

JSP

Deliver with
WOW!

Corporate Report **2025**

JSP Corporation Integrated Report



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 plastic 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 plastic, JSP contributes to society by developing original products using our innovative original technologies.

Foamed plastic is a plastic resin that has been stabilized 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. With each employee working with a sense of excitement, we aim to be a company that is needed by society.



Contents, Editorial Policy, and Introduction of Tools

Introduction

Corporate Philosophy and Management Policy	01
Contents, Editorial Policy, and Introduction of Tools	02

Source of Value Creation

History	03
At a Glance – JSP's Strength	04
Value Creation Process	05

Vision

Message from the President	06
Materiality	10
Response to Risks and Opportunities	11

Value Creation Strategy

Key Points of the Medium-term Business Plan and Review	13
Overall Strategy	
• Financial Strategy	15
• Financial and Non-financial Highlights	17
• Human Resources Strategy	18
Strategy by Segment	
• Message from the General Manager of the Extrusion Business Division	20
• Message from the General Manager of the Bead Business Division	22

Feature

• JSP's Global Expansion	24
• Interviews with Regional Leaders (North America, Europe, China)	25

Sustainability

Sustainability Management	28
RC Activities	29
Environmental Initiatives	
• Environment Management Structure	31
• Environmental Conservation	32
• Information Disclosures Based on TCFD Recommendations	33
Social Initiatives	
• Communication with Stakeholders	36
• Quality Assurance and Procurement	37
• Social Contribution Activities	38

Governance

Corporate Governance Initiatives	39
List of Corporate Officers	43
Message from Outside Directors	45

Data Section

Stock and Company Information	49
Global Network	50

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/>



JSP Corporation

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

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



Reporting period

April 1, 2024, to March 31, 2025 (Some sections refer to activities occurring on or after April 1, 2025)

Forward-looking statements

This report 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, 2025. 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
- 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 Co., Ltd. JSP has developed our business globally by using our world-leading development and technological capabilities. Furthermore, we are utilizing the characteristics of foamed plastic products to contribute to the reduction of environmental burden and CO₂ emissions.

The world is characterized by diverse values that 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)



Our international operations began in the United States with foamed beads (ARPRO/P-BLOCK*), which became the foundation for our subsequent expansion into European and Asian countries. We were listed on the Second Section of the Tokyo Stock Exchange and entered 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 plastic 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)

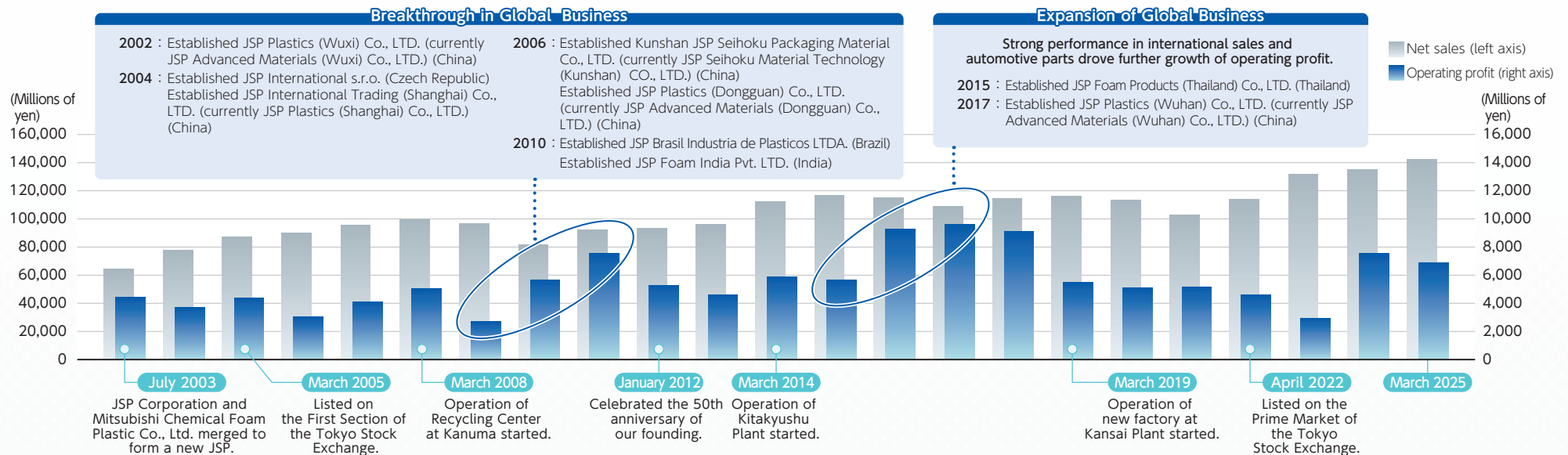


We were listed on the First Section of the Tokyo Stock Exchange and our net sales exceeded ¥100 billion. The adoption of ARPRO/P-BLOCK* as automotive parts has expanded significantly and we have enhanced our facilities around the world. We also expanded into Brazil

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 expanded polypropylene business, all P-Block and ARPRO products were unified as 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 foamed plastic 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 plastic products.



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, Germany, Singapore, India, Thailand, China, Korea, and Taiwan. We have also established an Innovation Centre in Germany, as well as development bases in Japan, the United States, 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)

2. Development Capabilities Specialized in Foaming Technology

As a specialized manufacturer of foamed plastic 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 plastic 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)

4. The Added Value of Technical Support

Many of the foamed plastic products sold by JSP become products through molding and processing by the customers. JSP not only sells foamed plastic 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

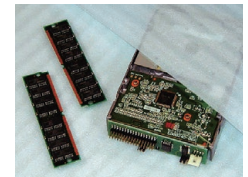
● Living Materials

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

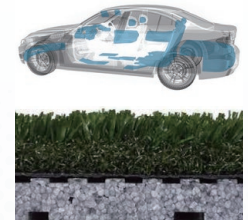
MIRAFOAM is highly regarded for its superior energy-saving effects. Through its use as an insulation material in a variety of buildings, including detached houses, condominiums, and office buildings, MIRAFOAM helps to create a comfortable living environment. STYRODIABLOCK features excellent compression 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 plastic 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 adopted as automotive materials not only by Japanese automobile manufacturers but by nearly all major automakers around the world. 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.



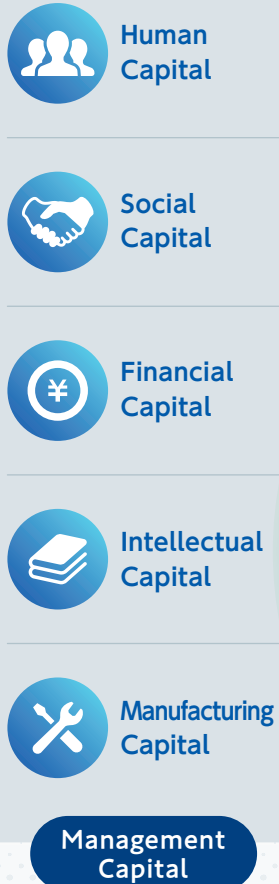
● EPS

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.

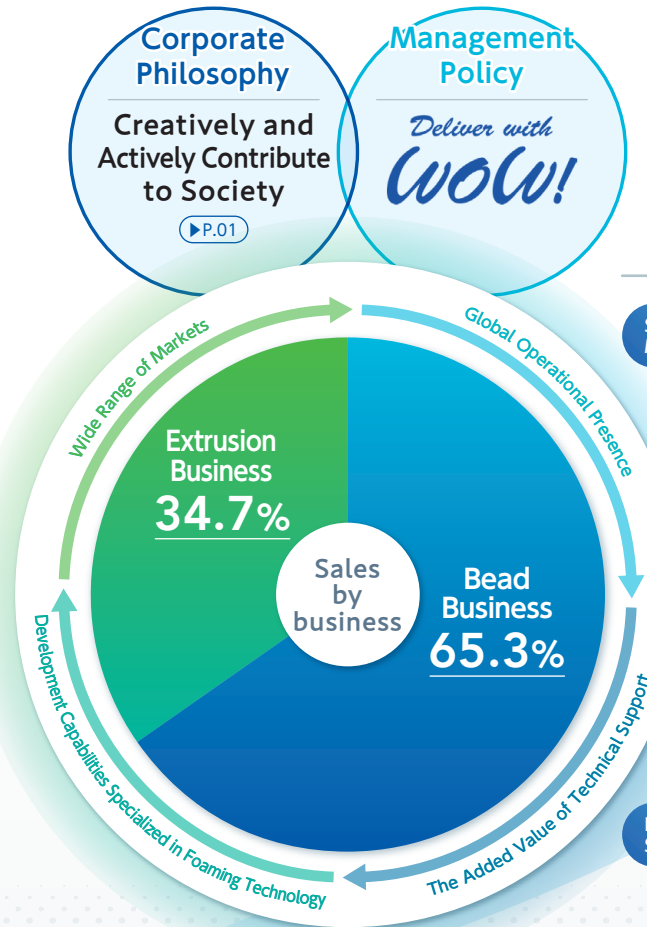


Value Creation Process

Input



Business Model



Strategy

Sustainability Management ▶P.28

Financial Strategy ▶P.15

Medium-term Business Plan ▶P.13

Strategy by Segment ▶P.20

Human Resources Strategy ▶P.18

Output

Results

Consolidated Results

- Net sales ¥142.2 billion
- Operating profit ¥6.8 billion
- Profit ¥5.0 billion

▶P.17

Shareholder Returns

- Annual dividend: ¥80

▶P.17

Labor Safety

- Health & safety activities
- Security & disaster prevention activities

▶P.30 (RC Activities)

Environmental Initiatives

- Environmental conservation
- Information disclosures based on TCFD recommendations

▶P.33

Vision

VISION 2027

Aiming to be "A Global Company for Global Society"

Outcomes

Contribution to Comfortable Living Environment

Enhanced Food Safety

Technological Innovation

Reduction of Environmental Burden

Productivity Improvement

Contribution to Achievement of SDGs

SUSTAINABLE DEVELOPMENT GOALS



Priority Goals for Materiality



▶P.10

Corporate Governance ▶P.39

Materiality ▶P.10

Creating Shared Value

Environment/Society/Governance

Message from the President



We aim to further enhance our corporate value by expanding the diverse possibilities of foamed plastics and contributing to the environment and society.

Tomohiko Okubo
President & Representative Director

Message from the President

Market trends and review of FY2024

The global economy in FY2024 remained uncertain due to factors such as the protracted crisis in Ukraine, trade policies in North America, and economic fluctuations in Europe and China. Although the Japanese economy showed signs of gradual recovery due to improvements in employment and income levels, the year still had many challenges, including rising prices, instability in financial markets, and downside risks in global economies.

The domestic foamed plastics industry also continued to face a tough business environment, with stagnant demand recovery in the fisheries and agriculture fields due to rising raw material prices and increased logistics expenses and the impact of exchange rate fluctuations, and sales volumes in the automotive field also declined due to production and shipment suspensions by certain manufacturers.

Amidst these circumstances, the JSP Group has launched its new Medium-term Business Plan, "Change for Growth 2026," starting from FY2024. Regarding the performance for FY2024, while net sales increased 5.3% year-on-year to 142.2 billion yen due to product price revisions and other factors, operating income fell 8.9% year-on-year to 6.8 billion yen, just short of the target, due to lower sales of high value-added products and increased labor costs. New headwinds, such as the slowdown of the European economy and shrinking demand for general-purpose products in Japan, also led to a decline in sales volume and earnings for the JSP Group as a whole. Nevertheless, cost containment and price revision activities in each region enabled us to achieve better-than-planned results in North and South America.



Medium-term Business Plan, first year progress and results

Our Medium-term Business Plan is based on three basic concepts: "Make the entire JSP Group more profitable," "Contribute to society by supplying foamed plastic products," and "Strengthen the management base". We are working to further enhance our corporate value by improving capital profitability, increasing the allocation of management resources to growing business areas, and promoting sustainability management centered on environmentally responsible products and plastic resource recycling.

The original plan envisioned a scenario of modest growth in the first year in consideration of the uncertain external environment, and re-accelerating growth in the second and third years as the market recovered. In reality, the first year's performance was close to the target, but the breakdown of the results differed from expectations. While cost-reduction activities achieved some containment of fixed costs, sales volume remained below target.

In this context of intensifying business challenges, the stagnation in sales volume growth presents a new challenge. As we enter the second year of the Medium-term Business Plan, prices and labor costs continue to rise in the domestic economy, while global economic uncertainties have intensified due to factors such as protectionist trade policies and additional tariffs in the United States, as well as heightened tensions in the Middle East. In particular, it is extremely difficult to forecast demand for automotive parts products, which is our main field of business.

Under these circumstances, from a medium- to long-term perspective, the Japanese market, where the population is declining, is not expected to see significant demand growth. Accordingly, JSP Group is advancing product and application development that reflects needs of the times, while accurately monitoring environmental changes and risk trends. We are also steadily promoting initiatives to strengthen profitability, including productivity improvements and cost reductions achieved through robot implementation, as well as price revisions. In addition, we promote financial strategies that take into account sustainability management perspectives, such as environmental considerations and investment in human capital, in an effort to sustainably increase corporate value.

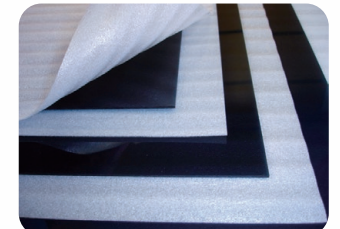
With regard to investment plans, we will aggressively invest in equipment that has high rationalization effects, such as automation, in the Extrusion Business. In the Bead Business, we are steadily investing in growth for the future by increasing production capacity in the United States, building a second plant in Mexico, and starting operation of a new plant in India, in order to meet the growing demand for ARPRO.

Extrusion and Bead Businesses aim to create new value

The two pillars of our business are the Extrusion Business and the Bead Business. Both of them share the same basic technology of foaming and molding plastics, and have been expanding the possibilities of general-purpose plastics for many years. Taking advantage of the unique characteristics of foamed plastic, such as lightweight, cushioning, and insulation, we have earned a high reputation among customers both domestically and globally for our high-quality products, proposal capabilities, and attentive service.

With regard to the Extrusion Business, we are mainly developing our business in the domestic market. However, due to the effects of a declining population and prolonged price hikes, a significant increase in demand is not expected. That said, our foamed plastic products are widely used in basic fields that support our daily lives and industries, and our sales performance continues to be steady. In particular, in the fields of packaging materials and food containers, new needs are emerging due to changes in lifestyles. We promptly capture such changes and reflect them in our technological development and application proposals to our customers.

As for strategies by product, we are focusing on strengthening sales of "thermal insulation materials for buildings and houses" and "FPD (flat panel display) cushioning materials," which we have positioned as drivers of growth. In the area of thermal insulation materials for buildings and houses, despite sluggish growth in housing starts in Japan, we have achieved growth exceeding the overall market trends through increased sales of MIRAFOAM LAMBDA in line with the trend toward mandatory compliance. In addition, FPD cushioning materials have been increasingly adopted as high value-added products that match new demand for transportation and storage of electronic and precision components.



▲MIRAMAT ACE (FPD cushioning materials)



▲Pre-cut insulation products (MIRAFOAM LAMBDA)

Message from the President

Meanwhile, in the Bead Business, we are pursuing growth based on the two axes of “expansion of applications” and “expansion of regional development.” In terms of application expansion, in addition to the conventional automotive applications, we are actively working on proposals and adoption activities for non-automotive fields. Regarding the expansion of regional development, we are strengthening business collaboration between the United States and Mexico to optimize production bases and supply chains, while in Europe we are responding to recycling needs and preparing for future market growth. In South America and Asia, we are also carefully responding to growing domestic demand while keeping a close eye on changes in the external environment.

While price competition may intensify in some markets, we believe that demands for quality will also increase in line with economic development and growing demand in each region. We will make full use of the technical capabilities and application proposal skills we have cultivated over the years to promote aggressive business development.

In particular, our flagship product, ARPRO, is 100% recyclable and is highly regarded by the market as a material that contributes to the circular economy. Its adoption is advancing not only in the automotive field but across diverse industries. In the EPP (expanded polypropylene) market, ARPRO holds approximately 50% global share. From now on, we will continue to further enhance our brand value in the global market and develop the EPP field further as a core business that will drive JSP’s sustainable growth.



Financial strategy to pursue ROE improvement and shareholder returns

With regard to one of the basic concepts in the Medium-term Business Plan, “Make the entire JSP Group more profitable,” we emphasize not only improving the profit margin on sales, but also

focusing on initiatives that take into account capital market perspectives such as the cost of capital and stock prices. We will continue to pursue strategic management, aiming for a capital structure that balances capital profitability and financial soundness, while controlling our balance sheet appropriately and maintaining our credibility as a company, and utilizing financial leverage as needed.

Improving capital profitability is an important goal of the current Medium-term Business Plan, and we aim to raise ROE from 6.8% achieved in FY2023 to more than 7% by FY2026, and further to more than 8% in the medium to long term. In addition to increasing sales, we will strive to improve ROE by promoting increased net income and efficient use of equity capital through initiatives such as cost reduction, improved asset efficiency, and optimization of equity capital. Furthermore, in order to optimize our capital structure, we will flexibly consider the use of interest-bearing debt for growth investments while prioritizing financial soundness. In addition, we will strengthen shareholder returns and practice management with an awareness of controlling net assets (equity capital).

With regard to shareholder returns, we have positioned the continuation of stable dividends to shareholders as one of our most important strategies, and we have also reviewed our return policy as part of our capital strategies. We set a dividend payout ratio of at least 35% of consolidated net income as a guideline, balancing retaining earnings for future business development and distributing earnings to shareholders.

In capital allocation, we will promote strategic investments to strengthen profitability based on operating cash flow. In particular, we will focus on increasing production and rationalization investments in the ARPRO business to maximize earnings for the entire JSP Group.

Fostering the corporate culture of a rewarding workplace while valuing diversity

We regard “fostering the corporate culture of a rewarding workplace” as an important pillar to strengthen our management base. As part of this initiative, we began implementing a new personnel system in 2024. We have transitioned from a conventional seniority-based system to a role-based grading system, and evolved toward a framework that enables fair evaluation based on each individual’s responsibilities, expected roles, and capabilities.

The fundamental concept behind this new system is to facilitate employees’ awareness of how they should work and what results they should aim for by clearly defining the roles and expected outcomes of each position, alongside placing the right people in the

right roles. This has expanded the scope of diverse career paths and opportunities to make the most of one’s expertise, and has also strengthened the system to support the growth of each individual through regular interviews and other means. Going forward, we will strive to effectively operate these systems and foster a corporate culture in which all employees can proactively experience growth.

Our founder left behind the phrase “minorityism.” This is based on the idea that the smaller the group, the more each individual can take on various challenges and gain experience, leading to a heightened sense of responsibility, and that results in a more rational operation of the organization as a whole. I interpret this phrase as demonstrating the importance of believing in individual strength and taking action, regardless of the size of the company. In human resource development, we firmly believe that prioritizing the development of individual capabilities and creating an environment where each person can maximize their potential is also essential for corporate growth.

Sustainability management that contributes to the environment and society

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 (ESG) and strive for the sustainable enhancement of corporate value. Our foamed plastic products have excellent features such as insulation, light weight, resource conservation, cushioning, and recyclability, contributing greatly to the realization of a sustainable society.

For example, when manufacturing products of the same volume, foamed plastics can reduce raw material usage to a fraction of that required by solid plastics. The lightweight nature of the molded product also reduces energy consumption and costs during transportation. Maximizing the environmental performance of these products themselves is the core of JSP’s business.

As concrete examples of our contribution to society through environmentally responsible products, in our Extrusion Business, we are contributing to solving social issues by reducing GHG emissions through our high-performance thermal insulation product MIRAFOAM LAMBDA, which responds to the trend toward mandatory compliance with energy conservation standards in Japan, as well as through the synergistic effects of improved workability and labor saving through our pre-cut construction method. In the Bead Business, we are promoting a sustainability strategy centered on our mainstay product ARPRO,

Message from the President

and are working to expand sales and strengthen profitability, focusing on environmentally responsible grades that utilize recycled raw materials in Europe and grades with reduced GHG emissions during molding in the Japanese market.

JSP has set a target of reducing GHG emissions not only for non-consolidated JSP, but also for the entire JSP Group. In order to contribute to the achievement of the Paris Agreement targets, we aim to achieve net zero emissions (Scope 1 + 2) by FY2050, and plan to reduce GHG emissions intensity by 30% or more from the FY 2013 level by FY2030 as a path to achieve this goal. Furthermore, we will continue to actively pursue a variety of initiatives to achieve carbon neutrality, including the promotion of energy-saving activities and the introduction of renewable energy.



Transitioning to a corporate structure that is less susceptible to changes in the environment

The major challenge our group currently faces is “transitioning to a corporate structure that is less susceptible to environmental changes.” To achieve this, we have established “two diversifications” as the pillars of our strategy.

The first is product diversification. We are actively expanding our target customers by supplying products to a wider range of fields, not limited to specific fields such as food or automotive. In terms of product grade, we also emphasize having a diverse lineup of price points. In particular, while we are expanding our lineup of high value-added, high-margin products, we are also striving to enhance our competitiveness by further refining the quality and services unique to our company for general-purpose products with smaller

performance differences.

The second is diversification of the market area. Our company is not merely an export-oriented industry; we fundamentally pursue business development rooted in local communities. We have built a locally rooted, service oriented model covering production, sales, and distribution, which—by being tailored to the lifestyles and social structures of each country and region—enables us to deliver optimal value to local customers. We are broadening our horizons beyond Japan, the United States, and Asia—and further toward India, South America, and Africa. In areas where population growth and improvement in living standards are expected, we will not hesitate to make aggressive upfront investments to build a foundation for long-term growth. In some regions, the path from investment to profitability may take time, but we aim for steady growth by carefully balancing risks and opportunities.

In Europe, we do not expect significant market expansion in the foreseeable future due to the delayed economic recovery, but there are many world-leading examples of advanced ideas, high environmental awareness, use of materials with lower environmental impact, and recycling systems. We regard the European market as a “testing ground for new ideas and technologies” and intend to actively learn and apply the knowledge we absorb to our future global expansion.

Toward the future of “Foamed Plastics + BEYOND”

Taking a medium- to long-term perspective and considering how JSP should grow in the future, our basic policy of aiming to be “A Global Company for A Global Society” will remain unchanged. However, we believe it is important to continually discuss and consider how to achieve this and what specific approaches to take, and to respond flexibly to changes in the times and the market.

Currently, we are aggressively investing in the injection molding business, one of our strategic areas, in order to expand our new business. In July 2025, we made two European molding companies wholly owned subsidiaries, aiming to further expand our injection molding business and strengthen our competitiveness. Furthermore, in January 2024, we invested in a recycling business company with a strong track record in Europe, with the aim of contributing to global plastic resource recycling. By leveraging synergies with these companies, we will accelerate the development of environmentally responsible products and further enhance our presence and competitive advantage in the European market.

Looking beyond these growth strategies, we are confident that JSP can evolve into a company that can meet more diverse needs

in the global marketplace and play an active role in a wider range of fields. Our future vision is to go beyond the framework of foamed plastics, to greatly expand our business domain, and to continue creating new value under the concept of “Foamed Plastics + BEYOND.”

Of course, we believe in the potential of plastic as a material, and with foaming technology at the core of our business, we will continue to offer unprecedented ideas and solutions to the market by integrating various processing technologies such as molding, injection molding, vacuum forming, and film, as well as energy-saving technologies and recycling technologies. To this end, we aim to continue taking bold initiatives and growing with a flexible and broad perspective, exploring collaborations and partnerships with other material and product manufacturers, as well as considering M&A opportunities.

We have a strong conviction and confidence in the role that our foamed plastic-based products play in society. We believe that our mission is to deliver this value in a way that is beneficial to society, even as times change. I look forward to continued support and guidance 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

STEP1 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.

STEP2 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.

STEP3



Resolution by Management

● Activities for Materiality

Creating Shared Value

Creating 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.	  
(2) Contribution to plastic resource recycling		
(3) Contribution to climate change mitigation		
(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.	 

Materiality concerning society (S)

Materiality	Main Activities by JSP	SDGs
(1) Human resource development	Promote human resource development by enhancing the capabilities of all employees.	   
(2) Corporate job satisfaction	Create a work environment where employees with diverse values respect each other and can play an active role.	
(3) Workforce diversity	Promote recruitment and employment of a diverse workforce in which all employees can play an active role.	
(4) 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.	
(5) Structure of information systems	Promote operational efficiency through the use of digital technology.	

Materiality concerning governance (G)

Materiality	Main Activities by JSP
(1) Strengthening of corporate governance	Strengthening corporate governance across the Group through initiatives in compliance, internal controls, and risk management.

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, 2025 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	
In April 2024, the JSP Group launched its 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 a global society."	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.
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 to laws and regulations. For FY2025, the introduction of protectionist trade policies by the United States has increased uncertainty about the future of demand.	
(2) Risks related to global business development	
Since the JSP Group operates widely in North America, South America, Europe and Asia, its business activities in each region may be affected by political or economic factors, investment permits due to environmental regulations, transfer pricing taxation issues, changes in social conditions, trends in various regulations, labor disputes, difficulties in securing human resources, and exchange rate fluctuations, etc., which could have an impact on the business results and financial position of the JSP Group.	The JSP Group aims to reduce risks by having the Global Business Division manage the PDCA cycle of each site as a head office function. We are also working to further enhance our internal control functions to strengthen the Group governance.
(3) Intensifying price competition	
Some of our product lines have long life cycles and many of these products are subject to severe price competition. Particularly in the Asian region, severe price competition is expected to continue due to various factors such as entry of local companies into the market.	The JSP Group aims to secure an appropriate profit margin by focusing on cost reduction and maintaining and expanding its competitive advantage through a shift to high value-added products.
(4) Fluctuations in raw material and fuel prices	
The raw materials and fuels which the JSP 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 fuels in product prices. In FY2025, crude oil prices are showing a weakening trend, as ongoing trade frictions between the United States and China are creating uncertainty in the global economy and dampening oil demand, while concerns over oversupply are growing due to OPEC Plus's production expansion plans. Due to the decline in raw material and fuel prices, we expect an increase in requests to lower selling prices of the JSP Group's products.	In order to build a management base that is not affected by fluctuations in raw material and fuel prices, the JSP Group promotes formula pricing with customers to reflect these fluctuations in product prices in a timely manner and also continues to make efforts to reduce costs.

Risks related to business operations

Main contents of risks and opportunities	Our main handling measures
(1) Securing of human resources	
Securing human resources in a timely manner is becoming more difficult every year due to the shortage of the working population caused by the declining birthrate, the aging population as well as the shortage of human resources in specific fields with high expertise amid the digital revolution. In addition, the shortage of human resources is becoming a major factor in increasing costs in terms of production and logistics which may affect the business performance of the JSP Group.	The JSP Group considers human resource development as one of the key management issues in the basic policy "Strengthen the management base" of the long-term vision "VISION 2027" and 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.
(2) Risks related to the spread of infectious diseases (pandemics)	
In the event of the spread of infectious diseases and epidemics, if employees of the JSP Group get infected and the infection spreads within the Company through contact between employees, etc., production and shipments at 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.	Although we recognize that the COVID-19 pandemic has finally largely settled down, 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).
(3) Intellectual property rights	
The JSP Group owns a large number of intellectual property rights, including international patent rights, and it is important to protect these rights in order to secure future profits. In the event of infringement by other companies or disputes with other companies, this could have an impact on our business.	In order to avoid this risk, the JSP Group is working to strengthen its system globally for intellectual property management, with the controlling division, the Intellectual Property Unit leading these efforts.
(4) Quality assurance	
As a manufacturer, the JSP Group is exposed to the risk of unexpected quality defects and product liability lawsuits. Many of our products are used as components of end products such as food containers, automotive parts, and thermal insulation materials for buildings and houses, and quality defects could lead to serious damages for customers.	The JSP Group strengthens its quality assurance system by actively promoting the acquisition of quality management system certification at each plant.

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 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. In FY2024, an indication of impairment was identified as operating income arising from the asset group of EPS business in the Bead Business 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 67th fiscal year (Japanese only). Securities Report https://www.co-jsp.co.jp/ir/upload_file/m005-m005_03/S100W6DX.pdf Japanese only 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.	The JSP Group conducts regular monitoring of important investments by requesting reports at major meetings attended by senior management to confirm that there are no major deviations from the original plan.
(6) Information security and information management As information technology continues to evolve at a high level, we cannot completely eliminate the possibility of serious failures of information system infrastructure or communication lines at unexpected levels, or the destruction or theft of confidential information related to management.	In order to strengthen the safety and information security of the information systems, the JSP Group has established related regulations and aims to ensure the confidentiality, integrity, and availability of the information and information systems in its possession and manages risks such as information leaks by continuously providing guidelines for improving the level of risk management. In addition, we conduct regular drills to respond to attacks on our information systems from outside and to prepare for emergencies.
(7) Compliance and internal control As the JSP Group expands its business globally, the changes in laws and regulations in various regions of the world may make it difficult to comply with such laws and regulations. Accordingly, there is a possibility that legal violations may occur in the future, and this compliance could cause new expenses and restrictions on our business activities.	The JSP Group recognizes the importance of compliance and other appropriate internal controls and has established and is operating such systems. Specifically, we are working to strengthen our compliance system by establishing and thoroughly disseminating code of conduct that is common to our Group companies and by establishing a whistleblowing system that can be used by all our Group employees.

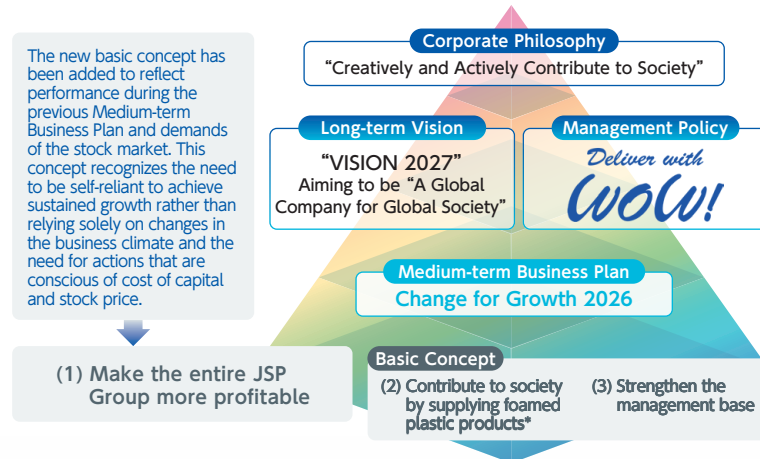
Risks related to the environment, safety, etc.

Main contents of risks and opportunities	Our main handling measures
(1) Natural disasters and accidents 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. Japan is a region prone to natural disasters, and the JSP Group's business activities may be affected by them. In particular, there is a high probability of the occurrence of a major earthquake in the Nankai Trough, which is feared to occur in the future. If our plants and other facilities in the Yokkaichi area are damaged, we may suffer significant damage due to suspension of production activities or damage to facilities. In addition, since our Kansai Plant is located next to a mountainous area, there is a risk of damage from disasters such as heavy rain, floods, and landslides.	The JSP Group has enrolled in earthquake and property insurance to mitigate the impact of possible losses. At the same time, we are promoting ongoing efforts to ensure safety, with the goal of achieving zero accidents, zero disasters, and stable supply. Furthermore, as part of our preparedness for earthquakes, wind and flood damage, and other natural disasters, we are working to establish robust systems in normal times by formulating a disaster response manual and a business continuity plan (BCP), operating an employee safety confirmation system, and conducting disaster prevention drills.
(2) Environmental issues with plastics 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.	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. 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 JSP Group's business operations so that risks can be turned into business opportunities.

Key Points of the Medium-term Business Plan and Review

Numerical Targets for “Change for Growth 2026”

In the 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.



*Contribute to society by supplying foamed plastic products means “expand provided value from economic value to social value to solve customers’ and social issues.”

FY2024				
	FY2026 plan	Initial-year plan of the Medium-term Business Plan	FY2024 result	The plan’s initial year vs. FY2024
Net sales	¥160,000 million	¥146,000 million	¥142,250 million	97.4%
Operating profit	¥10,000 million	¥7,000 million	¥6,888 million	98.4%
Operating profit ratio	6.3%	4.8%	4.8%	—
Ordinary profit	¥10,400 million	¥7,400 million	¥7,311 million	98.8%
Profit attributable to owners of parent	¥7,300 million	¥5,300 million	¥5,066 million	95.6%

Issues Regarding the Basic Concept

(1) Make the entire JSP Group more profitable

- Issues to improve profitability
Estimated price of crude oil is 60-70 USD/barrel. There are concerns about price fluctuations of raw materials such as styrene monomer and polystyrene due to forex movements. Price increase pressure due to higher labor, equipment maintenance, and logistics costs of raw material manufacturers, and increased labor, repair and maintenance costs for the JSP Group are also issues. Measures include price revisions, cost reductions, and a shift in sales to high-profit products.
- Financial strategy
The JSP Group both improves profit margins on sales and is aware of the cost of capital and stock price. We aim for a capital structure that achieves both return on capital and financial soundness. We conduct management with emphasis on the balance sheet.

(2) Contribute to society by supplying foamed plastic products

- Environmental responsibility
Both the demand for ESG initiatives and the response to global warming and marine plastic issues increase. JSP Group accelerates recycling initiatives, GHG reduction, and resource circulation. We work to solve customer’s and social issues through environmentally responsible products and plastic resource recycling.

(3) Strengthen the management base

- Fostering job satisfaction
JSP Corporation has transitioned to a new personnel system (from seniority-based to responsibility, role and ability-based). We leverage diverse careers and expertise, visualize challenges through periodic interviews and support growth. We aim to improve operational precision and create a culture where employees experience autonomous growth.
- Information infrastructure & DX
The JSP Group has positioned the strengthening of our information system infrastructure as materiality. We promote automation and labor saving in production from a DX perspective (i. e., reviewing business processes). Also, we enhance cyber security and improve efficiency, flexibility and security.



Bead Business (1) ARPRO business*1

In FY2024, the ARPRO business experienced increased demand in China and Taiwan in the fields of packaging materials and automotive components, but demand slowed in Europe and the United States, resulting in overall sales volume similar to FY2023. Although it is difficult to forecast demand for automotive parts in FY2025 due to the impact of trade policies and other factors, we will continue to focus on expanding applications to non-automotive parts fields such as HVAC*2 related parts and reusable containers. In addition, we aim to expand market share by leveraging growing demand for recycled materials, ARPRO’s global coverage and our competitive advantage in innovation and proposal capabilities.

*1 Previously, this business was categorized as “automotive parts field”. However, the expanded polypropylene (EPP) business has been renamed the ARPRO business, as the product name has been unified under ARPRO.

*2 Heating, ventilation, and air conditioning systems



Extrusion Business (2) Thermal insulation materials for buildings and houses*3

Amid sluggish growth in housing starts in Japan, sales expansion of high value-added products such as MIRAFOAM LAMBDA and pre-cut insulation products, which represent growth areas, is progressing steadily. We will continue to make every effort to further improve profitability.

*3 Goals are based on the growth rate of high value-added products from the current medium-term business plan



Extrusion Business (3) FPD (flat panel display) cushioning materials

In FY2024, demand for FPD cushioning materials remained sluggish and sales remained weak due to production adjustments as demand for PCs, displays, and other products had peaked. Going forward, we will focus on acquiring new customers and aim to increase sales by leveraging our capabilities to make technical proposals to meet customer requirements.



Other (4) New business domains

In the injection molding business in Europe, we are moving forward with the process of full integration with JSP Group and are also working to create synergies with the ARPRO business. At the same time, we are aggressively promoting market development for new products made from OROUS*4 and ISHIREAL*5.

*4 A functional material with an open cell structure developed by JSP Corporation. It has excellent cutting workability, insulation, lightweight, and sound absorption properties, and is expected to be applied in various industrial fields.

*5 This is a new material developed by JSP Corporation. It is an environmentally responsible material with a variety of characteristics such as lightweight and high heat resistance, and its CO₂ emissions during production are extremely low, at 20-30% of those of ordinary concrete.

Key Points of the Medium-term Business Plan and Review

Progress of Four Drivers of Growth

	ARPRO business*1 (automotive parts, etc.)	Thermal insulation materials for buildings and houses (High value-added products)	FPD*2 cushioning materials	New business domains
Relationship with social issues	- Decarbonization - Energy shift	- Global warming countermeasures - Resource conservation	Advancement of digital society and lifestyle changes	- Lightweight - Resource saving, etc.
Business segments Four growth engines	Bead Business 	Extrusion Business 	Extrusion Business 	Other 
Opportunities and risks	Opportunities - Increasing demands in lightweight technology in response to the transition to EVs and carbon neutrality. - In order to response to the demands, we have been shifted to circular economy and recycled materials. Risks - Mobility and activity levels have decreased under the post-COVID "new normal" - Low birthrate and aging population in Japan, move away from cars due to car sharing, etc.	Opportunities - In conjunction with mandatory adoption of 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 - Concerns over rising housing construction costs and a decline in the number of constructions starts in Japan due to a declining birthrate and aging population in Japan	Opportunities - Ability to support shift to high performance and large displays such as LCD and OLED - Devices using FPDs are on the rise, and sales volume will continue to grow in the medium to long term Risks - Smaller displays for wearable devices, etc. - Balancing production expansion and production adjustment due to rapid expansion of FPD supply capacity	Opportunities - 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. Risks - 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 in Japan, we will improve profitability through increased sales of high value-added products such as MIRAFOAM LAMBDA and pre-cut products.	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 billion Initiatives to expand sales to 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

FY2024 result

0%

- Strong sales to China and Taiwan
- Slow recovery in demand for HVAC

+12%

- Amid a decline in housing starts, we increased sales of high value-added products such as MIRAFOAM LAMBDA and pre-cut products.

-8%

- Sales remained weak due to production adjustments as demand for PCs, displays, and other products had peaked.

¥3 billion

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, R&D and new business development.

Progress towards targets

HR strategy	- We provided a foundation for both organizational revitalization and individual growth by revising the role grading system in FY2024. - Utilize job rotation of young employees by strengthening cooperation with business divisions and activate the system for appointing area staff.
Financial strategy	See later page for details.
Logistics improvements	- Promote more efficient transportation and higher loading rates through a review of the delivery system, turning the 2024 issue into an opportunity. - Enable the company to ensure stable vehicle availability and reduce costs of long-distance transportation by introducing relay transportation. - Promoted inventory optimization and warehouse consolidation, achieving a reduction in storage costs.
Digital skill upgrade and DX progress	- Promoting the streamlining of business processes through the promotion of digitalization and developing a data utilization infrastructure. - Digital technology training to build an infrastructure for the DX
IR strategy	- Enhanced IR information and expanded opportunities for dialogue with investors to improve their understanding of and trust in the Company. - Enhance disclosure of ESG and sustainability-related information to deepen dialogue with a broader range of investors. - Promote brand strength through advertisements and introduction of ARPRO in various media.
R&D New business	- Stronger interaction between R&D and new business development programs; commercialization of basic technologies. Executed M&A of external technologies and integrated them with the company's own technologies through wholly owned subsidiaries. - Significantly expand the technology portfolio to create new businesses, accelerate the speed of commercialization, and maximize integration synergies with acquired companies in order to promote expansion into growth areas.

Financial Strategy

Initial-Year Results of “Change for Growth 2026” and Results of Previous Medium-term Business Plans

In FY2024, the non-automotive fields of expanded polypropylene “ARPRO,” mainly in North America, performed well. Although net sales increased year on year due to product price revisions and other factors, operating income decreased due to soaring labor costs and changes in product lineup. Going forward, we will implement the following initiatives to strengthen profitability.

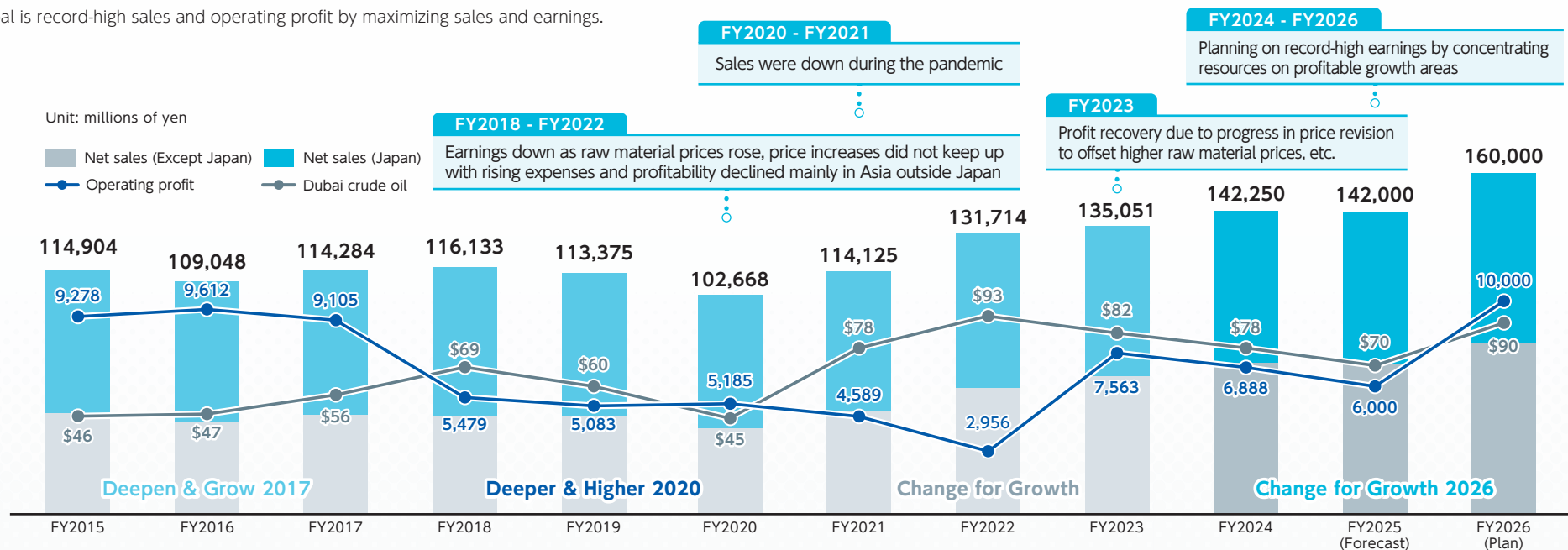
- Pursue further competitive advantages as a global market leader
- Invest in profitable growth areas based on the Four Drivers of Growth
- Expand use of ARPRO not only in automotive but also in non-automotive applications
- Pursue differentiation by expanding products that can reduce environmental impact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

	Quantitative targets for previous Medium-term Business Plan (FY2023 Plan)	FY2023 result	Quantitative targets for the current Medium-term Business Plan (FY2026 plan)	FY2024 result
Net sales	¥120.0 billion	¥135.0 billion	¥160.0 billion	¥142.2 billion
Operating profit	¥7.7 billion	¥7.6 billion	¥10.0 billion	¥6.8 billion
Operating profit ratio	6.4%	5.6%	6.3%	4.8%

Assumptions	Previous Medium-term Business Plan	FY2023 result	FY2026 plan	FY2024 result
Forex	105 yen/USD	141.2 yen/USD	140 yen/USD	152.3 yen/USD
	125 yen/EUR	153.2 yen/EUR	150 yen/EUR	164.4 yen/EUR
	15 yen/RMB	19.9 yen/RMB	20 yen/RMB	21.1 yen/RMB
Price of Dubai crude oil	50 USD/barrel	82 USD/barrel	90 USD/barrel	78 USD/barrel

Earning Growth in Change for Growth 2026

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



Financial Strategy

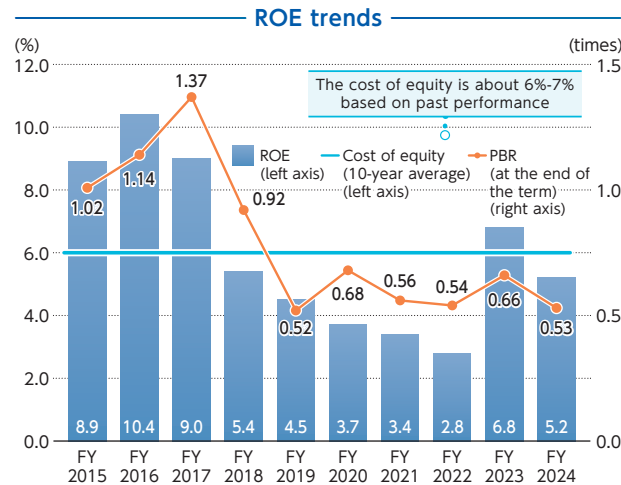
Improving Return on Equity

In FY2024, profit attributable to owners of parent decreased compared to FY2023, which included extraordinary income from insurance claim income, but recovered to levels comparable to FY2018, prior to the COVID-19 pandemic.

ROE target

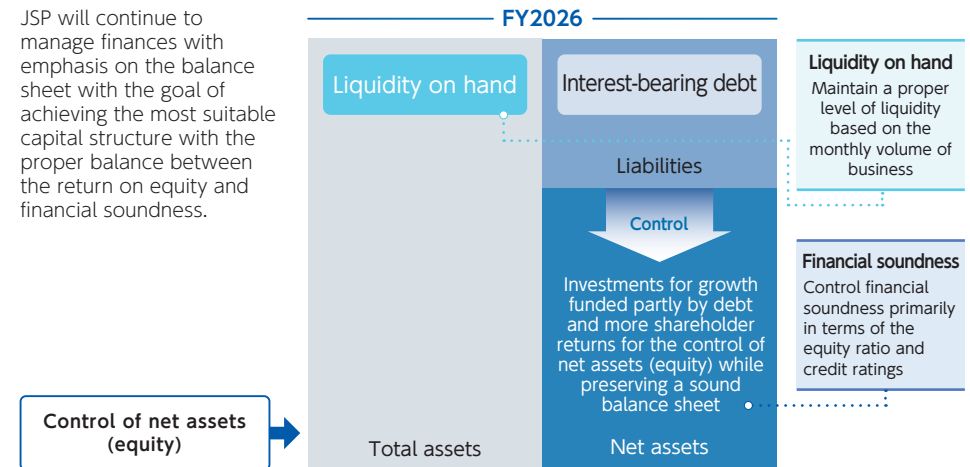
At least **7%** in FY2026

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



Optimization of Capital Structure

JSP will continue to manage 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.

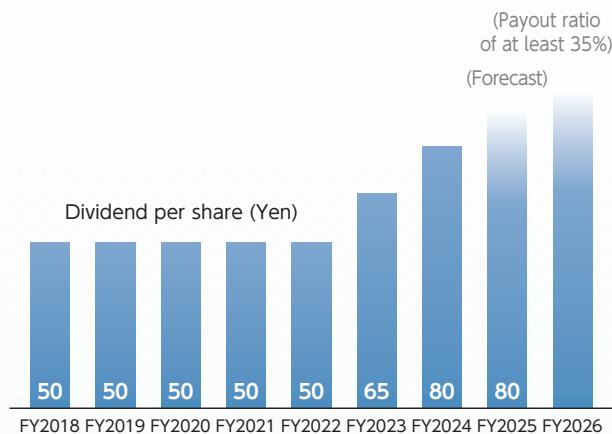


Policy for Shareholder Returns

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

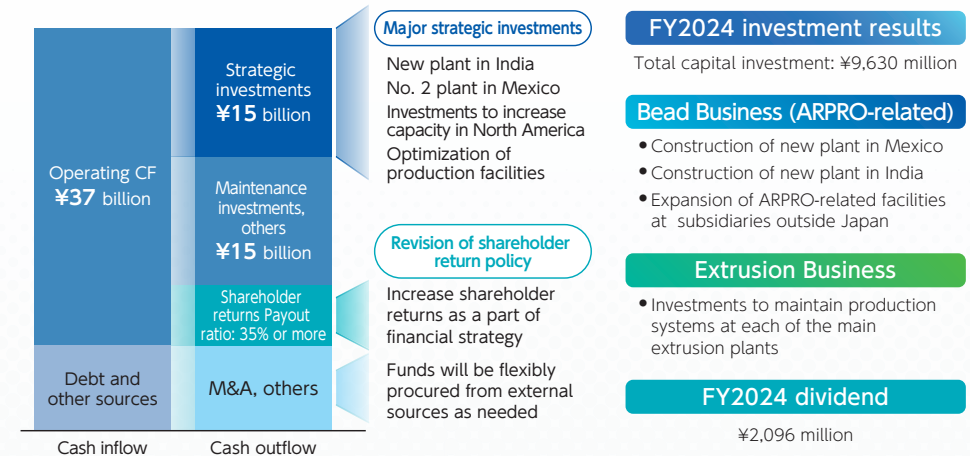
Shareholder return policy

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.



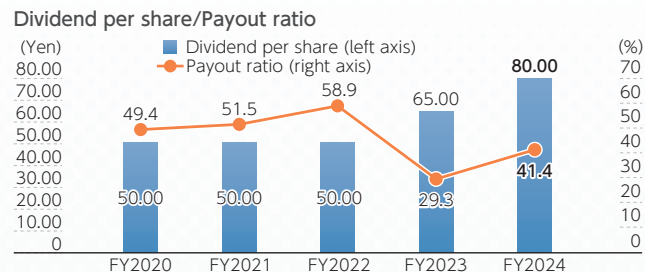
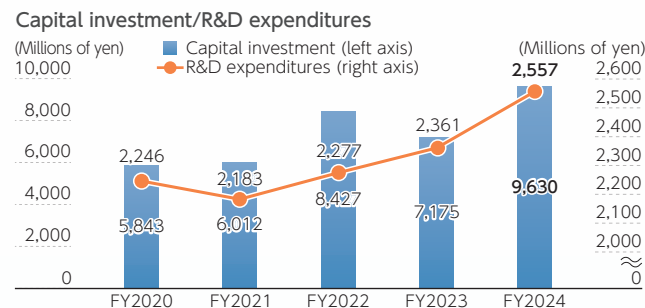
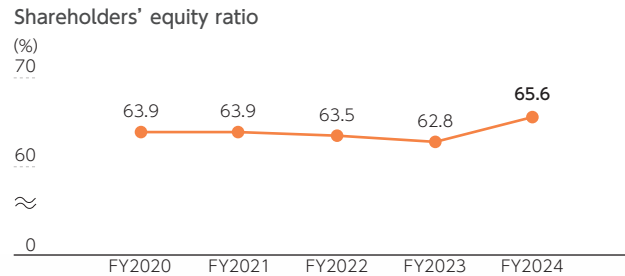
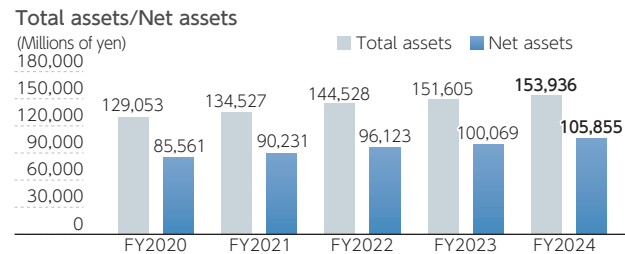
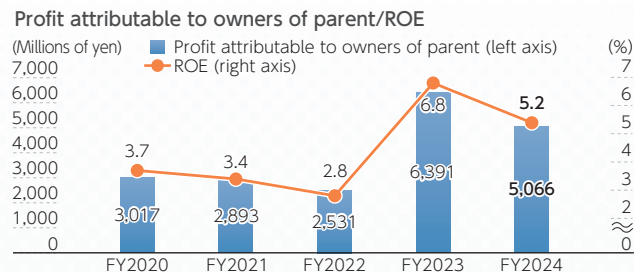
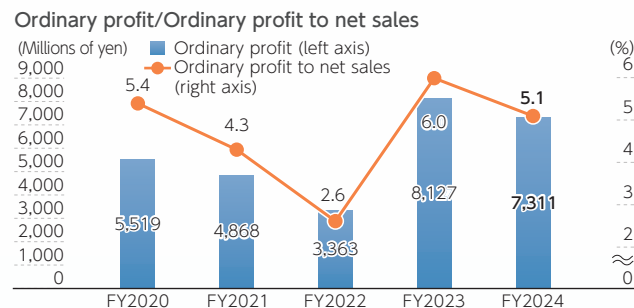
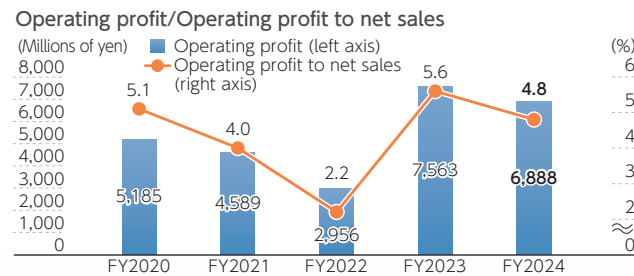
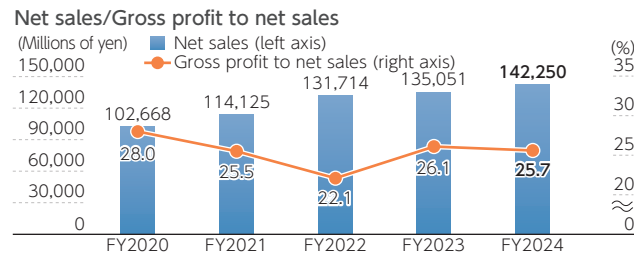
Capital Allocation (FY2024 - FY2026 cumulative)

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.

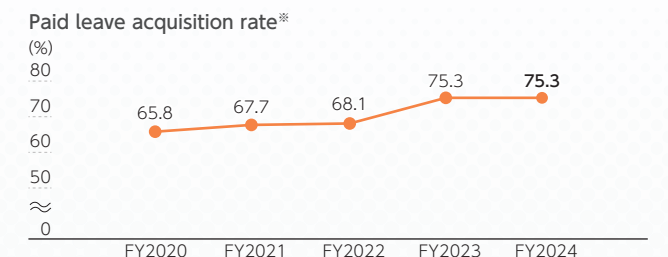
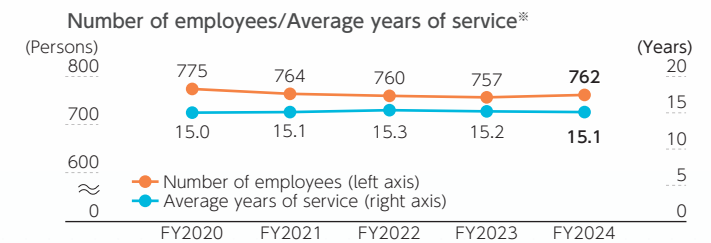
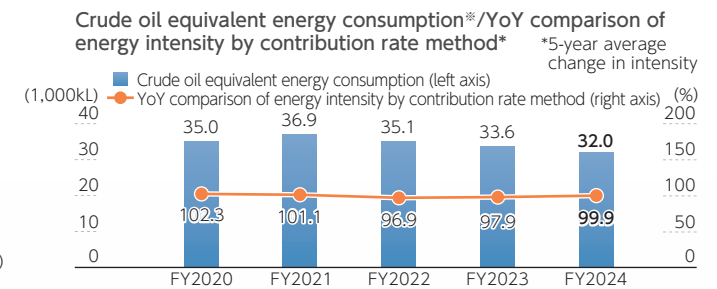
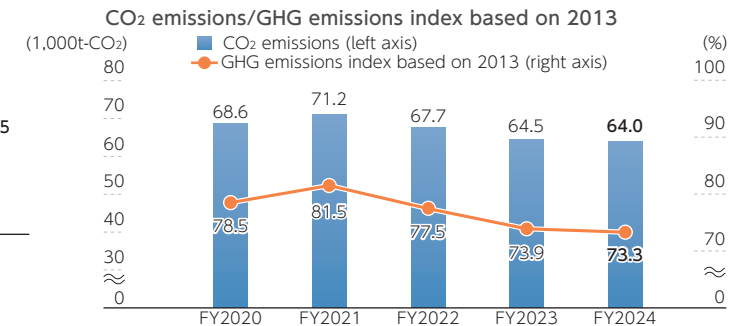


Financial and Non-Financial Highlights

Financial Highlights



Non-Financial Highlights (Non-Consolidated Figures) *Non-consolidated basis



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 current Medium-term Business Plan

In the current 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 related to human capital of the JSP Group

Materiality	Item	Indicator	FY2024 result	FY2025 target	FY2026 target
Improve human resources development	Upgrade training and education (JSP Corporation)	Increase rate in training expenses by level (compared to FY2023 results)	36.3% increase	18.1% increase	15.0% increase
Fostering the corporate culture of a rewarding workplace	Increase male employee use of child care time off (JSPC)	Male child care time off utilization	45.5%	55.0% or higher	60.0% or higher
	Increase employee engagement (JSPC)	Engagement indicator	50.5	51.0	51.0
Workforce diversity	More female managers (JSPC)	Ratio of female managers	5.5%	10.0%	10.0%
	More hiring of experienced people (JSPC)	Ratio of new employees with prior work experience	67.3%	Maintain and increase	Maintain and increase
	Employment of people with disabilities (JSPC and JSP Molding, a special-purpose subsidiary for employing these people)	Ratio of employment of disabled persons	4.9%*	Maintain at least 5.0%	Maintain at least 5.0%
Secure the occupational safety	Prevent lost work time accidents (JSP Group)	Lost work time accidents	39 cases	0 cases	0 cases
		Serious workplace accidents	0 cases	0 cases	0 cases

*Based on the “Disabled Person Employment Report” as of June 1, 2024, 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 FY2024, 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.

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 FY2024

Training	Contents	Period
Training for new employees	Business etiquette, guidance from departments and plant tour	13 days
Follow-up training for mid-career hires	Explanation of the current status and future prospects of each department, questions to those in charge, exchange of opinions	3 days
Training for leaders of new employee educators	Understanding the role and concept of educators, understanding individual behavioral characteristics, building trust, teaching and coaching, development planning	2 days
Training for young mid-level employees	Roles and competencies required of mid-level employees, creative work practices, communication in the workplace, career development and motivation, compliance	2 days
Training for new Assistant Managers	Role and management skills of leaders, difference between managers and players, leadership, compliance, accounting, finance, sustainability management, global human resources, IT basics	2 days
Training for Managers	Management and leadership, delegation of authority and developing members to capitalize on diversity, problem solving thinking, business skills required of managers, compliance	3 days
Performance appraisal and goal management training	Analysis and discussion of survey results on JSP employees' perception of their evaluations, personnel evaluations, interviewing skills, goal management, coaching	2 days
Training for new Group Managers	Confirmation of the role of the group leader, recognition that the basis of human resource development is individual management, recognition of one's own challenges as a group leader	3 days
Training for third year Group Managers	Setting issues through 360-degree diagnosis and initiatives to improve level, recognition of future growth issues as a manager through practice	2 days
Training for new Department Head	Determining departmental strategies and departmental human resource strategies in line with management strategies, understanding the individuality of everyone in the department, succession development, understanding the diversification of values	2 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.

● 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.

	FY2022	FY2023	FY2024
Mid-career recruitment ratio for regular full-time employees	51.4%	48.6%	67.3%

(Announcement date: June 27, 2025)

Work-Life Balance Initiatives

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

● 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 disabilities, ethnicities, nationalities, genders, 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.



● 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

Message from the General Manager of the Extrusion Business Division



We will pursue product development and application development to meet customer needs and create new value.

Takashi Hanne

Director, Executive Officer
General Manager of the Extrusion Business Division

Overall policy

- Optimal allocation of JSP Group resources and efficient use of capital expenditures
- Development and use of recycling technologies
- More environmentally 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 Drivers of Growth and products

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

	FY2024	FY2026 target	Compared to FY2024
Net sales	¥49,385 million	¥54,000 million	+ 9.3%
Operating profit	¥1,645 million	¥2,600 million	+ 58.1%
Operating margin	3.3%	4.8%	+ 1.5 points

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.

Review of FY2024 and market trends

Overall sales of the Extrusion Business in fiscal year 2024 increased by 3.4% year-on-year to approximately ¥49.3 billion. Sales volume was maintained at the same level as the previous fiscal year, but net sales increased due to progress in price revisions. On the other hand, operating income fell 24.0% to approximately ¥1.6 billion due to increased fixed costs and weak sales in the industrial materials and civil engineering fields, leaving profitability as a remaining issue.

By Business Division, sales of "MIRAMAT ACE," a flat panel display cushioning materials (FPD), the main product of the Industrial Materials Division, temporarily increased significantly due to an increase in demand for FPDs in the COVID-19 pandemic. However, sales subsequently declined due to the shortage of semiconductors. Currently, the FPD market is showing a solid annual growth rate of around +6%, and demand is on the road to recovery. The main reason for the decrease in sales compared to the original plan was that existing customers diversified their purchases from the perspective of business continuity plan (BCP). However, the superiority and competitiveness of our products remain high, and we expect a recovery in sales volume by advancing adoption proposal activities.

In the Living Materials Division, sales volume of STYRENEPAPER and other products for food trays remained stable due to their characteristics that are less susceptible to economic conditions. Sales also increased due to favorable product price revisions. On the other hand, sales of MIRABOARD, a display material for advertising, remained at the same level as the previous fiscal year.

In the insulation materials field of the Construction and Civil Engineering Materials Division, while the number of housing starts gradually in Japan declined, high value-added products such as MIRAFOAM LAMBDA and pre-cut insulation products performed well in response to growing demand for high thermal insulation, contributing to increased sales. Furthermore, demand for insulation materials for cold storage vehicles, which had temporarily declined due to the shortage of semiconductors, also recovered and remained strong. On the other hand, sales volume of J-WALLBLOCK, a lightweight embankment material, our main product in the civil engineering field, decreased due to the lack of large projects in the market as a whole in FY2024. However, J-WALLBLOCK is lightweight, highly durable, easy to install, and requires no ground improvement, and has been used in many cases on slopes, soft ground, and in places where large heavy machinery cannot enter. We expect demand to recover in the future by taking advantage of these characteristics.

Focus on application development and expand value-added products

In recent years, demand for our building material products, such as MIRAFOAM LAMBDA and pre-cut insulation products, has been growing on the back of growing interest in energy-efficient housing. In FY2024, progress was made in the development of higher thermal insulation for homes in advance of the mandatory "Grade 4" residential insulation standard in April 2025. Major homebuilders have effectively made "Grade 5" the standard, and the amount of insulation used per building is on the rise. Particularly for "Grade 5" and above, inferior insulation materials increase thickness, leading to structural issues. Consequently, the adoption of MIRAFOAM LAMBDA, a thin material with superior thermal insulation properties, has increased.

In addition, a subsidy program for GX-oriented housing was established in 2025. The demand for insulation materials is expected to increase further, as the subsidy program requires "Grade 6" or higher, and additional insulation methods combining fill insulation and exterior insulation are required for walls. Pre-cut insulation products have been highly evaluated for their ability to eliminate on-site installation work and waste at the site, and their sales

Message from the General Manager of the Extrusion Business Division

volume has been steadily increasing. Currently, most of our products are used for detached houses, but the adoption of our newly developed pre-cut insulation products for RC construction is gradually increasing. We cut and process insulation materials in our own plants, which shorten the lead time from order to shipment and give us an advantage in recycling scrap materials. In anticipation of an increase in sales volume, the JSP Corporation plans to make aggressive capital investments to increase its cutting capacity.

In addition to its high flexibility and shock-absorbing properties, "MIRAMAT ACE," a low-density polyethylene foam, is highly regarded by existing customers as a surface protection material for FPDs because its antistatic performance does not deteriorate and antistatic components do not adhere to the object being protected. Currently, the product is often used in only a few processes, but we will continue to develop applications and conduct adoption activities with the aim of adopting the product in a wider variety of processes.

The lightweight embankment material J-WALLBLOCK was registered in the NETIS (New Technology Information System of the Ministry of Land, Infrastructure, Transport and Tourism) in 2020, and since then, it has been evaluated for its many adoption results and promoted to "Utilization promotion technology" in 2025. Furthermore, J-WALLBLOCK has been registered in Civil Engineering Work Estimation Guidelines of the Ministry of Land, Infrastructure, Transport and Tourism, making the superiority of J-WALLBLOCK "visible" and further increasing its competitiveness in the market.



Strengthen human resources and establish a culture of safety

The personnel system of JSP Corporation revised in FY2024 shifted from the previous system to a role-based grade system. However, with the introduction of the role-based grade system, there is a risk that the workplace environment deteriorates due to a focus on quotas, so sufficient care is taken to ensure that communication is emphasized and the right personnel are assigned to the right positions.

Personnel exchanges between business divisions are increasing, but are not yet sufficient. We will promote the development of each individual into a multi-skilled worker by stimulating beneficial exchanges not only among career-track workers, but also among skilled workers in the site. It is especially important to provide young employees with opportunities to meet a variety of people and gain knowledge and experience, and to support their development as managers and leaders.

The number of female employees in the corporate division is increasing, as the company is also making efforts to promote the advancement of women. The number of women who wish to work in technical research positions is increasing, and the number of women who play an active role in these positions is also increasing. On the other hand, improving the work environment for women in sales departments and manufacturing sites is an issue for the future.

Improving safety at production sites is a top priority. In order to raise the safety awareness of each individual and to establish a company-wide safety culture, I personally visit each plant and participate in safety patrols and meetings with technical staff to promote safety activities. Compared to the past, safety has greatly improved, but we will continue to strive for improvement with the goal of zero minor injuries.

Aiming for further growth with a focus on expansion beyond Japan

The Extrusion Business is currently limited to the Japanese market. However, with Japan's population declining, maintaining the current way of operating the business will inevitably result in lower sales. The market for general-purpose products is already shrinking due to severe price competition. In light of this situation, we are focusing on the development of high value-added products, developing new applications and cultivating new fields.



The general-purpose plastics we handle can perform a variety of functions depending on ingenuity and technology. By utilizing foaming technology, the amount of plastic used is reduced, and the material is easily recyclable and has the characteristics of lower environmental impact. It is our responsibility to provide products that contribute to society and the environment by taking advantage of these "multi-functional materials."

As specific initiatives, the Industrial Materials Division has developed CONDUCTIVE MIRAMAT with even higher electrical conductivity and MIRAMAT A - BIO using biomass PE, which have been adopted in new fields such as protective materials for electronic circuit boards. The Living Materials Division has developed MIRAPEEL, which peels off the soiled side of used trays like a film to facilitate recycling, and has a proven track record of use at public events. The Construction and Civil Engineering Materials Division is accelerating technological development to enhance its lineup of highly insulated products that meet or exceed insulation Grade 6.

Keeping in mind our Long-term Vision of being "A Global Company for Global Society," we will also promote business activities with a view to global expansion by taking advantage of the world-class products of the Extrusion Business Division.

Message from the General Manager of the Bead Business Division



We promote balanced growth in both automotive and non-automotive applications with the global brand ARPRO at the core.

Kazutoshi Sasaki

Director, Senior Executive Officer
General Manager of the 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 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*

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

*STYRODIA business: Refers to the EPS business.

	FY2024	FY2026 target	Compared to FY2024
Net sales	¥92,865 million	¥106,000 million	+ 14.1%
Operating profit	¥6,373 million	¥8,600 million	+ 34.9%
Operating margin	6.9%	8.1%	+ 1.2 points

Review of FY2024 and market trends

In the Bead Business as a whole, sales volume was at the same level as the previous fiscal year, but net sales increased as a result of price revisions in response to soaring raw material prices. On the other hand, despite efforts to reduce fixed costs, profits decreased due to the impact of increased labor costs caused by global inflation. As a result, net sales in the Bead Business increased by 6.4% year-on-year to approximately ¥92.3 billion, while operating profit decreased by 2.6% to approximately ¥6.3 billion.

We recognize the need to increase labor costs to an appropriate level in response to the ongoing inflation in each country and region. Securing human resources is essential for future business expansion, and we see this as a positive investment.

For our advanced materials products, including the expanded polypropylene ARPRO manufactured and sold globally, demand in non-automotive field remained strong, while demand in the automotive field declined. As a result, overall shipment volume was at the same level as the previous fiscal year.

As for sales trends by region, while sales in the non-automotive field increased in Japan, sales in the automotive field decreased due to the suspension of production and shipments by certain manufacturers. In North America, the non-automotive field, including reusable containers and impact protection materials in

athletic fields, performed well, but the automotive field saw a decline in demand. In South America, the automotive field for domestic demand grew. In Europe, demand for HVAC* components declined. In China and Taiwan, demand increased in the packaging materials and automotive parts fields, but in Southeast Asia, demand declined in the automotive and packaging materials fields.

Sales of bead products (mainly the expandable polystyrene, STYRODIA) decreased due to declining demand in the fisheries, agricultural and civil engineering fields.

ARPRO is expanding in the sales to non-automotive applications

ARPRO, our flagship product, is a revolutionary impact energy absorbing material originally developed by the JSP Corporation. It combines high structural strength, lightweight, insulation, and chemical resistance, and is also an environmentally responsible materials that is 100% recyclable. It is 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 reusable containers, returnable glass transport boxes, ground foundation materials, HVAC components, etc. With a share of approximately 50% of the worldwide EPP market, the JSP Group aims

to further enhance its brand power in the global market and expand its business in the future.

*HVAC: Abbreviation of heating, ventilation, and air conditioning systems, general air conditioning systems.

Paver Base
(paving stone base material) ▶



◀ Children's Toys

Message from the General Manager of the Bead Business Division



In the automotive field, in addition to proposals to new automakers, we are also working to expand applications to parts that have not been used before. As the automotive industry advances toward greater energy efficiency, including the shift to electric vehicles (EVs), expectations for our lightweight and high-strength foamed materials continue to grow. By leveraging these strengths to the fullest and responding precisely to customer needs, we are working to overcome the traditional challenge of being susceptible to changes in the environment. In addition to developing new applications in the automotive field, we will continue to leverage our unique strengths in non-automotive field to aggressively expand our business.

In the non-automotive field, sales of impact protection material in athletic fields in North America have grown significantly, and demand related to agricultural materials has also increased in South America. In Asia, sales of packaging materials for transporting large batteries for the construction of large-scale energy storage facilities are expanding, and cushioning materials for transporting AI servers are also attracting attention, and we are aggressively working to capture new demand. In Europe, on the other hand, despite the ongoing economic stagnation, there is firm demand in the recycling field, and we are focusing on uncovering customer needs.

In this way, we strive to develop our business quickly by accurately identifying demand trends in each region and emphasizing capital investment and timing accordingly. Although there remains some

uncertainty beyond FY2025 due to factors such as the United States trade policies, we will continue to capture growing demand for recycled materials while focusing on expanding applications in non-automotive field such as HVAC components and reusable containers. Through these efforts, we aim to promote well-balanced growth across both automotive and non-automotive fields.

Global business evolving and growing through close contact with local communities

North America and Asia, especially China, are large markets with great potential for growth. We are pursuing well-balanced sales expansion in both automotive and non-automotive fields. In the Chinese market, amid intensifying price competition, our efforts focus not only on cost management but also on strengthening competitiveness through enhanced quality and solution-proposal capabilities. In Europe, it is expected to take a certain period of time for the economy to recover, but we are taking advantage of that time to develop applications and materials to lay the groundwork for the next stage of growth. We are also making maximum use of our Innovation Centre in Germany to promote research on new ideas and technologies.

With regard to technological development that supports our growth, we are constantly working to improve the performance, quality, and productivity of each product, always keeping an eye on changes in the external environment without being satisfied with the status quo. In recent years, the growing demand in the battery and electronic component fields has accelerated the development of new materials such as antistatic and conductive reusable containers suitable for transportation and storage applications. Through these various challenges, knowledge and experience have been accumulated, and partnerships with other manufacturers have been further strengthened, which is expected to lead to the development of new applications and the creation of new demand.

In terms of production and distribution, we are pursuing operational efficiency and cost reduction through process innovation. Specifically, we aim to produce high results with limited resources by promoting reforms that are not bound by existing frameworks, such as reviewing production processes, introducing new technologies, and improving workflows. In addition to this, we are actively developing best practices in each country and region in terms of management. We plan to establish an advanced mass production system in Japan by the end of FY2025, and then gradually expand the system globally.

Aim to convey the potential of foamed plastics more broadly

The foamed plastics we handle is made of approximately 98% air, a material that contributes greatly to the conservation of resources and energy. JSP products, which take advantage of the characteristics of foamed plastics, help preserve the environment and realize a sustainable society through resource recycling. However, since foamed plastics are rarely seen in everyday life, such as inside automobiles and in transportation packaging materials, its value is not well known.

During interviews for new graduate employment, many students find our environmentally responsible business attractive. Although it is difficult to communicate directly to the end consumer, we believe it is important to continue to disseminate information in a steady manner.

First, in the B to B domain, we will tell manufacturers who are working to reduce CO₂ emissions that "if you consult with JSP, we can propose a variety of ideas that will lead to solutions to your issues." As an industry leader, we take responsibility for continuing to share with society the benefits and social contributions of foamed plastics, which enhance comfort and convenience in daily life while being environmentally responsible.



Feature: JSP's Global Expansion

JSP has manufacturing and sales bases in 13 countries and regions around the world, with global markets outside Japan accounting for about half of its sales. Foamed plastic products, including the mainstay product ARPRO, have expanded their applications from automotive parts to packaging and construction materials, securing stable demand in North and South America, Europe, and Asia. Furthermore, we are strengthening our supply system by operating new plants in India and Mexico, and expanding into emerging markets. This feature begins with an overview of ARPRO and its global sales outside Japan followed by interviews with regional office managers to introduce trends and challenges in global markets, investment and human resource strategies, and visions for the future.

ARPRO

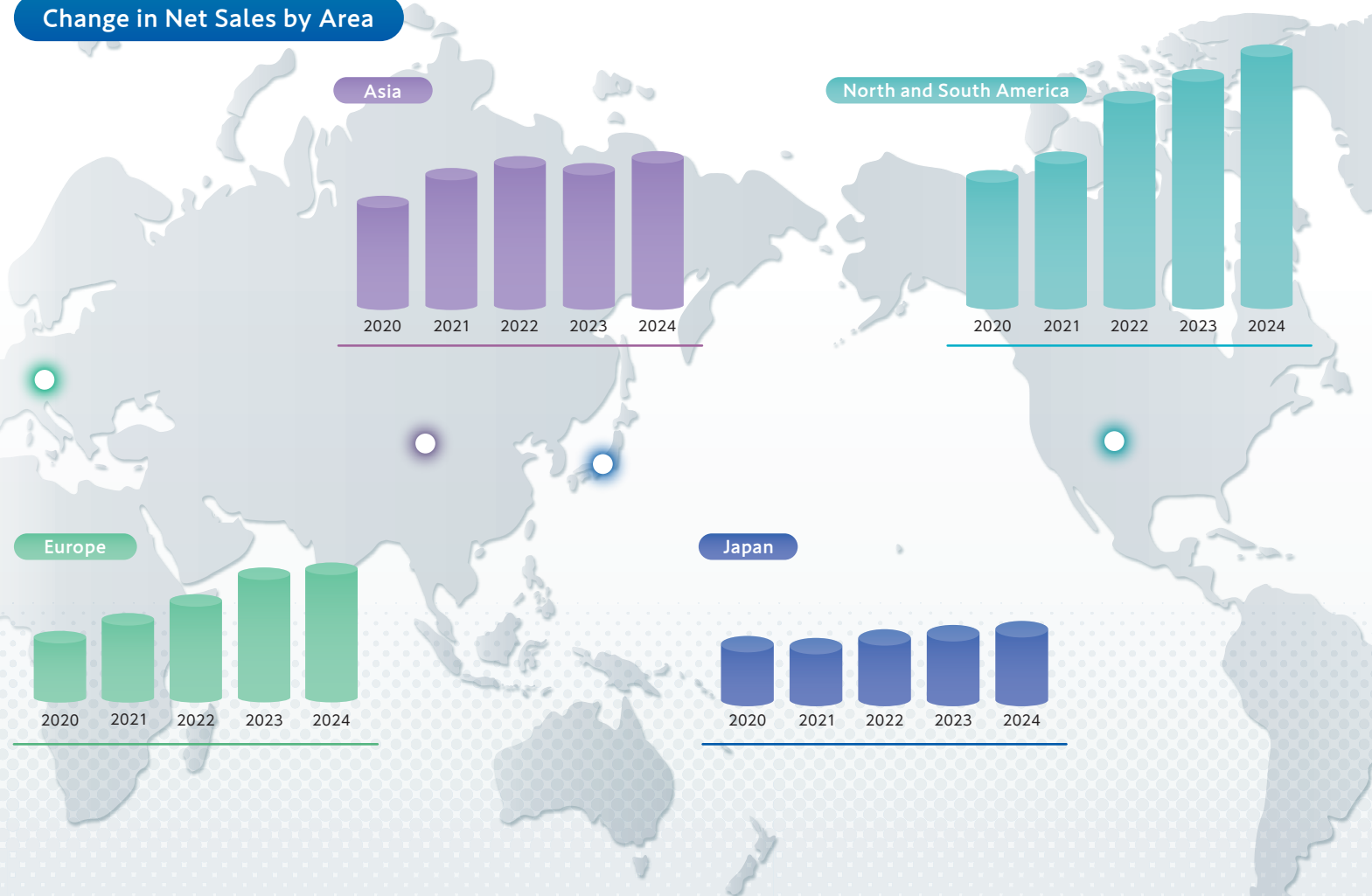
Continues to Grow

ARPRO has captured approximately half of the global market share to date and is expected to continue to grow steadily. By region, North America and Europe are currently in a correction phase due to the impact of tariffs and economic conditions, while Asia continues to perform steadily. In particular, the non-automotive field in China, Taiwan, the United States, and Europe has been the driving force, with overall growth approaching that of the automotive field. In the automotive field, demand is expected to grow in emerging markets such as India and Africa.

On the supply side, in addition to strengthening our capacity through the operation of our plant in India and the start-up of our second plant in Mexico, we are also considering reallocating production capacity in response to changing demand in Asia, with the aim of optimizing supply to each market and ensuring agile production. In Europe, products using recycled materials account for more than 10% of sales, and we will promote future expansion to the United States, China, and other Asian countries to promote gradual reduction of GHG emissions during production. We ensure stable procurement of recycled materials through multi-sourcing across countries and respond swiftly to supply and demand fluctuations by leveraging our global network.

ARPRO will continue to promote diversification and sustainability to achieve sustainable growth.

Change in Net Sales by Area



Interviews with Regional Leaders (North America)

Moving to the next stage of growth as a leading company in the EPP market

Raul Sanchez President & Director
JSP International Group LTD.



North America is the largest and most important market for JSP. While there are headwinds such as economic uncertainty and slowing demand for automobiles, demand in non-automotive fields such as packaging and construction materials is steadily growing. We are committed to achieving sustained growth by strengthening our presence throughout North America, backed by our overwhelming market share and technological capabilities.

1 Market Environment and Trends

U.S. economic growth turned negative in the January-March period of 2025, with real GDP declining at an annual rate of 0.5%. The main causes are a surge in imports due to tariff avoidance, a decline in consumer spending, and a sharp reduction in government spending. This has led to a "wait-and-see" attitude in business investment and relocation of production bases in North America, and the expanded polypropylene foam (EPP) market is no exception.

In the North American EPP market in 2025, sales of automotive-related products, bead products, and reusable containers were sluggish. On the other hand, sales of flat plate, BROCK base material, and Paver Base exceeded the budget and remained steady. JSP still retains a market share significantly higher than that of its competitors, maintaining its dominance in the market.

In the automotive industry, only 29 new cars were launched, the lowest level in decades (usually more than 200 cars are launched in four years). Huge investments in EVs are being scaled back, and a return to gasoline-powered vehicles is underway. In addition, rising vehicle prices have led consumers to extend the ownership period, further dampening new car sales. The U.S. market is entering a new phase in which automakers are being forced to adjust to consumers' budgets and needs.

On the other hand, there are areas with potential for growth. There is a trend to replace existing thermoplastics (solid-foam) with EPP, a single material that is more recyclable. Targeting the packaging, transportation, and sporting goods markets, this trend is just now emerging and has significant room for growth.



▲Ramos Arizpe Plant



▲Butler Plant

2 Challenges and Responses

One of the major challenges is how quickly products can be introduced to the market. Traditionally, early access has enabled adoption for new applications, but changes in corporate structures are making it difficult to use the traditional route. Therefore, we are currently pursuing a multifaceted approach including (1) strengthening relationships with automakers (visits - joint development), (2) strengthening partnerships with existing customers, (3) expanding networks with suppliers and new customers, and (4) attracting potential customers through industry associations, trade shows, and websites.

We are also focusing on expanding the use of EPP and expanded polyethylene (EPE) products. We are responding to market needs by expanding its use in existing markets and promoting a switch from less recyclable materials. EPP and EPE products offer performance and environmental advantages and are an area that will fuel our growth.

JSP North America's strength lies in its established presence in the industry and its high level of trust. We have been leading the industry standard by providing optimal solutions from our unique position as a material supplier and molding manufacturer. As a result, we have secured a dominant share of the North American EPP market. We will continue to demonstrate industry leadership by creating products that meet customer needs in terms of both performance and cost.

4 Human Resources Strategy

JSP North America's human resources strategy focuses on building a strong, safety-centered, and diversity-oriented organization through investment in people, while aligning the strategy with business needs.

(1) Recruitment of local personnel

By prioritizing local hiring whenever possible, we can strengthen relationships with local communities and develop a more stable and engaged workforce. We work with community schools, workforce development boards, and community organizations to build a pipeline of talent from veterans to new hires.

(2) Training and human resource development

We continuously provide workplace induction and job-specific training for all employees. Through cross-training programs, management programs, and upskilling/reskilling, we promote personal growth and enhance operational flexibility.

(3) Health and safety

We make a safe work environment a top priority and ensure accident prevention by maintaining strict safety protocols, encouraging employee participation in safety committees, and tracking leading indicators as well as lagging indicators. In addition, we improve wellbeing through employee assistance programs, support for improved and more efficient working conditions, and mental health support.

(4) Compliance with labor laws

We have identified compliance with local, state, and federal labor laws as a core mission of our human resources strategy and conduct regular audits of practices such as wages, hours of work, leave operations, and reasonable accommodations. We continuously monitor legal changes and flexibly revise policies and operations as necessary.

3 Investment and Growth Strategies

While 2025 has been a challenging start for JSP North America as well as many other industries, we have made important investments for future growth and plan further investments to expand our operations and increase our production capacity in North America in the coming years.

The Company's major investments and initiatives

- Scheduled a new expansion of Jackson Plant in Michigan.
- Expand business at the Toluca Plant in Mexico to respond to growth prospects in the region.
- Establish Ramos Arizpe Plant in Mexico that covers northern Mexico and the southern United States.
- Expand a second plant in Tullahoma, Tennessee to reduce production and logistics costs and expand production volume.

The key to our growth lies in diversifying our product lineup and developing new applications. We are also developing new foamed polypropylene to improve performance, reduce costs, and meet new market requirements. In order to better serve different market sectors and prepare for growth, we are reviewing our sales structure.

5 Vision and Goals for the Future and Value to Be Provided

We pride ourselves on being more than just a supplier of plastics and components; we are a solution provider for our customers' needs. Our technical capabilities, reputation, and market leadership position make us recognized as the most reliable partner in the region. The decisions we have made regarding our market and growth strategy have been successful. As a true business partner to our clients, we are in control of our own future.

Our vision is to continue to be a solution provider regardless of market sector. We have expanded from our automotive industry specialization to multiple industries, including packaging, floor base material, HVAC, and multi-purpose flooring. Our goal is to maintain our leadership position in the market. Our technological features, expanded product lineup, and commitment to sustainability in all of our markets put us in a uniquely advantageous position. This will allow us to continue to grow.

Interviews with Regional Leaders (Europe)

Expand growth area by adding new injection molding business

Masakazu Sakaguchi President & Director
JSP International S.A.R.L.



Europe is a region with a diverse market and high environmental awareness. JSP entered the injection molding business in 2024 while establishing a market leadership position with ARPRO. Through the use of recycled materials and digital solutions, we provide new value in terms of both sustainability and efficiency.

1 Market Environment and Trends

In Europe, in addition to the mainstay ARPRO business, we have also entered the injection molding business and have made a full-scale start by completing the acquisition of two injection molding manufacturers, HAPP of Germany and GHEPI of Italy, as wholly owned subsidiaries in July 2025.

The EPP market to which ARPRO belongs in Europe, the Middle East and Africa (EMEA) is characterized by technologically advanced multi-sector deployment, ranging from the automotive parts field to building HVAC, transportation solutions, packaging, toys and leisure. The automotive parts field is the most important sector and we are also gaining ground in the HVAC field. In the area of reusable containers for automotive parts, we continue to see solid growth, mainly on the back of application development for battery solutions, and we are also expanding into B to C applications such as toys and sporting goods. We have established a market leadership position in Europe and continue to lead the market in new applications.

The injection molding business is supported by sophisticated products such as automotive parts, and in recent years there has been a trend toward a return to European production from a security perspective, which can be seen in home appliance housings and medical-related components.



▲Cheb Plant (Czech Republic)



▲Estrées Saint-Denis Plant (France)



▲ARPRO custom-ordered products

2 Challenges and Responses

The current market environment remains challenging, with geopolitical risks such as the Ukrainian conflict and escalating tensions in the Middle East causing energy and raw material supply shortages and inflation concerns. In addition, the possibility of significant tariffs being imposed by the United States on European products also creates uncertainty for business activities and corporate planning.

In the ARPRO business, some of our customers who are molding companies have begun to produce EPP in-house, which has had a slight impact on our market share. On the other hand, as the overall European market is on an expansionary trend over the medium to long term, we are adjusting our pricing policy to support sustainable growth in the market. We also offer a multifaceted service that includes further quality improvements, an expanded product portfolio, and the option to offer the shortest lead times possible. In addition, we will accelerate market reform by marketing ARPRO RE, which is made from 30% recycled raw materials.

Injection molding features a mechanized line capable of replacing metal with plastic in advanced automotive parts and manufacturing equipment, as well as in secondary processing. Furthermore, since we are able to manufacture molds in-house, we are able to provide consistent support from the design stage.

4 Human Resources Strategy

Europe is a multilingual and multicultural region, and it is essential to secure human resources suited to each region in order to adapt to the market.

JSP EMEA has plants in France, the Czech Republic, Germany, and Italy, a sales office in the UK, a new business development center in Switzerland, and the Innovation Centre in Düsseldorf, Germany. While Europe has much in common, each region has its own unique culture, business practices, and legal systems. In this environment, we emphasize safety, mutual respect, fairness, institutional transparency, and the creation of a friendly work environment. These efforts have fostered a sense of unity in JSP that transcends regional cultures. The results are reflected in the high retention rate of our employees and the fact that we have employees of more than 30 different nationalities, not only from within Europe.

We also offer a number of regular training programs to ensure that our employees acquire the necessary expertise to perform their jobs and ensure their long-term growth. These results are also reflected in the personnel evaluation system.

3 Investment and Growth Strategies

Our goal is to accelerate the expansion of the overall market by increasing the competitiveness of EPP products themselves.

Therefore, in the ARPRO business, we are strengthening our ability to support our customers' molding companies in reducing costs and GHG emissions. In addition, as a new initiative, we launched and began developing the Advanced Solutions business, which provides digital solutions for molding customers.

We have also strengthened our relationship with GiD, a German recycling company, through an equity investment, and are promoting the development of ARcycle, a high-quality recycled material. This ensures a stable supply and quality of ARPRO RE and keeps us at the forefront of industry in terms of sustainability.

In the injection molding business, we are enhancing automation lines, upgrading equipment using subsidies, introducing an AI-based quality control system, creating synergies with the ARPRO business, and even introducing foaming technology.

5 Vision and Goals for the Future and Value to Be Provided

We aim to operate our business as professionally and transparently as possible for the market and our customers. This policy is an absolute prerequisite for building trust because Tier 1 suppliers and manufacturers are not limited to the automotive industry, but exist in many fields, and there are more than 100 molding companies that are direct customers, with offices in various countries.

Continuous new product development and proposals are essential, but in addition, providing sincere support from multiple perspectives and new perspectives will lead to value creation. Specifically, we are working together with customers to develop markets by reducing energy costs and scrap rates through digital solutions, improving quality and reducing costs by proposing improvements to molding dies, and offering advanced design support and proposals for new fields.

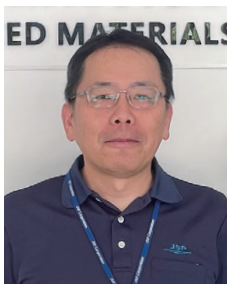
Although the injection molding business is just getting started, the immediate goal is to improve customer satisfaction by prioritizing solutions to customer issues using JSP's foaming technology and other advanced technologies, in addition to existing design proposals.

Interviews with Regional Leaders (China)

China market strategy with the non-automotive field as the next growth driver in the world's largest market

Akira Shiotani President
JSP Plastics Co., LTD. (Shanghai)

JSP Advanced Materials Co., LTD. (Wuxi, Dongguan, and Wuhan)



China is not only the world's largest automobile market, but also a huge market for a variety of industries, including logistics, consumer electronics, and telecommunications. JSP has been operating locally for over 20 years and has grown to the point where non-automotive field now account for the majority of its sales. As society's demands for environmental responsiveness and recycling increase, we are further strengthening our influence in new areas.

1 Market Environment and Trends

The market for EPPs, including ARPRO, in China is increasing year by year and is expected to exceed 90,000 tons in 2025. China's automotive market is the largest in the world (approximately 31.44 million vehicles sold in 2024), and demand for ARPRO as a lightweight, energy absorbing material for interior and exterior applications is growing.

In 2025, sales in non-automotive applications are on a rising trend, outpacing automotive applications in China. In addition to the expansion of domestic demand, as the "world's factory," we produce and export many products such as displays, batteries, telecommunications, and home appliances, and ARPRO is increasingly being used as a cushioning material for these products. Currently, applications in which we have a particularly high sales share are displays, batteries, and telecommunications applications. ARPRO products are recognized as reusable and recyclable materials, and their use in new energy vehicles (NEVs) and energy storage applications is expected to increase further in the future.



▲ Battery packaging materials for BESS
(Battery Energy Storage System)

2 Challenges and Responses

The number of competing EPP manufacturers and molding companies that foam their own EPP beads is increasing, and sales prices are decreasing each year. In contrast, we maintain our competitiveness by offering materials that can be molded with low-pressure molding, as well as global quality, development design, and molding technology support. In terms of costs, we are continuing to increase production and sales by improving the utilization ratio per machine and reduce unit production costs in terms of materials and equipment.

With logistics costs for customers dispersed across China's vast landmass becoming a challenge, we are taking measures such as implementing two-stage foaming on the customer side.

3 Investment and Growth Strategies

In order to provide differentiable materials, we are continually expanding our production facilities for low-pressure molding products and high value-added products.

We are promoting capital investments that reduce environmental impact and costs, and have achieved significant results with the thermal rationalization facilities we have installed by 2024. In addition, the introduction of recycling facilities has enabled us to propose environmentally responsible products, and our sales performance has been increasing.

Furthermore, in 2025, we plan to install a test facility to accelerate the speed of development and prepare for future expansion while keeping costs down.

5 Vision and Goals for the Future and Value to Be Provided

Contributing to society through our value proposition

Twenty years have passed since the launch of ARPRO in China, and along with the rapid growth of the Chinese economy, we have also experienced significant growth. On the other hand, the rise of local competition caused selling prices to decline year after year, putting pressure on earnings. At the same time, however, we were able to expand the fields in which EPP is used, leading to market expansion.

In recent years, as environmental awareness has increased worldwide, EPP, a petroleum-derived plastic product, is also required to be environmentally responsible. Foamed plastics have the characteristics of reducing resource use by foaming dozens of times and contributing to the reduction of travel energy by reducing the weight of vehicles.

We will first reaffirm these basic characteristics to society, and develop strategic sales with comprehensive profitability in mind. While maintaining our market share, we will focus on fields with high specification requirements and high value-added demand fields where we can take advantage of our strengths, such as semiconductors, flame retardants, and sound absorption, and we will also develop environmentally responsible products.

4 Human Resources Strategy

Through the operation of our personnel system, we are working to revitalize the utilization of human resources. We are clarifying individual roles by considering the introduction of job descriptions by job type and grade, and fostering mid-level managers through enhanced employee training programs. As part of localization efforts, local employees have been promoted to key positions, promoting proactive management by local employees.

In addition, we are also working with each department to improve working hours, including reducing overtime, through the use of an attendance system. Furthermore, we are working to improve the workplace environment for our employees, conducting cafeteria satisfaction surveys, improving the living environment of dormitories, and improving workplace safety management through collaboration with the Environment, Health and Safety (EHS) department.



▲ Wuxi Plant

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 corporate governance.

Foamed plastic 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

1. The Basic Sustainability Policy is as follows.

- The JSP Group, with its corporate philosophy of "Creatively and Actively Contribute to Society," aims to continuously enhance its corporate value with a strong awareness of its corporate responsibility in the elements of environment, society and corporate governance.
- JSP will make the Basic Sustainability Policy known to all officers and employees.
- 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

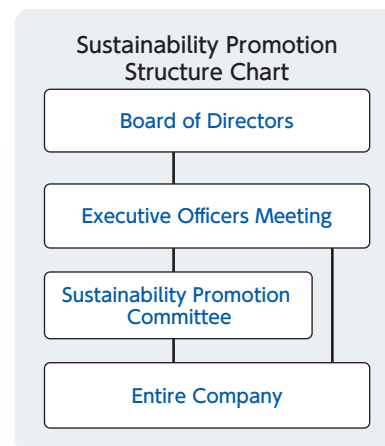
The Executive Officers Meeting controls the overall sustainability management. In the PDCA cycle of sustainability promotion activities, it confirms and reviews the progress of company-wide activities and plays a role in promoting these activities.

●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.

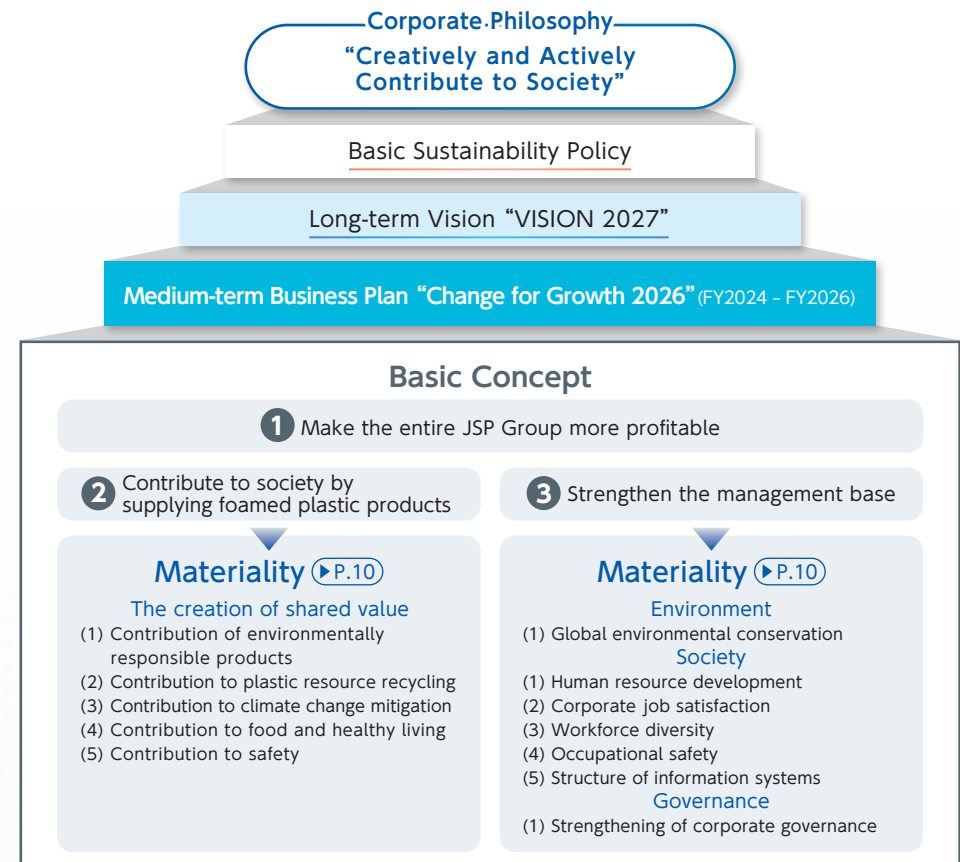
●Entire Company

Entire Company refers to the JSP Corporation and the JSP Group companies, etc., which are responsible for implementing sustainability promotion activities.



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.

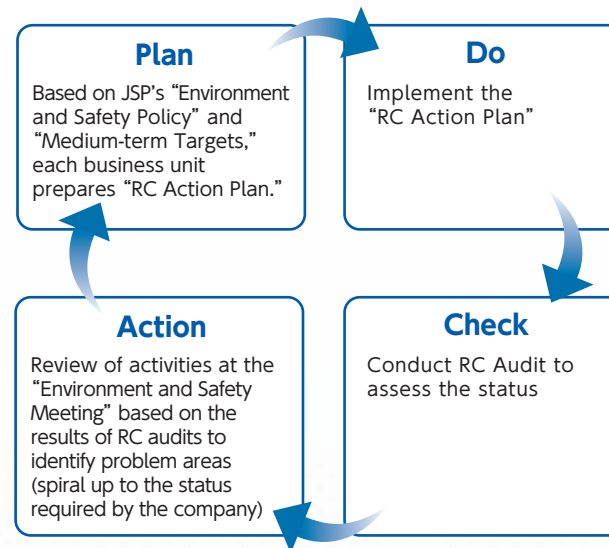
Responsible Care Activity Policy

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 Responsible Care Activities

JSP is striving to implement precise PDCA cycles for the six basic RC activities: environmental conservation, security 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

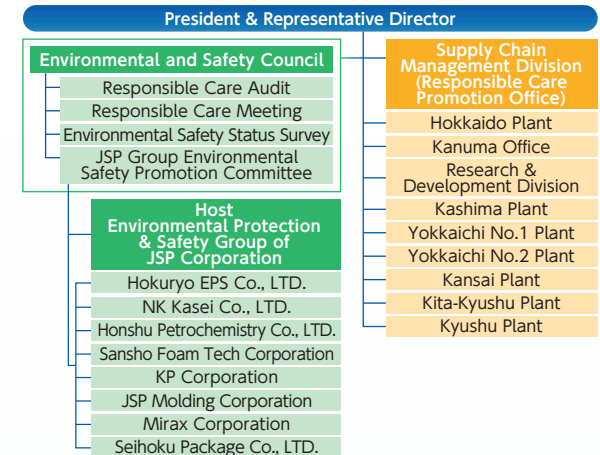
► https://www.co-jsp.co.jp/english/sustainability/rc/rc_plan.html

Responsible Care 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 "Responsible Care 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 entire JSP Group 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 FY2024, on-site audits were conducted at 9 workplaces (including 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.

Responsible Care RC Activities

Safety Policy

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

Security 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. 9 trucking accidents occurred in fiscal 2024 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. For fiscal 2025, we have set a target of eight or fewer trucking accidents, and we will continue to implement a variety of 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 compliance with the two logistics-related laws, by focusing on "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.

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



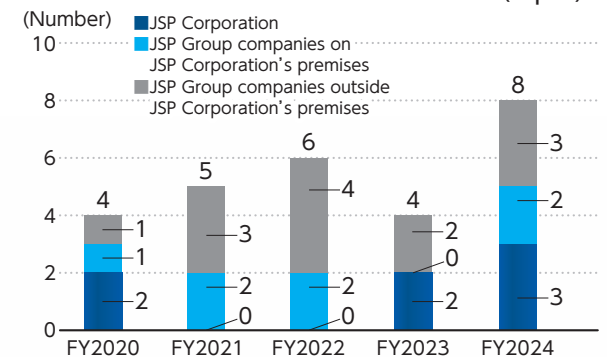
Occupational Health and Safety

"Safety First" Established Throughout the JSP Group

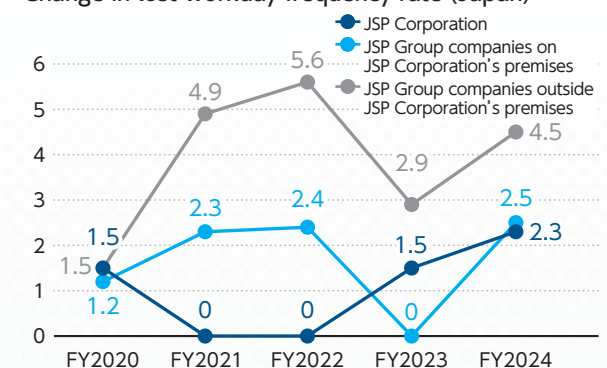
As safety needs to be addressed by the whole Group, we have started regular safety activities by each business division, involving not only the manufacturing plants but also the administrative departments of each business division. We aim to further develop safety activities and spread safety awareness 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 (Japan)



Change in lost workday frequency rate (Japan)



Environment Management Structure

As a foamed plastic 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 communication with the public. 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 responsible 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*), Kashima Plant, Yokkaichi No.1 Plant, Yokkaichi No.2 Plant*, Kansai Plant, and Kyushu Plant

*1 Including Tochigi No.1 Plant of JSP Molding Corporation

*2 Including Mie Plant of JSP Molding Corporation

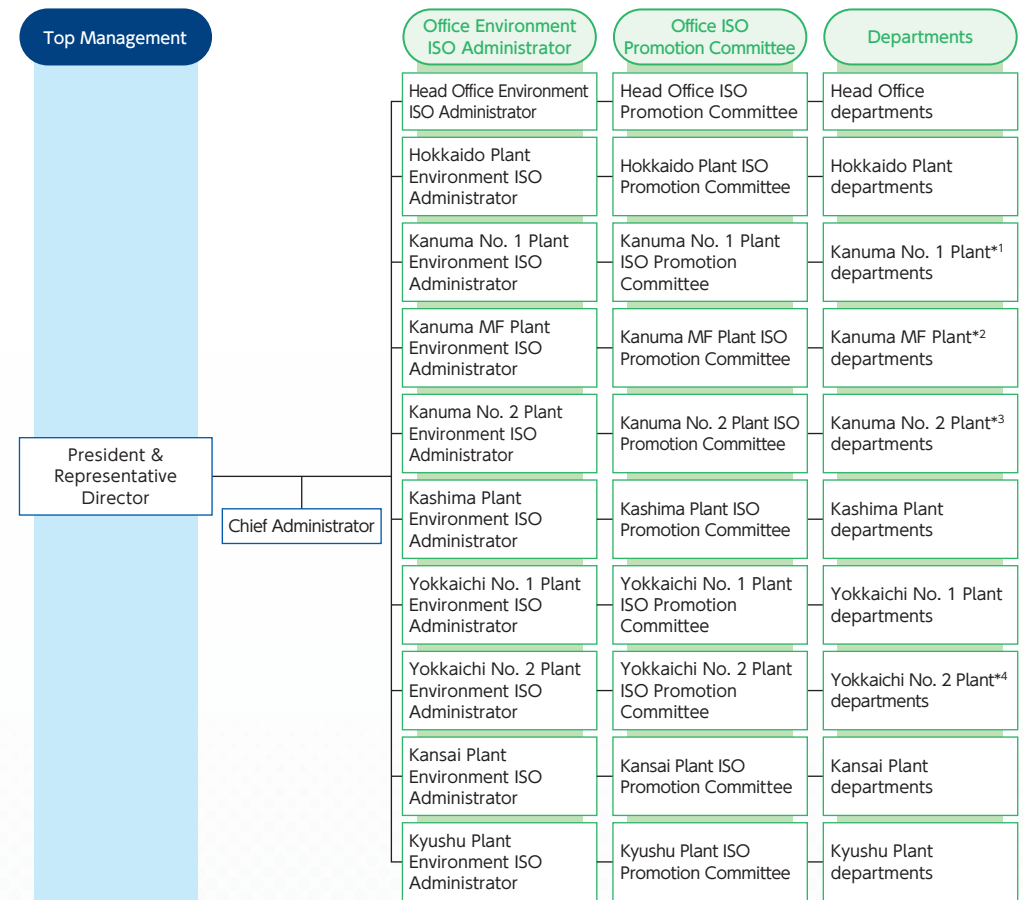
●JSP Group companies in Japan

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

●JSP Group companies outside Japan

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

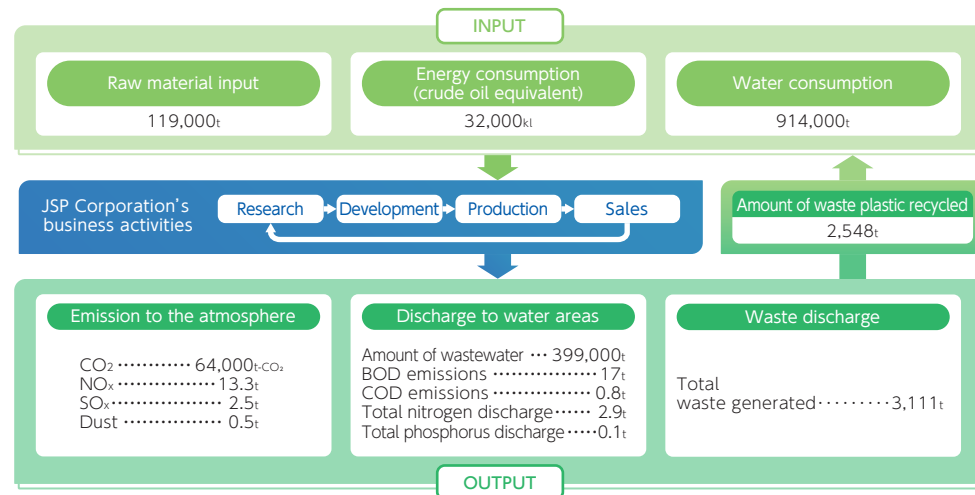
*2 Including the Kanuma Logistics Center

*3 Including Tochigi No.1 Plant of JSP Molding Corporation

*4 Including the Mie Plant of JSP Molding Corporation

Environmental Conservation

Input & Output (FY2024 Performance of JSP Corporation)

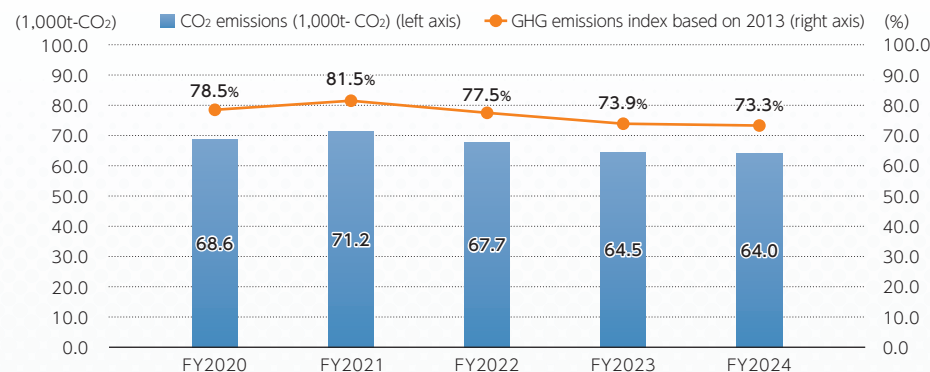


Reduction of CO₂ Emissions (JSP Corporation)

JSP Corporation's CO₂ emissions in FY2024 decreased by approximately 0.8% from the previous fiscal year and by 26.7% 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.

In addition to reducing our own CO₂ emissions, we are also contributing to the reduction of CO₂ emissions in society by using our foamed plastic products to improve the fuel efficiency of automobiles and the heating and cooling efficiency of homes.

Trend of CO₂ emissions

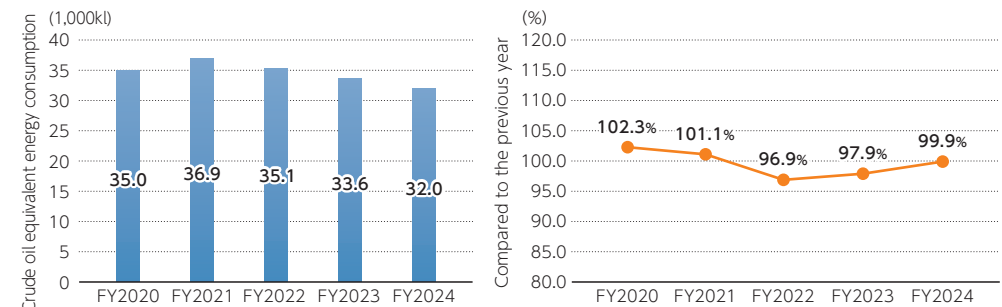


Reduction of energy consumption (JSP Corporation)

In FY2024, JSP Corporation's energy consumption decreased by approximately 5% from the previous year due to energy conservation activities at each business site. In addition, energy consumption intensity, using production volume as the denominator, also decreased by approximately 0.1% from the previous year. It has improved for three consecutive years.

We will promote and continue energy conservation activities at each business site in FY2025 and beyond.

Trend of Crude Oil Equivalent Energy Consumption YoY comparison of energy intensity by contribution rate method



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 issues such as compliance with two logistics-related laws 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 FY2024, water consumption was 914,000 tons.

Reduction of Landfill Amounts

In JSP Corporation's mid-term Responsible Care plan, we set a target for the final landfill amounts in FY2024 of "continuing to reduce landfill amounts through enhanced separation" and implemented systematic reduction activities at each business site. As a result, we were able to significantly decrease the amount compared to FY2023.

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

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

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 RC 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 LAMBDA

MIRAFOAM LAMBDA 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

We have also developed ARPRO REvolution, a product that is made of over 90% recycled raw materials. This ARPRO product has the lowest environmental impact in our lineup to date.

We are also further promoting sales of ARPRO RE, expanded polypropylene made from recycled polypropylene, as its demand is increasing in the European 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.



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 JSP Group'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	• 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	• 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	• 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	• Further promotion of material recycling • Strengthen disclosure of information on GHG emission reductions through climate change-responsive products • Strengthen disclosure of information on environmentally responsible 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 LAMBDA
Expansion of the market for recycled products	ARPRO RE, ARPRO RE OCEAN, ARPRO REvolution, L-BLOCK ACE RE, MIRAPEEL, ECORODIA
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 A-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, three-layer buffer 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	• Develop BCP • Develop disaster prevention measures such as flood defense walls • Insurance against weather-related damage
	Increased impact on transportation	Diversify recycled raw material suppliers
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 MIRAROAD

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: 1,000t-CO₂)

	FY2013 result	FY2022 result	FY2023 result	FY2024 result (forecast)	FY2030 target
GHG emissions	231	201	185	191	186

JSP Group's Actual and Planned GHG Emission Reduction Rates at Scope 1 & Scope 2

	FY2022 result	FY2023 result	FY2024 result (forecast)	FY2030 target	FY2050 target
GHG emission reduction rate vs. FY2013	-13.2%	-20.1%	-17.5%	-15% or more	Net zero
GHG Emission Intensity Reduction Rate vs. FY2013	-15.9%	-20.1%	-16.6%	-30% or more	

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

2 In accordance with the GHG Protocol, the international standard for calculating and reporting GHG emissions, the scope of calculation was expanded from FY2025.

3 The disclosure unit for GHG emissions has been changed to 1,000 tons starting in FY2025.

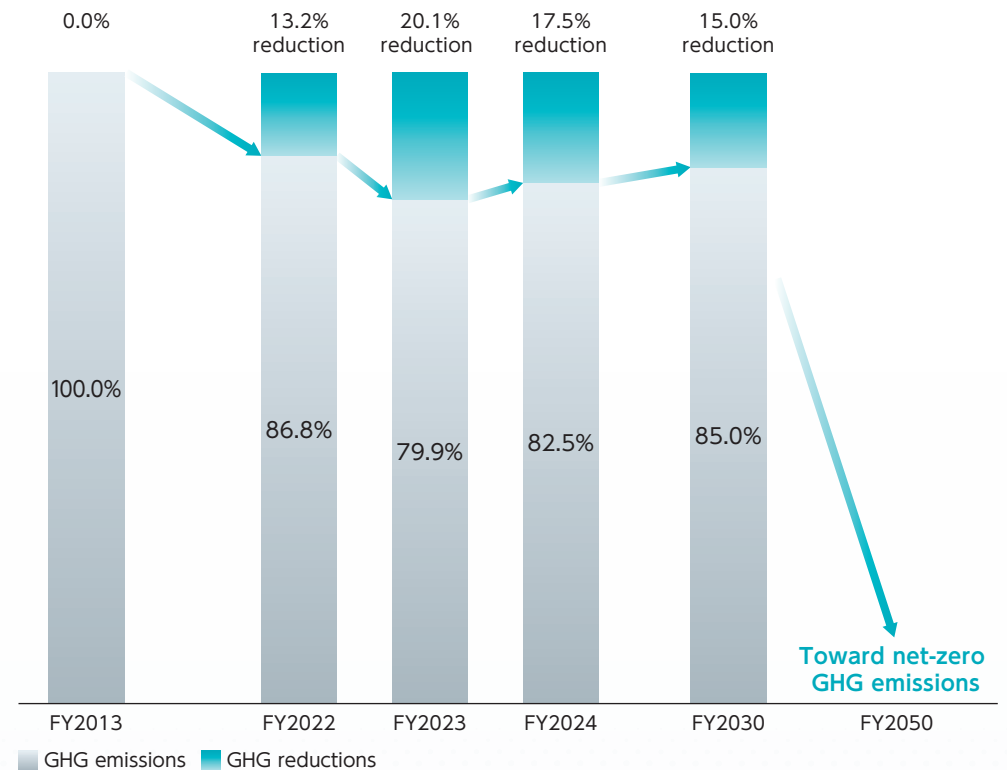
4 After aggregating in unit of 1 ton, figures less than one thousand tons of CO₂ are rounded down when converting to unit of 1,000 tons.

5 The finalized figures for FY2024 will be posted on our website around the end of 2025.

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 2025.

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
		One-on-one IR meetings	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

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 Contribution Activities

Blood donation activities

Every year, JSP participates in blood donation activities by the Japanese Red Cross Society. In fiscal 2024, we cooperated in the activities at the Hokkaido Plant and Kanuma Plants.



Plastic bottle cap collection

The collected plastic bottle caps are sent to a recycled plastic sales company. We contribute to society by donating the cost of vaccines to the Japan Committee, Vaccines for the World's Children, a certified non-profit organization. The total number of plastic bottle caps collected reached 21,070 by March 31, 2025.



Pull tab collection

This campaign aims to "foster individuals who do not create pollution" and "eliminate the pollution caused by scattered empty cans." It is a "campaign in which everyone can participate" and a major clue to solving the global waste, welfare, and environmental problems. Pull tabs collected will contribute to the donation of wheelchairs.



Corporate version of Furusato tax (hometown tax)

In April 2025, JSP Group received a certificate of appreciation from the mayor of Kanuma City at the "Corporate Version of Furusato Tax Certificate of Appreciation Presentation Ceremony."



Kanuma Plants

Disaster prevention activities

NK Kasei Co., Ltd. (Tsukuba Plant), a member of JSP Group, received an award from the Ibaraki Association for Safety of Hazardous Materials, in recognition of its long-standing safety management of hazardous materials-related facilities and its activities to promote disaster protection awareness.



NK Kasei

Exchange with local communities

The JSP Group values exchanges with local communities. At our offices and plants in Japan, we deepen exchanges with local communities through participation in local events, donations, and other activities.

As part of Tochigi Prefecture's "Spring Traffic Safety Campaign", we participated in a road safety campaign on streets (at intersections).



Kanuma No.1 Plant

We made a sponsorship donation as part of our contribution to "Matsuri Minami Festival," a ward festival of Kokura Minami Ward in the Kitakyushu Plant area.



Matsuri Minami Festival

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 FY2024, Kanuma No. 1 Plant, Yokkaichi No. 1 and No. 2 Plants, and JSP Molding's Tochigi Plant hosted local high school students as interns.



Kanuma No.1 Plant



Yokkaichi No.2 Plant



Kanuma No.2 Plant and JSP Molding Corporation

Local clean-up and beautification activities

The JSP Group participates in cleanup activities around its business offices and plants and beautification activities in the local community.



Kyushu Plant



Kanuma No.2 Plant and JSP Molding Corporation



Yokkaichi No.1 Plant



Kashima Plant



Kanuma MF Plant



Seihoku Package Co., Ltd.

Corporate Governance Initiatives As of July 5, 2025

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.

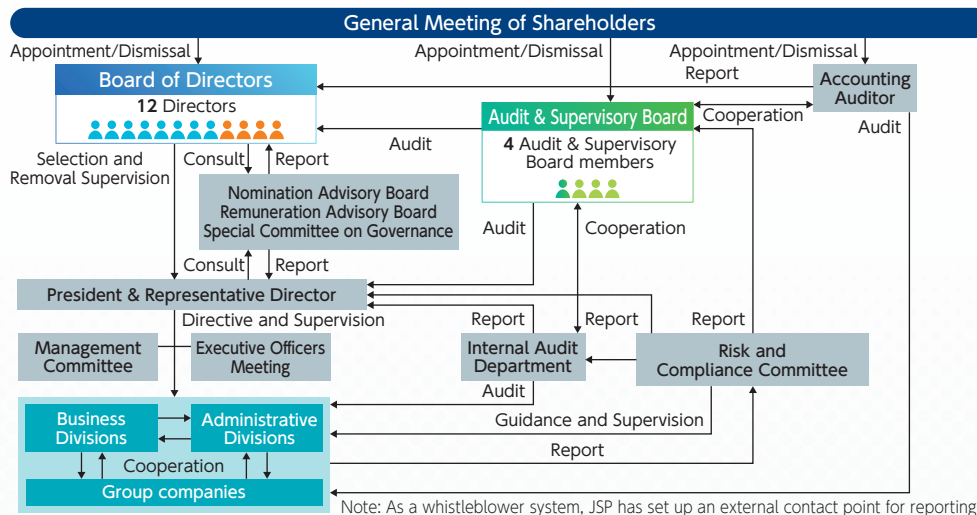
JSP believes that effective functioning of corporate governance and thorough pursuit of management efficiency, transparency, and soundness are essential issues to achieve this objective.

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.



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

Basic Information on Corporate Governance Structure

Organizational form	Company with an Audit & Supervisory Board
Composition of the Board of Directors	12 including 4 Outside Directors
Term of office for the Board of Directors	1 year
Chair of the Board of Directors	President & Representative Director
Voluntary Advisory Board	Remuneration Advisory Board, 6 members including 4 Outside Directors, 2 Inside Directors Special Committee on Governance, 3 or more (including 3 or more Outside Directors)
Composition of the Audit & Supervisory Board	4 including 3 Outside Audit & Supervisory Board members
Number of independent officers	7
Business execution system	Executive officer system
Management Committee	12 members (President & Representative Director, 8 Senior Executive Officers, 1 Executive Officer, 2 full-time Audit & Supervisory Board members)
Executive Officers Meeting	18 members (President & Representative Director, 15 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 As of July 5, 2025

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 meetings 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 MGC 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 MGC Group and provides a report.

● Management Committee

The Management Committee is chaired by President & Representative Director Tomohiko Okubo. The committee is composed of 8 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 the current fiscal year, the committee deliberated on formulation of new business plans and important investment plans.

● Executive Officers Meeting

The Executive Officers Meeting is chaired by President & Representative Director Tomohiko Okubo and is composed of 15 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.

● Reason for Appointing Outside Directors

Name	Reason for Appointment
Takayuki Ikeda	He has served for many years as president of a company with global operations, and has a wealth of experience and insight into all aspects of management.
Kiyoshi Itou	He has been involved in corporate management for many years and has a wealth of experience and achievements in all aspects of business management.
Ryoko Sugiyama	She is an expert in environmental and waste issues and has served as an outside director of several listed companies over the years. In addition, she has extensive knowledge and experience in sustainability.
Kaoru Kurashima	He has extensive experience and managerial insight, having served as president and in other executive positions at local subsidiaries of companies with global operations.

Corporate Governance Initiatives As of July 5, 2025

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

Training for Directors and Audit & Supervisory Board Members

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

● Training Policy for Directors and Audit & Supervisory Board Members

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

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

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

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

Remuneration

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

Base compensation comprises fixed compensation, short-term performance-linked compensation, and executive shareholder association-contributed compensation. Among the base compensation, fixed compensation and executive shareholder association contributed compensation are determined according to the responsibilities of each position.

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

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

The remuneration for each Audit & Supervisory Board member is determined by consultation among the Audit & Supervisory Board members within the remuneration limit resolved at the General Meeting of Shareholders, taking into consideration the contribution of each individual.

Please refer to the following right section 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 medium-term 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 profit attributable to owners of parent) 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 medium-term 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 FY2024

Position	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)				Number of eligible officers (people)
		Base compensation			Reserve-type remuneration to be paid upon retirement	
		Fixed compensation	Short-term performance-linked compensation	Executive shareholder association-contributed compensation		
Directors (excluding Outside Directors)	264	195	20	11	38	12
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	14	14	—	—	—	2
Outside officers	63	63	—	—	—	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 As of July 5, 2025

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 business 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)

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)

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)

Kazutoshi Sasaki

Director, Senior Executive Officer
General Manager of Bead
Business 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
Apr. 2025 Director, Senior Executive Officer, and General Manager of Bead Business 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)

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)

Tomoyuki Kiura

Director, Senior Executive Officer in
charge of Information System Department
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, Advisor 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
Apr. 2025 Director, Senior Executive Officer in charge of Information System Department and Internal Audit Department (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)

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)

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)

Yoshiaki Sawada

Outside Audit & Supervisory Board Member (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 Audit & Supervisory Board Member 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 Shimbun 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)
Jun. 2024 External Director and Audit and Supervisory Committee Member of Sato Shoji Corporation

Yoshiyuki Kawakami

Outside Audit & Supervisory Board Member (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 Audit & Supervisory Board Member 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)

Mayumi Noguchi

Outside Audit & Supervisory Board Member (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.
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 Audit & Supervisory Board Member of the Company (current position)
Jun. 2025 External Director of Seika Corporation (current position)

Message from Outside Director Takayuki Ikeda



1 What is your view on JSP's management

Considering the Company's size and the nature of the business, which is mainly B to B, I believe that a company with an Audit & Supervisory Board is an appropriate institutional design for the Company. While the Board of Directors has been able to engage in a vigorous exchange of opinions on matters discussed, I feel that it would be desirable to have more questions and opinions from a company-wide perspective from internal directors. It is also important to further increase the speed of management decision-making by devising meeting management.

The Board of Directors would like to strengthen the deliberation on major corporate and business

policies, as well as monitoring the progress of the Medium-term Business Plan and budget (including investment projects) strategies.

I believe that our business strategy of growth centered on Four Drivers of Growth (ARPRO business, thermal insulation material for buildings and houses, FPD cushioning materials, and new business domains), social contribution through foamed plastic products, and promotion of their recycling are appropriate strategies in the plastics industry, where environmental concerns have been raised. However, each business environment is prone to change, and tactical changes must be made in

response to those changes. Therefore, it is necessary for management to rapidly cycle through PDCA.

For domestic business in a declining population, it is necessary to select businesses based on profitability and growth potential. Our company, which has strength in developing new applications for foamed plastics, should strengthen its abilities in marketing our technological seeds, exploring demands, and matching them with needs.

Global business still offer many opportunities for growth and require rapid management decision-making. We would like to link our superior technologies, such as foaming efficiency and composite materials, to our differentiation and strength in global business.

2 Are governance and evolution truly effective?

While we are working to strengthen our corporate governance, we recognize that it currently needs to be further strengthened. Strengthening governance, especially at affiliated companies, is an important issue. With regard to the governance of domestic affiliates, we have generally achieved integrated management with the head office in terms of management oversight and monitoring, information disclosure and accountability, but I believe that improvements are needed in terms of risk management. At our international affiliates, management oversight and monitoring, information disclosure and accountability, and risk management must be further strengthened.

3 Thoughts on sustainability and management from a medium- to long-term perspective

As a policy of the Medium-term Business Plan, the JSP Group aims to expand the value it provides not only in terms of economic value through sustainability management, but also in terms of social value, such as solutions to customer and social issues, and to become a company that is necessary to society based on the corporate philosophy of "Creatively and Actively Contribute to Society."

I believe that the basic concepts of **(1) Making the entire JSP Group more profitable, (2) Contributing to society by supplying foamed plastic products, and (3) Strengthening the management base** in our Medium-term Business Plan are appropriate. As for materiality (material issues) aforementioned in section (2), as a company in the petrochemical industry, which attracts attention from an environmental perspective, we have announced materiality settings centered on environmental issues, but I believe it is necessary to continue to delve into materiality related to growth which is linked to section (1) and strengthening profitability (co-creating social value and economic value). Regarding management from a medium- to long-term perspective and growth strategies, I have written in my response to question 1.

4 Expectations and recommendations for JSP and future issues

I believe that the medium- to long-term growth strategy and policy of strengthening profitability are appropriate.

While the petrochemical industry is under intense scrutiny, the foamed plastic business still has potential for growth because of its positive factors from an environmental perspective, such as reduction of petrochemical raw materials, weight reduction, heat insulation effect, and recyclability.

In this business environment, I believe that differentiation and development of new applications for foamed plastics will be the key to growth and enhanced profitability. Our strength lies in the development of applications that other companies are not doing (as shown by our track record of FPD cushioning materials, unit bath flooring materials, and piggery flooring materials), and I believe that promoting systems and human resource development to further strengthen these applications will lead to further differentiation and reinforcement of our business. Basically, I believe our potential is very high.

Improving capital efficiency is one of the key issues in our management index, but we need to find smarter ways to reduce heavy capital investment.

I believe that the development of new applications and new businesses, such as recycling, are not always successful, and many of them will need to be reviewed due to changes in the business environment. It is likely that many of the management decisions that have been made will need to be reviewed, and management decisions need to be made with increased speed. It is important to further accelerate the PDCA cycle at the management and front-line levels, which I believe is the key to growth and profitability improvement.

Message from Outside Director Kiyoshi Itou



1 What is your view on JSP's management

First, in terms of the composition of the Board of Directors members, I would say that the composition is well-balanced, although the fact that only one of the 12 directors is a woman is in need of improvement. When the Board of Directors discusses the company's medium- to long-term direction, having a large number of internally promoted directors can lead to resistance to major changes, as they tend to be constrained by industry norms and internal conventions cultivated within the company. However, we have four independent directors from outside the Company, five executive directors promoted from

within the Company, and three directors from outside the company. I believe this structure helps mitigate such tendencies, enabling discussions from diverse perspectives. In addition, the members of the Audit & Supervisory Board all have different career backgrounds, and I believe that, as with the Board of Directors, audits are conducted from a variety of perspectives.

Next, in terms of management strategy, our current Long-term Vision, "VISION 2027," is the basis of our management strategy. Its key points are **(1) creating new value by further delving into our current businesses and creating new businesses and new**

grades conceived from them, (2) creating new demand (new markets) in business areas that stand close to users, and (3) aggressively pursuing growth strategies through geographic expansion and M&A with an eye on broad global markets.

These three points outline the key elements of our management strategy. One of the key issues that our management needs to address is "improving profitability." All of the three points mentioned above are aimed at improving profitability, and I believe they are appropriate initiatives from a medium- to long-term perspective.

2 Are governance and evolution truly effective?

In considering the effectiveness of corporate governance, I believe it is necessary to address how controlling shareholders are involved in the management of our company, as we are "a company with controlling shareholder." This is my fourth year as an outside director. During this period, there has never been any indication that the controlling shareholder has attempted to exert influence in the matters discussed or deliberated by the Board of Directors. Three of our directors are from the company of our controlling shareholder, but have now transferred to our company, and none of their opinions at the board meeting seemed to take into account the interests or intentions of the controlling shareholder. With regard to sales transactions with the controlling shareholder, the Special Committee on Governance, consisting of four outside directors, regularly confirms the appropriateness of the details and amount of such transactions and reports the results of such confirmation to the Board of Directors. The current four outside directors have absolutely no relationship with the controlling shareholder, and I believe their independence is maintained. In general, I judge that governance is functioning.

Next, regarding corporate governance as a mechanism for overseeing and controlling management, the key points are "nomination" and "remuneration" of directors, as well as "audit" and "internal control." In terms of any of these points, I believe that the effectiveness of the Board of Directors is generally being ensured, as issues are identified and improvements are being made continuously through the PDCA cycle in our efforts to evaluate the effectiveness of the Board of Directors.

Here is what I see as the challenges for the future. First, with respect to "nomination," the Company is to enhance its executive management personnel based on the succession plan for director and executive officer candidates. The quality and quantity of excellent executive management personnel is directly related to the company's performance. As for "remuneration," I think the current remuneration standards need to be reviewed. We are currently in the process of creating standards that can be commonly applied to all management executives within the JSP Group and that reflect the management direction that the JSP Group is aiming for in an easy-to-understand manner, and we are now at a stage where we can expect to make further progress. With regard to "audit" and "internal control," I believe it is necessary to strengthen our involvement with international operating companies. This is because net sales, operating income, and number of employees outside of Japan have increased over the past five years and are becoming increasingly important to the JSP Group. In order to enhance "audit" and "internal control," it is important to build a relationship of trust with members of international operating companies at all levels, and I believe it is necessary to enhance personal exchanges and communication for this purpose.

3 Thoughts on sustainability and management from a medium- to long-term perspective

Continuous corporate development is impossible without addressing various social issues such as global environmental problems and human rights issues. JSP Corporation has identified materiality in 2021, and the Board of Directors regularly discusses plans for addressing these issues and the results of their implementation. I believe we are making steady progress through this PDCA approach. This initiative is also intended to incorporate the concept of Creating Shared Value (CSV) to simultaneously improve profitability, and we look forward to the results of further strengthening our efforts in this area.

Given all of the above, I believe we have reached a point where we must discuss our medium- to long-term growth strategies and our vision for the post-FY2028 era. In the future, the magnitude of uncertainty surrounding corporate management may be greater than ever before experienced. In circumstances like these, it is advisable to reflect on the company's strengths and weaknesses, including its mission, positioning, and the business processes that constitute the foundation of its competitive advantage. Management resources should then be allocated accordingly, with the aim of fostering a genuinely strong and resilient company. In the turbulent times ahead, as "the company that would be the last to go out of business if all companies in the world were to fail," I would like to contribute to promoting initiatives that are always aware of the balance between the challenge of growth and thorough risk management.

4 Expectations and recommendations for JSP and future issues

I believe that there is ample room for further growth and development of our business, both in terms of plastic foaming technology and in terms of the strength of our human resources. However, the premise for this is that foamed plastic products are used in large quantities due to their outstanding convenience, which in turn increases the environmental burden. In this regard, it is necessary to implement initiatives that are acceptable to society. I believe it is important for all employees of the JSP Group to recognize that further efforts to develop technologies for recycling, reuse, and other ways to reduce environmental impact are required of us as a leading foam technology company.

In terms of our corporate culture and structure, including our human resources, I think our strengths lie in our sincere and careful approach to our work and our ability to work closely with our clients to share and solve problems. However, the working environment is currently undergoing radical change due to the evolution of AI and the promotion of DX in operations and business models, and both people's skills and business processes must change significantly, incorporating these trends. I think the challenge is to further accelerate efforts in this regard.

As we are developing our global business widely, I think it is necessary in the mid- to long-term to work toward "One JSP" that makes full use of the strengths of the members of our international subsidiaries. This is the same basic structure both domestically and internationally. The goal is to create and implement a system that can, at the highest possible level, generate common solutions to the questions: "Who should be assigned to this task to achieve the best results?" and "Which task will foster the greatest growth for this individual?" My hypothesis is that "only companies that can nurture their human resources will be able to survive in the future."

Message from Outside Director Ryoko Sugiyama



1 What is your view on JSP's management

As a specialized manufacturer of foamed plastic products, JSP has built up a solid management base by developing products for various applications such as automobiles, housing construction materials, civil engineering, FPD cushioning materials, and food containers based on its foaming technology. In addition, JSP Corporation has promoted global business development since the 1980s and has established development bases both domestically and internationally, including the Innovation Centre in Germany, as well as manufacturing

bases around the world. I recognize this is the source of the Company's leading position in the industry as a leading company of foamed plastic products.

On the other hand, operations are conducted vertically in the Extrusion Business and Bead Business, as well as in the automotive, construction and civil engineering, industrial materials divisions, etc. and there seems to be a tendency to lack company-wide discussions of management issues that go beyond business and divisional boundaries.



Innovation Centre in Germany

2 Are governance and evolution truly effective?

I feel that the governance structure is in place and that oversight and dialogue by outside directors is becoming more active. In particular, constructive dialogue with management at the Nominating Advisory Board, Remuneration Advisory Board and Outside Director Information Exchange meetings has progressed.

However, I recognize that management strategic discussions and assessment of non-financial risks at board meetings are still

an issue for the future. I expect to see increased strategic investment in human resources to strengthen human capital, including succession planning.

With regard to group-wide governance, especially with regard to international subsidiaries, it is necessary to strengthen and spread group governance that enhances the corporate value of the entire group and promotes risk management, while respecting autonomy.

3 Thoughts on sustainability and management from a medium- to long-term perspective

It is not a stretch to say that sustainability is an essential competitive strategy for JSP. While foamed materials themselves can contribute to CO₂ reduction and energy conservation, the question is how to visualize and communicate this.

I believe that positioning sustainability not as a "separate axis" but as a central axis of

value creation integrated with business strategy, and communicating the future vision to investors and society in a language that is understandable to them, will be the foundation for increasing the market's trust in JSP.

I believe that setting appropriate KPIs is also essential to enhance accountability.

4 Expectations and recommendations for JSP and future issues

With increasing uncertainty in the external environment, such as intensifying competition in global markets and fluctuating raw material prices, there is an urgent need to strengthen our resilience. From a medium- to long-term perspective, the Company must invest in R&D, ensure diversity in its human resources, and promote decarbonization throughout its supply chain.

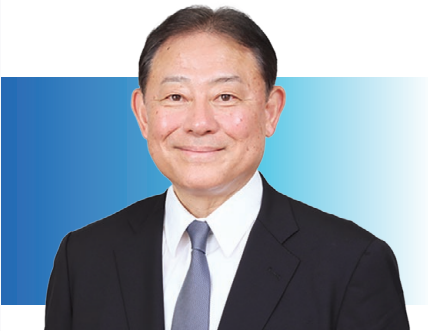
Furthermore, today's social situation, which demands environmental responsiveness to climate change, ocean plastic pollution, and other issues, is generally a headwind for the plastics industry. However, taking advantage of the strength of foaming technology, material functions with high added-value and durability can contribute to solving diverse social issues such as decarbonization, energy conservation, circular economy, and safety. Toward the goal of net zero GHG emissions by 2050, I believe it is necessary to go beyond simply providing materials and products, to shift our thinking from sales volume to value provided. Then, we need to evolve and deepen from a materials and products manufacturer to a solutions business, charting a path to increase corporate value and communicate it to society.

Products that contribute to the recycling of plastic resources
ARPRO Revolution

ARPRO
REVOLUTION



Message from Outside Director Kaoru Kurashima



1 What is your view on JSP's management

I have the impression that "JSP is a company with great potential." The market for our existing businesses has been generally sluggish, with the recent state of the automotive industry as one example, and we must admit that our performance has perhaps not been up to the level expected by our shareholders.

On the other hand, however, the technical potential of the foamed plastic materials in which we operate is high,

and our technological capabilities are highly valued by our customers. In addition, the target market for foamed plastic products is broad, with the potential for a variety of new applications, and I see potential for further expansion. I also have the impression that many of the employees I meet in the Company are honest and talented, and that many of them take pride in their work and in their company.

In order to further expand our business performance, I believe it is imperative that the leadership of the Company set forth a clear path toward "Change for Growth 2026," which is not limited to their own areas of responsibility, but also includes how to expand the business of the company as a whole, and that everyone take the necessary behavior change to achieve this goal.

2 Are governance and evolution truly effective?

Regarding the effectiveness of governance, I believe that regulations are in place and their implementation is appropriate. I also have the impression that further reforms are currently underway under President Okubo's leadership. On the other hand, I feel that the discussion at the Board of Directors would be further deepened if directors who also serve as executive officers would share their thoughts on matters outside of their own control.

We also see it as an issue that the decision criteria (investment profitability criteria) for investment projects have not been clarified, although this is currently under consideration. We stated at the General Meeting of Shareholders that we are focused on initiatives which consider our cost of capital and share price, as part of our efforts to "Make the entire JSP Group more profitable." I believe that we should promptly stipulate investment profitability and further clarify the path to creating results from targeted investments.

On the other hand, among the agenda items of the Board of Directors, formal items such as minor changes to the articles of incorporation of affiliated companies could be excluded from the board's decision making (after confirming the law, etc. in the case of international companies).

3 Thoughts on sustainability and management from a medium- to long-term perspective

Of the three sustainability issues (environmental, social, and governance), the one that we need to prioritize is the environment. Although the foamed plastic materials that we use in our business may appear to increase environmental impact from the general public's perspective, becoming an outside director has made me realize anew that we can reduce our environmental impact through the use of foamed plastic materials.

However, I feel that the challenge is to clarify how to reduce CO₂ emissions and waste across the entire Group, including our international sites, and to integrate on-site initiatives into a company-wide strategy. We are aware that each site has set its own reduction targets and that individual measures are in progress, but a roadmap for the entire Group and a mechanism for progress management should be clearly defined.

I believe another important point of view is the need to understand how much CO₂ and plastic waste is reduced by the use of our foamed plastic materials (theoretically, of course), not only at the level of our customers but also at the level of consumers who use our customers' products, and to skillfully communicate this to society.

4 Expectations and recommendations for JSP and future issues

Although I have not yet had the opportunity to get to know the Company fully over the past year, I have had various opportunities to learn about the JSP Group as a unique company with tremendous potential, not only through the Board of Directors meetings, but also through explanations of each department at the Audit & Supervisory Board meetings and tours of the Kanuma Plants.

Now, regarding our performance, I believe that we have achieved a certain level of success in terms of sales growth in the current difficult market environment, thanks to the efforts of our employees, including those at our international and group companies. However, I also feel that with the power of JSP, we can really do more. And I think what we need to do more to reach our potential is as follows.

Our company's livelihood is basically a B to B business model, i.e., a business model in which a company provides products to a business.

In other words, our customers are companies, and unless they adopt our products, our sales will not increase. On the other hand, if our customers used an item once they adopted it and continued to use it forever, and the products they used continued to sell forever, our sales would continue to grow, but we cannot expect this to happen. Therefore, we must constantly increase the number of companies, or customers, with whom we do business, or increase the number of items and the volume of products used by those customers with whom we already do business.

In fact, there are basically only three patterns to get consumers to adopt our products, as shown on the right.

- (1) New customers who have no business with us at all adopt our products.
- (2) Customers who are already doing business with the Company adopt another product item that has not yet been adopted.
- (3) Customers who are already doing business with the Company adopt the product items currently in use for that customers' other products as well.

(Note that this does not include taking commoditized items away from competitors simply by lowering the price.)

For a B to B business, the only path to growth is through close collaboration between its development, production, sales, and business divisions to achieve these three patterns. Our sales growth has historically correlated with the sales growth of customers such as automobile manufacturers. Although this might indicate our products contributed to enhancing their quality, we should view this as no more than a secondary benefit. If the economy were consistently growing, sales would increase every year once products are adopted, but I suspect that such an era is over.

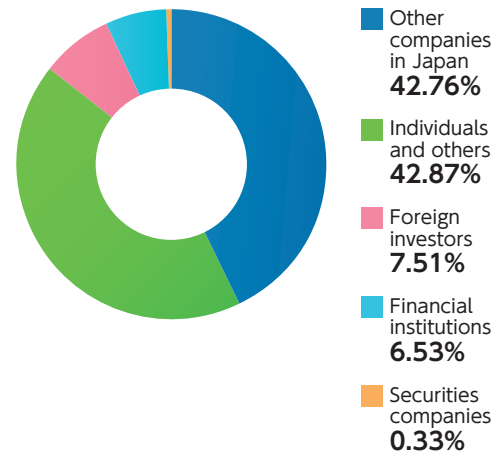
I recognize that JSP, with its unique products and customer acquisition capabilities, has created many success stories in these new adoptions through cross-departmental collaboration. Positive initiatives in this area have also been reported at Board of Directors meetings.

Our mission is to continue to increase the number of success stories like the aforementioned (1), (2), and (3). In this way, our profits will increase and our environmentally responsible products will make a significant contribution to society. I can only see a bright future for JSP.

Stock and Company Information As of March 31, 2025

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 5,206,193 shares of treasury stock)
Fiscal year	From April 1 to March 31
Number of shareholders	49,565

Distribution of Shares by Shareholder Type



Shareholder Benefits

We have carefully considered how to fairly return profits to our shareholders and, with the aim of encouraging more people to hold our company's shares over the medium to long term, we have decided to partially change the contents of the shareholder benefit system, starting from the shareholder benefit with the record date of March 31, 2026. Note: For more information, please visit our website.

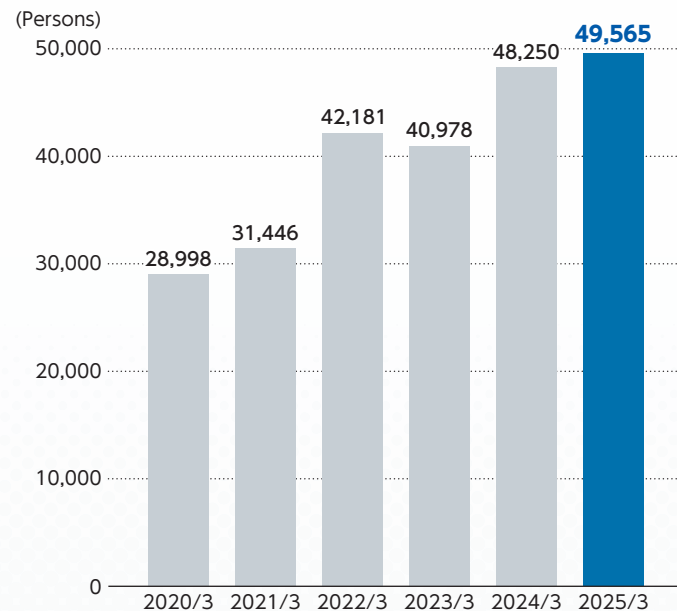
https://www.co-jsp.co.jp/english/ir/stock_bond/stock_bond_03.html

Record Date	Number of Shares Held	Period	Details of Shareholder Benefits	Shipping time
March 31	Shareholders holding one unit (100 shares) or more	Continuous holding period of more than 1 year but less than 3 years	QUO card with social contribution donation worth 1,000 yen	included with the notice of convocation of the General Meeting of Shareholders around early June, etc.
		Continuous holding period of 3 years or more	QUO card with social contribution donation worth 3,000 yen	

Note:

1. "Continuous holding period of one year or more" is defined as three or more consecutive recordings of holding one unit (100 shares) or more under the same shareholder number in our shareholders' register as of March 31 and September 30 of each year.
2. "Continuous holding period of three years or more" is defined as seven or more consecutive recordings of holding one unit (100 shares) or more under the same shareholder number in our shareholders' register as of March 31 and September 30 of each year.
3. Although the QUO cards come with a social contribution donation, shareholders can use the full face value of the card.

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

Employees
3,053 (consolidated)

Main affiliated companies
36 companies

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.	1,439	5.49
JSP Customer Shareholding Association	1,235	4.71
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	332	1.26
JSP Employee Shareholding Association	258	0.98
Nippon Life Insurance Company	241	0.92
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	226	0.86
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	219	0.83
Custody Bank of Japan, Ltd.	183	0.69
GOLDMAN SACHS BANK EUROPE SE (Standing proxy: Goldman Sachs Japan Co., Ltd.)	175	0.66

Notes: Our company holds 5,206,193 shares of treasury stock, but is excluded from the major shareholders listed above.

Global Network As of March 31, 2025

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.

India

- ⑬ JSP Foam India Pvt. Ltd.

China

- ⑭ JSP Advanced Materials (Wuxi) Co., LTD.
- ⑮ JSP Plastics (Shanghai) Co., LTD.
- ⑯ JSP Seihoku Material Technology (Kunshan) Co., LTD.
- ⑰ JSP Advanced Materials (Dongguan) Co., LTD.
- ⑱ 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
Hokkaido Plant
Kanuma No.1 Plant
Kanuma No.2 Plant
Kanuma No.3 Plant
Kanuma MF Plant
Kashima Plant
Yokkaichi No.1 Plant
Yokkaichi No.2 Plant
Kansai Plant
Kita-Kyushu Plant
Kyushu Plant
Kanuma Research Center
Research facility in Yokkaichi No.1 Plant
Kanuma Logistic Center
Recycling 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]