JSP



Corporate Report 2026

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

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About this publication

Based on our corporate philosophy of "Creatively and Actively Contribute 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/

Reporting period

April 1, 2025, to March 31, 2026 (Some sections refer to activities occurring on or after April 1, 2026)

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, 2026.
Accordingly, information contained herein is subject to risks and uncertainties, and actual results may differ materially from those discussed in forward-looking statements.

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

Disclosure of Financial and Non-Financial Information on Website

IR Information

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

▶ https://www.co-jsp.co.jp/english/ir/



Sustainability

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

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



History

Since our establishment in 1962 as Japan Styrene Paper Co., Ltd. The Company 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 CO_2 emissions.

The world is characterized by diverse values that continue to change depending on the place and time. The 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)

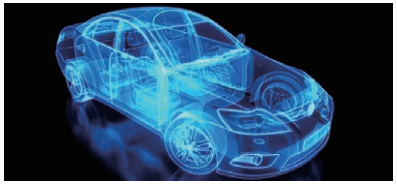


We started production of polystyrene paper and established our company as a manufacturer specializing in the foaming business. Afterwards, we developed the world's first extruded foamed polyethylene (MIRAMAT) and beads foamed polypropylene (ARPRO/P-BLOCK*). We launched MIRABOARD and MIRAFOAM on the market,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

*In the expanded polypropylene business, all P-Block and ARPRO products were unified as the ARPRO brand.

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.

Changes in Net Sales and Operating Profit

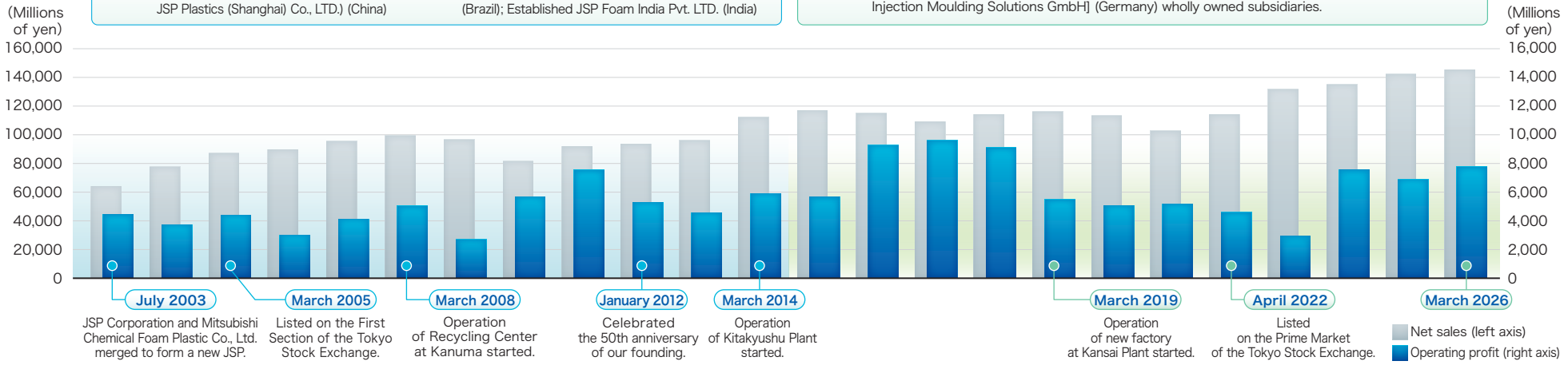
Breakthrough in Global Business

2002 : Established JSP Plastics (Wuxi) Co., LTD. (currently JSP Advanced Materials (Wuxi) Co., LTD.) (China)
2004 : Established JSP International s.r.o. (Czech Republic); Established JSP International Trading (Shanghai) Co., LTD. (currently JSP Plastics (Shanghai) Co., LTD.) (China)
2006 : Established Kunshan JSP Seihoku Packaging Material Co., LTD. (currently JSP Seihoku Material Technology (Kunshan) CO., LTD.) (China); Established JSP Plastics (Dongguan) Co., LTD. (currently JSP Advanced Materials (Dongguan) Co., LTD.) (China)
2010 : Established JSP Brasil Industria de Plasticos LTDA. (Brazil); Established JSP Foam India Pvt. LTD. (India)

Expansion of Global Business

Strong performance in international sales and automotive parts drove further growth of operating profit.

2015 : Established JSP Foam Products (Thailand) Co., LTD. (Thailand)
2017 : Established JSP Plastics (Wuhan) Co., LTD. (currently JSP Advanced Materials (Wuhan) Co., LTD.) (China)
2025 : Made GHEPI S.r.l. [now JSP Injection Moulding Solutions S.r.l.] (Italy) and HAPP GmbH [now JSP Injection Moulding Solutions GmbH] (Germany) wholly owned subsidiaries.



At a Glance -JSP's Strength-

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

JSP's Strength

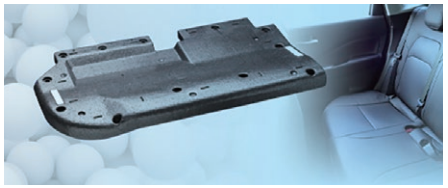
1 Wide Range of Markets

The foamed plastic products sold by the Company 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.



2 Development Capabilities Specialized in Foaming Technology

As a specialized manufacturer of foamed plastic products, the Company 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 the Company 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, the Company will continue to provide resource-saving and highly functional products, creating not only economic value but also social value.



ARPRO (non-crosslinked polypropylene foam)

3 Global Operational Presence

The Company 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, Italy, 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 Asia. By understanding the needs of local customers and collaborating and sharing information among these sites, we are working to speed up development and anticipate market needs.



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

4 The Added Value of Technical Support

Many of the foamed plastic products sold by the Company become products through molding and processing by the customers. The Company 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. The Company provides added value to customers through technical support, such as improved productivity and energy savings.



Value Provided by JSP in Each Field

Extrusion Business

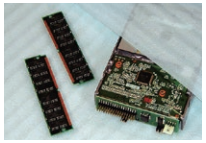
● Living Materials

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, the Company 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 the Company 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.

*HVAC: Abbreviation of Heating, Ventilation, and Air Conditioning. An air conditioning system that controls temperature and ventilation.



● 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

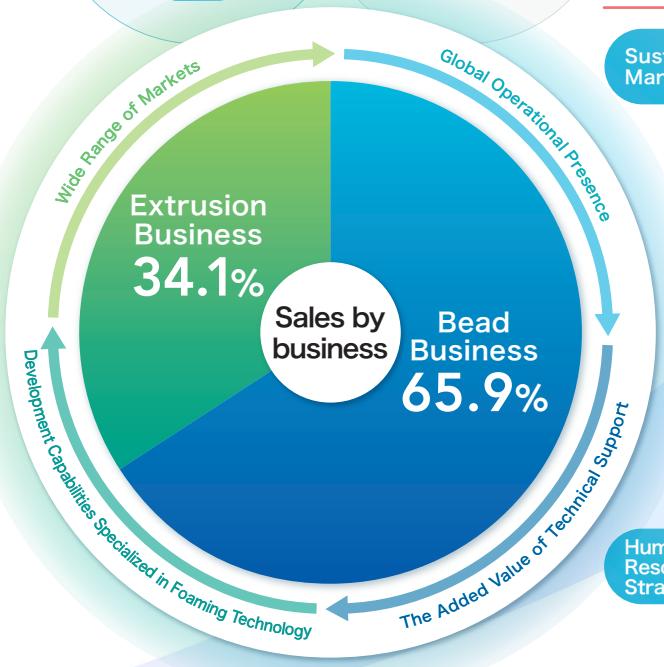
Input

- Human Capital
- Social Capital
- Financial Capital
- Intellectual Capital
- Manufacturing Capital
- Management Capital

Business Model

Corporate Philosophy
Creatively and Actively Contribute to Society
P.01

Management Policy
Deliver with WOW!



Strategy

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- Financial Strategy P.12
- Medium-term Business Plan P.10
- Strategy by Segment P.21
- Human Resources Strategy P.18

Corporate Governance P.37

Materiality P.15

- Creating Shared Value
- Environment/Society/Governance

Output

Results

Consolidated Results
- Net sales ¥145.4 billion
- Operating profit ¥7.7 billion
- Profit ¥6.6 billion

P.14

Shareholder Returns
- Annual dividend: ¥90

P.14

Labor Safety
- Health & safety activities
- Security & disaster prevention activities

P.28 (RC Activities)

Environmental Initiatives
- Environmental conservation

P.30

- Information disclosures based on TCFD recommendations

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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



Priority Goals for Materiality



P.15

Message from the President

We will make the entire JSP Group more profitable, meet both global and regional needs, and continue to grow as “A Global Company for Global Society.”

Tomohiko Okubo
President & Representative Director

Over the past year, profitability improved thanks to expanded sales of high value-added products and growth in our global business. At the same time, it was a year in which an uncertain business environment persisted, with soaring raw material and energy prices, geopolitical risks and demand fluctuations. I would like to talk about the management decisions and initiatives we took in this environment, their results, and the kind of company we aim to become over the medium to long term.



Message from the President

Review of FY2025 Results and Market Trends

In FY2025, the global economy faced an uncertain outlook due to North American trade policy and rising tensions in the Middle East. The Japanese economy, despite fluctuations in interest and exchange rates and concerns about a downturn caused by the Middle East situation, followed a gradual recovery trend supported by increases in personal consumption and capital investment. In Japan's foamed plastics industry, demand for food trays declined while the recovery in demand for the fisheries sector stalled, and with rising prices on top of this, the business environment was tough.

In this environment, the Group entered the second year of its Medium-term Business Plan "Change for Growth 2026" and pursued its three basic concepts: "Make the entire JSP Group more profitable," "Contribute to society by supplying foamed plastic products," and "Strengthen the management base." As a result, sales volume was on par with the previous year, while net sales rose 2.3% year on year to approximately ¥145.4 billion. Operating profit increased significantly by 12.7% to approximately ¥7.7 billion, and net income grew 30.3% to approximately ¥6.6 billion.

My overall impression is that, although the final figures reached planned levels, our susceptibility to market conditions became apparent. For example, in the automotive field, U.S. tariff policy and the lingering effects of the COVID-19 pandemic led to a decline in new car model introductions, which in turn pushed our plans back by one year.

Regarding "making the entire JSP Group more profitable," our efforts to expand sales of high value-added products and reduce fixed costs led to some improvement in the operating profit margin and ROE. On the other hand, total asset turnover did not improve sufficiently, partly because total assets increased due to capital investment and other factors. Although conditions vary by product and region, a structure that is susceptible to the external environment—such as rising raw material and energy prices and increasing logistics and labor costs—remains an ongoing challenge. In Japan, we also recognize the need to pass on rising costs, including raw material prices, to product prices in a timely and appropriate manner. Improving ROE will require additional measures such as making use of financial leverage, but because rapid application raises risk concerns, we intend to proceed in stages. Efforts to capture waves of demand are also important. To this end, we will respond by shifting our portfolio, expanding sales of high value-added products and commercializing services, while keeping track of trends in the market environment. Our businesses have traditionally been affected by demand depending on product group, region and segment. However, in line with our top priority, "making the entire JSP Group more profitable," we aim to build self-sustaining, stable earning power that remains resilient amid changing conditions.



Progress of the Medium- to Long-Term Vision: "Four Drivers of Growth"

As our medium- to long-term vision, we have defined Four Drivers of Growth—"ARPRO business (automotive parts, etc.)," "Thermal insulation materials for buildings and houses (High value-added products)," "FPD cushioning materials," and "New business domains"—and, through investment in growing business areas, we aim to maximize earnings while pursuing improved capital efficiency.

As for progress, the first driver, the ARPRO business, can be said to be growing steadily. We are developing new markets such as North America and India and growing together with our customers, so we will continue to pursue proactive business development in this direction.

For the second driver, thermal insulation materials for buildings and houses, tailwinds such as the mandatory compliance in Japan with Insulation Performance Grade 4 under the energy-efficiency standards have created an environment in which our products can fully demonstrate their functions and performance. In addition, by adding the high added value of our pre-cut insulation method to high-performance insulation, we have been able to capture demand for insulation even as housing starts decline—a major achievement.

The third driver, FPD cushioning materials, has grown compared with ten years ago, but its pace of growth has recently slowed somewhat. For the next stage of growth, we plan to expand the range of applications and introduce new products. Our R&D Division is also pursuing forward-looking product development "from antistatic to conductive performance," and we intend to achieve steady growth while fulfilling our supply responsibilities.

In the fourth driver, new business domains, we have built a track record since the previous medium-term plan, including the injection molding business in Europe, and we are currently pursuing various studies and trials. In addition to business expansion through M&A, we are actively developing our own products, steadily taking steps such as prototyping, testing and market evaluation to solidify the base for new growth.

While we are accumulating results in this way, the time to present our next vision is approaching. The current "VISION 2027" sets out our ideal as "A Global Company for Global Society." I regard this kind of qualitative goal as an effective guideline that is useful when making management decisions and taking action in daily operations. Accordingly, I want our next vision to resonate with each and every employee, inspiring motivation and a spirit of challenge among business leaders and frontline staff so that we can take the next step forward together as one team.

ARPRO
ミラフォーム
ミラマットA〈エース〉
INJECTION MOULDING SOLUTIONS
INDUSTRIAL INNOVATION BY JSP

Message from the President

Building Our Business with Regional Needs First

Shifting our business portfolio toward a structure centered on high-performance materials and high value-added products means advancing new technology development and focusing on providing distinctive products and services. We will strengthen this direction of increasing added value. At the same time, I question whether it is truly the right approach to focus solely on value-added products and leave general-purpose products to other regions such as Asia.

Amid the recent Middle East situation, supply stability and continuity became major topics in Japan, and it became general-purpose products such as packaging bags and sheets are necessities of daily life. General-purpose products may seem to play a supporting role in normal times, but can we maintain supply under any circumstances so that society is not inconvenienced? I have come to recognize anew that pursuing this is also an important mission for our company.

We also produce and sell general packaging materials used to wrap and transport glass and ceramics. Because these have already become general-purpose products in the market, their profit margins are limited compared with our other high value-added products, and from a management perspective it is difficult to decide how to handle them. However, having experienced the recent Middle East situation, I have personally reaffirmed that responding to the demands of society and local communities is also an important role of a company.



By its nature, foamed plastic is fundamentally a “local production for local consumption” business, and as long as we aim to be “A Global Company for Global Society,” I am convinced that the most important thing is to develop businesses optimally suited to the demand structure of each region of the world. Conversely, an attitude of disregarding regional needs and supplying only high value-added products cannot be called that of “A Global Company for Global Society,” and I do not think it would earn everyone's recognition. Therefore, viewed across the Group as a whole, our business portfolio may not appear to change dramatically going forward. In reality, however, it is changing little by little within each region and each business in line with regional and market needs. This reflects our consistent stance of responding sincerely and accurately to the needs of each region.

My Role in Global Expansion and Fostering a Culture of Challenge

In global business operations, I have two main roles. The first is managing our regional network. Because we conduct business according to regional characteristics, we basically respect local autonomy and leave specific business operations to each local management team. As for the Group's earning power, our challenge is to strengthen the Group's overall earning power and improve business efficiency across the Group while taking account the differing conditions in the each region. I believe I must formulate plans to enhance this global network and steer the organization. Building mechanisms that allow Japan to serve as headquarters, deepen communication across the global organization and enable all employees to share values and move in the same direction is also an important role of mine.

My other role is risk-taking in global expansion—in other words, how to support local challenges and growth and make decisions. Growth markets, including emerging countries, are indeed attractive and stimulate our desire to enter them. However, in many regions the business environment, including infrastructure, is not yet in place, and market competition involving local players is fierce. Even if we take pride in leading in high value-added areas such as quality, application development and services, there are many situations in emerging markets where "price" comes first. To grow our business even in markets where our strengths are hard to demonstrate, we must take on challenges courageously without fear of failure. How can we foster that motivation in our local staff? Being able to support local risk-taking and responsibly give them a push forward is, I believe, the key point of global expansion.

Of course, unnecessary failures must be avoided. The goal is always to achieve results that lead to the future, and we aim to roll out the knowledge and know-how gained to other regions as well. To this end, our headquarters in Japan will grasp local conditions, provide the people, goods and funds needed to execute business in line with our vision of the future, and leverage our global network. We will also provide mental support, for example by showing how to approach risk. Through such support, I want to root our management policy, “Deliver with WOW!”, in each location and nurture a climate and culture of taking on new challenges.

Developing Human Resources to Drive Global Business Expansion

Going forward, I believe it is important for the Group's workforce to maintain a balance between specialists with expertise and management-oriented personnel with a broad perspective. In Japan, we need people with the perspective and agility to serve as the core of administrative divisions in advancing Group management. Meanwhile, the heads of local subsidiaries also need the perspective and ideas to see the big picture. In this regard, considering that locally hired leaders have tended to have fewer opportunities to see the whole picture than leaders seconded from Japan, we will take steps such as increasing exchanges with other regions so that local management can be conducted with an overview of the entire Group.

With regard to diversity and inclusion—that is, creating an environment where we accept one another's differences and each person can demonstrate their abilities—we recognize that challenges remain in terms of diversity in Japan. However, the Group companies, including subsidiaries outside Japan, has regions and companies where diversity is highly advanced, and we want to foster a vibrant organizational environment across the entire Group and expand this trend.

Recently, issues such as “a growing number of employees who do not want to become managers” and “a gap in values between managers and young employees” have been pointed out as human resources topics. To resolve such psychological issues,

Message from the President

the starting point is for management and frontline employees to get to know each other well. If, through proactive communication, they come to understand the differences, difficulties, depth and interest of the managerial perspective and the individual operational perspective, their mutual awareness and interest should grow.

To this end, I want to make personnel transfers and reassignments more flexible and fluid. Under the division headquarters system we introduced previously, administrative functions that had been held by each business unit were consolidated within each headquarters to improve efficiency. As we have also slimmed down the organization, frequent reassignments can be difficult, but I want to make improvements by increasing opportunities to work from a cross-organizational perspective and by devising reassignment approaches while verifying their effectiveness.

Expanding the Potential of Foamed Plastics and Contributing to a Circular Society

For many years, we have grown through a business that provides not only products but also services as added value. This includes understanding users' work processes and proposing more efficient ways of using and deploying our products; digitally connecting users' equipment to collect and analyze operating data and advising them on how to raise production efficiency; contributing to reduced on-site workloads and waste through our pre-cut insulation method, which eliminates on-site cutting; and promoting the recycling of offcuts generated at plants instead of discarding them. Commercializing such services is at the core of our business, and since it also contributes to a circular society, we will continue to promote it with the full strength of the Group.

Foamed plastic as a material has the advantage of significantly reducing the amount of resin used for the same volume. Moreover, because it provides energy-saving and protective functions such as thermal insulation, cushioning and weight reduction, its very existence contributes to environmental conservation.

As long as we handle plastic as a material, we must take responsibility for managing waste. Based on this thinking, rather than acting alone, we want to actively participate in society's systems and contribute to building and advancing a circular society by making full use of the capabilities we have honed.



Message to Our Stakeholders

How should we provide the things society needs in a form that earns recognition? For the Group, this past year strongly reminded us of the importance of this question. Keeping this in mind, we will continue to carry out steady efforts with perseverance.

While honing our proprietary technology for foaming plastics, we now operate in a wide range of fields, including automotive components, living materials and housing and construction materials. Going forward, with our unique foamed plastic technology at the core, we aim for further corporate growth by expanding in global markets such as North America, India and Mexico, strengthening high-performance materials such as insulation and FPD products, commercializing services that accompany our products, and promoting environmentally responsible businesses, while taking on the challenge of new business domains.

When we seek to realize the value society demands through our products, there is no limit to the possibilities. Our purpose is not simply to sell goods, but to provide the added value to daily life and the social value created when they are used. This connects to our corporate philosophy, “Creatively and Actively Contribute to Society.”

Ideas, creativity, curiosity—we have quite a few people with such talents and qualities. I want each of them to share what JSP as a company aims for and, while united in spirit, spread the wings of their own potential. We will spare no effort or investment in supporting these initiatives, because I believe this will become the Company's growth capacity and the source of its ability to contribute to society.

We are also a company that provides value by processing materials. Until now, our focus has been on processing general-purpose plastics, but in our forward-looking research we are repeatedly making bold shifts in thinking and conducting technical trials—testing new materials, creating unprecedented processed products and developing groundbreaking applications. As a result, our business domain has expanded in many directions, from automotive parts to general packaging, packaging for precision equipment, FPD cushioning materials, insulation and cushioning materials.

We are at the “roots,” from where we can survey the full breadth of society, and from there we look across the past, present and future. To contribute to the prosperity of people and society, we will continue to foster and expand creative thinking. We ask our stakeholders to understand our philosophy and initiatives and kindly request your continued support and guidance.

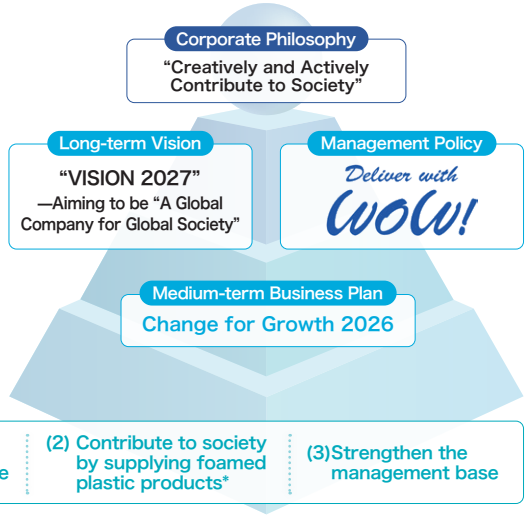


Key Points of the Medium-term Business Plan and Review

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 Drivers of Growth.

The new basic concept has been added to reflect performance during the previous Medium-term Business Plan and demands of the stock market. This concept recognizes **the need to be self-reliant to achieve sustained growth rather than relying solely on changes in the business climate** and **the need for actions that are conscious of cost of capital and stock price.**



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

FY2025				
Item	FY2026 plan	Year-2 plan of the Medium-term Business Plan	FY2025 result	vs. year-2 plan
Net sales	¥160,000 million	¥152,000 million	¥145,456 million	95.7%
Operating profit	¥10,000 million	¥8,500 million	¥7,765 million	91.4%
Operating margin	6.3%	5.6%	5.3%	—
Ordinary profit	¥10,400 million	¥8,900 million	¥8,092 million	90.9%
Profit attributable to owners of parent	¥7,300 million	¥6,300 million	¥6,602 million	104.8%

Issues Regarding the Basic Concept

(1) Make the entire JSP Group more profitable	
Securing earnings	Concerns over supply instability and soaring prices of raw materials and fuels due to the Middle East situation and geopolitical risks, disruption of logistics networks, rising energy costs, and instability in raw material prices due to exchange rate fluctuations.
Responding to rising costs	In addition to raw material manufacturers passing on labor, equipment maintenance and logistics costs, we anticipate increases in the Group's own labor and repair costs.
Measures to strengthen the earnings base	Promoting appropriate product price revisions, a sales shift toward high value-added products, cost reduction through productivity improvement, and strengthening of a stable procurement system.
(2) Contribute to society by supplying foamed plastic products	
Addressing environmental issues	Promoting effective use of resources, reduced energy use, responses to global warming and ocean plastic pollution, plastic resource circulation, and GHG emission reductions.
Specific initiatives	Expanding the use of recycled materials, making products lighter and more resource-efficient, and promoting energy-saving activities.
Providing environmentally responsible products	Contributing to solving customer and societal issues and to realizing a sustainable society.
(3) Strengthen the management base	
Fostering a rewarding corporate culture	For the new personnel system launched in FY2024, we will further promote its penetration and strengthen its operation in FY2026, its third year. We will establish a system based on job responsibilities, expected roles and abilities, and promote the utilization of human resources that leverages diverse career paths and expertise. We will enhance fair and convincing evaluation and treatment, and growth support through regular interviews and human resource development measures, improving ease of working and job satisfaction to raise employee engagement.
Structure of information systems	In response to increasingly sophisticated cyberattacks, information leakage risks and the expanding use of digital technologies, we will strengthen information security and IT governance. In addition to automating and reducing labor in production processes, we will promote DX to optimize business processes as a whole. We will continue developing the system management structure, strengthening information asset management and educating and raising awareness among employees, raising the information security level of the entire Group and strengthening our response to cybersecurity risks.

Bead Business

(1) ARPRO business

In FY2025, the ARPRO business saw increased demand for battery packaging and AI server packaging in China and Taiwan and performed solidly in North America. In Europe, demand for HVAC-components showed signs of recovery but remained stagnant compared with FY2023. Overall, sales volume increased by 8%. In FY2026, demand is difficult to forecast due to the deterioration of the Middle East situation, but we will continue to focus on expanding applications to non-automotive parts fields such as HVAC components and reusable containers. Furthermore, as rising raw material prices amid the worsening Middle East situation heighten needs for recycled materials and energy-saving performance, we will accelerate market share expansion by leveraging ARPRO's global coverage and our competitive advantage in innovation and proposal capabilities.

Extrusion Business

(2) Thermal insulation materials for buildings and houses*1

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, and we aim to improve profitability.

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

(3) FPD (flat panel display) cushioning materials

In FY2025, despite firm underlying demand, sales of FPD-related cushioning materials were sluggish due to the withdrawal of domestic manufacturers from the business and customers' revisions of their production processes. 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

Two Group companies engaged in the injection molding business in Europe have become wholly owned subsidiaries, and we are making the most of their technological capabilities and sales networks to further enhance the Group's corporate value. At the same time, we are aggressively promoting market development for new products made from OROUS*2 and ISHIREAL*3.

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

*3 This is a new material developed by the Company. It is an environmentally responsible material with a variety of characteristics such as lightweight and high heat resistance, and its CO_2 emissions during production are extremely low, at 20-30% of those of ordinary concrete.

Key Points of the Medium-term Business Plan and Review

Four Drivers of Growth

	ARPRO business (automotive parts, etc.)	Thermal insulation materials for buildings and houses (High value-added products)	FPD 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	Bead Business	Extrusion Business	Extrusion Business	Other
Opportunities/ 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.)
FY2025 result	+8% • Growth in battery and AI server packaging in China and Taiwan. • Demand for HVAC-components in Europe recovering.	+23% • Strong sales of high value-added products such as MIRAFOAM LAMBDA and pre-cut products.	−12% • Despite firm demand for PCs and displays, sales were weak due to domestic makers' withdrawal and customers' process revisions.	¥2.9 billion • Injection molding businesses in Europe made wholly owned subsidiaries.

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, including addressing the "2024 problem" and compliance with logistics-related laws. • 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	• Digitized business processes and improved operational efficiency by linking the resulting data. • Provided basic training in DX literacy and generative AI.
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 busines	• 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.

Overall Strategy

Financial Strategy

Second-Year Results of "Change for Growth 2026" and Results of Previous Medium-term Business Plans

Operating profit for FY2025 exceeded the previous year thanks to strong sales of high value-added products such as MIRAFOAM LAMBDA and pre-cut products. ARPRO posted higher profit due to increased sales of advanced material products and other factors. We will continue to implement the following initiatives to strengthen earning power.

Initiatives to improve profitability

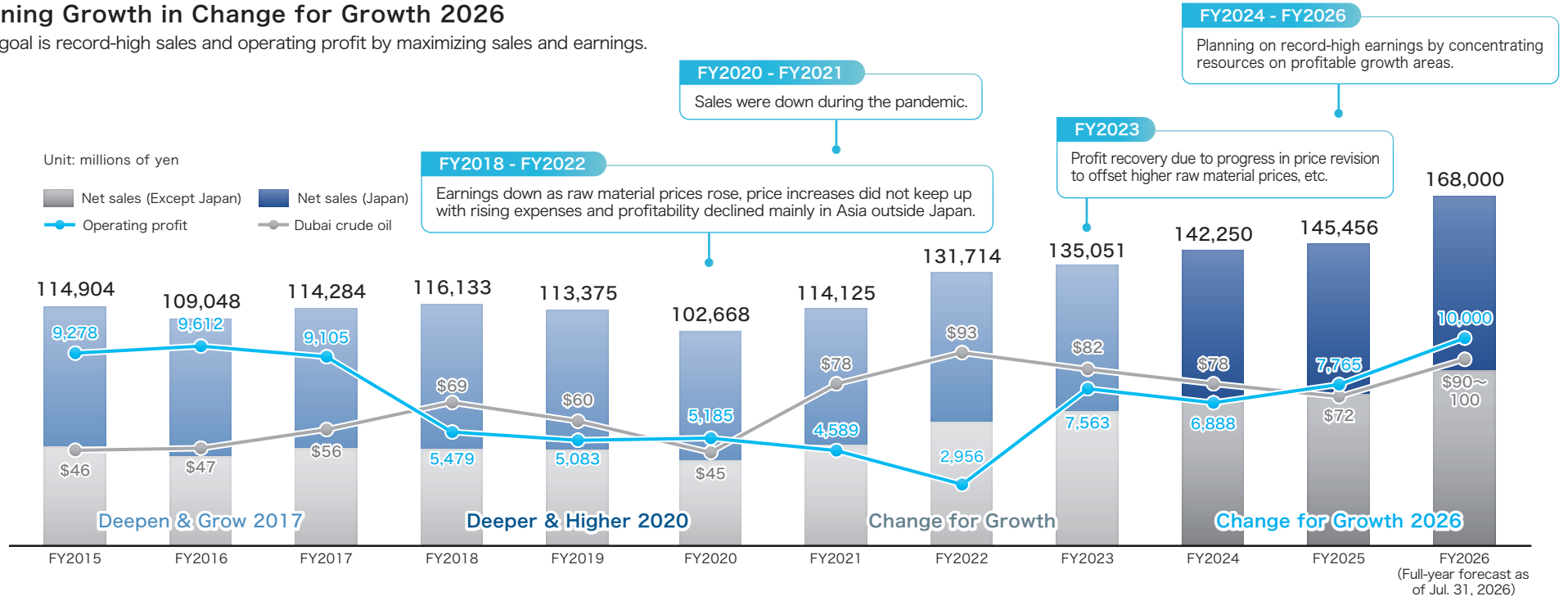
- Pursue further competitive advantages as a global market leader
- Invest in profitable growth areas based on the Four Drivers of Growth
- Expand use of ARPRO not only in automotive but also in non-automotive applications
- Pursue differentiation by expanding products that can reduce environmental impact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

	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	FY2025 result
Net sales	¥120.0billion	¥135.0billion	¥160.0billion	¥142.2billion	¥145.4billion
Operating profit	¥7.7billion	¥7.6billion	¥10.0billion	¥6.8billion	¥7.7billion
Operating margin	6.4%	5.6%	6.3%	4.8%	5.3%

Assumptions	Previous Medium-term Business Plan	FY2023 result	FY2026 plan	FY2024 result	FY2025 result
Forex	105yen/USD 125yen/EUR 15yen/RMB	141.2yen/USD 153.2yen/EUR 19.9yen/RMB	140yen/USD 150yen/EUR 20yen/RMB	152.3yen/USD 164.4yen/EUR 21.1yen/RMB	149.7yen/USD 169.5yen/EUR 20.9yen/RMB
Price of Dubai crude oil	50USD/barrel	82USD/barrel	90USD/barrel	78USD/barrel	72USD/barrel

Earning Growth in Change for Growth 2026

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



Overall Strategy

Financial Strategy

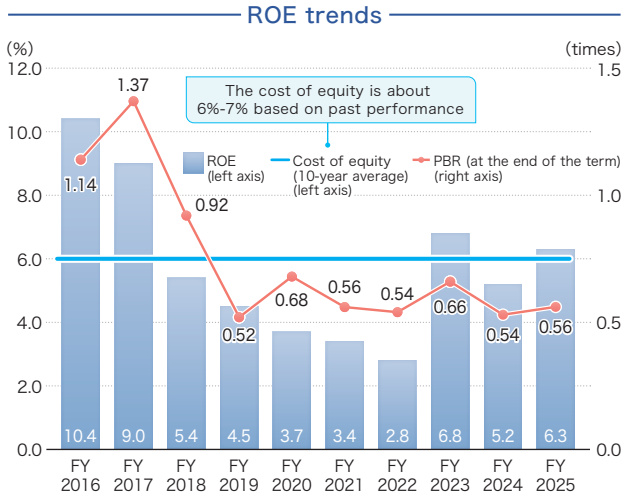
Improving Return on Equity

In FY2025, results exceeded the previous year due to strong sales of high value-added products, and ROE rose 1.1 points year on year to 6.3%. On the other hand, PBR remained at 0.56 times. We will continue to aim for sustainable growth in corporate value by strengthening earning power, improving capital efficiency and providing appropriate shareholder returns.

ROE target

At least 7% in FY2026

At least 8% in the medium to long term

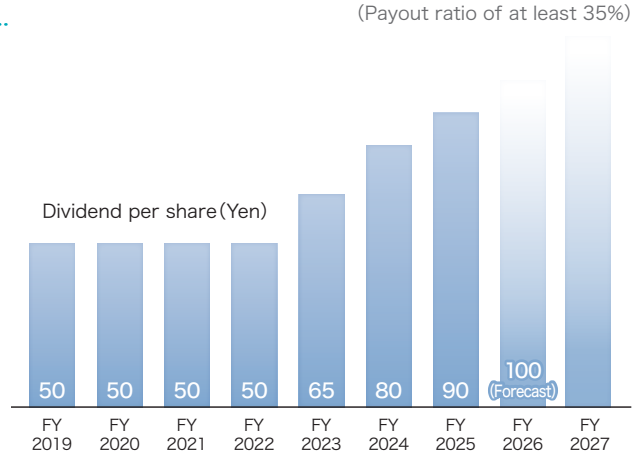


Policy for Shareholder Returns

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

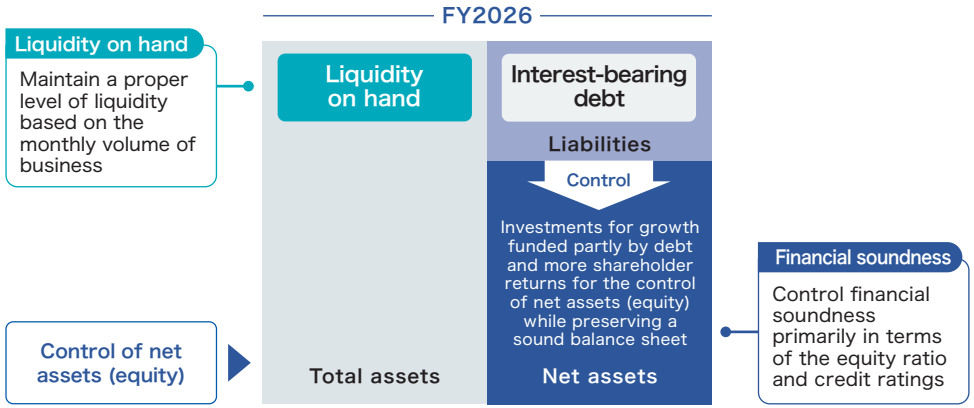
● Policy for Shareholder Shareholder Returns

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



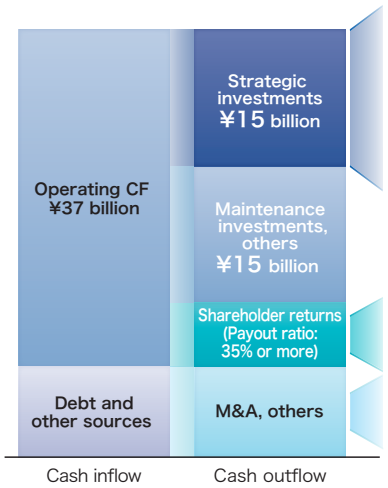
Optimization of Capital Structure

The Company 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.



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.



Major strategic investments

New plant in India, No. 2 plant in Mexico, Investments to increase capacity in North America, Optimization of production facilities.

Revision of shareholder return policy

Increase shareholder returns as a part of financial strategy.

Funds will be flexibly procured from external sources as needed.

FY2025 investment results

Total capital investment: ¥12,034 million

Bead Business(ARPRO-related)

- Construction of new plant in Mexico
- Capacity expansion at the No. 2 plant in Tullahoma, U.S.
- Expansion of ARPRO-related facilities at subsidiaries outside Japan

ExtrusionBusiness

- Investments to maintain production systems at each of the main extrusion plants

FY2025 dividend

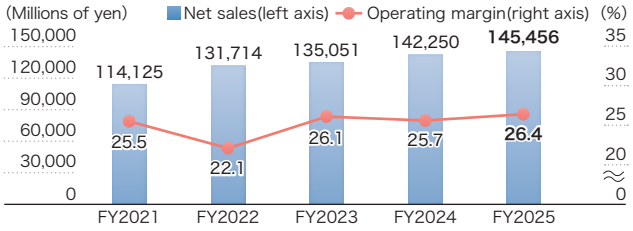
¥2,096 million

Overall Strategy

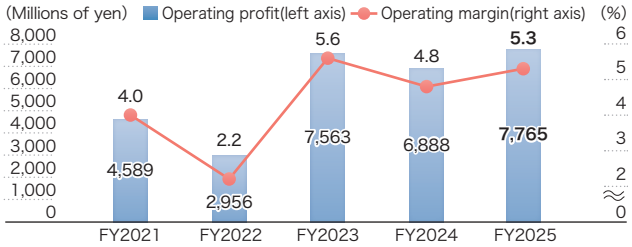
Financial and Non-Financial Highlights

Financial Highlights

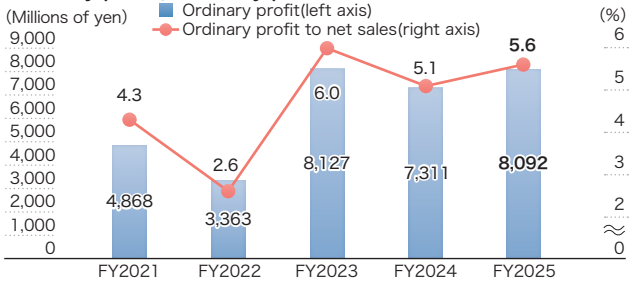
Net sales/Gross profit to net sales



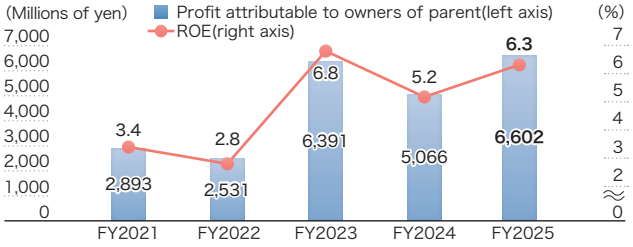
Operating profit/Operating margin



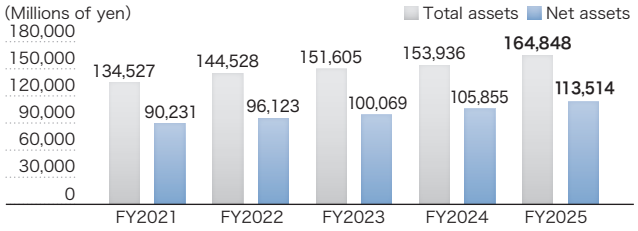
Ordinary profit/Ordinary profit to net sales



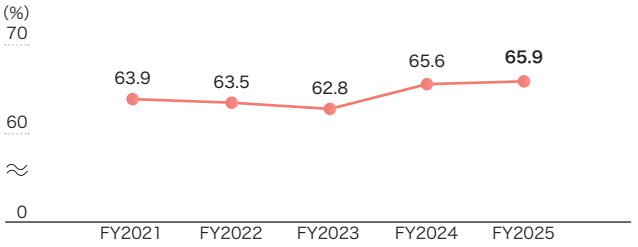
Profit attributable to owners of parent/ROE



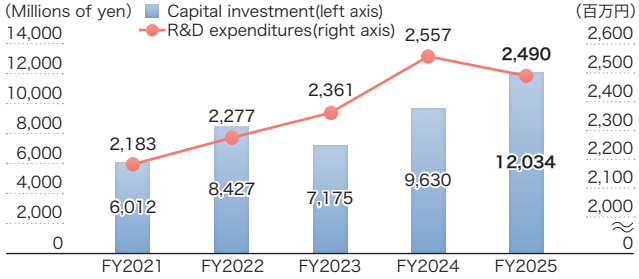
Total assets/Net assets



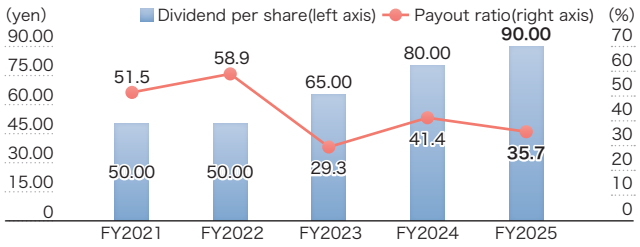
Shareholders' equity ratio



Capital investment/R&D expenditures



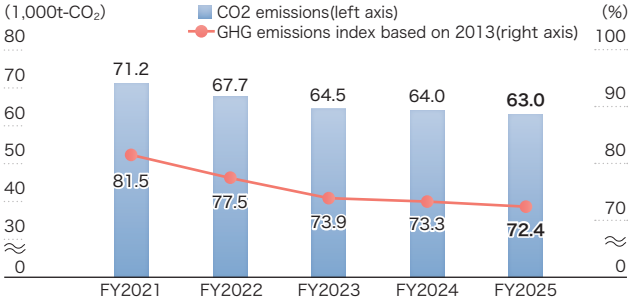
Dividend per share/Payout ratio



Non-Financial Highlights

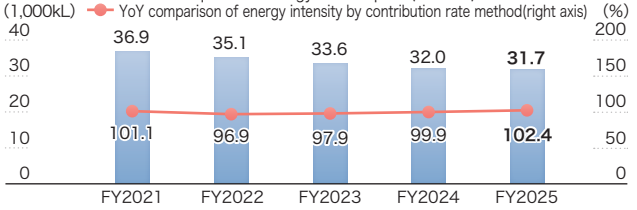
※Non-consolidated basis

CO_2 emissions /GHG emissions index based on 2013※

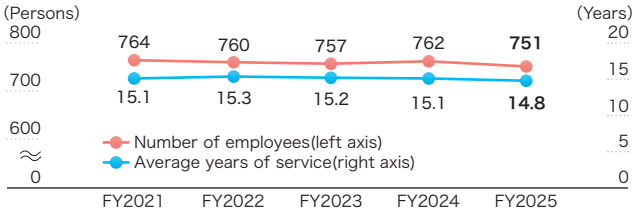


Crude oil equivalent energy consumption※/YoY comparison of energy intensity by contribution rate method*

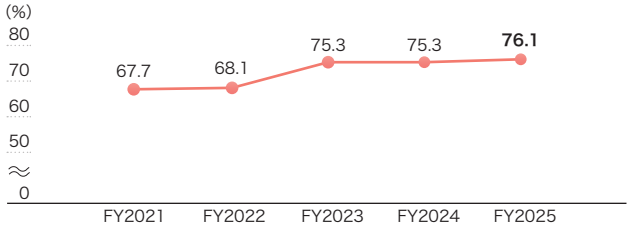
*Average change in energy intensity over five fiscal years



Number of employees※/Average years of service※



Paid leave acquisition rate※



Overall Strategy

Materiality

With our corporate philosophy of "Creatively and Actively Contribute to Society," the basic sustainability policy of the 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 Group incorporates responses to sustainability issues into our management strategy and implements the strategy.

Materiality Selection Process

STEP 1 Identification of Issues and Materiality Assessment

The 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.

STEP 2 Deliberations by the Executive Officers Meeting

The Executive Officers Meeting deliberates on issues of high importance and in the process selects materiality candidates, incorporating the basic concepts of the Medium-term Business Plan "Change for Growth 2026" and product perspectives.

STEP 3 Resolution by Management

Activities for Materiality

Creating Shared Value

Creating shared value (CSV): Materiality concerning contributions through business operations and products

Materiality	Main Activities by JSP	SDGs
(1) Contribution of environmentally responsible products (2) Contribution to plastic resource recycling (3) Contribution to climate change mitigation (4) Contribution to food and healthy living (5) Contribution to safety	Contribute to society by supplying foamed plastic products.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Indicators and Results for Creating Shared Value (CSV)

Materiality	Indicator	FY2024 result	FY2025 result
Creating Shared Value	Growth rates in sales of products designed to address climate change and products contributing to the Circular Economy for plastics (year on year)	Up 32.5%	Up 29.1%

Environment/Society/Governance

Materiality concerning the environment (E)

Materiality	Main Activities by JSP	SDGs
(1) Activities for protecting the environment	Global environmental conservation through Responsible Care (RC) activities.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Materiality concerning society (S)

Materiality	Main Activities by JSP	SDGs
(1) Improve human resources development	Promote human resource development by enhancing the capabilities of all employees.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
(2) Fostering the corporate culture of rewarding workplace	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) Secure the 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) Strengthen corporate governance	Strengthening corporate governance across the Group through initiatives in compliance, internal controls, and risk management.

Overall Strategy

Response to Risks and Opportunities

The 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 Group's financial position, business results, cash flows, etc. are described below. These risk factors are based on assumptions made as of June 19, 2026 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 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 Global Society." 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 FY2026, heightened tensions in the Middle East have increased uncertainty about the demand outlook.	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.
(2) Risks related to global business development	
Since the 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 Group.	The 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 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 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 FY2026, the closure of the Strait of Hormuz due to heightened tensions in the Middle East has created uncertainty over supplies of crude oil and naphtha, and the procurement of raw materials used by the Group has also become uncertain. As a result, raw material prices have surged and are expected to remain elevated for some time even after the Strait of Hormuz reopens.	In order to build a management base that is not affected by fluctuations in raw material and fuel prices, the 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 Group.	The 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 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 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 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 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 damage to customers.	The Group strengthens its quality assurance system by actively promoting the acquisition of quality management system certification at each plant.

Overall Strategy

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 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 Group. In FY2025, operating profit or loss arising from the asset group for EPS business in the Bead Business and the asset group of the consolidated subsidiaries in Japan turned positive, mainly as a result of the optimized selling prices and reduced production costs. These asset groups had continued to record operating losses through FY 2024, mainly due to continued increases in the procurement price of styrene monomer, the principal raw material. In addition, as operating income is expected to remain positive from FY2026 onward, we determined that there was no indication of impairment. Details are given in the Annual Securities Report of 68th fiscal year (Japanese only). Securities Report ▶ https://www.co-jsp.co.jp/ir/upload_file/m005-m005_03/S100YEL0.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 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 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 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 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 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 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 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 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 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 Group, as well as scenario analysis, strategies, indicators, and targets, are discussed under the sustainability promotion structure and approved by the Board of Directors. Through scenario analysis, we reduce the risks posed by climate change and promote strategies that are in line with the Group's business operations so that risks can be turned into business opportunities.

Overall Strategy

Human Resources Strategy

Message from the Officer in Charge of Human Resources



Under the new personnel system, we will create an environment where each employee can "Deliver with WOW!"

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

1 Adding the new materiality "workforce diversity" in the 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	FY2025 result	FY2026 target
Improve human resources development	Upgrade training and education (JSP Corporation)*1	Increase rate in training expenses by level (compared to FY2023 results)	6.0% increase	15.0% increase
Fostering the corporate culture of a rewarding workplace	Increase male employee use of child care time off (JSPC)*1	Male child care time off utilization	78.6%	Maintain at least 60.0%
	Increase employee engagement (JSPC)*1	Engagement indicator	50.2	51.0
Workforce diversity	More female managers (JSPC)*1	Ratio of female managers	5.6%	10.0%
	More hiring of experienced people (JSPC)*1	Ratio of new employees with prior work experience	52.0%	Maintain and increase
	Employment of people with disabilities (JSPC and JSP Molding, a special-purpose subsidiary for employing these people)*1	Ratio of employment of disabled persons	4.5%*2	Maintain at least 5.0%
Secure the occupational safety	Prevent lost work time accidents	Lost work time accidents	34 cases	0 cases
		Serious workplace accidents	0 cases	0 cases

*1 As the scale and systems of each consolidated subsidiary differ, it is difficult to set uniform indicators and targets. Therefore, the figures for FY2025 are for JSP Corporation on a non-consolidated basis.
*2 Based on the "Disabled Person Employment Report" as of June 1, 2025, reported pursuant to Article 43, Paragraph 7 of the Act to Facilitate the Employment 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 compensation to positions and responsibilities.** 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 its efforts to "strengthen the management base," JSP positions "fostering the corporate culture of a rewarding workplace" as a material issue. In FY2026, the new personnel system, introduced in FY2024, enters its third year, and we are working to further embed the system and enhance its operation. By firmly establishing a personnel system based on job responsibilities, expected roles, and capabilities, we are working to accommodate diverse career paths and make effective use of employees' expertise, while striving to ensure fair and transparent evaluations and treatment. In addition, through regular interviews and enhanced human resource development initiatives, we are strengthening support for each employee's growth and promoting efforts to create a more supportive work environment and a greater sense of fulfillment at work, thereby enhancing employee engagement.

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 measures 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 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 training for senior staff members. 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.

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

Overall Strategy

Human Resources Strategy

Human Resource Development Initiatives

The Company 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 FY2025

Training	Contents	Period
Training for new employees	Business etiquette, safety education, guidance from departments and plant tour	14 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 and 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 Senior Staff Members	Role and management skills of leaders, difference between managers and players, leadership, compliance, accounting, finance, sustainability management, interpersonal negotiation skills	2 days
Training for Assistant Managers	Management and leadership, delegation of authority and internal communication that capitalizes on diversity, problem-solving skills, 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 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

The Company 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

The Company 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

The Company 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.

The Company 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.

	FY2023	FY2024	FY2025
Mid-career recruitment ratio for regular full-time employees	48.6%	67.3%	52.0%

(Announcement date: June 19, 2026)

●Facilitation for the Employment of Persons with Disabilities

The 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 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-le" 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 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.





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. The Company is creating a variety of workplace environments.

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

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

Feature

The People Driving Our Growth Strategy —On the Front Lines of the Four Drivers of Growth—

In its Medium-term Business Plan "Change for Growth 2026," the JSP Group positions the "Four Drivers of Growth" for sustainable growth at the core of its growth strategy: the ARPRO business, thermal insulation materials for buildings and houses, FPD cushioning materials and new business domains. What drives growth in these four areas are the individual people who keep taking on challenges on the front lines. In this feature, we asked four employees active on each front line about their current work and challenges, and their aspirations for the Company's future. We take a closer look at the power of the "people" who support our growth strategy.

01 ARPRO business

"Connecting strengths around the world to open up the future of ARPRO."



My responsibilities and what I value

In the Global Business Division, I am responsible for performance management of global businesses, coordination with subsidiaries outside Japan, and initiatives that support business growth. What I value in my work is continually asking, "What is truly needed right now?" While cherishing the systems and strengths the Company has built up, I work with a view to evolving them into better forms in line with the changing environment.

Current challenge

For further growth of the ARPRO business, I believe it is important for subsidiaries to take the initiative while headquarters supports optimal decision-making with a view of the entire global operation. To achieve this, I am engaging in ongoing dialogue with subsidiaries and related departments and exploring forms of collaboration that make the most of each party's strengths.



ARPRO (bumpers, seat cores, etc.)

Looking ahead

By connecting the aspirations and knowledge of both our global bases and our headquarters in Japan and raising our overall global strength, I will contribute to the further growth of the ARPRO business.

Mayumi Takahashi
Assistant Manager, Business Analysis & Planning Group, Business Management Department, Global Business Division, Bead Business Division

02 Thermal insulation materials for buildings and houses

"Sales that create new value together with our customers."



My responsibilities and what I value

I handle proposal-based sales of MIRAFOAM insulation for detached houses, conducting sales activities with agents and distributors. In my work, I value an attitude of tackling any issue or new initiative positively first. I always keep in mind acting while thinking about how something can be achieved, rather than why it cannot be done.

Current challenge

In a market environment where housing starts continue to decline, I am not only developing new sales channels but also working to expand sales of MIRAFOAM into new fields and areas beyond detached houses. By communicating closely with customers, I also strive to quickly capture market changes and new sales opportunities and turn them into proposals.



Pre-cut insulation products (MIRAFOAM LAMBDA)

Looking ahead

As a salesperson, I want to quickly grasp customer needs and market changes and, working closely with the development division and plants, contribute to developing products with even higher added value, leading to sustainable growth.

Daisuke Kiso
Assistant Manager, Housing Material Sales Group – East Japan, Construction Material Sales Department – East Japan, Construction and Civil Engineering Materials Division, Extrusion Business Division



03 FPD cushioning materials

"Combining everyone's strengths to create a new pillar for the Company's future."

My responsibilities and what I value

As part of production technology in the Industrial Materials Division, my group works as one on new product development for industrial materials as a whole, with FPD cushioning materials as a mainstay, and on improving the quality and productivity of existing products. What I value is accurately grasping customer requirements and bringing together the Company's technologies to develop products with the required functions.

Current challenge

I am taking on the challenge of creating new functions and value while incorporating the latest manufacturing technologies not used in our current production processes. With an eye to developing new applications, I am also devising evaluation methods and ways of making proposals that convey the appeal of our products to customers.



MIRAMAT A (FPD cushioning material)

Looking ahead

Going forward, by combining the diverse technologies the Company has cultivated over more than 60 years to develop new foaming technologies and products that have never been achieved before, I want to create value that helps solve customer and societal issues and contribute to the Company's future.

Ryuichi Taniguchi
Group Manager, Production Technology Group, Production Technology Department, Industrial Materials Division, Extrusion Business Division

04 New business domains

"Opening up new business domains to lead the Company's future toward growth."

My responsibilities and what I value

At the New Business Development Division, I am responsible for planning and launching new businesses that will become future pillars. Currently, in addition to commercializing newly developed products in collaboration with the research laboratory, I am focusing in particular on promoting alliances with external partners, including startups. Building on the technological capabilities cultivated in our existing businesses, I value capturing changes in markets and society and connecting knowledge from inside and outside the Company to create new value.

Current challenge

Leveraging our in-house R&D capabilities, I am working to broaden external contacts and actively bring in new technologies and market information. In particular, through dialogue with startups and external partners, I am exploring markets and customer issues expected to grow in the future, aiming to create new business opportunities by combining them with our own technologies.



Looking ahead

I want to promote open innovation that connects internal and external knowledge and contribute to creating new business value unique to the Company. I hope to further expand the potential of our existing technologies and, through encounters with various markets and technologies, nurture new pillars that will support our future business portfolio.

Kohei Itomura
Senior Staff Member, Product Development Group, Business Promotion Department, New Business Development Division

Each person's challenge creates JSP's growth.

It is the individual people taking on challenges on the front lines who connect the technologies and strengths the Company has cultivated to the next form of value. Facing changes in customers and markets, combining technologies and knowledge, and linking strengths inside and outside JSP—the accumulation of these efforts gives rise to new products, applications and businesses, and drives the Four Drivers of Growth.

Deliver with WOW!

Strategies by Segment

Message from the General Manager of the Extrusion Business Division



Higher performance, higher added value. Toward business creation that also contributes to solving social issues.

Takashi Hanne
Director, Senior 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

	FY2025	FY2026 target	Compared to FY2025
Net sales	¥49,550 million	¥54,000 million	⊕ 9.0%
Operating profit	¥2,058 million	¥2,600 million	⊕ 26.3%
Operating margin	4.2%	4.8%	⊕ 0.6pt

Review of FY2025 Results and Market Trends

In FY2025, high value-added products for the building construction and housing markets supported profits, while the market environment changed, with food packaging declining. As a result, net sales were flat, up 0.3% year on year, while sales volume fell 4.5%. In terms of profit, operating profit rose 25.1% thanks to strong performance in general packaging and high value-added products for the building construction and housing markets. The significant increase in operating profit without an increase in sales volume can be attributed to a higher proportion of high value-added products.

By product, in construction and civil engineering materials whose mainstay products include extruded polystyrene foam boards, sales volume for the building construction and housing markets was flat, but sales and profit grew significantly due to an increased proportion of high value-added products such as MIRAFOAM LAMBDA and pre-cut insulation products. In living materials whose mainstay products include polystyrene foam sheets for food containers, sales of display materials for advertising were flat, but sales declined due to lower sales for food trays. In industrial materials whose mainstay products include polyethylene foam sheets for industrial packaging and FPDs, sales of both general-purpose and high value-added products decreased high value-added products decreased, but net sales increased thanks to strong general packaging.

In the the building construction and housing markets, the market environment remains tough due to declining housing starts in Japan, but the amount of insulation used per house is increasing as housing insulation standards become more stringent. With the decline in housing starts offset by the increase in insulation use, the size of the insulation market is roughly unchanged.

Creating New Demand in Response to Market Needs

Because food packaging is a daily necessity, demand fluctuations in this field are relatively small. Nevertheless, due to population decline and social demands to curb single-use plastics, demand in Japan for plastic containers is trending downward. In contrast, foamed plastic containers have the advantage of using less resin and are one of our environmentally responsible products. Moreover, the cells in the foam enhance thermal insulation, offering the convenience that a container holding something hot does not feel hot to the touch. For these reasons, demand for heat-resistant containers is expected to grow further, and we anticipate future growth.

In recent years, separate collection of plastic containers used in households has been promoted under the Containers and Packaging Recycling Act. On the other hand, plastic containers used outside the home are difficult to wash, so their collection and recycling have

Strategies by Segment

Message from the General Manager of the Extrusion Business Division

not progressed sufficiently. Going forward, there is ample potential for the collection and recycling of plastic containers used outside the home, such as at event venues and stadiums, to advance. Our MiraPeel is one such product: by peeling off the surface film after use, the container can be collected in a clean state, making recycling easy. We are focusing our approach on event venues and stadiums, and in FY2025 adoption progressed, including at a soccer stadium and university cafeterias.

MIRAMAT, a high-expansion polyethylene foam sheet, offers excellent properties as a protective cushioning material. MIRAMAT A, an FPD cushioning material, is a high value-added product with strong market competitiveness. Panel sizes, such as for car navigation screens, have recently been increasing, and we expect demand to grow steadily along with the expansion of the FPD market itself.

Although the hurdles to new adoption are high, we are focusing on activities to promote adoption, such as reducing costs by making the product thinner and approaching flat panel manufacturers.

Two Keywords for Future Growth

One keyword in product development is “higher performance, higher added value.” For example, housing insulation still has growth potential. Under national housing policy, ZEH-level standards, including Insulation Grade 5, are scheduled to become mandatory in 2030, but Grade 5 is already standard at many major housebuilders, and some even make Grade 6 their standard.

Capturing this growing need for insulation, we are developing insulation with even higher thermal performance. Development plans are currently being adjusted due to unstable raw material procurement, but we hope to launch it during FY2027. We are also developing load-bearing wall insulation panels for exterior (additional) insulation methods that combine thermal insulation with the performance of load-bearing wall panels. Compared with existing methods, this allows house structures to be lighter and improves seismic performance, while also offering diverse benefits such as labor savings at construction sites and shorter construction periods.

The other keyword is “contributing to solving social issues.” MIRAMAT A-BIO, developed by the Company, is an environmentally responsible high-expansion polyethylene foam sheet containing biomass raw materials. By using this product, customers can contribute to reducing environmental impact and demonstrate their corporate commitment to environmental conservation. We will also actively develop and propose environmentally responsible products that lead to higher added value, such as our pre-cut insulation method, which generates no wasteful offcuts, and the promotion of more advanced recycling.

Leveraging Non-Crosslinked Plastic Technology for Global Expansion

Considering future growth potential, remaining solely in domestic business is a risk. While we understand the difficulty of global expansion, taking on challenges for the future is important. We are conducting market research and studying potential partners and M&A targets in cooperation with the Corporate Planning Division and the New Business Development Division.

A distinctive feature of the Company is that we are a manufacturer with strengths in non-crosslinked plastic foams. Non-crosslinked plastics have better recyclability than crosslinked plastics. Globally, there are regions where recycling has not progressed as far as in Japan, but in Europe, where interest in environmental issues is high, we expect non-crosslinked plastics with excellent recyclability to attract attention. This should then trigger the expansion of recycling demand to other regions as well.

On the other hand, in terms of performance, crosslinked plastics are characterized by high strength and heat resistance and an attractive appearance. The Company's non-crosslinked plastic products have the high performance and quality needed to enter even the crosslinked plastics market, and also have the advantage of low production costs. When entering markets, we will put our technological capabilities front and center and promote partnerships and M&A with local manufacturers.

Organizational and Human Strengths that Leverage the Extrusion Business’s Advantages

Development and response capabilities tailored to customer and social needs are the Company's strengths, and I am confident that both our extrusion and bead businesses are a step ahead of our competitors. The source of this organizational strength is, externally, our good collaboration with agents and customers and, internally, close coordination among all departments from sales to R&D, production and plant management. All members face the same direction and work together as one to solve various issues. Collaboration with subsidiaries whose businesses are close to end users is also a great strength.

Going forward, in addition to our core development areas, I want to strengthen application development in a wider range of fields and development that crosses divisional boundaries. The Company is not a so-called large corporation but a close-knit company where employees are close to one another. Leveraging these close relationships, I believe we can create a cross-departmental structure in which, for example, sales staff can pursue development projects even for another business. This should make “chemical reactions,” such as unprecedented product development, more likely to occur.

On the organizational side, one challenge is a shortage of personnel to advance global business. Since we cannot simply increase headcount, we are identifying capable people and reassigning them to the right positions. We will agilely concentrate the necessary people in the necessary fields. This will also require major decisions such as reviewing the business portfolio. Along with proactive use of human resources based on our organizational strategy, I want to further raise the efficiency and profitability of the Company as a whole.



Strategies by Segment

Message from the General Manager of the Bead Business Division



Amid ongoing fluctuations in demand and soaring raw material prices, we aim for global growth with advanced materials products as one of the mainstays of our business.

Masaharu Oikawa
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.

	FY2025	FY2026 target	Compared to FY2025
Net sales	¥95,905 million	¥106,000 million	⊕ 10.5%
Operating profit	¥6,633 million	¥8,600 million	⊕ 29.7%
Operating margin	6.9%	8.1%	⊕ 1.2pt

Review of FY2025 Results and Market Trends

For the Bead Business as a whole, net sales increased on the back of strong sales in China and Taiwan. In terms of profit, in addition to increased sales of advanced materials products, our efforts to reduce fixed costs resulted in higher profit. As a result, net sales of the Bead Business rose 3.3% year on year to approximately ¥95.9 billion, and operating profit increased 4.1% to approximately ¥6.6 billion.

By product, sales of advanced materials products whose mainstay products include ARPRO, expanded polypropylene, which we manufacture and sell in countries around the world, increased in both automotive and non-automotive fields, and net sales also increased.

By region, in Japan the automotive field grew while the non-automotive field declined. In North America, the non-automotive field was flat while the automotive field grew. The automotive field also grew in South America. In Europe, despite a delayed recovery in demand for HVAC, sales were maintained at the previous year's level; sales of products using recycled raw materials increased in the automotive field as well, but overall sales volume was flat. In China and Taiwan, the packaging field performed well, and in Southeast Asia the automotive field grew.

In China in particular, battery demand was strong, and packaging materials for automotive and energy storage batteries grew, with sales volume reaching a record high. In Taiwan as well, against the backdrop of the AI boom, ARPRO's cushioning properties, recyclability and cost efficiency were highly regarded, and sales volume of packaging materials for AI servers grew significantly.

On the other hand, both sales volume and net sales of expandable bead products whose mainstay products include STYRODIA, expandable polystyrene, declined due to lower demand in the fisheries field and elsewhere. Although we were affected by the contraction of the overall market, being able to transform into a profitable structure by optimizing for customer needs and reducing fixed costs is an achievement in itself.





Battery packaging for BESS* (*Battery Energy Storage System)

Promoting Growth of Advanced Materials whose mainstay products include ARPRO

Our flagship product, ARPRO, is an impact energy-absorbing material developed by the Company with a 40-year history. As an advanced material combining high structural strength, light

Strategies by Segment

Message from the General Manager of the Bead Business Division

weight, thermal insulation and recyclability, it has been adopted in a wide range of fields from automotive to non-automotive applications. Currently, the sales ratio between automotive and non-automotive fields is roughly half and half.

By region, while there are countries such as Taiwan and Singapore where electronics-related demand now exceeds automotive demand, there are also countries such as Thailand that are growing remarkably as a major hub of the automotive industry. Our business portfolio is changing in line with these shifts in the market environment.

The three main bases of the Bead Business are the United States, Europe and China. While the U.S. and European markets have entered a mature phase, the Chinese market itself is growing significantly. At the same time, local companies are entering the market more actively, intensifying price competition with competitors. Going forward, we will shift our policy to focus on high value-added products rather than general-purpose products and strongly promote cross-border recyclability.

In Europe, we are rolling out new recycled grades of ARPRO in response to tightening environmental regulations. In 2025, low raw material prices led customers to shy away from recycled products, which involve higher processing costs, but recently, as raw material prices have soared due to the Middle East situation, attention to recycled products has grown, and we expect demand to expand.

Investment Strategy to Accelerate Market Development and Product Development

In pursuing our investment strategy, we intend to understand the situation in each region and respond in a finely tuned manner. In North America, we are investing to expand production and sales capacity in preparation for new automotive projects launching in 2027. In Mexico, we newly established the Ramos Arizpe Plant in the north. This is to meet demand outside the areas we currently cover, and we expanded production capacity in order to newly start producing and selling molded products for automobiles. In Asia, in addition to strengthening production capacity in Thailand and India, we are considering new investments with China also in view for the future. As for production bases, we are considering a shift from China to Southeast Asia to respond to growing demand in Southeast Asia.

As global competition intensifies in China, the rest of Asia, Europe and elsewhere, improvement and development of the products themselves are also required. One example is the development of environmentally responsible grades. We have two types of sites—those that sell only beads and those that also mold and sell finished products in-house—and in bead sales we will actively roll out new grades of beads that can be molded with low energy and at low cost, and that are environmentally conscious.

At present, progress in this area varies by region. Japan, Europe and China are ahead, while there is some delay in South Korea, the United States and Southeast Asia. To establish a supply system for energy-saving, environmentally responsible grades of ARPRO—for example, by modifying facilities to enable foaming with energy-saving raw materials—we will advance investment plans tailored to the actual conditions in each region.

Human Resource Development and Technology Transfer to Advance Globalization

In advancing globalization, developing and strengthening human resources is increasingly important. Our global expansion policy is “respect for local autonomy,” but recently, as the number of bases has increased, differences in capability have emerged between bases. In addition, the number of local players has increased and sales competition has become fierce.

To win in such markets, we need leaders who can lead or support businesses by leveraging the strength of the Group. Looking at the current situation from this perspective, promising talent is steadily growing at each global base. As for engineers, there are from several to several dozen at each base, and more than 100 across the Group, each working daily to solve problems and achieving excellent development and improvements.

Sharing such achievements across the Group is part of the corporate culture we have cultivated. In addition to promoting international exchanges on the technical side, we also hold international meetings on the sales side to promote the sharing of experience and know-how. Rather than putting heads together only within each region, we will continue to strengthen a structure in which various issues can be shared and solved through Group collaboration.

Especially in highly competitive regions such as China today, development and improvement are continuous every day in order to maintain product competitiveness. As a result, production systems have been refined and manufacturing has evolved. I am confident that by sharing these results across the entire Group, the strengths of our Bead Business will be further honed.

Aiming to Be “A Global Company for Global Society”

As mentioned earlier, 40 years have passed since ARPRO was launched, and its applications are expanding in unprecedented ways. However, there are still regions where it has not grown sufficiently. For example, in South Korea, sales for automobiles, FPDs and electronic components were originally strong, but we have not been able to capture new demand, and market development has not progressed as hoped.

Meanwhile, Taiwan and Japan are strong in the semiconductor field. Through close information exchange, they share knowledge and know-how and are strengthening their sales development capabilities, such as by uncovering new demand. In the United States, base materials for paving stones, which are also sold at home improvement centers, are performing well. Since solid demand can be expected in regions where DIY is popular, we are considering expanding into such regions. We have found that sharing knowledge and know-how and collaborating works effectively not only for human resources, as mentioned earlier, but also for regional expansion. In doing so, not only success stories but, if anything, failures are also highly useful, so we will build a structure that makes use of all kinds of information.

Going forward, we will increase inter-regional exchanges not only in technology and sales but also in plant quality and safety management, finance and accounting. Each section will be closely connected with each country and region, moving forward with a sense of unity as a Group. I am convinced that this will lead to the realization of “A Global Company for Global Society” that JSP aims to be.



Feature Intellectual Property Strategy

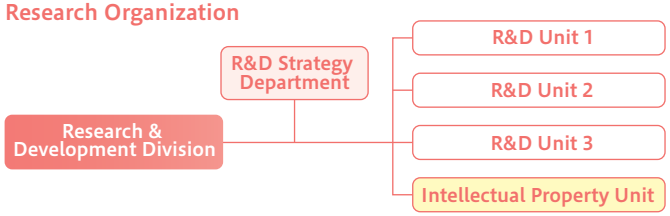
The Company reliably secures rights to its R&D results while building an intellectual property portfolio linked to its business strategy, working to secure competitive advantage and strengthen the foundation for future growth.

ARPRO

Research Structure

The Research & Development Division, which conducts research and development, has its main base in Kanuma City near Utsunomiya, Tochigi Prefecture, and consists of the R&D Strategy Department, R&D Units 1 to 3 and the Intellectual Property Unit.

Research Organization



Qualitative Improvement of the Patent Portfolio Supporting Business Competitiveness

Fig.1 PAI* Trend (2015 = 100)

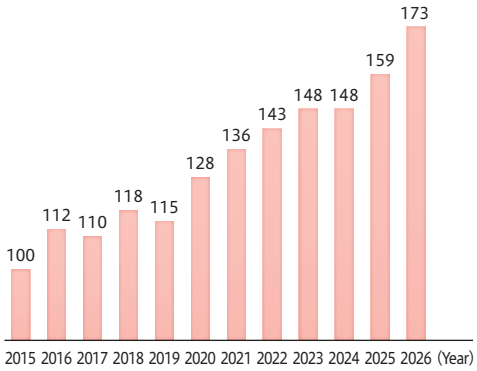
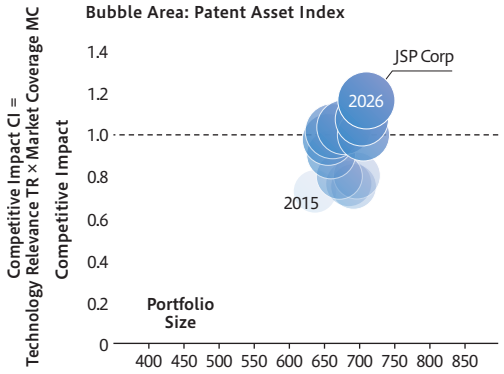


Fig.2 Annual trend of PAI components



The Company has worked to improve the quality of the patent portfolio that supports its business competitiveness. Specifically, we are pursuing the following activities: (i) strengthening intellectual property (IP) training programs for technical employees; (ii) improving the IP literacy of technical employees through regular information dissemination by the IP department; and (iii) strategic patent filing and rights acquisition linked to the Four Drivers of Growth of our company-wide strategy.

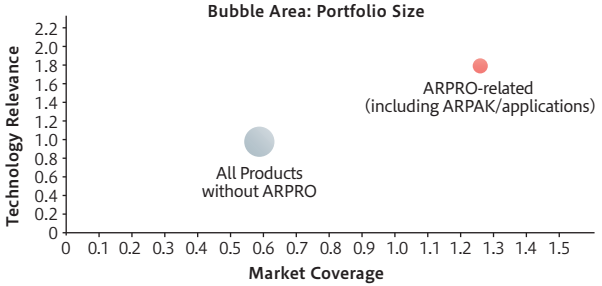
As a result of these efforts, as shown in Fig. 1, our total patent asset value, the Patent Asset Index (PAI), has trended steadily upward, reaching approximately 1.7 times the 2015 level as of 2026, demonstrating that our IP activities are increasing the value of the patent portfolio as a whole. In addition, as shown in Fig. 2, while the number of valid patents (Portfolio Size) has been broadly maintained, the Competitive Impact (CI) of our patent portfolio has continuously improved, exceeding the global average of 1.0 in 2021. CI is an indicator of the technological influence and market value of individual patents, and its improvement shows that the quality of our patents is rising, rather than merely their number.

Promoting Patent Filing and Securing Patent Rights with an Eye Toward Global Markets

ARPRO-related patents	
Portfolio Size	approx. 130
PAI	approx. 380

All other patents	
Portfolio Size	approx. 570
PAI	approx. 460

Fig.3 Contribution of ARPRO-related patents to patent value



With an eye toward business development in global markets, the Company is promoting patent filing and securing patent rights globally. Fig. 3 classifies our patent portfolio into ARPRO-related patents and non-ARPRO patents and visualizes them in terms of Technology Relevance (TR) and Market Coverage (MC). ARPRO-related patents significantly exceed non-ARPRO patents in both TR and MC, showing that they are important intellectual property supporting our advantage in global markets. Among them, energy-saving technology, recycling technology and performance-enhancing technology are key technical areas supporting ARPRO's competitiveness. The fact that patents in these areas are also cited by competitors attests to the high competitiveness of our technologies.

Fig.4 Global map of the patent portfolio

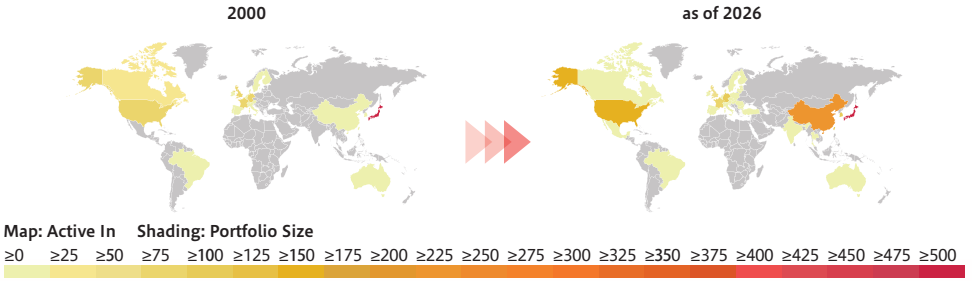


Fig. 4 shows on a world map, the status of our patent portfolio in terms of filing patent applications and securing patent rights globally. From 2000 to 2026, for technologies related to our flagship product ARPRO, we have pursued strategic filings focused on regions that are important to our business and regions where market competition is intensifying. These strategic global filing efforts for ARPRO are also reflected in the PAI: ARPRO-related patents have a patent value that is high relative to their number and are driving the qualitative improvement of the Company's overall patent portfolio. We will continue to strengthen our competitive advantage in global markets through IP activities linked to our business strategy.

*PAI: The Patent Asset Index is an objective indicator, calculated by PatentSight Analytics, of the asset value of a patent portfolio globally. It is calculated comprehensively from the Competitive Impact (CI)—the product of the Technology Relevance of filed patents (TR, calculated based on global citation information) and the Market Coverage of the countries where the rights are valid (MC, calculated based on each country's GNI)—and the number of valid patents (Portfolio Size).

*ARPRO and ARPAK are registered trademarks of JSP.

Sustainability Management

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

Sustainability Promotion Structure

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

<Sustainability Promotion Structure Chart>



- **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 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 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 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, the Company will carry out business activities that are trusted and satisfied by all stakeholders.

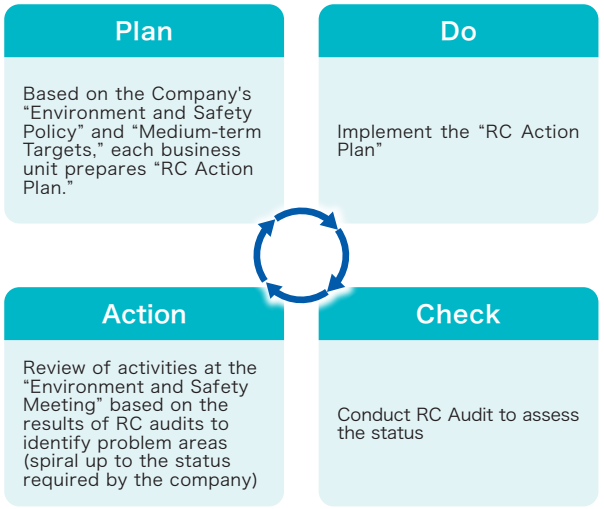


Spiral Up in Responsible Care Activities

The Company 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

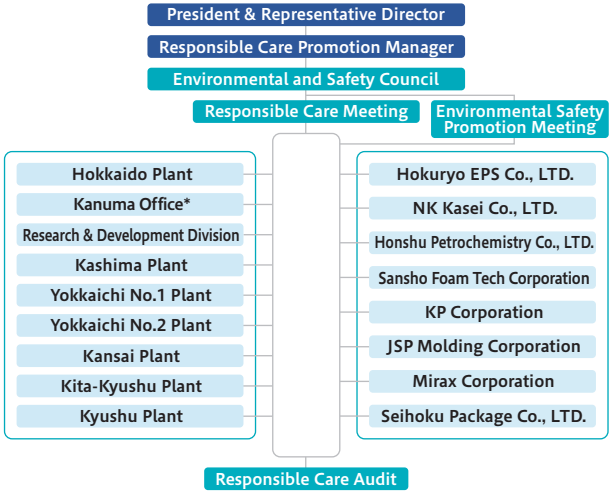


Responsible Care Promotion Structure

The Company has established the Environment and Safety Meeting, chaired by the President, as the highest decision-making body regarding Responsible Care (RC) activities. This meeting formulates comprehensive policies for RC activities, establishes activity targets based on the results of RC audits, formulates medium-term plans, and revises or abolishes various regulations.

In addition, to enhance the quality of RC activities across the Group in Japan, the Company regularly holds the Responsible Care Meeting to promote information sharing and strengthen coordination. Domestic group companies also participate in this meeting and promote RC activities to the same standard as the Company.

The Company also holds the Environment and Safety Promotion Meeting for domestic group companies to further strengthen RC activities and promote Group-wide initiatives.



*Includes the Kanuma First Plant, Kanuma Second Plant, and Kanuma Mirafoam Plant.

● Responsible Care 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 FY2025, on-site audits were conducted at 11 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 occur at customer sites, such as during deliveries. 17 trucking accidents occurred in FY2025 in Japan. These were mainly backing accidents, collisions with the eaves (upper part of the building) and accidents during cargo handling work. 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 FY2026, we have set a target of 10 or fewer trucking accidents, and we are implementing 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 logistics-related laws and regulations, 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

The Company 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 (FY2025 results)

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

Risk Assessment of Chemical Substances

The Company has set “1) Steady implementation of chemical risk assessments” and “2) Achieving zero spills and scattering of 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, the Company regularly conducts non-inclusion surveys of hazardous substances at analytical laboratories with JISQ17025* certification to provide safety information.

*JISQ17025: General requirements for the competence of testing and calibration laboratories

Providing GHS* compliant SDSs (Safety Data Sheets)

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

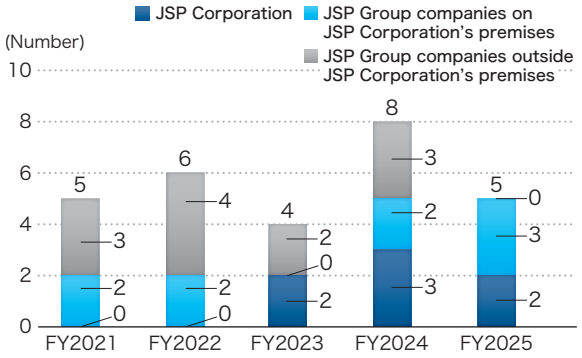
*GHS: Globally Harmonized System of Classification and Labelling of Chemicals

Occupational Health and Safety

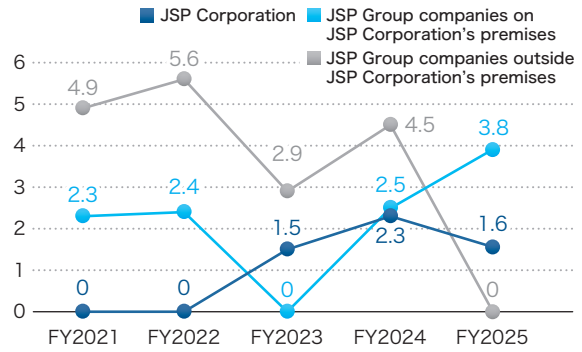
“Safety First” Established Throughout the JSP Group

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 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 Group.

Number of lost time work-related accidents (Japan)



Change in lost workday frequency rate (Japan)



Environmental Initiatives

Environment Management Structure

With its corporate philosophy of “Creatively and Actively Contribute to Society,” the Company has been supplying products worldwide that are in line with the trends of the times toward energy conservation, resource saving, and environmental conservation as a manufacturer of foamed plastic products. In addition, to appropriately address global environmental issues, we are pursuing environmentally responsible foam technology with the aim of establishing and implementing 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 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 bestowed many blessings on us and nurtured the prosperity we enjoy today. In order to pass on this abundant environment to the next generation, the Company 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*1／Kashima Plant／Yokkaichi No.1 Plant／Yokkaichi No.2 Plant*2／Kansai Plant／Kyushu Plant

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

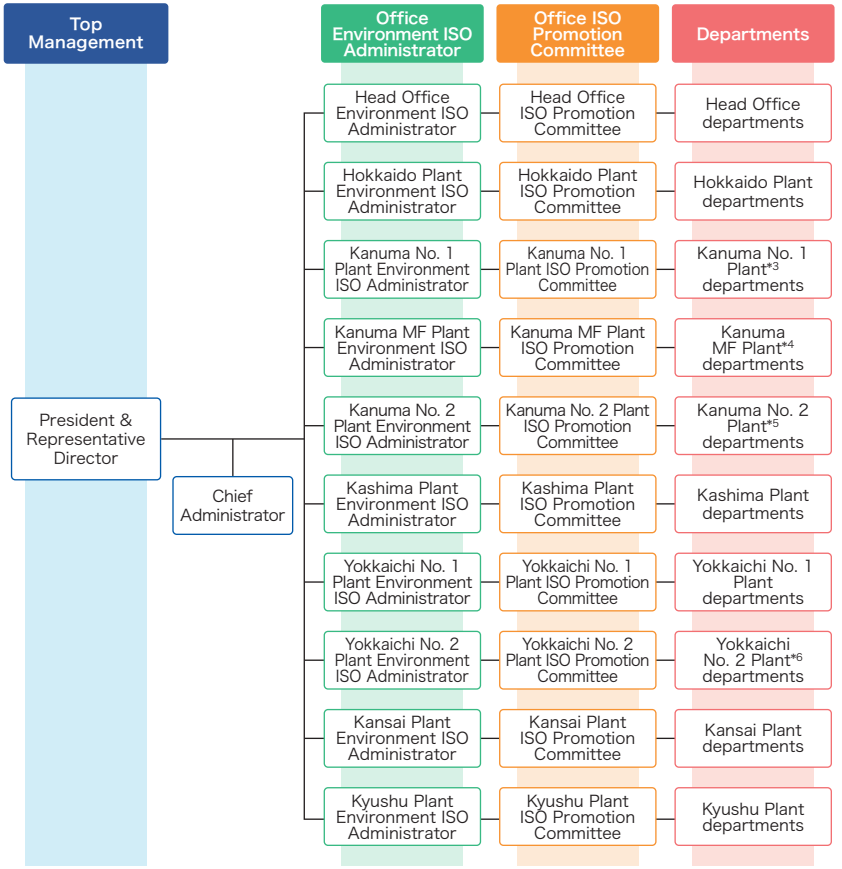
JSP Group companies in Japan

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

JSP Group companies outside Japan

JSP International LLC (Butler Plant, USA)／JSP International LLC (Tullahoma 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

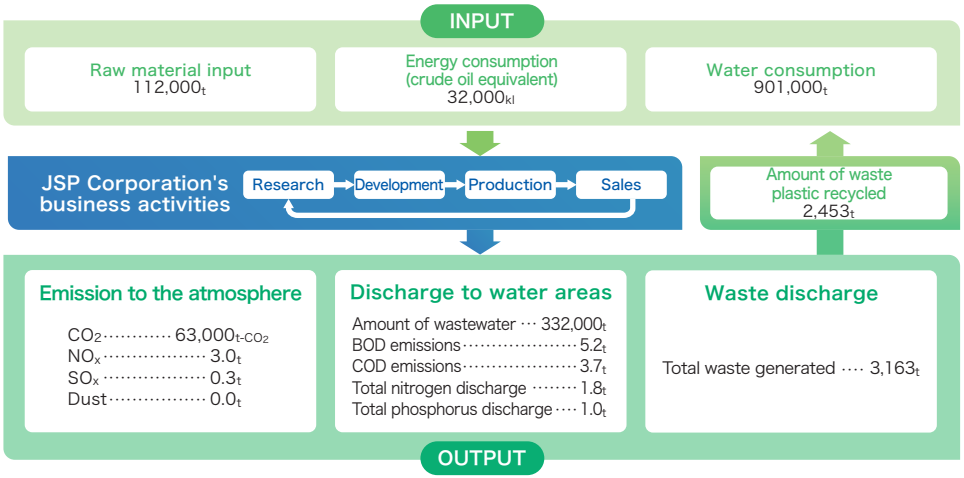


*3 Including the Recycling Center
*4 Including the Kanuma Logistics Center
*5 Including Tochigi No.1 Plant of JSP Molding Corporation
*6 Including the Mie Plant of JSP Molding Corporation

Environmental Initiatives

Environmental Conservation

Input & Output (FY2025 Performance of JSP Corporation)

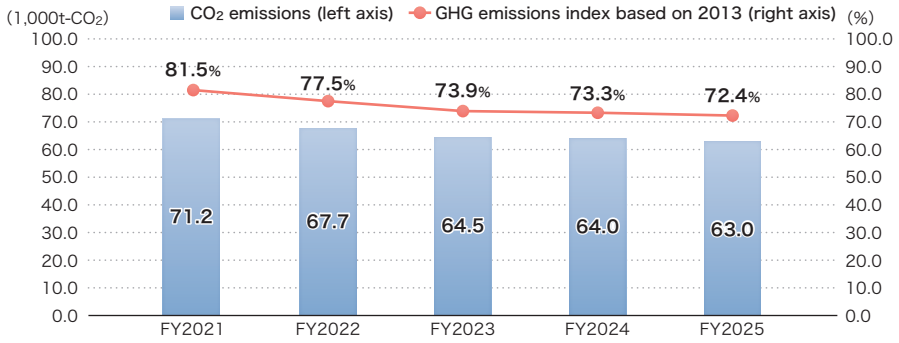


Reduction of CO_2 Emissions (JSP Corporation)

The Company's CO_2 emissions in FY2025 decreased by approximately 2.2% from the previous fiscal year and by 27.6% 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 CO_2 emissions, we are also contributing to the reduction of CO_2 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 CO_2 emissions

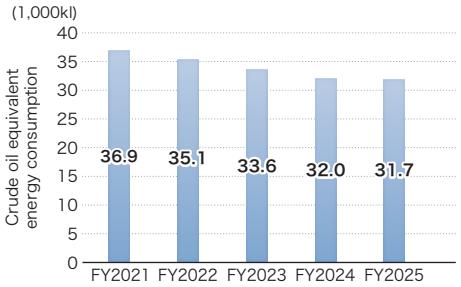


Reduction of energy consumption (JSP Corporation)

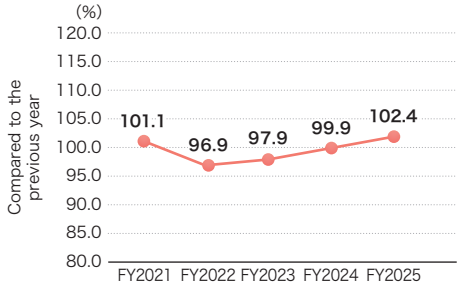
The Company's energy consumption in FY2025 decreased by approximately 1% from the previous fiscal year, but energy consumption intensity, using production volume as the denominator, worsened by approximately 2.4% from the previous fiscal year.

From FY2026 onward, we will promote and continue energy conservation activities at each business site so that we can achieve a year-on-year improvement.

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, the Company is implementing modal shift to rail and ferry transportation, which emit less CO_2 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)

The Company carries out production activities using a water circulation system that recycles water without throwing it away in the manufacturing process. In FY2025, water consumption was 901,000 tons.

Reduction of Landfill Amounts

In the Company's mid-term Responsible Care plan, we set a target for the final landfill amounts in FY2025 of “continuing to reduce landfill amounts through enhanced separation” and are continuing systematic reduction activities at each business site. In FY2025, the amount decreased slightly compared with FY2024.

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

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

Environmental Initiatives

Information Disclosures Based on TCFD Recommendations

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

- The Company will promote its climate change initiatives under the Sustainability Promotion Structure.
- Board of Directors 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.
- The Sustainability Promotion Group, established in April 2021, serves as the organizer of the Sustainability Promotion Committee and coordinates company-wide sustainability initiatives, including efforts to address climate change, to ensure that they function effectively.
- Entire Company refers to JSP Corporation and its group companies, etc., which implement sustainability initiatives.
- 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 Group's strategies on climate change are developed by conducting scenario analysis. The 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 through reductions in GHG 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 the Company using its accumulated plastic foaming technologies.
By adding special technology to MIRAFOAM, the Company has succeeded in further improving its thermal insulation performance, which was previously considered a limitation of extruded polystyrene foam, achieving a thermal conductivity of 0.022W/m-K.
With the trend toward higher-performance housing, this groundbreaking thermal insulation material has gained strong market support for its 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 reuse of marine waste.



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

Environmental Initiatives

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 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 products
Market/ Reputation	Sharp fluctuations in raw material prices and formation of negative image of fossil-based raw materials	Deterioration in earnings of existing businesses	●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 ●Calculate product LCAs 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 ●Triple Layer Cushioning Structure ●STYRODIABLOCK

List of Physical Risks and Opportunities under 4°C Scenario

Physical risk	Impact assessment	Key response
Intensification of weather-related disasters due to rising temperatures	Increased impact on plant operation	●Develop BCP ●Develop disaster prevention measures such as flood defense walls ●Insurance against weather-related damage
	Increased impact on transportation	●Diversify 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 service-life extension as part of strengthened disaster preparedness	●J-WALLBLOCK ●Triple Layer Cushioning Structure ●STYRODIABLOCK ●MIRAROAD

Environmental Initiatives

Information Disclosures Based on TCFD Recommendations

Indicators and Targets

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

It should be noted that in order to achieve carbon neutrality in 2050, CCUS (Carbon dioxide Capture, Utilization and Storage: a technology for capturing, utilizing and storing CO_2 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.

FY2030

JSP Group
Emission intensity down **30%**+
Emission volume down **15%**+
(Scope 1+2)

FY2050

Net zero

● JSP Group's actual and planned GHG emissions at Scope 1 & Scope 2 (Unit: 1,000t-CO_2)

FY	FY2013 result	FY2023 result	FY2024 result	FY2025 result (forecast)	FY2030 target
Scope1	116	96	99	95	–
Scope2	115	88	91	84	–
Total	231	185	190	180	186

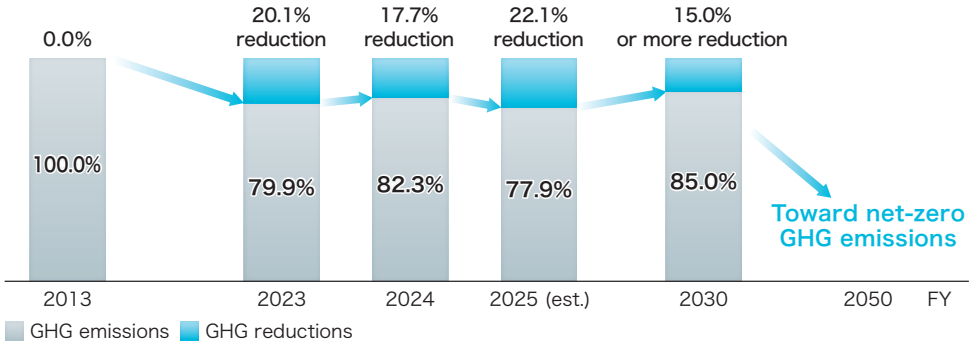
● JSP Group's Actual and Planned GHG Emission Reduction Rates at Scope 1 & Scope 2

FY	FY2023 result	FY2024 result	FY2025 result (forecast)	FY2030 target	FY2050 target
GHG emission reduction rate vs. FY2013	20.1% reduction	17.7% reduction	22.1% reduction	15% or more reduction	Net zero
GHG Emission Intensity Reduction Rate vs. FY2013	20.1% reduction	16.9% reduction	22.8% reduction	30% or more reduction	

1 GHG emissions per unit of production = Annual GHG emission (t-CO_2) ÷ 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 After aggregating in unit of 1 ton, figures less than one thousand tons of CO_2 are rounded down when converting to unit of 1,000 tons.
4 Actual (finalized) GHG emissions and reduction rates will be posted on our website once the results of the periodic report are finalized.

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

(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.



Note: This roadmap was prepared based on information available as of August 2026.

● GHG Emissions, JSP Corporation Scope 3

(thousand t-CO_2)

Scope3		FY2013	FY2025
Category 1	Purchased goods and services	411	310
Category 2	Capital goods	10	8
Category 3	Fuel- and energy-related activities	11	10
Category 4	Upstream transportation and distribution	16	17
Category 5	Waste generated in operations	0	0
Category 6	Business travel	0	0
Category 7	Employee commuting	0	0
Category 8	Upstream leased assets	0	1
Category 9	Downstream transportation and distribution	16	14
Category 10	Processing of sold products	228	213
Category 11	Use of sold products*2	-	-
Category 12	End-of-life treatment of sold products	99	75
Category 13	Downstream leased assets*2	-	-
Category 14	Franchises*3	-	-
Category 15	Investments*3	-	-
Total*1		**795**	**651**

*1 Because figures are totaled in units of 1 ton and amounts less than 1,000 t-CO_2 are truncated when converted into units of 1,000 tons, the sum of individual items may not match the total.
*2 Excluded from calculation because collecting the necessary data is difficult.
*3 Excluded from calculation because there are no applicable activities.

Social Initiatives

Communication with Stakeholders

The Group recognizes the importance of building mutual trust through dialogue with all stakeholders, including customers.We strive to understand the issues facing the company 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, blood donation activities, and other forms of 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
		Head Office Health Committee	1/month
Job Seekers	To secure excellent human resources, achieve sustainable growth, and increase corporate value by disclosing information and holding information sessions for those who wish to join our company.	Information provision on the website	As needed
		Company information sessions and recruitment guidance	As needed

Social Initiatives

Quality Assurance and Procurement

Quality Assurance

●Quality Policy

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

Procurement

●Basic Approach to Procurement Operations

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

As part of this, the 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, and 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 following 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 a 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, the Company announced its 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.

The Company 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

Social Initiatives

Social Contribution Activities

Blood donation activities

Every year, the Company participates in blood donation activities by the Japanese Red Cross Society. In fiscal 2025, we cooperated in the activities at the Hokkaido Plant and Kanuma Plants.



Corporate version of Furusato tax (hometown tax)

In April 2026, the 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

Initiatives to develop the next generation

As part of the "learning" program for fifth-grade elementary school students, we introduced the Company's environmentally conscious initiatives. Through a plant tour that included the molding process, secondary processing, the incinerator and the showroom, the children deepened their understanding of the SDGs, foamed plastic products, machinery and work at the plant. We answered the children's candid questions carefully and worked to spark their interest in the manufacturing industry.





Local clean-up and beautification activities

The 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.

Water Resource Initiatives

JSP recognizes the conservation of water resources as an important social issue. As a company that uses water in its business activities, we make ongoing donations to organizations working on water resource conservation in order to contribute to protecting the water environment and to sustainable water use.

At the JSP Kyushu Plant in Kumamoto City, Kumamoto Prefecture, we cooperate with local residents in groundwater conservation activities.



Kumamoto Ikusuikai:

In support of the groundwater conservation activities of the Kumamoto Groundwater Foundation, we have been a member of its supporting association, "Kumamoto Ikusuikai," since 2020.

▶ Background of Establishment | Kumamoto Ground Water Foundation [Official Website] Japanese only

Donations to the winter flooding (toki tansui) project:

Winter flooding refers to keeping rice paddies flooded during the winter after harvest so that water soaks into the ground to conserve groundwater (groundwater recharge). The JSP Kyushu Plant indirectly supports groundwater conservation activities through donations.

▶ Donations | Kumamoto Ground Water Foundation [Official Website] Japanese only



Provision of well water in disasters (ongoing since 2017):

Following the 2016 Kumamoto Earthquake, we concluded an agreement with Kumamoto City on providing well water in disasters. If a large-scale disaster such as an earthquake causes widespread water outages, we will provide well water to local residents as emergency drinking water until the water supply is restored.

▶ Provision of Well Water in Disasters / Kumamoto City Environment Top / Kumamoto City Official Website

Our donations are used for activities such as conserving headwater forests, improving river environments and providing local water-environment education, contributing to maintaining a healthy water cycle and conserving biodiversity. Going forward, along with saving water and reducing water use in our business activities, we will continue to promote water resource conservation through the provision of well water in disasters and collaboration with society.

Corporate Governance Initiatives As of July 3, 2026

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, the Company 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.

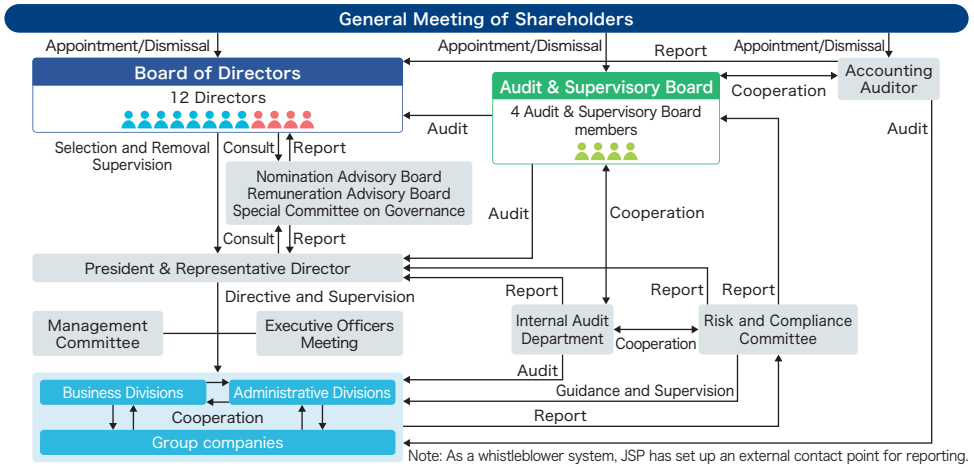
The Company believes that effective functioning of corporate governance and thorough pursuit of management efficiency, transparency, and soundness are essential issues to achieve this objective.

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

The Company has adopted the following corporate governance structure based on our judgment that it is optimal for maintaining and improving the efficiency, transparency, and soundness of management based on our overall corporate size and other factors.



Basic Information on Corporate Governance Structure

Organizational form	Company with an Audit & Supervisory Board
Composition of the Board of Directors Term of office for Directors Chair of the Board of Directors Voluntary Advisory Board	12 including 4 Outside Directors 1 year A Director predetermined by the Board of Directors Nomination Advisory Board and Remuneration Advisory Board: 6 members (4 Outside Directors and 2 Inside Directors); Special Committee on Governance: 3 or more members (including 3 or more Outside Directors)
Composition of the Audit & Supervisory Board	4 Outside Audit & Supervisory Board members
Number of independent officers	8
Business execution system Management Committee Executive Officers Meeting	Executive officer system 10 members (President & Representative Director, 2 Senior Executive Officers, 7 Senior Executive Officers), and 2 full-time Audit & Supervisory Board members 17 members (President & Representative Director, 16 Executive Officers), and 2 full-time Audit & Supervisory Board members

Skills Matrix

	Name				Business Administration & Global Management	Business Strategy & Marketing	ESG (Environment, Social, Governance)	Finance & Accounting	Personnel Affairs & Development of Human Resources	R&D	Production Technology & Quality Control
Director	Tomohiko Okubo	Male			●	●	●		●		
	Yasushi Komori	Male			●	●		●	●		
	Yosuke Takemura	Male				●	●		●		
	Yoshikazu Shima	Male					●		●	●	●
	Tomoyuki Kiura	Male				●	●	●			
	Takashi Hanne	Male				●				●	●
	Kazuhiro Nakajima	Male			●	●	●	●			
	Masaharu Oikawa	Male			●	●				●	
	Kiyoshi Itou	Male	Outside	Independent	●		●	●	●		
	Ryoko Sugiyama	Female	Outside	Independent	●	●	●		●		
	Kaoru Kurashima	Male	Outside	Independent	●	●	●				
	Atsushige Abe	Male	Outside	Independent	●	●	●		●		
Audit & Supervisory Board member	Yoshiaki Sawada	Male	Outside	Independent			●	●	●		
	Hitoshi Kaneda	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 3, 2026

Activities of Major Meeting Bodies and Advisory Committees

Board of Directors

Meetings of the Board of Directors are chaired by a Director predetermined by the Board of Directors. The board consists of 12 Directors, including 4 Outside Directors. Meetings are also attended by 4 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 Audit & Supervisory Board Member Yoshiaki Sawada and consists of 4 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 Kiyoshi Itou. 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 Kiyoshi Itou. 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 2 Senior Executive Officers and 7 Senior Executive Officers. 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 16 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.

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.

Reason for Appointing Outside Directors

Name	Reason for Appointment
Kiyoshi Itou	He has abundant achievements and experience in the overall management, having been involved in corporate management for a long time.
Ryoko Sugiyama	She is an expert in environmental and waste issues and has served as an outside director of several listed companies for a long time and has extensive knowledge and experience in sustainability.
Kaoru Kurashima	He has abundant experience and discernment as a management executive, having served as president and in other positions of local subsidiaries of companies that engage in business globally.
Atsushige Abe	He has abundant experience and discernment as a management executive, having long been involved in corporate management through serving as president and in other positions of local subsidiaries of companies that engage in business globally.

Corporate Governance Initiatives As of July 3, 2026

Evaluation of the Effectiveness of the Board of Directors

The Company 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 remuneration and reserve-type remuneration to be paid upon retirement.

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

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

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 remuneration. 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 remuneration.

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

Performance-linked remuneration consists of short-term performance-linked remuneration as part of base remuneration and medium-term performance-linked remuneration 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 remuneration, etc.

Short-term performance-linked remuneration 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 remuneration 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 FY2025

Position	Total remuneration (Millions of yen)	Total by type of remuneration (Millions of yen)				Number of eligible officers (people)
		Basic remuneration			Reserve-type remuneration to be paid upon retirement	
		Fixed remuneration	Short-term performance-linked remuneration	Executive shareholder association-contributed remuneration		
Directors (excluding Outside Directors)	263	191	24	15	33	8
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	14	14	–	–	–	1
Outside officers	64	64	–	–	–	7

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 3, 2026

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, the Company 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 "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 Group, which shall play a central role in providing education and training to the officers and employees of the Group.
	(3) Audit & Supervisory Board members and the Internal Audit Department shall work together to audit the status of compliance of the Group.
	(4) For any legally questionable conduct, the Company shall establish a whistleblower consultation service as a means for the 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 Group	(1) The Risk and Compliance Committee shall be responsible for the overall management of the 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 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 in terms of organization and their business execution shall be under the direct control of the business 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 Company's Internal Audit Department 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 Group as well as the status of internal audits conducted by the 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 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 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 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 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 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 have established a Special Committee on Governance as an advisory body to the Board of Directors. The role of this Committee is to appropriately protect the interests of minority shareholders and enhance corporate governance.

List of Corporate Officers



Tomohiko Okubo
President & Representative Director

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



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

Jan. 2005 Joined the Company
Jun. 2019 Executive Officer, and General Manager of Finance & Accounting Division and Accounting Department
Jun. 2021 Director, Executive Officer and General Manager of Finance & Accounting Division and Accounting Department
Jun. 2023 Director, Senior Executive Officer and General Manager of Finance & Accounting Division and Accounting Department
Jun. 2024 Representative Director, Senior Executive Officer and General Manager of Finance & Accounting Division
Apr. 2026 Representative Director, Senior Executive Officer and General Manager of Finance & Accounting Division (current position)



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

Jan. 1990 Joined the Company
Jun. 2019 Executive Officer and Manager of General Affairs Department of General & Personnel Affairs Division
Jun. 2023 Executive Officer, General Manager of General & Personnel Affairs Division, and Manager of General Affairs Department
Apr. 2024 Senior Executive Officer and General Manager of General & Personnel Affairs Division
Jun. 2024 Director, Senior Executive Officer and General Manager of General & Personnel Affairs Division
Apr. 2026 Director, Senior Executive Officer and General Manager of General & Personnel Affairs Division (current position)



Yoshikazu Shima
Director, Senior Executive Officer
General Manager of Supply Chain Management 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
Apr. 2026 Director, Senior Executive Officer and General Manager of Supply Chain Management 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, Senior Executive Officer
General Manager of Extrusion Business 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
Apr. 2026 Director, Senior Executive Officer and General Manager of Extrusion Business Division (current position)



Kazuhiro Nakajima
Director, Senior Executive Officer
General Manager of Corporate Planning Division

July 2003 Joined the Company
Jun. 2021 Executive Officer, General Manager of Corporate Planning Division and General Manager of Corporate Planning Department and General Manager of Public and Investor Relations Department, in charge of Information System Department
Apr. 2024 Executive Officer, General Manager of Corporate Planning Division and General Manager of Corporate Planning Department
Apr. 2025 Senior Executive Officer, General Manager of Corporate Planning Division, and General Manager of Corporate Planning Department
Jun. 2026 Director, Senior Executive Officer and General Manager of Corporate Planning Division (current position)



Masaharu Oikawa
Director, Senior Executive Officer
General Manager of Bead Business Division

Apr. 1990 Joined the Company
Jun. 2023 Executive Officer, Deputy General Manager of Global Business Division and General Manager of Business Management Department
Chair of JSP Plastics (Shanghai) Co., LTD.
Chair of JSP Advanced Materials (Wuxi) Co., LTD.
Chair of JSP Advanced Materials (Dongguan) Co., LTD.
Chair of JSP Advanced Materials (Wuhan)Co., LTD.
Apr. 2024 Executive Officer, General Manager of Global Business Division and General Manager of Business Management Department
Apr. 2025 Executive Officer, Deputy General Manager of Bead Business Division, General Manager of Global Business Division and General Manager of Business Management Department
Apr. 2026 Senior Executive Officer and General Manager of Bead Business Division
Jun. 2026 Director, Senior Executive Officer and General Manager of Bead Business Division (current position)

List of Corporate Officers



Kiyoshi Itou
Outside Director

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



Ryoko Sugiyama
Outside Director

May. 1996 Established Sugiyama & Kurihiara 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.
Jun. 2023 Outside Director of the Company (current position)
Jun. 2024 Outside Director and Audit and Supervisory Committee Member of SATO SHOJI CORPORATION (current position)
Jun. 2025 Outside Director of Tokyu Corporation (current position)
Dec. 2025 Director of Gifu Broadcasting System, Inc. (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
Jun. 2023 Chairman of Umami Manufacturers Association of Japan
Sept. 2023 Outside Director of The Monogatari Corporation (current position)
Jun. 2024 Outside Director of the Company (current position)
Sept. 2025 External Director of KING JIM CO., LTD. (current position)



Atsushige Abe
Outside Director

Apr. 1985 Joined AMADA METRECS CO., LTD. (current AMADA CO., LTD.)
Jun. 2009 Director and Executive Officer, General Manager of General Affairs and Human Resources Division
Jun. 2012 Director, Managing Executive Officer and General Manager of General Affairs and Human Resources Division
Apr. 2015 Senior Managing Director and General Manager of Corporate Management Division
Oct. 2015 Senior Managing Director, General Manager of Finance Division and in charge of Global Human Resources
Representative Director and President of AMADA ENGINEERING CO., LTD. (currently AMADA CO., LTD.)
Apr. 2017 Senior Managing Director in charge of Human Resources of AMADA HOLDINGS CO., LTD. (currently AMADA CO., LTD.)
Jan. 2018 Director and President of AMADA EUROPE S.A.
Oct. 2019 Advisor and Business Reform Project Leader of AMADA MIYACHI CO., LTD. (currently AMADA CO., LTD.)
Apr. 2020 President and General Manager of Corporate Management Division
Jun. 2026 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)



Hitoshi Kaneda
Outside Audit & Supervisory Board Member (full-time)

Apr. 1982 Joined Tokyo Electric Co., Ltd. (current Toshiba Tec Corporation)
Jun. 2010 Director and General Manager of Planning Office of Toshiba Human Asset Service Corporation (currently TT Human Asset Service Corporation)
Jun. 2011 President and Representative Director
Jun. 2014 General Manager of General Affairs Department of Toshiba Tec Corporation
July. 2016 Executive Officer
Jun. 2018 Director and Executive Officer in charge of Legal Affairs and General Manager of General Affairs Department
Jun. 2019 Director and Managing Executive Officer
Jun. 2026 Outside Audit & Supervisory Board Member of the Company (current position)



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)



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.
Apr. 2015 Auditor of National Archives of Japan of Cabinet Office (current position)
Mar. 2018 Outside Director of Fenwal Controls of Japan, Ltd.
Jun. 2021 Outside Audit & Supervisory Board Member of Concordia Financial Group, Ltd. (Currently Outside Director and Audit & Supervisory Committee Member of Yokohama Financial Group, Inc.)(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 Directors

Kiyoshi Itou



1 Please tell us frankly what you value most about the Company and what you feel is its greatest challenge.

There are two things I value most. The first is the Company's technology for foaming plastic, which is outstanding by global standards. This technology means that the Company has the ability to be the first to respond to new problem-solving demands from customers and society, and to create new markets for high value-added products.

The second is the Company has expanded into the largest number of countries among its industry peers and supplies a diverse range of products to a great many customers. In particular, the Company holds a high market share in international markets, which are its growth markets. Supplying products to diverse customers as their partner is, I believe, extremely important in terms of business continuity.

What I feel is the greatest challenge is that the Company does not yet have many highly profitable business models. No manufacturer of foamed plastics enjoys high profitability. Although it is very difficult, the Company must steadily build up as many business models as possible that can break free from cost-based competition.

2 With an uncertain business environment continuing, what discussions do you feel are important at meetings of the Board of Directors?

I believe the following three types of discussions are important for meetings of the Board of Directors. The first is discussion of the PDCA cycle for key measures and major investment projects under the Medium-term Business Plan. These matters are already reported on and discussed at current meetings of the Board of Directors, but I believe each and every director must make continuous efforts to further raise the quality of these discussions. The second is discussion of how to create highly profitable business models. Of course, this is not a discussion for meetings of the Board of Directors alone; it is something to be built up by drawing widely on knowledge from both inside and outside the Company. Nevertheless, I believe it is a matter in which meetings of the Board of Directors, as the ultimate decision-making body, should be actively involved. The third is discussion of matters related to strengthening the Company's corporate character. In essence, corporate character is the accumulation of the ways of thinking of officers and employees—the common sense of the organization—about what is desirable, and what is not, in conducting business. It manifests itself in the Company's standards and systems and in the daily conduct of its officers and employees. At meetings of the Board of Directors, these matters are taken up and discussed under themes such as the compliance and risk management systems; financial discipline; securing, developing, and utilizing human resources; and cultural issues such as organizational openness, including the whistleblowing system and issues at the management level. The topics are diverse, but I believe we should take a fresh look at these issues and consider whether the way we currently do things truly serves our customers and employees.

3 Regarding the effectiveness of meetings of the Board of Directors and discussions on management issues, are there any areas you feel still require further improvement? And what role would you like to play going forward as an outside director?

I believe the effectiveness of meetings of the Board of Directors is currently assured. To go a step further, we should strengthen our efforts on the matters I described in my response to question 2. As an outside director, I intend to take an active part in these discussions myself and, through lively debate, to help achieve outcomes that everyone finds more fully convincing.

4 What do you feel is needed to further enhance corporate value going forward?

I believe the key is to foster a corporate culture that constantly strives to create business models with competitive advantages (that is, high profitability), and to build the kind of corporate character that can realize them in ways other companies cannot easily imitate. Naturally, that also includes speed.

Ryoko Sugiyama



1 Please tell us frankly what you value most about the Company and what you feel is its greatest challenge.

The Company's greatest strengths are its specialized expertise in foaming technology cultivated over many years, the on-site capabilities to apply that technology to the needs of diverse industries, and the high quality of its products. The Company's technologies hold a very strong competitive advantage in addressing social challenges such as weight reduction, thermal insulation, and resource saving. I also highly value the fact that JSP has built a solid business base in global markets and achieved stable growth.

On the other hand, I see the challenge as being that the Company has not yet sufficiently communicated its technological strengths to capital markets and society. With responses to environmental regulations and resource constraints becoming an urgent priority worldwide, I feel the Company needs a clearer message about what value it provides to society as a company.

2 With an uncertain business environment continuing, what discussions do you feel are important at meetings of the Board of Directors?

Uncertainty surrounding corporate management continues to mount, driven by soaring raw material prices, geopolitical risks, environmental regulations, and other factors. What matters in this context, I believe, is to discuss not only short-term results but, more fundamentally, what the Company should be—and wants to be—five and ten years from now.

In particular, responses to decarbonization and the circular economy, human capital management, and improvement of capital efficiency are fundamental issues at the core of management. Rather than thinking along an extension of the past, discussions premised on constant change are essential.

In addition, while the Company is strengthening its base as a global supplier, including through acquisitions by its European subsidiaries, deeper discussion is needed on how to appropriately monitor the progress and risks of these investment projects and on what effective governance should look like.

3 Regarding the effectiveness of meetings of the Board of Directors and discussions on management issues, are there any areas you feel still require further improvement? And what role would you like to play going forward as an outside director?

I recognize that the effectiveness of the Board of Directors is steadily improving. Going forward, I believe an increasingly important priority will be how to integrate non-financial information—such as human capital, diversity, and sustainability—into management strategy and link it to greater corporate value.

ESG issues such as climate change initiatives, respect for human rights in the supply chain, and the environmental issues surrounding plastics are materializing ever faster as both management risks and opportunities. For the Company in particular, I feel there is room to deepen discussions on quantitatively visualizing—and demonstrating to the market—its positioning as a company that contributes to the environment within the plastics industry.

As an outside director, I hope to contribute to discussions that lead to long-term enhancement of corporate value from external perspectives: how the Company is seen by society, and whether its choices are sustainable for future generations.

4 What do you feel is needed to further enhance corporate value going forward?

Going forward, it will be important for the Company to evolve from “a company that provides high-quality products” into “a company indispensable for solving the social challenges of realizing a sustainable society.” The Company's technologies are directly linked to a sustainable society through weight reduction, energy saving, more efficient transportation, reduced resource use, and more. The Company needs to communicate this social value more strategically, not only to customers but to all of its stakeholders.

At the same time, it is also important to foster a corporate culture that takes on challenges without fear of change. Even in fields that appear to be mature industries, new growth opportunities surely exist if we change our perspective. While keeping the steadiness that characterizes the Company as a strength, I look forward to seeing the Company take on transformation with an eye to the next era.

Message from Outside Directors



1 Please tell us frankly what you value most about the Company and what you feel is its greatest challenge.

What the Company is most highly regarded for, I believe, is the way it has deployed its advanced technology in foamed plastic materials across a wide variety of industries around the world. That said, I feel the Company's true strength lies in what underpins these capabilities: the deep attachment to the Company and its businesses, and the tenacity in pursuing goals, shown by the management and employees of the entire Group worldwide. From the employees, I get a vivid sense that each one of them takes pride in the Company's products and the technologies behind them, and approaches their work with passion.

On the other hand, I also sense that the organization has a strongly siloed culture—in both good ways and bad—which may make it difficult to generate synergies through collaboration between departments and among Group companies worldwide. Given the diverse potential of foamed plastic materials, I am convinced that if collaboration within the organization and across the Group worldwide advances further, many more beneficial products will emerge, leading to stronger earning power.

2 With an uncertain business environment continuing, what discussions do you feel are important at meetings of the Board of Directors?

In the evaluation of meetings of the Board of Directors' effectiveness, it was shared as the view of all members that the Board's foremost challenge is to “expand deliberations on strategy and broad direction,” and that evolving its deliberations on medium- to long-term management issues and the business portfolio is a challenge the Board should address. Unless an individual matter involves a serious problem, meetings of the Board of Directors should take ample time to discuss, in greater depth, what the Company should be from a long-term perspective and the path it should take to achieve that vision.

3 Regarding the effectiveness of meetings of the Board of Directors and discussions on management issues, are there any areas you feel still require further improvement? And what role would you like to play going forward as an outside director?

What I believe the Company must discuss in greater depth is human resource development.

I believe the Company provides the necessary education and training opportunities by business area—research, production, sales, corporate functions, and so on—and has also begun initiatives to develop executive-level talent. However, I feel that systematic explanations and discussions of human resource development at meetings of the Board of Directors have been limited. We outside directors have each worked on human resource development in our respective fields. By engaging in ongoing dialogue with the executive team, I believe we can contribute to the growth of the Company's employees.

4 What do you feel is needed to further enhance corporate value going forward?

The Company's global business still has substantial room to grow, and to capture that potential I believe the Company should think more seriously about how to generate synergies between Japan and subsidiaries outside Japan, and among those subsidiaries themselves.

The Company's global subsidiaries joined the Group through acquisitions, mergers, and the like, and I am well aware that they differ in their origins, strengths, business content, and organizational cultures. But this diversity should itself generate mutual synergies and become a strength for the Company. The key to achieving this, I believe, is to actively create opportunities for personnel exchange across the Group globally (particularly for key personnel at subsidiaries outside Japan), to share what the Group as a whole is aiming for, and to instill in the key personnel of each country an even stronger awareness that they are members who lead the the Company Group not only in their own countries but worldwide.

Message from a Newly Appointed Outside Director



1 Please tell us why you accepted the appointment as an outside director of the Company, and your impressions of the Company from an outside perspective.

I accepted the appointment as an outside director of the Company because I believed that I could leverage my experience in the management of a manufacturer holding a high share of the domestic market in my previous career to contribute to the continued growth of the Company as it expands its global operations. Although the industries differ, manufacturers have much in common when it comes to business operations and human resource management, and having experience in different industries myself, I had no concerns about adapting to a new environment.

Seen from the outside, the Company impressed me with its high market share and the active expansion of its international business; it struck me as a company with a strong growth orientation. I am also keenly interested in the emphasis it places on an open and communicative corporate culture. Human resources are among a company's most important assets, and how to best leverage their capabilities is also a subject I have personally been exploring. I would like to gain a deep understanding of what kind of personnel systems function within this corporate culture. Furthermore, I have witnessed firsthand situations in which governance in form alone was insufficient to protect a company. Based on that experience, I decided to accept this appointment with the resolve to play a role, as an outside director, not only in overseeing the Company from the outside but in actively enhancing the effectiveness of its governance myself.

2 Drawing on your experience in the management of a global company, what do you consider important for enhancing The Company's strengths and corporate value?

I understand that the Company's products have different characteristics in each market. At the same time, the head office must oversee these diverse markets and make decisions from the standpoint of overall optimization. What matters here is building relationships of trust between local management and head office management that go beyond mere communication. In my previous position, sales outside Japan accounted for some 60% of revenue, and I devoted the greatest effort to building relationships with the heads of our local subsidiaries. For a global company, maintaining the right balance between respecting local autonomy and having the head office provide clear direction at critical junctures—essentially, “empowering local entities without fully leaving them to their own devices”—can be a key determinant of competitiveness. At the Company as well, I believe the quality of these relationships will be the key to enhancing corporate value.

3 As an outside director, from what perspectives do you hope to contribute to the Company's management going forward?

First, I want to focus on how the head office is involved in decision-making for the international business. Because capital investments are of a certain scale, in the process of discussing the validity of investment returns I intend to understand the management team's decision-making criteria and perspective on the business, and to verify whether the role of the head office is being optimized.

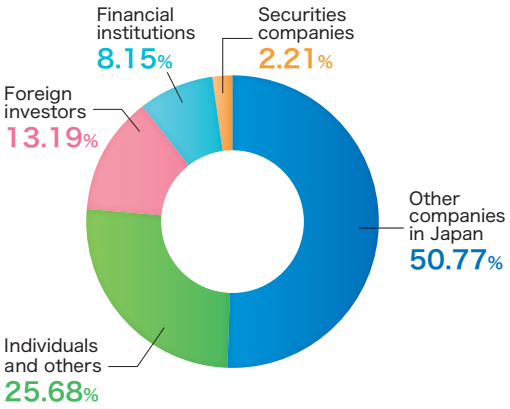
Second, I want to confirm whether the recently revised personnel system is actually enhancing employees' motivation and enabling them to demonstrate their abilities, and to propose improvements as necessary. The success of its people is essential to a company's sustained growth, and it is important to ascertain whether systems are functioning in line with actual conditions.

With these two perspectives as my compass, I will contribute to the Company's further growth and the enhancement of its corporate value.

Stock and Company Information As of March 31, 2026

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	26,207,073 shares (including 19 shares of treasury stock)
Fiscal year	From April 1 to March 31
Number of shareholders	37,014

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 partially revised the contents of the shareholder benefit system, starting from the shareholder benefit with the record date of March 31, 2026.

*Please see our website for details. ▶ 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	Enclosed with the Notice of Convocation of the General Meeting of Shareholders around early June
		Continuous holding period of 3 years or more	QUO card with social contribution donation worth 3,000 yen	

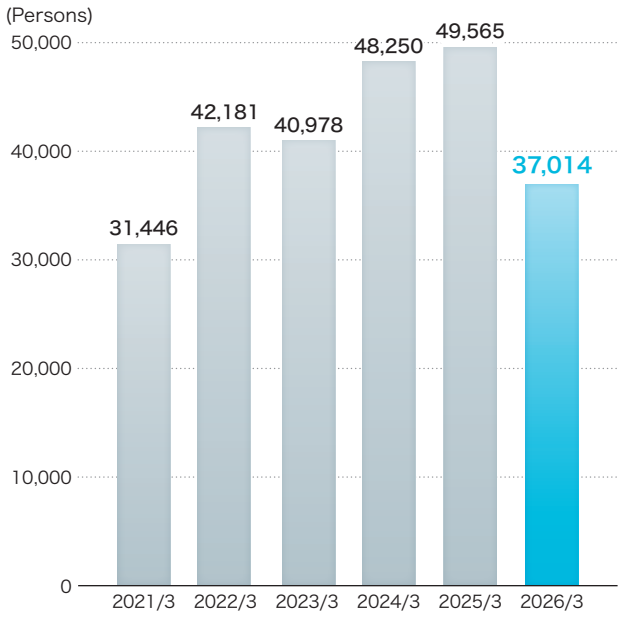
Note 1: "Continuous holding period of one year or more" is defined as three or more consecutive recordings of holding one unit (100 shares) or more under the same shareholder number in our shareholders' register as of March 31 and September 30 of each year.
Note 2: "Continuous holding period of three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

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.	1,476	5.63
JSP Customer Shareholding Association	1,273	4.86
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	300	1.14
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	294	1.12
BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INCOME FUND (Standing proxy: MUFG Bank, Ltd.)	266	1.01
JSP Employee Shareholding Association	253	0.96
GOLDMAN SACHS BANK EUROPE SE (Standing proxy: Goldman Sachs Japan Co., Ltd.)	250	0.95
Nippon Life Insurance Company	241	0.92
Custody Bank of Japan, Ltd.	226	0.86

Note: The percentage of shares held to the total number of shares issued and outstanding is calculated after deducting 19 shares of treasury stock.

Number of Shareholders

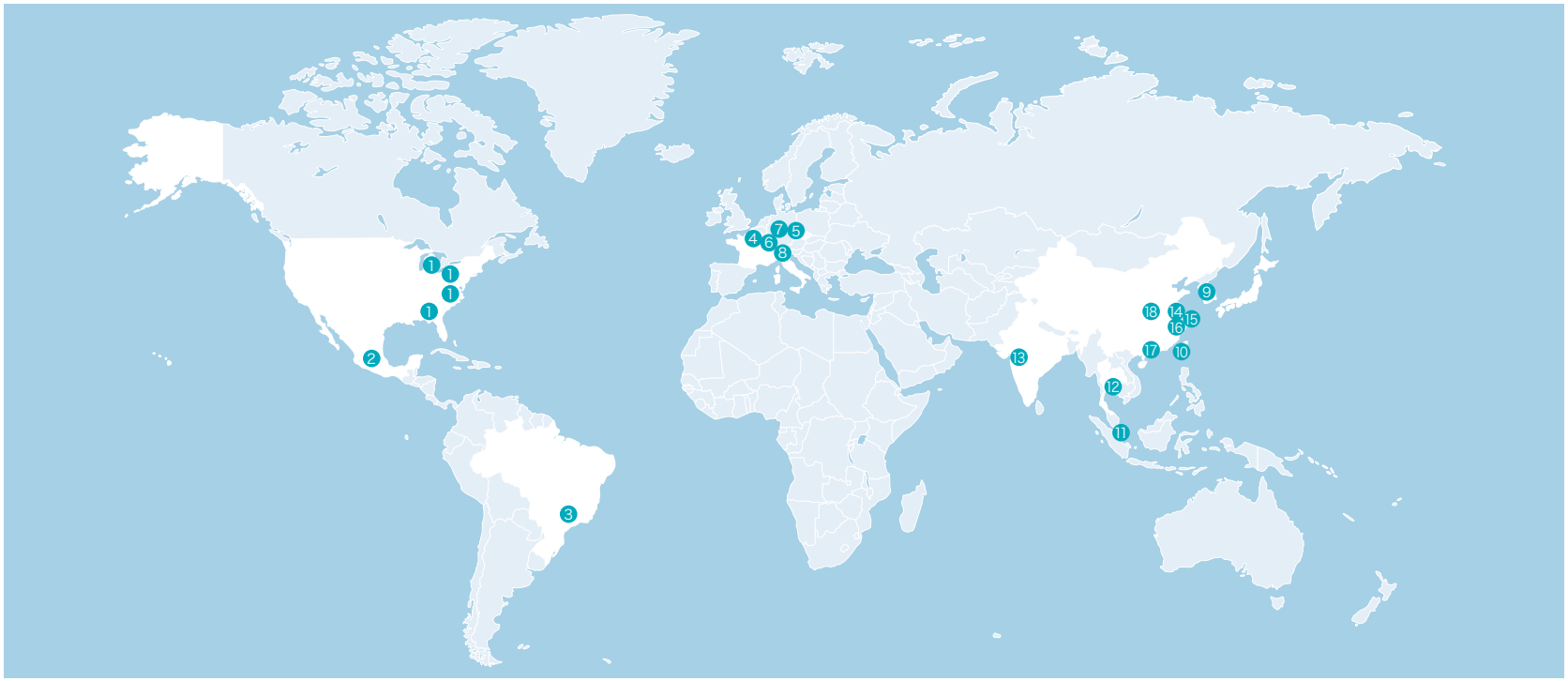


Company Profile

- **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-end**
  March 31
- **IR inquiries**
  Corporate Planning Department, Public and Investor Relations Group
  TEL: +81-3-6212-6306
- **Employees**
  3,096 (consolidated)
- **Consolidated subsidiaries**
  36 companies

Global Network / Domestic Network As of March 31, 2026

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 JSP Injection Moulding Solutions GmbH
7 GENERAL INDUSTRIES DEUTSCHLAND GmbH [Equity method affiliated company]

Italy
8 JSP Injection Moulding Solutions S.r.l.

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
Research & Development Division
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]