

SUSTAINABILITY REPORT 2023

Creating the Future through
Surface Treatment Technology

Explorer in Surface Engineering



16F TIXTOWER UENO, 4-8-1 Higashi-Ueno, Taito-ku, Tokyo 110-0015
Phone : 03-6895-7001



<https://www.jcu-i.com/>

About JCU

Company Overview

Company name

JCU CORPORATOIN

Founded

April 1968

Head office location

16F TIXTOWER UENO,
4-8-1 Higashi-Ueno,
Taito-ku, Tokyo 110-0015

Corporate philosophy

**Creating the Future
through Surface
Treatment Technology**

Business locations [Japan]

Head Office, Osaka Branch, Nagoya Branch,
Kyushu Sales District Office,
R&D Center, and Niigata Plant

6 locations

Business locations [overseas]

China, Taiwan, Korea, Thailand,
Vietnam, Indonesia, Malaysia,
India, U.S.A., and Mexico

12 locations
in **10** countries

President

Masashi Kimura

Employees

[Non-consolidated] **238**
[Lab members] **95**
[Consolidated] **544**

Listed market

**Tokyo Stock Exchange
Prime Market**
(Security code: 4975)

Stated capital

1,266 million

ISO acquisition status

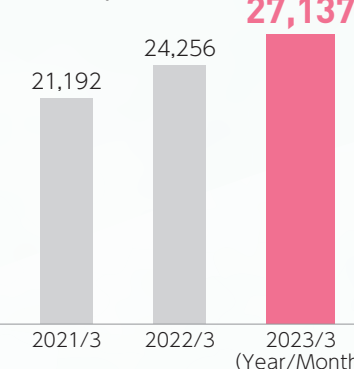
ISO9001
(Niigata Plant, Head Office Sales Dept.,
and R&D Center)
ISO14001
(R&D Center and Niigata Plant)
Acquired

Main businesses

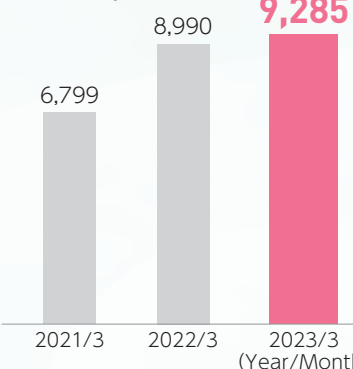
**Manufacture and sale of surface treatment
chemicals, surface treatment equipment,
and related materials and equipment**

Consolidated Financial Data

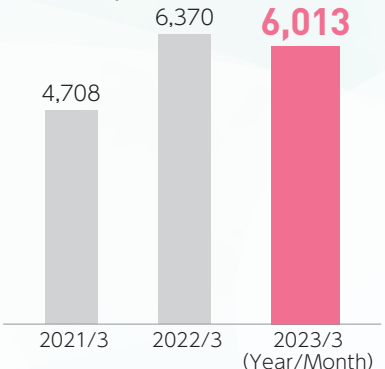
Sales
(millions of yen)



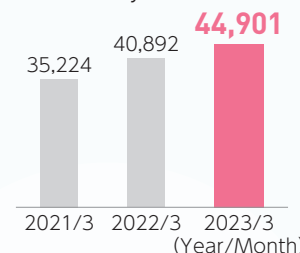
Operating profit
(millions of yen)



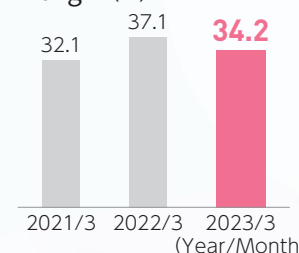
Net income
(millions of yen)



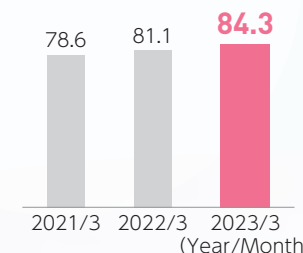
Total assets
(millions of yen)



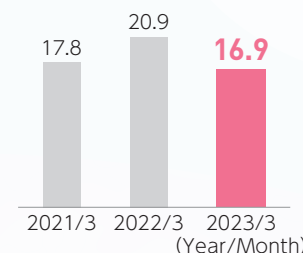
Operating profit
margin (%)



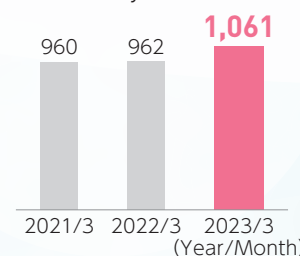
Equity ratio
(%)



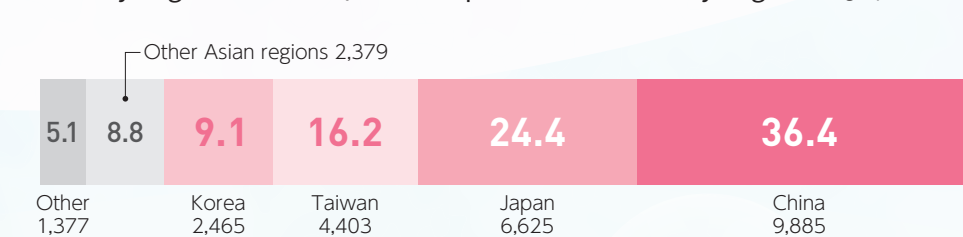
ROE
(%)



R&D expenses
(millions of yen)



Sales by region (millions of yen) / Proportion of sales by region (in graph, %)



Editorial Policy

The purpose of this report is to inform our stakeholders about the JCU Group's approach to sustainability and what we are doing to achieve this goal.

The JCU Group has included "building a corporate foundation from an ESG (Environmental, Social, and Governance) perspective" as one of the basic policies in its Medium-Term Corporate Plan (FY ending March 31, 2022 - FY ending March 31, 2024). In our Sustainability Report 2023, we describe the value

creation process of the JCU Group and introduce specific ESG initiatives that we are engaged in through our business. In this report, in addition to interviews with board members, we also include testimonials from our employees.

Our Group's goal is to become a "global company that continues to grow sustainably," and all of our executives and employees are committed to continue to work together to achieve this goal.

●Period covered

This report is mainly focused on FY2022 (April 2022 to March 2023), but also includes some information from FY2023 (April 2023 to March 2024).

●Scope of calculations

The JCU Group
In this report, we use "JCU Group" or "our Group" to refer to the entire Group, and "JCU" or "Company" to refer to JCU Corporation.

CONTENTS

About JCU

Company Overview/
Consolidated financial data/Editorial Policy... 2

TOP MESSAGE 4

Our Value Creation Story

Schematic of our value creation process 6

Business Activities Report/Sales 8

Business Activities Report/Development 10

BUSINESS REVIEW

Business Activities
and Sustainability 12

ESG/ENVIRONMENT

Environmental Management 14

Raw Materials 15

Energy 16

Water 18

Wastewater and Waste 19

ESG/SOCIAL

Our Customers 20

Business partners/
Shareholders and Investors 22

Employees 23

Community 28

ESG/GOVERNANCE

Corporate Governance 30

Management 31

Compliance 32

Risk Management 34

Officers 36

●Consulted guidelines

GRI Sustainability Reporting Standard 2016

Japan Standards Association ISO26000 2010 (Guidance on social responsibility) 1st Edition

*Please refer to our company website for the GRI guideline comparison table.

<https://www.jcu-i.com/sustainability/guideline/>

*Please visit the following page to download our Sustainability Report.

<https://www.jcu-i.com/sustainability/download/>

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Strategy Office, JCU CORPORATION

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We open the door to the future and contribute to enriching the lives of people around the world through our pursuit of new surface treatment technologies.



President Kimura will report
on the JCU Group's philosophy,
its value as a corporation,
corporate plan, and future direction.

Masashi Kimura

Representative Director, President and CEO

The Ideas Behind Our Corporate Philosophy

The JCU Group was established in 1968 as a joint venture between Ebara Corporation, Ebara-Infilco, and U.S.-based Udylyte Corporation. By providing a wide range of surface treatment chemicals and equipment, centered on plating technology, the Group has contributed to the growth of the automotive, electronics, and other industries.

In 2017, on the occasion of its 50th anniversary, the company changed its corporate philosophy to the current "Creating the Future through Surface Treatment Technology." This corporate philosophy reflects our employees' desire to contribute to society through surface treatment technology as well as their desire to create the future as inspired by their own imagination by building on knowledge from the past. Although via filling technology—which originated and was developed in the decorative and functional sector—is not something that we can visually see directly ourselves, it is an essential technology that contributes to society as a behind-the-scenes process for miniaturizing and enhancing the performance of smartphones and various other high-performance electronic devices.

Based on our corporate philosophy of "Creating the Future through Surface Treatment Technology," we are committed to continue our pursuits in surface treatment technology and contribute to the growth of our societies.

How Our Medium-Term Corporate Plan is Progressing

In May 2021, we announced the "Next 50 Innovation 2nd", our three-year Medium-Term Corporate Plan starting in FY2021, and also set forth the corporate vision that we strive for: a global company that continues to grow sustainably. This vision embodies our commitment to become a company that is able to manage its business in accordance with ESG and SDGs, and is viable in any country. In realizing our vision, our basic policy is to "strengthen our core businesses" and "build our corporate foundation from an ESG perspective." In strengthening our core businesses, the JCU Group as a whole is bolstering partnerships, and formulating development and sales strategies based on information acquired through systematic market research activities. In terms of building our corporate foundation from an ESG perspective, we aim to expand our global operations and create systems that are able to respond to changing business environments surrounding companies, and we give top priority to developing the human resources needed to achieve these goals.

As a result, we were able to make significant progress in "strengthening our core businesses." Among these efforts, we were able to develop a succession of environmentally friendly products; products that we defined to be our themes in our medium- to long-term development roadmap. In addition, with respect to surface treatment technologies that will be needed going forward, we are conducting R&D on new plating and etching technologies for next-generation semiconductor package substrates for the electronics sector, and environmentally friendly surface treatment technologies for the decorative and functional sector.

In building a corporate foundation from an ESG perspective, we place the highest priority on human resource development, and since a large percentage of our sales is generated overseas, it is especially critical for us to have human resources who are able to play an active role globally. We always keep in mind to encourage our employees to actively take on challenges overseas. To this end, we are promoting human resource development while seeking initiatives to keep employees highly motivated, such as by introducing overseas training programs and organizing dialogues with employees who return from overseas assignments.

In addition, more than 30% of the nearly 100 employees at our R&D Center are women, and we have elected a female executive officer last year. With the ratio of women in management positions domestically standing at 11.9%, and at higher than 20% on a consolidated basis, including our overseas operations, we are actively expanding the areas in which women are able to play an active role.

Furthermore, as part of our CO₂ reduction efforts, we have installed additional solar panels at all of our domestic sites,

and have renovated and made upgrades installing the latest equipment with smaller environmental footprints. As a result, in FY2022, we were able to achieve our goal of reducing CO₂ emissions by 20% of FY2013 emissions, one year ahead of our original target year, FY2023. As of now, we are vigorously pushing forward toward our goal of achieving "zero CO₂ emissions" at our Niigata Plant by FY2030.

New Site in Japan with Our Sights Set on the Future

In September 2022, we announced that we will be establishing a new business site in Mashiki Town, Kumamoto Prefecture. Japan is currently aiming for a revival of its semiconductor industry, and companies are aggressively developing technologies to revive the industry. We will establish a base in Kumamoto, the center of this industry, equipped with an integrated system from research and development of semiconductor-related chemicals to their manufacture. By doing so, we hope to contribute to the revitalization of the semiconductor industry in Japan. In R&D, we plan to promote R&D efficiency by utilizing DX, and in manufacturing, we plan to actively introduce robots and other automation technologies to make this a smart factory. We also aim to recycle wastewater in consideration of the environment. The creation of the Kumamoto Plant (provisional name) will speed up the process from R&D to commercialization, and will also function as a BCP measure for domestic production. Construction is scheduled for completion in April 2025.

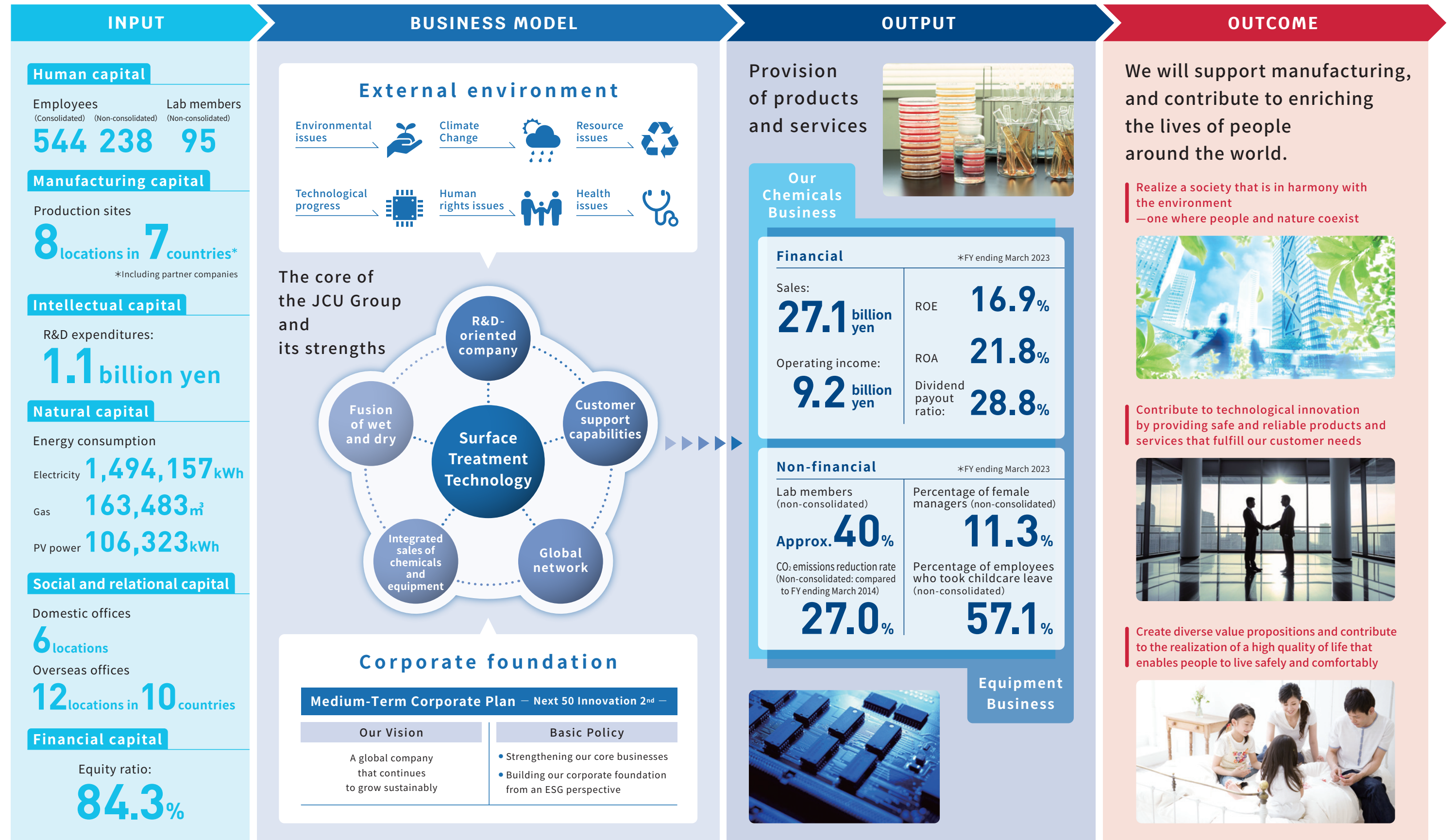
Business Continuity Initiatives

Under the current Medium-Term Corporate Plan, we monitor each item and take actions to achieve our goals by the final fiscal year of the plan. In the next Medium-Term Corporate Plan, we plan to investigate new initiatives, and also incorporate themes that have continuity, such as CO₂ reduction.

Since assuming the position of president, I have focused on political reforms within the company as part of our effort to ensure business continuity. Currently, we are faced with a wide range of issues that need to be addressed, including compliance with the CG Code, enabling women to play active roles, environmental initiatives, and disclosure of non-financial information. Among these efforts, the key to our future growth lies in how we make effective use of and develop human resources. We believe that motivating our employees and contributing to society through our businesses are the things that enhance our corporate value.

The JCU Group will continue work as a coherent group of companies to pursue surface treatment technology and contribute to enriching people's lives through our ESG-oriented corporation operations. We at the JCU Group are committed to delivering outstanding results.

● Schematic of our value creation process



Business Activities Report/Sales

The sales division consists of the chemical sales and equipment sales departments.

The chemical sales department, based on their broad knowledge and experience, not only sells products but also makes **technical proposals to solve problems that our customers may have**. And the equipment sales department **proposes equipment that can maximize the performance of chemicals to solve many problems** that cannot be addressed solely with chemicals.

Through these operations, we strive to satisfy our customers.

Director, Managing Executive Officer and
General Manager, Sales Headquarters

Fumihiko Araake



Activities for Achieving our Medium-Term Corporate Plan Objective

Under our basic policy to strengthen our core businesses set out in our "Next 50 Innovation 2nd" Medium-Term Corporate Plan, we further strengthened collaboration between key regions in order to implement sales activities in line with the market needs in each region. In chemical sales, we strengthened our cooperation with overseas subsidiaries and promoted a global sales strategy that enables organized and efficient sales and marketing activities. By dispatching personnel who can best respond to the needs that emerge in each region, and by conducting sales activities in cooperation with overseas subsidiaries, we are steadily achieving results. In equipment sales, we focus on developing equipment that maximizes chemical performance and strive to improve our ability in equipment sales to make proposals and solve problems for customers. In addition to our mainstay equipment for the decorative and functional sector, we have also grown sales of our equipment for the electronics sector, and have successfully closed large deals. As a result of these efforts, we are on track to achieve our Medium-Term Corporate Plan goals.

Identifying New Market Trends

Identifying new market trends In the short term, we strive to improve customer satisfaction by understanding their needs through thorough interviews and responding to their needs as soon as we can by proposing applications for technologies that they possess, as well as combinations of

different technologies. In cases where a customer needs to introduce advanced technology, we also work with the CS division at our R&D Center.

For the mid- to long-term, in addition to our existing clients, we are also building connections and conducting interviews with leading-edge companies in different industries. Furthermore, equipment sales provides opportunities for us to learn more about our customers' investment situation, allowing us to gather information with an eye on several years into the future. We share this information with the R&D Center and Corporate Strategy Office to keep abreast of future technological trends.

Given the current growing awareness of the need to achieve carbon neutrality, we believe that we can enhance the value of the JCU Group by promptly responding to this need, and the group as a whole will pursue development and sales strategies to meet even newer needs.

Customer Support Through Information Sharing Among Group Companies

One of the factors that has supported the growth of the JCU Group is its global network. And in order to make the most of this strength, we are thoroughly engaged in information sharing between groups. All information within the Group is shared between the general managers of each local subsidiary and area managers (one in North America and three in Asia) to strengthen a sense of unity that transcends area boundaries.

The area where these efforts have worked the most effectively is in our support for multinational corporations. Information

on customers doing business across borders is shared by all regional managers to eliminate regional differences and enable the JCU Group to provide the same quality and level of service. When a customer plans to start a business in a region that is new to them, our sales staff with proven track records of customer support visit group companies in that region and work with them to help the customer launch their business. By leveraging the unique strengths of the JCU Group, we have gained the satisfaction and trust of our customers, which in turn enables us to further strengthen our relationship with them.

Leveraging Our Global Presence to Establish a Support System

The JCU Group currently operates in 11 countries. One of our key actions is to establish a support system early. For example, in China, deducing that companies from all over the world would be there in a few years, we were one of the first to enter the market where the surface treatment industry has grown remarkably since 2000. At the beginning of our expansion overseas, we were concerned about whether customers will accept our Japanese style of support. However, our conscientious follow-up to ensure that our customers' production lines operate smoothly was well received and led to an increase in our market share. The fact that we are able to provide extensive support to our customers when they enter a market—thanks to the fact that we had established our systems early in anticipation of the market's future—is another factor in our success in expanding our business overseas.

In recent years, new product sales are increasingly being kicked off as product launches overseas, so we are developing a new service system to address these cases, where we send personnel involved in product development to the local market to assist expatriates and local sales staff.

With Thailand, Vietnam and other Southeast Asian regions drawing much international attention, we continue to expand our overseas operations in anticipation of future market growth. One of these is the new local subsidiary we have established



Malaysia is expected to grow going forward. In addition, we have already established an office in India, a market that is undergoing rapid growth bolstered by its growing population. By developing these systems at an early stage, we strive to be a reliable business partner, thereby enhancing the JCU Group's corporate value.

Developing Sales Personnel Who Are Capable of Working Actively Globally

We focus on developing local sales staff and global human resources. One of the key features of the JCU Group's sales operations is that, as professionals in technology sales, we work to understand our customers' gemba, optimize operations, and solve problems. I have learned and grown a great deal from following in the footsteps of those who have come before me. I believe that it is very important to pass on what we have inherited to our local staff. Our efforts to train local sales staff include the transfer of knowledge and know-how necessary to perform this technology sales work. To this end, we send Japanese staff to provide training.

At the same time, the development of global human resources is an essential initiative for the future of the JCU Group and for the continued expansion of our business. This program is currently conducted for sales staff who work in Japan. We provide employees with opportunities to realize the fun and satisfaction of working with new perspectives by having them apply the knowledge and experience they have accumulated from working in Japan to their overseas assignments, and to further develop their skills. We also create an environment that motivates them to work globally, such as by providing opportunities to hear from employees who have experience working overseas.

For Future Sales Operations

Individual skills and collaboration are what support our ability to make proposals and offer support, which are valued as one of JCU's strengths. To improve our sales staff's skills, we provide on-the-job training given by veteran sales staff, as well as study sessions by R&D Center staff to learn about ever-evolving technology and acquire knowledge. In addition, we have systematized a number of other training systems to create an environment where learners are able to efficiently acquire a wide range of knowledge.

Currently, we are looking at environmentally conscious products and products that outperform our competitors'. Through the gemba responsiveness of our up-skilled sales staff and industry-leading research and development capabilities, we hope to be the first to bring to market products that comply with ESG and SDGs, and meet our customers' expectations.

Business Activities Report/Development

The R&D Center is what supports the foundation of the JCU Group, which is a research and development-oriented company.

Our development division, which is responsible for everything from information gathering to product development, and the division in charge of customer support (CS), one of the JCU Group's strengths, **contribute to enhancing corporate value through the development of new products and support offered by our sales division.**

Senior Managing Director, Senior Managing Executive Officer, General Manager, R&D Center

Akihisa Omori



Aiming to Be the World's Best in Manufacturing

At the R&D Center, we are engaged in research and development with the aim of becoming the world's best in manufacturing. In the context of our basic policy in the Medium-Term Corporate Plan—our policy to strengthen our core businesses—the R&D Center's development strategy is to develop products in environmentally conscious ways.

In order for surface treatment technologies to continue to contribute to a prosperous society, their contribution to carbon neutrality will be a particularly important environmental theme. So we selected a theme from the viewpoint of "new technologies that coexist with nature" and are working to realize the world's best product development to contribute to carbon neutrality early in the game.

Another initiative in our development strategy is to develop products that outperform our competitors'. The most recent outcome of our efforts include chemicals for semiconductor package substrates. High-performance semiconductors require fine -wiring forming technologies, which in turn require high performance surface treatment chemicals such as for plating and etching. The JCU Group has continued to answer these increasingly sophisticated needs, resulting in products with superb technological capabilities. This led to a steadily increasing track record of contracts.

Looking toward the future, it is predicted that the growing need for next-generation semiconductors used in generative AI and other applications will require more complex structures

and advanced surface treatment technologies in the back-end processes of semiconductor manufacturing. The JCU Group will combine its wealth of accumulated technology with new knowledge and experience to develop high value-added products that will also vastly outperform competitors in this new area.

Developing Equipment That Maximize Chemical Performance

The requirements placed on surface treatment technologies are growing every year. One solution to these growing needs is the MC integrated approach, which combines high-performance equipment (Machines) and high-performance Chemicals to achieve advanced performance. The JCU Group is one of the few companies in the industry that runs both equipment and chemical businesses. We take full advantage of this strength to continue to meet these advanced requirements.

Specifically, equipment technology staff are assigned at the R&D Center to promote research and development aimed at improving the performance of surface treatment technology from the viewpoints of both equipment and chemicals. These results are shared with the Equipment Technology Department—the department responsible for equipment development—to develop equipment with structures and functions never seen before to maximize the performance of chemicals. We are committed to continue reinforcing this MC integration to achieve the high performance levels that our customers need.

Our Efforts to Develop High Value-Added Products

The strength of our R&D Center is that it has accumulated a wide range of knowledge and technologies that are necessary for research and development—including inorganic and organic chemistry as well as electromagnetism and fluid dynamics—and is capable of creating new technologies by combining these technologies. For this reason, market research to keep abreast of trends in next-generation technologies plays a key role in supporting the creation of corporate value for the JCU Group, a developer of high value-added products.

As for market research performed by the R&D division, we gather information on cutting-edge market and technology trends mainly by networking with experts in the academic field, and participating in academic conferences and consortiums. Furthermore, with an eye on the next generation, the sales division operates at the forefront of business, and the corporate strategy office carries out market research on industry-wide trends. The R&D Center has created a development roadmap based on information gathered from market research operations at these three divisions, and is promoting R&D with an eye toward the next generation. We have also built a system that enables us to provide technologies and products as quickly as possible when needs become manifest.

Another division that leads high quality product development at the R&D Center is its CS division. One of the responsibilities of the CS division is to provide technical support to customers. With a clear understanding of the conditions at a given JCU Group product customer, this division advises them on how to configure conditions for optimal operation, and occasionally provide troubleshooting. They then turn around and apply the knowledge and skills acquired in the field to development. Whenever a prototype of a new product is completed, the CS division evaluates its performance, advises on improvements to make, and sometimes may even reject a prototype, effectively pushing its development back to the initial stages. The reason the JCU Group has been able to build a solid position in the industry is because of this development system that it has built and continues to operate reliably.



Enhancing Cutting-Edge Technology and Expertise

As technologies continue to evolve by the day, it is important for product development to determine what constitutes a needed technology, and what technologies will become important going forward.

In terms of acquiring cutting-edge technology, we occasionally contact university laboratories that are engaged in cutting-edge research in their respective fields of specialization and seek guidance directly from the professors. In addition, as with our market research, we strive to deepen exchanges with people involved in cutting-edge technologies and acquire the necessary knowledge through presentations made at domestic and international academic conferences related to our business areas and by taking part in various consortiums.

At the individual level, we encourage people to upgrade their skills beyond their everyday levels with the use of a skills matrix. We are also moving forward with developing an environment where employees can expand their expertise through participation in external seminars as well as study groups and discussion groups held at the R&D Center.

Creating New Technologies at Our New Domestic Plant

The Kumamoto Plant (provisional name), scheduled for completion in April 2025, will play an important role in creating corporate value going forward. A research building will also be built at the Kumamoto Plant, where we will continue to drive research and development using the latest equipment and technologies. One of these efforts involves the introduction of MI (Material Informatics) through which we aim to improve efficiency in materials development. MI is a method of designing chemical structures and compositions that are likely to produce expected performance features by analyzing vast amounts of experimental data using machine learning. This is an indispensable tool in the rapidly progressing technological environment of today. We believe that we can continue to enhance our competitiveness by promoting the digitization of our accumulated knowledge and know-how from the perspective of DX (Digital Transformation). One particular area of technology that we will be focusing on is the application of this technology to the development of semiconductor-related technologies. Demand for semiconductors is expected to increase going forward owing to such factors as the commercialization of 6G, a new standard for automated driving and high-speed data communications. In semiconductor-related fields, where technological evolution is rapid, we will work to create even more corporate value through the development of new technologies and products that the JCU Group has not possessed to date.

Business Activities and Sustainability

Since the company’s founding in April 1968, the JCU Group has supported the growth of the automotive, electronics, and other industries with a focus on providing a variety of surface treatment technologies that grew out of decorative and rust-proof plating technologies.

Our long-term goal is to become a “global company that continues to grow sustainably,” a company that manages its business in a way that links its operations to ESG and SDGs, and a company that is able to survive in any country.

As a comprehensive manufacturer of surface treatment technologies, we are committed to continue to work tirelessly to meet the diverse demands of our customers.

Overview and Strategy of Our Chemicals Business

In our chemicals business, we are engaged in the development, manufacture and sale of surface treatment chemicals, and the sale of related materials for the Japanese and international markets. Our R&D strategies for our chemicals business consist of “R&D that is conscious of the environment, cost, and health” and “R&D that outperforms our competitors.”

We have been expanding international sales with a focus on chemicals for automotive parts and printed circuit boards, and as a result, the share of international sales of our chemicals business has grown to nearly 80%.

In order to continue sustainable growth, we will move forward with our global sales strategy and carry out concerted and efficient sales activities.

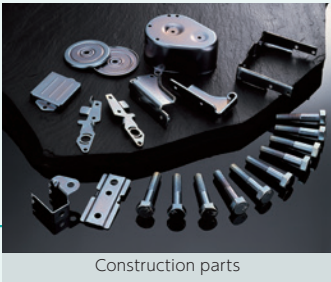
In terms of production, we operate our own production plants in five countries overseas, in addition to our mother plant in Japan, and have established a system that ensures a stable supply of high-quality products globally. While providing the same quality and service in all regions around the world, we aim to improve sales through initiatives that incorporate strategies for development, production, pricing, and public relations that are coordinated across the group.



Shower heads



Faucet parts



Construction parts



Automobile parts (exterior)



Automotive (end products)

In the decorative and functional fields, we manufacture and sell chemicals mainly used with automotive parts and faucet hardware.

Demand for chemicals in this fields is expected to grow moderately over the long term. Environmentally friendly plating chemicals products have become essential with the increasing popularity of electric vehicles and other environmental conservation initiatives.

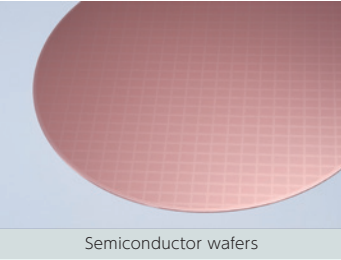
With respect to environmentally friendly products, we are developing and will be bringing to the market as soon as possible processes that do not use environmentally regulated chemical substances such as hexavalent chromium, and processes for developing variations of design plating for diverse designs.

Decorative and Functional Fields

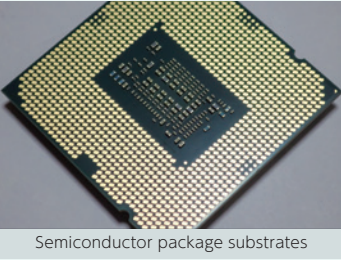
Electronics Field

In the electronics field, we manufacture and sell chemicals used for high-density printed circuit boards and semiconductor package substrates, mainly for smartphones, PCs, tablets, and servers. In addition to our mainstay products such as the “via filling copper sulfate plating process” and “etching process for fine wiring formation,” we are also developing technologies for reducing the environmental impact of entire supply chains with the use of our products, including processes that shorten our customers’ production processes.

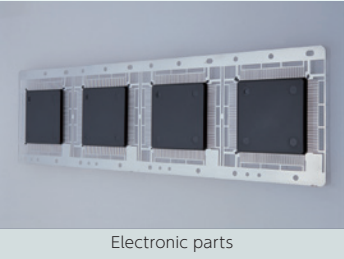
Looking to the future, we will continue to contribute to a sustainable society by developing products that adapt to increasingly sophisticated and demanding technologies that are spurred by the rise of automated driving and generative AI.



Semiconductor wafers



Semiconductor package substrates



Electronic parts



Laptop PCs



Smartphones

Overview and Strategy of Our Equipment Business

In our equipment business, both in Japan and overseas, we are involved in everything from design to manufacturing and sales.

Our fully automated and precisely developed surface treatment equipment are used in a variety of sectors, including the automotive and electronics-related industries. Based on the concept of “integrated sales of systems and chemicals,” which has been our philosophy since the time our company was founded, our equipment division also takes part in the R&D of chemicals. And through verifications—from the viewpoint of equipment mechanisms—of technical issues that cannot be resolved with chemicals alone, we promote the development and sales of differentiated equipment that maximize the performance of chemicals. In addition to plating equipment, we also sell printed circuit board etching and cleaning equipment that use plasma technology which has a high affinity with chemicals, and other equipment that support high-density manufacturing technologies.



Fully automatic programmable surface treatment equipment



Plasma surface treatment equipment



Automated analytical control equipment



Environmental Management

The JCU Group makes every effort to preserve the global environment and contribute to the creation of sustainable societies.

JCU environmental policy

JCU's main business is the manufacture and sale of surface treatment chemicals with a focus on plating, and we make significant contributions to the advancement of society and enhancement of comfort in our daily lives by enabling miniaturization and greater densities for electronic devices, and improving the appearance and corrosion resistance of automobiles and other daily necessities. We also contribute to environmental preservation through efforts such as resource and energy conservation.

On the other hand, we not only consume electricity, water and other environmental resources in our product development, manufacturing and other business activities, but also discharge chemical substances into the environment in the form of waste and cleaning water.

In addition, the use of products that JCU supplies also has an effect on the environment, such as in the form of chemical discharges and energy consumption.

Taking these matters into consideration, we have established the JCU Environmental Policy below to make further efforts to preserve the environment.

1. Thoroughly ensure that chemical substances are managed properly and that preventive measures are implemented to minimize environmental pollution even in the event of anomalous events or emergency.
2. In order to reduce the environmental impact of our products as much as possible, make every effort to research and develop products and processes that are designed to minimize environmental impact, and thoroughly manage the environmentally controlled substances used in our products.
3. Promote waste reduction, and energy and resource conservation.
4. Run environmental management systems effectively and update them continually.
5. Comply with environmental laws and regulations, as well as customer requirements agreed to by JCU.
6. Ensure that employees of JCU as well as of companies and organizations, and workers contracted by JCU are all well-informed on this Environmental Policy, and make the Policy available to the general public.

Environmental Management System

The JCU Group has set up an environmental management system to realize its Environmental Policy. The head of the Niigata Plant is the Chief Environmental Management Officer, under whom is assigned a manager who, along with his or her deputy manager, takes care of the Group's environmental management.

The R&D Center and the Niigata Plant collect information on environment-related data and laws and regulations, and drive forward specific environmental conservation activities.

In addition, the JCU Group has acquired and continues to maintain its ISO14001 certification to improve its environmental performance. In Japan, our R&D Center and Niigata Plant—our center for research and development, and our production base, respectively—were ISO14001 certified in May 2000 and continue to carry out management based on this standard. Outside of Japan, we have acquired ISO14001 certification at the business sites listed in the table and carry out ongoing environmental improvement activities at these sites.

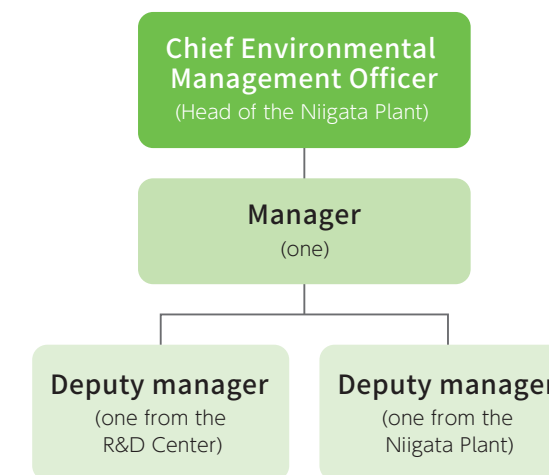
Overview of ISO14001 certification at offices in Japan

Applicable office	R&D Center and Niigata Plant
Registration date	May 29, 2000
Registration number	JCQA-E-0143
Certification body	Japan Chemical QA Co., Ltd. (JCQA)

Status of ISO14001 certification at overseas offices

Country/region	Applicable office
China	JCU SHENZHEN TRADING CORPORATION
	JCU SURFACE TECHNOLOGY HUBEI CO., LTD.
Taiwan	JCU TAIWAN CORPORATION
Korea	JCU KOREA CORPORATION
	JCU KOREA CORPORATION Cheonan Plant
Thailand	JCU(THAILAND)CO., LTD.
Vietnam	JCU VIETNAM CORPORATION

Environmental management system schematic



Environmental Action Plan

At the JCU Group, our initiatives are based on setting office-specific targets on major environmental themes.

In FY2022, while COVID-19 continued to spread as it had the previous fiscal year and restrictions on movement between offices were still in effect, we, the Group as a whole, conducted web-based internal training and information sharing programs on laws and regulations, the environment, and chemical substances to boost our employees' knowledge and awareness in these areas. In addition, our efforts over the past few years to promote the acquisition of qualifications by employees have

helped us reduce the risk of shortages of qualified personnel, such as satellite managers and hazardous materials handlers. With regard to our environmental performance, we have operations in place to properly manage and reduce waste.

The Niigata Plant and R&D Center regularly check and communicate performance developments to raise awareness to achieve targets. As a result of these activities, we were able to reduce CO₂ emissions and the volume of liquid waste from the previous fiscal year.

Disclosure of Climate Change-Related Information in Line with TCFD Recommendations

In that we aspire to be a "global company that continues to grow sustainably," the JCU Group recognizes that it is critical that we link our business operations to ESG and SDGs, and that we are equipped to respond to changes in social and environmental issues.

For this reason, we announced our support for the TCFD recommendations in June 2022.

We will disclose climate-related information that relate to

the four themes outlined in the TCFD recommendations: governance of climate-related risks and opportunities, strategy, risk management, and metrics and targets.

Disclosure of Our Approach and Initiatives Regarding Sustainability
<https://www.jcu-i.com/pdf/tcfd.pdf>



Raw Materials

In order to contribute to preserving the global environment and creating sustainable societies, the JCU Group is committed to make effective use of the resources used to realize products, including raw materials.



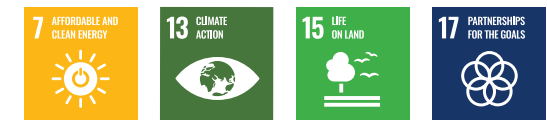
Raw Materials Recycling

The JCU Group is working to reduce the resources it uses through recycling and other initiatives. The R&D Center collects plating solutions and processed samples containing precious metals used in research and development, and

recycles them to make effective use of resources. In addition, the Niigata Plant collects and recycles waste and cleaning water generated during product manufacturing to make effective use of resources.

Energy

In order to contribute to preserving the global environment and creating sustainable societies, the JCU Group is committed to make effective use of energy.



Use of Renewable Energy



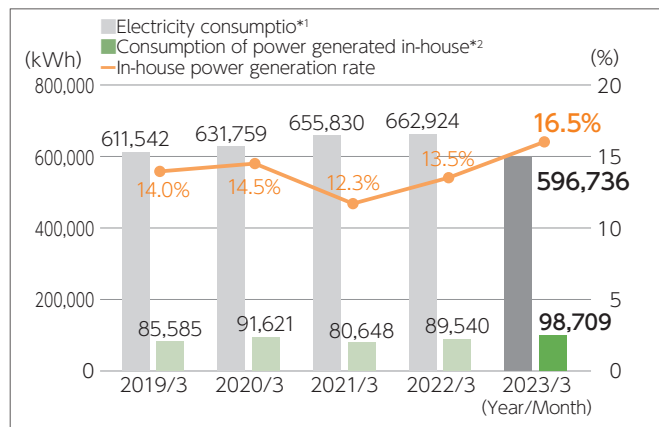
The JCU Group is driving forward with the use of renewable energy to reduce greenhouse gas emissions. As part of our efforts to reduce CO₂ emissions, solar power generation facilities were installed at the Niigata Plant in Joetsu City, Niigata Prefecture, and the R&D Center in Kawasaki City, Kanagawa Prefecture, business sites in Japan where electricity consumption was particularly high.

We are working to use renewable energy at our overseas sites, and have installed solar panels at our plant in Hubei, China that are capable of producing about 40% of the plant's maximum electricity consumption.

And to further expand the use of renewable energy sources, we have significantly increased the number of solar panels at our Niigata Plant in FY2022. The system has been fully operational since February 2023, and is expected to provide approximately 60% of the plant's maximum power demand, contributing to further reductions in CO₂ emissions going forward.

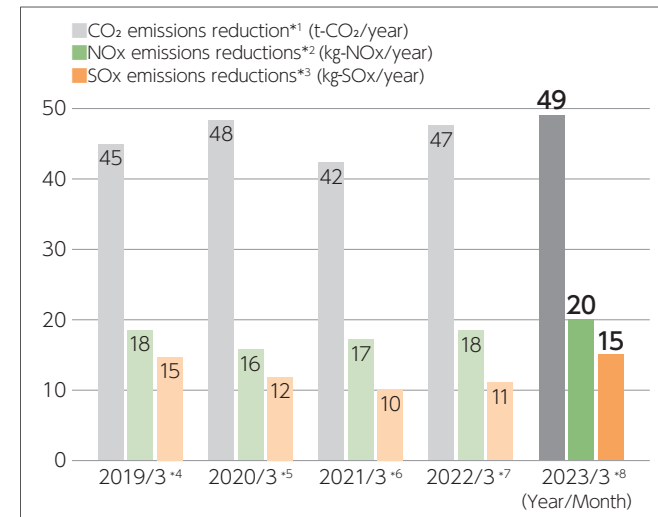
JCU will continue to take various other actions to achieve the goal of offsetting CO₂ emissions at the Niigata Plant to zero in FY2030 ("Niigata Plant CO₂ Zero").

Changes in electricity consumption and in-house power generation at the Niigata Plant (installed solar power generation capacity: 100 kW)



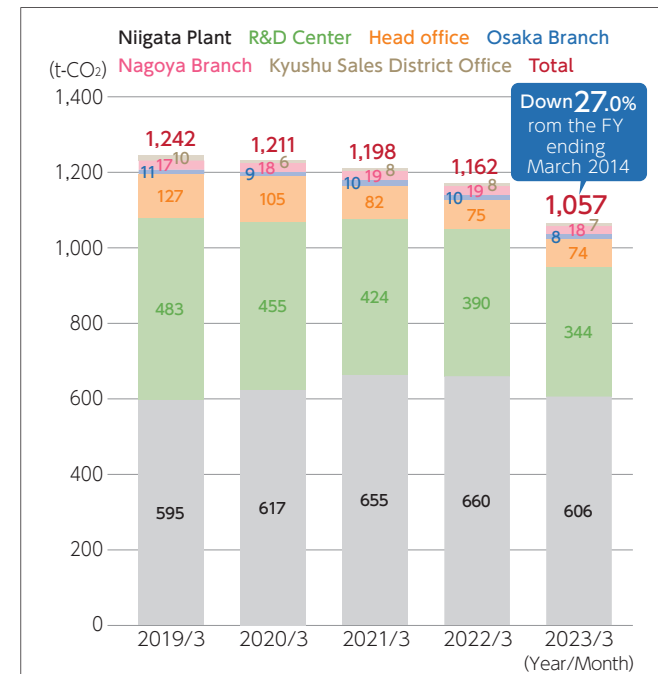
*1 Electricity consumption = Electricity purchased + Electricity generated - Electricity sold
 *2 Excluding electricity sold

Effect of introducing solar power generation facilities



*1 Actual carbon dioxide (CO₂) emission factors from values published by the Tohoku Electric Power Company are used.
 *2 Nitrogen oxide (NOx) emission intensity from values published by the Tohoku Electric Power Company are used.
 *3 Sulfur oxide (SOx) emission intensity from values published by the Tohoku Electric Power Company are used.
 *4 Factors of actual FY2017 results used.
 *5 Factors of actual FY2018 results used.
 *6 Factors of actual FY2019 results used.
 *7 Factors of actual FY2020 results used.
 *8 Factors of actual FY2021 results used.

Total CO₂ emissions at offices in Japan by fiscal year



*This is calculated for electricity and gas at each office.
 *The calculations use factors from organizations including Tohoku Electric Power Company, Kansai Electric Power Company, Chubu Electric Power Company, Kyushu Electric Power Company, Joetsu City Gas and Water Bureau, Toho Gas Company, Tokyo Gas Company, and the Liquefied Petroleum Gas Association.

Carbon Offsetting Initiatives



From its location in Joetsu City, Niigata Prefecture, JCU's Niigata Plant supplies products destined for markets around the world. JCU is an advocate of the "Toki-no-Mori (Crested Ibis Forest) Project" which is run by the Prefecture of Niigata within Sado City limits, and is also an ongoing collaborator in carbon offsetting initiatives.

The aim of the Toki-no-Mori Project is to drive global warming countermeasures forward by securing the CO₂ absorption capacity of trees, promote forest improvements, and revitalize forestry. The Project also aims to contribute to improving habitats for ibises that have been released into the wild and conserving the forest's rich ecosystem.

In a forest within Sado City limits in Niigata, we see trees that have been culled with their lower branches pruned. Culling and pruning trees in this manner ensures that the forest gets enough light intensity, which in turn improves CO₂ absorption efficiency. In addition, these procedures have the effect of suppressing pest insect outbreaks and promoting tree growth. These human interventions are a driver of our global warming countermeasures.

Currently, although their numbers are still small, we are able to observe ibises in the wild within Sado City limits. The ibises are gradually returning to their wild habitats thanks not only to the Toki-no-Mori Project but also to various activities by local residents for improving the environment around their habitats.



"Toki-no-Mori Credit" emblem



"Niigata Carbon Offset" emblem

Initiatives to Achieve "Zero CO₂ Emissions"

As a measure to counter global warming, JCU makes every effort to identify and reduce carbon dioxide (CO₂) emissions.

An aggregate survey of CO₂ emissions from using electricity and gas at our domestic offices shows that we have succeeded in reducing FY2022 emissions by 27% from FY2013.

The Niigata Plant and R&D Center collectively account for about 90% of our total domestic CO₂ emissions.

The Niigata Plant has been actively introducing renewable sources of energy, installing solar power generation facilities ahead of other sites, and making additions to these in 2022. As a result, the percentage of on-site solar-generated power grew by 3% from the previous year to 16.5%.

In addition, environmentally friendly activities are also constantly ongoing at the R&D Center, including the installation of a solar power generation system, energy-efficient air conditioning equipment, and LED lighting.

In our Medium-Term Corporate Plan, the JCU Group has set a goal of reducing CO₂ emissions at the Niigata Plant to zero by FY2030 based on FY2013 emissions. The JCU Group will continue to make efforts to achieve its goals and contribute to society through environmentally conscious corporate activities.

Carbon Offsetting

Although the reduction of CO₂ and greenhouse gas emissions is very important in countering global warming, CO₂ emissions remain an inevitable part of our daily lives and corporate activities.

Carbon offsetting refers to methods for making up for (offsetting) all or part of the CO₂ emissions that occur despite our best emissions reduction efforts by funding forest improvement and other greenhouse gas reduction projects.

Water

In order to contribute to preserving the global environment and creating sustainable societies, the JCU Group makes every effort to reduce its use of water resources.



Understanding Water Usage

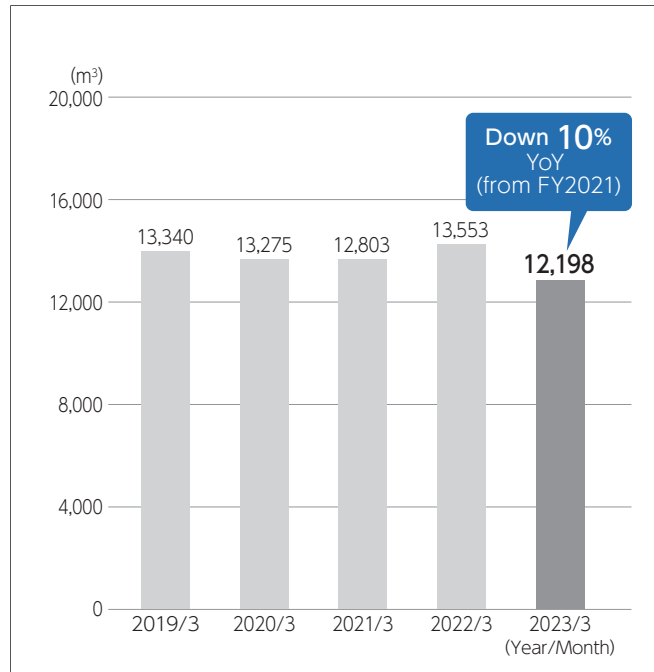
Because JCU uses large amounts of water resources for R&D and at our production sites, we make every effort to understand and reduce water consumption at all of our domestic sites. The resolution of water resource-related issues has also been set forth as one of the Sustainable Development Goals (SDGs), and we will continue to take actions to improve our operations going forward.

Water is one of the most important raw materials we use for manufacturing our products, so we track the amounts of water we use and wastewater we discharge.

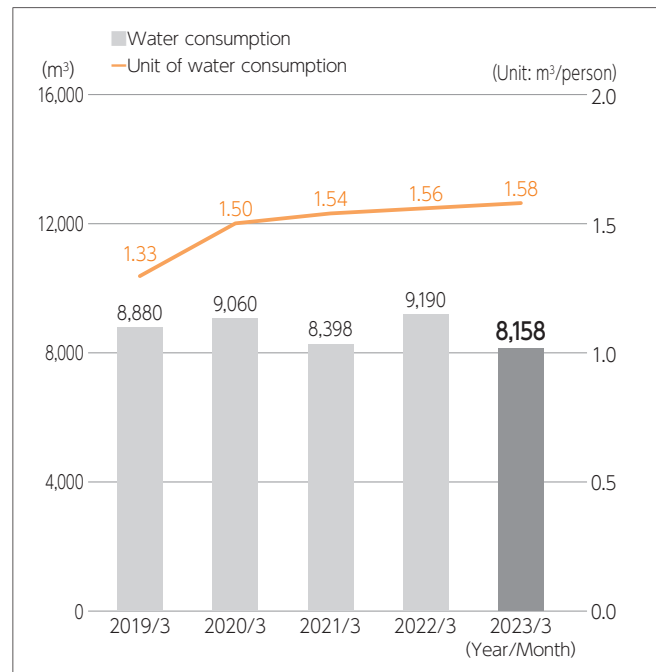
Domestic sites took in a total of 12,198 m³ of water in FY2022, which was roughly down 10% from the previous fiscal year. We believe this can be attributed mainly to the drop in production volume at the Niigata Plant compared to the previous fiscal year. Per-unit water consumption per production volume at the Niigata Plant remained largely unchanged from the previous fiscal year at 1.58 m³/t.

The Niigata Plant and R&D Center are working to establish reduction-awareness, including by regularly calling for water conservation.

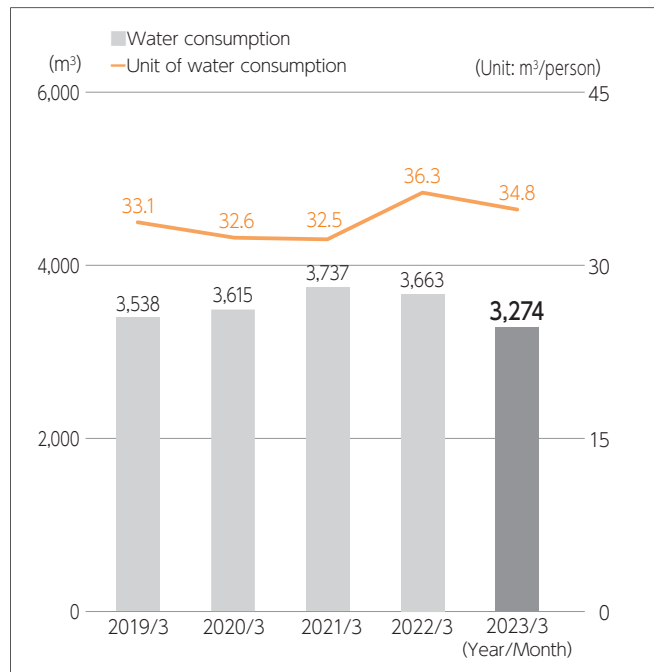
● Annual water consumption at domestic offices



● Unit of water consumption per production volume at the Niigata Plant



● Unit of water consumption per number of employees at the R&D Center



Wastewater and Waste

In order to contribute to preserving the global environment and creating sustainable societies, the JCU Group complies with laws and regulations that govern the quality of water, air, and soil, and is committed to reduce emissions of environmentally hazardous substances from its sites.



Proper Treatment of Wastewater

The JCU Group pays special attention to ensure that wastewater released from its development and manufacturing sites does not adversely affect the surrounding environment.

Portions of wastewater generated during research and manufacturing at the R&D Center and Niigata Plant are neutralized and precipitated in facilities at these sites. In addition, wastewater discharged from all business sites are managed using analytical instruments to ensure that it meets environmental standards.

Furthermore, all sites concentrate and reduce the volumes of effluent that they are unable to treat in their own facilities before they are properly disposed of as industrial waste.

Waste Reduction

The JCU Group makes every effort to make effective use of resources to reduce waste.

Our one-ton containers for transporting specific products are reused as two-way containers; that is, they are used one their way to and from our customers and business partners.

Also, empty poly containers that are no longer needed at the Niigata Plant are collected and recycled as a resource. After they are cleaned, these poly containers are melted down and reused in a variety of plastic products. In addition, metals, glass, and other waste materials are recycled as resources by waste disposal contractors.

Proper Management of Chemical Substances



The JCU Group properly manages environmental chemicals to reduce our impact on the environment.

At the R&D Center, we take measures to keep solution containers from tipping over, and also install embankments, pits, and gutters in our experimental facilities to prevent liquid leakage to the outside. At the Niigata Plant, we take measures to prevent leakage by installing oil embankments, pits and gutters for our outdoor tanks.

In addition, we always have response kits ready to use in the event of a leak, and we use these in our education and training programs to prepare for emergencies.

Purification of Atmospheric Emissions



At the JCU Group, we perform purification processes on gases that we discharge into the atmosphere from our business sites so that they do not affect the surrounding environment. We also make every effort to preserve the environment by conducting environmental measurements on a regular basis.

Our R&D Center and Niigata Plant are equipped with exhaust cleaning towers to prevent the release of hazardous substances contained in the discharged gas. We regularly commission specialized third-party agencies to analyze and verify that gas purification is being performed without any problems.

The Niigata Plant also regularly commissions specialized third-party agencies to analyze and examine the boilers and hot-and-chilled-water generators used at the site for particulate matter and nitrogen oxides to ensure that there are no problems.



Our Customers

The JCU Group always approaches things from the customer's perspective, ensures reliable quality and safety, and provides detailed support to deliver safety and security to our customers.



Quality Control

The JCU Group believes that maintaining and improving quality leads to customer satisfaction and trust, and this in turn leads to sustainable growth for the entire JCU Group. This idea is the basis on which we established the JCU Quality Policy which we have defined to be our guidelines for quality management.

In addition, our Niigata Plant, Sales Office, and R&D Center in Japan are certified for international standard ISO 9001 and continue to work to control, maintain, and improve product quality. Outside of Japan, the offices listed in the table are ISO9001 certified and are committed to quality management.

Quality Targets

The JCU Group is implementing a variety of initiatives to strengthen its quality control system. At the Niigata Plant, reviews for work procedures and education on near-misses are being conducted to raise awareness on how to prevent human errors. In addition, we strive to improve productivity as well as quality consistency by maintaining the stable operation of our production lines through inspections and maintenance of aging manufacturing and utility facilities, and upgrades to manufacturing work conditions and facilities.

● Status of ISO9001 certification at overseas offices

Country/region	Applicable office
China	JCU SHENZHEN TRADING
	JCU SHENZHEN TRADING CORPORATION, SUZHOU BRANCH
	JCU SURFACE TECHNOLOGY HUBEI CO., LTD.
Taiwan	JCU TAIWAN CORPORATION
Korea	JCU KOREA CORPORATION
	JCU KOREA CORPORATION Cheonan Plant
Thailand	JCU (THAILAND) CO., LTD.
Vietnam	JCU VIETNAM CORPORATION
Mexico	JCU AMERICA, S.A. DE C.V.

● Status of other ISO certification at overseas offices

Country/region	Applicable office	ISO certification
China	JCU SHANGHAI TRADING CORPORATION, INSPECTION CENTER	ISO17025*1
	JCU SURFACE TECHNOLOGY HUBEI CO., LTD.	ISO45001*2

*1 ISO17025 is an international standard that certifies testing laboratories, and provides general requirements for the competence of testing and calibration laboratories.

*2 ISO45001 is an international standard for occupational health and safety management systems.

● JCU quality policy

We have established the following Quality Policy based on JCU's management philosophy, social conditions, and market developments.

- Support manufacturing around the world and contribute to enriching people's lives by pursuing new surface treatment technologies.
- Respond accurately and quickly to market demands, and pursue customer satisfaction and a larger global market share.
- Provide products and services of the same quality to all customers regardless of region or country.

In order to embody this Policy, we apply quality management systems based on ISO 9001:2015 and implement the following:

- (1) Promote continuous improvement so that quality management systems are able to fully realize their effectiveness.
- (2) All departments are to formulate quality targets based on issues associated with their business and strive to achieve these targets.
- (3) Make sure that all employees are well-informed on the Quality Policy and quality management systems.
- (4) Respond to changes in conditions inside and outside the Company, and revise the Quality Policy as necessary.

Disclosure of Product Related Information

JCU Group product labels display information in the format defined in the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). Product labels display information in Japanese, English and, where needed, in the language of the country to which the product is delivered as provided in the country's laws and regulations.

Technical documentation describing the performance of and control methods for each product is prepared by the R&D Center. The contents of technical documentation are carefully examined by Sales and other departments before they are provided to customers.

We also prepare Safety Data Sheets (SDS) that conform with GHS and Japanese laws in Japanese and English. Subsidiaries outside of Japan are responsible for conformance with laws and regulations in their respective countries.

Safety Data Sheet (SDS)

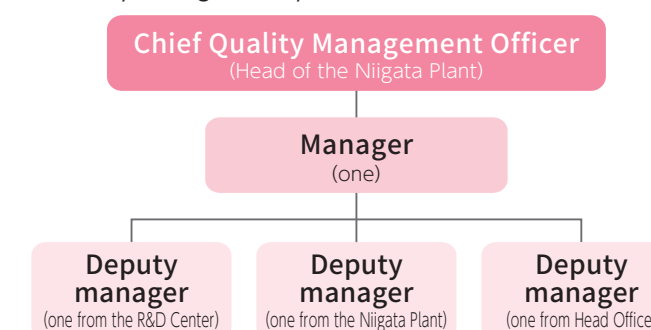
This is a document that is provided by the supplier of a chemical substance or compound containing a chemical substance to its recipient at the time the substance is transferred or provided to the recipient. The document provides information regarding the substance's physicochemical properties, hazards, toxicity, and handling. SDSs also provide information on first aid measures in the event of exposure, storage methods, and disposal methods.

*Released SDS that is compliant with the revised Chemical Substances Control Act (Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof) on April 1, 2023.

Quality Management System

The JCU Group has set up a quality management system to realize its Quality Policy. The Head of the Niigata Plant is the Chief Quality Management Officer, under whom is assigned a manager who, along with his or her deputy manager, takes care of the Group's quality improvement activities.

● Quality management system schematic



Information Protection

In order to properly handle and protect customer and business partner information, the JCU Group prohibits the use of information obtained in the course of business for other than legitimate purposes, and strictly manages the information in accordance with our confidential information management regulations and other rules so that it is not disclosed or leaked.

In addition, JCU has established and implements a Personal Information Protection Policy.

JCU Privacy Policy
<https://www.jcu-i.com/privacypolicy/>



Quality Control at the Niigata Plant

General Manager,
Quality Assurance

**Nobuhiro
Yamazaki**



Professional history

After serving as manager of the CS and development department in the electronics division at the R&D Center and then, since 2018, as local manager of the Vietnam subsidiary, which also has a manufacturing plant, I became manager of the Quality Assurance Department at the Niigata Plant in April 2023.

Based on our motto of always providing products with consistent quality levels that customers can use with peace of mind, the Niigata Plant has established a rigorous management system based on a quality management system that enables mutual monitoring between manufacturing/technology and quality assurance divisions.

Our aim is to not only maintain and control consistent quality levels, but to make sure that we do not make irregular products, that is, to establish a system where we can prevent irregular products from being manufactured in the production process. To this end, we continue to conduct kaizen activities, 5S activities, and safety patrols, and aim to further improve quality by utilizing the PDCA cycle.

This year, with the "life with COVID" policy in effect and overseas travel restrictions being lifted, we have resumed our local guidance programs and on-site audits for staff members at overseas subsidiaries. We will continue to strive to provide the same levels of quality and service to all of our customers regardless of region or country.



Business Partners

The JCU Group aims to build mutual relationships of trust with our business partners through fair and equitable transactions, and to become a company that enables us to develop together with our business partners with peace of mind.



Our Approach to Conflict Minerals

As described in Chapter 2 “Respect for Human Rights and Healthy Workplaces” of the JCU Code of Conduct, the JCU Group makes every effort not to procure so-called conflict minerals (tin, tantalum, tungsten, gold) that are associated with human rights violations, and carries out ongoing investigations into the use of conflict minerals in our supply chain. We have not found the use

of conflict minerals associated with armed groups in our investigations.

JCU Code of Conduct
<https://www.jcu-i.com/wp/wp-content/uploads/2022/09/koudoukijunn2021.04.pdf>



Shareholders and Investors

The JCU Group is committed to achieve sustainable growth and improve shareholder value by actively disclosing information and communicating with shareholders and investors to enhance the soundness and transparency of its corporate management.



Appropriate Information Disclosure

The JCU Group disseminates not only business performance and financial information, but also topical information that summarizes high-profile topics through shareholder newsletters and information disclosed on our website. For our international investors, we provide an English version of this Sustainability Report, as well as English versions of our earnings summary and presentation materials.

In addition, in order to appropriately disclose information, the JCU Group has a Disclosure Committee to comply with the timely disclosure rules stipulated by the securities exchange, an

makes every effort to actively disclose information deemed to have an effect on investment decisions. Furthermore, our Disclosure Policy is available on our website for the general public to view.

JCU Disclosure Policy
https://www.jcu-i.com/ir/others/disclosure_policy/



Communication with Our Shareholders and Investors

In addition to the general meeting of shareholders, the JCU Group holds semiannual financial results briefings for institutional investors and securities analysts, and One on One Meetings throughout the year.

In FY2022, we held meetings in person, by phone, or online, and by improving the efficiency of these interaction formats, were able to meet with a large number of investors (about 150 in total). And while we did not hold financial results briefings for the FY ending March 2023 (FY2022) due to COVID spread prevention measures, and instead posted videos of our financial results for the first half and full year on our website, we plan to resume financial results briefings for the FY ending March 2024 (FY2023).

Our aim through these activities was to communicate information on JCU's business operations, performance, and management strategy, etc., to enable stakeholders to deepen their understanding in our company, and enable management to share in the valuable feedback from our shareholders and investors to improve our management transparency.



IR Message
<https://www.jcu-i.com/ir/message/>



Employees

We at the JCU Group believe that making effective use of the individual abilities of employees is a major pillar of our management, and are working to develop human resources and create comfortable working environments.



Comfortable Working Environment

Achieving Employee Retention

JCU carries out initiatives to ensure employee retention. We encourage employees to make use of opportunities to discover and develop their own abilities such as by taking self-development seminars, visiting trade shows that can potentially help grow our business, and taking language training courses. We also ask all individuals to use a goal management sheet to set their personal goals. The goal management sheet is designed to help individuals express their individual goals with more clarity, and check whether they are able to perform work that is a step above and is more rewarding for themselves. In addition, we are also enhancing our employee benefit programs as a way of creating a comfortable working environment.

As a measure of whether these initiatives contribute to employee retention, JCU calculates the new employee retention rate, average number of years of employment, and turnover rate.

The retention rate of new employees who joined the company during the past three years (from FY2020 to FY2022) has remained unchanged at 100% from the previous year. The average number of years of employment was 16.1 years for men and 15.2 years for women, which were both higher than the previous fiscal year. Compared to industry averages of years of employment (in manufacturing: 15.8 years for men, 12.0 years for women*), our numbers were higher for both men and

women. The average number of years of employment has been trending gradually higher for both men and women since FY2017.

The turnover rate, which was 4.8% in the survey for the previous fiscal year, was 3.3% in FY2022*2 (Reference: The average turnover rate in the manufacturing industry for FY2022 was 5.5%*3). A breakdown of the turnover rate shows that 2.9% left for personal reasons, 0% for company reasons, and 0.4% for retirement or other reasons.

*1 Excerpted from the “Basic Survey on Wage Structure—Results and Overview” from the Ministry of Health, Labor and Welfare
*2 Rounded to the first decimal place.
*3 Excerpted from the “2021 Survey on Employment Trends—Results and Overview” from the Ministry of Health, Labor and Welfare

● Average years of employment (non-consolidated)

	Men (years)	Women (years)	Men and women total (year)
FY ending March 2023	16.1	15.2	15.8
FY ending March 2022	15.4	13.9	15.0
FY ending March 2021	14.8	13.7	14.5
FY ending March 2020	13.9	13.2	13.7
FY ending March 2019	13.2	13.0	13.2

Harassment Countermeasures

As a measure to counter harassment, the JCU Group provides a permanent sexual and power harassment consultation section in-house. One male and female are assigned at all offices as contact persons in charge, and this is communicated to all employees on the intranet to create an environment where people feel comfortable seeking consultation. In addition, we have formulated a harassment prevention policy for all employees, and make every effort to prevent various types of harassment, resolve issues, and protect privacy.

In addition, we have also established a consultation desk outside the company (EAP/Employee Assistance Program) for addressing mental health and various harassment issues so that we are able to quickly act on stress and anxiety issues that employees may have. We provide mental health care training headed by EAP lecturers, distribute pamphlets and cards, and publish information on the intranet four times a year as part of our efforts to create an environment where all employees, including managers, are able to work comfortably.

● Status of employee training on mental health and harassment (non-consolidated)

Dates/duration	Number of times held (number)	Training details
July 2022	Once	Mental health training (for general staff)
July 2021	Once	Self-care training (for managers)
July 2020	Once	Conducted harassment prevention training (for Head Office managers)
July 2019	Once	Conducted mental health training (R&D Center self-care)
February - March 2018	4 times	Conducted harassment prevention training (for managers)
November 2016	Twice	Conducted mental health training (self-care for chiefs and lower)
September 2015 - March 2016	4 times	Conducted mental health training (line care for managers)
September 2014	Twice	Conducted orientation at the time the EAP contract was entered



Employees

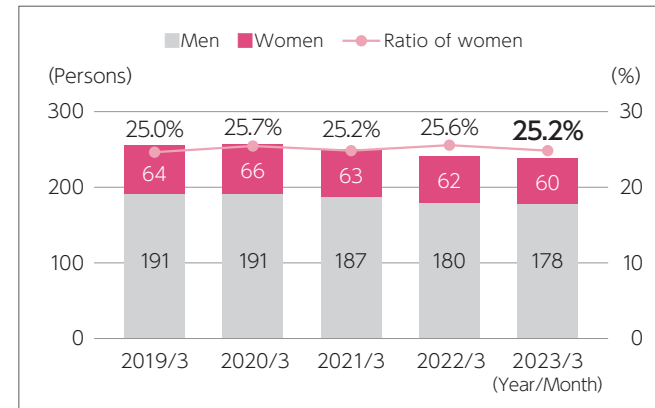


Comfortable Working Environment

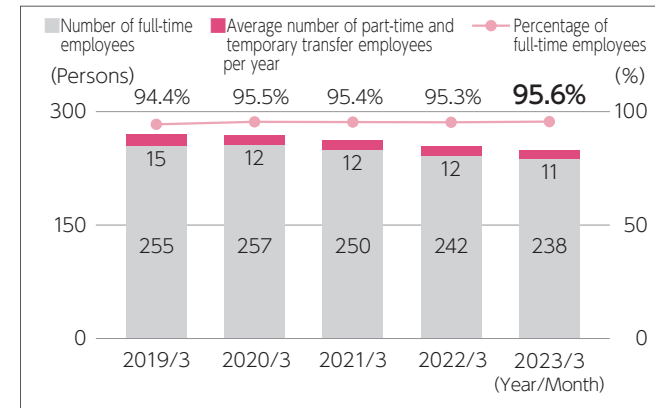
Diversity and Equal Opportunity

The JCU Group respects diversity and strives to realize equal opportunity. There are no gender differences in our terms of employment.

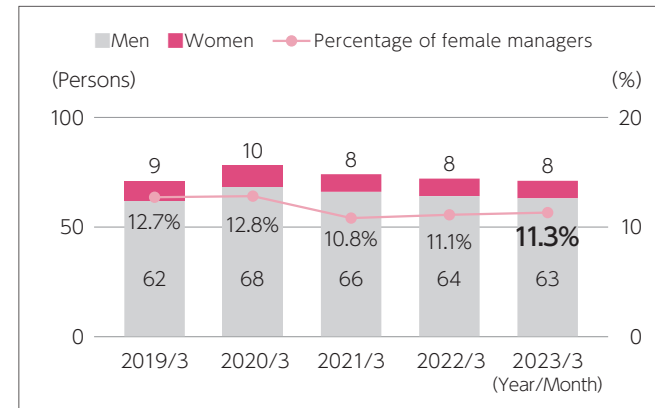
Number of employees (non-consolidated)



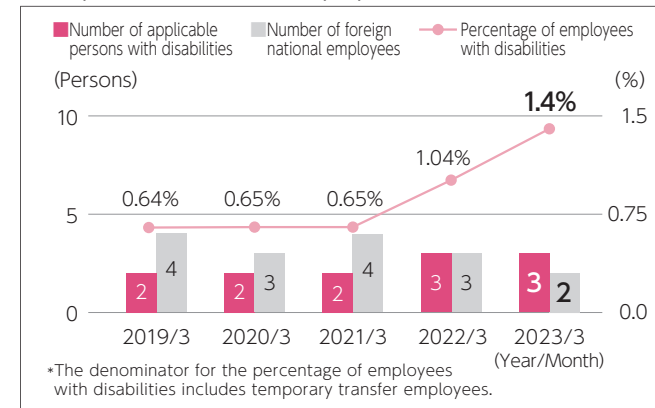
Percentage of full-time employees (non-consolidated)



Percentage of female managers (non-consolidated)



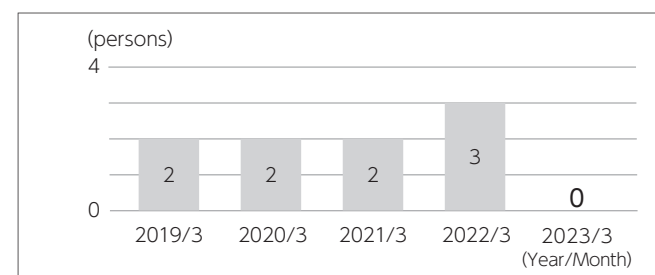
Number of foreign national employees (non-consolidated) / People with disabilities employed (non-consolidated)



Childcare and Nursing Care

In order so that employees are able to make the most of diversity in performing their work, JCU provides a childcare leave program that allows employees to take more days off than the statutory days stipulated by the Ministry of Health,

Number of employees who took maternity leave (non-consolidated)



Labour and Welfare, and a shortened working hours program for childcare that is used by male employees as well. We also provide a similar nursing care leave program.

Number of employees who took childcare leave (non-consolidated)

	Men who took leave (persons)	Women who took leave (persons)	Eligible persons (persons)	Percentage of people who took leave (%)	Percentage of people who returned to work (%)
FY ending March 2023	4	0	7	57.1	100
FY ending March 2022	1	3	9	44.4	100
FY ending March 2021	2	2	8	50.0	100
FY ending March 2020	0	2	11	18.2	100
FY ending March 2019	0	2	8	25.0	100

*Employees who took maternity leave subsequently took childcare leave, and 100% of them have returned to work.

Overview of Maternity Leave, Childcare Leave, and Nursing Care Leave Programs

Maternity leave program	•Eight weeks each before and after birth
Childcare leave program	•Up to 2 years of age (at the longest)
Childcare leave at birth (Postpartum [after birth] childcare leave for fathers)	•Available to male employees within an 8 week window from a child's birth for a duration not to exceed 4 weeks at the employee's discretion.
Shorter working hours for childcare	•Employees who live with and are raising children between 1 and 3 years of age are eligible for shortened hours for childcare where their hours are shortened by up to 2 hours a day (2 paid hours). •Employees who live with and are raising children aged 3 and up to elementary school age are eligible for shortened hours for childcare where their hours are shortened by up to 2 hours a day (1 paid and 1 unpaid hours). •Employees who live with and are raising children at elementary school age are eligible for shortened hours for childcare where their hours are shortened by up to 1 hour a day (1 unpaid hour).
Other	•Employees who are raising children up to elementary school age can, upon request, take advantage of limited late-night work for childcare, child nursing leave (unpaid), and limited overtime work. •Employees who are raising children under the age of 3 can, upon request and under certain conditions, receive exemption from overtime work for childcare.
Nursing care leave program	•No more than a total of 93 days per person
Shortened hours for nursing care	•No more than a total of 93 days per person

Employee Comments

Interview with Employee Who Took Maternity Leave and Childcare Leave

JCU provides a variety of working environments where both men and women can work with peace of mind. In this report, we spoke with Ms. Shinjo, who took maternity leave and childcare leave, about her feelings before taking leave, and how things went after returning to work.

General Affairs Section,
Management Dept.,
R&D Center

Sayaka Arashiro



Q1. Did you have any concerns before taking your maternity leave and childcare leave?

It was going to my first baby so I was anxious about that, but many other employees had returned to work after childbirth and I had heard many helpful stories from my seniors, so I felt comfortable taking maternity leave and childcare leave. At the time, I worked in a department responsible for the research and development of chemicals, and I was very grateful for the support I received at my workplace, such as being reassigned to a work environment that was less physically demanding during my pregnancy, and the encouragement I received to take special leave.

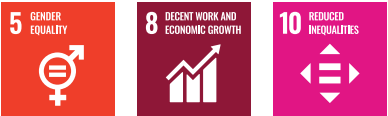
Q2. Did you notice any changes when you returned to work? Also, can you tell us how things have been going since your return?

I was reinstated to the R&D department that I was working at before my leave, but after childbirth, my life became more child-centered and there were more instances that I had to take unscheduled leaves. Even under those conditions, I was able to work with the support of my supervisor, team members, and others around me, and I came to realize that I was not working all alone.

Q3. How would you define "being able to work comfortably"? And do you have any advice for other employees who may be considering taking leave in the future?

Above all else, I feel that the atmosphere and environment in the workplace directly correlate to being able to work comfortably. Our company is very understanding of our childcare needs, and it's a very comfortable working environment since everyone is friendly and willing to help. If anyone is thinking about taking leave, please don't hesitate to consult with people in your workplace.

Employees



Human Resource Development

One of the basic policies of the JCU Group's Medium-Term Corporate Plan is to "build a corporate foundation from an ESG perspective," and one of its top priorities is human resource development. The growth of each and every employee is essential to our goal of becoming a "global company that continues to grow sustainably. To this end, we are focused on enhancing our human resource development programs.

New employees undergo training in various departments for approximately two months after joining the company, including technical training in which they learn the principles of surface treatment through experiments, factory training in which they learn the chemical manufacturing process from raw material input to shipment, and sales training in which they accompany their seniors to customers' production sites where our chemicals are being used. This allows employees to experience the strengths of the JCU Group in the field, and acquire the basic knowledge that they will need to provide better products and services. In addition, we also conduct regular information

security and compliance training to prevent information leaks and ensure compliance with laws and regulations.

As for human resource development initiatives implemented at different business sites, the Niigata Plant provides training to strengthen employees' ability to identify near-misses and other problems. The R&D Center has adopted a skills matrix to provide employees with an objective view of their individual abilities and to raise their awareness of their aptitude. And the Sales Office has created a "Sales Capability Development Activity Plan Progress Management Sheet" to help employees acquire the necessary skills. Our overseas offices also held a variety of training sessions, including technical workshops and study sessions on laws and regulations to improve the skills of local employees.

Furthermore, JCU offers the following training programs to help employees grow in ways that are consistent with the globalization of our organization.

The JCU Group will continue to implement a variety of measures for the development of its employees.

● Training programs for human resource development

Post	Reference age bracket	Stratified training		Global human resource development training	Company-wide common education and training	Self-development
Management	40s and above	Managerial training	Promotee training	<ul style="list-style-type: none">●Overseas Training Program●Online language training (English and Chinese)	<ul style="list-style-type: none">●Compliance and information security education●Mental healthcare training	<ul style="list-style-type: none">●Qualification acquisition incentives and remote education assistance program●Voluntary participation in external seminars
Mid-level employees	30s and above	Mid-level employee training	Promotee training			
Young employees	Late 20s and above	Follow-up training				
New employees	Early 20s and above	New employee training, OJT, and follow-up training (6 months later)				
Prospective employees		Pre-employment training				

● Human resources that the JCU Group seeks

Human resources that JCU needs

- Talents with excellent development capabilities
- Talents with excellent supportive capabilities
- Talents who are able to act globally
- Talents who have a management perspective

Themes

- Strengthen expertise required for product development
- Improve technical and sales capabilities of local staff
- Newly establish an overseas assignment experience program
- Enable shifts to career paths suitable for a global structure
- Strategic staffing
- Reinforce management training for managers and management candidates

Excerpted from the Medium-Term Corporate Plan (FY ending March 2022-FY ending March 2024)

Language Training Program

We offer language training programs as part of our effort to develop globally capable human resources. For the purpose of improving our employees' language skills and promoting their self-development activities, we have introduced online language training, which enables learners to combine self-study (input) and online English conversation (output) through e-learning, replacing conventional language training programs where instructors are brought in to give lessons.

Overseas Training Program

We have launched an overseas training program for younger employees in FY2021. The objective of this program is to provide applicants who are interested in working overseas with a short-term work assignment at an overseas subsidiary, and through this experience, to help them grow into talents with a global perspective. We also expect employees to rediscover their individual aptitudes through direct exposure to different working styles and cultures they encounter in different countries.

Healthy Labor-Management Relations

The JCU Group has an internal organization called the EUCO Association whose purpose is to ensure mutual welfare and fellowship among officers and employees.

The organization's activities, which are carried out mainly by secretaries elected from individual departments, include proposing working condition improvements to the company, organizing various club activities, and planning and managing events such as employee trips.

Although club activities and events where large numbers of people were expected to gather were postponed for FY2022 due to the effects of COVID-19 continuing from the previous fiscal year, regular communication activities between managers and employees were carried out via web conferences.

The EUCO Association gets its name from Ebara Udy-lite Corporation, the predecessor of JCU Corporation.

Occupational Safety

At the JCU Group, we have formulated a set of Safety and Health Management Rules and make every effort to ensure the safety of our employees based on these rules. Safety and health leaders, and safety managers are assigned at all of our business sites in Japan to promote safety and health. Monthly safety and health committee meetings are held at the Head Office, R&D Center, and Niigata Plant.

These Committees carry out patrols, identify near-misses, organize firefighting and evacuation drills, and are working to realize safe workplaces where employees are highly aware of safety and health.

Respect for Human Rights

The JCU Group's Code of Conduct states that the Group does not discriminate based on race, creed, gender, age, social status, nationality, ethnicity, religion, or disability, etc. In addition, we carry out ongoing verifications at all business sites to ensure that child labor or forced labor is not employed.



Community

Make every effort to appropriately communicate with stakeholders and maintain relationships of trust. Under our CSR policy, “We will contribute to the local community as a good corporate citizen,” we believe that one of our social responsibilities is to create a society where people can live safely and comfortably together with local residents.



Community Initiatives

Interactions with Local Communities



General disaster response drill



Jacket worn by participants of drills for attending to people who have difficulty returning home

In July 2020, the R&D Center in Kawasaki City, Kanagawa Prefecture was registered as a Kawasaki City Disaster Response Cooperating Business (Aso Ward). In addition to deepening exchanges with local communities through regular local activities, we are committed to cooperate as much as possible in disaster response operations in the event of disasters, and contribute to the mitigation of damage and the early restoration of daily life in the community.

For the first time this year, the R&D Center also participated in a comprehensive disaster drill organized by the Aso Ward Office. In addition to first aid and firefighting drills, we are building “face-to-face relationships” with the community through various experiences such as drills for attending to people who have difficulty returning home.

At JCU, we will continue to work together with the local community to create a community that is comfortable to live in.

Regular Cleanup



Cleaning activities at the Niigata Plant



Every year, the R&D Center and Niigata Plant regularly carry out voluntary cleanup activities in their surrounding areas. We see these cleanup activities as important opportunities not only for picking up trash, but also to raise awareness about the environment where our business sites are located, something that we may normally overlook.

Through these activities, the JCU Group is committed to continue to help restore the environment from the viewpoint of residents of our surrounding communities.

Self-Defense Fire Drills



Firefighting and evacuation drills at the R&D Center



All of the JCU Group's business sites regularly conduct emergency evacuation drills and first aid drills. The purpose of this program is to train employees to respond appropriately and quickly in the event of disasters, and to raise employees' awareness of disaster prevention. In particular, at the Niigata Plant and R&D Center where we handle chemicals, we conduct regular education and training programs on the handling of hazardous materials in addition to these drills.

Sponsorship Activities



Activities at the Solaputi Kids' Camp

JCU became an advocate of the philosophy of the Solaputi Kids' Camp in Maruka Kougen, Takikawa City, Hokkaido (<https://www.solaputi.jp/>), and has been a sponsor of the camp, providing drinking water since FY2019.

Soraputi Kids' Camp is a campsite equipped with medical care facilities where children with intractable diseases and their family can camp out.

We provide a place where children, who normally have difficulty going outside, can have invaluable experiences such as interacting with their peers and animals in a natural setting.

In FY2022, although this was the third year into the COVID-19 outbreak, we carried out a variety of activities with thorough infection control measures in place.

These included overnight camps where participants enjoyed Hokkaido's natural beauty on horseback, forest exploration, cooking rice in camping pots, and campfires; hydroponics challenges for children battling illness in hospitals and at home; gifts of snow to hospitals and other facilities in regions that do not get snow cover, and other amazing activities.

Solaputi Kids' Camp activities are being sponsored by many corporate sponsors. JCU will continue our support for the camp so that we can be of as much help for these activities as possible.

Ecocap Movement

JCU began cooperating with the Ecocap Movement in November 2020 to contribute to the achievement of the SDGs.

The Ecocap Movement is an activity where the caps of PET beverage bottles which would typically be thrown away are collected and recycled, with the proceeds used to promote employment for people with disabilities and the elderly, and support vaccinations for children in developing countries. JCU became an advocate of this activity and collects caps from PET

bottles in all offices in Japan to cooperate with this movement which is being carried out by the Disable Support Association of Japan, a specified non-profit corporation (NPO).

In FY2022, we collected a cumulative total of 21.9 kg of caps. This was enough for polio vaccinations for about 74.9 people, or equivalent to a roughly 472 kg reduction in CO₂ emissions. We are committed to continue activities that serve our societies.



Corporate Governance

The JCU Group has established a system to fulfill its corporate social responsibilities by maintaining high management transparency and corporate governance functions.



Enhancing Our Corporate Governance

The JCU Group recognizes the importance of compliance with laws, regulations and corporate ethics, and considers it a key management mission to enhance corporate value through quick corporate decision making and by improving the soundness of management in ways that they are adapted to changing social and economic conditions. In order to achieve this, we have built good relationships with various stakeholders, including our shareholders, customers, business partners, local communities, and employees. In addition, as the company grows, we will further strengthen, improve, and refine the various functions necessary for

corporate governance, while enhancing corporate governance, thoroughly practicing compliant corporate management, and building internal systems to prevent risks before they occur. At the same time, we will appropriately disclose information and improve management transparency.

Corporate Governance

https://www.jcu-i.com/ir/corporate_governance/



Corporate Governance System

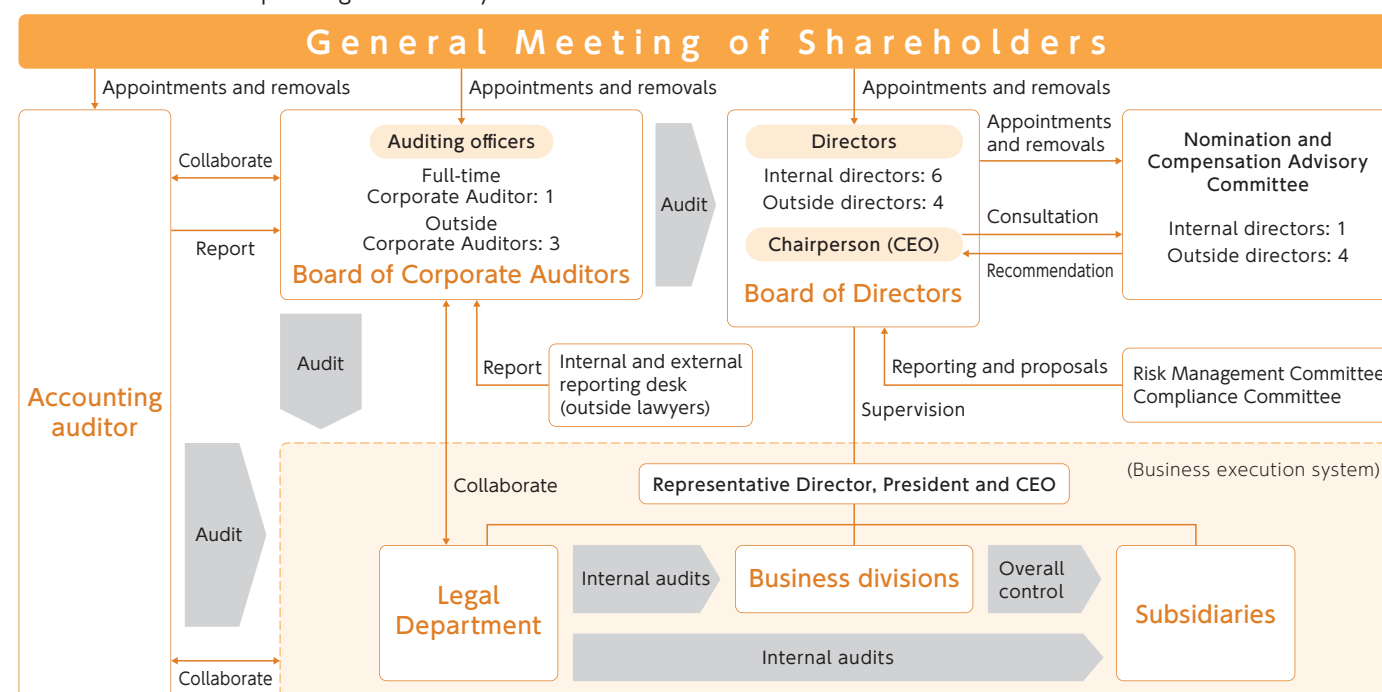
JCU has a Board of Directors as an organization that makes decisions on important management matters and supervises the status of business execution. The Board of Directors consists of 10 directors (including 4 outside directors), and in principle meets at least once a month.

In addition, we have introduced an Executive Officer system for the purpose of building a quick and flexible business execution structure. At the Management Strategy Meeting, which meets once a month and attended mainly by directors and executive officers, the status of business

execution is analyzed and reviewed, and deliberations are carried out on proposals that are to be consulted on with the Board of Directors.

In addition, the JCU Group has introduced a Board of Auditing Officers system. The Board of Auditing Officers consists of one full-time auditing officer and three outside auditors. In principle, auditing officers hold Board of Auditing Officers meetings once a month, as well as attend the Board of Directors meeting to audit the legality and validity of business decisions.

● Schematic of the corporate governance system

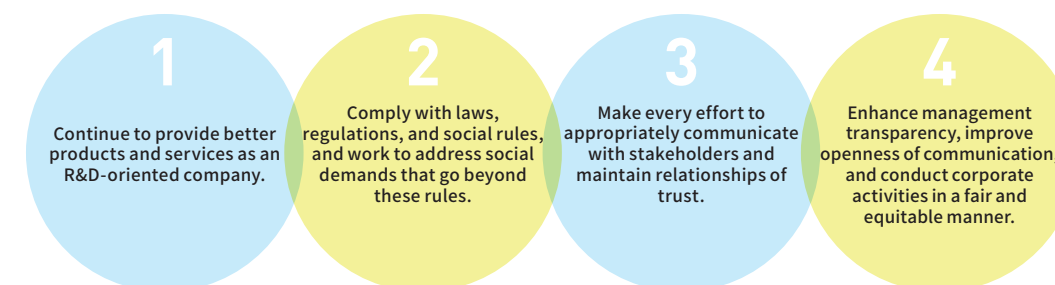


Management

The JCU Group has appropriate internal management in place to promote sustainability activities.

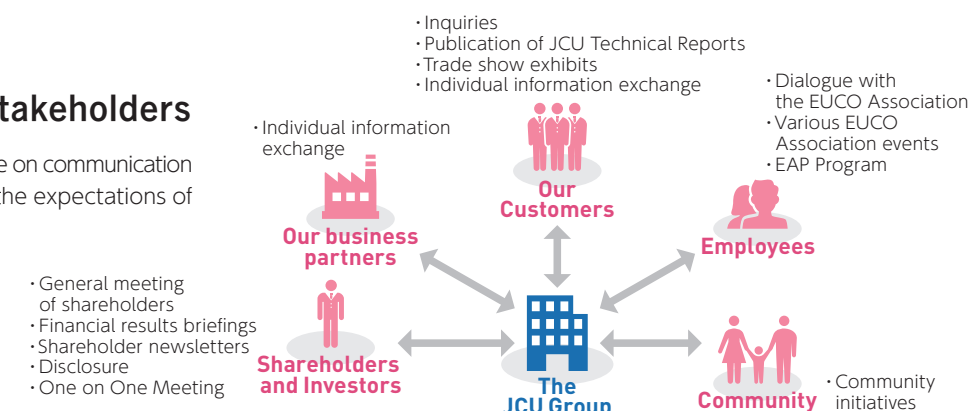
CSR Policy

We have established four CSR policies to contribute to the sustainable development of societies.



Communication with Stakeholders

The JCU Group places great importance on communication with our stakeholders in order to meet the expectations of society.



In-house Education on Sustainability

The JCU Group conducts internal education on sustainability from time to time in order to realize its vision of becoming "a global company that continues to grow sustainably." In FY2022, we explained our TCFD and CDP initiatives—in some instances in web conferences—to executives and employees at our domestic offices and overseas subsidiaries.

Initiatives for SDGs

The SDGs consist of 17 goals for realizing a sustainable world.

The JCU Group will continue its efforts to contribute to these goals as much as possible.



Compliance

The JCU Group recognizes the importance of its corporate social responsibilities, and in order to fulfill our responsibilities, has established the “JCU Code of Conduct” as a code of compliance and ethics.

Promoting Compliance

Based on the JCU Code of Conduct, the JCU Group always complies with relevant laws and internal rules in all aspects of our corporate activities, and promotes compliance so that all of our corporate activities comply with normal business practices and social ethics.

This Code of Conduct has been translated into seven languages other than Japanese: Chinese (Traditional and Simplified), Korean, English, Vietnamese, Thai, Spanish, and Indonesian. The Code of Conduct translated into each language is communicated to respective local subsidiaries in light of local customs and laws.

Furthermore, our Corporate Philosophy, CSR Policy, JCU Spirit, and Code of Conduct are distributed to all executives and employees of the JCU Group to ensure that they are all well-informed.

JCU Code of Conduct

<https://www.jcu-i.com/wp/wp-content/uploads/2022/09/koudoukijunn2021.04.pdf>



Compliance Initiatives



The JCU Group has established rules and guidelines, organizes training, and prepares and distributes manuals in order to ensure that everyone is well-informed on the Basic Code of Conduct which represents our basic approach to compliance. In addition, we conduct internal audits of the Group to detect problems at an early stage.

In terms of activities to promote compliance, we are looking into providing training on applicable laws and regulations at each office.

The Niigata Plant, R&D Center, and overseas subsidiaries hold study sessions on business-related laws, and on chemicals that require special attention for handling. We also advance compliance by conducting checks on the levels of employees' understanding and evaluations of their abilities.

Compliance Promotion System

The JCU Group has a Compliance Committee (chaired by the President and CEO) under the Board of Directors where top management take their own initiative in driving compliance forward.

The Compliance Committee is made up of internal directors and a number of Executive Officers. A meeting of compliance management leaders appointed by individual departments is installed under this Committee. Compliance management leaders make every effort to gather information on legislative revisions and gain an understanding of issues through subcommittees and other organizations for each of the different areas of laws and regulations. The Compliance Management Leaders Meeting discusses the sharing of practical information within the company and matters that should be reported to the Committee, and the content of these discussions are promptly reported to the Committee. The Committee reviews the report from a management perspective, decides what actions to take as a company, and has the relevant departments execute on these decisions.

Compliance promotion system



Installed the Compliance Consultation Desk

Apart from the internal and external reporting desk, the JCU Group also has a compliance consultation desk that makes it easier for persons to seek consultation on compliance-related questions that they may have about the company. Information on the compliance consultation desk is provided in the Compliance Manual posted on the intranet to ensure that everyone is well-informed.

Initiatives to Eliminate Antisocial Groups

The JCU Group has set out the elimination of antisocial groups in its Code of Conduct. We have no relationships with antisocial forces or organizations that pose a threat to social order or sound corporate activities, and make every effort to eliminate such groups in cooperation with competent authorities and relevant organizations.

Legal Department's Activities to Promote Compliance

Legal Section,
Legal Department

Yoshiaki
Shirakawa



In promoting compliance, JCU strives to identify problems as early as possible and raise the awareness of each and every employee. In this context, the Legal Department regularly gives a “Compliance Quiz” for all employees as part of its activities to promote compliance. The program has been conducted in the past in a format where each student would study at their own desks, but we have significantly renewed this format in October 2022. Training materials are revised in accordance with our Code of Conduct and regulations, made easy to read in a cartoon style, and the quizzes are given every two weeks.

To ensure that no compliance violations occur in any area of our operations, the program is for all employees—not only full-time employees, but also employees on loan overseas and temporary staff. While some chose not to respond to the quiz initially, the quizzes took root over the past year to the point where we now have a 98% response rate. The quizzes cover a comprehensive range of topics, and this has helped raise the baseline level of knowledge of laws and regulations, and improve awareness throughout the company.

Law is a highly specialized field, and at first glance, people may feel that it doesn't have much to do with them, but the Legal Department believes that by making people aware of how closely it relates to them and helping them to overcome this sense that it is too difficult, all employees can become aware that they are actually in the driver's seat when it comes to legal compliance. We will continue our activities to promote compliance and strive to make the Legal Department an “easy-to-consult” place where people are welcome to come in with questions on legal topics.

Installed the Internal and External Reporting Desk

For the purpose of detecting and correcting misconduct at an early stage, and to help strengthen our compliance, the JCU Group has a desk for internal and external reporting, and a system for properly acting on reports given by JCU Group executives and employees, as well as business partners, etc., on legal and regulatory violations committed by organizations or individuals.

Internal and external reporting desk

Nagamatsu & Yokoyama Law Office

Person in charge: Toshihide Yokoyama, attorney-at-law
Room 806, 8th Floor, Kioicho Building, 3-12 Kioicho, Chiyoda-ku, Tokyo 102-0094, Japan
FAX: 03-6910-0746 Email: jcu.hotline@n-lo.com



Risk Management

The JCU Group understands the risks that can potentially have a significant impact on the fulfillment of our business targets and business activities, and formulates risk reduction measures based on this understanding.

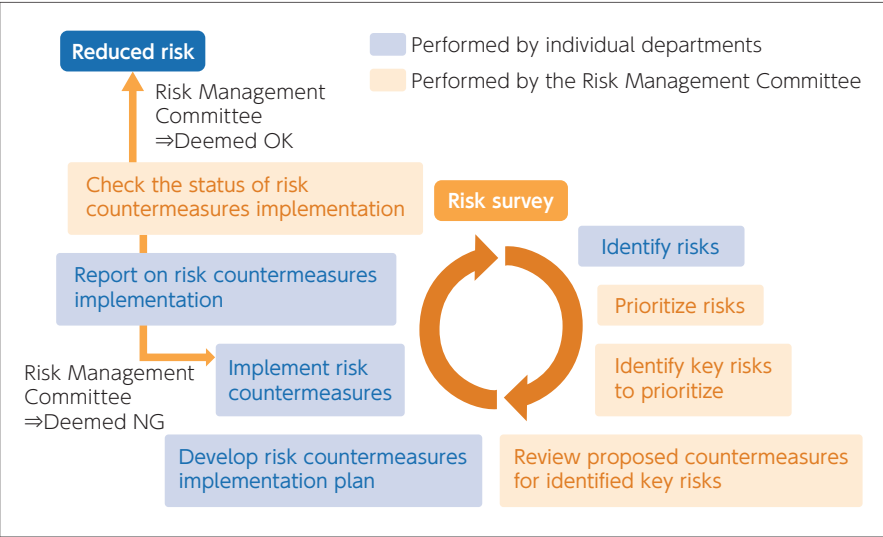
In addition to establishing an internal system for preventing risks, we have made necessary preparations and conducted training to minimize damage and loss as much as possible in the event that a risk should materialize.

Risk Management Structure

The JCU Group has a Risk Management Committee chaired by the President and CEO under the Board of Directors. The Committee is made up of internal directors and a number of Executive Officers. A meeting of risk management leaders appointed by individual departments is installed under this Committee. The Risk Management Leaders Meeting examines the details of risks identified for each department, and carries

out frequent and long-hour discussions based on perspectives such as risk levels and current countermeasures. The content of these discussions is promptly reported to the Management Committee which reviews the report from a management perspective to identify the risks that are ultimately key for the JCU Group, and determines the countermeasures to be taken at individual departments.

● Risk management schematic



● Risk management structure



Driving Forward Business Continuity Management (BCM)

To prepare for unforeseen events, the JCU Group has a Business Continuity Plan (BCP) in place so that we are able to continue our operations and minimize the impact on our customers even in the event of an emergency. We hold briefing sessions on our business continuity plan and distribute booklets explaining the outline of our BCP to raise awareness among employees at all business sites.

The major emergencies that our BCP prepares for include intense earthquakes, storms, floods, fires, IT failures, and supply chain disruptions.

Entering FY2022, the impact of the COVID-19 outbreak was

mitigated in the form of deregulation, but sudden lockdowns and restrictions on activities were still being imposed in some regions, making for unpredictable situations.

At domestic and overseas offices, we paid close attention to the situation in each country and region, and continued to take various measures to prevent infections, such as performing disinfection, wearing masks, promoting web conferencing and, if necessary, setting restrictions on movement.

Employee safety and business continuation will continue to be the top priorities in all responses that we take at the JCU Group.

Conducting Drills



BCM training at the R&D Center

At JCU, we systematically carry out BCM drills to raise awareness among executives and employees, and to clarify their roles in the event of an emergency.

In FY2022, the R&D Center conducted a drill on setting up an emergency response headquarters. Under the scenario that a large-scale earthquake had hit, we conducted simulations on actions such as declaring the BCP into effect, confirming the safety of department employees and damage sustained by departments, and reporting to the Chief Executive of BCP Response. Through this training, we identified how each of us would operate in a contingency and what obstacles we would face.

In the event of an emergency, we set up emergency response headquarters at affected offices, and a BCP response headquarters at the head office. If this is difficult to set up at the head office, it is to be set up at an alternative office in accordance with the manual.

Introduced a Safety Confirmation System

As part of our BCP, JCU has a safety confirmation system in place that enables us to easily and quickly confirm the safety status of our employees during large-scale disasters, or nationwide/global epidemics/pandemics of communicable diseases. Multiple times a year, we conduct safety confirmation drills on an irregular basis using this system to prepare for emergencies.

Key Risk

The Risk Management Committee has identified the following risks as being the 21 key risks for our Company: management (of risk, of distribution) We will make every effort to continue to strengthen our risk management.

Risk Management Committee

- Developments in demand side industries (automotive, electronics)
- Legal regulations
- Competition with other companies, delays in new technologies development
- Material price fluctuations
- Securing and developing HR
- Fixed asset impairment accounting

- Information system failure
- Exchange rate fluctuations
- Occupational safety and health
- Tax and transfer price taxation
- Products and services
- Overseas operations
- Harassment
- Irrecoverable receivables, etc.
- Intellectual property protection and infringement

- Technical know-how leak
- Price fluctuations in held securities
- Natural disasters, accidents, communicable diseases, etc.
- Quality control system
- Risks related to management policies and strategies
- Environmental Conservation

Officers

12 men and 2 women (14.2% of board members are women)

President (Representative Director)
Chief Executive Officer (CEO)

Tenure: 5 years

Masashi Kimura

Born on February 9, 1958

April 1980: Joined EBARA DENSAN LTD.
April 2004: General Manager of Printed Circuit Chemicals Department of EBARA DENSAN LTD.
April 2010: Joined the Company as General Manager of DENSAN
August 2010: Vice President of JCU (THAILAND) CO., LTD.
June 2013: Managing Officer
April 2016: Managing Officer and Division Manager of Corporate Strategy Office
June 2016: Director, Managing Officer and Division Manager of Corporate Strategy Office
June 2017: Director, Senior Executive Managing Officer and Division Manager of Corporate Strategy Office
February 2018: Director, Senior Executive Managing Officer, Division Manager of Corporate Strategy Office and Division Manager of Administration Division
April 2018: Representative Director, President and COO and Division Manager of Corporate Strategy Office
April 2019: Representative Director, President and COO
April 2021: Representative Director, President and CEO (present position)

Managing Director
Managing Executive Officer
Chairman and President, JCU SHENZHEN TRADING CORPORATION

Tenure: 9 years

Takanori Arata

Born on May 13, 1967

September 2006: Joined the Company
June 2009: General Manager of Accounting Department of Administration Division
April 2014: Managing Executive Officer and Division Manager of Administration Division
June 2014: Director, Managing Officer and Division Manager of Administration Division
April 2015: Director, Managing Officer and Assistant General Manager of Chemical Business Division
April 2016: Director, Managing Officer and Deputy Division Manager of Sales Division
June 2016: Managing Director, Executive Managing Officer and Deputy Division Manager of Sales Division
April 2021: Managing Director, Managing Executive Officer and General Manager, Sales Headquarters
April 2022: Managing Director, Managing Executive Officer and Chairman and President, JCU SHENZHEN TRADING CORPORATION (present position)

Director／Managing Executive Officer
General Manager, Corporate Strategy Office

Tenure: 2 years

Yoji Inoue

Born on January 10, 1967

November 1997: Joined the Company
April 2010: General Manager, Overseas Operations Department
April 2016: General Manager, Overseas Administration Department
December 2016: General Manager, Overseas Market Development Department
April 2017: Managing Officer and Deputy General Manager, Overseas Business Administration Department
April 2018: Managing Officer and Deputy Manager, Corporate Strategy Office
April 2019: Executive Officer and General Manager, Corporate Strategy Office
June 2021: Director, Managing Executive Officer and General Manager, Corporate Strategy Office (present position)
April 2022: JCU (THAILAND) CO., LTD. President (present position)
April 2022: JCU VIETNAM CORPORATION Representative Director (present position)
April 2022: PT. JCU INDONESIA President (present position)
April 2023: JCU MALAYSIA SDN. BHD. President (present position)

Director

Outside, tenure: 2 years

Koki Morinaga

Born on July 25, 1954

April 1980: Joined Japan Broadcasting Corporation (NHK)
May 2006: General Manager, Economy Bureau, NHK
May 2008: Chief Editor, News Department, NHK
May 2010: General Manager, Affiliated Business Department, NHK
April 2011: General Manager, News Department, NHK
April 2013: Deputy Director-General, General Broadcasting Administration, NHK
April 2016: Executive Director and Chief of Engineering, NHK
June 2017: President, NHK Publishing, Inc.
June 2021: Director of the Company (present position)

Director

Outside, tenure: 2 years

Muneaki Kiyota

Born on April 3, 1957

April 1981: Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
June 2004: General Manager, International Exchange Department, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
April 2007: General Manager, Bangkok Branch, Mizuho Corporate Bank
April 2009: Executive Officer of Mizuho Securities Co., Ltd. and President of Mizuho Bank (Schweiz) AG
April 2010: Director, Mizuho Securities Co., Ltd.
June 2010: Full-time Auditor, OKAYA ELECTRIC INDUSTRIES CO.,LTD.
June 2012: Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.
June 2014: Director and Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.
April 2018: Director and Senior Executive Managing Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.
June 2020: Outside Audit & Supervisory Board Member, NICHIREI CORPORATION (present position)
June 2020: Outside Corporate Auditor, KONKORI CORPORATION (present position)
June 2021: Director of the Company (present position)

Senior Managing Director／Senior Managing Executive Officer
General Manager, R&D Center

Tenure: 9 years

Akihisa Omori

Born on October 2, 1965

January 1990: Joined the Company
April 2010: Branch Manager of Osaka Branch
June 2012: Division Manager of Corporate Strategy Office
April 2014: Managing Executive Officer and Division Manager of Corporate Strategy Office
June 2014: Director, Managing Officer and Division Manager of Corporate Strategy Office
April 2015: President of JCU INTERNATIONAL, INC.
June 2016: Managing Director, Executive Managing Officer
April 2019: Managing Director, Executive Managing Officer, General Manager, R&D Center
December 2020: JCU (THAILAND) CO., LTD. President
December 2020: JCU VIETNAM CORPORATION Representative Director
December 2020: PT. JCU INDONESIA President
June 2023: Senior Managing Director, Senior Managing Executive Officer, General Manager, R&D Center (present position)

Managing Director
Managing Executive Officer
General Manager, Administration Headquarters

Tenure: 4 years

Hirofumi Ikegawa

Born on July 29, 1965

August 1984: Joined Fuji Machinery Mfg. & Electronics Co., Ltd.
June 2004: Director and General Manager, Administration Division
June 2008: Executive Managing Director and Chief Executive of Administration
June 2009: President and Representative Director
June 2010: Director, Kyoden Co., Ltd.
November 2013: Joined the Company as Branch Manager of Osaka Branch
January 2015: President, JCU TAIWAN CORPORATION
April 2016: Managing Officer
April 2018: Managing Officer and Division Manager of Administration Division
June 2019: Director, Executive Managing Officer and Division Manager of Administration Division
June 2020: Managing Director, Managing Executive Officer and General Manager, Administration Headquarters (present position)

Director／Managing Executive Officer
General Manager, Sales Headquarters

Tenure: 2 years

Fumihiko Araake

Born on February 9, 1966

April 1989: Joined the Company
November 2009: President, JCU SHANGHAI TRADING CORPORATION
May 2014: General Manager of Nagoya Branch
June 2018: Division Manager of Production Division
April 2019: Executive Officer and General Manager, Production Headquarters
June 2021: Director, Managing Executive Officer and General Manager, Production Headquarters
April 2022: Director, Managing Executive Officer and General Manager, Sales Headquarters (present position)
April 2022: Representative Director, JCU KOREA CORPORATION (present position)

Director

Outside, tenure: 2 years

Mayumi Yamamoto

Born on February 11, 1956

April 1984: Registered as attorney and joined Takeo Ishiguro Law Office
September 1990: Established Ginza Shin Sogo Law Office
January 2005: Established Ginza Shin Meiwa Law Office
December 2010: Public Interests Member, Central Labour Relations Commission
January 2019: Member, Financial System Council, Financial Services Agency (present position)
June 2019: External Audit & Supervisory Board Member, MORINAGA MILK INDUSTRY CO., LTD (present position)
July 2019: Member of Self-regulatory Planning Sub-Committee, Selfregulation Board, Japan Securities Dealers Association (present position)
June 2020: Outside Director, MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation) (present position)
June 2021: Director of the Company (present position)

Director

Outside, tenure: 2 years

Masayuki Itagaki

Born on March 24, 1964

April 1992: Research Fellow, Japan Society for the Promotion of Science
July 1993: Researcher, University of Burgundy, France
April 1994: Assistant, Faculty of Science and Technology, Tokyo University of Science
April 1998: Lecturer, Faculty of Science and Technology, Tokyo University of Science
April 2001: Assistant Professor, Faculty of Science and Technology, Tokyo University of Science
April 2005: Professor, Faculty of Science and Technology, Tokyo University of Science (present position)
November 2006: President and Chief Executive Officer, NEWLONG SEIMITSU KOGYO Co., Ltd. (present position)
June 2021: Director of the Company (present position)

Full-time Corporate Auditor

Tenure: 7 years

Takashi Nakazawa

Born on February 8, 1951

April 1974: Joined the Company
April 1999: General Manager of Nagoya Branch
April 2003: Assistant General Manager of Sales and Marketing Headquarters
September 2004: Executive Officer and Assistant General Manager of Sales and Marketing Headquarters
June 2007: Director, Executive Officer and General Manager of Chemical Sales and Marketing Headquarters
June 2008: Director, Managing Executive Officer and General Manager of Chemical Sales and Marketing Headquarters
June 2010: Managing Director, Managing Executive Officer and General Manager of Domestic Sales and Marketing Headquarters
June 2012: Managing Director, Managing Executive Officer and General Manager of Procurement Headquarters
June 2016: Full-time Audit & Supervisory Board Member (present position)

Corporate Auditor

Outside, tenure: 4 years

Koyuri Kawato

Born on July 5, 1968

April 1991: Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
March 1994: Registered as a certified public accountant
July 2000: Representative, Kawato Certified Public Accountant Office (present position)
January 2001: Registered as certified public tax accountant
June 2019: Audit & Supervisory Board Member of the Company (present position)

Corporate Auditor

Outside, tenure: 9 years

Mitsuru Ichikawa

Born on April 15, 1960

November 1992: Passed the National Bar Examination
April 1995: Registered as a lawyer
June 2014: Audit & Supervisory Board Member of the Company (present position)
May 2019: Executive Director, Tokyo Lawyers Cooperative
October 2019: Outside Director, Renascience Inc. (present position)
May 2023: Vice President, Tokyo Lawyers Cooperative (present position)

Corporate Auditor

Outside, tenure: 2 years

Harusato Nihei

Born on August 30, 1957

April 1980: Joined The Dai-ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)
March 2006: General Manager, Taipei Branch, Mizuho Corporate Bank, Ltd.
April 2008: Executive Officer and General Manager, Taipei Branch, Mizuho Corporate Bank, Ltd.
April 2009: Executive Officer and General Manager, Human Resources Management Department, Mizuho Corporate Bank, Ltd.
April 2010: Managing Executive Officer and Officer responsible for Sales and Marketing, Mizuho Corporate Bank, Ltd.
April 2011: Managing Executive Officer, Mizuho Bank, Ltd.
April 2014: Deputy President, Mizuho Research Institute Ltd. (currently Mizuho Research & Technologies, Ltd.)
June 2016: Audit & Supervisory Board Member, Kawasaki Kisen Kaisha, Ltd.
June 2017: Senior Managing Executive Officer, Kawasaki Kisen Kaisha, Ltd.
June 2018: Representative Director and Senior Managing Executive Officer, Kawasaki Kisen Kaisha, Ltd.
April 2020: Director, Kawasaki Kisen Kaisha, Ltd.
June 2020: Special Advisor, Kawasaki Kisen Kaisha, Ltd.
June 2021: Corporate Auditor of JCU (present position)
June 2021: Outside Corporate Auditor of Shindengen Electric Manufacturing Co., Ltd. (present position)

(Note) JCU has introduced an executive officer system. The following is a list of executive officers who do not concurrently serve as directors.

- Hideki Hagiwara, Executive Officer, Deputy General Manager, R&D Center
●Toyokazu Imai, Executive Officer, General Manager, Production Headquarters
●Akinobu Ohno, Executive Officer, Deputy General Manager, R&D Center
●Noriyuki Tomita, Executive Officer, Deputy General Manager, Sales Headquarters
- Mitsuyoshi Matsuura, Executive Officer, President, JCU SHANGHAI TRADING CORPORATION
●Tadahiko Miyamoto, Executive Officer, Managing Director, JCU KOREA CORPORATION
●Kanae Tokio, Executive Officer, President, JCU TAIWAN CORPORATION

6 men and 1 woman (14.2% of executive officers are women)

Director’s Skills Matrix

Name (honorifics omitted)	Inside and Outside	Tenure (years)	Skills and experience						
			Business management	Sales and marketing	Research, development and engineering	Quality and production	Global	Finance and accounting	Legal and risks
Masashi Kimura		5	●	●	●	●	●	●	●
Akihisa Omori		9	●	●	●		●		
Takanori Arata		9	●	●			●	●	
Hirofumi Ikegawa		4	●			●	●	●	●
Yoji Inoue		2	●	●			●		
Fumihiko Araake		2	●	●	●	●	●		
Koki Morinaga	Outside	2	●				●		
Mayumi Yamamoto	Outside	2							●
Muneaki Kiyota	Outside	2	●				●	●	
Masayuki Itagaki	Outside	2	●		●	●			
Total			9	5	4	4	8	4	3

*The skills matrix above does not represent all the skills and experience possessed by the candidate.

Definition of skills and experience

Business management: Management experience at other companies or our group; experience and ability to formulate management strategies
Sales and marketing: Understanding of market trends and formulation of sales strategies / Experience and ability to make decisions
Research, development and engineering: Experience and expertise in research, development and engineering
Quality and production: Experience and expertise in manufacturing, production and quality control in Japan and abroad
Global: Experience in overseas business development and management
Finance and accounting: Experience and expertise in finance and accounting
Legal and risks: Experience in corporate legal and risk management / Expertise