaming technology, JSP will continue to provide resource-saving and highly functional products, creating not only economic value but also social value.



ARPRO/P-BLOCK non-crosslinked polypropylene foam

3. Global Operational Presence

JSP has been operating globally since the 1980s, starting in the U.S. Today, JSP has manufacturing facilities in Japan, the United States, Mexico, Brazil, France, Czech Republic, Singapore, Thailand, China, Korea, and Taiwan. We have also established an Innovation Centre in Germany, as well as development bases in Japan, the U.S. and Asia. By understanding the needs of local customers and collaborating and sharing information among these sites we are working to speed up development and anticipate market needs.



JSP International s.r.o. (Czech Republic)

4. The Added Value of Technical Support

Foam products sold by JSP become products through the molding process by the customers. JSP provides technical support to molding manufacturers and depending on the product, technical cooperation and proactive proposals such as structural analysis. JSP provides added value to customers through technical support, such as improved productivity and energy savings.



Value Provided by JSP in Each Field



Food packaging field

Foamed polystyrene sheets are widely used in food packaging to preserve the freshness of fish and meat. These products provide both functionality and convenience to meet the needs for food safety and security.

Foamed polyethylene sheets possess excellent shock-absorbing, moisture-proof, and waterproof properties. This makes the sheets ideal for items that require long-term transportation and storage, and the sheets used as packaging materials in logistics.



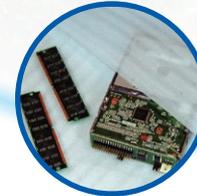
Automotive field

Lightweight and highly shock-absorbing polypropylene foam products are used in automobile parts to provide a variety of functions such as improved collision safety performance, reduced vehicle weight, and improved fuel efficiency.



Building and home field

Foamed polystyrene products are used in various buildings such as detached houses, condominiums, and office buildings, helping to create a comfortable environment.



Industrial field

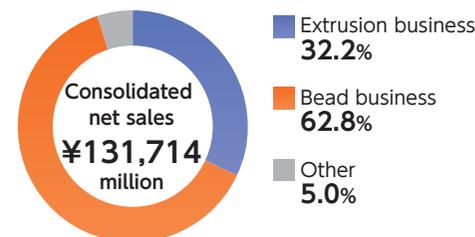


Civil engineering field

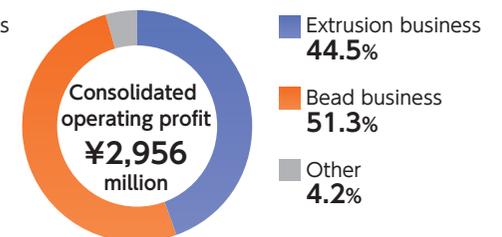
Foamed polystyrene is lightweight and has excellent water resistance and workability. This reduces the burden of work and enables efficient construction. JSP contributes to the construction of safer social infrastructure, such as road construction and stabilization of soft ground.

Net sales and operating profit (FY2022)

Net sales composition ratio by segment



Operating profit composition ratio by segment



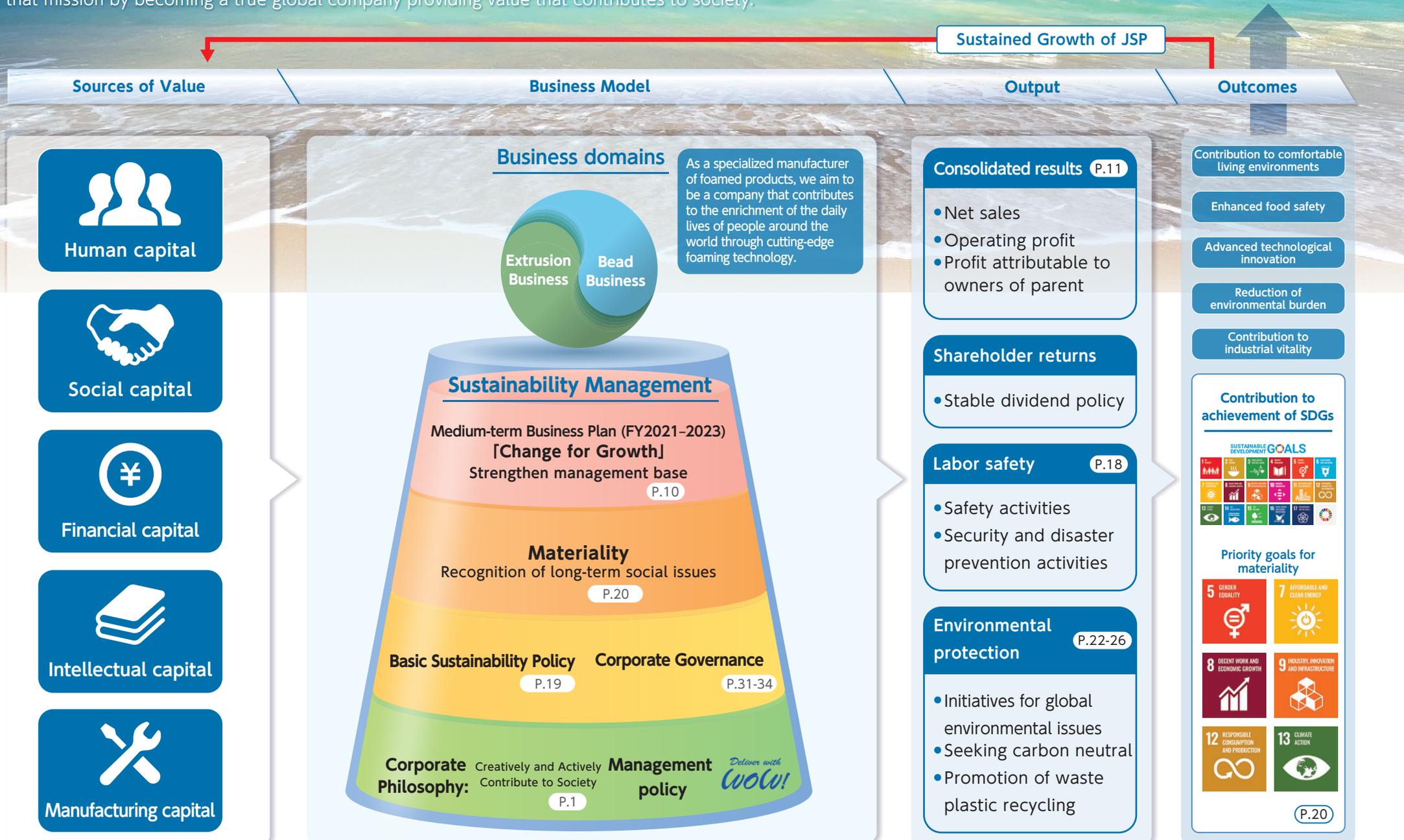
Our Value Creation Process

JSP's mission is to use its business to contribute to society by providing value in the form of preserving resources and energy, and increasing convenience in social activities. Management aims to fulfill that mission by becoming a true global company providing value that contributes to society.

VISION 2027
Aiming to be "A Global Company for Global Society"

Providing excitement and satisfaction to all stakeholders

Creation of corporate value x Creation of social value



Message from the President



We aim to become “A Global Company for Global Society”.

Tomohiko Okubo
President & Representative Director

Toward realization of our long-term vision

Our corporate philosophy is “Creatively and Actively Contribute to Society,” and our mission is to create value that is beneficial to society. At JSP, diverse human resources are working to identify value that we can provide to our customers and society through our original ideas and technologies. Our management fulfills a role in finding that balance and guiding our company toward our goals.

As stated in “VISION 2027”, our vision is to be “A Global Company for Global Society”. While spreading the value we create around the world, JSP is shifting to a company that delivers social value that solves the problems of customers and society in order to become a company that is needed by society. In addition, as expressed by our management policy “Deliver with WOW!”, we aim to be a company where all employees work with a sense of excitement, and which delivers excitement and satisfaction to our stakeholders.

We will share our vision and thoughts with all employees, pay attention to the needs of the world, and take steps to solve

problems. Foamed plastic is the core of our value creation, and is the “seed” that drives the economy and enriches society. JSP is steadily taking steps to expand the possibilities of foamed plastic, and to instill and develop the technology in various fields. Our progress forward will continue even in the current challenging business environment.

Long-term Vision, “VISION 2027”

“A Global Company for Global Society”

Key Elements

- Strengthen and expand existing business
- Expand the business domain
- Strengthen the management base

Business domains to be promoted

● Four Growth Engines ●

Automotive parts

Thermal insulation materials for buildings and houses

FPD cushioning materials

New business domains

Management policy

Deliver with WOW!

Quantitative Vision

VISION 2027	
Net Sales	¥180.0 billion
Operating profit	¥18.0 billion
Operating profit ratio	10%

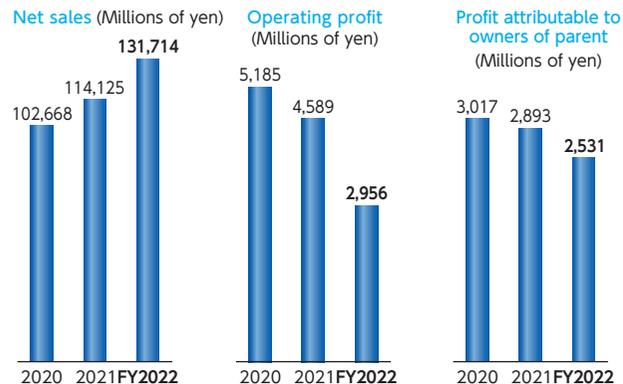
Message from the President

Fiscal 2022 results and outlook

The global economic recovery slowed due to shortages of semiconductor as a result of the resurgence of the COVID-19 pandemic, soaring resource and energy prices as a result of the prolonged situation in Ukraine, and sharp fluctuations in exchange rates. In the Japanese economy, the process of normalization of the previously restricted economic and social activities has begun. Although consumer spending, capital expenditures and other parts of the economy are recovering, the outlook for the economy is uncertain due to soaring resource and energy prices, inflation, and the impact of restrictions on the supply side. The foamed plastics industry in Japan faced serious challenges as the recovery in demand came to a standstill.

For the JSP Group, net sales were higher than one year earlier mainly because of revisions of prices of JSP products. Operating profit decreased from one year earlier due to delays in product price revisions to reflect the continuing increase in the cost of raw materials, and to other reasons such as rising utilities costs and personnel expenses. Net sales in the current fiscal year were ¥131,714 million, up 15.4% from the previous fiscal year. Operating profit decreased 35.6% to ¥2,956 million, ordinary profit decreased 30.9% to ¥3,363 million and profit attributable to owners of parent decreased 12.5% to ¥2,531 million.

Recovery is expected to continue as the impact of the pandemic ends, although there are risks associated with the Ukraine crisis. However, there is still strong upward pressure on prices, and the labor markets are expected to remain tight in many countries and regions, including Japan. Under these circumstances, the JSP Group aims to increase earnings by cutting energy/logistics costs and revising prices of products. At the same time, we are working to address challenges in sustainability management.



Extrusion Business

In fiscal 2022, sales volume in this segment was about the same as one year earlier but monetary sales were higher because of product price revisions. Earnings decreased due to the lag between the rising prices of raw materials and product price revisions to reflect these higher prices and to the higher cost of utilities.

Sales of materials for household products, mainly STYRENPAPER, a foamed polystyrene sheet used in food packaging, increased. This was mainly the result of higher sales volume in the food tray category and for MIRABOARD, a material used for advertising displays. Due to a decline in the production of flat panel displays, sales were lower than the previous fiscal year for industrial products, including MIRAMAT, a foamed polyethylene sheet used for industrial packaging materials and flat panel displays. Sales volume of MIRAFOAM, an extruded board made of foamed polystyrene, and other construction and civil engineering materials were at the same level as the previous fiscal year. However, sales increased due to product price revisions.

As a result, extrusion business sales increased 8.6% to ¥42,443 million and operating profit decreased 36.5% to ¥1,767 million. In fiscal 2023, we expect sales to increase due to increased sales volume. However, we expect earnings to be at the same level due to an increase in fixed expenses.



increased due to strong demand for materials used in the automotive sector.

In Europe, there was strong demand for materials used in fields such as HVAC (Heating Ventilation and Air Conditioning), despite the lower volume in the automotive sector caused by the shortage of parts. In China, sales volume decreased because of the impact of the rapid upturn of the pandemic's severity on economic activity, although the sales volume in the automotive sector was firm. In Taiwan, the sales volume decreased because of lower demand involving flat panel displays. The sales volume of expandable polystyrene bead products, chiefly STYRODIA, decreased because of lower demand for these products mainly in the fisheries sector. Monetary sales increased mainly due to product price revisions.

As a result, sales in bead business increased 20.8% to ¥82,761 million and operating profit decreased 22.2% to ¥2,038 million. In fiscal 2023, we expect an increase in sales due to the recovery of sales volume of ARPRO/P-BLOCK and the revision of product prices to offset higher prices of raw material. Earnings are also expected to increase due to higher sales volume and improved profitability.



Bead Business

Sales in this segment increased due to increased sales volume of high-performance products and product price revisions. Profit decreased due to the same reasons as the extrusion business.

The sales volume and monetary sales of high-performance products, mainly ARPRO/P-BLOCK, an expanded polypropylene product manufactured and sold worldwide, increased slowly due to the negative effects of the pandemic and Ukraine crisis. With regard to sales volume by region, those in Japan were at the same level as in the previous year, due to a delayed recovery in the automotive sector. In North America, in addition to recovery from the previous year, the sales volume increased due to the strong demand for materials used in returnable containers. In South America, the sales volume

Other

Sales increased in Japan as sales volume in the automotive parts transportation and other market sectors recovered. In China, the impact of demand for packaging materials for many types of components resulted in lower sales. As a result, sales in the other segment decreased 0.4% to ¥6,508 million and operating profit decreased 21.5% to ¥166 million. In fiscal 2023, we expect that sales both in Japan and in China will be about the same as in the previous fiscal year.



Message from the President

Concentrating management resources on four growth engines

In order to achieve our long-term vision, JSP launched the medium-term business plan “Change for Growth”, covering the three years from fiscal 2021 to fiscal 2023. Fiscal 2023 is the last year of the plan. Under the basic concepts of “expanding provided value from economic value to social value to solve customers’ and social issues” and “strengthening our management base,” “Change for Growth” seeks to achieve sustainable growth through a balance of aggressive and defensive policies, including increasing the efficiency of management through selection and concentration.

Quantitative targets to be achieved by fiscal 2023 include net sales of ¥120,000 million, operating profit of ¥7,700 million, and an operating margin of 6.4%. At the same time, management resources will focus on four growth engines: (1) Automotive parts, (2) Thermal insulation materials for buildings and houses, (3) FPD cushioning materials, and (4) New business domains.

Fiscal 2022 results

1. The sales volume of automotive parts grew 6.1% compared with that of fiscal 2019. Although automotive production fell due to shortages in semiconductors and other parts, JSP steadily increased the new application of our automotive parts and sales volume increased. While the business environment is expected to remain uncertain, we aim to expand business by providing next-generation products compatible with electrification, weight reduction, energy conservation, and recycling requirements.

- Regarding thermal insulation materials for buildings and houses, the total sales volumes declined 6.5% compared with that of fiscal 2019. Similar to automotive parts, the segment was impacted by shortages in semiconductors, which caused delays in equipment procurement and construction work. However, demand for energy-saving homes remains strong, and we continue to see higher sales volume of pre-cut thermal insulation materials, where is our strong point. We expect business to grow, as demand for high-performance thermal insulation rises ahead of mandatory compliance with energy efficiency standards for all buildings and homes in fiscal 2025.
- Sales volume of FPD cushioning materials increased 16% compared with that of fiscal 2019. Targets were achieved in the first year of the plan due to factors such as greater demand for personal computers, displays, and other products. Further growth is expected on higher demand for organic electro-luminescence panels and personal computers, as well as overseas business expansion.
- In new business domains, in comparison to target sales of ¥3 billion in fiscal 2023, actual net sales in fiscal 2022 were ¥0.6 billion. We are currently pursuing new businesses and M&A projects, while commercializing elements of our existing businesses that show potential. For M&A, in January 2022, we made a 35% investment in the Italian company GHEPI SRL, which possesses injection molding processing technologies. In combining JSP foaming technologies with new injection technologies, we aim to promote the development of high-value-added products, thereby expanding our business.

Progress of medium-term business plan and four growth engines

Quantitative targets	(Millions of yen)	Progress of Medium-term Business Plan and four growth engines	 Automotive parts*1	 Thermal insulation materials for buildings and houses*2	 FPD cushioning materials	 New business domains
Net Sales	120,000	2023 (Plan)	+23%	+12%	+20%	Net Sales ¥3.0 billion
Operating profit	7,700	2022 (Results)	+6.1%	△6.5%	+16%	Net Sales ¥0.6 billion
Operating margin (%)	6.4%	2023 (Forecast)	+11%	+1%	+20%	Net Sales ¥0.6 billion
2023(Forecast)	(Millions of yen)					
Net Sales	135,000					
Operating profit	5,600					
Operating margin (%)	4.1%					

*1 Sales volume for EPP business *2 Sales volume for construction and civil engineering business
 Figures in the columns of automotive parts, thermal insulation materials for buildings and houses, and FPD cushioning materials are changes in volumes compared with that of fiscal 2019.

Two strategic products for expanding applications and expanding areas

Our core products are foamed plastics made using general-purpose plastics. These products have excellent functionality and high quality that satisfies various customer needs, and have great potential. The key to our strategy is how to spread JSP products, including overseas expansion, so that more customers will use our products. At present, the strategic products that JSP seeks to grow are the foamed polypropylene ARPRO/P-BLOCK and the functional highly-expanded polyethylene sheet MIRAMAT ACE.

ARPRO/P-BLOCK for automobile parts is a product that meets the needs of automobile manufacturers for weight reduction and recycling. ARPRO/P-BLOCK is widely used in countries around the world in various parts such as automobile rear seat core materials and automobile bumper core materials. Furthermore, since ARPRO/P-BLOCK is a material that has excellent functionality, it also meets the standards and needs of each region, such as sports equipment, furniture, and heat-insulating containers for foodstuffs. For ARPRO/P-BLOCK, we will accelerate business growth by expanding the use of ARPRO/P-BLOCK globally and expanding the area while proposing applications in each region.



ARPRO/P-BLOCK (automotive parts)



ARPRO/P-BLOCK (flat sheet)

Our strategic product MIRAMAT ACE is ideal for cushioning materials in the electronics industry due to capability for long-term suppression of the adhesion of dust and dirt caused by static electricity. Applications related to FPD cushioning materials are extremely wide, ranging from computers, smartphones, and televisions to automobiles and medical devices. Further expansion is expected in the future due to proposals for new applications. Also, as the performance superiority of MIRAMAT ACE is expected to be maintained at a high level, it is expected that the replacement of existing cushioning materials will accelerate even further.



MIRAMAT ACE
Expanded polyethylene sheet with permanent anti-static properties

Message from the President

Initiatives for sustainability management

Based on our corporate philosophy, the JSP Group's approach to sustainability management is to continuously enhance our corporate value with a strong awareness of our corporate responsibility in the elements of environment, society, and corporate governance. In our business activities, we are strengthening the promotion of sustainability management through the development of products and manufacturing technology that contribute to reducing the environmental burden throughout the product life cycle. In order to promote the basic concept of "expanding the value provided by JSP in terms of both economic and social value" as stated in our current medium-term business plan, we are going to utilize the advanced foam technology and know-how that we have cultivated. We firmly believe that foamed plastics, which have various advantages such as energy saving, resource saving, cost saving, and recycling, will support people's affluent lives and contribute to the realization of a sustainable society.

Foamed plastics can dramatically reduce the amount of plastic used for the same volume. Furthermore, using our technology to achieve the same or greater strength makes it possible to effectively utilize resources, which also leads to conservation of the global environment. The essence of sustainability management at JSP is to contribute to the realization of a sustainable society through ideas and technological innovation centered on foamed plastics.

In April 2021, we established the Sustainability Promotion Department from the perspective of instilling the concepts and importance of sustainability at JSP. In addition to reorganizing the Company's diverse businesses from the perspective of sustainability, the Department presents CO₂ reduction targets, reports on related progress, and operates a navigation function that fosters and unifies internal awareness by presenting a road map for future sustainability.

Strengthening the management base for new growth

The other basic strategy of the medium-term business plan is to strengthen our management base. To realize this strategy, we are working on the three initiatives of constructing a business base, strengthening our human resources base, and strengthening our financial base. We will reassess our strengths and invest not only people, goods, and money, but also all kinds of resources, such as the technology and know-how that we have cultivated over many years, to expand into new markets and create business models. In this way, we will build a foundation for growth over the medium to long term.

In order to strengthen our business foundation, JSP will strengthen our logistics system, strengthen collaboration between Group companies, and optimize our production system. We will also focus on improving operational efficiency, improving productivity, and rebuilding core



systems through digital technology (DX), and on pursuing the sustainability of raw materials and reducing greenhouse gas emissions in the supply chain.

To strengthen our human resources base, JSP is working on initiatives such as promoting diversity and flexible working styles, optimizing sales systems and personnel, and strengthening focus markets. In particular, maximizing the value of human resources is essential to improving corporate value, and we are strongly aware of the link between human resource strategies and management strategies. JSP plans to revise our personnel system to incorporate a meritocracy perspective so that mid-career and leader-class employees can further demonstrate their abilities. We plan to introduce the revised system in fiscal 2024.

To strengthen our financial base, JSP is investing to strengthen our growth foundation, working to achieve financial stability, and allocating cash to optimize shareholder returns. Regarding investment, we have been taking a wait-and-see approach due to the recent surge in energy and raw material prices. However, we feel the need to organize our thoughts on capital policy and fund management. The time has come for us to consider new investments in order to expand the applications and regions of our products, which are the core of the company's business growth. We believe that financial strategy, including improving capital efficiency, will be a major theme of our next medium-term business plan.

Qualitative improvement of corporate governance

In October 2020, an incident occurred at the JSP Group which caused us to review our corporate governance. Specifically, there was an incident of capital outflow based on false instructions by a malicious third party at a Group company in Europe. The failure to prevent this incident was due to the lack of governance and the fundamental cause was insufficient attention to the far reaches of our global network.

Human beings tend to change their interpretations to suit their own convenience. It can be said that the pursuit of work efficiency

has led to omission of an important verification process and we have made sacrifices as a result. In order to reduce troubles and accidents, it is important to constantly review rules which have become customary, and to compare each rule with actual conditions. From this point of view, as a specific measure to prevent recurrence, we have made major revisions to our internal rules and regulations. We have established an independent department dedicated to overseeing overseas organizations and clarified the role of the department. This enables us to pay attention to the farthest reaches of our global network. In addition, we are working to ensure open communication at our organization by constructing systems which enable consultation on any issues.

On the other hand, in the last two to three years, we have developed the structure of meeting bodies such as the Board of Directors and the Executive Officers Meeting. At last year's General Meeting of Shareholders, we increased the number of outside directors by one. This year, we welcomed a female director. In addition, in April 2022, we established a Special Committee on Governance composed of outside directors. By ensuring fairness, transparency, and objectivity, we are working to improve the quality of corporate governance including appropriately protecting the interests of minority shareholders.

Message to our shareholders and investors

Fiscal 2023 is the third and final year of our medium-term business plan. We expect that we will not be able to reach our numerical targets due to the difficulty to fully respond to major changes in the external environment. However, as the result of cost pass-through while obtaining consent from our customers, we feel that we have recovered up to roughly 70%. In addition, we were able to make steady progress in planting and building foundations for future growth, including business expansion, market development, and the establishment of a management base.

New medium-term business plan will start in the next fiscal year. We are holding repeated discussions to create the plan with greater focus on profitability by strengthening our global management structure and pursuing capital efficiency and profit efficiency, toward the realization of our long-term vision.

The business environment is expected to continue to be uncertain and subject to rapid change. Amidst such circumstances, we will promote the penetration of our corporate philosophy throughout the company. We will also transform changes into opportunities by further enhancing our strengths in human resources and technological capabilities. We aim to improve our corporate value over the medium to long term through businesses that contribute to the realization of a sustainable society, centered on sustainability management.

We look forward to the continued support from all of our stakeholders.

Medium-term Business Plan "Change for Growth" (FY2021-2023)

Medium-term Business Plan "Change for Growth" (FY2021-2023)

Basic Strategies

1. Expand provided value from economic value to social value to solve customers' and social issues
2. Strengthen the management base

Transformation Strategy

1. Shift to a highly cyclical business model
2. Make the organization more dynamic and efficient

Four Growth Engines

In our growth strategy, we will promote management efficiency through selection and concentration; for example, concentrating management resources on our four growth engines, which include the expansion of business domains. At the same time, we will aim for stable and sustainable growth through a balance between aggressive and defensive policies.

	 Automotive parts*1	 Thermal insulation materials for buildings and houses*2	 FPD cushioning materials	 New business domains
FY2023 Target	+23%	+12%	+20%	Net sales ¥3.0 billion
	Need for vehicle weight reduction Next-generation products that satisfy energy-saving and recycling demands	Growing demand for energy-efficient housing Expanding demand for high-performance insulation materials	Growing demand for LCD/organic EL panels and personal computers Increasing overseas business development	Promotion of M&A activities Promotion of commercialization for existing businesses that show potential
FY2022 Result	+6.1%	△6.5%	+16%	Net sales ¥0.6 billion

*1 Sales volume for EPP business *2 Sales volume for construction and civil engineering business
 Figures in the columns of automotive parts, thermal insulation materials for buildings and houses, and FPD cushioning materials are changes in volumes compared with that of fiscal 2019.

Quantitative targets	Net sales (Millions of yen)	Operating profit (Millions of yen)	Operating profit ratio (%)
	120,000	7,700	6.4%
FY2022 Result	131,714	2,956	2.2%

Qualitative targets

- Improve customer satisfaction by consciously increasing efforts to "Deliver with WOW!"
- Connect SDGs initiatives not only to profit improvement but also to social contribution and job satisfaction
- Establish a strategic and efficient corporate organization
- Use risk assessments and other measures to prevent lost worktime injuries

Investment plan

Plan for FY2021 to FY2023

- Capital investment plan: ¥23.5 billion (3 years)
- Depreciation: Approx. ¥20.0 billion (3 years)

Major investment plans

- Warehouse construction at Kanuma MF Plant as a logistic cost saving plan
- Production capacity expansion for ARPRO/P-BLOCK (Korea, Taiwan, India)
- Production process improvement in North America

Forecast for final fiscal year at the end of July, 2023

Quantitative target FY2023 forecast (millions of yen)

Net sales	Operating profit	Operating profit ratio
135,000	5,600	4.1%

Progress of four growth engines

	 Automotive parts	 Thermal insulation materials for buildings and houses	 FPD cushioning materials	 New business domains
FY2023 forecast	+11%	+1%	+20%	Net sales ¥0.6 billion

Forecast for extrusion/bead business

Extrusion Business

Net sales are expected to increase due to an increase in sales volume. Profits are expected to remain at the same level as the previous fiscal year, due in part to an increase in fixed costs.

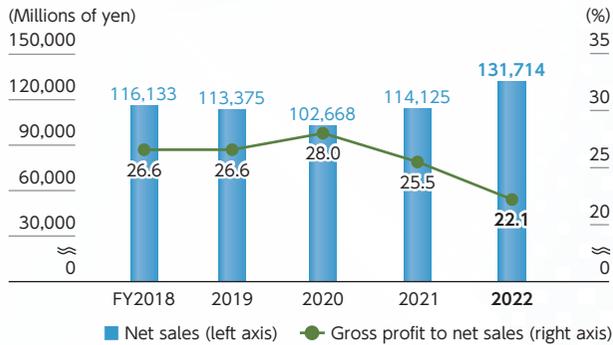
Bead Business

Sales and profit are expected to increase due to a recovery in sales volume and revisions of product prices.

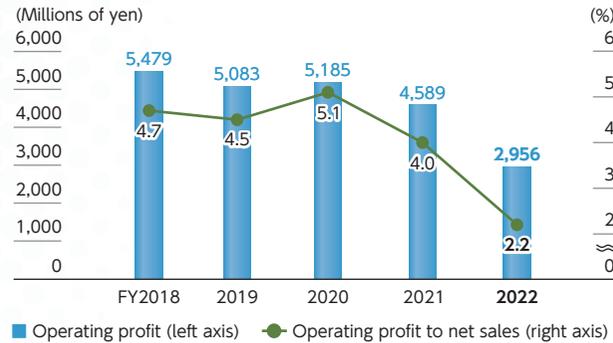
Financial and Non-financial Highlights

Financial Highlights

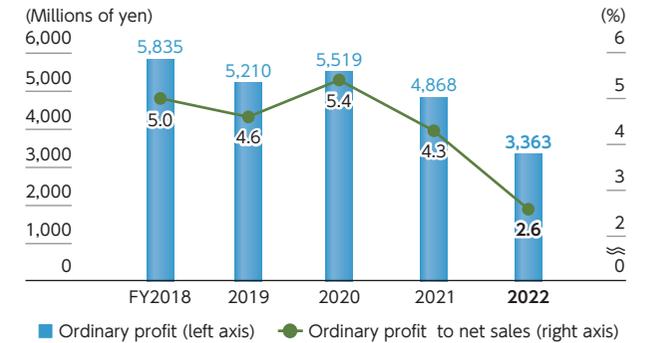
Net sales/Gross profit to net sales



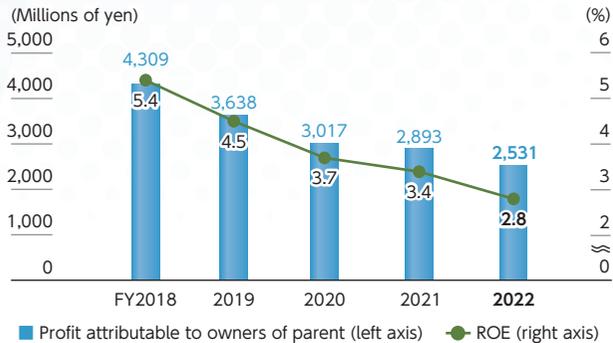
Operating profit/Operating profit to net sales



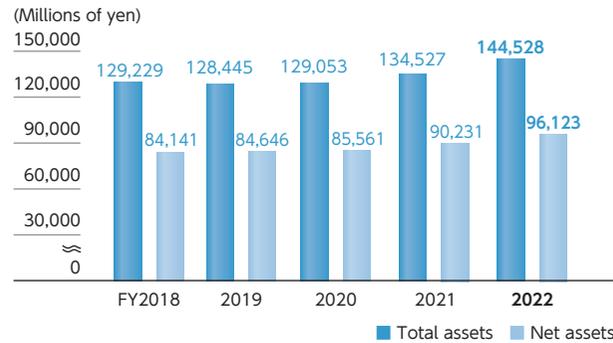
Ordinary profit/Ordinary profit to net sales



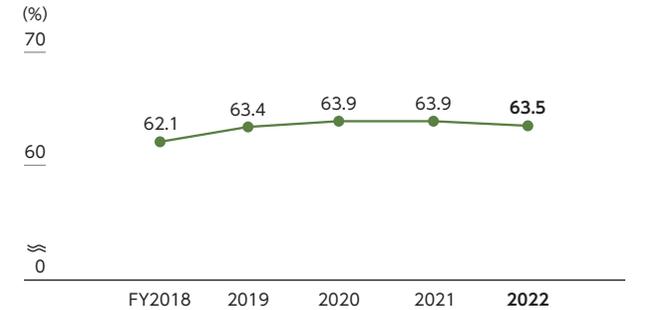
Profit attributable to owners of parent/ROE



Total assets/Net assets



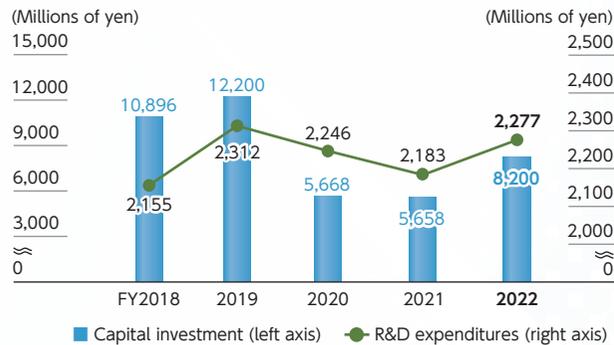
Shareholders' equity ratio



Financial and Non-financial Highlights

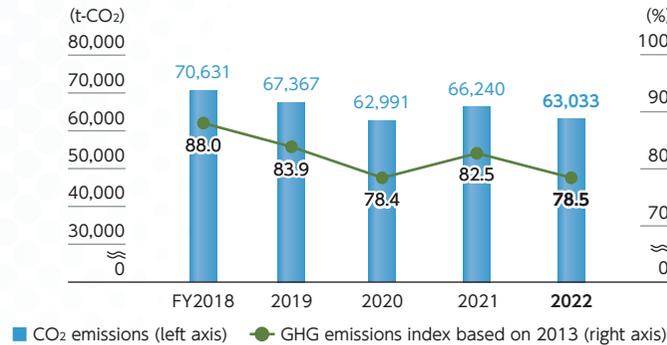
Financial Highlights

Capital investment/R&D expenditures

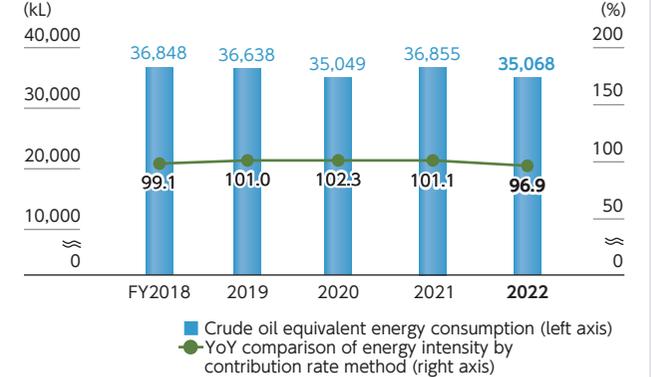


Non-financial Highlights (Non-Consolidated Figures)

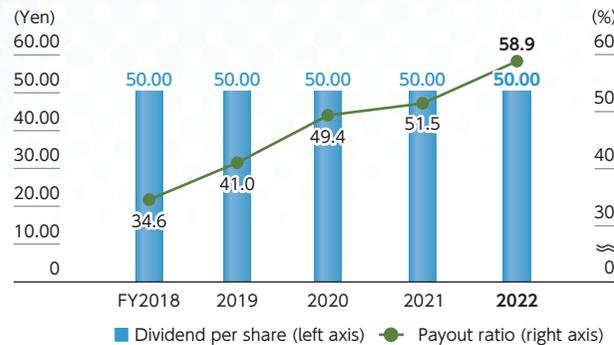
CO₂ emissions/GHG emissions index based on 2013



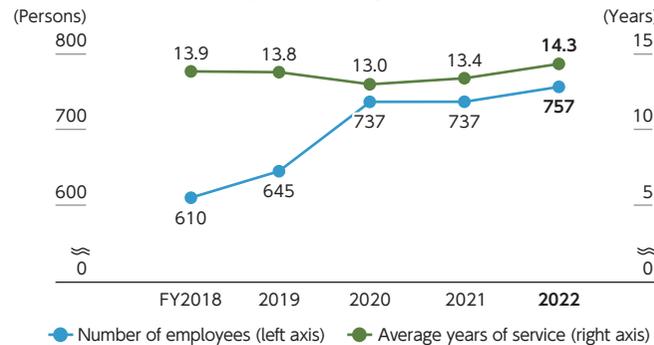
Crude oil equivalent energy consumption/ YoY comparison of energy intensity by contribution rate method



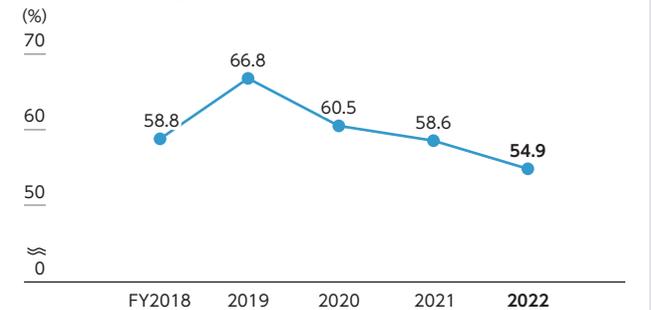
Dividend per share/Payout ratio



Number of employees/Average years of service



Paid leave acquisition rate

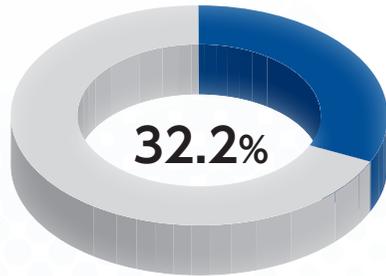


Extrusion Business



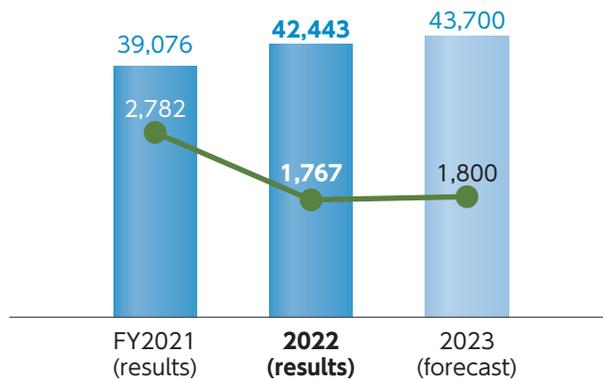
Koichi Wakabayashi
Director,
Executive Vice President
In charge of
Extrusion Business Division

Net sales ratio



Net sales and Operating profit

■ Net sales ● Operating profit (Millions of yen)



Business Environment

Opportunities

- Increase earnings by revising sales prices
- Focus on development of sustainability strategy products
- Growing needs for resource-saving and high-performance product development

Risks

- Increase in raw materials costs, distribution costs, and power costs
- Revision of sales price
- Decline in consumer sentiment due to rising prices

Strengths

- Know-how and technological capabilities to maximize the lightweight, heat-insulating, and shock-absorbing properties of foamed plastics
- Development capabilities for high value-added products differentiated as a leading company in foamed plastics
- Close relationship of trust with customers and ability to respond to advanced needs



Review and Future Outlook

The extrusion business in fiscal 2022 was also affected by factors such as soaring prices for raw materials, distribution, and power, as well as the shortage of semiconductors. Operating profit decreased due to delayed sales price revisions for raw material prices increase, in addition to soaring utility costs. Moving forward, we expect continued increases in prices for raw materials, distribution, and utilities. Revision of sales prices will continue to be the most important issue in fiscal 2023.

JSP will also focus on developing strategic products that promote sustainability management. We will accelerate the development of resource-saving, high-performance products by utilizing the properties of foamed plastics such as light weight, heat insulation, and cushioning. We will contribute to solving social issues by supplying new products with less environmental impact than ever before.

Living Materials Business

In the Living Materials Business, which mainly comprises STYRENEPAPER (foamed polystyrene sheets used in food packaging), demand for general-purpose trays for fresh food declined slightly as pandemic stay-at-home demand cooled. At the same time, demand for side dish containers used for home meal replacement increased. In fiscal 2023, we anticipate a recovery in demand for food containers due to recovery leisure excursions, events, tourism, etc., in conjunction with normalization of daily life after the pandemic, as well as an increase in demand for containers that support new eating styles such as take-out and delivery.

In the Living Materials Business, we plan to actively develop food containers with reduced environmental impact such as biomass materials and recyclability. We will develop new applications by realizing even higher added value for PSP, which has excellent resource-saving and heat-insulating properties. In addition to heat resistance, we will promote the market development of grades with excellent oil resistance and recyclability.



STYRENEPAPER (food containers)

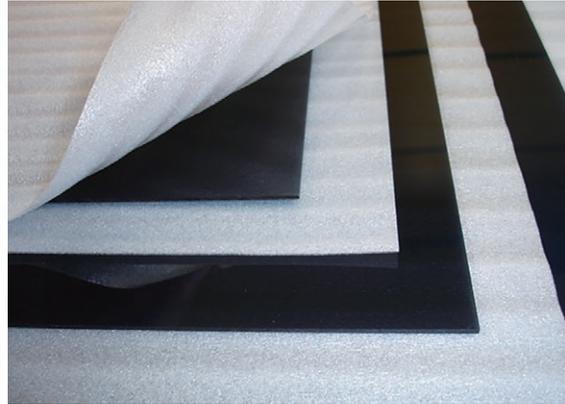
Overview by Segment

Extrusion Business

Industrial Materials Business

In fiscal 2022, the performance of FPD cushioning materials, which is one of JSP's growth engines, decreased for both high-value-added products and general-purpose products. This decrease was caused by the impact of stock adjustments of LCD panels. In fiscal 2023, we expect a gradual recovery toward the second half of the fiscal year. Growth in China, a large market, will be important in expanding demand for FPD cushioning materials. From 2022, we will dispatch personnel to local group Companies in order to strengthen our sales activities. As a basic strategy for the extrusion business, we will promote the switch from other materials by actively communicating the value of JSP products.

The need for FPD cushioning materials is expected to further increase due to the higher quality and larger sizes of displays such as organic EL and 8K. Further expansion is expected in the future, not only for smartphones and computers, but also for automobiles and medical devices. MIRAMAT ACE has a high advantage in performance, and we predict that the replacement of existing cushioning materials with MIRAMAT ACE will accelerate further in the future.



MIRAMAT ACE (FPD cushioning materials)

Construction and Civil Engineering Materials Business

Fiscal 2022 performance in this area of business decreased by 7%, falling below the fiscal 2023 target of a 12% increase over fiscal 2019 sales volume. This was due to the supply of housing equipment (hot water heaters and other appliances) having been affected by a shortage of semiconductors and other parts which, in turn, caused there to be delays in housing starts. In addition, sales of MIRAFOAM λ (lambda), a strategic high-performance insulation material for housing, were limited due to difficulties in obtaining some auxiliary materials. At the same time, sales volume of pre-cut thermal insulation materials continued to grow. We will expand our business further by leveraging the strengths of this product, which include a shorter, simpler installation process and reduced industrial waste-related costs.

In the area of civil engineering materials, J-WALLBLOCK, an expanded polystyrene (EPS) block with wall surface material, is gaining market recognition for its contribution to reducing time and costs associated with construction. JSP expects sales of the product to continue to grow steadily in fiscal 2023.

The construction industry is expected to continue promoting the construction of net-zero energy and other energy-efficient housing. In addition to new energy-efficient homes, we will work to develop high-performance insulation materials and construction methods that are easy to apply. These should help us capture business associated with the renovation of many existing homes in Japan to energy-efficient specifications.



Pre-cut thermal insulation material MIRAFOAM (lambda)

Insulation materials pre-cut to customer specifications eliminate the need for cutting at the construction site, saving time and simplifying the installation process, leading to lower labor costs. Further, as no industrial waste is generated, disposal costs are also reduced.

TOPIC

J-WALLBLOCK and Foam-Support Construction Method Registered with NETIS

In June 2022, J-WALLBLOCK, which has a solid track record as a simple wall construction method for road retaining walls, and the foam-support construction method, which uses EPS blocks and urethane foam together to reinforce bridges, were registered with the New Technology Information System (NETIS) operated by the Ministry of Land, Infrastructure, Transport and Tourism in Japan. JSP expects that NETIS will provide the information to public works contractors and builders and sales will increase.



Foam-support construction method registered with NETIS.

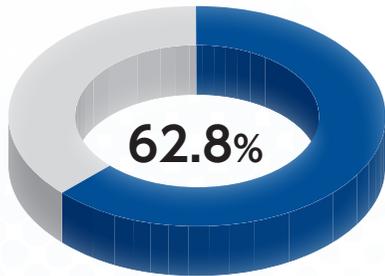
Overview by Segment

Bead Business

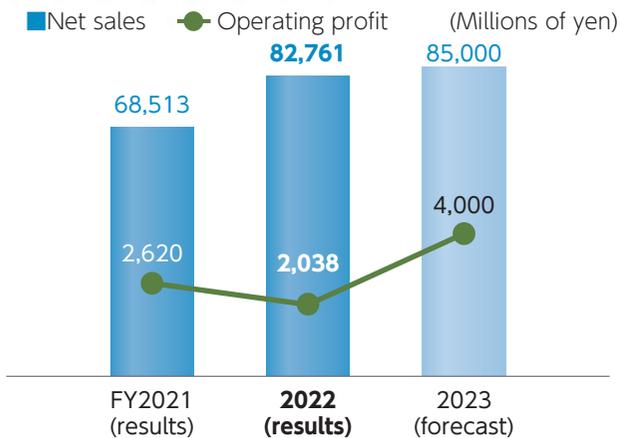


Yasuo Oikawa
Director,
Executive Vice President
In charge of
Bead Business Division

Net sales ratio



Net sales and Operating profit



Business Environment

Opportunities

- Growing demand for resource-saving and high-performance products
- Increase earnings by revising sales prices
- Expand earnings by adding value to products and reducing costs

Risks

- Decrease in automobile production due to shortage of semiconductors
- Decrease in orders due to stagnation of economic activity
- Soaring raw material prices

Strengths

- Achieving the reduction of GHG emissions, which is a customer issue
- Providing customers with added value other than products (for example, technical support)
- Business growth potential that leverages our global network

Review and Future Outlook

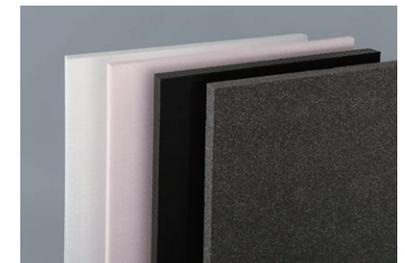
In fiscal 2022, the overall bead business recovered in terms of both sales volume and net sales compared with fiscal 2021 results. However, the results fell short of progress goals in our medium-term business plan. Automotive components—one of our four growth engines—saw sales volume in fiscal 2022 increase just 6% over the fiscal 2019 level, in contrast to the target of 23% growth in fiscal 2023. The reason was mainly due to shortages of semiconductors and other components, accompanied by an economic slowdown. Business in the areas of ARPRO/P-BLOCK expandable polypropylene and STYRODIA expandable polystyrene (EPS) were impacted by price increase in raw material and fuel costs beyond expectation. Moving forward, although the outlook remains somewhat uncertain in the face factors such as conditions in Ukraine, we expect the production volume of automobiles to increase, and expect further recovery from the pandemic in Asia and other regions.

Achieving the Medium-term Business Plan

The key to achieving the medium-term business plan is a technology and product development strategy focused on the next generation. Our business for advanced materials in Japan is going to promote the development of new technologies and products which contribute to cost reduction based on the principles of sustainability and consideration for the environment. In the automotive field, our sales department, with its knowledge of customer needs, and the development department, with its knowledge of technology, have worked together to achieve successful results. In the past, one of our concerns was the time-consuming process of creating prototypes by hand and repeating tests during the design phase. However, we now have a system in place that supports quick design using simulation technologies. This system has well received by our clients. We aim to create similar partnerships with more of our clients, which should go far in helping us achieve our medium-term business plan.



ARPRO/P-BLOCK (automotive parts)



ARPRO/P-BLOCK (planks)



STYRODIA (molded components and beads)

Overview by Segment

Bead Business

Seizing Growth Opportunities

We are focusing on technological innovation and developing new markets from the perspectives of sustainability and environmental protection. Regarding ARPRO/P-BLOCK business overseas, our main target area remains the automotive component sector, but we are expanding into non-automotive areas. These include food delivery containers, as well as noise, vibration, and harsh sound absorbing components that benefit from the absorbing and lightweight properties of foamed plastic. In Japan, materials development at the Yokkaichi Research Center, molding technology development and application development at the Kanuma Research Center work together to develop new high-value-added products. As a result, P-BLOCK LC, which reduces GHG emissions produced during the molding process, was developed and has been performing well on the market, adopted by automobile manufacturers. In addition, we have launched other polyethylene-based materials that incorporate biomass. In the domestic EPS business, which is facing a severe demand environment as the number of fish boxes, a mainstay product for the fisheries industry, has declined due to a marked decrease in yields. This has caused us to make every effort to expand sales of high-value-added products, including those that benefit from special functions, such as lost foam casting.

Spreading “One JSP” policy

Our bead business targets expansion through global ideas and activities, which depends on ascertaining common global issues and specific local issues. Currently, our most important global issue is how to expand our ARPRO/P-BLOCK business to markets around the world. At the same time, we recognize such local issues as the need to support global customers who have different requirements. We have long sought to provide local market support by appointing local regional personnel there to management and sales positions. To date, we have done so successfully at our North American and European businesses. Now, to promote business globally, we are working to inculcate the concept of One JSP throughout the Group. This will allow Group companies worldwide to work as one in promoting business. Besides fostering this concept, we will make the investments necessary to enhance overall Group value. By leveraging One JSP—our global network—we will achieve business growth.

Group Collaboration for Growth

In addition to our existing lineup of expanded polypropylene beads, we are adding P-BLOCK LC, MIRABLOCK BIO, ARPRO REvolution, and other products with distinctive environmental value. We are providing the market with products that are expected to have high marketability in accordance with the characteristics and needs of each region. Collaboration within the Group is critical to the development of these strategic products. It occurs among the Yokkaichi No. 2 and Kanuma No. 2 Plants (which produce beads), JSP Molding Co., Ltd. (which produces molded parts such as car bumpers) located on the same site, and the Development Department, as does targeted value-added manufacturing. At the same time, we are working to devise a next-generation recycling system. Although our foamed plastics are highly recyclable, there is a need to collect customers' used products, crush them to reduce their volume, and transport them to our plants. In Europe and North America, we have already set up recycling schemes for ARPRO, which is widely used, mainly in automobiles. We will reduce the environmental impact of our products on a global scale by sharing the efforts and technologies of each region around the world.

We will continue to expand our business, developing ever more products of social and economic value.



P-BLOCK LC

This is an advanced, sustainable product with new features. A proprietary, low-carbon technology has been applied to beads that can make energy use more efficient during molding and contribute to reduce GHG emissions, which is an issue customers are facing. As seen in the image, each bead has a hole in the center, which is a unique technology born from JSP's long-term technological development efforts.

RC Activities

The JSP Group promotes RC activities as a means of realizing our corporate philosophy.

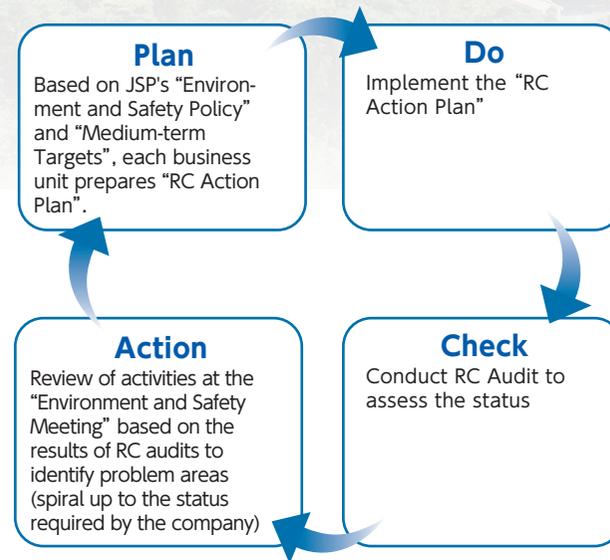
RC Activity Policy

As an internationally competitive company that emphasizes safety and the environmental responsiveness, JSP will carry out business activities that are trusted and satisfied by all stakeholders.



Spiral Up in RC Activities

JSP is striving to implement precise PDCA cycles for the six basic RC activities: occupational health and safety, process safety and disaster prevention, environmental preservation, product stewardship, logistics safety and communication with the public. As the first step, "Medium-term Targets" for RC activities are formulated and each business unit prepares (P: Plan = Plan) and implements (D: Do = Implement or Execute) the "RC Action Plan" to achieve the Medium-term Targets. The next step is to conduct "RC Audit" (C: Check = check and evaluation) to confirm the progress and achievement of these activities. The results of the RC audit are summarized, and the activities are reviewed at the "Environment and Safety Meeting" held by the company management. The results are reflected in the next activity (A: Action = action/improvement) and spiral up for continuous improvement.



Details of RC mid-term targets, RC activity results and plans

→ https://www.co-jsp.co.jp/english/sustainability/rc/rc_act.html

RC Promotion Structure

JSP has the Environment and Safety Meeting, chaired by the president, as the highest decision-making body regarding RC activities. In addition to discussing and deciding on comprehensive policies related to RC activities, this committee establishes activity targets based on the results of RC audits, formulates medium- to long-term plans, and establishes, revises, or abolishes various internal regulations.

The JSP Group in Japan also holds "RC Meeting" to deepen the information exchange on RC activities.

In order to effectively promote RC activities, JSP is promoting the revitalization of RC activities throughout the Company by implementing the "Environment and Safety Promotion Committee" and "Environment and Safety Status Assessment" for JSP Group in Japan.



RC Audit

In order to evaluate whether PDCA cycles are being adequately implemented at each workplace based on uniform criteria, the person in charge of environment and safety and members of the responsible department visit each workplace once a year to conduct RC audits.

In FY2022, on-site audits were conducted at 12 workplaces including research centers. Based on a "checklist" of activities at each workplace, we checked management documents and the status of compliance with laws and regulations, conducted on-site inspections and interviewed at each workplace regarding pending issues and priority challenges.

Responsible Care RC Activities

Safety Policy

- We keep in mind that safe and stable operations are the basis of corporate activities and prevent accidents and disasters.
- We comply with laws and regulations and other standards, and strive for health & safety, security & disaster prevention and product safety.
- We continuously improve health & safety management and security & disaster prevention systems and work together to engage in health & safety activities and security & disaster prevention activities.

Security & Disaster Prevention

Countermeasures against factory fires caused by static electricity

In the case of using flammable gas as a blowing agent in the production process of foamed plastic, we prevent ignition caused by static electricity by properly installing ground wires and lowering the withstand voltage with static eliminators and water mist. In order to avoid repetition of ignition incidents that have occurred in the past, we have established a system to check whether the countermeasures are being continued. We added check items for during safety patrols and periodically confirm that countermeasures are functioning. We are also working to prevent recurrence of ignition incidents by continuing to check both equipment and operations, such as attaching stickers to areas where ignition incidents have occurred in order to make it visible to alert operators.

Logistics Safety

Logistics Accidents

The majority of trucking accidents occurs at customer sites at times such as delivery. 12 trucking accidents occurred in fiscal 2022 in Japan. Backing accidents and collisions with the eaves (upper part of the building) were particularly frequent. In order to reduce such accidents, we promote safety awareness among drivers and ensure that they thoroughly check the six directions (front, back, left, right, up, and down) around their trucks. We also continue activities aimed at increasing safety awareness in logistics by periodically soliciting safety slogans within our company and using them as banners to be installed in our factories to continue our distribution safety enlightenment activities. Our target number of trucking accidents for fiscal 2023 is 6 or less. We will continue to implement various safety measures to achieve this goal.

Initiatives for White Logistics

In response to the serious shortage of truck drivers in Japan, White Logistics is recommended to ensure stable logistics necessary for people's daily lives and industrial activities, as well as to be useful for economic growth. As part of our efforts to promote White Logistics, we have declared our Declaration of Voluntary Action for White Logistics and are actively addressing logistics issues, including measures such as "improvement of truck transportation productivity and logistics efficiency" and "realization of a healthier working environment where women drivers, drivers in their 60s, and others can work more comfortably."



Product Stewardship

Challenge to Reduce PRTR Substance Emissions

JSP Corporation investigates and reports annually to administrative agencies the amounts of substances subject to notification as specified in the PRTR Law* that are released into the environment and the amounts transferred from our business sites to outside entities.

*PRTR Law: Law on understanding the amount of specified chemical substances released into the environment and promoting improvement of management

Substances with high emission volumes reported under the PRTR Law (FY2022 results)

→ https://www.co-jsp.co.jp/english/sustainability/e/e_safety.html

Risk Assessment of Chemical Substances

JSP Corporation has set "1) Steady implementation of chemical substance risk assessment" and "2) Zero leakage and dispersal problems related to raw materials and products" as the RC mid-term targets for fiscal 2021 to fiscal 2023 and is continuing to check chemical substances at each business site (obtaining and managing new SDS (Safety Data Sheets), education, etc.) and management system checks at each business site. The Kyushu Plant has adopted the JISHA (Japan Industrial Safety and Health Association*) method of chemical risk assessment, which allows us to determine risks in greater detail and with greater ease at the worksite level.

*JISHA method: It is a qualitative and simple method, which is similar to the control banding method (improved and developed as a WEB system by the Ministry of Health, Labour and Welfare), but one that can identify the chemical and physical properties of a substance, amount handled, working hours, and working environment, and use a matrix to determine the risk level.

Product Safety Management

Compliance with the RoHS2 Directive

In order to comply with the RoHS2 Directive in Europe, JSP Corporation regularly conducts non-inclusion surveys of hazardous substances at analytical laboratories with JISQ17025* certification to provide safety information.

*JISQ17025: General requirements for capabilities of testing and calibration laboratories

Providing GHS* compliant SDSs (Safety Data Sheets)

JSP Corporation provides safety information by preparing SDS for each product based on the GHS (Global Harmonized System of Classification and Labeling of Chemicals), even for products that are not required by law to have an SDS.

*GHS: Globally Harmonized System of Classification and Labelling of Chemicals



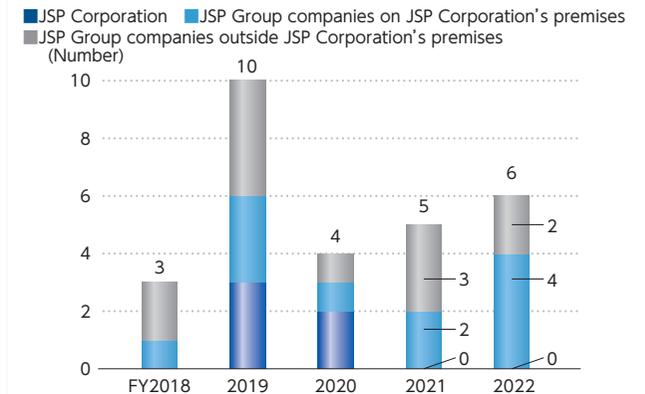
Occupational Health and Safety

Initiatives for "Zero Lost Time Injuries"

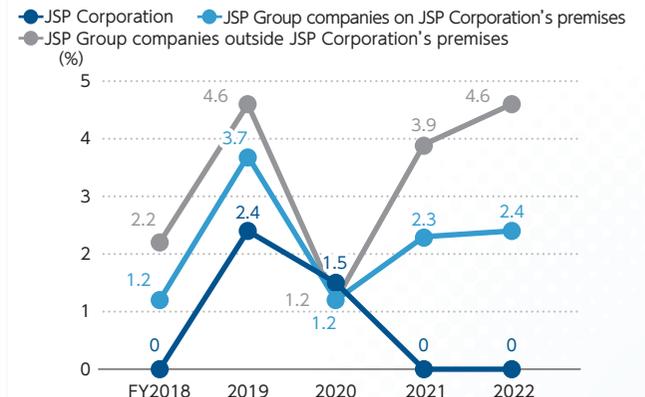
JSP Corporation and the Group companies in Japan are promoting initiatives aimed at "zero lost time injuries". In July 2021, we started the "Safety Baton Meeting" for business sites in Japan. This is an online meeting where, when an operational disaster or fire/ignition incident occurs, we call for not only that business site but also other business sites with similar facilities or operations to come together to discuss countermeasures.

By discussing the accident that occurred with other workplaces, the meeting will help to develop truly effective countermeasures and prevent similar accidents from occurring in the future.

Number of lost time work-related accidents



Change in lost workday frequency rate



Sustainability Management

The JSP Group's sustainability management is to continuously enhance our corporate value with a strong awareness of corporate responsibility in the elements of environment, society, and governance. Foam products are playing an increasingly important role in solving issues such as global warming and food shortages, as well as other problems caused by environmental changes. The JSP Group will continue to promote sustainability management and work to gain the understanding and support of all stakeholders.

Basic Sustainability Policy

- The Basic Sustainability Policy is as follows
The JSP Group, with its corporate philosophy of "Creatively and Actively Contribute to Society", aims to continuously enhance its corporate value with a strong awareness of its corporate responsibility in the elements of environment, society and corporate governance.
- JSP will make the Basic Sustainability Policy known to all employees.
- JSP complies with all relevant laws, regulations, and standards, and implements sustainability promotion management in a systematic, organized, and sustainable manner.

Company-wide Sustainability Promotion Structure

● Board of Directors

The Board of Directors oversees sustainability management. In the PDCA cycle of sustainability promotion activities, the Board of Directors is responsible for approving plans for sustainability promotion activities, receiving reports on performance and overseeing overall activities.

● Executive Officers Meeting

The Executive Officers Meeting controls the overall sustainability management. In the PDCA cycle of sustainability promotion activities, it confirms and reviews the progress of company-wide activities and plays a role in promoting these activities.

● Sustainability Promotion Committee

The Sustainability Promotion Committee serves as an advisory body to the Executive Officers Meeting and is responsible for reviewing specialized issues essential to the promotion of sustainability and important issues related to the promotion of sustainability.

● Entire Company

Entire Company refers specifically to business divisions, corporate divisions, plants, research centers, Group companies, etc., which are responsible for implementing sustainability promotion activities.

● Sustainability Promotion Department

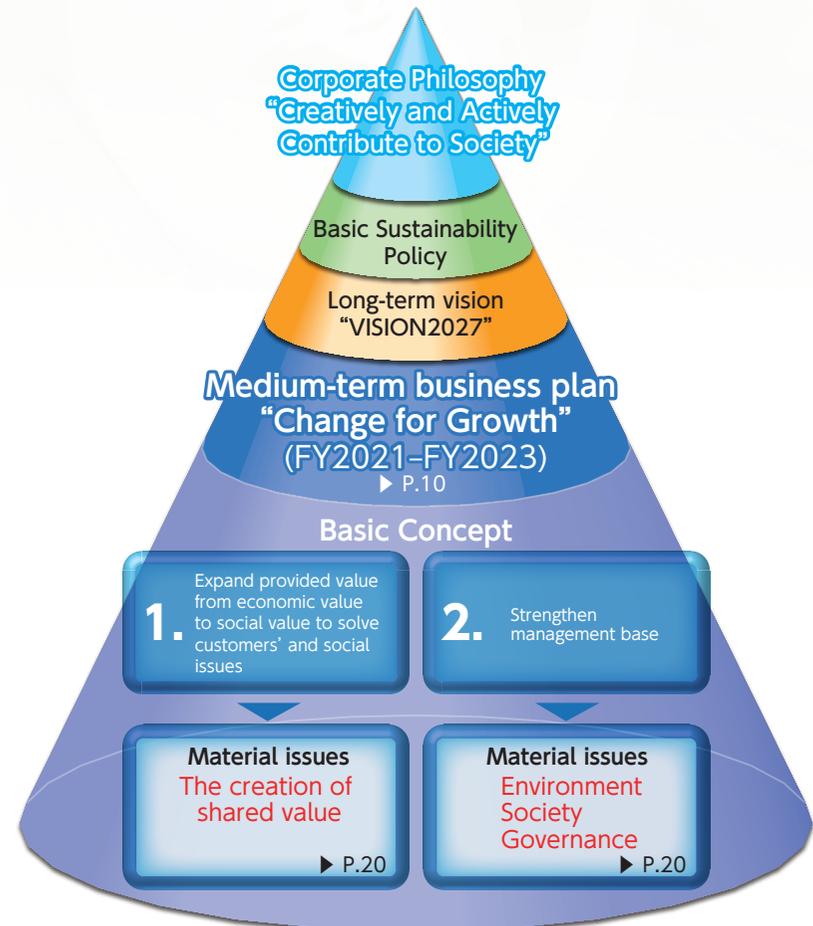
The Sustainability Promotion Department serves as the organizer of the Sustainability Promotion Committee and also strives to comprehensively understand sustainability promotion activities and ensure that they function effectively. In addition, the Sustainability Promotion Department verifies the degree of achievement of sustainability contributions, consolidates stakeholder opinions received throughout the company and reports them to the Executive Officers Meeting.



Materiality Relationship Chart

In medium-term business plan "Change for Growth" (FY2021-FY2023), the JSP Group has been working under the slogan of broadening the value we provide for both economic value and social value to our customers and for addressing social issue, through sustainability management.

Based on corporate philosophy of "Creatively and Actively Contribute to Society", the JSP Group is working to further enhance our corporate value by incorporating environmental, social and corporate governance factors into its various management activities, thereby reducing risks and capturing profit opportunities, and increasing the sustainability of our business model.



Materiality

With our corporate philosophy of “Creatively and Actively Contribute to Society,” the basic sustainability policy of the JSP Group is to have strong awareness of corporate responsibility in the areas of the environment, society, and corporate governance and strive for the sustainable enhancement of corporate value. By identifying material issues (materiality) in sustainability management, the JSP Group incorporates responses to sustainability issues into our management strategy and implements the strategy.

Materiality Selection Process

Phase 1: Identification of Issues and Materiality Assessment

The JSP Group identifies a wide range of social issues, referring to international guidelines such as GRI standards, the 17 goals of the SDGs and trends at other companies and then evaluates the level of importance from two perspectives: the importance from JSP Group’s perspective and the importance from the stakeholders’ perspective.

Phase 2: Deliberations by the Executive Officers Meeting

The Executive Officers Meeting deliberates on issues of high importance and in the process selects materiality candidates, incorporating the basic concepts of the Medium-term Business Plan “Change for Growth” and product perspectives.

Phase 3: Resolution by management

Activities for Materiality

The creation of shared value

Creation of shared value (CSV): Materiality concerning contributions through businesses operations and products

Materiality	Main Activities by JSP	SDGs
(1) Global environmental conservation	JSP’s foaming technologies will expand the value provided from economic value to social value to solve customers’ and social issues.	
(2) Plastic resource recycling		
(3) Climate change mitigation		
(4) Food and healthy living		
(5) Contribution to safety		

Environment/Society/Governance

Materiality concerning the environment (E)

Materiality	Main Activities by JSP	SDGs
(1) Global environmental protection	Global environmental conservation through Responsible Care (RC) activities.	 

Materiality concerning society (S)

Materiality	Main Activities by JSP	SDGs
(1) Human resource development	Promote human resource development by enhancing the capabilities of all employees.	
(2) Corporate job satisfaction	Create a work environment where employees with diverse values respect each other and can play an active role.	
(3) Occupational safety	Ensure the health and safety of employees and local residents by striving to achieve zero accidents and zero injuries in our business activities.	
(4) Structure of information systems	Promote operational efficiency through the use of digital technology.	

Materiality concerning governance (G)

Materiality	Main Activities by JSP	SDGs
(1) Strengthening of corporate governance	Strengthen Group-wide corporate governance through compliance, internal control and risk management initiatives.	

Response to Risks and Opportunities

The JSP Group conducts annual risk assessments to identify, analyze, and evaluate risks, and aims to prevent risks from materializing as well as to reduce them.

Major risk factors that may affect the JSP Group's financial position, business results, cash flows, etc. are described below. These risk factors are based on assumptions made as of June 29, 2023 and do not cover all risks. Considering the results of the risk assessment, these risks are listed here as matters which could have an impact on the decisions of investors.

Risks related to the (external) business environment

Main contents of risks and opportunities	Our main handling measures
(1) Changes in the major market environment Continuing from the previous medium-term business plan, the ongoing medium-term business plan (FY2021-FY2023) "Change for Growth" aims to expand the three business domains of "Automotive parts," "Thermal insulation materials for buildings and houses," and "FPD cushioning materials" as a driving force for sustainable growth. During the previous medium-term business plan period, we invested in capacity expansion in these business areas, and in this medium-term business plan, we will take measures for investment recovery. However, the recovery may not proceed as planned because of the changes in the market environment due to various factors such as demand, economic conditions, technological trends, and revisions to laws and regulations.	In order to respond to changes in the market environment, the JSP Group will continue to expand into new business domains in addition to the existing businesses. Moreover, in response to the growing awareness of environmental issues we will promote our transformation strategy with a focus on sustainability management and strive to provide products and services that are compatible with a recycling-based economy.
(2) Risks related to global business development Since the JSP Group operates widely in North America, South America, Europe and Asia, its business activities in each region may be affected by political or economic factors, investment permits due to environmental regulations, transfer pricing taxation issues, changes in social conditions, trends in various regulations, labor disputes, difficulties in securing human resources, and exchange rate fluctuations, etc., which could have an impact on the business results and financial position of the JSP Group.	The JSP Group aims to reduce risks by having the Global Business Division manage the PDCA cycle of each site as a head office function. In addition, we will further enhance our internal control functions to strengthen the Group governance.
(3) Intensifying price competition Some of our product lines have long life cycles and many of these products are subject to severe price competition. Particularly in the Asian region, severe price competition is expected to continue due to various factors such as entry of local companies into the market.	The JSP Group aims to secure an appropriate profit margin by focusing on cost reduction and maintaining and expanding its competitive advantage through a shift to high value-added products.
(4) Fluctuations in raw material and fuel prices The raw materials and fuels we use are greatly affected by fluctuations in the prices of crude oil and naphtha, which can lead to significant price changes. In our case, when raw material and fuel costs rise sharply, this tend to cause business performance to decline due to problems such as delay in adjusting product prices accordingly.	In order to build a management base that is not affected by fluctuations in raw material and fuel prices, the JSP Group will consider formula pricing with customers for applying these fluctuations to product pricing in a timely manner and also continue to make efforts to reduce costs.

Risks related to business operations

Main contents of risks and opportunities	Our main handling measures
(1) Securing of human resources Securing human resources in a timely manner is becoming more difficult every year due to the shortage of the working population caused by the declining birthrate, the aging population as well as the shortage of human resources in specific fields with high expertise amid the digital revolution. In addition, the shortage of human resources is becoming a major factor in increasing costs in terms of production and logistics which may affect the business performance of the JSP Group.	The JSP Group considers human resource development as one of the key management issues in the basic policy "Strengthen the management base" of the long-term vision "VISION 2027" and will strive to strengthen its organization further as a global corporation by enhancing the human resource training system. In addition, we will eliminate labor shortages by implementing measures such as shortening production processes and automating manufacturing lines.
(2) Risks related to the spread of infectious diseases (pandemics) In the event of the spread of infectious diseases and epidemics, if employees of the JSP Group get infected and the infection spreads within the Company through contact between employees, etc., production and shipments at factories may be disrupted and operations may be suspended for a certain period of time. In addition, even if our factories are able to operate, there is a risk of having to suspend operations if problems arise in the supply chain such as when the supply of raw materials is suspended.	In order to ensure the health and safety of its employees, the JSP Group will both continue to implement COVID-19 infection prevention measures and implement further improvements of its management structure.
(3) Intellectual property rights The JSP Group owns a large number of intellectual property rights, including international patent rights, and it is important to protect these rights in order to secure future profits. In the event of infringement by other companies or disputes with other companies, this could have an impact on our business.	In order to avoid this risk, the JSP Group is working to strengthen its system globally for intellectual property management, with the controlling division, the Intellectual Property Division leading these efforts.
(4) Quality assurance As a manufacturer, the JSP Group is exposed to the risk of unexpected quality defects and product liability lawsuits. Many of our products are used as components of end products such as food containers, automotive parts, and thermal insulation materials for buildings and houses, and quality defects could lead to serious damages for customers.	The JSP Group strengthens its quality assurance system by actively promoting the acquisition of quality management system certification at each plant.
(5) Impairment of fixed assets Impairment losses on fixed assets held by the JSP Group may be incurred due to a decline in profitability caused by a significant deterioration in the business environment or a fall in market prices, which may affect the business results and financial position of the JSP Group.	The JSP Group conducts regular monitoring of important investments by requesting reports at major meetings attended by senior management to confirm that there are no major deviations from the original plan.
(6) Information security and information management As information technology continues to evolve at a high level, we cannot completely eliminate the possibility of serious failures of information system infrastructure or communication lines at unexpected levels or the destruction or theft of confidential information related to management.	In order to strengthen the safety and information security of the information systems, the JSP Group has established related regulations and aims to ensure the confidentiality, integrity, and availability of the information and information systems in its possession and manages risks such as information leaks by continuously providing guidelines for improving the level of risk management. In addition, we conduct regular drills to respond to attacks on our information systems from outside and to prepare for emergencies.
(7) Compliance and internal control As the JSP Group expands its business globally, the changes in laws and regulations in various regions of the world may make it difficult to comply with such laws and regulations. Accordingly, there is a possibility that legal violations may occur in the future, and this compliance could cause new expenses and restrictions on our business activities.	The JSP Group recognizes the importance of compliance and other appropriate internal controls and has established and is operating such systems. Specifically, we are working to strengthen our compliance system by establishing and thoroughly disseminating code of conduct that is common to our Group companies and by establishing a whistleblowing system that can be used by all our Group employees.

Environmental Activities



As a foam products manufacturer, the JSP Group has been supplying the world with products that are in line with the current trends of energy saving, resource saving, and environmental conservation. With the corporate philosophy of “Creatively and Actively Contribute to Society” we are pursuing environmentally friendly foam technology with the aim of establishing and implementing a product recycling system.

In addition, we have been promoting activities related to environmental preservation and product safety under the framework of the ISO 14001 environmental management system. Since FY2011, we have joined the Responsible Care activities of the Japan Chemical Industry Association (JCIA) to conduct activities related to security and disaster prevention, occupational health and safety, logistics safety, and dialogue with society. The JSP Group will continue to strive for synergy between business and the environment from a global perspective in order to pass on the irreplaceable global environment to future generations.

Environment Management Structure

Basic Principle

The green earth has nurtured us many blessings and the prosperity we enjoy today. In order to pass on this abundant environment to the next generation, JSP is committed to group-wide efforts to conserve the global environment as the most important issue of our management philosophy, “Creatively and Actively Contribute to Society”.

Environment Policy

- We practice corporate activities that protect the global environment and manufacture environmentally friendly products.
- We comply with laws, regulations and other standards, and strive to protect the environment.
- We continuously improve our environmental management system and strive to enhance our environmental performance.

ISO14001 Certified Plants

JSP Corporation

Head Office, Hokkaido Plant, Kanuma Plants (Kanuma No.1 Plant, Recycling Plant, Kanuma MF Plant, Kanuma Logistic Center, Kanuma No.2 Plant*1), Kashima Plant, Yokkaichi No.1 Plant, Yokkaichi Research Center, Yokkaichi No.2 Plant*2, Kansai Plant, and Kyusyu Plant
 *1 Including Tochigi No.1 Plant of JSP Molding Co., Ltd.
 *2 Including Mie Plant of JSP Molding Co., Ltd.

JSP Group companies in Japan

Seihoku Package Co., Ltd. and Honshu Petrochemical Co., Ltd.

JSP Group companies in Overseas

Butler Plant (USA), Tallahoma No.2 Plant (USA), Brazil, France, Czech Republic, Taiwan, Gimcheon Plant (Korea), Wuxi (China), Dongguan (China), Wuhan (China)



Japan

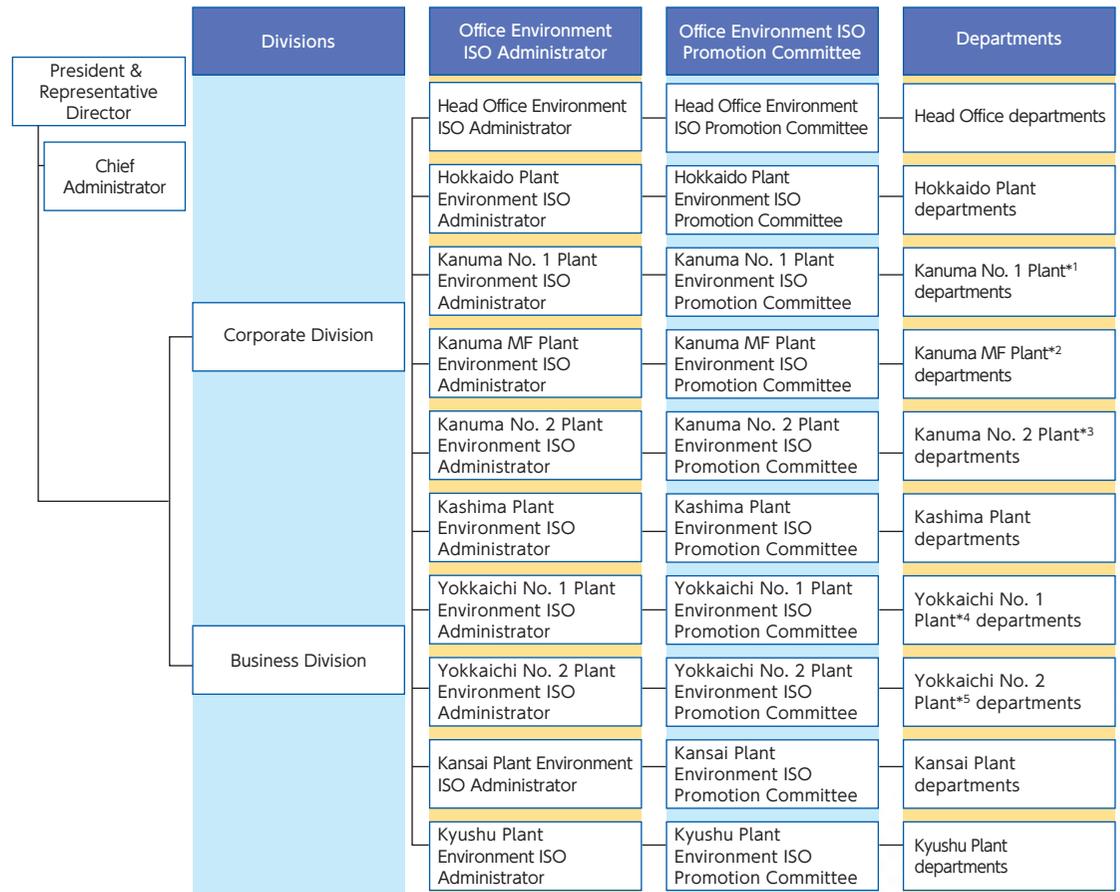


Czech Republic



China

Organizational Structure of Environment Management System



*1 Including the Recycling Center

*2 Including the Kanuma Logistics Center

*3 Including the Tochigi No.1 Plant of JSP Molding Co., Ltd.

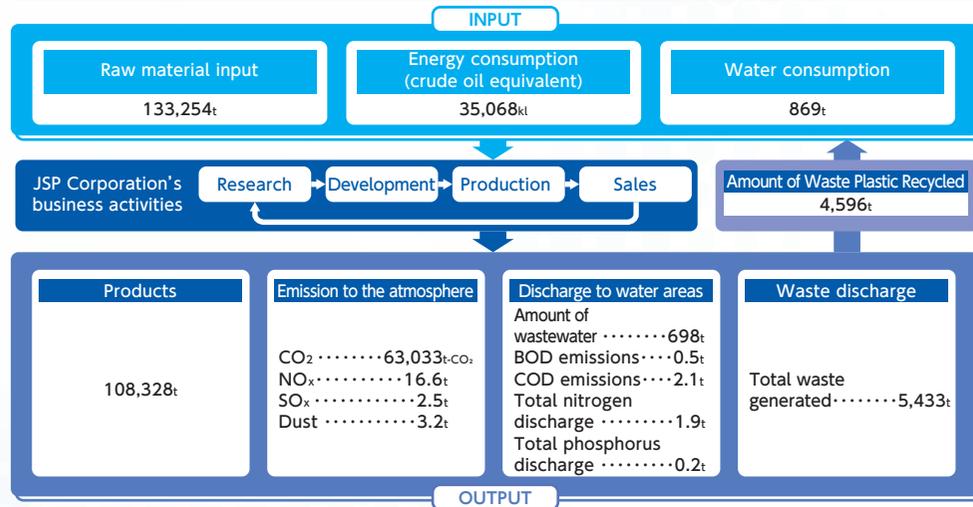
*4 Including the Yokkaichi Research Center

*5 Including the Mie Plant of JSP Molding Co., Ltd.

Environmental Activities

Environmental Conservation

Input & output (implemented in 2022)

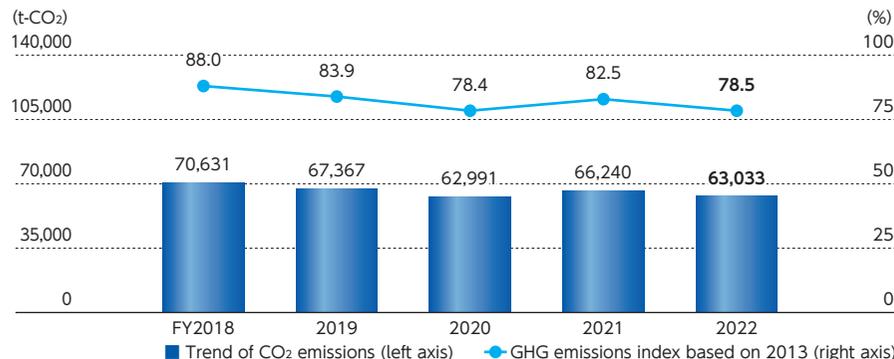


Reduction of CO₂ emissions

JSP Corporation's CO₂ emissions in FY2022 decreased by approximately 4.8% (3,207 t-CO₂ decrease) from the previous fiscal year. The main reasons for the improvement are the aggregation of plant operating days, effective use of waste heat, and our efforts toward reducing air leaks and heat-radiation loss in the plants. Compared to FY2013 values, emissions were reduced by approximately 21.5%.

Our foam material contributes to the reduction of greenhouse gas emissions in unseen areas of automobiles and homes, such as improving fuel efficiency when used in automobiles and improving heating and cooling efficiency when used as insulation in homes.

Trend of CO₂ emissions

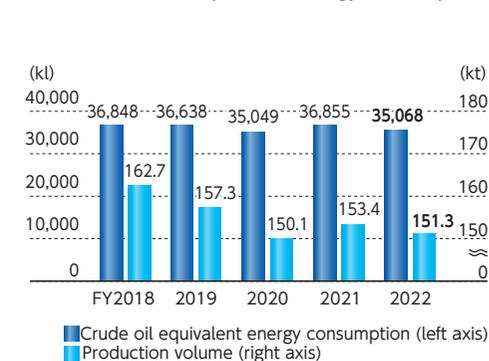


Reduction of energy consumption

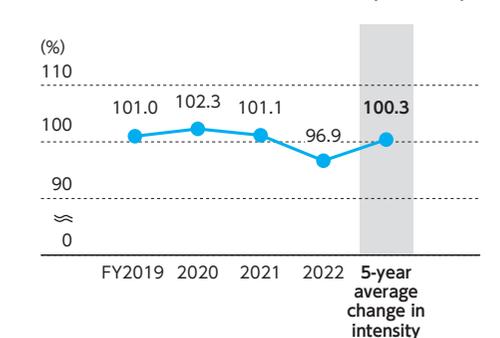
In FY2022, JSP Corporation's energy consumption per unit of production, calculated from the energy use contribution ratio*, improved to 96.9% compared to the previous year, achieving our goal of improving energy consumption per unit of production compared to the previous year. In addition, the average change in specific energy consumption per unit of production over the five-year period was 100.3%, and the goal of improving the average change in specific energy consumption per unit of production over the five-year period by an average of 1% or more per year was not achieved. From FY2023 onward, we will further implement the PDCA cycle for energy conservation activities at each business site and promote the introduction of green energy.

*Contribution ratio method: Energy consumption intensity is calculated for each product group, and the ratio of energy consumption intensity of the entire businesses to that of the previous year is calculated in proportion to the ratio of the product group.

Trend of crude oil equivalent energy consumption



Ratio of energy intensity based on the contribution ratio method to the previous year



Challenge for modal shift

With the aim of environmental responsiveness, energy efficiency, and transportation stability in logistics, JSP Corporation is implementing modal shift to rail and ferry transportation, which emit less CO₂ than truck transportation. Modal shifts are also effective for safe and stable supply in the event of road disruptions due to natural disasters. It has a strong presence as a secondary or tertiary means of transportation. We will continue to actively engage in modal shift initiatives in cooperation with our business divisions.

Reduction of water usage

JSP Corporation carries out production activities using a water circulation system that recycles water without throwing it away in the manufacturing process. In FY2022, water consumption was lower than in FY2021 due to efficient use and thorough wastewater management at each plant.

Reduction of landfill amounts

In JSP Corporation's mid-term Responsible Care plan, we set a target for the final landfill amounts in FY2022 of "continuing to reduce landfill amounts (managing landfill amounts not to exceed the previous year's amounts)" and implemented systematic reduction activities at each business site. As a result, we were able to significantly decrease the amount compared to FY2021.

Details of maintenance plan and results of industrial waste treatment facility (incinerator)

→ https://www.co-jsp.co.jp/english/sustainability/e/e_protection.html

Environmental Activities

Information Disclosures Based on TCFD Recommendations

JSP declared its support for recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021. Seeing climate change-related events as business risks, we aim to respond to them while identifying new opportunities to enhance corporate value.

In addition, the company views the TCFD guidelines as an effective framework for organically and practically promoting activities to realize a sustainable society. We will use the TCFD as a tool for dialogue with various stakeholders. By addressing climate change and as a true global supplier, we aim to increase our social and economic value, and realize the corporate philosophy “Creatively and Actively Contribute to Society”.

Governance and Risk Management

The JSP Group is working to achieve sustainability through a company-wide sustainability promotion system. The Board of Directors, chaired by the President, oversees sustainability-related risks and opportunities in management activities and plays a governance role. The Executive Officers Meeting is responsible for managing sustainability-related risks and opportunities in management activities, carrying out reviews and making decisions on responses.

The Sustainability Promotion Committee, an advisory body to the Executive Officers Meeting, works with the Risk and Compliance Committee, business units and the corporate divisions to identify and assess sustainability risks and opportunities that have a significant impact on management activities, and to consider policies and measures to be taken by the JSP Group, reporting the results to the Executive Officers Meeting and the Board of Directors.

Strategies

1. Contribute to climate change mitigation by further promoting environmentally friendly products
2. Contribute to the recycling of plastic resources by promoting recycling activities
3. Contribute to climate change mitigation by reducing GHG emissions and using energy more efficiently

Introduction of climate change-responsive products

MIRAFOAM Λ is a high-performance, next-generation thermal insulation material developed by JSP using its accumulated plastic foaming technologies.

By adding special technology to MIRAFOAM, JSP has succeeded in further improving its thermal insulation performance, which was previously considered a limitation of extruded polystyrene foam, achieving a thermal conductivity of 0.022 W/m-K.

With the promotion of higher thermal insulation houses, expectations are high for this revolutionary heat insulation material to make a significant contribution to reducing GHG emissions.



Introduction of Products that Contribute to the Recycling of Plastic Resources

ARPRO RE, expanded polypropylene made from recycled polypropylene, has been adopted in the market. We have further expanded our recycling activities by developing ARPRO RE OCEAN, a product made from recycled raw materials such as fishing nets and other marine waste, thereby contributing to the reduction of CO₂ emissions and the reuse of marine waste. We have also developed ARPRO REvolution, a product that uses 90% or more recycled raw materials.



The picture on the right shows ARPRO 35 Ocean

Environmental Activities

Information Disclosures Based on TCFD Recommendations

Scenario Analysis for Strategy Development

Assumptions for Scenario Analysis

- Target Year: FY2030
- Scenarios*: In which the global average temperature increase is limited to 1.5°C above pre-industrial levels. In which the global average temperature increase is 4°C above pre-industrial levels.
*The scenario analysis was conducted using SSP-1 (sustainable) and SSP-3 (regional fragmentation) from the "Japanese SSP," published by the National Institute for Environmental Studies, based on the "Shared Socio-Economic Pathways (SSP)," published by the Intergovernmental Panel on Climate Change (IPCC).
- Target Entity: JSP Corporation (non-consolidated)
- Evaluate the impact of risks and opportunities on the entire Company's business portfolio and develop response strategies

List of transition risks and opportunities under 1.5°C scenario

Transition risk		Impact assessment	Key response
Policy	Increase in carbon prices	Increase in operating costs	<ul style="list-style-type: none"> •Reduce GHG emissions through promotion of energy conservation •Promote introduction of renewable energy •Reduce GHG emissions through logistics optimization
	Introduction of a percentage standard for the use of recycled resources	Increase in costs caused by competition for recycled raw materials	<ul style="list-style-type: none"> •Diversify recycled raw materials suppliers •Enhance development of products using recycled raw materials
Technology	Increased competition with competing materials	Deterioration in earnings of existing products	<ul style="list-style-type: none"> •Further promotion of material recycling •Work on chemical recycling as an industry organization •Assess and reduce environmental impact (GHG emissions, water consumption, etc.) and disclose information •Promote development of bio-based products
Market/ Reputation	Sharp fluctuations in raw material prices and formation of negative image of fossil-based raw materials	Deterioration in earnings of existing businesses	<ul style="list-style-type: none"> •Further promotion of material recycling •Strengthen disclosure of information on GHG emission reductions through climate change-responsive products •Strengthen disclosure of information on environmentally friendly products •Assess product life cycle and strengthen disclosure of information •Enhance establishment of recycling chains

Opportunity	Opportunity product
Increased demand for products that contribute to energy savings in housing	MIRAFOAM, MIRAFOAM A
Expansion of the market for recycled products	ARPRO RE, ARPRO RE OCEAN, ARPRO REvolution
Increased demand for lightweight components due to expansion of the EV market	P-BLOCK, P-BLOCK LC
Increased demand for bio-based products	MIRABLOCK-Bio, LACTIF
Increased demand for energy-saving construction and work with shortened construction periods in efficient and hub-connected cities	J-WALLBLOCK Foam-support construction method Triple layer cushioning structure STYRODIABLOCK

List of physical risks and opportunities under 4°C scenario

Physical risk	Impact assessment	Key response
Intensification of weather-related disasters due to rising temperatures	Increased impact on plant operation	<ul style="list-style-type: none"> •Develop BCP •Insurance against weather-related damage •Develop disaster prevention measures such as flood defense walls
	Increased impact on transportation	Diversify recycled raw materials supplier
Water shortage	Increased impact on plant operation	Enhance development of manufacturing methods with water circulation and lower water consumption

Opportunity	Opportunity product
Increased demand for construction and civil engineering for recovery from damage due to weather-related disaster Increased demand for civil engineering reinforcement and durable life extension to strengthen disaster prevention	J-WALLBLOCK Triple layer cushioning structure STYRODIABLOCK

Environmental Activities

Information Disclosures Based on TCFD Recommendations

Indicators and Targets

JSP has drawn up a roadmap to reduce GHG emissions and achieve carbon neutrality by fiscal 2050. To achieve the targets, we are going to set non-consolidated JSP's GHG emissions at Scope 1 and Scope 2 as a KPI, and promote related initiatives. These will include the installation of renewable energy facilities (such as for solar power generation), the purchase of renewable energy, and further conservation of energy.

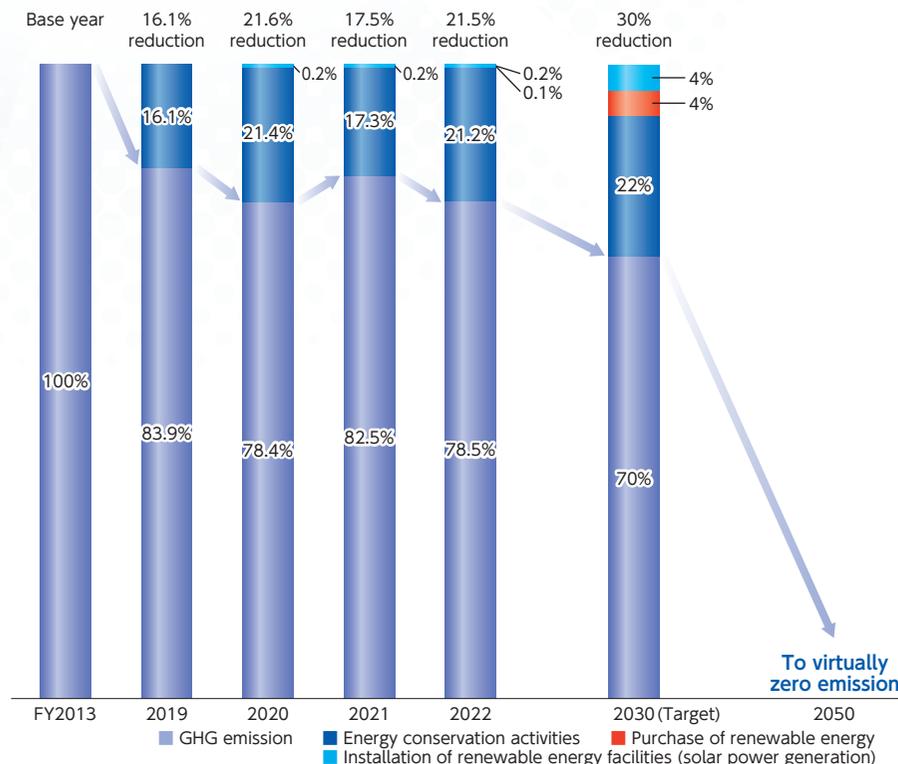
Targets on GHG emission reductions	
FY2030 GHG emissions in Scope 1 and Scope 2 for JSP Corporation 30% reduction (compared to FY2013)	FY2050 Net zero

Indicators and Targets

Assumptions of the Roadmap

- Scope: GHG emissions of non-consolidated JSP at Scope 1 and Scope 2
- GHG reduction target: Calculated based on the Act on the Rationalization etc. of Energy Use.

Roadmap for GHG emission reductions (FY2013 is taken as 100)



Risks related to the Environment, Safety, etc.

Main contents of risks and opportunities	Main response of JSP
<p>(1) Natural disasters and accidents</p> <p>The JSP Group has many manufacturing plants globally and there is a possibility of accidents and industrial accidents at plants, accidents in external warehouses and in product transportation, and damage to production facilities due to natural disasters.</p> <p>With regard to earthquake disasters which are expected to have the greatest impact among natural disasters, our Yokkaichi plant and other facilities could be affected by a massive Nankai Trough earthquake, which is considered to have a high probability of occurring and could suffer significant damage.</p>	<p>The JSP Group ensures the safety of production aiming for no accidents, no disasters, and stable supply. In addition, to deal with natural disasters such as earthquakes, heavy rains, and floods, the JSP Group prepares disaster countermeasure manual and business continuity plan (BCP), operates an employee safety confirmation system, and conducts disaster drills.</p>
<p>(2) Environmental issues with plastics</p> <p>Plastic has become a global social issue as it becomes marine waste due to improper disposal. With the focus on the Paris Agreement, SDGs and ESG issues, there is a movement toward plastic recycling, conversion to other materials and plastic-free products. Particularly in Europe, the circular economy movement is advancing and we expect the movement of pursuing resource recycling to accelerate in the future. Inadequate or delayed responses to these trends could have an impact on our business.</p>	<p>The JSP Group recognizes that the environmental issue of plastics is one of the important issues (materiality) to be addressed and is actively promoting efforts to contribute to society through environmentally friendly products, as well as initiatives such as material and thermal recycling of plastics, and use of recycled materials.</p> <p>In December 2021, the JSP Group declared to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Through scenario analysis, we will reduce the risks posed by climate change and promote strategies that are in line with the Group's business operations so that risks can be turned into business opportunities.</p>

Social Activities

Communication with Stakeholders

The JSP Group recognizes the importance of building mutual trust through dialogue with all stakeholders, including customers. We strive to understand the issues that the society faces based on the opinions and evaluations received through engagement with customers, business partners, shareholders and investors, dialogue with local communities and governments and communication with employees and job applicants. Through various media we disclose sufficient information to all stakeholders at an appropriate time by providing shareholder/investor information and various news releases. Through communication with a wide range of stakeholders, we aim to be a company that is trusted by society.

Stakeholders	Objective	Actions	Frequency
Customers	To build long-term relationships with our customers by listening to their opinions and providing products and services that meet their needs.	Direct support through product sales	Daily
		Inquiries	As needed
		Customer satisfaction survey based on ISO9001	1/year
Suppliers	To promote sustainable procurement through our business partners.	Direct support through product purchasing	Daily
		Inquiries	As needed
Shareholders & Investors	To enhance our corporate value through sustainable growth by disclosing fair information to meet the expectations of our shareholders and investors.	General Meeting of Shareholders	1/year
		Inquiries	As needed
		Financial Results Briefing	2/year
		IR individual coverage	As needed
		Information disclosure in accordance with laws, regulations and stock exchange rules	As needed
		Reports for shareholder communication	2/year
		Information provision on the website and publication of various reports	As needed

Stakeholders	Objective	Actions	Frequency
Community & Government	To interact with the local community and contribute to the development of the region through participation in local events and community involvement.	Various community contribution activities	As needed
		Factory tours	As needed
		Participation in community events	As needed
Employees	To develop human resources and create a work environment in which each employee can demonstrate their full potential. To maintain the health of our employees and respect their diversity.	Training by job level	As needed
		Interviews for objective management	2/year
		Company newsletter	4/year
		Intranet operation	Daily
		Whistleblowing	As needed
		Briefings on personnel-related systems, including salaries and bonuses, and meetings to exchange opinions	1/year
		Health and Safety Committee	1/month
Head Office Health Committee	1/month		
Job Seekers	To secure excellent human resources, achieve sustainable growth, and increase corporate value by disclosing information and holding information sessions for those who wish to join our company.	Information provision on the website	As needed
		Company information sessions and recruitment guidance	As needed

Social Activities

Quality Assurance

Quality Policy

- We create products that meet the needs of our customers and contribute to the sustainable development of our customers and society.
- We continuously improve the quality management system.

Procurement

Basic approach to procurement operations

While economic development is driven by globalization, environmental issues such as climate change are causing various impacts on the planet, animals and plants, including on our own lives. In addition, the increasing importance of addressing social problems, including human rights issues, in the globalized corporate supply chain requires companies to be more committed to what is ethically right than the law requires. Based on our corporate philosophy of "Creatively and Actively Contribute to Society", we contribute towards the realization of a sustainable society not only by providing environmentally and socially friendly products, but also by giving due consideration to the environment and society through our global procurement activities.

As part of this, the JSP Group Basic Procurement Policy has been established as follows to promote sustainable procurement activities throughout the supply chain.

JSP Group Basic Procurement Policy

1. We will conduct transactions based on fair, equitable and free competition, open to domestic and foreign suppliers, and with transparent procedures.
2. In our procurement activities, we will comply with the laws, regulations, social norms of each region and country.
3. We will conduct optimal procurement activities based on economically rational methods and strive to build and maintain sound business relationships with suppliers with the aim of mutual development.
4. We will strive to implement procurement activities that put customer satisfaction first.
5. In selecting suppliers, we will take the followings as important points, and will also consider their sustainability activities.
 - (1)Respect human rights and eliminate discrimination. Not complicit in human rights abuses.
 - (2)Apply fair labor conditions, maintain safe workplace environment and eliminate forced labor and child labor.
 - (3)Recognize environmental issues and work to resolve and address them.
 - (4)Have a stable management base and appropriate levels of quality, price, and delivery time, and make efforts to maintain and improve them.
 - (5)Comply with laws, regulations, and social norms.

Partnership Building Declaration

In December 2022, JSP announced our Partnership Building Declaration in support of the purpose of the Future Partnership Building Promotion Council promoted by the Cabinet Office and the Small and Medium Enterprise Agency. As we work towards building new partnerships, we pledge to collaborate and coexist in mutual prosperity with all business partners in the supply chain and those who seek value creation.

JSP has specified the following individual items in conjunction with the Declaration.

<Individual Items>

- We will actively utilize open innovation and work to create new businesses.
- We agree with the purpose of the White Logistics promotion campaign and strive to build appropriate relationships with our business partners.
- We published the JSP Group Basic Procurement Policy and strive to conduct transactions that do not involve personal interests based on fair, equitable, and free competition.



Voluntary Action Declaration for White Logistics Promotion Campaign

In December 2022, we submitted a Voluntary Action Declaration in support of the White Logistics promotion campaign advocated by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries. We recognize that securing a sustainable and stable supply of logistics necessary for business activities is a management issue. Aiming to realize highly productive logistics and work style reforms, we will foster mutual understanding with business partners, logistics companies, and other stakeholders. Based on these efforts, we are working to improve logistics.



「ホワイト物流」
推進運動

Social Activities

Approach and Activities on Human Capital

The JSP Group regards human capital as a source for the creation of economic and social value. As indicated in our management policy “Deliver with WOW!”, “Be excited in our work” will become a creative force for action, and by fulfilling “Inspire customers and consumers” and “Deliver satisfaction to shareholders and the community”, we aim to be “A Global Company for Global Society”, which is our long-term vision, VISION 2027, and realize our corporate philosophy “Creatively and Actively Contribute to Society”.

List of Indicators and Targets Related to Human Capital

➔ https://www.co-jsp.co.jp/english/sustainability/s/s_humancapital.html

Strategy

The JSP Group’s human resources policy is to promote diversity in human resources. On a non-consolidated basis, we are working to promote women to management positions, with the target of achieving 10% women in management positions for JSP Corporation by FY2025. In addition, Area Career-track Work System was introduced in FY2021 to realize both the wishes of employees who want to work locally and the pursuit of diversity in the human resources who will lead the company in the future with the aim of converting general staff to career-track staff. We have long been actively working on the employment of people with disabilities, particularly in Group companies in Japan. We are also working to further strengthen mid-career recruitment in the highly specialized areas. Furthermore, as part of our human resources development policy, we promote human resources development and run training system actively. We provide a range of training programs such as induction training for new graduates and mid-career recruitment and training early career staff and training for senior staff. As we believe that managers’ self-innovation is essential for a diverse people to work with excitement and play active roles, a range of training programs are offered including training for new managers and management skills development training for middle and senior managers.

As a part of company environment development policy, the JSP Group pursues the organizational culture in which each employee feels a sense of fulfillment in work in order to “Be excited in our work”. We have introduced a self-assessment system to enable employees to broaden their scope of activities, and we strive to improve engagement by allocating personnel in consideration of their own career paths. We are also working to improve the rate of men taking paternity leave, with the aim of making it easier for them to balance work and childcare. In addition, as a part of efforts to ensure the health and safety of our employees, we are committed to workplace health and safety, occupational safety at the plants and mental health care for our employees.

Diversity

JSP promotes diversity and inclusion, aiming for a workplace where employees respect each other and are assured of psychological safety so that they can continue to play active roles.

Promotion of Women’s Participation and Advancement in the Workplace*

Promoting Active Participation of Senior Human Resources*

Facilitation for the Employment of Persons with Disabilities*

*Please refer to the following URL.

➔ https://www.co-jsp.co.jp/english/sustainability/s/s_diversity.html

Human Resource Development

JSP will work to strengthen recruitment and human resource development for business creation and provide opportunities for mutual growth between the company and employees.

List of training by job rank in FY2022

➔ https://www.co-jsp.co.jp/english/sustainability/s/s_training.html

Career Support

Self-assessment System

This system allows employees to report their future career aspirations and daily feelings to the company and is an opportunity to communicate their opinions and aspirations to the company in order to improve openness and unify intentions within the company.

Support for Acquisition of Qualification Necessary for Operations

JSP supports the acquisition of qualifications necessary for operations, including the cost of acquiring qualifications and the payment of qualification allowances to those registered for official qualifications.

Work Life Balance

We believe that maintaining physical and mental health is fundamental for each employee to work with excitement and motivation. JSP is making various improvements to the work environment.

➔ https://www.co-jsp.co.jp/english/sustainability/s/s_work.html

Regular Health Check

JSP carries out health check-ups every year and those with findings are recommended to undergo re-examination or a full medical check-up. A follow-up is conducted through interviews with occupational physicians.

Employee Assistance Program

JSP carries out stress checks via the internet every year and various follow-ups are conducted based on the results. This content covers not only consultations regarding health and careers but also a wide range of mental health issues, and we have built a system whereby employees can easily seek advice to help them achieve a better mental and physical balance.

Flex-time System

JSP has introduced a flextime system to accommodate each employee’s personal circumstances and to enable them to exercise their abilities in the workplace, depending on their duties. By allowing employees to work flexibly outside of their core work hours, employees are able to improve work efficiency and diversify their working styles. Active use of the system also helps to reduce overtime work and promote health and wellness.

Controlling Long Working Hours

JSP sets its own standards for overtime hours per month, which are stricter than the upper limit of working hours under the Act on the Establishment of Relevant Laws to Promote Workplace Reform in Japan. If any employee exceeds the overtime hours, the Personnel Affairs Department sends a reminder to the employee through the person in charge of the department. The person in charge and the employee work together to control long working hours and strive to comply with our standards.

Childcare Leave and Nursing Care Leave

To enable employees to balance work and family life, JSP offers maternity leave, childcare leave, nursing care leave systems, as well as shorter working hours for childcare and nursing care. In particular, to create an environment that makes it easier for employees to return to work after childcare leave and to help them cope with changes in their new working environment, we allow employees to take “childcare leave for familiarization” within one month from the date the child starts daycare.

Promotion of Taking Paid Leave

JSP is actively promoting the acquisition of paid leave for the purpose of improving the physical and mental health and motivation of employees and improving labor productivity. Employees are granted between 3 and 12 days in their first year of employment, depending on when they join the company, and up to 20 days in their second and subsequent years, depending on the length of service. In addition, up to 30 days can be accumulated in addition to paid leave in case medical treatment is required due to illness or injury.

Area Career-track Work System

This is a system for career-track employees who are not subject to relocation. By converting positions from technical or general staff to area-career-track positions, employees can expand the scope of the job and meet the needs of diverse work schedules, such as changing lifestyle stages.

Social Activities

Social Contribution Activities

1. Received a letter of appreciation from the Japanese Red Cross Society Tochigi Branch for cooperation in blood donation activities at JSP plants

Every year, JSP participates in blood donation activities by the Japanese Red Cross Society. In 2022, we cooperated in blood donation activities at the Hokkaido Plant and Kanuma Plants. Prior to starting activities, we held activities in our offices to encourage cooperation and raise awareness for blood donation. The number of participants is increasing every year. The Kanuma Plants received a letter of appreciation from Tochigi Branch of the Japanese Red Cross Society for Blood Donation Merit Award 2022 at the Tochigi Prefectural Hall on July 25, 2022.

This letter of appreciation is presented to companies, organizations, and individuals that cooperate with the activities of the Japanese Red Cross Society. The Kanuma Plants' long history of cooperation in blood donation activities and implementation of activities during the COVID-19 pandemic were highly evaluated. We will continue to cooperate in blood donation activities as part of our social contribution activities in order to realize our corporate philosophy "Creatively and Actively Contribute to Society."



2. Providing tableware to a children's cafeteria

In April and July 2022, JSP Packaging Corporation, a Group company that manufactures and sells food containers, provided food containers for use at Kodomo Shokudo Machi no Gohanya san (a children's cafeteria organization). This organization provides food support to needy households such as households on child rearing allowances and welfare households in Konosu City, Saitama Prefecture.

These activities are operated by the NPO Niko Niko mama's. The activities are held at a cafeteria in Konosu City, and are open to participation by anyone. The cafeteria serves local children and their guardians so that they can enjoy meals while interacting with others. The activities also include dietary education by a registered dietician for conveying the importance of food. A total of about 300 people participated in two events in which JSP Packaging provided food containers.



3. Yokkaichi No.1 Plant and Yokkaichi Research Center received a letter of appreciation for donating emergency food

The Yokkaichi No.1 Plant and the Yokkaichi Research Center in Mie Prefecture stockpile emergency food in preparation for emergencies. As part of activities, we sequentially replace emergency food which is nearing its expiration date, and we donate emergency food that is close to the expiration date.

By selecting donation recipients using matching software operated by Mie Prefecture, we were able to deliver emergency food to a wide range of people, including children's cafeterias, support for the needy, and volunteer activities. In October 2022, we received a letter of appreciation from Mie Prefecture for these activities.



4. Donated 100,000 sheets of paper to support French schools

In December 2022, JSP International S.A.R.L., a Group company in France, donated 100,000 sheets of paper to support schools in Estrées-Saint-Denis, with the aim of promoting the growth and education of children.

This meaningful donation not only contributes to the local community, but also provides an excellent opportunity for an experience of "Deliver with WOW!" through effective learning opportunities for children. JSP International S.A.R.L. also received a message of gratitude from the mayor of Lucette. This message was introduced in the local newspaper.

Afterwards, we received letters of thanks from the children. The letters are now displayed in the plant office.



5. Status of main activities

Classification	Number of projects	Cost (thousand yen)	Main contents
Social welfare	5	40	Provision of food containers, campaign to collect bottle caps for use as proceeds to provide vaccines, etc.
Education/ social education	9	744	Accepting interns and sponsoring educational events
Environment	1	1,680	Participating in environment-related exhibitions
Community activities	15	1,539	Volunteering for blood donations, holding of community cleanup activities
Disaster relief	1	100	Holding donation activities for fire victims
Others	1	10	Holding donation activities for the Japanese Red Cross Society

Corporate Governance As of July 3, 2023

Basic Philosophy on Corporate Governance

Based on the recognition that the most important management issue is to continue sustainable business growth and increase corporate value, JSP has adopted the corporate philosophy of “Creatively and Actively Contribute to Society,” and aims for the management to earn the trust and satisfaction of all stakeholders as a globally competitive company that places emphasis on safety and environmental responsiveness.

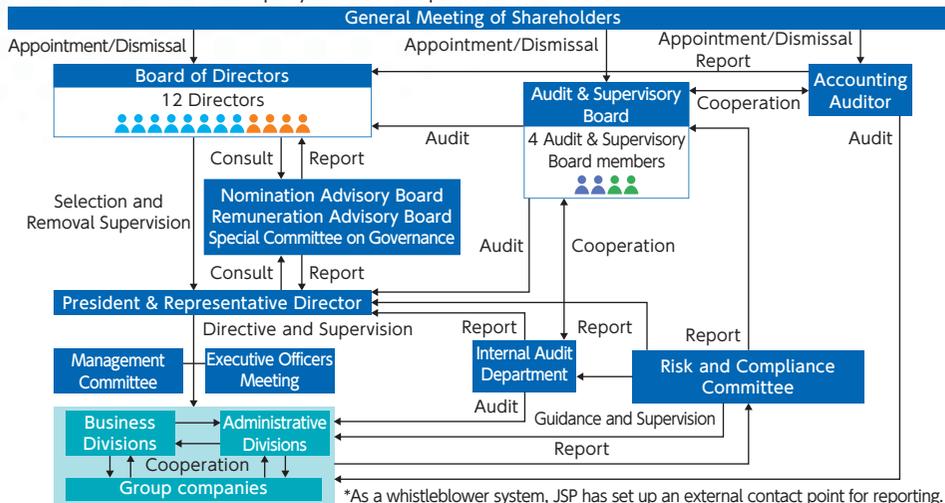
JSP believes that effective functioning of corporate governance and thorough pursuit of management efficiency, transparency, and soundness are essential issues to achieve this objective.

Basic Policy

- (1) The Company has adopted a “Company with an Audit & Supervisory Board system” where the Board of Directors makes decisions on the most important matters of the Company and strives to create an environment for appropriate management judgment in such decision-making.
- (2) The Company shall respect the rights and positions of all stakeholders and strive to cooperate with them appropriately.
- (3) The Company shall strive to ensure transparency to all stakeholders through appropriate information disclosure.
- (4) As a “Company with an Audit & Supervisory Board”, the Company shall appoint independent outside directors and auditors and ensure sound management practices by monitoring management in line with the Company.
- (5) The Company shall engage in constructive dialogue with shareholders.

Corporate Governance Structure

JSP has adopted the above Corporate Governance System based on our judgment that it is optimal for maintaining and improving the efficiency, transparency, and soundness of management, taking into consideration the Company’s overall corporate size and other factors.



*As a whistleblower system, JSP has set up an external contact point for reporting.

● Director ● Outside Director ● Audit & Supervisory Board member ● Outside Audit & Supervisory Board member

Basic Information on Corporate Governance Structure

Organizational form	Company with an Audit & Supervisory Board
Composition of the Board of Directors	12 including 4 Outside Directors
Term of office for the Board of Directors	1 year
Chair of the Board of Directors	President & Representative Director
Voluntary Advisory Board	Nomination Advisory Board, Remuneration Advisory Board, Special Committee on Governance, 5 members (4 Outside Directors, President & Representative Director)
Composition of the Audit & Supervisory Board	4 including 2 Outside Audit & Supervisory Board members
Number of independent officers	6
Business execution system	Executive officer system
Management Committee	12 members (President & Representative Director, 2 Executive Vice Presidents, 9 Senior Executive Officers)
Executive Officers Meeting	20 members (Representative Director and President, 19 Executive Officers)

Skills Matrix

	Name	Business Administration & Global Management	Business Strategy & Marketing	ESG (Environment, Society, Governance)	Finance & Accounting	Personnel Affairs & Development of Human Resources	R&D	Production Technology & Quality Control
Director	Tomohiko Okubo	●	●	●		●		
	Koichi Wakabayashi	●	●				●	●
	Yasuo Oikawa	●	●				●	●
	Kosuke Uchida		●	●	●	●		
	Yasushi Komori	●	●		●	●		
	Yoshikazu Shima			●		●	●	●
	Tomoyuki Kiura		●	●	●			
	Yoshihisa Ishihara		●	●			●	●
	Hisashi Shinozuka	●	●	●				●
	Takayuki Ikeda	●	●	●		●		
	Kiyoshi Itou	●		●	●	●		
	Ryoko Sugiyama	●	●	●		●		
	Audit & Supervisory Board member	Makoto Ogawa	●	●	●		●	
	Yoshiaki Sawada			●	●	●		
	Hideki Honda			●	●	●		
	Yoshiyuki Kawakami			●				

Up to four areas of expectation for each person are listed.

The above list does not represent all the knowledge and experience possessed by each person.

Reference: Please see the our website for details regarding corporate governance.

➔ https://www.co-jsp.co.jp/english/sustainability/g/g_basic.html

Activities of Major Meeting Bodies and Advisory Committees

Board of Directors

Meetings of the Board of Directors are chaired by President & Representative Director Tomohiko Okubo. The board consists of 12 Directors, including 4 Outside Directors. Meetings are also attended by 4 Audit & Supervisory Board members, including 2 Outside Audit & Supervisory Board members. In principle, the board meets once a month to deliberate and make decisions on matters stipulated in laws, regulations, and the Articles of Incorporation, and as well as on important management matters. The board also supervises the Company's overall business and management.

In order to have thorough discussions at the Board of Directors, outside officers are provided with materials regarding the background, purpose, and content of proposals prior to meetings of the Board of Directors. Also, as necessary, sufficient explanations are provided by persons making proposals.

Audit & Supervisory Board

Audit & Supervisory Board members attend meetings of the Board of Directors and other important internal meetings, exchange opinions with the Representative Director, conduct interviews with the employees in charge of each business, investigate major offices and subsidiaries, and engage in other activities to audit the legality and validity of the Group's operations. Audit & Supervisory Board members also exchange opinions periodically and as necessary with accounting auditors and the Internal Audit Department in an effort to strengthen mutual cooperation.

Nomination Advisory Board

The Nomination Advisory Board is chaired by the lead Outside Director, Hisashi Shinozuka. The board is composed of 5 people, including 4 Outside Directors and the President & Representative Director. When selecting candidates for Directors and Audit & Supervisory Board members, in response to consultation from the Representative Director, the Nomination Advisory Board selected candidates who are appropriate for the position and have the necessary experience, knowledge, and abilities to create medium-to long-term corporate value. The board deliberated if candidates were qualified to fulfill their responsibilities in light of the selection criteria and skill matrix, and submitted a report the President & Representative Director.

Remuneration Advisory Board

The Remuneration Advisory Board is chaired by the lead Outside Director, Hisashi Shinozuka. The board is composed of 5 people, including 4 Outside Directors and the President & Representative Director. In regard to remuneration for each Director, in response to consultation from the Representative Director, the board comprehensively considered factors such as the business environment, business conditions, business results, financial situation, and each Director's contribution, etc., and reported to the President & Representative Director.

Special Committee on Governance

The Special Committee on Governance is composed of 3 or more independent Outside Directors. By ensuring fairness, transparency, and objectivity in transactions between the Company and its parent company group, the Company aims to appropriately protect the interests of minority shareholders and enhance corporate governance. In response to inquiries from the Board of Directors, the Company deliberated on transactions with the parent company group and provided a report.

Management Committee

The Management Committee is chaired by President & Representative Director Tomohiko Okubo. The committee is composed of 2 Executive Vice Presidents and 9 Senior Executive Officers. 2 full-time Audit & Supervisory Board members also attend meetings of the committee. In principle, committee meetings were held once a month to discuss basic management policies, measures to improve corporate structure, and other important management matters. In particular, during the current fiscal year, the committee deliberated on the progress of the medium-term business plan and future challenges.

Executive Officers Meeting

The Executive Officers Meeting is chaired by President & Representative Director Tomohiko Okubo and is composed of 19 Executive Officers. 2 full-time Audit & Supervisory Board members also attend the meetings. In principle, the meeting was held twice a month to discuss important management matters and execute business operations based on quick judgments that accurately reflect changes in the business environment. Additionally, the meeting monitored the planning, drafting, and progress of the Company's sustainability management.

Risk and Compliance Committee

The Risk and Compliance Committee is chaired by the General Manager of the General & Personnel Affairs Division. In principle, the committee meets once a month. The committee manages compliance and risks across the Group, and serves as a support function for management decisions to ensure that the Board of Directors takes appropriate risks. 2 full-time Audit & Supervisory Board members also attend committee meetings.

Evaluation on Effectiveness of the Board of Directors

JSP conducts an annual questionnaire to Directors and Audit & Supervisory Board members for assessing the effectiveness of the Board of Directors. The Board of Directors analyzes and evaluates the results of the questionnaires and the opinions of the independent Outside Directors and Outside Audit & Supervisory Board members with respect thereto. (Article 26 of the Corporate Governance Guidelines)

When evaluating the effectiveness of the Board of Directors in fiscal 2022, we conducted a survey of all Directors and Audit & Supervisory Board members in March 2023. We then discussed the results at the Board of Directors meeting held in June 2023.

For a summary of the most recent evaluation of the effectiveness of the Board of Directors, please refer to the Corporate Governance Report, [Supplemental Principle 4-11-3 Analysis and Evaluation of the Overall Effectiveness of the Board of Directors].

➔ https://www.co-jsp.co.jp/sustainability/g/g_system.html (Japanese only)

Training for Directors and Audit & Supervisory Board Members

The Company has established a training policy for Directors and Audit & Supervisory Board members to provide them with ongoing opportunities to acquire the knowledge necessary to perform their duties. (Article 28 of the Corporate Governance Guidelines)

Training Policy for Directors and Audit & Supervisory Board Members

1. When a Director or Audit & Supervisory Board member is newly appointed, information necessary for the execution of duties by the officer shall be provided as appropriate through lectures and training by outside experts. After assuming office, training on management issues and legal revisions shall be provided on an ongoing basis.
2. When an independent Outside Director or Outside Audit & Supervisory Board member is newly appointed, the person shall be encouraged to understand the Company's management philosophy and corporate culture and shall be provided with an inspection tour of major business locations and an explanation of business activities. After assuming office, the Company shall continue to provide information on management issues and other matters as appropriate.
3. For the business plan and annual budget policy, an annual policy meeting will be held every fiscal year to provide an opportunity to share information throughout the company.

Information Provision and Support System for Directors and Audit & Supervisory Board Members

The Company shall establish a support system to ensure that Directors and Audit & Supervisory Board members have access to the information necessary to effectively fulfill their roles and responsibilities. (Article 27 of the Corporate Governance Guidelines)

1. The secretariat of the Board of Directors shall collect and provide information as necessary for Directors and Audit & Supervisory Board members to perform their duties.
2. Audit & Supervisory Board members may request the appointment of employees to assist them in their audit duties, and when such employees assist them in their audit duties, shall not be subject to the direction and orders of Directors, etc.

Remuneration

Remuneration for directors (excluding part-time directors) is configured as base compensation and reserve-type remuneration to be paid upon retirement.

Base compensation comprises fixed compensation, short-term performance-linked compensation, and executive

shareholder association-contributed compensation. Among the base compensation, fixed compensation and executive shareholder association contributed compensation are determined according to the responsibilities of each position.

The compensation for part-time directors and Audit & Supervisory Board members comprises fixed compensation in the form of base compensation.

The President & Representative Director, authorized by the Board of Directors, prepares the proposed amount of remuneration for each director for the current fiscal year within the remuneration limit resolved at the General Meeting of Shareholders, in accordance with the Company's Executive Remuneration Regulations, taking into consideration the business environment, operating conditions, performance, financial condition, each individual's contribution and other factors. The President & Representative Director consults the Remuneration Advisory Board, which is composed of the Representative Director and the Outside Directors and chaired by the top Outside Director, on the proposed amount of compensation.

The Remuneration Advisory Board then reports to the President & Representative Director on the proposed amount of remuneration discussed. The President & Representative Director determines the amount of remuneration for each director based on the report of the Remuneration Advisory Board. The remuneration for each Audit & Supervisory Board member is determined by consultation among the Audit & Supervisory Board members within the remuneration limit resolved at the General Meeting of Shareholders, taking into consideration the contribution of each individual.

Please refer to the following for matters regarding performance-linked compensation.

1. Details of performance indicators selected as the basis for calculating the amount of performance-linked remuneration, etc.

Performance-linked compensation consists of short-term performance-linked compensation as part of base remuneration and midterm performance-linked compensation as part of reserve-type remuneration to be paid upon retirement. For both types of remuneration, performance indicators (consolidated net sales, consolidated operating income, consolidated operating margin, and net income attributable to shareholders of the parent company) determined by the Board of Directors are used as the basis for calculating the amount of remuneration.

2. Reason for selection of the relevant performance indicators

The reason for selecting these indicators is that they are important management indicators showing the growth potential and profitability of the Company.

3. Method of calculating the amount of performance-linked compensation, etc.

Short-term performance-linked compensation is determined by the performance ratio during the subject period against the base value of the above performance indicators determined by the Board of Directors. The reserve-type remuneration to be paid upon retirement is determined as a midterm performance-linked compensation by calculating the cumulative amount of performance indicators for the relevant consolidated medium-term business plan period at the end of the fiscal year as a percentage of the performance indicators achieved during the same period of the previous consolidated medium-term business plan.

Director and Audit & Supervisory Board member remuneration totals for fiscal 2022

Position	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)				Number of eligible officers (people)
		Base compensation			Reserve-type remuneration to be paid upon retirement	
		Fixed compensation	Short-term performance-linked compensation	Executive shareholder association-contributed compensation		
Directors (excluding Outside Directors)	258	209	2	16	30	8
Audit & Supervisory Board members (excluding Outside Audit & Supervisory Board members)	15	15	-	-	-	2
Outside officers	56	56	-	-	-	6

Internal Control System & Risk Management Structure

Basic Policy on the Development of Internal Control Systems

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, JSP Corporation has established the following basic policy for the development of internal control systems. We will review this basic policy as needed and strive to maintain more appropriate internal control systems.

1. System to ensure that the execution of duties by directors and employees of the Company and by directors and employees of the Company's subsidiaries complies with laws and regulations and the Articles of Incorporation	(1) The Company shall establish the "JSP Group Corporate Action Guidelines" and the "JSP Group Code of Conduct" common to the Company and its subsidiaries (hereinafter referred to as the "Group companies" and together with the Company, the "JSP Group"), and shall ensure compliance with laws and regulations and social ethics as a prerequisite for its corporate activities and shall thoroughly adapt to social demands.
	(2) The Company shall establish a Risk and Compliance Committee to oversee compliance across the JSP Group, which shall play a central role in providing education and training to the officers and employees of the JSP Group.
	(3) Audit & Supervisory Board members and the Internal Audit Department shall work together to audit the status of compliance of the JSP Group.
	(4) For any legally questionable conduct, the Company shall establish a whistleblower consultation service as a means for the JSP Group executives and employees to directly provide information, investigate the details, and consider and implement measures to prevent recurrence.
2. System for storage and management of information related to the execution of duties by the Company's directors	(1) In accordance with the Document Management Regulations, information related to the execution of duties by directors shall be recorded and stored in documents or electromagnetic media (hereinafter referred to as "documents, etc.").
	(2) Directors and Audit & Supervisory Board members shall have access to these documents, etc. at all times in accordance with the Document Management Regulations.
	(3) Matters required to be disclosed by law or stock exchange regulations shall be promptly disclosed in accordance with the Information Disclosure Regulations.
3. Regulations and other systems for managing the risk of loss of the JSP Group	(1) The Risk and Compliance Committee shall be responsible for the overall management of the JSP Group's risks and shall identify and analyze risks.
	(2) The Risk and Compliance Committee shall take the lead in establishing various rules and regulations for risk management and strengthening the JSP Group's risk management system.
	(3) In the event of a disaster or other unforeseen event, the department in charge of crisis management shall respond in accordance with the rules and manuals stipulating emergency responses.
4. System to ensure the efficient execution of duties by the Company's directors and directors of the Group Companies	(1) The Board of Directors of the Company shall meet once a month in principle to make decisions on basic management policies, matters required by laws and regulations, and other important management matters. The Company shall also hold a Management Committee consisting of representative directors and executive officers at the senior executive officer level or above to discuss important management matters in advance.
	(2) The Company has adopted an executive officer system, a division system for business divisions, and a corporate division system for corporate sectors as its business execution system and is working to improve the efficiency of business execution by delegating execution authority and performance responsibility.

	(3) The Company shall decide important individual management issues related to business execution at the Executive Officers Meeting, which in principle is held twice a month.
	(4) The Company shall formulate management plans on a consolidated basis and provide management control and guidance to the Group companies in order to realize such plans.
	(5) The Group companies shall, in principle, belong to their respective business divisions or corporate divisions in terms of organization and their business execution shall be under the direct control of the business divisions or corporate divisions to which they belong.
5. System for reporting to the Company on matters related to the execution of duties by Directors and others of the Company's subsidiaries and other systems to ensure the appropriateness of operations of the corporate group consisting of the Company, its parent company and subsidiaries.	(1) The Internal Audit Department of the Company shall periodically audit the operations of the Group companies to ensure the appropriateness of their operations.
	(2) The Company shall enter into a basic agreement on capital and business alliance with the parent company to ensure autonomy in the management of the Company. In addition, the Company shall endeavor to ensure the appropriateness of transactions with the parent company by, for example, maintaining the same level of terms and conditions as those of transactions between independent parties.
	(3) The Company shall require the Group companies to obtain prior approval from or report to the Company on important management matters.
6. Matters concerning employees to assist the Company's Audit & Supervisory Board members in the performance of their duties	(1) Audit & Supervisory Board members may request the appointment of employees to assist them in their audit duties as necessary.
	(2) Employees who receive instructions necessary for audit duties from Audit & Supervisory Board members shall not be subject to the direction and orders of directors, with respect to such instructions. The transfer, evaluation and disciplinary action, of such employees shall be discussed with the Audit & Supervisory Board.
7. System for reporting to the Company's Audit & Supervisory Board members	(1) Directors and employees shall report to the Audit & Supervisory Board, in accordance with the Regulations of the Audit & Supervisory Board, matters that have a material impact on the JSP Group as well as the status of internal audits conducted by the JSP Group, in addition to legally required matters.
	(2) Audit & Supervisory Board members shall attend meetings of the Board of Directors and other important meetings of the Company and each Group Company to collect information on important management matters of the JSP Group.
	(3) The Risk and Compliance Committee shall report to the Audit & Supervisory Board members the status and content of reports received from the officers and employees of the JSP Group through the Whistleblowing and Consultation Desk. The method of reporting (reporter, recipient, and timing of reporting) shall be determined through consultation between the directors and the Audit & Supervisory Board members.
8. Other systems to ensure that the audits of the Audit & Supervisory Board members are conducted effectively	(4) Any disadvantageous treatment of a person who reports to the Audit & Supervisory Board members by reason of such report shall be prohibited and all officers and employees of the JSP Group shall be informed of such prohibition.
	(1) The Audit & Supervisory Board shall provide regular opportunities for individual hearings with the persons responsible for each business and other relevant personnel.
	(2) The Audit & Supervisory Board shall hold regular meetings to exchange opinions with representative directors and audit firms, respectively.
9. System to ensure reliability of financial reporting	(3) The Audit & Supervisory Board shall set aside a certain amount of budget every year to pay expenses incurred in the performance of their duties.
	The JSP Group shall establish a system to ensure the reliability of financial reporting, continuously evaluate the system and immediately correct or improve any deficiencies.
10. System for eliminating antisocial forces	As a member of society, the JSP Group shall have no relationship with antisocial forces or groups that threaten the order and safety of civil society and shall take a firm stand against them.

List of Corporate Officers As of June 29, 2023

Board of Directors, Audit & Supervisory Board Members



Tomohiko Okubo
President &
Representative Director



Yasushi Komori
Director, Senior Executive
Officer, General Manager
Finance & Accounting
Division
Manager of Accounting
Department



Hisashi Shinozuka
Outside Director



Makoto Ogawa
Audit & Supervisory
Board Member (full-time)



Koichi Wakabayashi
Director,
Executive Vice President
Extrusion Business Division



Yoshikazu Shima
Director,
Senior Executive Officer
Research & Development
Division, New Business
Development Division



Takayuki Ikeda
Outside Director



Yoshiaki Sawada
Audit & Supervisory
Board Member (full-time)



Yasuo Oikawa
Director,
Executive Vice President
Bead Business Division,
Global Business Division



Tomoyuki Kiura
Director,
Senior Executive Officer
Assistant to the President,
Corporate Planning Division



Kiyoshi Itou
Outside Director



Hideki Honda
Audit & Supervisory
Board Member (part-time)



Kosuke Uchida
Director,
Senior Executive Officer
General &
Personnel Affairs Division,
Internal Audit Department



Yoshihisa Ishihara
Director, Senior Executive
Officer, General Manager
General Technology
Division, Logistics &
Purchasing Division



Ryoko Sugiyama
Outside Director



Yoshiyuki Kawakami
Outside member of
Audit & Supervisory
Board (part-time)

List of Corporate Officers As of June 29, 2023

Senior Executive Officers/Executive Officers

Title	Name	Responsibilities
Senior Executive Officer	Shinya Ougi	General Manager of EPS Division
Senior Executive Officer	Kazuo Monji	General Manager of Industrial Materials Division
Senior Executive Officer	Tadao Yabiki	General Manager of Research & Development Division
Senior Executive Officer	Kazutoshi Sasaki	General Manager of Advanced Materials Sales Division
Executive Officer	Masato Naito	General Manager of New Business Development Division
Executive Officer	Shingo Takahashi	General Manager of Global Business Division

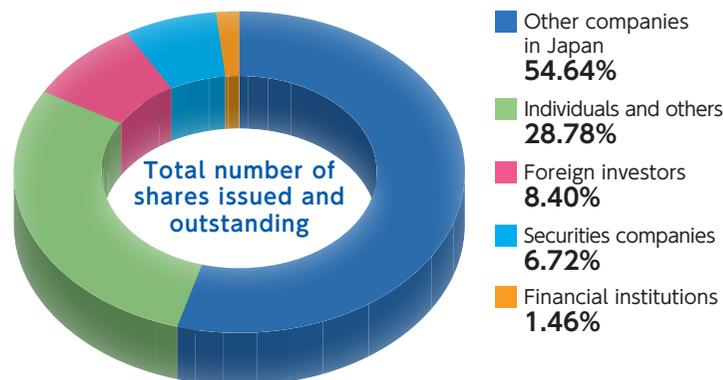
Title	Name	Responsibilities
Executive Officer	Yosuke Takemura	General Manager of General & Personnel Affairs Division and Manager of General Affairs Department
Executive Officer	Kazuhiro Nakajima	General Manager of Corporate Planning Division, Corporate Planning Department, and Public and Investor Relations Department, and Information System Department
Executive Officer	Atsuo Shimizu	General Manager of Yokkaichi Research Center, Research & Development Division
Executive Officer	Hiroaki Fukui	General Manager of Living Materials Division
Executive Officer	Takashi Hanne	General Manager of Construction and Civil Engineering Materials Division
Executive Officer	Masaharu Oikawa	Deputy General Manager of Global Business Division and Manager of Business Management Department Director and President of JSP Plastics (Shanghai) Co., Ltd. Director and President of JSP Advanced Materials (Wuxi) Co., Ltd. Director and President of JSP Advanced Materials (Dongguan) Co., Ltd. Director and President of JSP Advanced Materials (Wuhan) Co., Ltd.

Stock and Company Information

As of March 31, 2023

Listed stock exchange	Tokyo Stock Exchange, Prime Market
Securities Code	7942
Number of shares per trading unit	100 shares
Total number of authorized shares	46,000,000 shares
Total number of shares issued and outstanding	31,413,473 shares (including 1,605,300 shares of treasury stock)
Fiscal year	From April 1 to March 31
Number of shareholders	40,978

Distribution of shares by shareholder type



Company profile

Head Office
Shin-nisseki Building, 3-4-2
Marunouchi, Chiyoda-ku, Tokyo
100-0005 Japan

President & Representative Director
Tomohiko Okubo

Establishment
January, 1962

Capital
10,128 million yen

Fiscal year
Accounts closed in March

IR inquiries
Corporate Planning Division,
Public and Investor Relations
Department
TEL:+81-3-6212-6306

Employees
2,966 (consolidated)

Main affiliated companies
20 companies

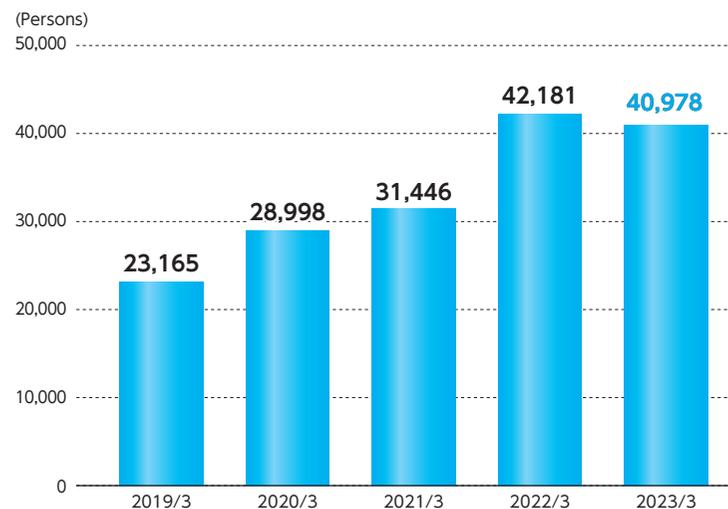
Major shareholders

Name	Number of shares held (1,000 shares)	Percentage of total outstanding shares
MITSUBISHI GAS CHEMICAL COMPANY, INC.	16,020	53.74
JSP Customer Shareholding Association	1,315	4.41
The Master Trust Bank of Japan, Ltd.	1,204	4.03
MSIP CLIENT SECURITIES	647	2.17
Custody Bank of Japan, Ltd.	401	1.34
JSP Employee Shareholding Association	318	1.06
SMBC Nikko Securities Inc.	254	0.85
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	250	0.84
Nippon Life Insurance Company	241	0.80
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	240	0.80

Notes

- Our company holds 1,605 thousands shares of treasury stock, but is excluded from the major shareholders listed above.
- Percentage of total outstanding shares is calculated excluding treasury stock.
- From among the shares held as listed above, the number of shares related to trust business is as follows.
The Master Trust Bank of Japan, Ltd.: 1,204 thousand shares Custody Bank of Japan, Ltd.: 401 thousand shares

Number of shareholders



Global Network



Domestic offices

Head office

Sapporo Sales Office
 Sendai Sales Office
 Nagoya Sales Office
 Osaka Sales Office
 Fukuoka Sales Office
 Hiroshima Sales Office
 Hokkaido Plant
 Kanuma No.1 Plant
 Kanuma No.2 Plant
 Kanuma No.3 Plant
 Kanuma MF Plant
 Kashima Plant
 Yokkaichi No.1 Plant
 Yokkaichi No.2 Plant
 Kansai Plant
 Kita-Kyushu Plant
 Kyushu Plant
 Kanuma Research Center
 Yokkaichi Research Center
 Kanuma Logistic Center
 Recycling Center
 NBD Center

North America

USA

① JSP International Group LTD.

Mexico

② JSP International De Mexico S.A. de C.V.

South America

Brazil

③ JSP Brasil Industria de Plasticos LTDA.

EMEA

France

④ JSP International S.A.R.L.

Czech Republic

⑤ JSP International s.r.o.

Italia

⑥ GHEPI S.r.l. [Equity method affiliated company]

Asia

South Korea

⑦ KOSPA Corporation

Taiwan

⑧ Taiwan JSP Chemical Co., LTD.

Singapore

⑨ JSP Foam Products PTE. LTD.

Thailand

⑩ JSP Foam Products (Thailand)Co., Ltd.

China

⑪ JSP Advanced Materials (Wuxi) Co., LTD.

⑫ JSP Plastics (Shanghai) Co., LTD.

⑬ Kunshan JSP Seihoku Packaging Material Co., LTD.

⑭ JSP Advanced Materials (Dongguan) Co., LTD.

⑮ JSP Advanced Materials (Wuhan) Co., LTD.

Group companies in Japan

JSP Packaging Corporation
 KP Corporation
 Mirax Corporation
 JSP Molding Corporation
 Sansho Foam Tech Corporation
 Hokuryo EPS Co., Ltd.
 Honshu Petrochemistry
 NK Kasei Co., Ltd.
 Seihoku Package Co., Ltd.
 Sanin Kasei Kougyo Co., Ltd.
 [Equity method affiliated company]

JSP Corporation

Shin-nisseki Building, 3-4-2 Marunouchi,
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TEL:+81-3-6212-6306

<https://www.co-jsp.co.jp/english/>



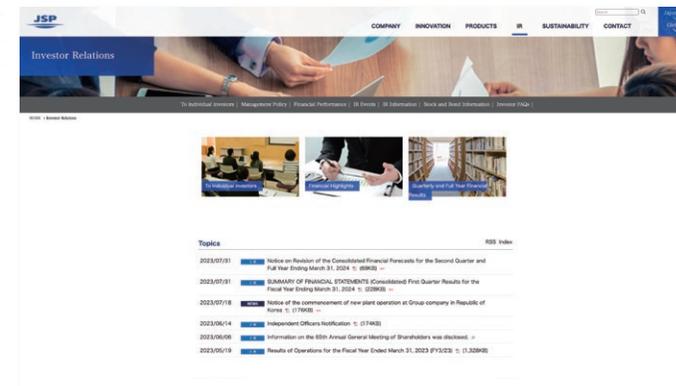
Disclosure of Financial and Non-financial Information on Website

IR Information

- To Individual Investors
- Management Policy
- Financial Performance
- IR Events
- IR Library
- Corporate Stock- and Bond-related Information
- Frequently Asked Questions



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Sustainability

- Message from the President
- Sustainability Management
- Environment
- Society
- Corporate Governance
- Responsible Care
- Stakeholder Engagement



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