

Deliver with
WOW!

Corporate Report

2024



Corporate Philosophy and Management Policy

Since our founding in 1962, JSP has been active in a wide range of fields around the world as a specialized manufacturer of foamed products.

JSP contributes to the prosperous lives of people around the world and the industrial advancements by developing products that maximize the possibilities of foaming technologies in various fields.

Corporate Philosophy

Creatively and Actively Contribute to Society

As a manufacturer of foamed products, JSP contributes to society by developing original products using our innovative original technologies.

Foamed plastic is a plastic resin that has been stabilised by creating air bubbles and can create many characteristics such as lightweight, cushioning and insulation.

We contribute to sustainability by making lighter, stronger, and more environmentally responsible products.

Management Policy

Deliver with
WOW!

As a global supplier, we will inspire our customers and consumers and deliver satisfaction to shareholders and the community. As employers, we aim to be a company that is needed by society by working with a sense of excitement.

Corporate Philosophy

Long-term Vision “VISION 2027”
Aiming to be “A Global Company
for Global Society”

Management Policy

Medium-term Business Plan (FY2024–2026)
Change for Growth 2026

Contents, Editorial Policy, and Introduction of Tools

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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 2024–2026 medium-term business plan, “Change for Growth 2026” 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/>)

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Reporting period

April 1, 2023, to March 31, 2024
(Some sections refer to activities occurring on or after April 1, 2024)

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, 2024. Accordingly, information contained herein is subject to risks and uncertainties, and actual results may differ materially from those discussed in forward-looking statements.



Disclosure of Financial and Non-financial Information on Website

IR Information

- To Individual Investors
- Management Policy
- Financial Performance
- IR Events
- IR Information
- Stock and Bond Information
- Investor FAQs



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



Sustainability

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



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



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 extruded foamed polyethylene (MIRAMAT) and beads foamed polypropylene (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.
- 1999** Operation of Kanuma No. 4 Plant started.
- 2001** Introduced Inner Company System.

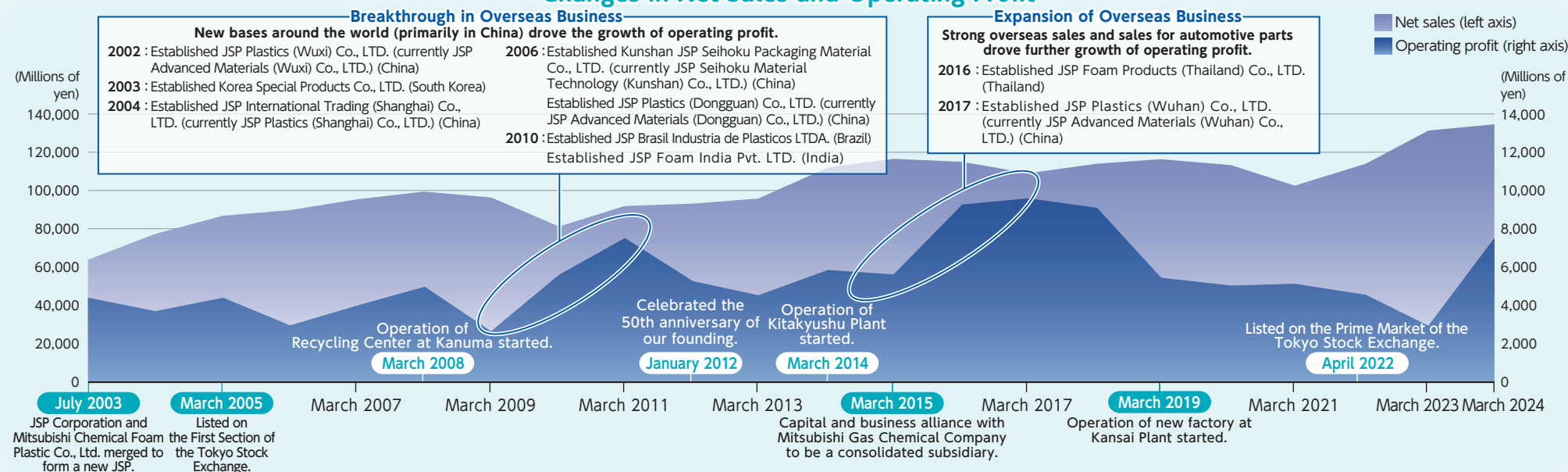
Expansion Period (from 2004)



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.

*In the expended polypropylene business, all P-Block and ARPRO products now use the ARPRO brand.

Changes in Net Sales and Operating Profit



At a Glance —JSP's Strength—

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

JSP's Strength

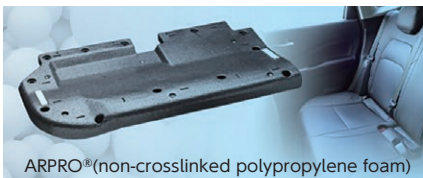
1. Wide Range of Markets

The foam products sold by JSP are used in a wide range of applications, including food packaging, housing, construction, civil engineering, automobiles, logistics, and precision equipment packaging. By finding new applications for technologies born to meet the needs of customers in each field, we are able to apply our technology to other existing fields and new markets. Operating in a wide range of markets will increase the potential of foamed products.



2. Development Capabilities Specialized in Foaming Technology

As a specialized manufacturer of foamed products, JSP aims 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, and we have always been an industry leader in foamed products. 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® (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 plants 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 China. 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

Many of the foamed products sold by JSP become products through molding and processing by the customers. JSP not only sells foamed products such as sheets and beads, but also provides technical support to molding manufacturers. Also, depending on the product, we offer 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

Extrusion Business



● Living Materials

Our food packaging products, which are mainly comprised of STYRENEPAPER sheets, keep food fresh and protect it from impact. They are used in a variety of food containers, including food trays, instant noodle containers, lunch box containers, natto containers, folding boxes, and confectionery containers. Furthermore, by providing products with functions such as heat resistance, oil resistance, and cushioning, JSP is able to support new eating styles; for example, accommodating foods cooked in microwave ovens.



● Industrial Materials

MIRAMAT and other foamed polyethylene sheets have excellent cushioning, moisture resistance, and waterproofing properties. These properties make the sheets ideal for items that require long-term transportation and storage, so the sheets are used as packaging materials in logistics. MIRAMAT ACE, which has added value such as permanent anti-static properties, demonstrates even higher performance and is used as a surface protection material for precision equipment and flat panel displays.



● Construction and Civil Engineering Materials

MIRAFOAM is highly regarded for its superior energy-saving effects. Through its use as an insulation material in a variety of buildings, including detached houses, condominiums, and office buildings, MIRAFOAM helps to create a comfortable living environment. STYRODIABLOCK features excellent compression resistance, light weight (approximately 1/100 that of general embankment materials), and ease of construction. Taking advantage of these characteristics, STYRODIABLOCK supports structures behind the scenes; for example, it is used to reinforce weak ground on roads and reduce the weight of bridges. Furthermore, special foamed products with excellent drainage, sound absorption, and soundproofing properties are used in various locations in urban environments. Examples include drainage boards for rooftop greenery, permeable base materials for sports parks, and soundproofing walls for subways.

Bead Business



● Advanced Materials

ARPRO is a non-crosslinked polypropylene foam developed by JSP for the first time in the world. This product combines a variety of excellent physical properties, including light weight, cushioning, heat resistance, insulation, dimensional stability, oil and chemical resistance, and durability. ARPRO is used as an automotive material by almost all automobile manufacturers, both in Japan and overseas. It also meets the recent demand for HVs and EVs, and has earned trust throughout the world. Moreover, ARPRO is used in a wide range of applications, including packaging materials, logistics materials, ground foundation cushioning materials, and insulation for unit parts of HVAC equipment such as air conditioners.



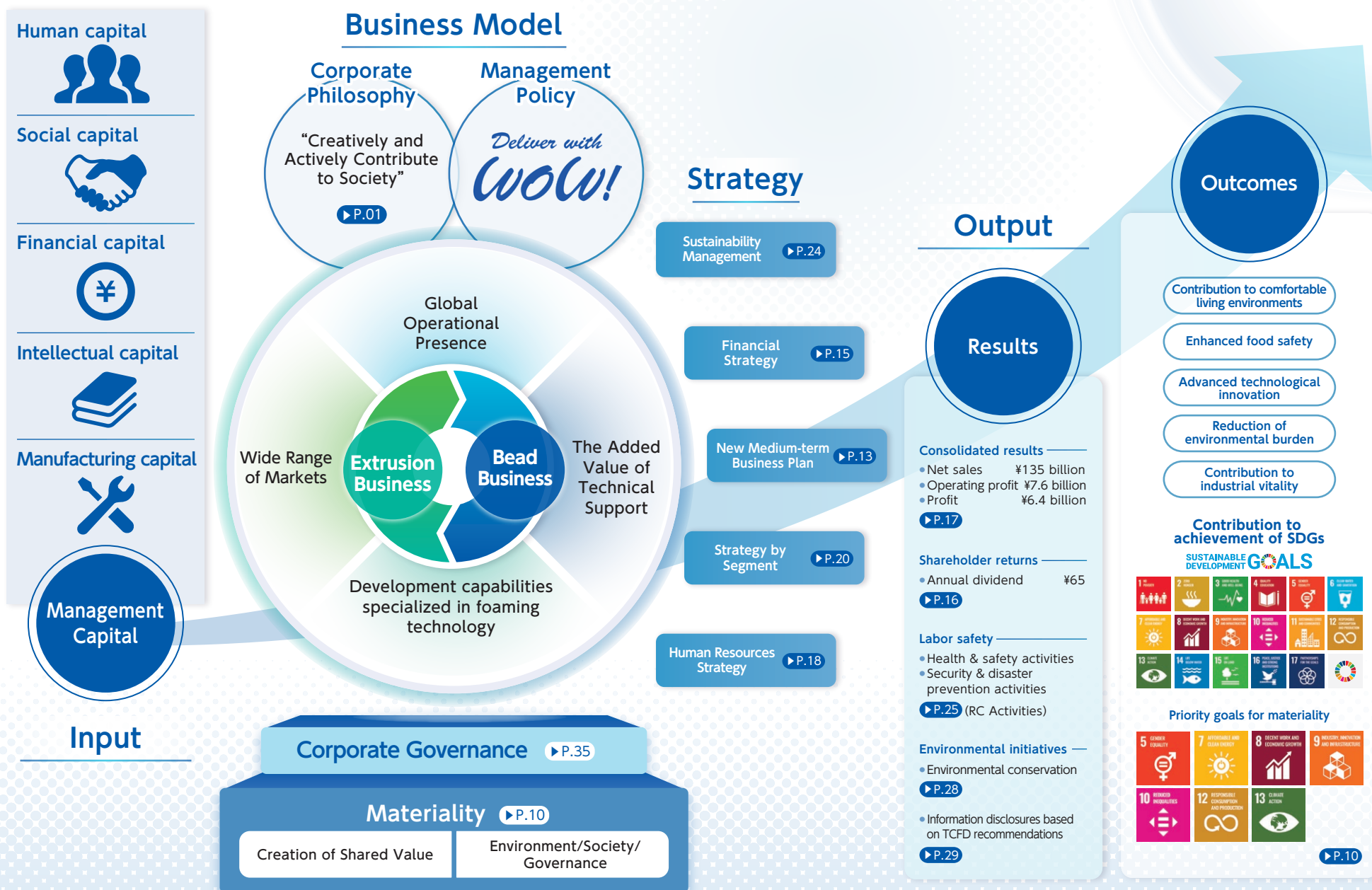
● EPS

Molded components made from the expandable polystyrene STYRODIA are lightweight, have excellent cushioning and insulation properties, and are easy to process. Utilizing these outstanding properties, we offer grades suitable for a variety of applications. EPS is used as an essential material for food insulation containers such as boxes for fish and vegetables.



Value Creation Process

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



Message from the President



We will work to strengthen the profitability of the entire Group and build a corporate structure that is less susceptible to changes in the environment.

Through these efforts, we aim to sustainably increase our corporate value.

Tomohiko Okubo

President & Representative Director

Reviewing the previous medium-term business plan

In the medium-term business plan “Change for Growth” which ended in fiscal 2023, the JSP Group has been promoting a multifaceted transformation strategy and working to heighten corporate value by increasing capital return and growth, and to improve sustainability management through environmentally responsible products and plastic resource circulation.

The first half of the previous medium-term business plan period was a tough business environment due to the global spread of the COVID-19 pandemic, rising raw material and fuel prices due to the prolonged situation in Ukraine, and stagnating growth of the Chinese economy. While we made efforts to respond to these

circumstances, necessary activities were delayed and quantitative targets were not sufficiently achieved. Conversely, with regard to qualitative targets such as strengthening our management base, we have realized steady success through efforts such as fostering a rewarding corporate culture, occupational safety, strengthening corporate governance, and environmental conservation. We plan to continue these efforts in the future.

In fiscal 2023, the final year of the previous medium-term business plan, sales of advanced material products such as ARPRO remained strong, mainly in Europe and the United States. Net sales exceeded the target and operating profit reached a level close to the target. These results were spurred by the recovery of the European and U.S. markets due to the COVID-19 pandemic subsiding and prices for raw materials and fuel stabilizing. Product price revisions and cost reduction efforts also contributed to the favorable performance.

Message from the President

Aiming to become a company that is not susceptible to changes in the environment

As mentioned earlier, performance during the previous medium-term business plan plummeted as if it had entered an air pocket. This sudden decrease was due to unexpected deterioration of the business environment. Then, when the business environment improved, performance suddenly rose sharply as if spurred on by a tailwind. The previous plan was period in which we were at the mercy of global trends, for better or worse. In other words, our challenge is the susceptibility to changes in the business environment.

JSP has had this tendency for some time; however, over the past three years, the issue of susceptibility to changes has become more readily apparent. Although we were able to achieve some of our quantitative targets thanks to a momentary tailwind in the business environment, the four growth engines defined in the medium-term business plan did not proceed as planned. This is because the results happened by chance, instead of being the result of our ability.

Going forward, in order to develop our capabilities as a true global supplier, we need to acquire a corporate structure that is less susceptible to the external environment. Fortunately, the COVID-19 pandemic has ended and raw material and fuel prices have stabilized. Therefore, for the time being, we are in a position to focus on improving our business base. In terms of our product lineup, while maintaining our basis on general-purpose products, we will increase the sales ratio of advanced material products and high value-added products. Additionally, in order to strengthen our essential profitability, we will improve cost efficiency while promoting appropriate price revisions. Can we continue to grow advanced materials such as ARPRO, which performed well in fiscal 2023, and high value-added products? Can we expand our capabilities even further? These are our next themes.

Formulating a new medium-term business plan to strengthen profitability across the entire Group

In April 2024, the JSP Group announced our new

medium-term business plan “Change for Growth 2026,” which is the final step of our long-term vision, VISION 2027. The plan includes the results and challenges of the previous medium-term business plan, as well as policies for resolving these challenges. The plan aims for the ideal state of “A Global Company for Global Society” as set out in VISION 2027.

The major policies of the plan are to “be self-reliant to achieve sustained growth rather than relying solely on changes in the business climate” and to “take actions that are conscious of cost of capital and stock price.” The basic concepts are a new focus to “make the entire JSP Group more profitable,” and to continue to “contribute to society by supplying foamed plastic products” and “strengthen the management base.”

First, with regard to “make the entire JSP Group more profitable,” based on organizational optimization, creation of a new strategic framework, and effective use of Group resources, we will expand business domains, expand to new geographic areas, upgrade/strengthen our product portfolio, and implement a financial strategy. Our vision of becoming more profitable, refers not only to achieving quantitative targets, but also to enhancing the source and content of profitability. For the second concept, “contribute to society by supplying foamed plastic products,” we will focus on contributing to society and increasing profitability by raising the share of products that can reduce environmental impact. For the third concept, “strengthen the management base,” we will promote non-financial initiatives such as using a new personnel system to foster the corporate culture of a rewarding workplace, and implementing initiatives for materiality management, carbon neutrality, and human capital initiatives.

Basic Concepts

- (1) Make the entire JSP Group more profitable
- (2) Contribute to society by supplying foamed plastic products
- (3) Strengthen the management base

Regarding the four growth engines, with the aim of expanding our business and increasing profitability, we will continue to focus management resources on the themes of 1) ARPRO business (automotive parts, etc.), 2) thermal insulation for buildings and houses (limited to high value-added products), 3) FPD (flat panel display) cushioning materials, and 4) new business domains.

Transition to a business division system to optimize the allocation and use of management resources

In order to accelerate efforts to “make the entire JSP Group more profitable” under the new medium-term business plan, we have transitioned to a business division system from April 2024. Previously, we were basically in a division system, with the extrusion business segment containing the Living Materials Division, Industrial Materials Division, and Construction and Civil Engineering Materials Division, and the bead business segment having the Advanced Materials Sales Division and EPS Division. In the new system, the Extrusion Business Division and the Bead Business Division, which has newly added the Global Business Division, will oversee their respective divisions. This change will enable the efficient and appropriate allocation and use of management resources within the business division. Under the new business division system, the extrusion business and the bead business will select and concentrate management resources toward their respective goals. Through this system, in addition to developing new products, we also seek to enlarge business domains and expand to new geographic areas.

During the three years of the new medium-term business plan, we will promote multifaceted reforms, including a business strategy that promotes the selection and concentration of management resources, organizational strategy, and financial strategy. The aim of these reforms is to achieve record highs in both sales and operating profit, and to increase corporate value. Furthermore, in order to create a corporate structure that is not easily affected by external changes, it is important to know how to minimize the amplitude of fluctuations (for example, a global semiconductor shortage) that will impact us. However, filling in the valleys also means cutting down the peaks. So, how can we achieve balance toward stable growth while minimizing susceptibility to external changes? I believe that the main course of action is to strive for optimization of our business portfolio.

Message from the President

When considering our business portfolio, it is important to engage in reorganization by using the product strategies of the extrusion business and bead business as the vertical axis, and the wide range of application fields (automotive, packaging materials, living materials, industrial materials, etc.) as the horizontal axis, and by adding the concept of global expansion. The goal of this new value creation model is to develop high added-value products and provide customers with solution services that only JSP can provide. By adopting a business division system, it is possible to achieve things that were not possible with the traditional approach based on divisions. This is a major reason why we shifted to a business division system.

Maximization of synergies pursued by the Extrusion Business Division

The Extrusion Business Division will bring together the three divisions of Living Materials, Industrial Materials, and Construction and Civil Engineering Materials. The business



division will link the plants, logistics, and technologies shared by the three divisions to build a more efficient production system. With this system, we aim to create new value, improve the productivity of general-purpose products, and expand high value-added products and customer services. In other words, the Extrusion Business Division will unify and steer the operations that have been conducted individually by the three divisions up until now. We expect this to increase synergy by utilizing the strengths of the three divisions, leading to the development of even more high value-added products, an expansion of our customer base, and the development of new markets.

Since the Japanese market is already in a mature phase, our basic strategy is to firmly engage changes in quality rather than aiming for an increase in quantity. From this perspective, I believe it is important to understand the needs, challenges, and market awareness of various users, and then incorporate this understanding into our products as optimal solutions. For example, with regard to insulation materials, in response to the increasing sophistication of insulation standards for homes, we are focusing on expanding sales of high value-added and environmentally responsive products such as MIRAFOAM Λ (lambda). With regard to FPD cushioning materials, in response to the recent trend toward larger display panels, we have received high praise from customers for strengthening our technological development and proposal capabilities. We are also working to build a flexible and efficient production system for our four extrusion business plants in Japan, thereby achieving synergy across the boundaries of our three businesses.

Bead Business Division paves the way for a global strategic future

The Bead Business Division will oversee the Advanced Materials Sales Division and EPS (STYRODIA) Division, as well as the Global Business Division. With this new structure, we aim to increase regional synergies in the EPP (ARPRO) business and expand our global business base.

Until now, the bead business has focused on local optimization tailored to the characteristics of each region, as markets are scattered around the world. We adopted this focus because it is not rational to pursue a common strategy in the mature markets of Europe and the United States and the developing markets of

India and East Asia. From this perspective, we have been promoting detailed business development suited to each region and market. However, the burden of promoting capital investment and product development in each region inevitably limits the efficiency of our business. In this situation, we were faced with the challenge of how to grow and expand our business more efficiently and sustainably.

We expect the business division system to produce certain results in solving this problem. The shared technology, know-how, and information of the entire Group will be used to support business development in each region. Furthermore, we will flexibly allocate management resources such as human resources and funds so that we can accelerate efforts when necessary. There are benefits to be gained from having the division control overall strategic initiatives. Going forward, in addition to expanding the scale of their business, each business division should consider the value of each business, and seek and implement ways to enhance and effectively utilize their strengths as management assets. I look forward to seeing appropriate approaches aimed at further improving productivity.

In regard to our global strategy, from the perspective of cultivating brand power and strengthening our business power, we have unified the brand name of our EPP products into ARPRO. (Previously, EPP products were also offered under the P-Block brand in some regions.) The JSP Group operates in a wide range of markets and business fields, so brand power that inspires trust is essential when trying to advertise our services for application development, demand development, and provision of consulting services. We hope that developing ARPRO into a global brand will enable us to powerfully advance market strategies and marketing strategies for our products.

ARPRO

Message from the President

Strengthening our foundation for growth in terms of both financial and human capital

Instead of simply working to expand sales volume, the Group is trying to acquire true business capabilities that respond to the needs of customers while considering the optimal composition ratio of general-purpose products and high value-added products. At the same time, we are more conscious of capital efficiency and investment efficiency than ever before, and are trying to incorporate these into our business strategy. With this goal in mind, we have reorganized our financial strategy. Although we are currently in the middle of a transformation, our main policy is to actively invest in growth and stably pay dividends to shareholders. If there is a shortage of funds, we will respond through means such as borrowing, with the aim of bringing the balance sheet to an optimal level.

Our approach to capital efficiency is to expand profits in line with targets in the medium-term business plan, while consciously controlling our equity capital. Incidentally, our equity ratio is currently about 63%, and I believe it would be acceptable to lower the ratio slightly. I would like to gradually adjust the ratio through methods such as appropriate allocation while considering factors such as medium- to long-term capital needs, etc.

Going forward, as we proceed with our financial strategy, we will actively engage in growth investments such as capital investments and M&A, while also emphasizing the overall balanced distribution of shareholder dividends and employee wages. We consider this to be an important theme, as we have a policy of keeping our money active.

As part of our financial strategy, we have also reviewed our dividend policy. The first step in our policy is to increase the dividend. Our basic stance is to continue stable dividends and steadily increase them. Currently, we have set the dividend payout ratio at 35% or more of consolidated net income. For the current fiscal year, based on our performance forecast, we expect dividends to be just under 40%. We believe that this level can be sustained in the future and perhaps raised even further.

Human capital is another important item in promoting sustainability management. In particular, diversity of human resources is important as a driving force for revitalizing an organization. The mutual stimulation among people with different

perspectives and various values creates a corporate structure that is more likely to cause breakthroughs and innovation. With this in mind, I am committed to promoting diversity.

The JSP Group has always been a diverse group of people. Over the 60 years since our founding, we have a history of growing through mid-career recruitment, mergers and integrations. In this way, diversity is encoded in the Group's DNA. We have set diversity as a materiality and are working to enhance diversity. Specific initiatives include actively promoting the participation of women, the appointment of women to managerial positions, and the hiring of mid-career employees. We will strive to increase human capital while strengthening human resource development and fostering a corporate culture that encourages motivation to work, thereby realizing sustainable improvements in corporate value.

Message to shareholders and investors

I have always said that foamed plastics are a material that is useful to society. Foamed plastics are made by expending plastics—this means that the amount of plastic used is significantly reduced even when volume is the same. Foamed plastics are also highly recyclable, which contributes significantly to resource conservation and a resource-circulating society. By taking advantage of physical properties (such as reducing weight, improving cushioning, and providing cold insulation and thermal insulation), foamed plastics can perform a variety of functions. These properties have led to foamed products being widely adopted by society for countless uses.

For example, the light weight of foamed plastics contributes to improving the fuel efficiency of automobiles, while their thermal insulation properties contribute to energy savings in homes and buildings. The areas in which foamed plastics are used are endless, including packaging materials that reduce costs by improving logistics efficiency and food trays that reduce food waste by maintaining freshness.

As the demands for social and environmental sustainability grow, the JSP Group is further refining the value of foamed plastics to meet the demands of the times. Based on the plastic foaming technology

and know-how we have cultivated over the years, we are embracing the challenge of developing advanced and high value-added materials. We are also focusing our wisdom and efforts into finding ways of incorporating these materials into the world as useful products. All of these activities are included in our pursuit of innovation, and I am certain that expanding our business will help realize a sustainable society.

Based on our corporate philosophy of "Creatively and Actively Contribute to Society," our management policy of "Deliver with WOW!," and our position as a true global supplier, the JSP Group will continue to inspire customers and consumers, and deliver satisfaction to shareholders and the local community. By creating an environment where each employee is excited in their work, we aspire to be a corporation that is needed by society. I look forward to continued support from all of our stakeholders.



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 2026” and product perspectives.

Phase 3: Resolution by management

Activities for Materiality

Creation of Shared Value

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

Materiality	Main Activities by JSP	SDGs
(1) Contribution of environmentally responsible products	Contribute to society by supplying foamed plastic products.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
(2) Contribution to plastic resource recycling		12 RESPONSIBLE CONSUMPTION AND PRODUCTION
(3) Contribution to climate change mitigation		13 CLIMATE ACTION
(4) Contribution to 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 conservation	Global environmental conservation through Responsible Care (RC) activities.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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.	5 GENDER EQUALITY
(2) Corporate job satisfaction	Create a work environment where employees with diverse values respect each other and can play an active role.	8 DECENT WORK AND ECONOMIC GROWTH
(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.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
(4) Structure of information systems	Promote operational efficiency through the use of digital technology.	10 REDUCED INEQUALITIES
(5) Workforce diversity	Promote recruitment and employment of a diverse workforce in which all employees can play an active role	

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 27, 2024 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	
<p>In April 2024, the JSP Group launched its new medium-term business plan, "Change for Growth 2026," for the three-year period from fiscal 2024 to 2026. The period covered by this plan is positioned as the last phase toward achieving our long-term vision "VISION 2027," which defines our ideal state over a 10-year span, and we recognize that these three years will be a major turning point in our efforts to be "a global company for global society."</p> <p>In this plan, one of the basic concepts is to "make the entire JSP Group more profitable," and we aim to expand our business areas and business regions. Continuing from the previous medium-term business plan, we have positioned the "ARPRO business," "thermal insulation materials for buildings and houses," and "flat panel display (FPD) cushioning materials" as a driving force for sustainable growth, and plan to improve profit margins and increase earnings by focusing on sales of high value-added products in addition to volume increases. However, the plan 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 of laws and regulations.</p>	<p>In order to respond to changes in the market environment, the JSP Group continues to expand into new business domains in addition to the existing businesses shown on the left. Moreover, in response to the growing awareness of environmental issues we 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.</p>
(2) Risks related to global business development	
<p>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.</p>	<p>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. We are also working to further enhance our internal control functions to strengthen the Group governance.</p>
(3) Intensifying price competition	
<p>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.</p>	<p>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.</p>
(4) Fluctuations in raw material and fuel prices	
<p>The raw materials and fuels which the Group uses are greatly affected by fluctuations in the prices of crude oil and naphtha, which can lead to significant price changes. In the case of the JSP Group, when the price of raw materials and fuel rises, it tends to cause a deterioration in our business performance due to delay in reflecting the cost of raw materials and fuel in product prices.</p> <p>In FY2024, crude oil prices are expected to remain firm at high levels, although the sharp rise in the crude oil market against the backdrop of heightened geopolitical risks since two years ago is expected to stabilize. In addition, we continue to negotiate with suppliers for price hikes in response to rising prices, including the so-called "2024 problem" in logistics in Japan, but the full reflection of such hikes in product prices may be delayed further than expected.</p>	<p>In order to build a management base that is not affected by fluctuations in raw material and fuel prices, the JSP Group considers formula pricing with customers for applying these fluctuations to product pricing in a timely manner and also continues to make efforts to reduce costs.</p>

Risks related to business operations

Main contents of risks and opportunities	Our main handling measures
(1) Securing of human resources	
<p>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.</p>	<p>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 strives to strengthen its organization further as a global corporation by enhancing the human resource training system. In addition, we are working to eliminate labor shortages by implementing measures such as shortening production processes and automating manufacturing lines.</p>
(2) Risks related to the spread of infectious diseases (pandemics)	
<p>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 plants may be disrupted and operations may be suspended for a certain period of time. In addition, even if our plants 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.</p>	<p>Although we recognize that the COVID-19 pandemic has finally largely settled down after more than three years since it became widespread, there is a possibility that it will continue to spread in the future, and we continue to take certain measures to prevent infection. In addition, in preparation for the new outbreaks of infections, we have put in place measures to ensure the continuity of our head office functions from the perspective of a business continuity plan (BCP).</p>
(3) Intellectual property rights	
<p>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.</p>	<p>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 Unit leading these efforts.</p>
(4) Quality assurance	
<p>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.</p>	<p>The JSP Group strengthens its quality assurance system by actively promoting the acquisition of quality management system certification at each plant.</p>

Response to Risks and Opportunities

Risks related to business operations

Main contents of risks and opportunities	Our main handling measures
(5) Impairment of fixed assets	
<p>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.</p> <p>In FY2023, an indication of impairment was identified as operating income arising from the asset group of EPS business in the beads segment and the asset group of the consolidated subsidiaries in Japan have continuously been negative. After comparing the total undiscounted future cash flows from the asset group with its carrying amount, it was concluded that an impairment loss was not recognized as the total undiscounted future cash flows exceeded the carrying amount. Details are given in the Annual Securities Report of 66th fiscal year (Japanese only)*.</p> <p>*7942_2024062713190214_P01_.pdf (https://www.co-jsp.co.jp/ir/upload_file/tdnrelease/7942_2024062713190214_P01_.pdf)</p> <p>In the future, if actual results differ due to changes in the market environment or other factors, or if assumptions change, the Company may recognize additional impairment losses in the next consolidated fiscal year.</p>	<p>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.</p>
(6) Information security and information management	
<p>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.</p>	<p>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.</p>
(7) Compliance and internal control	
<p>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.</p>	<p>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.</p>

Risks related to the environment, safety, etc.

Main contents of risks and opportunities	Our main handling measures
(1) Natural disasters and accidents	
<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. The JSP Group prepares for the emergence of risks by having earthquake insurance.</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>
(2) Environmental issues with plastics	
<p>The JSP Group's basic policy is based on resource and energy conservation, protection of global energy resources and consideration for the global environment. We meet the demands of society and the market mainly through the functionality and convenience of foamed plastics. On the other hand, 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 responsible products, as well as initiatives such as material and thermal recycling of plastics, and use of recycled materials.</p> <p>The risks and opportunities that climate change poses to the JSP Group, as well as scenario analysis, strategies, indicators, and targets, are discussed under the sustainability promotion structure and approved by the Board of Directors. Through scenario analysis, we 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>

New Medium-term Business Plan

Our Aspirations as Defined in "Change for Growth 2026"

As the final step of our long-term vision, VISION 2027, we have formulated the new medium-term business plan "Change for Growth 2026."

In response to the issues from the previous medium-term business plan and the following requests from the stock market, we have added strengthening profitability as a new concept. We will work on strengthening profitability as a key issue.

- The need to be self-reliant to achieve sustained growth rather than relying solely on changes in the business climate
- The need for actions that are conscious of cost of capital and stock price

By achieving the targets set in the new medium-term business plan, we aim to become "A Global Company for Global Society."

Key Points of Change for Growth 2026

In addition to the basic concepts of "contribute to society by supplying foamed plastic products" and "strengthen the management base," the new medium-term business plan sets the concept of "make the entire JSP Group more profitable."

Specific initiatives for each concept are as follows:

(1) Make the entire JSP Group more profitable

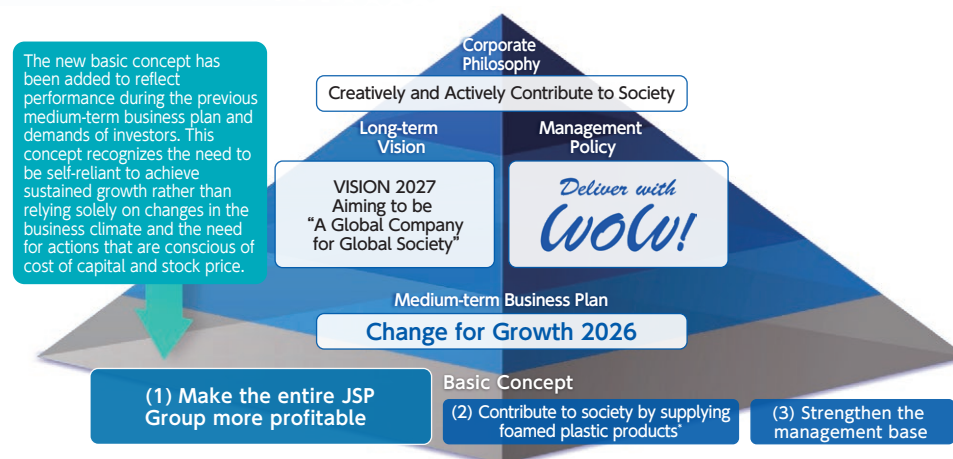
- Organizational optimization; create a new strategic framework and use group resources effectively
- Enlarge business domains, expand to new geographic areas, and upgrade and strengthen the product portfolio
- Implement a financial strategy

(2) Contribute to society by supplying foamed plastic products

- Contribute to society and increase profitability by raising the share of products that can reduce environmental impact

(3) Strengthen the management base

- Use a new personnel system to foster the corporate culture of a rewarding workplace
- Establish non-financial KPI, such as for materiality, carbon neutrality and human resources, and take actions for progress



*Social responsibility by supplying foamed plastic products means "expanding the value of products beyond just economic value to include social value as well, such as by helping solve issues of customers and society."

Numerical Targets for Change for Growth 2026

In the new medium-term business plan, we have set the following goals with the aim of maximizing earnings and using capital more efficiently by concentrating management resources on growing business areas with high profit margins, primarily the four growth engines.

	FY2023 results	Targets for FY2026	The plan's final year vs. FY2023
Net sales	¥135,051 million	¥160,000 million	+ 18.5%
Operating profit	¥7,563 million	¥10,000 million	+ 32.2%
Operating margin	5.6%	6.3%	+ 0.7%
Ordinary profit	¥8,127 million	¥10,400 million	+ 28.0%
Profit attributable to owners of parent	¥6,391 million	¥7,300 million	+ 14.2%
Return on equity (ROE)	6.8%	At least 7.0%	+ At least 0.2%





Assumptions	FY2023 results	Forecast for FY2026
Forex	141.2 yen/USD 153.2 yen/EUR 19.9 yen/RMB	140 yen/USD 150 yen/EUR 20 yen/RMB
Price of Dubai crude oil	82 USD/barrel	90 USD/barrel

New Medium-term Business Plan

In the medium-term business plan, we will continue to focus management resources on the four growth engines. At the same time, we will create a foundation for sustainable growth while formulating growth strategies for corporate divisions and divisions involved in research and new business development.

Four Growth Engines and Opportunities/Risks

To achieve future growth of the JSP Group, we will focus management resources on the following four growth engines, thereby expanding our business and improving profitability while responding to changes in the market environment.

	ARPRO business* ¹ (automotive parts, etc.)	Thermal insulation materials for buildings and houses(Value- added products)	FPD* ² cushioning materials	New business domains
Relationship with social issues	<ul style="list-style-type: none"> Decarbonization Energy shift 	<ul style="list-style-type: none"> Global warming countermeasures Resource conservation 	<ul style="list-style-type: none"> Advancement of digital society and lifestyle changes 	<ul style="list-style-type: none"> Lightweight Resource saving, etc.
Business segments Four growth engines	Bead business 	Extrusion business 	Extrusion business 	Extrusion business and bead business Other 
Opportunities and risks	Opportunities <ul style="list-style-type: none"> Increasing demands in lightweight technology in response to the transition to EVs and carbon neutrality Shift to circular economy and recycled materials Risks <ul style="list-style-type: none"> Decrease in movement due to the post-COVID "new normal" Low birthrate and aging population in Japan, move away from cars due to car sharing, etc. 	Opportunities <ul style="list-style-type: none"> In conjunction with conformance to energy conservation standards, our products with high thermal insulation performance are being adopted more frequently, and the usage amount of these products is also increasing Growing sales of pre-cut products will improve construction efficiency and respond to rising labor costs Risks <ul style="list-style-type: none"> Concerns over rising housing construction costs and a decline in the number of construction starts due to a declining birthrate and aging population in Japan 	Opportunities <ul style="list-style-type: none"> Ability to support shift to high performance and large displays such as LCD, OLED, and large displays Devices using FPDs are on the rise, and sales volume will continue to grow in the medium to long term Risks <ul style="list-style-type: none"> Smaller displays for wearable devices, etc. Balancing production expansion and production adjustment due to rapid expansion of FPD supply capacity 	Opportunities <ul style="list-style-type: none"> Expanding the use of foamed plastics by entering the injection molding market Establishing a position of technological superiority through compounding, etc. Feedback to improve the manufacturing efficiency of the foaming business from the manufacturing process management of other products, etc. Risk <ul style="list-style-type: none"> Competitiveness of market launch of developed products (scale of manufacturing capacity, price, performance compared to competing materials)
Plan	Sales volume 23% increase Increased sales due to expansion into India and northern Mexico, expansion of applications to environmentally responsible products and non-automotive fields, and promotion of brand strategy	Sales volume 15% increase Amid sluggish growth in housing starts, we will improve profitability through increased sales of high value-added products such as MIRAFOAM Λ (lambda) and pre-cut products. Note: Plans are based on the growth rate of value-added products from the new medium-term business plan	Sales volume 21% increase In addition to the high growth potential of the market, we aim to increase sales by leveraging our ability to propose technologies that meet customer needs and by acquiring new customers	Net sales ¥5.0 billion Initiatives to expand sales of injection molding companies in which we have invested and to commercialize domestic development projects (blow products, etc.)

*1 ARPRO business: In the expanded polypropylene business, all P-BLOCK and ARPRO products now use the ARPRO brand.

*2 FPD: flat panel display

Corporate and Research/New Business Strategies

In order to effectively utilize management resources and achieve sustainable growth, we have also formulated growth strategies for the corporate divisions and divisions involved in research and new business development.

HR strategy	<ul style="list-style-type: none"> Shift emphasis from age and years of employment to expected responsibilities, roles and capabilities Create a framework with many career paths and the utilization of specialized skills
Financial strategy	<ul style="list-style-type: none"> Please refer to pages 15 and 16 for more information.
Logistics improvements	<ul style="list-style-type: none"> Use Japan's new restrictions on overtime in 2024 as an opportunity to move to a more efficient delivery system and use this change to cut logistics expenses Maintain proper levels of inventories (consolidation of warehouses and other measures)
Digital skill upgrade and DX progress	<ul style="list-style-type: none"> More use of digital technologies and data for DX progress Digital technology training to build an infrastructure for the DX
IR strategy	<ul style="list-style-type: none"> Increase the provision of IR information and further promote dialogues with investors Activities to make the ARPRO brand more powerful
R&D New business	<ul style="list-style-type: none"> Stronger interaction between R&D and new business development programs; commercialization of basic technologies and technologies outside the JSP Group

Overall Strategy

Financial Strategy

Quantitative Targets for Change for Growth 2026 and Results of Two Previous Medium-term Business Plans

In FY2023, our global business (ARPRO business) achieved strong performance, especially in Europe and the United States. Thanks in part to forex movements, we achieved a significant increase in net sales and approached our target for operating profit. However, improving profitability remains a challenge.

In light of the above, we will implement the following initiatives in our new medium-term business plan to improve profitability.

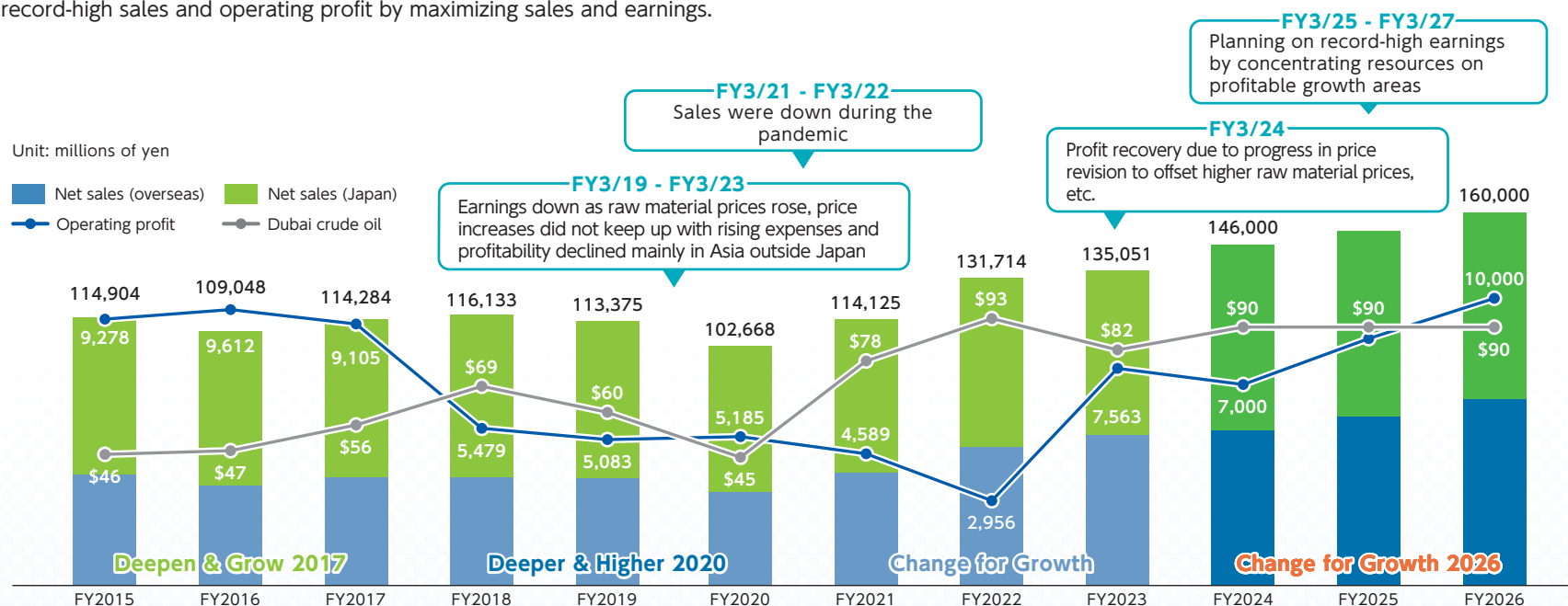
- Pursue further competitive advantages as a global market leader
- Invest in profitable growth areas based on the Four Drivers of Growth
- Expand use of ARPRO not only in automotive but also in non-automotive applications
- Pursue differentiation by expanding products that can reduce environmental impact in response to growing environmental concerns
- Expand sales of high value-added products, reduce costs by improving productivity and implement price revisions

	Final fiscal year of medium-term business plan ended Mar. 2021 (FY2020)	Quantitative targets for previous medium-term business plan (FY2023)	Results (FY2023)	Forecast for FY2026	Compared to FY2023
Net sales	¥102.7 billion	¥120.0 billion	¥135.0 billion	¥160,000 million	+ 18.5%
Operating profit	¥5.2 billion	¥7.7 billion	¥7.6 billion	¥10,000 million	+ 32.2%
Operating profit ratio	5.1%	6.4%	5.6%	6.3%	+ 0.7%

Assumptions	Medium-term business plan ended Mar. 2021	Previous medium-term business plan	FY2023 results	Forecast for FY2026
Forex	113 yen/USD 133 yen/EUR 17 yen/RMB	105 yen/USD 125 yen/EUR 15 yen/RMB	141.2 yen/USD 153.2 yen/EUR 19.9 yen/RMB	140 yen/USD 150 yen/EUR 20 yen/RMB
Price of Dubai crude oil	55 USD/barrel	50 USD/barrel	82 USD/barrel	90 USD/barrel

Earning growth in Change for Growth 2026

The goal is record-high sales and operating profit by maximizing sales and earnings.

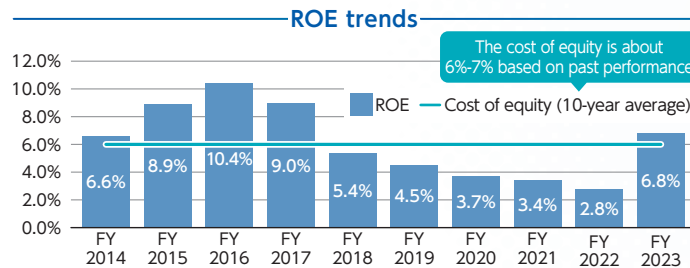


Overall Strategy

Financial Strategy

Improving Return on Equity

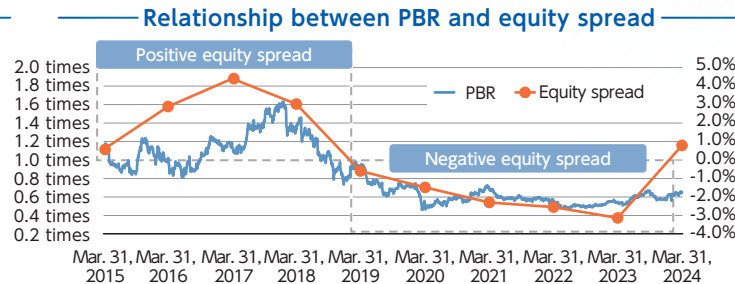
An analysis of the cost of equity and the return on equity shows that there is a clear correlation between the PBR and the equity spread, which is the ROE minus the cost of equity. Therefore, in order to manage business with emphasis on the efficient use of capital, the goal is to have a consistently positive equity spread as the ROE remains above the cost of equity.



ROE target

At least **7%** in FY2026

in the medium
At least **8%** to long term



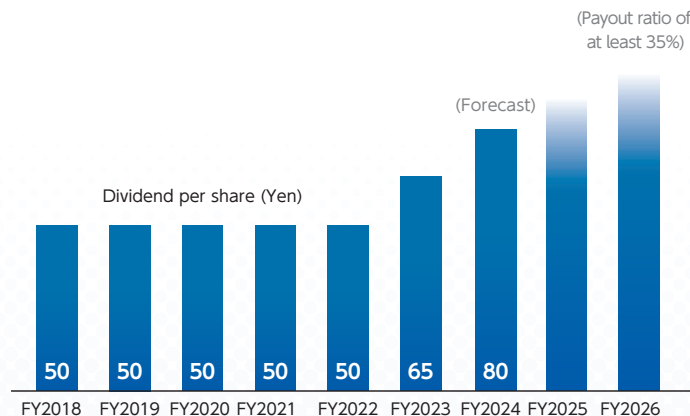
Note: Each year's equity spread is calculated based on the average cost of equity over the past 10 years (6.0%)

Policy for Shareholder Returns

In order to strengthen shareholder returns as part of our policy involving equity, we have revised our shareholder return policy.

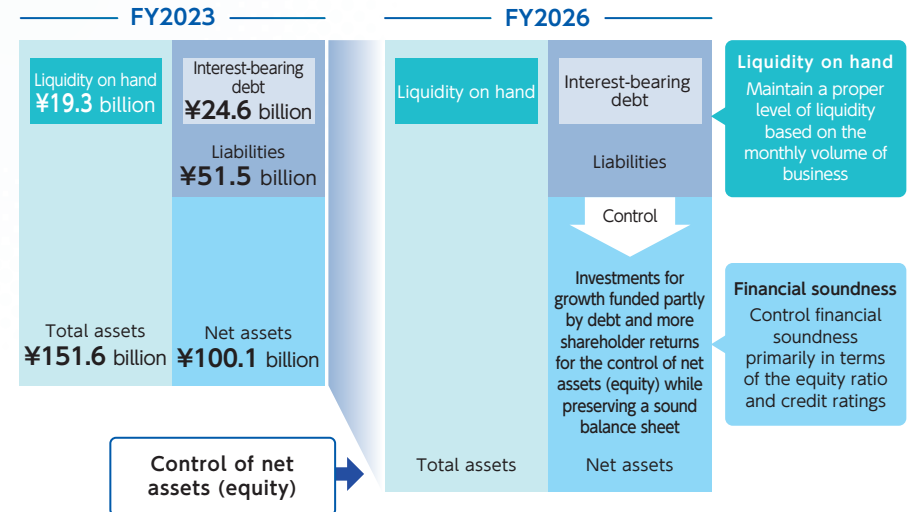
Shareholder return policy

Distributing earnings to shareholders is one of the highest priorities of JSP. Our policy is to place emphasis on stable and consistent dividend payments and to aim for using capital more efficiently and increasing distributions of earnings to shareholders. Shareholder returns will be determined by taking into consideration all applicable factors, including consolidated performance and the proper balance between retaining earnings for future business activities and distributing earnings to shareholders. The guideline for dividends is a payout ratio of at least 35% of consolidated net income.



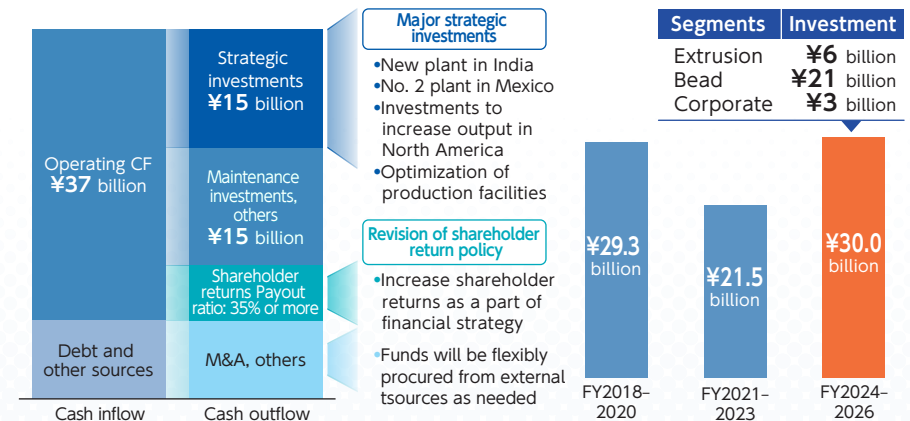
Optimization of Capital Structure

JSP manages finances with emphasis on the balance sheet with the goal of achieving the most suitable capital structure with the proper balance between the return on equity and financial soundness.



Capital Allocation (FY2024-2026 cumulative)

Strategic investments funded mainly by operating cash flows are planned to increase the profitability of business operations. The objective is maximizing earnings, with investments focused mainly on output growth and streamlining projects in the ARPRO business.

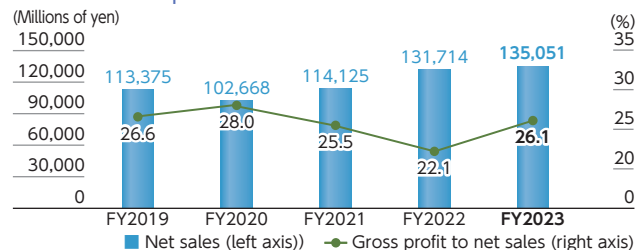


Overall Strategy

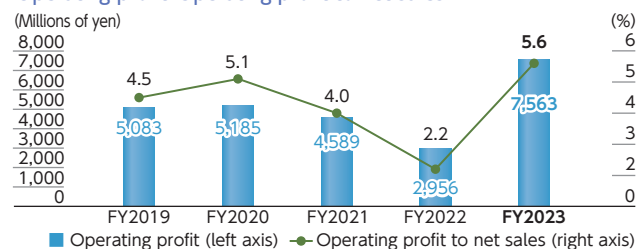
Financial and Non-financial Highlights

Financial Highlights

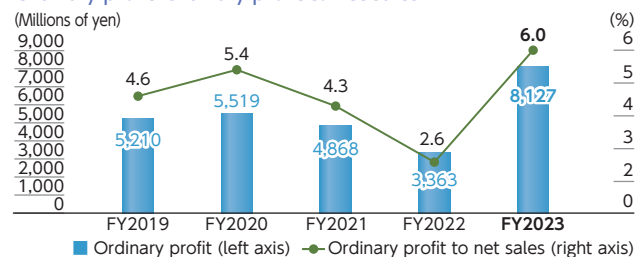
Net sales/Gross profit to net sales



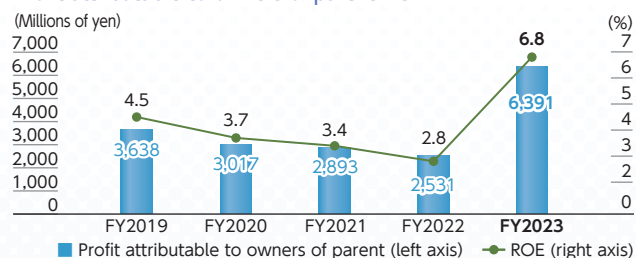
Operating profit/Operating profit to net sales



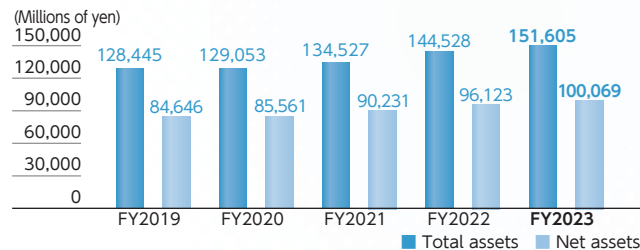
Ordinary profit/Ordinary profit to net sales



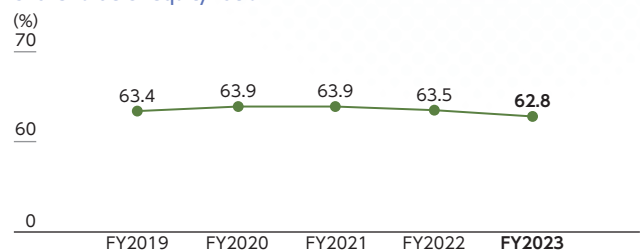
Profit attributable to owners of parent/ROE



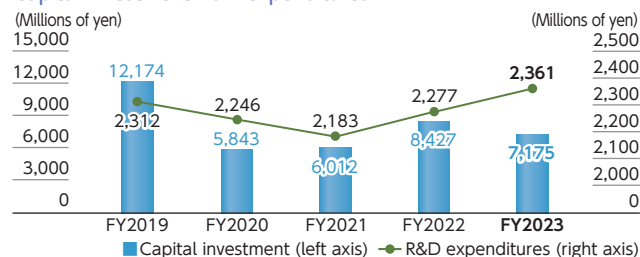
Total assets/Net assets



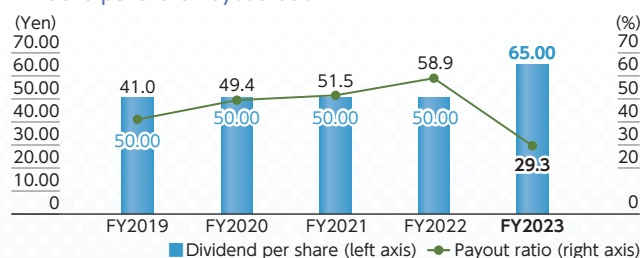
Shareholders' equity ratio



Capital investment/R&D expenditures

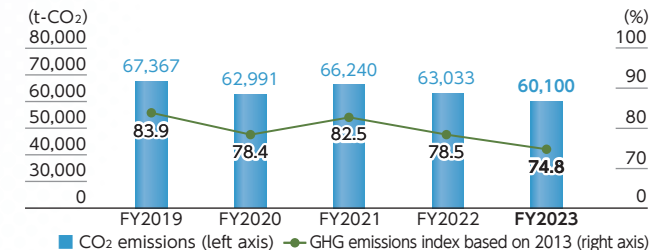


Dividend per share/Payout ratio

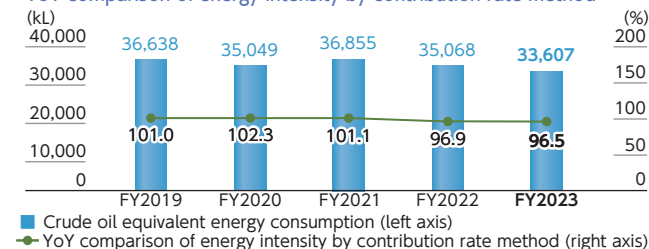


Non-financial Highlights (Non-Consolidated Figures)

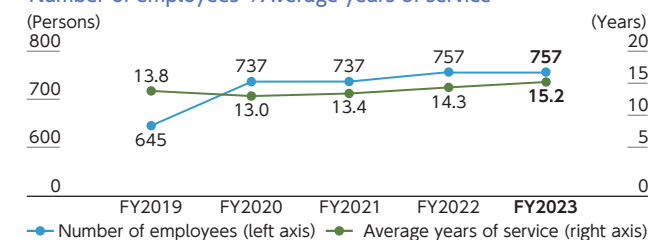
CO₂ emissions/GHG emissions index based on 2013



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



Number of employees /Average years of service*



Paid leave acquisition rate



Overall Strategy

Human Resources Strategy

Message from the Officer in Charge of Human Resources



“Under the new personnel system, we will create an environment where each employee can ‘Deliver with WOW!’”

Yosuke Takemura

Director, Senior Executive Officer
General Manager of General & Personnel Affairs Division

1. Adding the new materiality “workforce diversity” in the new medium-term business plan

In the new medium-term business plan announced in April 2024, we added “workforce diversity” as a new materiality. This addition was made by reviewing the items previously listed under “improve human resources development,” and partially transferring those items to the new materiality of “workforce diversity.” By promoting diversity and inclusion, we aim to create an environment in which diverse human resources can demonstrate their capabilities, thereby increasing corporate value. The specific details are as follows. Workforce diversity is addressed as a company-wide initiative.

*Materiality indicators and targets for human capital

Materiality	Item	Indicator	FY2026 target	FY2023 result
Improve human resources development	Upgrade training and education (JSPC) ^{*1}	Expenses for job-specific programs	Increase by 15.0% compared to FY2023 results	¥33million
Fostering the corporate culture of a rewarding workplace	Increase male employee use of child care time off (JSPC) ^{*1}	Male child care time off utilization	60.0% or higher	47.6%
	Increase employee engagement (JSPC) ^{*1}	Engagement indicator	51.0	49.8
Secure the occupational safety	Prevent lost work time accidents	Lost work time accidents Serious workplace accidents	0 cases 0 cases	16 cases 0 cases
Workforce diversity	More female managers (JSPC) ^{*1}	Pct. of woman in management positions	10.0%	6.0%
	More hiring of experienced people (JSPC) ^{*1}	Pct. of new employees with prior work experience	Maintain and increase	48.6%
	Employment people with disabilities (JSPC and JSP Molding, a special-purpose subsidiary for employing these people) ^{*1}	Pct. of employment of disabled persons	Maintain at least 5.0%	5.8% ^{*2}

^{*1} The indicators and targets for fiscal 2023 are listed on a non-consolidated basis. This is done because each consolidated subsidiary has a different scale and system, which makes it difficult to set uniform indicators and targets.

^{*2} Based on the “Disabled Person Employment Report” as of June 1, 2023, reported pursuant to Article 43, Paragraph 7 of the Act on Employment Promotion of Persons with Disabilities.

2. Vision for the materiality of improving human resources development

Previously, our efforts for improving human resources development consisted of refining the content of job-specific programs. However, starting from this fiscal

year, we have added training for young and mid-level employees to address levels which lacked training. We also added training for executive officers in order to improve the skills of management.

3. Purpose of the new personnel system and key points of the revision

Our management policy “Deliver with WOW!” is based on our desire to be a company that is needed by society by working with a sense of excitement. As a measure to achieve this policy, we have recently introduced a new personnel system.

The objectives are: 1) to create a personnel system that supports our management strategy, 2) to shift from seniority-based personnel management to one that emphasizes roles and abilities, and 3) to link positions, roles, and compensation. The main points of the revision are 1) changing from a skill-based qualification system to a role-based grade system, 2) implementing a new promotion system that will quickly select talented personnel, and 3) changing the bonus payment system from being linked to base salary to being linked to role-based salary. We hope that these changes will support our system in allowing each employee to work with an even greater sense of excitement.

4. Achievements and future direction of the materiality of fostering the corporate culture of a rewarding workplace

As part of our efforts to foster the corporate culture of a rewarding workplace, we have recently added a child allowance to our compensation system as a measure to support employees who are raising children. Furthermore, with the aim of encouraging older employees to take an active role, we have abolished the mandatory retirement age for positions and changed the post-retirement contract system to one that provides role-based compensation.

5. Progress of strengthening the human resources development system and implementing work style reforms, which are initiatives in line with the basic policy of “strengthen the management base” in VISION 2027

As part of the efforts to strengthen the management base, which is a basic policy of our long-term vision VISION 2027, we have set the goals of strengthening the human resources development system and implementing work style reforms. We are currently working toward targets for the goal of strengthening the human resources development system. The main measure for work style reforms is the introduction of a new personnel system, which is also currently being implemented.

Going forward, we will continue to promote and refine these measures.

Policy and Strategy

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

For our human resources development policy, we believe that the growth of each employee is essential for the development of the company, and therefore we provide induction training for new graduates and mid-career recruitment, as well as training for young and mid-level employees, and supervisors. In addition, in order to create an organization where subordinates can work with excitement and play an active role, we recognize the importance of strengthening human resource development by providing education by job level and other training opportunities aimed at improving the management skills of middle and senior managers.

As part of efforts to improve our workplace, we aim to increase the rate at which men take time off for child care, thereby allowing employees to balance child care and work. We will also strive to improve engagement by assigning human resources with consideration for each individual’s career path, thereby fostering a corporate culture where employees feel motivated to work.

We strive to ensure occupational safety, including creating a workplace environment where employees can work without the occurrence accidents and providing mental health care.

To ensure that all employees can fulfill an active role, we will recruit and employ a diverse range of personnel, including men, women, young individuals, older individuals, mid-career hires, and people with disabilities.

Overall Strategy

Human Resources Strategy

Human Resource Development Initiatives

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

List of training in FY2023

Training	Contents	Period
Training for new employees	Business etiquette (2 days), Guidance from departments and plant tour	10 days
Follow-up training for new employees	Follow-up guidance from departments and plant tour	3 days
Training for young mid-level employees	Roles, management cycles, followership, communication, career vision, compliance required for mid-career employees	2 days
Training for new Assistant Managers	Differences between managers and players, leadership, followership, problem setting & solving ability, communication, peer coaching, compliance, accounting, internal control & audit, sustainability	3 days
Training for Group Manager candidates	Manager's role, leadership, organizational problem setting & solving ability, facilitation, listening, compliance	3 days
Training for managers	Managerial roles, business strategy, vision formulation, organizational culture fostering, compliance	2 days
Training for new employee educators	Meaning and scheme of OJT, understanding the role of the educator, training and mentoring skills, case studies, training plans	2 days
Training for new personnel appraisers	Personnel evaluation, interview skills, goal management	2 days
Training for new Group Managers	Organizational management transformation, behaviors required of leaders, feedback skills, coaching, and listening	3 days
Training for senior managers	Roles required of department head, establishment and instillation of organizational vision, fostering of organizational culture, training of subordinate manager (incoming department head)	3 days
Life plan seminar	Post-retirement life design, re-employment system, corporate pension system, public pension system	1 day

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 employees in obtaining necessary qualifications for their work; for example, we cover the cost of obtaining necessary qualifications and provide qualification allowances to employees who are registered for public qualifications.

Diversity Initiatives

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

JSP implements various measures to promote the active participation of women in the workplace, including holding systematic training for younger employees examining various systems and promoting various measures.

Promoting Active Participation of Senior Human Resources

Awareness of working styles after the age of 60 varies greatly among individuals, and it is predicted that this will become more diverse in the future.

JSP aims to create a rewarding work environment even after the age of 60 by operating a personnel system that is empathetic to senior employees. We provide comprehensive support, that includes providing various information or responding to consultations on working styles that suit each employee's circumstances and values, such as allowing employees to choose shorter working hours depending on their condition.

Facilitation for the Employment of Persons with Disabilities

The JSP Group believes that diversity is the driving force for competitiveness and development for the company. By accepting, recognizing and leveraging differences between individuals and groups, including ethnicities, nationalities, genders, disabilities, religions, ages, and other factors, we would like to create an environment where we can demonstrate ourselves and strengthen the power of the company itself.

Currently, JSP Molding, which is located in Japan and is a member of the JSP Group, promotes the employment of people with disabilities and has been certified as a Special Subsidiary, allowing many people with disabilities to play an active role. In October 2015, JSP Molding received an award from the Minister of Health, Labor and Welfare for our long-standing efforts. In addition, we provide various orders such as assembly and processing operation for residents of the facility "Social Welfare Corporation Kibou-no-Ie" in Kanuma City, Tochigi Prefecture. We have realized an employment system with a high retention rate and improved work efficiency by subdividing work and other tasks so that many people can share the work and by assigning the right person to the right job based on an assessment of individual aptitudes. At a time when there is an increasing demand for

diversity in employment, the JSP Group believes that diversity is a source of corporate competitiveness.

We would like to continue to be the company where individuals can demonstrate their abilities while coexisting with various values from the perspective of diversity management.



Mid-career Recruitment

As follows, we have published our mid-career recruitment ratio based on the Act on Comprehensively Advancing Labor Measures, and Stabilizing the Employment of Workers, and Enriching Workers' Vocational Lives.

	FY2021	FY2022	FY2023
Mid-career recruitment ratio for regular full-time employees	67%	51.4%	48.6%

(Announcement date: June 27, 2024)

Work-Life Balance Initiatives

We believe that maintaining physical and mental health and taking steps to achieve this balance are fundamental for each employee to feel excited, motivated, and interested in work. JSP is creating a variety of workplace environments.

- Regular Health Check
- Employee Assistance Program
- Flex-time System
- Controlling Long Working Hours
- Childcare Leave and Nursing Care Leave
- Promotion of Taking Paid Leave
- Area Career-track Work System

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



High value-added products will serve as growth engines.
We will work to strengthen profitability by promoting technological innovation and strengthening production capability.

Takashi Hanne
Director, Executive Officer
General Manager of Extrusion Business Division

Overall policy

- Optimal allocation of JSP Group resources and efficient use of capital expenditures
- Development and use of recycling technologies
- More environmental responsible products, such as products that reduce the use of resources and that utilize bio-based materials
- Rebuild the Kanuma Plants, JSP's largest manufacturing facility, to increase efficiency and profitability

Strategies for growth engines and products

- ✓ Thermal insulation materials for buildings and houses: Increase sales of MIRAFOAM Λ (lambda) due to mandatory thermal insulation under Japan's Revised Act on Rationalizing Energy Use
- ✓ Flat panel display cushioning materials: Develop value-added products for specific needs and increase sales of these products, taking advantage of the ability to make technical proposals

	FY2023	FY2026	Compared to FY2023
Net sales	¥47,756 million	¥54,000 million	+ 13.1%
Operating profit	¥2,161 million	¥2,600 million	+ 20.3%
Operating margin	4.5%	4.8%	+ 0.3points

Note: "Other" in the segment information has been merged with the extrusion business, which is considered to be highly relevant in terms of human resources and asset utilization, from FY2024.

The results for FY2023 are approximate figures that were reclassified according to the new segmentation.

Review of FY2023 and market trends

Regarding the performance for fiscal 2023, net sales for the entire extrusion business was ¥42 billion, which was the same level as the previous fiscal year. Operating profit was ¥2 billion, an increase of 17.6% compared to the previous fiscal year. Although the sales volume was slightly lower than the previous fiscal year, net sales were at the same level as the previous fiscal year and profit increased. The first reason is the implementation of price revisions due to the increase in the raw material prices, and the resulting overall increase in unit price. The other reason is that the sales of high value-added products increased.

As for the overview and review of each division, firstly, the main product of the Living Materials Division is expanded polystyrene sheets, which are mainly used for food trays and cup noodle containers. The sales volume of these sheets was relatively stable over the three years of the previous medium-term business plan. During the COVID-19 pandemic, sales volumes increased due to the demand for staying at home. Since the Japanese government reclassified COVID-19 to Class 5 in May last year, the sales volume

has been stable but slightly decreased. Additionally, some customers are switching from plastic to paper in the effort to become carbon neutral, but the impact of this switch is minor. The main reason for this stability is high evaluation for the functional aspects (heat retention, etc.) of the foamed products.

The main product of the Industrial Materials Division is the foamed polyethylene sheet MIRAMAT, which is mainly used as an industrial packaging material for home appliances and other products. In addition, FPD (flat panel display) surface protection materials are positioned as a growth engine in the medium-term business plan. Sales of this product were strong due to the increase in demand for mobile devices and televisions during the COVID-19 pandemic. Although there was hope for a recovery from the temporary decline after the COVID-19 pandemic, the recovery has been delayed due to the prolonged stagnation of the Chinese economy. However, demand for FPDs is resilient and is expected to rise again from the second half of 2024.

The main products of the Construction and Civil Engineering

Materials Division are the foamed polystyrene extrusion board MIRAFOAM, a residential insulation material, and the high-performance insulation material MIRAFOAM Λ (lambda). Demand for residential insulation materials is affected by the number of housing construction starts. As the population of Japan continues to decline, the sales volume of our insulation materials fell to just under 90% of the previous fiscal year. In particular, sales for wooden houses fell to 80%. On the other hand, sales to public facilities such as office buildings and schools increased, as did sales to refrigerated trucks. Combined with the effect of price revisions, the division as a whole was able to maintain sales at the same level as the previous fiscal year.

Although the number of housing construction starts is trending downward, the construction of highly insulated homes is increasing in anticipation of the mandatory compliance with energy conservation standards from 2025 onwards. The amount of insulation material used per home is also steadily increasing. JSP expects that responding appropriately to these trends will enable us to compensate for the decline in the number of housing construction starts.

Meeting customer needs and expanding high value-added products

The quantitative targets set in the new medium-term business plan for the overall extrusion business in FY2026 are net sales of ¥54 billion, an increase of 13% compared to FY2024, and operating profit of ¥2.6 billion, a 20% increase. In this way, we are aiming to increase both sales and profits. The Japanese market is saturated, and we cannot expect a steady increase in sales volume. However, there are still many areas where extruded foamed plastics can be used. We believe that the key to growth is to respond firmly to qualitative changes in customer needs.

In the construction and civil engineering materials field, we have set growth engines consisting of high value-added products such as MIRAFOAM Λ (lambda) and pre-cut products that improve workability at construction sites. We will strengthen profitability by focusing on expanding sales.

In Japan, the mandatory introduction of insulation standards for homes will lead to an ever-increasing demand for high insulation in homes. MIRAFOAM Λ (lambda) is a product that meets these needs, and has been used for underfloor insulation in many wooden homes. We will develop and propose new additional insulation methods to strengthen insulation in walls as well as floors, and promote the further use of insulation.

Going forward, we plan to further promote our own pre-cut insulation method to further improve the energy efficiency of homes. This is an insulation method in which insulation material pre-cut at our plant is fitted into a wooden frame on-site. In addition to providing a solution to labor shortages by reducing labor on-site, this method also contributes significantly to both productivity improvement and environmental conservation at construction sites. For example, it increases construction efficiency and reduces scrap materials generated on-site.

In the industrial materials field, we expect the market to grow at an annual rate of 7% to 8%. This growth will be centered on MIRAMAT ACE, a foamed polyethylene sheet for FPD surface protection materials, and we are actively developing new customers. Incidentally, general plastics are treated with antistatic agents because they are prone to static electricity, but the effect does not last and the antistatic agent can be easily removed by wiping the surface. In contrast, MIRAMAT ACE, which has been uniquely processed, has a semi-permanent effect and offers the advantage of not soiling the object being protected. This has earned high praise from customers.

Furthermore, we aim to expand into the field of semiconductor protection by taking advantage of how MIRAMAT ACE does not generate static electricity. We will strengthen our profitability by switching our portfolio from general-purpose products to more advanced high value-added products, while maintaining a good balance between the two.

Reconstruction of Kanuma Plants, our largest production site

The extrusion business has four production sites in Hokkaido, Kanuma (Tochigi), Kansai, and Kyushu. The Kansai Plant and Kanuma Plants are responsible for the production of products of all extrusion divisions. In particular, the Kanuma Plants has the largest production facilities in the Group. However, as JSP has grown, necessary facilities have been added little by little. As a result, the current production efficiency is not satisfied.

Therefore, the new medium-term business plan sets the reconstruction of the Kanuma Plants as an important initiative. However, we do not aim to complete reconstruction within the period of the medium-term business plan; rather, we view it as the first step of a long-term plan. In addition, the Kanuma Plants will maximize efficiency through an integrated system of development, production, and shipping by operating technologies and facilities in a balanced manner beyond the boundaries of the three divisions. This efficiency is also one of the aims of the business division system.

Going forward, we will focus on high value-added products, but we also plan to increase production efficiency and profit margins for general-purpose products through automation, etc. The reconstruction of the Kanuma Plants is an extremely important project from the perspective of building an optimal portfolio for the extrusion business and from the perspective of sustainably increasing JSP's corporate value.

Increasing the value of recycling and fully utilizing human resources

The raw materials used in the three divisions of the Extrusion Business Division are mainly polystyrene in the Living Materials Division and the Construction and Civil Engineering Materials Division, and mainly polyethylene and polypropylene in the Industrial Materials Division.

All of these materials are general-purpose plastics. Processes

that severely impede recyclability, such as crosslinking reactions, are not used from the product design stage, and consideration is taken to make the materials highly recyclable. As mentioned above, for products that are cut and processed in-house, scraps are generally recycled. However, there is room for improvement because the current recycling rate is not 100%. As you know, when plastic is burned, carbon dioxide is released into the atmosphere. However, this recycling system eliminates concerns about these emissions. Being able to return materials to resources without using a lot of energy is a major advantage of the resource-circulating society of the future. The Group will contribute to a sustainable society by further promoting resource circulation.

Human resources are the most important element for a company to grow sustainably by contributing to society. I feel that there are many people in the JSP Group who are skilled at coming up with ideas, developing, and incorporating diverse ideas into society. My role as head of the business division is to further develop the strengths of our organization.

Since joining JSP, I have experienced a variety of jobs in a variety of workplaces. I believe that these experiences are of great use to me today. I want the younger generation to gain a variety of experiences that they can use in the future. To that end, I will work to create an open workplace where people can express their opinions freely. I want JSP to be a place where a diverse range of people with diverse values and abilities come together to work toward a common goal.





We will accelerate the growth of bead business by developing global markets with our unified brand ARPRO as the core.

Kazutoshi Sasaki

Director, Senior Executive Officer
General Manager of Bead Business Division

Business category goals

ARPRO business

- Shift to an organizational structure capable of globally promoting ARPRO business strategy
- Use the ARPRO brand strategy (global coverage, R&D/innovation skills) to increase earnings
- Increase ARPRO weight per vehicle – Expand market share due to growing demand for recycled materials and use of ARPRO's superior sustainability properties
- Increase sales in non-automotive markets – HVAC^{*1} components and other local strategy activities
- More applications by using synergies with ARPRO foaming technologies and injection molding technologies – Use M&A mainly in Europe

STYRODIA business^{*2}

- Increase quality and profitability of products by establishing stronger technological collaboration with customers
- Higher profitability by rigorously cutting costs

^{*1} HVAC: Refers to heating, ventilation, and air conditioning systems.

^{*2} STYRODIA business: Refers to the EPS business.

	FY2023	FY2026	Compared to FY2023
Net sales	¥87,294 million	¥106,000 million	+ 21.9%
Operating profit	¥6,542 million	¥8,600 million	+ 31.5%
Operating margin	7.5%	8.1%	+ 0.6points

Review of FY2023 and market trends

In regard to results in fiscal 2023, overall net sales for the bead business were approximately ¥87.3 billion, an increase of 5.5% compared to the previous fiscal year. Operating profit was approximately ¥6.5 billion, an increase of 221%. Although the sales volume decreased, sales increased due to the increase in sales of advanced material products and product price revisions. Furthermore, although profit was affected by rising utility costs and labor costs, operating profit increased due to increased sales and reduced costs.

Sales of advanced material products (mainly foamed polypropylene, ARPRO), which are manufactured and sold in countries around the world, remained solid in both the automotive and non-automotive sectors. In North America, sales of foundation cushioning materials for athletic grounds were strong. In Europe, increased sales for HVAC^{*} contributed greatly to the performance. On the other hand, sales of bead products (mainly the expandable polystyrene, STYRODIA) decreased due to falling demand in the fisheries and agricultural sectors.

Sales volume declined in the first half of the previous medium-term business plan due to the impact of the COVID-19 pandemic. Although the volume temporarily increased in 2022, the global semiconductor shortage resulted in sluggish growth, mainly in the automotive sector. In fiscal 2023, we saw a full recovery overall, and both sales and profits exceeded our expectations.

^{*}HVAC: Heating, ventilation, and air conditioning systems

Shifting to a business division system to achieve mid- to long-term goals

The two main products in the bead business are ARPRO and STYRODIA. The foamed polypropylene, ARPRO is lightweight, has excellent heat insulation and impact resistance, and is 100% recyclable—which is its greatest feature. It is mainly used in a variety of parts such as bumpers and seat core materials in the

automotive field. In the non-automotive field, it is used for returnable glass transport boxes, athletic field impact protection materials, HVAC, etc. Another main product, the foamed polystyrene, STYRODIA, is a so-called general-purpose product, and its main applications include fish boxes and vegetable boxes. Demand is falling due to the decline in the volume of fish caught in Japan. I believe that the urgent task going forward will be to improve profitability through extensive cost reduction and to develop new businesses.

In April 2024, the Bead Business Division was launched by combining the Advanced Materials Sales Division, which is responsible for Japanese domestic business, and the Global Business Division, which is responsible for overseas business, and the EPS Division. This organizational restructuring is positioned as the core of our next growth strategy. Previously, raw material development and foaming processes were carried out in Japan, and subsequent molding, production, and sales were carried out in each country and region. Going forward, we will centralize

Message from the General Manager of the Bead Business Division

processes in the Bead Business Division and take a comprehensive view for promoting technological innovation and business growth globally.

Furthermore, the business division will take a comprehensive view to make decisions regarding capital investments and create optimal investment plans for each region. Strengths and weaknesses differ not only between Japan and overseas, but also between each overseas region. Therefore, we will promote best practices on a global scale by enhancing strengths and complementing weaknesses from the perspective of overall optimization.

We also expect the business division system to be effective in boosting the EPS business. This business is centered on STYRODIA, a product for which demand is declining. Demand for ARPRO and STYRODIA overlaps in such areas as packaging materials, cushioning materials, and automotive-related products. Therefore, I believe that mutual support and reinforcement will be possible by combining the experience and knowledge of both businesses and creating synergies.

Promoting the growth of the global brand ARPRO

JSP's expanded polypropylene products have long earned the trust of customers around the world for their high quality, reliability, safety, and reliable delivery. In order to further increase this market value, in April 2024, the product name P-BLOCK, which had been used in some regions was unified as the global brand ARPRO. Going forward, under the unified brand ARPRO, we will contribute to the realization of a resource-circulating society by taking advantage of the brand's diverse functionality and 100% recyclable characteristics. We already possess a global market share of over 50%, and aim to further expand our share by establishing our brand in the global market.

We will build brand value that encompasses aspects of both technology and services. Specifically, we will provide customers with products of superior quality and performance, and operate an experienced team that provides technical support and solutions. ARPRO is a brand that aims to create customer satisfaction by listening to customers' problems and providing solutions. I believe that the power of the brand is evidenced by how we have maintained the top market share in the global market despite being in the high price range.

There are also practical benefits to unifying the brand. Previously, P-BLOCK and ARPRO had different specifications. Therefore, it was

necessary to change the material name when operating globally; for example when taking a product designed in Japan to Europe. However, the new brand also unifies technical drawings, which will eliminate wasted effort and costs. It will also facilitate interactions between regions. The time we save can be used for more creative activities.

Expanding ARPRO production plants to 22 locations worldwide

The foamed plastics business essentially operates through local production for local consumption. This is because the products are lightweight but large in volume, so transportation costs to remote areas are unfeasible. However, this is precisely why local production gives us a competitive advantage. For this reason, we are expanding our ARPRO production plants around the world where there is demand.

We are currently planning to operate new plants in India and Mexico. The plant in India is scheduled to start operation in October 2024 and will mainly produce general-purpose products. As the standard of living in India improves, demand for daily necessities, especially packaging materials, is expected to increase. Going forward, we plan to develop markets with a focus on the Global South. In addition, we will build a second plant in Mexico to expand our production capacity for the North American market. The plant is scheduled to start operation in the first quarter of 2025. Although the plant will mainly serve the automotive field, it will also aim to expand applications in



non-automotive fields. We are also taking steady steps to increase the capacity of existing production sites in the North American area.

With the addition of the new plants in India and Mexico, our production network will now consist of 22 locations around the world. While expanding our production sites can be viewed as an upfront investment, we will not hesitate to take steps that we believe are correct. In this way, we aim to promote the geographical expansion of our global business, which will drive the growth of the JSP Group.

Focusing on environmental responsibility and aiming to create products that are needed worldwide

Our long-term vision is to be "A Global Company for Global Society." As a step to achieve this vision, we will focus on the three basic concepts set out in the new medium-term business plan: 1) make the entire JSP Group more profitable, 2) contribute to society by supplying foamed plastic products, and 3) strengthen the management base. In the bead business, environmental responsibility is the most important issue and we believe it is the key to business growth. By utilizing our world-class foaming technology, we will actively develop and provide innovative products and solutions that contribute to social and environmental sustainability.

In the GHG (greenhouse gas) emission protocol, in addition to reducing direct and indirect GHG emissions (Scope 1 and 2), the JSP Group will contribute to reducing GHG emissions in Scope 3. Furthermore, the use of our products can contribute to reducing GHG emissions by customers and society as a whole, which is a Scope 4 initiative. This is a truly appealing point from a sustainability perspective. Specifically, our insulation material MIRAFORM reduces CO₂ emissions from homes, and our advanced material ARPRO contributes to reducing the weight of automobiles and reducing energy consumption during driving. Moreover, our packaging materials can be loaded in less space, which supports efficient transportation. These are just a few of the benefits created by our Group's products and solutions.

Foamed plastics are a material that supports people's lives and contributes to social, economic and environmental sustainability. The JSP Group aims to further refine the value of foamed plastics and "Deliver with WOW!" (thrill and excitement) to the world.

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.

1. 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.
2. JSP will make the Basic Sustainability Policy known to all employees.
3. JSP complies with all relevant laws, regulations, and standards, and implements sustainability promotion management in a systematic, organized, and sustainable manner.

Sustainability Promotion Structure

●Sustainability Promotion Group

The Sustainability Promotion Group 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 Group verifies the degree of achievement of sustainability contributions, consolidates stakeholder opinions received throughout the company and reports them to the Executive Officers Meeting.

●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

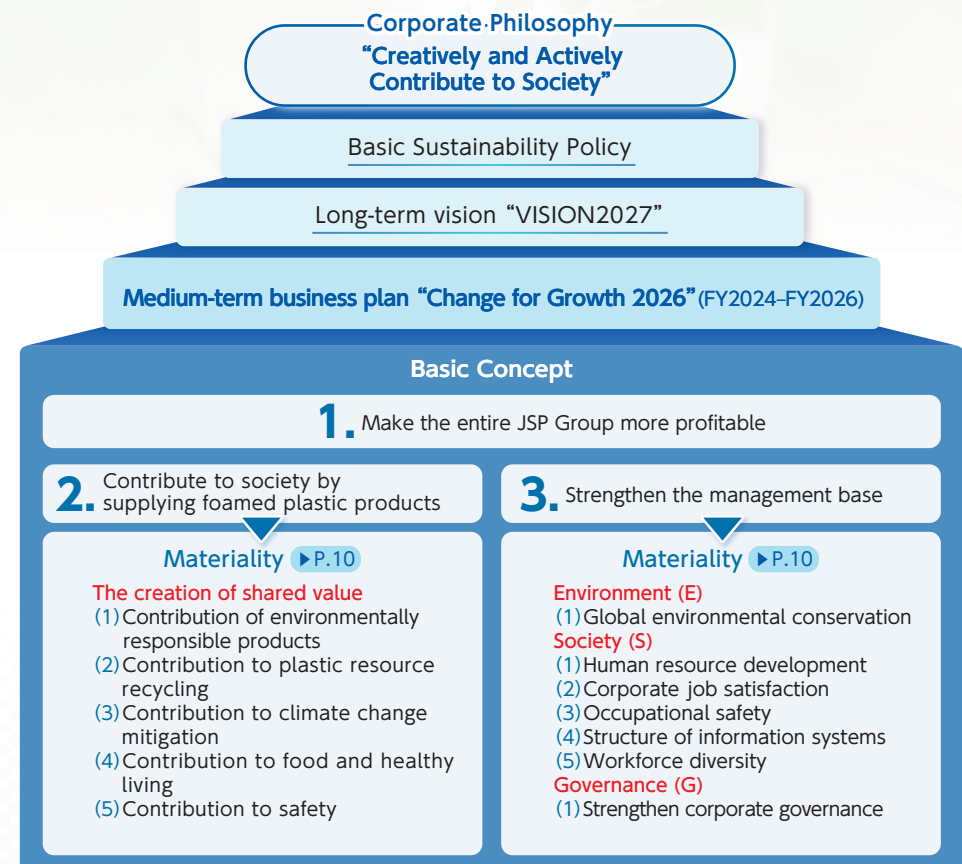
Entire Company refers specifically to business divisions, corporate divisions, plants, research centers, Group companies, etc., which are responsible for implementing sustainability promotion activities.

Sustainability Promotion Structure Chart



Sustainability Relationship Chart

In medium-term business plan "Change for Growth 2026," the JSP Group announced basic concept of gaining the understanding, trust and sympathy of stakeholders as a global company for global society by contributing to society by supplying foamed plastic products, 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.



Responsible Care RC Activities

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

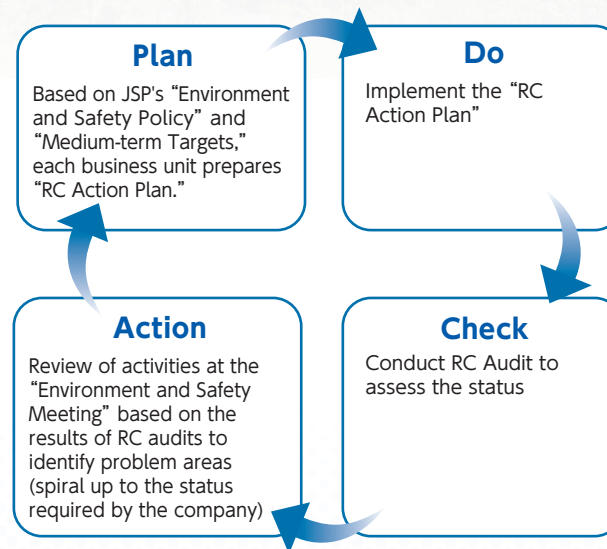
RC Activity Policy

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: environmental preservation, process safety and disaster prevention, occupational health and safety, 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

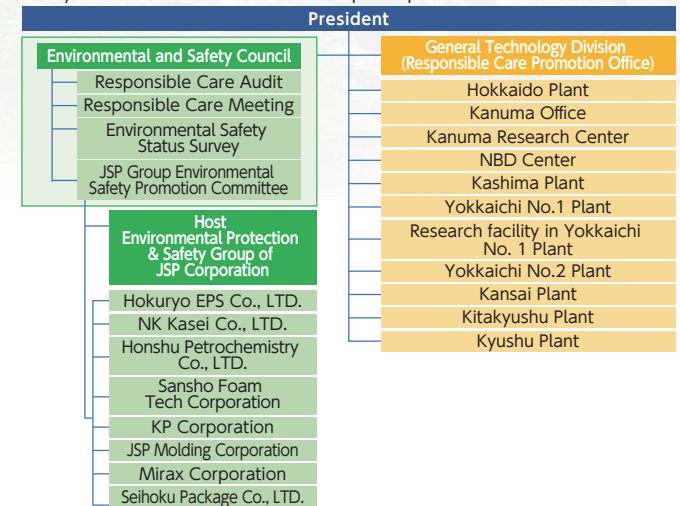
→ https://www.co-jsp.co.jp/english/sustainability/rc/rc_act.html

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 FY2023, on-site audits were conducted at 13 workplaces (including the Development Center and the Research & Development Division). 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.

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.



Process Safety and Disaster Prevention

Restructure of the Management System

Some of the blowing agents used in our manufacturing processes contain flammable gases. We have taken measures against static electricity ignition for a long time, such as using static eliminators to reduce the voltage of the static charge and water mist to suppress the occurrence of static electricity. With the aim of further optimizing these measures and strengthening management, we are working to restructure the management system for on-site analysis and for the deployment of information between plants and divisions.

We will continue to make further efforts in security and disaster prevention to ensure that our plants are safe for our employees and for the residents of the neighborhoods.



Logistics Safety

Logistics Accidents

The majority of trucking accidents occurs at customer sites at times such as delivery. 12 trucking accidents occurred in fiscal 2023 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. In addition, transport quality council meetings are held regularly with carriers at each plant to discuss safety, quality, environment and logistics-related issues. Our target number of trucking accidents for fiscal 2024 is 10 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 the 2024 problem in Japanese logistics, such as "improvement of truck transportation productivity and logistics efficiency" and "realization of a healthier working environment where everyone can work 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 (FY2023 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 scattering troubles related to raw materials and products" as the RC mid-term targets for FY2024-2026 and is continuing to check chemical substance management measures (implementation systems, SDSs, etc.) in line with changes in legislation, as well as the management systems in place 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



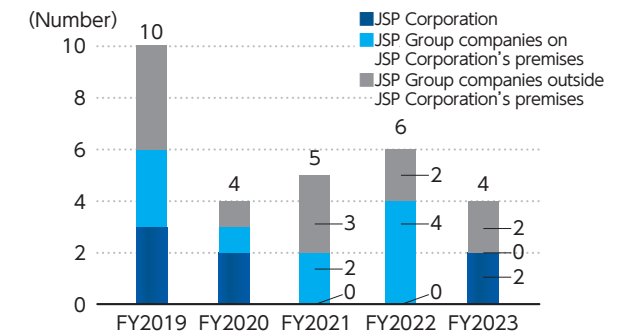
Occupational Health and Safety

"Safety First" Established Throughout the JSP Group

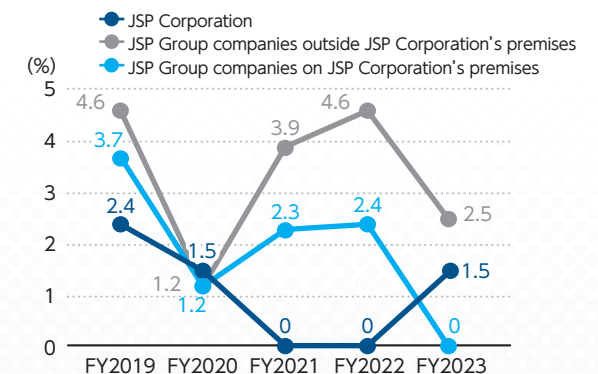
As safety needs to be addressed by the whole Group, we have started regular safety activities by each business division, involving not only the manufacturing plants but also the administrative departments of each business division. We aim to further develop safety activities and spread safety awareness throughout the JSP Group by exchanging information between our plants that manufacture the same products and by sharing information with administrative departments in the head office, etc., and exchanging views from different perspectives from those of the manufacturing plants.

"Safety First" is a commitment that we will continue to make throughout the JSP Group.

Number of lost time work-related accidents



Change in lost workday frequency rate



Environmental Initiatives

Environment Management Structure



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 responsible 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.

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 corporate 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 No.2 Plant^{*2}, Kansai Plant, and Kyushu Plant

^{*1} Including Tochigi No.1 Plant of JSP Molding Corporation

^{*2} Including Mie Plant of JSP Molding Corporation

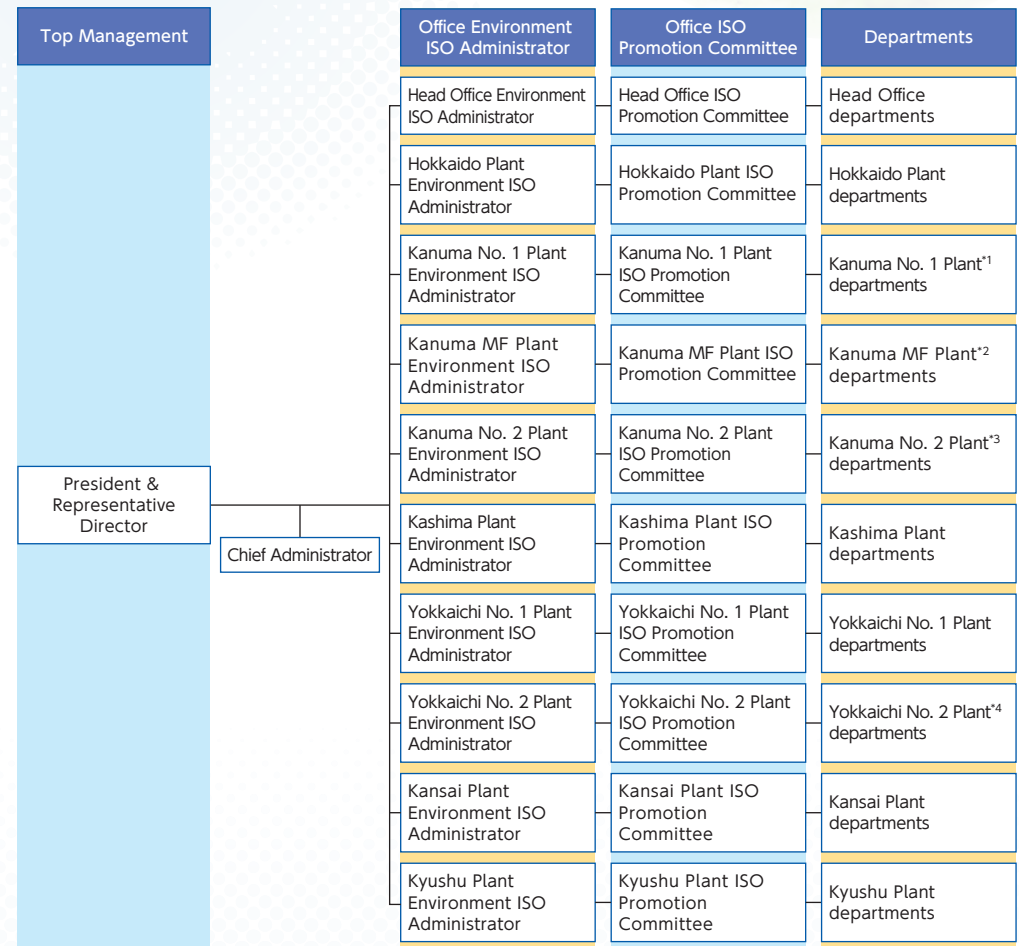
JSP Group companies in Japan

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

JSP Group companies overseas

JSP International LLC (Butler Plant, USA), JSP International LLC (Tulahoma No.2 Plant, USA), JSP International de Mexico, S.A. de C.V. (Toluca, Mexico), JSP Brasil Industria de Plasticos LTDA. (Brazil), JSP International S.A.R.L (France), JSP International s.r.o. (Czech Republic), Taiwan JSP Chemical Co., Ltd. (Taiwan), KOSPA CORPORATION (Gimcheon Plant, Korea), JSP Advanced Materials (Wuxi) Co., Ltd. (China), JSP Advanced Materials (Dongguan) Co., Ltd. (China), JSP Advanced Materials (Wuhan) Co., Ltd. (China)

Organizational Structure of Environment Management System



^{*1} Including the Recycling Center

^{*2} Including the Kanuma Logistics Center

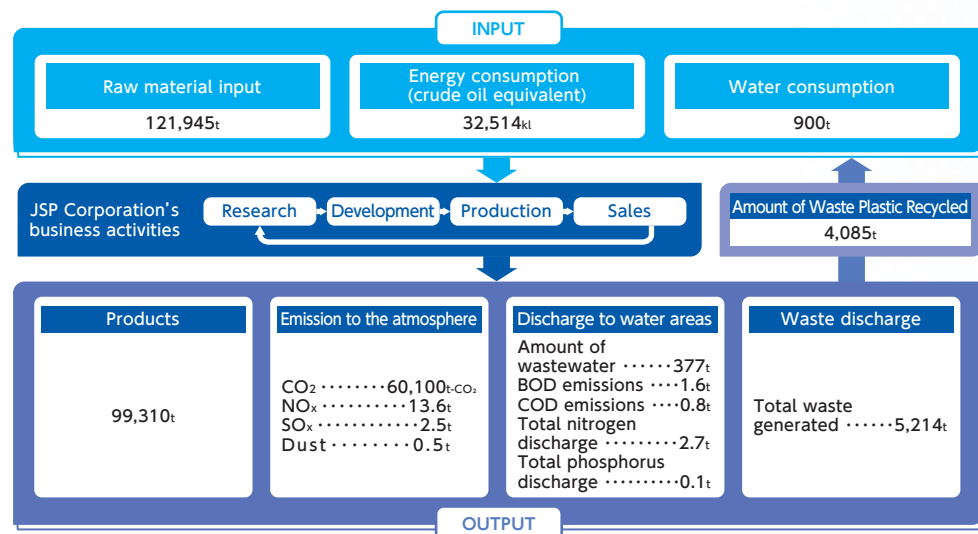
^{*3} Including the Tochigi No.1 Plant of JSP Molding Corporation

^{*4} Including the Mie Plant of JSP Molding Corporation

Environmental Initiatives

Environmental Conservation

Input & output (FY2023 performance of JSP Corporation)



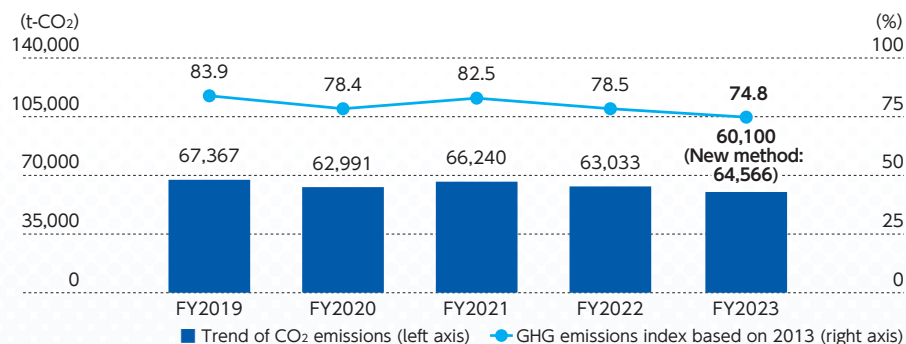
Reduction of CO₂ emissions (JSP Corporation)

JSP Corporation's CO₂ emissions in FY2023 decreased by approximately 4.7% (2,933 t-CO₂ decrease) from the previous fiscal year and by 25.2% from FY2013. 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.

Note: The calculation method based on the new legislation starting in FY2023 showed an increase of approximately 2.4% (1,533 t-CO₂) from the previous year, and a decrease of approximately 19.6% from FY2013.

Our foam material contributes to the reduction of GHG 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

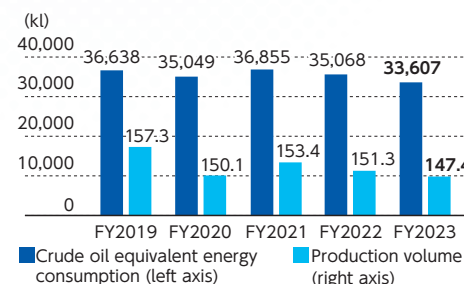


Reduction of energy consumption (JSP Corporation)

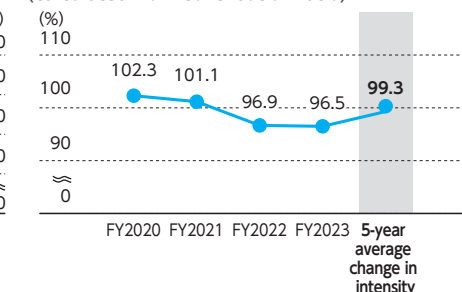
In FY2023, JSP Corporation's energy consumption per unit of production, calculated from the energy use contribution ratio*, improved to 96.5% compared to the previous year, achieving our goal of improving energy consumption per unit of production compared to the previous year. In addition, the average change in specific energy consumption per unit of production over the five-year period was 99.3%, 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 FY2024 onward, we will further implement the PDCA cycle for energy conservation activities at each business site and promote the introduction of green energy.

*Energy consumption intensity is calculated for each product group using the contribution ratio, 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 to the previous year (calculated from contribution ratio)



Challenge for modal shift (JSP Corporation)

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 shift is also effective for safe and stable supply in the event of road disruptions due to natural disasters. In addition, it offers an effective solution to the 2024 problem in Japanese logistics, such as driver shortages and long working hours in long-distance transport. Moreover, it has a strong presence as a secondary or tertiary means of transportation. We will continue to actively engage in modal shift initiatives.

Reduction of water usage (JSP Corporation)

JSP Corporation carries out production activities using a water circulation system that recycles water without throwing it away in the manufacturing process. In FY2023, water consumption was approximately 900 tons.

Reduction of landfill amounts (JSP Corporation)

In JSP Corporation's mid-term Responsible Care plan, we set a target for the final landfill amounts in FY2023 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 FY2022.

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 Initiatives

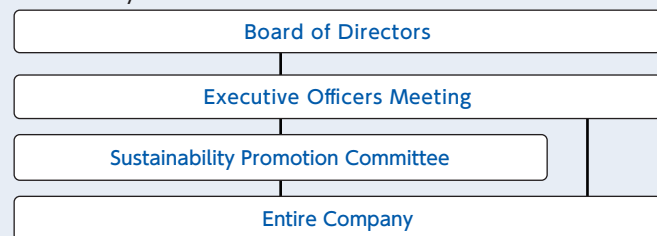
Information Disclosures Based on TCFD Recommendations

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, JSP views the TCFD recommendations as an effective framework for organically and practically promoting activities to realize a sustainable society and will use the TCFD as a tool for dialogue with various stakeholders. By addressing climate change, JSP aims to increase social and economic value and realize the corporate philosophy of “Creatively and Actively Contribute to Society” as a true global supplier.

Governance and Risk Management

Sustainability Promotion Structure



- JSP's response to climate change will be based on the Sustainability Promotion Structure.
- Board of Directors, chaired by the President, is responsible for governance and oversees the impact of climate-related issues on management activities.
- Executive Officers Meeting is responsible for managing climate-related risks, carrying out reviews and making decisions on responses.
- In order to consider specific measures on climate change in the Executive Officers Meeting, information on global trends and requests is collected and the situation and risks are analyzed on a cross-functional basis through both sustainability promotion activities and Responsible Care activities.
- Sustainability Promotion Committee, an advisory body to Executive Officers Meeting, is convened to discuss policies and measures to be taken on particularly important issues.
- Sustainability Promotion Department (current Sustainability Promotion Group), established in April 2021, serves as the organizer of the Sustainability Promotion Committee and ensures that company-wide sustainability promotion activities including response to climate change function effectively.
- Entire Company refers to business divisions, corporate divisions, plants, research centers, group companies, etc., which implement sustainability promotion activities.
- Specific issues related to reduction of energy consumption and greenhouse gas (GHG) emission are discussed at Responsible Care Meeting, Energy Conservation Promotion Managers Meeting, and Environment Safety Promotion Meeting. Through the establishment of these various meetings, we have set up a system to manage and share essential information on energy and GHG emission reductions.

Strategies

The JSP Group's strategies on climate change are developed by conducting scenario analysis. The JSP Group uses two scenarios: one in which global average temperature increase is limited to 1.5°C above pre-industrial levels (1.5°C scenario) and one in which global average temperature increase is 4°C above pre-industrial levels (4°C scenario). In addition, we assess the impact in business model theoretically derived from the risks and opportunities analyzed based on the scenarios and consider responses.

1. Contribute to climate change mitigation by further promoting environmentally responsible products

All foamed plastics are resource-saving materials and are “environmentally responsible products” that contribute to reducing environmental impact by reducing CO₂ emissions. Among them, we will contribute to climate change mitigation by positioning products that can make a significant contribution to climate change, national land resilience, and disaster recovery as “climate change-responsive products” and focusing on their widespread use.

Introduction of climate change-responsive products

MIRAFOAM Λ

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.



2. Contribute to the recycling of plastic resources by promoting recycling activities

Introduction of Products that Contribute to the Recycling of Plastic Resources

ARPRO REvolution

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 is made of 90% recycled raw materials.



3. Contribute to climate change mitigation by reducing GHG emissions and using energy more efficiently

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).

● 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 product
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 Λ
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	ARPRO, ARPRO LC
Increased demand for bio-based products	MIRABLOCK-Bio, LACTIF, MIRAMAT ACE -Bio
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 Initiatives

Information Disclosures Based on TCFD Recommendations

Indicators and Targets

GHG emissions reduction is a global corporate responsibility, and we have set indicators and targets for the JSP Group.

It should be noted that in order to achieve carbon neutrality in 2050, CCUS (Carbon dioxide Capture, Utilization and Storage: a technology for capturing, utilizing and storing CO₂ so that it is not released into the atmosphere), which Japan is currently working to establish, must be implemented in the society. In addition, there are assumptions including that electric power companies will change their power sources from fossil fuels to non-fossil fuels that do not emit GHG.



JSP Group's actual and planned GHG emissions at Scope 1 & Scope 2

(Unit: t-CO₂)

	FY2013 Result	FY2022 Result	FY2023 Result	FY2030 Plan
GHG emissions	218,773	195,723	178,938	186,505

JSP Group's actual and planned GHG emission reduction at Scope 1 & Scope 2

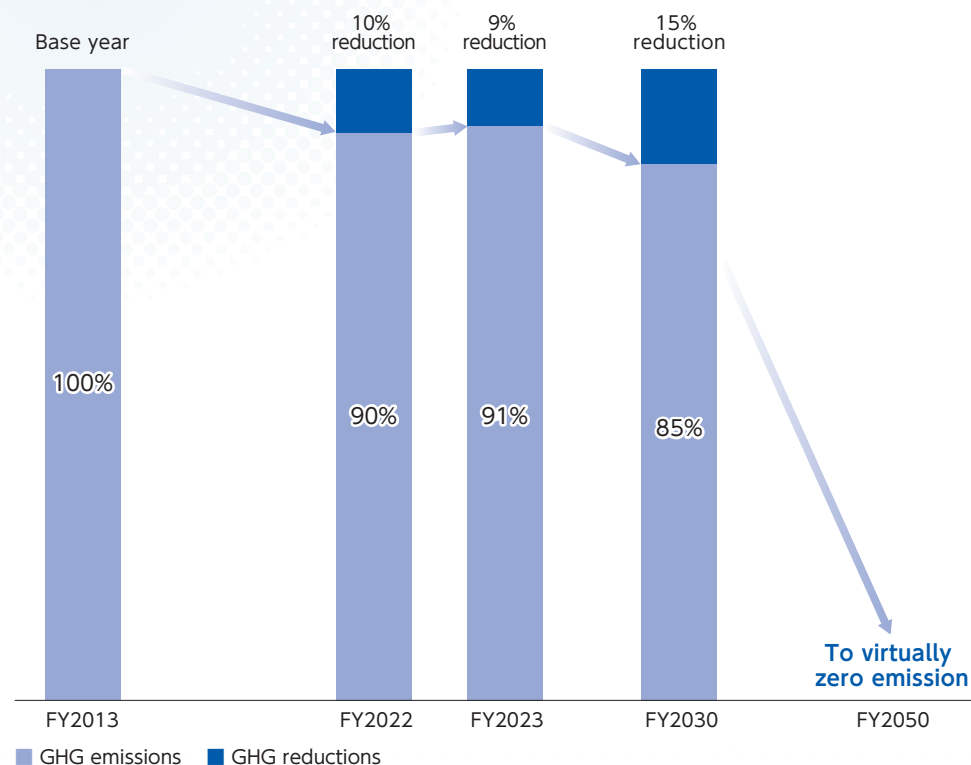
	FY2022 Result	FY2023 Result	FY2030 Target	FY2050 Target
GHG reduction rate vs. FY2013	-10.5%	-18.2%	-15% or more	Net zero
GHG reduction rate per unit of production vs. FY2013*	-13.3%	-18.2%	-30% or more	

*GHG emissions per unit of production=Annual GHG emission (t-CO₂) ÷ Annual sales volume(t)

Assumptions of the Roadmap

- Scope: GHG emissions of JSP Group 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)



Note: This roadmap was prepared based on information available as of June 2024.

Social Initiatives

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	Objectives	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
Business partners	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	Objectives	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	4/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
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.	Head Office Health Committee	1/month
		Information provision on the website	As needed
		Company information sessions and recruitment guidance	As needed

Social Initiatives

Quality Assurance and Procurement

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," the Group contributes towards the realization of a sustainable society not only by providing environmentally and socially responsible 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.

JSP Corporation "Partnership Building Declaration"

➔ <https://www.biz-partnership.jp/declaration/21646-05-08-tokyo.pdf>(Japanese only)

Partnership Building Declaration: Portal Website ➔ <https://www.biz-partnership.jp>(Japanese only)



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.

JSP Corporation "Voluntary Action Declaration for White Logistics Promotion Campaign"

➔ https://www.co-jsp.co.jp/sustainability/s/pdf/s_procurement_01.pdf(Japanese only)

White Logistics Promotion Campaign: Portal Website ➔ <https://white-logistics-movement.jp/>(Japanese only)



「ホワイト物流」
推進運動

Social Initiatives

Social Contribution Activities

● Blood donation activities

Every year, JSP participates in blood donation activities by the Japanese Red Cross Society. In fiscal 2023, we cooperated in blood donation activities at the Hokkaido Plant and Kanuma Plants.



● Food donation to food banks

From July to August 2024, JSP donated food to the Osaka office of Good Gohan, which is a food bank for single-parent families. The food donations were greatly appreciated during the summer vacation period, when there are no school lunches and the need for food support is even greater.



● Plastic bottle cap collection

The Kansai Plant conducted plastic bottle cap collection activities from November 2022 to December 2023. We collected 11,544 caps (28.9 kg), which we then sold to a collection business organization. We donated the sales proceeds to help secure children's vaccines and support the prevention of infectious diseases.



● Donation of winter clothing to local facilities

JSP Brasil Industria de Plasticos LTDA., conducted a Winter Clothing Campaign from May to June 2023 and collected approximately 54 kilograms of winter clothing. The warm winter clothing collected was donated to local facilities, helping to support people in living a healthy and comfortable life.



● Donation of stationery to local elementary schools

In June 2024, JSP International S.A.R.L., in France, welcomed the mayor of Estrées-Saint-Denis and the principals of local elementary schools to the Estrées-Saint-Denis Plant and donated colored pencils and recycled paper (100,000 sheets) to elementary school students. The aim of these activities is to provide a learning environment where children can demonstrate their rich creativity and "Deliver with WOW!" This is the company's second donation following the previous one at the end of 2022. These activities have also led to strengthening ties with the local community.



● Exchange with local communities

The JSP Group values exchanges with local communities at its sites around the world. At our offices and plants in Japan, we held plant tours, participated in blood donation and local road safety campaigns, and made donations to local events. Overseas, we also deepened exchanges with local communities through plant tours, donations to fire departments, and sponsorship of local organizations and events.



Participation in a traffic safety campaign at the Kanuma Plant



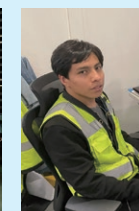
The Foley Freeze Robotics Competition was sponsored by our American Group company JSP International Group LTD.

● Initiatives to develop the next generation

The JSP Group provides opportunities for young people to learn about work, including hosting internships at our plants in Japan and overseas. In fiscal 2023, in Japan, Kanuma Plant No. 1 and Yokkaichi Plant No. 1 hosted local high school students as interns. Overseas, we accepted internships from high school and university students and participated in programs to convey the appeal of manufacturing to local high school students. Through these activities, we aim to foster a work ethic and career outlook in high school and university students, and to help them make proactive career choices.



Internship at Kanuma Plant



Internship at our Mexican Group company JSP International de Mexico S.A. de C.V.



● Local clean-up and beautification activities

The JSP Group participated in clean-up activities around its business offices and plants both in Japan and overseas, as well as clean-up and beautification activities in the local community.



Kanuma Plants



Yokkaichi No.1 Plant



Kyushu Plant

Corporate Governance Initiatives

As of July 5, 2024

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 responsibility.

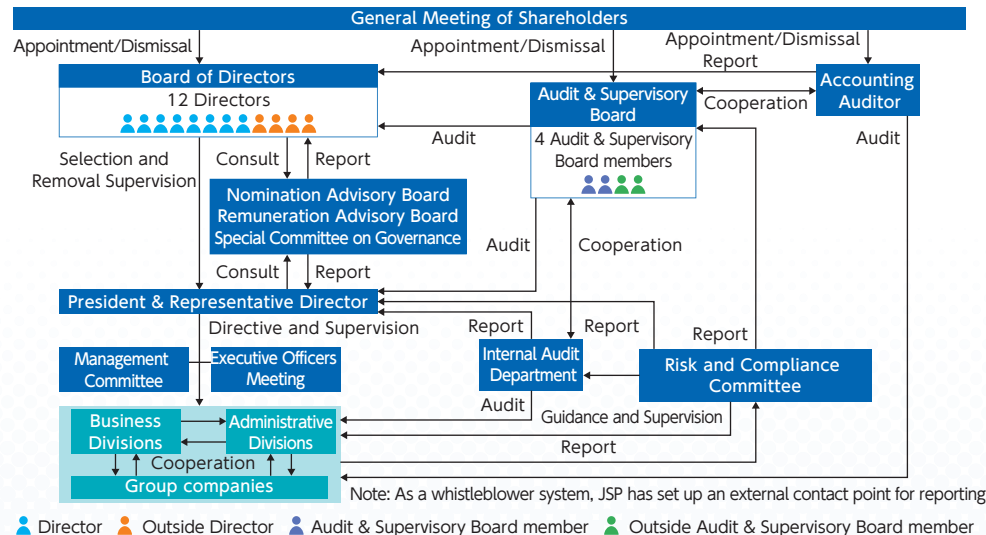
JSP believes that effective functioning of corporate governance and thorough pursuit of management efficiency, transparency, and soundness are essential issues to achieve this objective.

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 based on our overall corporate size and other factors.



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, 6 members including 4 Outside Directors, 2 Inside Directors
Composition of the Audit & Supervisory Board	Special Committee on Governance including 4 Outside Directors 4 including 3 Outside Audit & Supervisory
Number of independent officers	7
Business execution system	Executive officer system
Management Committee	11 members (President & Representative Director, 7 Senior Executive Officers, 1 Executive Officer, 2 full-time Audit & Supervisory Board members)
Executive Officers Meeting	17 members (President & Representative Director, 14 Executive Officers, 2 full-time Audit & Supervisory Board members)

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	Male	●	●		●		
	Yasushi Komori	Male	●		●	●		
	Yoshikazu Shima	Male		●		●	●	●
	Tomoyuki Kiura	Male	●	●	●			
	Tadao Yabiki	Male		●			●	●
	Kazutoshi Sasaki	Male	●	●		●	●	●
	Yosuke Takemura	Male	●	●		●		
	Takashi Hanne	Male	●				●	●
	Takayuki Ikeda	Male	Outside Independent	●	●	●		
	Kiyoshi Itou	Male	Outside Independent	●	●	●		
Audit & Supervisory Board member	Ryoko Sugiyama	Female	Outside Independent	●	●	●		
	Kaoru Kurashima	Male	Outside Independent	●	●	●		
	Kosuke Uchida	Male		●	●	●		
	Yoshiaki Sawada	Male	Outside Independent		●	●		
	Yoshiyuki Kawakami	Male	Outside Independent		●			
	Mayumi Noguchi	Female	Outside Independent		●			

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 our website for details regarding corporate governance.

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

Corporate Governance Initiatives

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 3 Outside Audit & Supervisory Board members. In principle, the board meets once a month to discuss and make decisions on matters stipulated in laws and regulations and the Articles of Incorporation, as well as important matters related to management. The board also oversees the Company's business, overall management, and sustainability-related risks and opportunities in various management activities.

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

The Audit & Supervisory Board is chaired by Kosuke Uchida and consists of 4 members, including 3 Outside Audit & Supervisory Board members. In principle, the Audit & Supervisory Board meets once a month to conduct interviews with the employees in charge of each business, and to audit the legality and appropriateness of the Group's operations. The 4 Outside Directors also attend these meeting to share information and engage in mutual cooperation.

Nomination Advisory Board

The Nomination Advisory Board is chaired by the lead Outside Director Takayuki Ikeda. The board is composed of 4 Outside Directors and 2 Representative Directors. When selecting candidates for Directors and Audit & Supervisory Board members, the board deliberates whether the candidates are appropriate for the position and whether they have the necessary experience, knowledge, and abilities to create medium- to long-term corporate value. Also, when considering the selection criteria and skill matrix, the board deliberates if the candidates are able to fulfill their own duties and responsibilities. The board then reports to the President & Representative Director.

Remuneration Advisory Board

The Remuneration Advisory Board is chaired by the lead Outside Director Takayuki Ikeda. The board is composed of 4 Outside Directors and 2 Representative Directors. In regard to remuneration for each Director, the board comprehensively considers factors such as the business environment, business conditions, business results, financial situation, and each Director's contribution, etc., and reports 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 the MCG Group, the committee aims to appropriately protect the interests of minority shareholders and enhance corporate governance. In response to inquiries from the Board of Directors, the committee deliberates on transactions with the MCG Group and provides a report.

Management Committee

The Management Committee is chaired by President & Representative Director Tomohiko Okubo. The committee is composed of 7 Senior Executive Officers and 1 Executive Officer selected by the President & Representative Director. 2 full-time Audit & Supervisory Board members also attend meetings of the committee. In principle, committee meetings are held once a month to discuss basic management policies, measures to improve the corporate structure, and other important management matters. In particular, in fiscal 2023, the committee deliberated on formulation of the next medium-term business plan and important investment plans.

Executive Officers Meeting

The Executive Officers Meeting is chaired by President & Representative Director Tomohiko Okubo and is composed of 14 Executive Officers. 2 full-time Audit & Supervisory Board members also attend the meetings. In principle, the meeting is 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. Furthermore, based on reports made by the Sustainability Promotion Committee (an advisory board to the Executive Officers Meeting) on important issues related to promoting sustainability, the meeting monitors 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.

Corporate Governance Initiatives

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)

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/ir/upload_file/m005-m005_06/corporate_governance.pdf\(Japanese only\)](https://www.co-jsp.co.jp/ir/upload_file/m005-m005_06/corporate_governance.pdf(Japanese%20only))

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

- 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.
- 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.
- 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)

- 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.
- 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 2023

Position	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Reserve-type remuneration to be paid upon retirement	Number of eligible officers (people)
		Base compensation				
		Fixed compensation	Short-term performance-linked compensation	Executive shareholder association-contributed compensation		
Directors (excluding Outside Directors)	232	206	-	4	21	10
Audit & Supervisory Board members (excluding Outside Audit & Supervisory Board members)	15	15	-	-	-	2
Outside officers	58	58	-	-	-	8

Note: The total amount of consolidated remuneration for each officer is omitted as there were no officers whose total remuneration amount exceeded 100 million yen.

Corporate Governance Initiatives

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 and its 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 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 the 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, to the Audit & Supervisory Board.
	(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.
	(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.
8. Other systems to ensure that the audits of the Audit & Supervisory Board members are conducted effectively	(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.
	(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.
9. System to ensure reliability of financial reporting	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.

Protection of Minority Shareholders

Although we do not possess a controlling shareholder in our transactions with Mitsubishi Gas Chemical Company, Inc. and its subsidiaries (MGC Group), our former parent company, Mitsubishi Gas Chemical Company, Inc. and its subsidiaries (MGC Group), hold approx. 47% of our voting rights, and therefore maintain a certain degree of influence over voting. In consideration for this situation, we will continue to have a standing Special Committee on Governance as an advisory body to the Board of Directors. The role of this Committee is to appropriately protect the interests of minority shareholders and enhance corporate governance.

List of Corporate Officers



Tomohiko Okubo
President & Representative
Director

Apr. 1985 Joined MITSUBISHI GAS CHEMICAL COMPANY, INC.
Apr. 2016 Executive Officer, General Manager of Methanol Division and Manager of Business Development Department of Methanol Division of Natural Gas Chemicals Company
Nov. 2018 Executive Officer and General Manager of Methanol Division of Natural Gas Chemicals Company
Apr. 2019 Managing Executive Officer in charge of Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company
Jun. 2019 Director, Managing Executive Officer in charge of Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company
Apr. 2020 Director, Managing Executive Officer in charge of Administrative Management of LNG Project Team, and in charge of Basic Chemicals Business Sector
Apr. 2021 Director
Jun. 2021 President and Representative Director of the Company (current position)



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

Jan. 2005 Joined the Company
Jun. 2019 Executive Officer, and General Manager of Finance & Accounting Division and Accounting Department
Jun. 2021 Director, Executive Officer and General Manager of Finance & Accounting Division and Accounting Department
Jun. 2023 Director, Senior Executive Officer and General Manager of Finance & Accounting Division and Accounting Department
Jun. 2024 Representative Director, Senior Executive Officer and General Manager of Finance & Accounting Division (current position)



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

Apr. 1988 Joined MITSUBISHI GAS CHEMICAL COMPANY, INC.
Apr. 2020 Executive Officer and General Manager of Research & Development Department of Research & Development Division
Apr. 2021 Specially Appointed Executive
Jun. 2021 Director and Executive Officer in charge of Research and Development Division of the Company
Jun. 2023 Director and Senior Executive Officer in charge of Research and Development Division and New Business Development Division of the Company
Apr. 2024 Director and Senior Executive Officer in charge of Research and Development Division and General Manager of New Business Development Division of the Company (current position)



Tomoyuki Kiura
Director, Senior Executive
Officer Corporate Planning
Division and Internal Audit
Department

Apr. 1986 Joined MITSUBISHI GAS CHEMICAL COMPANY, INC.
Apr. 2020 Executive Officer, General Manager of Finance & Accounting Division, and Manager of Finance Department of Finance & Accounting Division
Apr. 2021 Executive Officer in charge of Finance & Accounting, General Manager of Finance & Accounting Division, and Manager of Finance Department of Finance & Accounting Division
Apr. 2023 Specially Appointed Executive Adviser of the Company
Jun. 2023 Director, Senior Executive Officer and Assistant to the President in charge of Corporate Planning Division of the Company
Apr. 2024 Director, Senior Executive Officer in charge of Corporate Planning Division and in charge of Internal Audit Department (current position)



Tadao Yabiki
Director, Senior Executive
Officer General Manager of
Supply Chain
Management Division

Apr. 1984 Joined the Company
Jun. 2016 Executive Officer and General Manager of Logistics & Purchasing Division
Jun. 2017 Executive Officer, General Manager of Research & Development Division, and General Manager of Kanuma Research Laboratory
Jun. 2019 Senior Executive Officer, General Manager of Research & Development Division, and General Manager of Kanuma Research Laboratory
Apr. 2020 Senior Executive Officer and General Manager of Research & Development Division
Jul. 2020 Senior Executive Officer, General Manager of Research & Development Division, and General Manager of Yokkaichi Research Laboratory
Apr. 2021 Senior Executive Officer, General Manager of Research & Development Division, and Manager of Intellectual Property Business Division
Apr. 2022 Senior Executive Officer and General Manager of Research & Development Division
Jun. 2023 Senior Executive Officer and General Manager of Research & Development Division
Apr. 2024 Senior Executive Officer and General Manager of Supply Chain Management Division
Jun. 2024 Director, Senior Executive Officer, and General Manager of Supply Chain Management Division (current position)



Kazutoshi Sasaki
Director, Senior Executive
Officer General Manager of
Bead Business Division and
Advanced Materials Sales Division

Apr. 1985 Joined the Company
Jun. 2018 Executive Officer and General Manager of Advanced Materials Sales Division of Business Division II, and in charge of Special Applications Sales Departments I and II
Apr. 2021 Executive Officer, General Manager of Advanced Materials Sales Division and Functional Material Sales Department, and in charge of Special Applications Sales Departments I and II
Apr. 2022 Executive Officer, General Manager of Advanced Materials Sales Division, and in charge of Special Applications Sales Departments I and II
Apr. 2023 Executive Officer and General Manager of Advanced Materials Sales Division
Jun. 2023 Senior Executive Officer and General Manager of Advanced Materials Sales Division
Apr. 2024 Senior Executive Officer and General Manager of Bead Business Division and Advanced Materials Sales Division
Jun. 2024 Director, Senior Executive Officer, and General Manager of Bead Business Division and Advanced Materials Sales Division (current position)



Yosuke Takemura
Director, Senior Executive
Officer General Manager of
General & Personnel
Affairs Division

Jan. 1990 Joined the Company
Jun. 2019 Executive Officer and Manager of General Affairs Department of General & Personnel Affairs Division
Jun. 2023 Executive Officer, General Manager of General & Personnel Affairs Division, and Manager of General Affairs Department
Apr. 2024 Senior Executive Officer and General Manager of General & Personnel Affairs Division
Jun. 2024 Director, Senior Executive Officer, and General Manager of General & Personnel Affairs Division (current position)



Takashi Hanne
Director, Executive Officer
General Manager of Extrusion
Business Division and Construction
and Civil Engineering Materials Division

Apr. 1989 Joined the Company
Jun. 2023 Executive Officer and General Manager of Construction and Civil Engineering Materials Division
Apr. 2024 Executive Officer and General Manager of Extrusion Business Division and Construction and Civil Engineering Materials Division
Jun. 2024 Director, Executive Officer and General Manager of Extrusion Business Division and Construction and Civil Engineering Materials Division (current position)

List of Corporate Officers



Takayuki Ikeda
Outside Director

Apr. 1981 Joined Toshiba Corporation
Jun. 2011 Senior Vice President and Director of Toshiba Tec Corporation
Jun. 2014 President, Chief Executive Officer, and Chief Risk Compliance Management Officer (CRO)
Jun. 2020 Counsellor
Jun. 2021 Outside Director of the Company (current position)
Jun. 2022 External Director of MORINAGA MILK INDUSTRY CO., LTD. (current position)



Kiyoshi Itou
Outside Director

Apr. 1979 Joined Kurita Water Industries Ltd.
Jun. 2007 Executive Officer in charge of Personnel and Legal, and General Manager of Personnel and Labor Relations Department of Administration Division
Jun. 2009 Director and Executive General Manager of Administrative Division
Jun. 2013 Managing Director and Executive General Manager of Corporate Planning Division
Apr. 2016 Managing Director and Executive General Manager of Administrative Division
Apr. 2018 Executive Senior Managing Director, Representative Director, and Executive General Manager of Corporate Planning Division
Apr. 2019 Executive Senior Managing Director, Representative Director, and Executive General Manager of Corporate Planning and Control Division
Jun. 2022 Outside Director of the Company (current position)



Ryoko Sugiyama
Outside Director

May 1996 Established Sugiyama & Kurihara Environmental Consultants, Inc. Representative Director
Aug. 2007 Director (current position)
Apr. 2010 Professor at the Faculty of Social and Environmental Studies, Fuji Tokoha University (current Tokoha University)
Jun. 2015 External Director of UACJ Corporation
Jan. 2016 Director of Gifu Sugiyama Memorial Foundation, a general incorporated foundation (now Gifu Sugiyama Memorial Foundation, a public interest incorporated foundation) (current position)
Jun. 2016 External Director and Audit and Supervisory Committee Member of LECIP HOLDINGS CORPORATION
Jun. 2017 External Director of Kurita Water Industries Ltd.
Dec. 2018 Head and Representative Director of Gifu Shimbu Co., Ltd. (current position)
Dec. 2019 Chairperson of the Board of Directors of Gifu Broadcasting System, Inc. (current position)
Jun. 2023 Outside Director of the Company (current position)



Kaoru Kurashima
Outside Director

Apr. 1984 Joined Ajinomoto Co., Inc.
July 2011 Director and President of Ajinomoto del Perú S.A.
July 2013 Director and President of PT AJINOMOTO INDONESIA
Jun. 2015 Executive Officer of Ajinomoto Co., Inc.
Jun. 2016 Managing Executive Officer
Jun. 2019 Senior Managing Executive Officer General Manager of Food Business Division
Sept. 2019 Outside Director of Tokai Denpun Co., Ltd.
Jun. 2020 Outside Director of J-OIL MILLS, INC.
Apr. 2021 General Manager of Global Corporate Division of Ajinomoto Co., Inc. General Manager of Corporate Services Division
Jun. 2021 Director
Executive Officer & Senior Vice President
Apr. 2022 Executive Officer
Jun. 2022 Chairman of the Board of Directors of The Ajinomoto Foundation (current position)
Jun. 2023 Chairman of Umami Manufacturers Association of Japan (current position)
Sept. 2023 Outside Director of The Monogatari Corporation (current position)
Jun. 2024 Outside Director of the Company (current position)



Kosuke Uchida
Audit & Supervisory Board
Member (full-time)

Apr. 1984 Joined the Company
Jun. 2018 Director, Executive Officer in charge of Corporate Planning Department and Internal Audit Department
Apr. 2021 Director, Executive Officer, General Manager of Corporate Planning Division and Internal Audit Department
Jun. 2021 Director, Executive Officer, General Manager of General & Personnel Affairs Division and Internal Audit Department
Jun. 2022 Director, Senior Executive Officer, General Manager of General & Personnel Affairs Division and Internal Audit Department
Jun. 2023 Director and Senior Executive Officer in charge of General & Personnel Affairs Division and Internal Audit Department
Apr. 2024 Director and Senior Executive Officer in charge of General & Personnel Affairs Division
Jun. 2024 Audit & Supervisory Board Member of the Company (current position)



Yoshiaki Sawada
Outside member of Audit &
Supervisory Board (full-time)

Apr. 1985 Joined Nippon Life Insurance Company
Mar. 2006 General Manager of Yamagata Office
Mar. 2009 Manager of Underwriting Department
Mar. 2012 Manager of 1st Financial Institutions Relations Department
Mar. 2014 General Manager of Okayama Office
Mar. 2016 Manager of Affiliated Business Department, and Audit Committee
Jun. 2016 Outside member of Audit & Supervisory Board of the Company (current position)



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

Apr. 1998 Joined Japanese Ministry of Land, Infrastructure, Transport and Tourism
Jun. 2003 Registered as a lawyer in New York State, USA
Dec. 2010 Registered as a lawyer Joined Tanabe & Partners
Jan. 2021 Partner (current position)
Jun. 2023 Outside member of Audit & Supervisory Board of the Company (current position)



Mayumi Noguchi
Outside member of Audit &
Supervisory Board (part-time)

Apr. 1991 Joined The Mitsubishi Bank, Limited (current MUFG Bank, Ltd.)
Mar. 1993 Joined Citibank, N.A. (incorporated in Japan)
Oct. 1998 Joined Asahi & Co. (current KPMG AZSA LLC)
Apr. 2003 Registered as certified public accountant
Apr. 2008 Head of Noguchi Accounting Office (current position)
Nov. 2012 Registered as tax accountant
Nov. 2014 Outside Auditor of Phone Appli Inc.
Mar. 2018 Outside Director of Fenwal Controls of Japan, Ltd. (current position)
Jun. 2021 Outside Audit & Supervisory Board Member of Concordia Financial Group, Ltd. (current position)
Oct. 2022 Outside Audit & Supervisory Board Member of Japan Green Investment Corp. for Carbon Neutrality (current position)
Jun. 2024 Outside member of Audit & Supervisory Board of the Company (current position)

Stock and Company Information

As of March 31, 2024

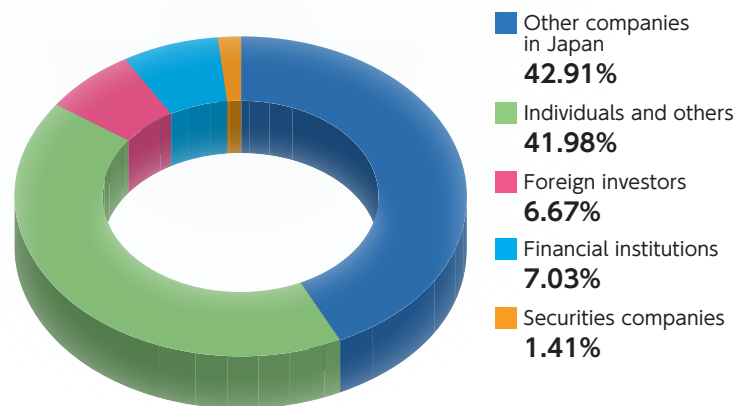
Listed stock exchange	Tokyo Stock Exchange, Prime Market
Securities Code	7942
Number of shares per trading unit	100 shares
Total number of authorized shares	46,000,000 shares
Total number of shares issued and outstanding	31,413,473 shares (including 5,205,680 shares of treasury stock)
Fiscal year	From April 1 to March 31
Number of shareholders	48,250

Major shareholders

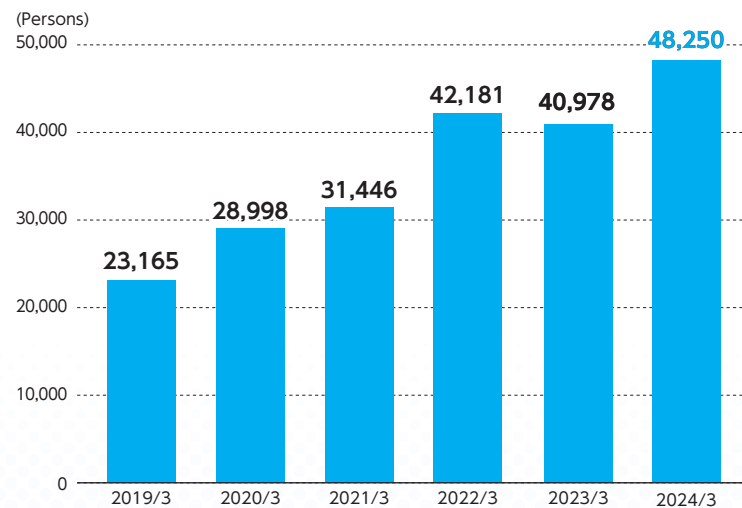
Name	Number of shares held (1,000 shares)	Percentage of total outstanding shares
MITSUBISHI GAS CHEMICAL COMPANY, INC.	12,420	47.39
The Master Trust Bank of Japan, Ltd.	1,253	4.78
JSP Customer Shareholding Association	1,251	4.77
Custody Bank of Japan, Ltd.	460	1.75
JSP Employee Shareholding Association	281	1.07
Nippon Life Insurance Company	241	0.92
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	223	0.85
GOLDMAN SACHS BANK EUROPE SE	175	0.66
Sumitomo Forestry Co., Ltd.	170	0.65
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	157	0.60

Notes: Our company holds 5,205 thousands shares of treasury stock, but is excluded from the major shareholders listed above.

Distribution of shares by shareholder type



Number of shareholders



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 Department,
Public and Investor Relations
Group

TEL: +81-3-6212-6306

FAX: +81-3-6212-6316

Employees

3,008 (consolidated)

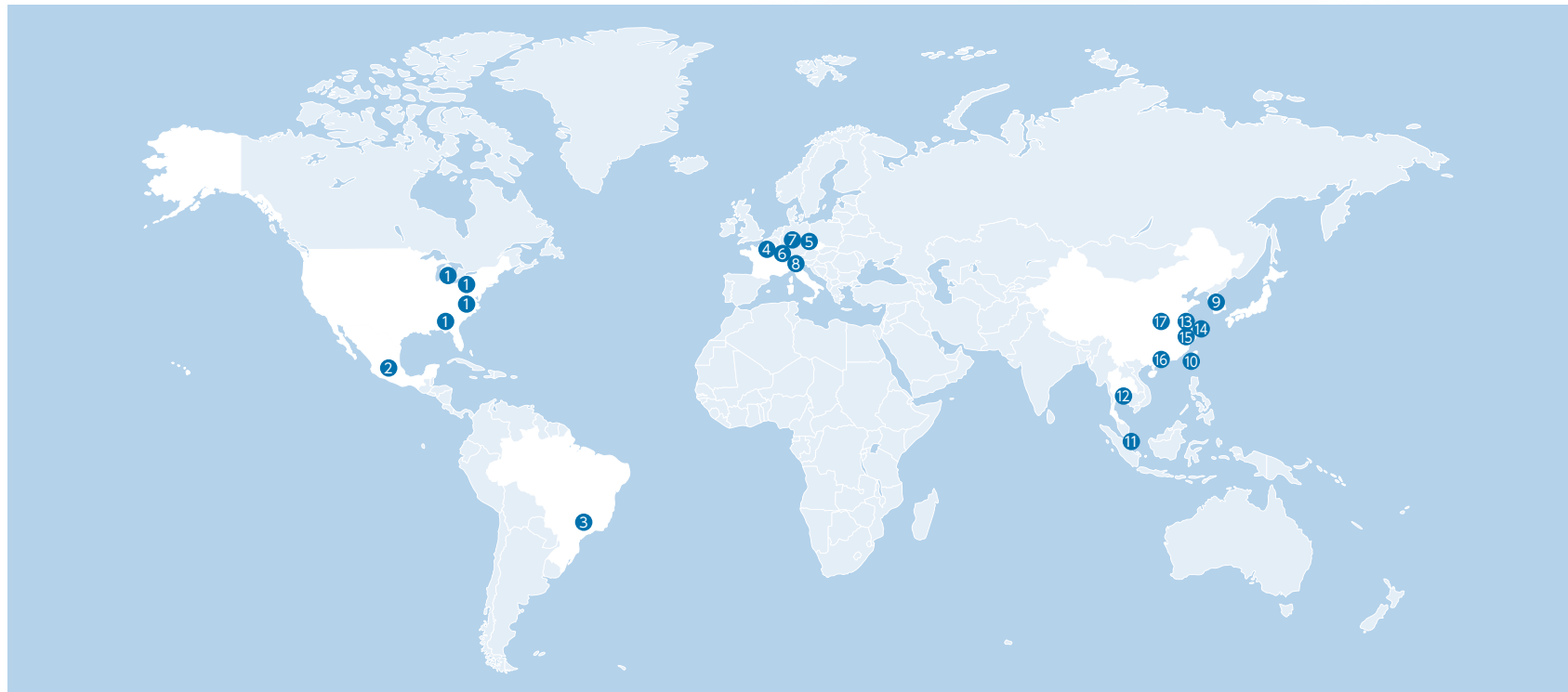
Main affiliated companies

36 companies

Global Network

As of March 31, 2024

Global Network



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.

Germany

- ⑥ HAPP GmbH

- ⑦ GENERAL INDUSTRIES DEUTSCHLAND GmbH [Equity method affiliated company]

Italy

- ⑧ GHEPI S.r.l. [Equity method affiliated company]

Asia

South Korea

- ⑨ KOSPA Corporation

Taiwan

- ⑩ Taiwan JSP Chemical Co., LTD.

Singapore

- ⑪ JSP Foam Products PTE. LTD.

Thailand

- ⑫ JSP Foam Products (Thailand)Co., LTD.

China

- ⑬ JSP Advanced Materials (Wuxi) Co., LTD.

- ⑭ JSP Plastics (Shanghai) Co., LTD.

- ⑮ JSP SEIHOKU MATERIAL TECHNOLOGY (KUNSHAN) CO., LTD.

- ⑯ JSP Advanced Materials (Dongguan) Co., LTD.

- ⑰ JSP Advanced Materials (Wuhan) Co., LTD.

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
R&D Division in Kanuma
Research Facility in Yokkaichi No.1 Plant
Kanuma Logistic Center
Recycling Center
NBD Center

Group companies in Japan

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