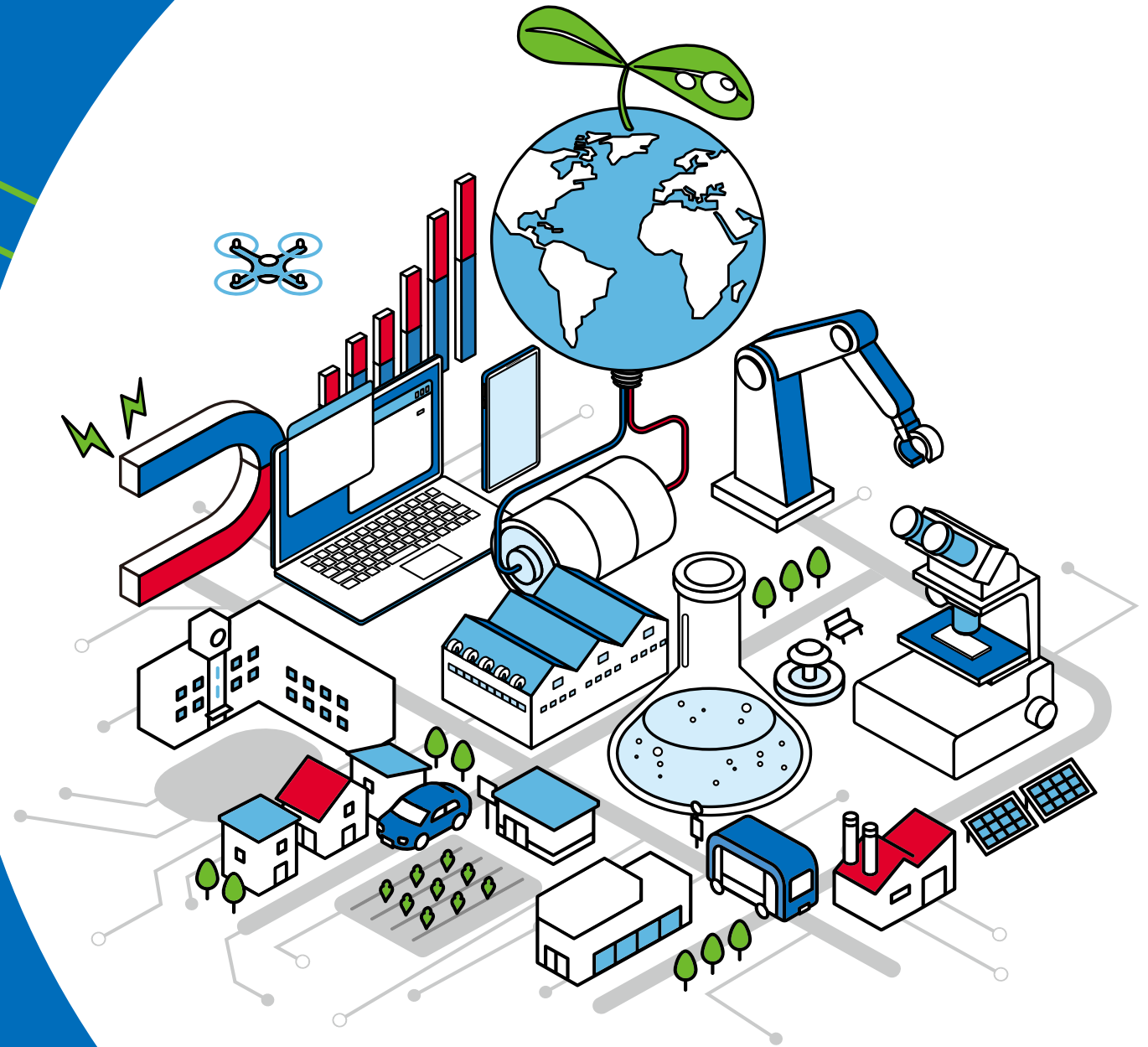


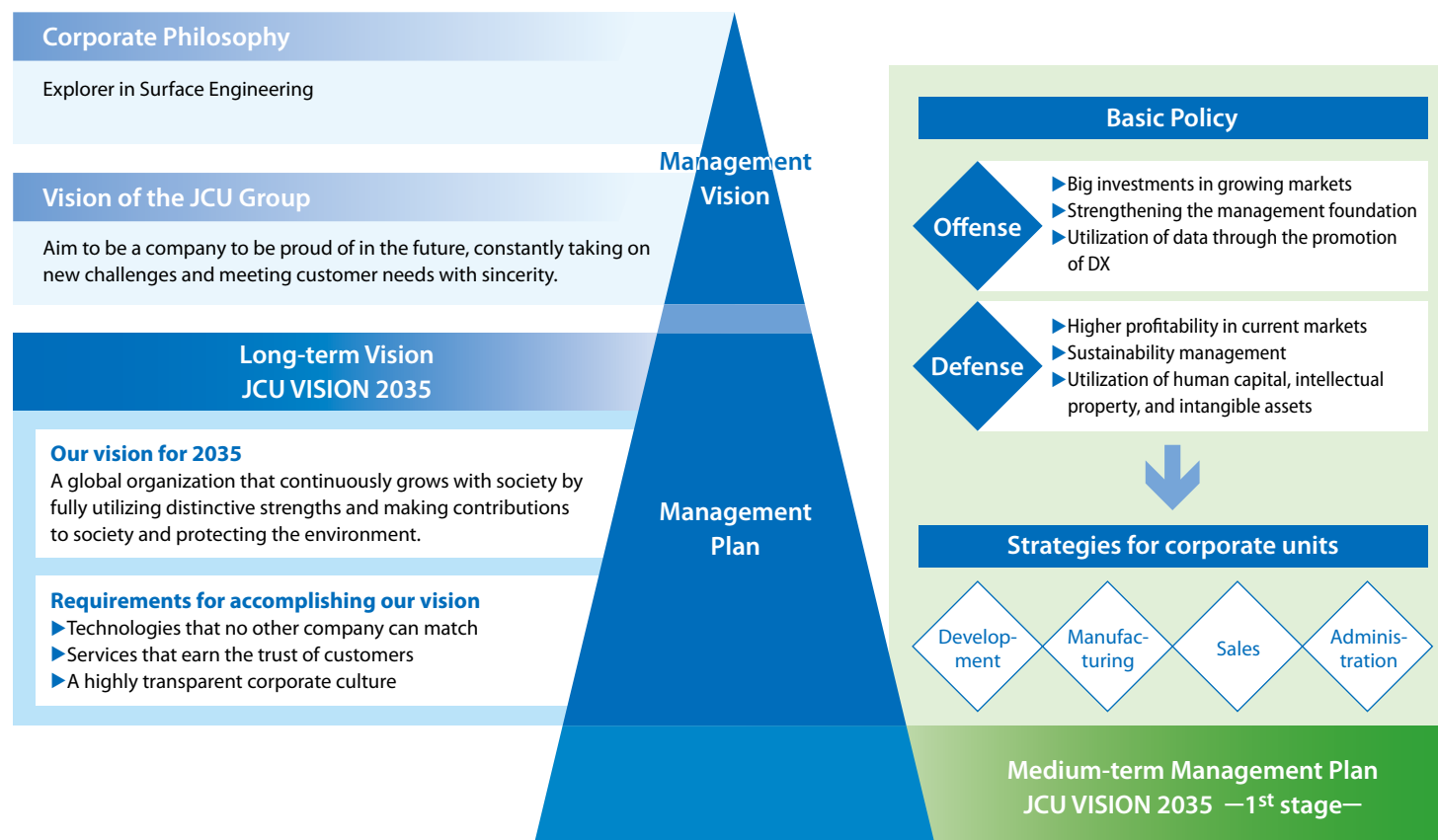
SUSTAINABILITY REPORT 2025



Explorer in Surface Engineering

Introduction

JCU VISION 2035 New Corporate Philosophy System



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Editorial Policy

In this report, we aim to communicate to our stakeholders the principles guiding JCU Group sustainability efforts and the specific initiatives we are undertaking.

The JCU Group has set promoting sustainability management as one of the basic policies under its medium-term management plan (FY2024–FY2026). Sustainability Report 2025 introduces the JCU Group's value creation process and provides concrete examples of environmental, social, and governance (ESG) initiatives promoted through business activities. Additionally, as we plan to publish an integrated report in the future, we have expanded Sustainability Report 2025 content to include interviews with external directors as well as financial and non-financial highlights.

Going forward, all officers and employees will work together to realize our Vision for 2035, to become a global organization that continuously grows with society by fully utilizing distinctive strengths and making contributions to society and protecting the environment.

Reporting Period

Main focus is FY2024 (April 2024–March 2025), but also includes some details pertaining to FY2025 (April 2025–March 2026).

Report Scope

JCU Group
In this report, "JCU Group" or "the Group" refers to the entire JCU Group, while "JCU" or "the Company" refers to JCU CORPORATION.

Referenced Guidelines

- International Financial Reporting Standards (IFRS) Foundation "International Integrated Reporting Framework"
- Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0"
- Japan Standards Association "ISO 26000:2010 Guidance on Social Responsibility"
- Global Reporting Initiative (GRI) "Sustainability Reporting Standards"

Publication

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Inquiries Regarding this Report

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JCU at a Glance

Company Profile

Establishment

 **April 1968**

Capital

 **1,281** million yen

Employees

(Non-consolidated) (Research staff)

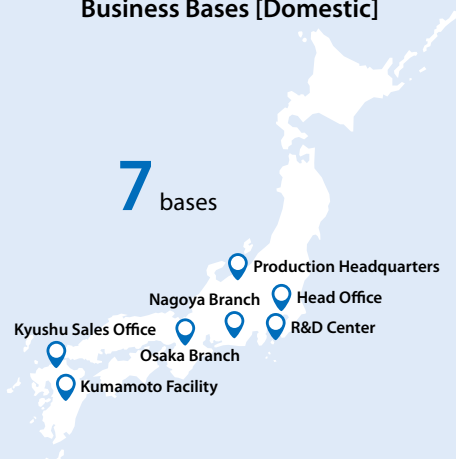
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(Consolidated)

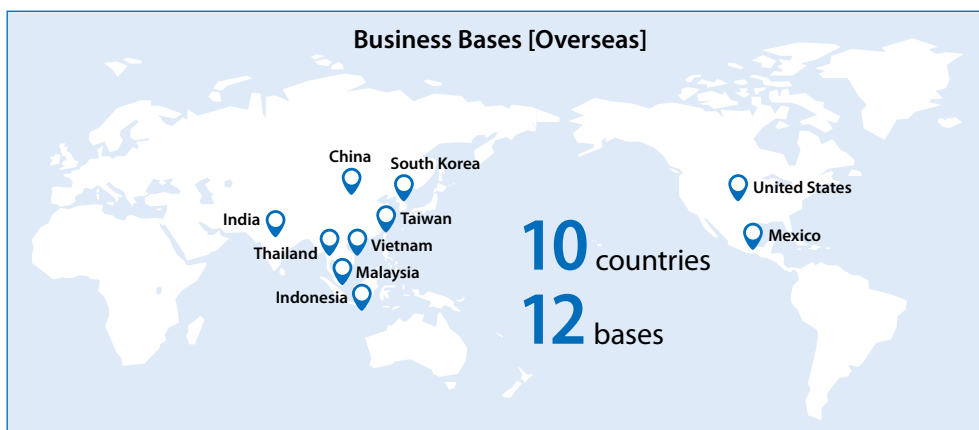
 **550**

As of March 31, 2025

Business Bases [Domestic]



Business Bases [Overseas]



Financial Indicators (FY2024)

Net Sales [Consolidated]

28,356 million yen
(+14.1%)

Note: Figures in parentheses indicate changes compared to the previous fiscal year.

Operating Profit [Consolidated]

10,513 million yen
(+30.8%)

Note: Figures in parentheses indicate changes compared to the previous fiscal year.

Overseas Sales Ratio

73 %

 38%  13%  8%
 Other Asian regions: 10%
 Other: 4%

Note: Ratio of sales including chemicals and machines

R&D Expenses

1,302 million yen

Equity Ratio

87.2 %

Return on Equity (ROE)

16.7 %

Dividend Payout Ratio

25.5 %

Total Distribution Ratio

45.4 %

Capital Expenditures

6,359 million yen

Sustainability Management Indicators (FY2024)

CO₂ Emissions Reductions Rate

 **42.7** %

Note: Non-consolidated, compared to FY2013

Percentage of Female Managers [Non-consolidated]

 **10.3** %

Average Years of Continuous Employment

 **16.3**  16.2
 16.5

R&D Expenses and R&D Expense-to-sales Ratio

 **4.6** %

CEO Message



Building on a foundation of trust and technology, we will realize future manufacturing and sustainable growth by taking on forward-looking challenges.

Masashi Kimura

Representative Director, Chairman and CEO

The Path Toward Achieving Results Under Medium-term Management Plan JCU VISION 2035 —1st stage—, and Realizing Our Long-term Vision

In the first year of JCU VISION 2035 —1st stage—, net sales, operating profit, and profit attributable to owners of parent all reached record highs. This achievement gives me a tangible sense of the hard work of our employees and the support we have received from partner companies and customers. In February 2025, we decided to make upward revisions to our earnings forecast, enabling us to proactively communicate the stability and growth potential of our business to our investors.

Not being satisfied with these achievements, we will of course address remaining challenges with sincerity and further strengthen our foundation for growth. Despite ongoing uncertainties, we intend to steadily execute our medium-term management plan and achieve sustainable growth in both sales and profits. Rather than pursuing dramatic growth in the numbers, I want to achieve results that enable us to proudly declare “we did it!” in the final year of the plan.

The medium-term management plan serves as a guideline clarifying the Company’s direction, ensuring that all employees

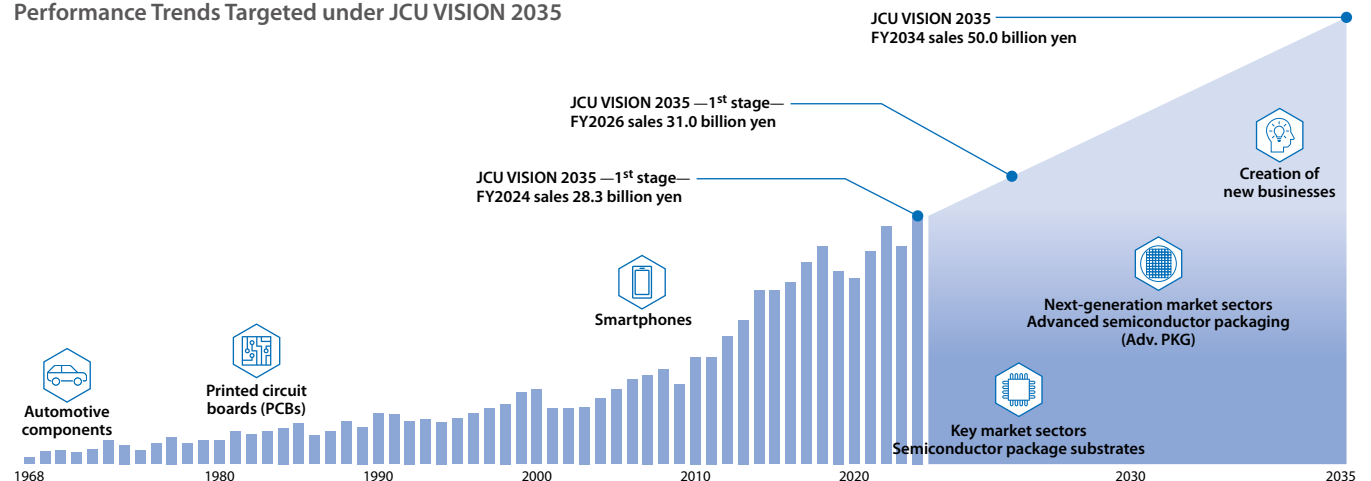
are on the same page and taking concrete actions.

After returning from my assignment in Thailand, I led the development of the Company’s first medium-term management plan as General Manager of the Corporate Strategy Office. Subsequently, I have been involved in formulating multiple medium-term management plans, and have engaged repeatedly in dialogues with staff both internally and outside the Company, all of which has led to our current long-term vision, JCU VISION 2035. My experience on the front lines in Thailand and with planning in the Corporate Strategy Office have also served as the basis for my own management decisions. In particular, my clear sense of duty to grow the electronic components field has also shaped the direction of our current strategy.

With Electronic Components as a Growth Pillar, We Will Take on the Challenge of Refining Our Research Capabilities and Technological Foundation

Electronic components are positioned as the JCU Group’s growth pillar. Specifically, we are focusing on the development of new technologies for semiconductor package substrates and

Performance Trends Targeted under JCU VISION 2035



CEO Message

advanced semiconductor packaging. I believe our plating and etching technologies will play an even more important role as chiplets spread in line with advances in AI.

Our R&D Center supports these technologies. We are making focused investments in management resources—namely, people, materials, capital, and information—while promoting analytical equipment upgrades and personnel recruitment and development. Approximately 100 researchers are engaged in product development that goes beyond the laboratory to focus on markets.

To enhance our research capabilities, we are also promoting collaborations with universities and research institutions, including joint research with Tohoku University, Fukuoka University, and Taiwan's Industrial Technology Research Institute (ITRI), as well as participating in d.lab (Center for System Design Research) led by the University of Tokyo. Additionally, we are strengthening initiatives originating on the front lines, including the introduction of high-performance analytical equipment based on researcher suggestions. Furthermore, by leveraging AI and materials informatics (MI), we are enhancing the speed and precision of R&D efforts, from fundamental research to raw materials and product development, and this scientifically grounded approach

facilitates sustainable competitiveness.

In decorations and functions, we continue to address environmental regulations through initiatives such as developing hexavalent chromium-free and Per- and polyfluoroalkyl substances (PFAS)-



free products, and expanding processes that contribute to reducing CO₂ emissions.

I expect researchers engaged in research and development to go beyond achieving immediate results and pursue ideas and actions that anticipate next-generation technological needs. In a rapidly changing market environment, I believe that the ability to create new value through flexible thinking and a scientific perspective will further strengthen the JCU Group's technological foundation.

Strengthening Competitiveness Through a Global Supply System and Close Local Support

In Japan, we are making strategic investments with a view to decentralizing our production system and providing next-generation support. At the Kumamoto Facility, we plan to introduce the latest environmentally friendly equipment to save labor and eliminate wastewater, and will invest approximately 11.4 billion yen (excluding land acquisition costs), with trial production scheduled to commence in FY2026. This base will play an important role in terms of electronic components growth and environmental responsiveness.

At the same time, we are also accelerating global base enhancements, especially in Southeast Asia, where we are expanding our bases in Thailand, Malaysia, Vietnam, and Indonesia in anticipation of demand associated with China Plus One strategies. Through regional networks in India and other areas, we have established a supply system that can be called an "East-West corridor." To meet local demand in Thailand, we are constructing a new factory at an investment of approximately 3.3 billion yen (including factory land acquisition costs), scheduled for completion in FY2027.

These developments are supported by customer service capabilities rooted in local communities. We work closely with local subsidiaries in China, Taiwan, and Southeast Asia to accurately ascertain needs in each market, including utilizing our Chinese network, to focus on local response capabilities while enhancing our competitiveness in global markets.

The foundation of our response capabilities is management based on feedback from the front lines. We take customer feedback seriously, both domestically and internationally, and swiftly translate this feedback into action. Especially when expanding overseas, I believe the key to building trust on a global basis is to quickly incorporate feedback from the front lines into management decisions.

The JCU Group is more than just a product supplier; we aim to be a company that works closely with customers like a doctor, responding swiftly to their problems. Based on this approach, we want to provide solid support for customer value creation through continuous, long-term followups, even after product delivery.

Taking on Challenges as "Unsung Heroes" Supporting the Future with Reliable Technologies

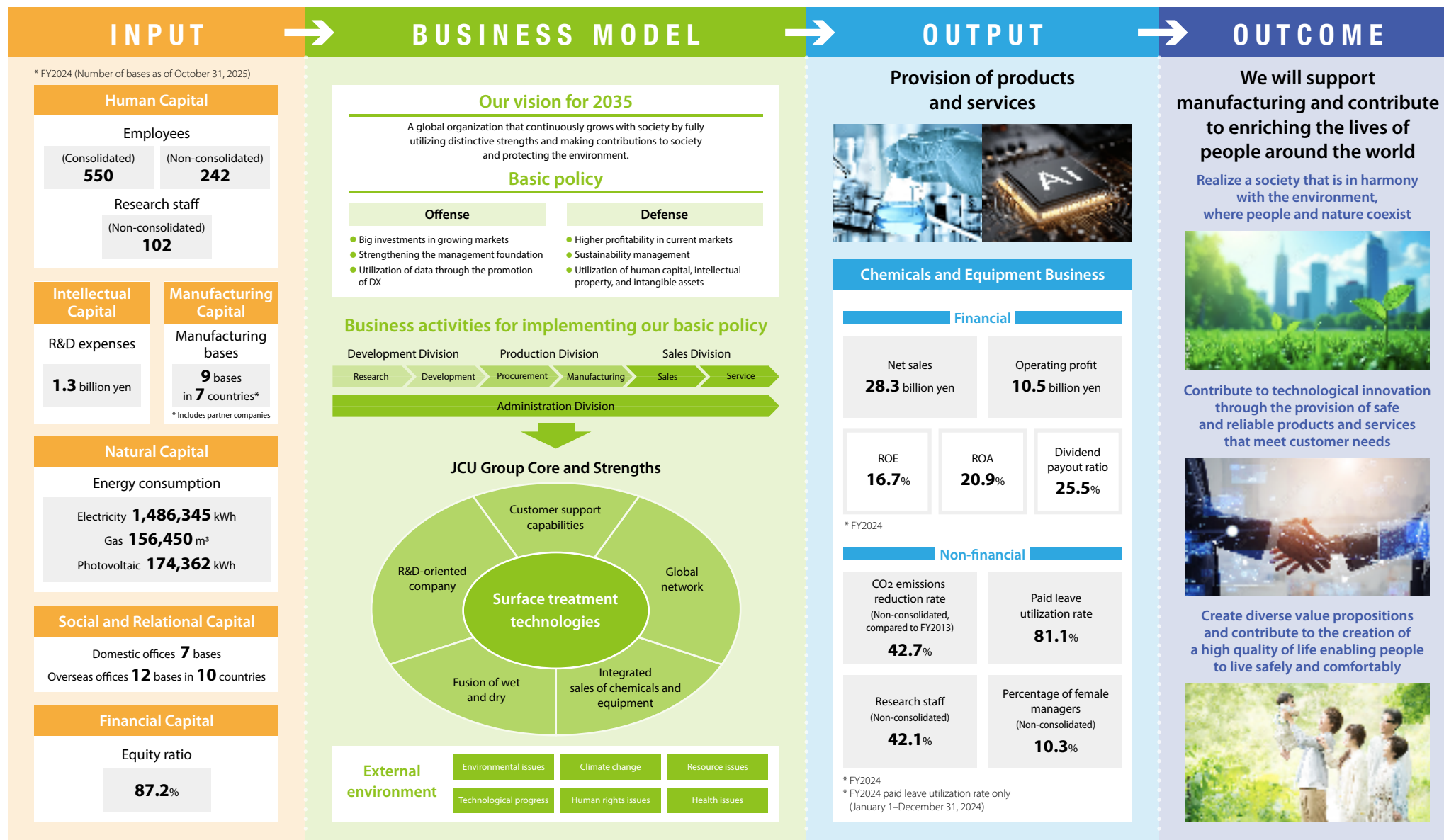
The JCU Group has long supported global manufacturing in areas that are not readily visible. Many products would not exist without our technologies, and the pride we take in being "unsung heroes" is the driving force behind our corporate activities and the very essence of our purpose.

To continue providing this value going forward, it is essential we anticipate change and continuously take on challenges. I tell our employees, "Rather than one step ahead, let's think two steps ahead." I believe that flexible thinking and the ability to envision the future from a strategic perspective are key to navigating these changing times. Each individual challenge will accumulate to become the driving force behind JCU Group competitiveness and sustainable growth.

The JCU Group will continue to aim for sustainable growth together with all its stakeholders. Even in less prominent fields, we will continue to leverage solid technologies and frontline capabilities, steadily advancing as a company that supports the world's industrial infrastructure.

Value Creation Story

Value Creation Process Diagram

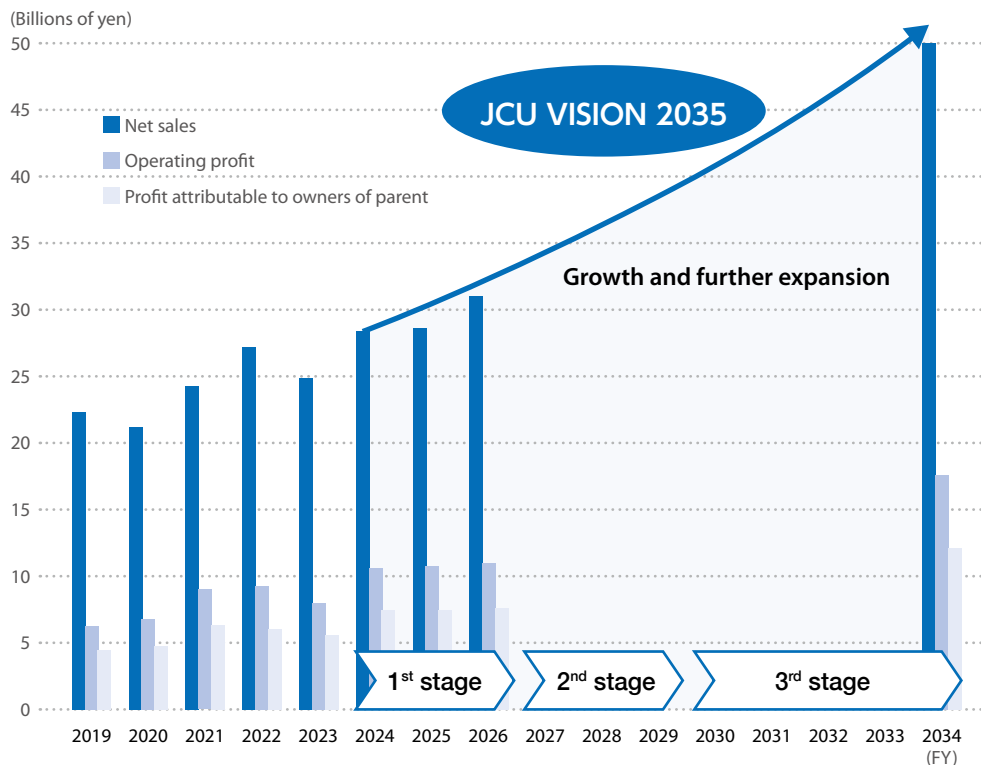


Long-term Vision and Medium-term Management Plan

JCU VISION 2035

In May 2024, we announced JCU VISION 2035, our long-term vision focused on the next 10 years. By establishing a long-term direction, we ensure management and employees are on the same page, and we even formulated our medium-term management plan by back casting based on this long-term vision. In determining our direction, we defined our vision for 2035 as “a global organization that continuously grows with society by fully utilizing distinctive strengths and making contributions to society and protecting the environment,” and identified the following elements as essential to realize this vision: Technologies no other company can match, services that earn the trust of customers, and a highly transparent corporate culture.

Under Medium-term Management Plan JCU VISION 2035 —1st stage—, we are implementing measures to establish a foundation and lay the groundwork necessary for achieving our vision over the next 10 years.



Our vision for 2035

A global organization that continuously grows with society by fully utilizing distinctive strengths and making contributions to society and protecting the environment.

Requirements for accomplishing our vision

Technologies that no other company can match

Services that earn the trust of customers

A highly transparent corporate culture

Financial Growth Targets

Net sales
50
billion yen

Operating profit
17.5
billion yen

Profit attributable to owners of parent
12
billion yen

Long-term Vision and Medium-term Management Plan

JCU VISION 2035 —1st stage— Progress

In the first year of the medium-term management plan, net sales amounted to 28.3 billion yen (+14.1% YoY), operating profit was 10.5 billion yen (+30.8% YoY), ordinary profit was 10.9 billion yen (+32.9% YoY), and profit attributable to owners of parent was 7.4 billion yen (+35.6% YoY; figures below 100 million yen rounded down), all of which substantially exceeded plan targets to reach record highs. With regard to shareholder returns, we increased the year-end dividend by 4 yen per share, and the full-year dividend by 6 yen per share to 76 yen per share, marking the 15th consecutive year of dividend growth. In light of our stronger-than-expected performance in the first year of the medium-term management plan compared to assumptions made when the plan was initially formulated, we made upward revisions to targets for FY2026, the final year of the plan. The revised targets call for net sales of 31.0 billion yen, operating profit and ordinary profit of 11.0 billion yen each, and profit attributable to owners of parent of 7.5 billion yen.

Furthermore, regarding capital expenditures, although we had planned cumulative investments of 10.0–12.5 billion yen over three years, in addition to the Kumamoto Facility currently preparing to commence operations, we also decided to construct a new factory at our Thai subsidiary. In recent years, there has been an increase in large-scale investments in semiconductor-related and other electronic components in the Southeast Asian region, and demand for printed circuit boards (PCBs), which the Group positions as a core area, is expected to expand. Accordingly, our policy is to promote growth investments with the aim of achieving further business growth.

In addition to growth investments, we are also promoting investments related to sustainability management. As part of these efforts, in November 2024 we introduced carbon-offset city gas in the Production Headquarters. As a result, we have achieved a 42.7% reduction in CO₂ emissions from domestic offices compared to FY2013. The new Kumamoto Facility will also operate as a clean facility aimed at reducing environmental impact and preserving the global environment, including partially covering electricity usage through solar power-generated electricity and minimizing wastewater discharge.

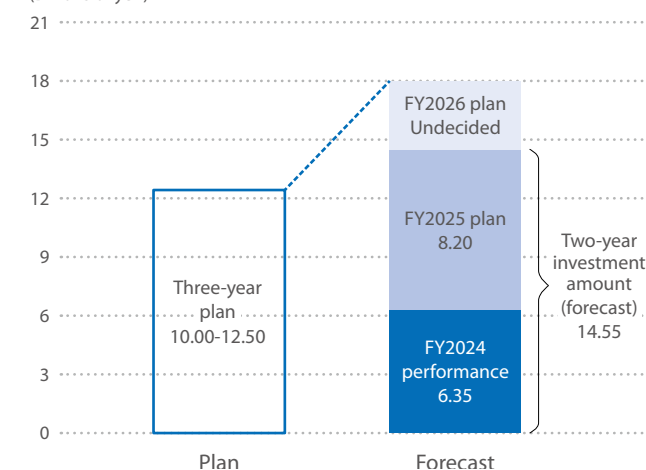
Going forward, we will continue to proactively invest in our own growth as well as in initiatives that contribute to the environment and society.

Financial Indicators

[Millions of yen]	FY2024	FY2025	FY2026
	Performance	Plan	Plan
Net sales	28,356	28,500	31,000
Operating profit	10,513	10,700	11,000
Operating profit margin	37.1%	37.5%	35.5%
ROE	16.7%	More than 14.0%	
Total distribution ratio	45.4%	About 50%	

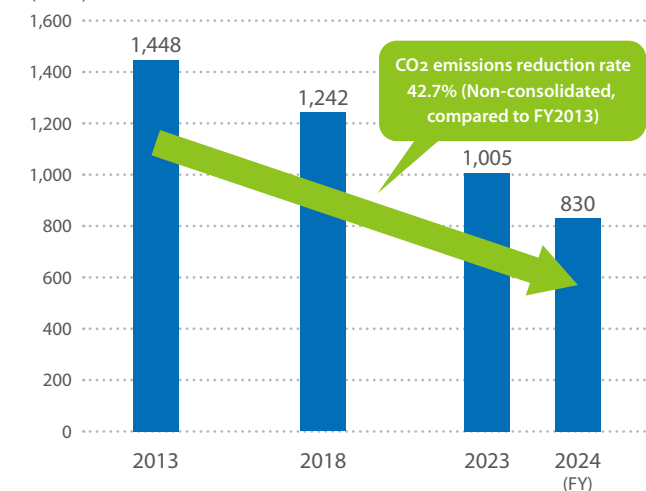
Capital Expenditures

(Billions of yen)



Decarbonization (CO₂ Reductions)

(t-CO₂)



Business Activities and Strategies

Since the Company's founding in April 1968, the JCU Group has supported the growth of the automotive, electronics, and other industries primarily through the provision of various surface treatment technologies developed from decorative and rust-proof plating techniques. With respect to the Group's direction over the medium to long term, we define our vision for 2035 as becoming a global organization that continuously grows with society by fully utilizing distinctive strengths and making contributions to society and protecting the environment. We will respond to the ever-changing social environment while continuously enhancing technological and service structures with the aim of enhancing corporate value through the pursuit of social and economic value.

Chemicals Business Overview and Strategy

In the chemicals business, we are engaged in the development, manufacture, and sales of surface treatment chemicals and the sale of related materials in both domestic and international markets. Our surface treatment chemicals are grouped into the decorative and functional, and electronics categories. We proactively invest profits from chemicals for automotive parts and PCBs—our foundational areas—in two growth sectors within the electronics domain: the semiconductor package substrate sector—our priority area—and the advanced semiconductor packages sector, which we position as a next-generation domain, with the aim of realizing corporate growth.

At present, we develop business at 12 bases in 10 countries, and the chemicals business has grown to represent over 80% of overseas sales. We will continue striving to gain the trust of customers in Japan and overseas by maintaining a globally connected, swift, and extensive support system, making proactive investments, and continuously developing high-quality products.

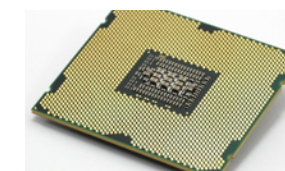
Electronics Field

In the electronics field, we focus on the development, manufacture, and sales of surface treatment chemicals for high-density PCBs and semiconductor package substrates used in smartphones, PCs, tablets, servers, and other high-performance electronic devices. In recent years, in addition to the CU-BRITE series of acid copper plating processes for via filling—our flagship product—we launched new brand TIPHARES® for semiconductor areas with more demanding requirements.

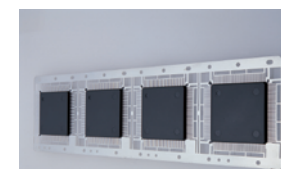
Going forward, we will continue to work on product development that meets increasingly sophisticated performance requirements, as we aim to expand our product lineup and quickly establish the TIPHARES® series in the market.



Semiconductor wafers



Semiconductor package substrates



Electronic parts

Decorative and Functional Fields

In the decorative and functional fields, we are engaged in the development, manufacture, and sales of surface treatment chemicals used on automotive parts and water faucet parts. To address the increasingly stringent climate change countermeasures and environmental regulations demanded in our target fields in recent years, we launched the new brand JEOLUMIS® aimed at reducing environmental impacts.

This new brand targets products that contribute to reducing or eliminating substances harmful to the natural environment and human health, conserving resources, and reducing CO₂ emissions.

Going forward, we will continue to develop products with reduced environmental impact, expand our product lineup, and aim to quickly establish the JEOLUMIS® series in the market.



Water faucet parts



Automotive parts



Construction parts

Business Activities and Strategies

Equipment Business Overview and Strategy

In our equipment business both in Japan and overseas, we are engaged in everything from design to manufacturing and sales. Our fully automated and precisely developed surface treatment equipment is used in a variety of sectors, including the automotive and electronics-related industries.

Based on the “integrated sales of systems and chemicals” concept that has been our philosophy since the Company’s founding, our equipment division also takes part in the research and development of chemicals. This enables us to verify technical issues that cannot be resolved with chemicals alone from the perspective of equipment mechanisms, and promote the development and sales of differentiated equipment that maximizes the performance of chemicals.

In addition to plating equipment, we also sell PCB etching and cleaning equipment that uses plasma technologies, which are highly compatible with chemicals, as well as other equipment that supports high-density manufacturing technologies.



Fully automatic programmable surface treatment equipment

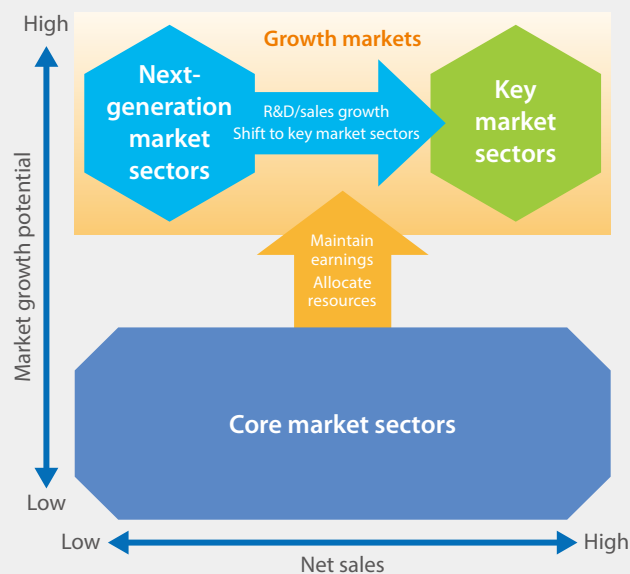


Plasma surface treatment equipment



Automated analytical control equipment

JCU VISION 2035 —1st stage— Investments in Growing Markets



Sector	Target market	Actions
Key market sectors	Semiconductor package substrates	<ul style="list-style-type: none"> ● Constantly add new products as an R&D-driven company ● Technology and sales collaborations targeting sales growth and a larger market share ● Strengthen Group-wide sales team
Next-generation market sectors	Advanced semiconductor packaging	<ul style="list-style-type: none"> ● Create products with substantial added value ● Formulate patent strategy to maintain competitiveness ● Proactively engage in information collection efforts ● Build an even stronger sales structure
Core market sectors	Automotive components PCBs	<ul style="list-style-type: none"> ● Raise productivity across the Group ● Enhance customer trust through sincere customer service ● Leverage JCU’s unique strengths to meet customer needs

Sales Division



Building trust and delivering sustainable value through a unique sales structure proposing the integration of chemicals and equipment

Fumihiko Araake

Director, Managing Executive Officer
General Manager of Sales Headquarters

The Role of Sales: Building Trust and Growing Together

I think the value of sales lies in growing together with customers. To this end, a sincere attitude is even more important than sales skills. Trust is initially born by standing by our customers and becoming a presence they can rely on. Building on this trust, we make proposals that enhance the value of customer products and provide value leading to the resolution of customers issues—this is the role JCU's sales team must play.

To this end, we must acquire a deep understanding of product functions and features, enabling us to make accurate proposals. Acquiring this knowledge requires considerable effort, but beyond that hurdle lies the rewarding sense of contributing to customer growth, which is the most enjoyable aspect of working in sales.

I feel that experience is the essence of sales. Although it takes time for young employees to accumulate experience, we have created a mechanism for disseminating the knowledge and methods employed by veteran employees through opportunities such as study sessions and the sharing of business negotiation case studies.

JCU's sales approach aims to provide comprehensive value, encompassing products as well as information and expertise. Through early-stage involvement in future-oriented dialogues regarding customer equipment planning and the introduction of new technologies, we contribute to long-term relationships of trust and customer developments.

With regard to global markets in particular, we must be able to respond flexibly to needs and business practices in China, Taiwan, South Korea, and other regions. Building upon the trust we have established thus far, we aim to further strengthen our global sales structure across the entire JCU Group and deliver consistent value across borders. Going forward, we will continue to refine JCU's unique sales structure and strengths, aiming to strengthen our structure as a sales organization that can be trusted over the long term.

Proposal Capabilities Born from Product Understanding and Technological Collaborations

The foundation of JCU's chemicals business lies in core technologies such as acid copper plating for via filling and etching. These represent JCU's strengths, accumulated over many years, and we consider them important areas that must continue to be strengthened.

In the past, JCU offered such a wide range of products that it could have been called a "department store for surface treatment chemicals." However, we are currently consolidating products and specializing in key market sectors through selection and concentration. That being said, the technical expertise we have accumulated over the years remains one of JCU's most valuable assets, supporting the foundation of our product development and frontline response capabilities.

Another key role of sales is to make proposals that maximize the performance of existing products based on the equipment environment and chemical usage conditions on customer production lines. Beyond mere sales activities, we are required to enhance the value and profitability of existing products through ongoing technical support and improvement proposals.

JCU possesses a global sales and technical network built over many years, and when Japanese customers establish manufacturing bases overseas, we respond swiftly by collaborating with our local overseas subsidiaries. These frontline capabilities have enabled us to earn trust in various countries, leading to a reputation that "JCU can be relied upon."

We aim to accurately understand customer needs and deliver No. 1 products to the market through close collaborations with the Development Division.

Sales Division

JCU's Unique Strength Lies in Providing Integrated Solutions Combining Equipment Chemicals

The symbol of the “comprehensive value provision” that JCU's sales team aims for is our unique sales structure, which provides both researchers and local subsidiary staff as an integrated package. Although the equipment business is smaller in scale than the chemical business, we have consistently maintained this stance since our founding, and it has become one of the important pillars underpinning JCU's uniqueness. The source of JCU's competitive edge lies in its ability to both supply chemicals and provide the equipment needed to maximize their effectiveness. A key feature of equipment sales is the ability to engage with customers from the initial stages of equipment installation planning. By acquiring information on equipment planning and site deployment early on—information not obtainable through chemical sales—we can prepare to maximize the performance of chemicals. This engagement provides customers with significant peace of mind and offers them an opportunity to more tangibly experience the value provided by JCU.

Furthermore, equipment often involves investments in the hundreds of millions of yen, and negotiations may extend beyond frontline personnel to include management. The relationships of trust built through these dialogues develop into long-term partnerships that go beyond mere business transactions. I feel that the equipment business is a meaningful initiative for expanding our business scope, as well as for deepening relationships between companies.

We are now strengthening collaborations with our R&D Division and fully implementing initiatives aimed at offering integrated solutions combining chemicals and equipment. Similar to chemical sales, we collaborate with research institutes to develop equipment that maximizes the performance of chemicals, with the aim of realizing proposals with even higher added value.

By uniting specialized divisions, namely sales, R&D, and equipment, we will continue to provide optimal and

sustainable solutions to customer specifications and challenges. This is precisely the approach JCU's Sales Division takes regarding the equipment business.

Furthermore, JCU's strength in offering integrated solutions encompassing both equipment and chemicals is also effective for expanding into new industries and regions that previously were beyond our reach. Going forward, we plan to focus on proactive market development and expanding points of contact with new customers.

A Sales Environment Cultivating Autonomy and Trust

In sales, the ability to make quick decisions on the spot is essential. Especially when problems arise, speed is crucial. Taking appropriate action to avoid causing customer anxiety builds trust. At JCU, we put in place a structure in which frontline staff can exercise judgment and act autonomously, enabling them to respond promptly in any situation.

We also want young employees to gain experience in thinking and making decisions on their own. Of course, things don't always go smoothly from the start. Experience, including failures, builds a foundation for sales and enables staff to take more precise steps the next time. I believe the accumulation of these experiences leads to confidence and growth.

Through OJT and in-house study sessions, we have a system in place to pass on the knowledge and experience that senior employees have cultivated, but ultimately, we want employees to develop their own sales style. Each individual should be able to speak in their own words and make decisions based on their own judgment. This is the ideal for JCU sales staff.

In sales positions, differences in academic background—whether liberal arts or science—are not an issue. What matters more is whether employees have the drive to continue learning. We provide a robust system for acquiring necessary knowledge after joining the Company and support employees in building solid skills through hands-on experience on the front lines. We value the process of growth where skills are built while learning.

My role as General Manager of the Sales Division is to create an environment where sales representatives can perform at their best. We trust the judgment of those working on the front lines and empower them, providing solid support when needed. While being conscious of maintaining a balanced relationship, we are working to create an organization where sales staff can work with satisfaction and pride. We will continue to make the development of people the cornerstone of our sales organization and further enhance the capabilities of the next generation of sales staff.



Development Division



Leveraging our R&D capabilities, we will pioneer new markets with differentiated technologies, steadily supporting JCU Group sustainable growth.

Akihisa Omori

Representative Director, President and COO

Toward an R&D Center that Cultivates the Ability to Think and Act Independently

After being appointed General Manager of the R&D Center in 2019, I leveraged my technical expertise and drew from frontline insights and customer dialogue experiences gained in the Sales Division, and engaged in reforms focused on developing human resources and improving development productivity. In reexamining the role JCU's research and development should fulfill, I believe that cultivating individuals with the ability to think for themselves is just as essential as technological advancement and differentiation. To generate new ideas, then translate them into practical technologies that can be used on the front lines, it is of paramount importance that each individual researcher possess critical thinking skills and autonomy.

At present, the aim is for our R&D Center to leverage its advanced technological capabilities to maintain JCU's position at the forefront of the markets in which we operate. This policy was not imposed top-down by myself, but rather developed over a year of discussions by a dozen or so mid-career and junior researchers who brought forward their shared concerns and aspirations for the future. We clarified our ideal positioning and direction based on three elements: Creation which underpins technological innovation; information, which is used to monitor changes in markets and society; and strategies, which target sustainable growth.

Principles thoroughly deliberated using one's own intellect carry a profound sense of conviction absent in those imposed by others, and they naturally translate into actions. In fact, researchers have already begun taking the initiative, giving rise to a series of proactive proposals and actions. The ability to think independently constitutes one of the greatest values offered by JCU's R&D activities. We think autonomously and create new value based on a technological foundation cultivated over many years. Maintaining this identity as a research center is both our mission and our strength. We will further enhance these capabilities, focusing on the year 2035, as we steadily advance toward the realization of our long-term vision, JCU VISION 2035.

Technology Strategies Focused on Social Issues and Growth Markets

JCU accurately ascertains changes in markets and society, and promotes medium- to long-term technology strategies. As technological development is a critically important initiative that determines future competitiveness, we formulated an R&D road map with two time horizons, one short-term (three to five years) and the other long-term (10–15 years). We update short-term strategies annually and long-term strategies every three years, ensuring we incorporate the latest technology trends and changes in the business environment to maintain an optimal strategy at all times. Additionally, we prioritize research themes in light of market trends and customer feedback, and have a policy in place that enables us to respond flexibly to sudden needs.

Under these flexible strategies, increasing diversification in substrate designs and shorter product life cycles in recent years have led to demands that better products be delivered to the market faster. Accordingly, accelerating development speed while maintaining quality—in other words, improving R&D productivity—has become more critical than ever. We are committed to developing technologies that can contribute to resolving social issues while identifying opportunities in a variety of fields where surface treatment technologies can be leveraged, including semiconductors, automobiles, and energy.

In the electronics field, in addition to acid copper plating chemicals for via filling and etching chemicals for forming fine-line, we are focusing on the development of the TIPHARES® brand, which supports next-generation semiconductors, including the advanced semiconductor packaging field. At the same time, in the automotive field, in anticipation of stricter environmental regulations, we will contribute to realizing a sustainable society by promoting products that reduce environmental impact, including those free of hexavalent chromium, organic fluorine compounds (PFAS), and nitrogen compounds, while also strengthening the development of products and technologies that reduce CO₂ emissions.

Development Division



As part of these efforts, the Kumamoto Facility, which is scheduled to begin operations in FY2026, has incorporated environmental features from the design stage, including plans for a fully closed-loop wastewater system. Furthermore, leveraging this facility's geographical advantage as a semiconductor technopark, we expect it will serve both as a development base as well as a starting point for the local collection of information and global expansion.

In this way, by maintaining a flexible stance that is responsive to societal and market demands while steadily engaging in forward-looking initiatives, JCU will promote the creation of a foundation for sustainable growth focused on a medium- to long-term perspective.

Creating Value Unique to JCU Centered on Basic Research

The basis of JCU's competitiveness lies in its aggregation of technologies accumulated over many years and the basic research capabilities that support them. University professors have also pointed out that "without a solid foundation, new ideas cannot emerge," and it is precisely this depth of foundational knowledge that forms the bedrock supporting JCU's R&D efforts.

For example, although JCU's acid copper plating chemicals

for via filling continue to maintain a high market share, recent advances in analytical technologies have enabled competitors to catch up. As the pace and complexity of developmental competition intensifies, securing advantages through incremental improvements to existing technologies has become increasingly difficult. Accordingly, we are now also making efforts to take on challenges that require major changes in our way of thinking.

The source of JCU's differentiation extends beyond its technological capabilities to encompass both development capabilities as well as the delivery of comprehensive value, including technical support provided to customers when products are used in the market. This comprehensive approach is JCU's unique strength.

Additionally, we proactively utilize MI and simulations to enhance the speed and precision of all development phases, from fundamental research and raw materials development to full-scale product development. To date, we have incorporated these technologies into over 20 themes, and will continue striving to maximize results.

At the same time, we are also focusing on strengthening intellectual property strategies, and in FY2024, mid-career and young researchers took the lead in reformulating strategic policies, which commenced full-scale implementation in FY2025. Going forward, we will further strengthen JCU's technological advantages while also promoting the development and retention of human resources specializing in the intellectual property field.

Building Future Competitive Capabilities Through the Development of Quality Human Resources

To pass on JCU's R&D capabilities to the next generation, efforts to develop human resources are essential. For example, to enhance the basic skills of researchers, we introduced specialized lectures by university professors three years ago. To use a sports analogy, this is akin to "building basic physical fitness," with the goal being to establish a theoretical

foundation for practical application.

Furthermore, as the utilization of MI and data science is also gaining momentum, we are strengthening our research framework leveraging digital technologies through Company-wide training led by external instructors, the recruitment of specialists, and the placement of new employees.

Under this structure, one of JCU's key features is that its technical services, sales, and R&D divisions work together as one, sharing information to provide customized solutions tailored to each customer's specific worksite. The "raw information" brought back by the Sales Division is crucial for directly addressing challenges and creating value, and it is also highly valued on the front lines of research and development. Through these initiatives, we are further enhancing the quality of our R&D efforts.

In addition, we are focused on building a global framework, and the skills of our researchers and local subsidiary staff are also steadily improving. Primary care, such as that provided by a family doctor, is handled locally, while a system is being established to provide more advanced technical support from Japan. This division of roles enables us to leverage our respective strengths and further improve customer satisfaction.

I position human resource development as the foundation supporting the future of the R&D Center. Among both local staff and researchers, we aim to cultivate individuals who prioritize quality, think independently, and act responsibly. We will extend this approach beyond the R&D Center to the entire company, thereby enhancing JCU Group competitiveness.

Financial and Capital Strategies



We will maintain a balance between growth investments and financial soundness, while improving capital efficiency and strengthening external communication capabilities to enhance corporate value.

Yoji Inoue

Director, Managing Executive Officer,
General Manager of Corporate Strategy Office

From a Strong Start to the Next Stage of Growth

In FY2024, the first year of JCU VISION 2035 —1st stage—, net sales, operating profit, and profit attributable to owners of parent all reached record highs, making for an extremely positive start. This achievement is the result of diligent efforts by each division in line with Company policies, and represents the culmination of the Company’s comprehensive capabilities.

The China market in particular grew remarkably. The establishment of a stable local supply structure and technical compatibilities enabled us to successfully handle large project orders. Additionally, in the electronics field, the proportion of highly profitable product lines increased, and an improved product mix also contributed to the Company’s overall margin growth. At the same time, in the decorative and functional fields (automotive parts related), we maintained stable earnings despite the continued challenging conditions, while advancing foundational preparations for future market recovery. In these fields, we consider this a crucial period for building strength and fortifying our business foundation.

Overall, we had an extremely successful first year, and as a result, there is a gradual awareness spreading within the

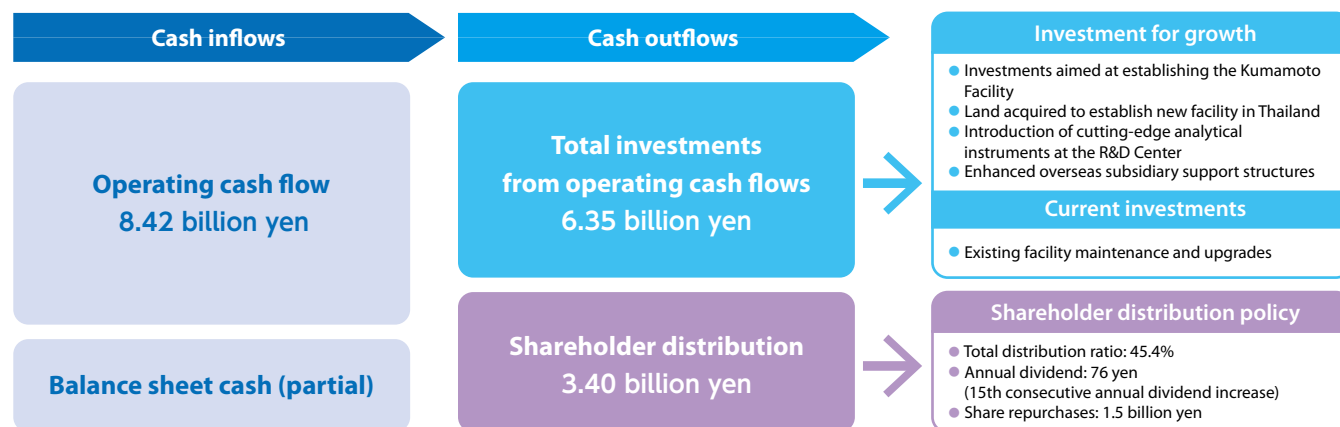
Company that we have entered a stage where we must take on increasingly ambitious challenges. Now that we have achieved record profits, we intend to move beyond the status quo and execute forward-looking growth strategies that will contribute to enhancing corporate value.

Maintaining a Balance Between Investments Supporting Growth and Financial Soundness

Strategic growth investments are essential for the Group to achieve sustainable growth going forward. As research and development is the source of our competitiveness, it is one of the areas in which we place the highest priority. Our policy is to make effective use of capital and allocate it broadly, both directly and indirectly, to facilities and technologies, including human capital.

At the root of this investment policy is a sense of balance, as we pursue growth while maintaining financial soundness. We make investment decisions with a focus on balancing profitability and growth potential, while closely monitoring equity ratio, cash flow, and other financial indicators. Missing out on growth opportunities could lead to a decline in future competitiveness, which is precisely why a balance between

Capital Allocation (FY2024)



Financial and Capital Strategies

proactive investment and financial soundness is important.

In making actual investment decisions, we allocate capital with a focus on maximizing long-term corporate value, without being constrained by single-year profitability, based on consistency with the JCU VISION 2035 long-term vision and JCU VISION 2035 —1st stage— medium-term management plan. For instance, we will continue to invest in research and development where results may take time to materialize, as well as in human resources who are still being developed, as long as these efforts contribute to future competitiveness.

To achieve sustainable growth, it is essential we make decisions that consider both current profits and future growth. Going forward, we will continue to maintain financial soundness while making strategic investments at the appropriate time, with the aim of further strengthening our foundation for growth.

A Profit Structure Focused on Capital Efficiency and Optimal Capital Allocation

JCU positions the improvement of capital efficiency as a key theme in our efforts to achieve sustainable growth in corporate value, and places particular emphasis on return on equity (ROE). We have set clear numerical targets in our medium-term management plan and are working on continuous ROE improvement.

Improving ROE requires both profit growth as well as equity capital optimization and surplus capital utilization. We are working to strengthen our financial base while promoting capital policies that are conscious of capital efficiency to prevent excessive capital accumulation. We aim to both improve earning power and maintain financial soundness, while delivering high returns on capital to our shareholders and other stakeholders.

In terms of profitability, we place emphasis on high profit margins as well as the actual amount of profit generated. Decisions are based on a comprehensive assessment that takes into account the market size and growth potential of each business segment. The electronics field drives JCU growth,

while the decorative and functional fields support stable earnings. In this way, by developing multiple fields with different economic cycles in a balanced manner, we enhance our resilience to changes in the external environment while maintaining management stability. To enhance capital efficiency, it is essential to maintain a balanced portfolio of diverse revenue streams, which requires aligning profit growth strategies with capital policies tailored to the specific characteristics of each business.

We will continue to increase awareness of capital efficiency metrics, including ROE, across the entire Group to achieve sustainable profit growth that enhances corporate value and realizes optimal capital allocation.

Realizing Long-term Growth Through Solid Returns on Investment and Enhanced Communication

With only two years remaining in JCU VISION 2035 —1st stage—, we will now enter a stage in which we can steadily reap the benefits of growth investments. The full-scale operation of the Kumamoto Facility and the construction of a new facility in Thailand are strategically important, and their progress and achievements will directly impact Company performance. Our top priority is to steadily promote these initiatives in an effort to generate profits.

At the same time, we are also strengthening marketing in the semiconductor field. The semiconductor market, including AI, continues to expand, but competition is also intensifying, which requires both technical capabilities as well as the ability to make proposals that anticipate trends and customer needs. This is a critical initiative directly linked to our financial strategy, aimed at establishing our position in the market over the next decade. Given this environment, it is essential for development, sales, and corporate planning to maintain both short-term and medium-to-long-term perspectives while collecting and integrating information from multiple angles. Through cross-departmental collaborations, JCU flexibly revises strategies by uniting frontline operations and management. I believe that



building an organization capable of adapting to change will support future growth.

We are also promoting initiatives aimed at enhancing sustainability, including the development of environmentally friendly products and the realization of zero water discharge operations at the Kumamoto Facility. Despite short-term fluctuations in performance, we aim to be evaluated appropriately based on both financial and non-financial metrics as a company aiming for decades-long growth.

To communicate JCU's value proposition, close dialogue with investors is essential. Our business is highly specialized and difficult to understand from the outside, so we carefully consider how to disclose information. We will also work to enhance clarity, including the launch of a business overview section on our website, and further enhancements to our communication capabilities. We aim to proactively communicate our business direction and environmental initiatives—aspects that financial statements alone cannot fully convey—to build trust with investors who support us over the medium to long term. Some shareholders are short-term oriented, while others provide long-term support, and we will work with all of them sincerely and do our utmost to maximize corporate value.

JCU's Materialities

In order to achieve the goals set out in our long-term vision, JCU VISION 2035, JCU has identified 11 key issues (materialities) centering on the four categories of “environment,” “society,” “governance,” and “technology,” and is working to resolve these challenges by accelerating the promotion of sustainability management.

Process of Identifying Materialities

Primarily through the Corporate Strategy Office and the Medium-term Management Plan Project, JCU shortlisted and identified social issues from various perspectives, including stakeholder opinions, ESG disclosure guidelines, various assessment agencies, and ISO 26001, and evaluated these issues based on the two axes of their importance to JCU and to our stakeholders, thereby identifying their materiality for our Company. The shortlisted materialities were discussed, approved and, identified by the Board of Directors.

We manage our sustainability management initiatives based on these materialities, and verify the progress we make on each materiality at our medium-term management plan monitoring meetings and Board of Directors’ meetings. Furthermore, we discuss whether there have been any changes in the importance of each issue in light of changes in internal and external business environments, such as changes in social conditions or our own strategies.

STEP 1

Comprehensive understanding of social issues

We have created a list of candidate materialities with reference to the SDGs, the Ten Principles of the UN Global Compact, ISO 26001, ESG rating agency (CDP), ESG disclosure guidelines (SASB Standards, GRI Standards, RBA Code of Conduct), etc.

STEP 2

Prioritizing issues based on their importance to JCU

We compared the list of candidates of materiality identified in Step 1 in light of our Company’s risks and opportunities, Corporate Philosophy, strategy, etc., and prioritized the issues that we needed to address.

STEP 3

Prioritizing issues based on their importance to stakeholders

Based on the list of candidates of materiality identified in Step 1, we prioritized the issues to be addressed, taking into consideration the impact on society and our Company, based on evaluations and comments received from investors, stakeholders, and ESG rating agencies.

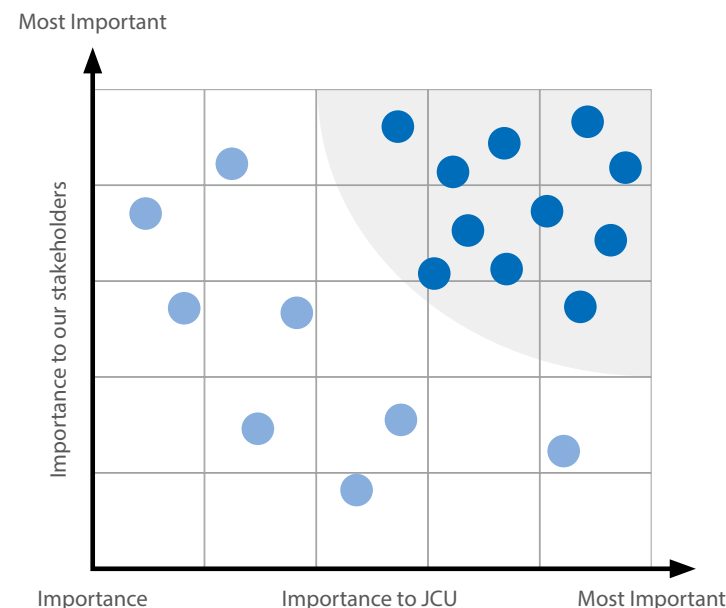
STEP 4

Identifying materiality

Step 2: Issues were prioritized based on their importance to JCU, and Step 3: 11 materialities were identified at a Board of Directors’ meeting based on the list of candidates of materiality prioritized according to their importance to stakeholders. These identifications also reflect the content of discussions held during the formulation of our long-term vision and medium-term management plan.

The Board of Director’s will regularly manage initiatives and confirm the progress we make on each materiality at medium-term management plan monitoring meetings.

Identifying Materiality



<p>Environment</p> <ul style="list-style-type: none"> ● Innovation for protecting the environment ● Protection and responsible use of natural resources ● Many activities to combat climate change 	<p>Society</p> <ul style="list-style-type: none"> ● Workplace safety and hygiene; prevention of accidents ● Improve the quality of products ● Effectively utilize human resources ● A stronger supply chain that reflects social and environmental issues
<p>Governance</p> <ul style="list-style-type: none"> ● Reinforce compliance and risk management ● Further upgrade governance regarding fairness, transparency and effectiveness 	<p>Technology</p> <ul style="list-style-type: none"> ● Play a role in the digitalization of society by supplying leading-edge technologies ● Use the digital transformation (including AI) for more efficient business processes and business growth

JCU's Materialities

Materiality Details

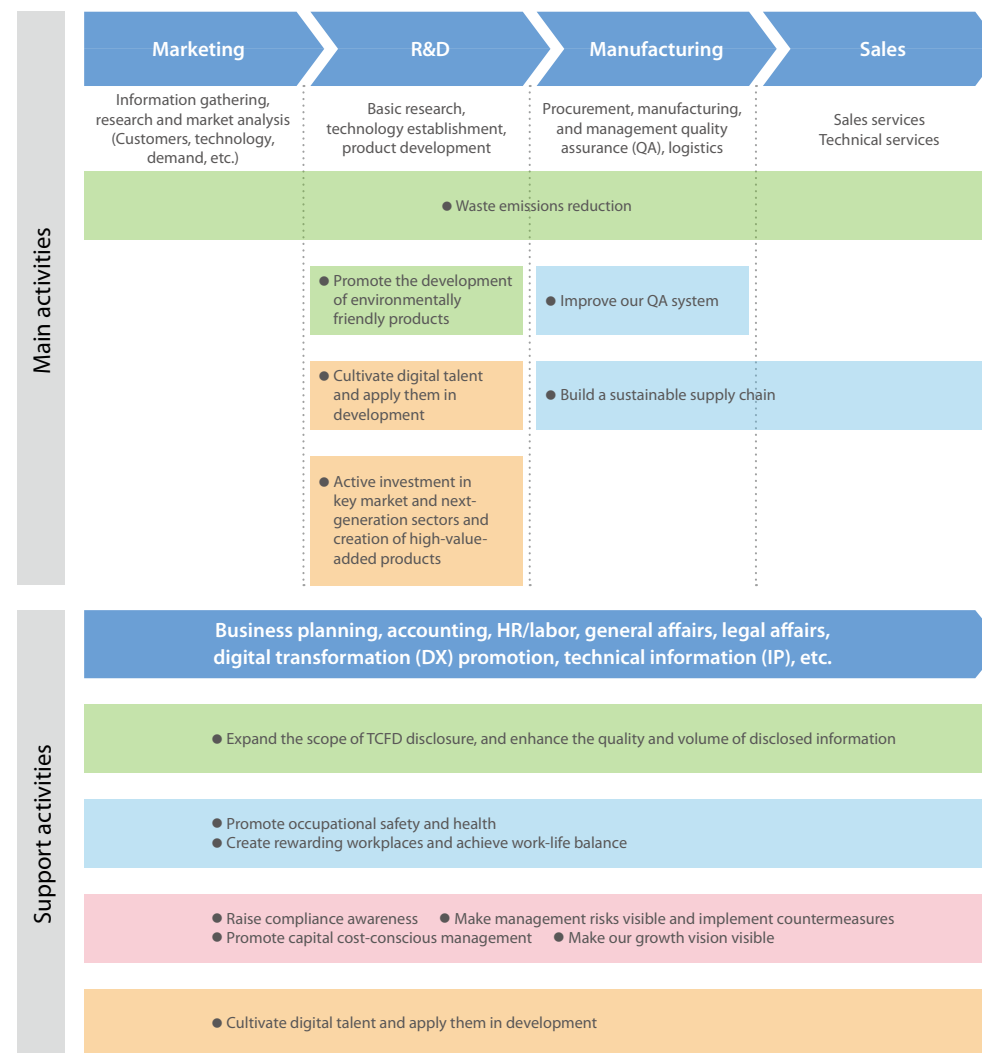
JCU classified 11 issues that we consider to be of particular importance to the Company into four categories based on their nature: "environment," "society," "governance," and "technology," and identified the important issues (materialities) that we should prioritize.

	Materialities	Related SDGs
Environment	Innovation for protecting the environment	We aim to improve our corporate value by contributing to society through our business activities which include our use of substances of concern and reducing our energy consumption.
	Protection and responsible use of natural resources	We address climate change, contribute to protecting the global environment, and create sustainable societies by promoting the efficient use of energy and resources.
	Many activities to combat climate change	As a company with global operations, we are committed to protecting the climate.
Society	Workplace safety and hygiene; prevention of accidents	We aim to protect our employees, who are the foundation of our business activities, from industrial accidents and health hazards, and to create workplaces where they can work with peace of mind.
	Improve the quality of products	By ensuring reliable quality and safety, and providing attentive support, we offer safe, secure, and high-quality products that are trusted and satisfying for our customers.
	Effectively utilize human resources	We believe that utilizing the individual capabilities of our employees is a major pillar of our business operations, and are committed to working to secure and develop diverse human resources, and create comfortable working environments.
	A stronger supply chain that reflects social and environmental issues	We aim to be a company that can grow together with our business partners with peace of mind by building relationships of mutual trust through fair and equitable transactions, and by committing ourselves to appropriate information disclosure.
Governance	Reinforce compliance and risk management	We are committed to realizing sustainable growth through our recognition of the importance of corporate social responsibilities, and by identifying risks that could potentially have significant impact on our business activities and implementing measures to address these risks.
	Further upgrade governance regarding fairness, transparency and effectiveness	We aim to improve our corporate value by maintaining and strengthening a highly effective governance system and increasing management transparency.
Technology	Play a role in the digitalization of society by supplying leading-edge technologies	We will contribute to society through technology by continually developing high-added-value products that meet market needs.
	Use the digital transformation (including AI) for more efficient business processes and business growth	We aim to grow our business and increase our corporate value by utilizing the latest technology to improve operational productivity and create new, high-added-value products.

Our Initiatives for Individual Materialities (Value Chain Mapping)

Shown below are the initiatives that JCU is implementing for individual materialities. We will continue to strengthen these activities and implement various measures to address materialities.

Value Chain



Many Activities to Combat Climate Change

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 their deputy manager, takes care of the Group's environmental management.

The JCU Group has also acquired and maintains ISO 14001 certification. In addition to the certification of the R&D Center and the Niigata Plant in Japan, overseas subsidiaries also acquire and maintain certification as part of ongoing environmental improvement activities.

Environmental Action Plan

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

The Niigata Plant conducts training on environmental and chemical substance regulations. It also promotes the ongoing acquisition of certifications among employees to ensure compliance with regulatory changes.

The R&D Center and Niigata Plant regularly monitor and communicate trends in electricity and water usage, waste discharge, and other metrics to heighten awareness with regard to the achievement of targets.

Disclosure of Climate Change-related Information in Line with TCFD Recommendations and Obtaining a CDP Score

The JCU Group aims to be “a company that is needed by customers around the world,” and at the same time, we believe that in order to continue growing sustainably, it is essential that we respond to rapidly growing markets and an uncertain business environment. As such, we have set sustainability management as one of the basic policies in our medium-term management plan (FY2024–FY2026).

To this end, since declaring our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in June 2022, we have been actively disclosing climate change-related information in the four domains included in TCFD recommendations (governance, strategy, risk management, and metrics and targets regarding climate change risks and opportunities). The information disclosed is used to monitor progress and results, and to promote responses based on scenario analysis.

In 2024, we also responded to the “Climate Change 2024 Questionnaire” conducted by CDP, an international nonprofit environmental organization (NGO), and received a score* of “B” for the second straight year since 2023.

Going forward, the JCU Group will continue to work toward a decarbonized society through its business activities—including further reduction of CO₂ emissions and development of environmentally friendly products—and contribute to the realization of a world where people can live prosperous lives.

* B score (management level): This indicates that the company has been assessed as “understanding its own environmental risks and impacts, and is taking action.”



Disclosure of Our Approach
and Initiatives Regarding
Sustainability (in Japanese only)

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



Innovation for Protecting the Environment

The JCU Group aims to enhance corporate value through the development of products that contribute to reducing environmentally impactful substances and cutting energy consumption.

New Brand JEOLUMIS® Series

JCU has launched the new brand, JEOLUMIS®, targeting products and technologies that contribute to reducing or eliminating substances harmful to the natural environment and human health, improving resource efficiency through enhanced product life cycles, and achieving carbon neutrality by reducing CO₂ emissions.

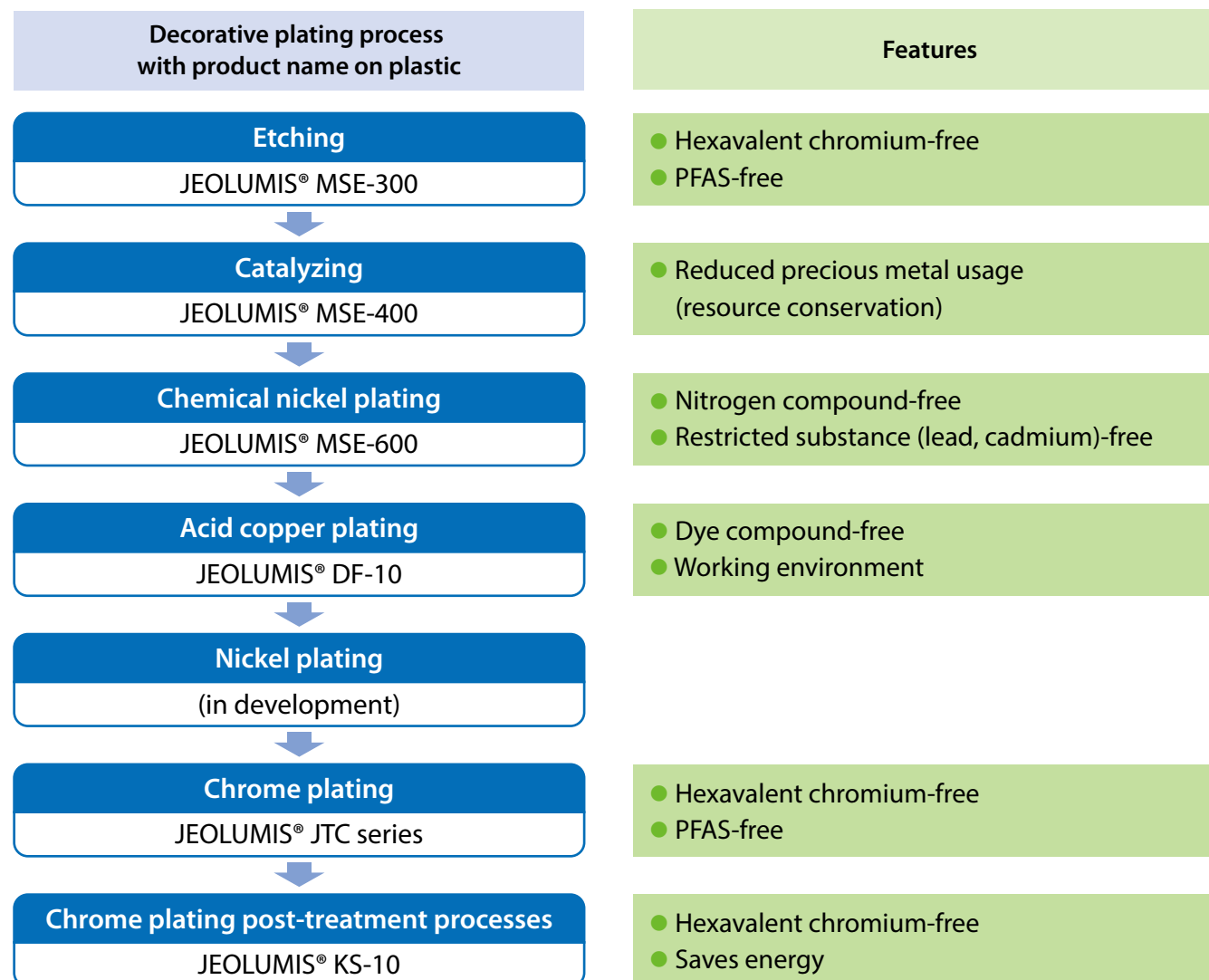
In the decorative and functional fields targeted by JEOLUMIS®, environmentally regulated chemicals such as hexavalent chromium and per- and polyfluoroalkyl substances (PFAS), have been used. Furthermore, decorative plating on plastic requires more than 10 processes and consumes a significant amount of energy.

In light of ongoing environmental conservation efforts and increasingly stringent environmental regulations in recent years, it is essential we develop environmentally friendly plating chemicals. Chemicals for the decorative and functional fields have been our core business since the Company was founded, and we are leveraging knowledge and achievements attained thus far to provide new added value to more customers through our new brand JEOLUMIS® and will contribute to resolving environmental problems throughout society.



Door handle after JEOLUMIS® series plating treatment

JCU's Environmental Impact Reduction Proposal (JEOLUMIS® Series)



Protection and Responsible Use of Natural Resources

The JCU Group is engaged in the efficient use of energy and natural resources to preserve the global environment and contribute to building a sustainable society.

Use of Renewable Energy

The JCU Group is driving forward with the use of renewable energy to reduce greenhouse gas emissions. In terms of domestic bases, we have installed solar power generation equipment to reduce CO₂ emissions at our Niigata Plant and R&D Center, both of which consume particularly large amounts of electricity. We are working to use renewable energy at our overseas business locations, and have installed solar power facilities at our plant in Hubei, China that are capable of producing about 40% of the plant's maximum electricity consumption.

In addition, at our Kumamoto Facility, which houses a production plant and research lab completed in October 2025, we plan to install high-capacity solar power generation equipment and introduce a variety of cutting-edge energy-saving equipment, making it an exceptionally environmentally friendly facility.

JCU will continue to implement a wide array of initiatives to realize a decarbonized society.

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.

Forests in Sado City are culled and pruned to ensure the forest gets enough light intensity, which in turn improves its 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.



"Niigata Carbon Offset" emblem



"Toki-no-Mori Credit" emblem

Initiatives to Achieve "Zero CO₂ Emissions"

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

An aggregate survey of CO₂ emissions from using electricity and gas at our domestic business locations shows that we have succeeded in reducing emissions in FY2024 by 42.7% from FY2013.

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

From November 2024, the Niigata Plant switched all gas used to carbon offset city gas. As a result, in FY2024, approximately 160 tons of CO₂ emissions were eliminated. We are also promoting the introduction of energy-efficient equipment, such as chillers and LED lighting, while working to reduce electricity consumption.

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 its medium-term management plan, the JCU Group has set a goal of reducing CO₂ emissions at our Niigata Plant to net zero by FY2030, and of reducing total emissions from all domestic business locations to net zero by FY2050 based on emissions in FY2013. The JCU Group will continue to make efforts to achieve its goals and contribute to society through environmentally conscious corporate activities.

Protection and Responsible Use of Natural Resources

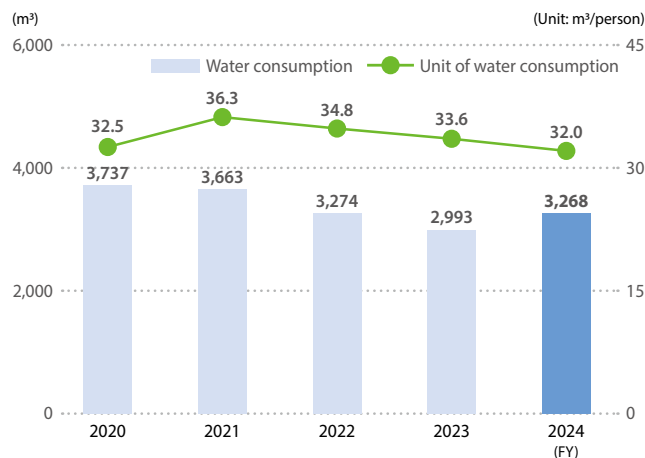
Understanding Water Usage

Because JCU uses large amounts of water resources for research and development and at our production sites, we make every effort to understand and reduce water consumption at all of our domestic business locations.

Domestic business locations took in a total of 11,250 m³ of water in FY2024, which was approximately the same as in the previous fiscal year due to a decrease in water usage at the Niigata Plant and an increase in water usage at the R&D Center. The unit of water consumption per production volume at the Niigata Plant remained unchanged from the previous fiscal year at 1.58 m³/t. Water consumption per employee at the R&D Center has improved compared to the previous fiscal year, with the increase in water intake at the R&D Center mainly attributable to an increase in the number of research staff.

Water is one of the more important raw materials for manufacturing our products. Solving water resource issues is included as one of the Sustainable Development Goals (SDGs). At our Kumamoto Facility, completed in October 2025, we plan to recycle water and eliminate waste water discharge.

Unit of Water Consumption per Number of Employees at the R&D Center



In addition, our R&D Center and Niigata Plant are working to establish reduction awareness, such as by regularly calling for water conservation. JCU will continue to work to reduce water usage and contribute to environmental conservation.

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.

At the R&D Center, a portion of the wastewater generated during research is treated by neutralization and sedimentation using equipment in the facility. In addition, water discharged at each base is 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.

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 ensure solution containers do not tip over, and also utilize embankments, pits, and gutters in experimental facilities to prevent liquid from leaking externally.

At the Niigata Plant, we utilize oil embankments, pits, and gutters to prevent leakage from outdoor tanks.

In addition, we maintain response kits for use in the event of a leak, and use them in education and training programs aimed at preparing for emergencies.

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.

Waste Reduction

The JCU Group makes every effort to make effective use of resources to reduce waste. We reuse our one-ton containers for transporting specific products; that is, they are used on 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.

Purification of Atmospheric Emissions

At the JCU Group, we perform purification processes on gases that we discharge into the atmosphere from our business locations 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.

Improve the Quality of Products

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 its 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 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 on page 23 are ISO 9001 certified and committed to quality management.

Quality Targets

The JCU Group is implementing a variety of initiatives to strengthen its quality assurance system. The Niigata Plant is revising and improving work procedures and processes, while striving to enhance on-site capabilities through regular quality training and safety patrols. The R&D Center strives to provide performance and quality that meet increasingly sophisticated customer demands in an evolving industry, while also working to create new value.

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.

Quality Control at the Niigata Plant

To realize stable quality at the Niigata Plant, we created a control structure based on our quality management system for the manufacture of products. The manufacturing, technology, and quality assurance divisions operate independently while maintaining an organizational structure facilitating mutual oversight, and collaborate to drive continuous improvement across the entire facility. For developed products, the R&D Center and Niigata Plant repeatedly evaluate manufacturing options, and work together to ensure stable manufacturing from the initial production stage.

Furthermore, through the systematic provision of guidance to overseas subsidiary staff and on-site audits, we strive to deliver the same quality and service to all customers, regardless of country or region.



General Manager, Quality Assurance Division
Tatsuya Hinata

Improve the Quality of Products

Disclosure of Product-related Information

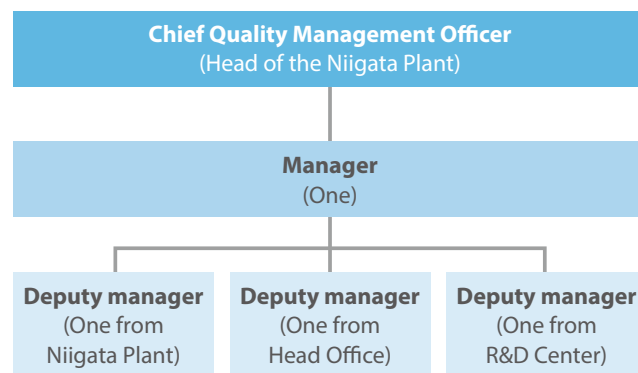
JCU Group product labels display information in the format defined in the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). Product labels display information in Japanese, English, and, where needed, in the language of the country to which the product is delivered as provided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

Quality Management System Schematic



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.

* 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, 2025.

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 their deputy manager, takes care of the Group's quality improvement activities.

Status of ISO 9001 Certification at Overseas Offices

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

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 its 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/english/privacypolicy/>



Status of Other ISO Certification at Overseas Offices

Country/region	Applicable office	ISO certification
China	JCU SHENZHEN TRADING CORPORATION	ISO 45001
	JCU SURFACE TECHNOLOGY HUBEI CO., LTD.	ISO 45001

* ISO 45001 is an international standard for occupational health and safety management systems.

A Stronger Supply Chain that Reflects Social and Environmental Issues

The JCU Group aims to be a company that can grow together with its business partners with peace of mind by building relationships of mutual trust through fair and equitable transactions, and by committing ourselves to appropriate information disclosure.

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 its supply chain.

We have not found the use of conflict minerals associated with armed groups in our investigations.

Appropriate Information Disclosure

The JCU Group discloses information on its website, providing not only business performance and financial information but also technical reports detailing the latest technologies and new products. In addition, in November 2024, we launched the “JCU Library” on our website, which provides explanations of our plating technology, information on trade shows where we have exhibited, and compilations of hot topics. 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 order to appropriately disclose information, the JCU Group has a Disclosure Committee to ensure compliance with the timely disclosure rules stipulated by the securities exchange, and 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.

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 FY2024, we continued to hold 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 165 in total). In addition, we held FY2024 first-half and full-year financial results briefings online, enabling a greater number of investors to participate. We also posted a video of the briefing session on our website for viewing by those who were unable to attend on the day.

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

JCU Code of Conduct (in Japanese only)

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



JCU Disclosure Policy (in Japanese only)

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



JCU Library

もっと、身近に感じてほしい。
めっき、表面処理の事。JCUのこと。

めっきや表面処理について、3Dについてもっと知ってほしい。
そんな思いを込めて開設しました。
どこよりも好奇心におかりやすく、すでにご存じの方よりも知識を深められる。
そんな読み物をおかけます。



IR Message (in Japanese only)

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



Effectively Utilize Human Resources

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.

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. This 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.

Furthermore, JCU makes efforts to develop human resources able to respond to globalization through stratified training and technical workshops aimed at enhancing specialized knowledge and skills. These efforts have led to the establishment of a structure that facilitates continuous employee growth and contributes to enhancing the Company's competitiveness.

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

The retention rate for new employees hired during the past three years (FY2022–FY2024) remained high at 95.2%. The average number of years employed (men and women combined) was 16.3 years, an improvement over FY2023. Compared to industry averages for years employed (in manufacturing, 15.9 years for men and 11.9 years for women, for a total of 14.9 years^{*1}), JCU numbers were higher for both men and women. The average number of years employed has been gradually trending higher among both men and women since FY2019.

The FY2024 turnover rate was 4.4% (manufacturing industry average turnover rate in the first half of FY2024 was 5.1%^{*2}). A breakdown of the turnover rate shows that 3.2% left for personal reasons, 0% for company reasons, and 1.2% for retirement or other reasons.

^{*1} Excerpted from the "2024 Basic Survey on Wage Structure—Results and Overview" from the Ministry of Health, Labour and Welfare

^{*2} Excerpted from the "2024 Survey on Employment Trends—Results and Overview" from the Ministry of Health, Labour and Welfare

Average Years of Continuous Employment (Non-consolidated)

	Men (Years)	Women (Years)	Men and women (Years)
FY2024	16.2	16.5	16.3
FY2023	16.7	15.0	16.2
FY2022	16.1	15.2	15.8
FY2021	15.4	13.9	15.0
FY2020	14.8	13.7	14.5
FY2019	13.9	13.2	13.7

Harassment Countermeasures

As a measure to counter harassment, the JCU Group provides a permanent sexual and power harassment consultation section in-house. One man and woman 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 (Employee Assistance Program [EAP]) 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)

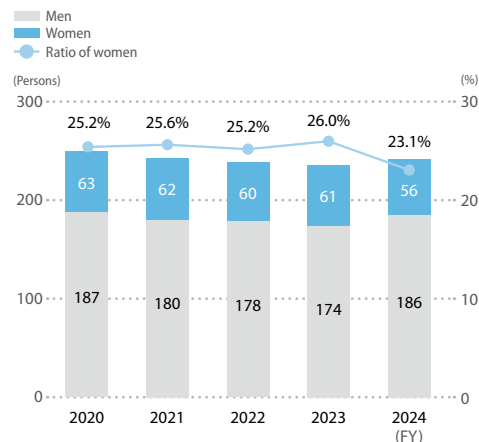
Date/duration	Number of times held number	Training details
July 2024	Once	Mental health training (for general staff)
July 2023	Once	Mental health training (line care for managers)
July 2022	Once	Mental health training (for general staff)
July 2021	Once	Self-care training (for managers)
July 2020	Once	Harassment prevention training (for Head Office managers)
July 2019	Once	Mental health training (R&D Center self-care)
February–March 2018	4 times	Harassment prevention training (for managers)
July 2016	Twice	Mental health training (self-care for chiefs and lower)

Effectively Utilize Human Resources

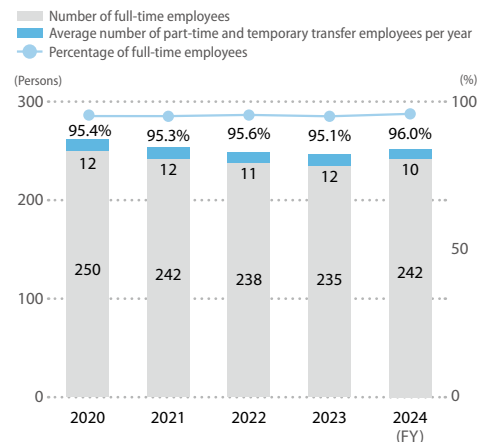
Diversity and Equal Opportunity

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

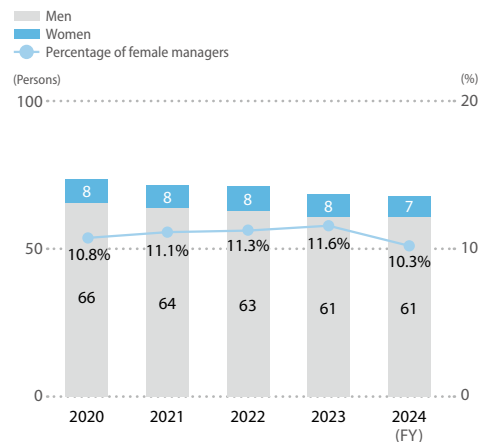
Number of Employees (Non-consolidated)



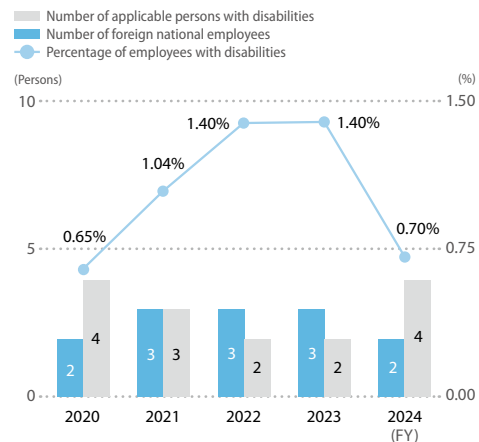
Percentage of Full-time Employees (Non-consolidated)



Percentage of Female Managers (Non-consolidated)



Number of People with Disabilities Foreign National Employees (Non-consolidated)



Childcare and Nursing Care

In order for employees 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 minimum stipulated by the Ministry of Health, Labour and Welfare, and a shortened working hours program for childcare that is also used by male employees. 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 look leave (%)	Percentage of people who returned to work (%)
FY2024	0	1	2	50.0	100
FY2023	2	0	4	50.0	100
FY2022	4	0	7	57.1	100
FY2021	1	3	9	44.4	100
FY2020	2	2	8	50.0	100

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	<ul style="list-style-type: none"> ● 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 hour). ● 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	<ul style="list-style-type: none"> ● 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

Effectively Utilize Human Resources

Human Resource Development

In our medium-term management plan announced in May 2024, the JCU Group has set “Effectively utilize human resources” as one of the basic policies and materialities. Among these, we believe that human resource development is an essential issue for realizing the vision we uphold for our Company. For this reason, JCU is working hard to improve its human resource development programs along with various other initiatives.

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 an example of our human resource development efforts at each of our business locations, the Niigata Plant Production Department conducts training programs to strengthen our capability to detect 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 own capabilities. 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, legal, and regulatory study sessions on laws and regulations to improve the skills of local employees.

Furthermore, JCU offers the training programs shown on page 28 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.

Human Resources that the JCU Group Seeks

Human resources that JCU needs

- Talent with excellent development capabilities
- Talent with excellent supportive capabilities
- Talent who are able to act globally
- Talent 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

Childcare Leave at Birth (Postpartum [after birth] Childcare Leave for Fathers)

JCU has created a variety of workplace environments where both men and women can work with peace of mind. We asked employees who took childcare leave for fathers (postpartum childcare leave) about their feelings before and after taking the leave, as well as their situations at work and home.

Q1 Why did you decide to take childcare leave, and how did you find the experience?

I have always loved children, so I wanted to actively participate in childcare. Additionally, since we have a daughter who just started elementary school, I wanted to be there for my family—including my wife—as much as possible, providing both physical and emotional support. The fact that postpartum childcare leave can be taken in segments also encouraged me to take childcare leave.

Q2 What were some of the experiences you had, and how is your child doing now?

I took childcare leave in two segments. During the first segment, I was able to fully support my wife from childbirth until she was discharged from the hospital. However, during the second segment, my wife became ill and had to be hospitalized. With the support of my parents, I managed to care for our two children and look after my hospitalized wife. My wife has since recovered, and my son is growing up healthy and strong.

Q3 What message do you have for employees who are going to take childcare leave?

The early years of a child’s life are an important time that happens only once. JCU encourages employees to utilize childcare leave, and provides a supportive environment with work support systems. I sincerely hope this program will be used to create lasting family bonds.



Legal Department,
Administration Division
Yoshiaki Shirakawa

Effectively Utilize Human Resources

Training Programs for Human Resource Development

Target participants	Reference age bracket	Stratified training		Global human resource development training	Company-wide common education and training	Self-development
Management	40s and above	Managerial training	Promote training	<ul style="list-style-type: none"> ● Online language training (English and Chinese) ● Overseas Training Program 	<ul style="list-style-type: none"> ● Mental healthcare training ● Compliance and information security education 	<ul style="list-style-type: none"> ● Voluntary participation in external seminars ● Qualification acquisition incentives and remote education assistance program
Mid-level employees	30s and above	Mid-level employee training	Promote 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				

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 replaced conventional language training programs—where instructors were brought in to give lessons—with e-learning, or online language training, which enables learners to combine self-study (input) and online English conversation (output).

Overseas Training Program

We 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 talent 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.

Local Subsidiary Introduction Materials Aimed at Deepening Global Understanding

JCU creates local subsidiary introduction materials once a year and posts them on the Company intranet to help employees understand the business activities, operating environments, internal atmospheres, and cultures and characteristics of each country and region where JCU overseas subsidiaries operate.

These materials are created by Japanese employees assigned to posts overseas, and feature the organizational structure of the overseas subsidiaries, comments from employees on assignment, and scenes from local travels and company events, effectively communicating the internal company atmosphere. Furthermore, the materials convey local charm through abundant photographs, showcasing everything from traditional ethnic culture and culinary traditions to tourist attractions and scenes of daily life.

Through local subsidiary introduction materials, we aim to foster a sense of identity as an employee of a global corporation by deepening understanding of overseas subsidiaries among as many employees as possible.



Workplace Safety and Hygiene; Prevention of Accidents

The JCU Group aims to protect employees from industrial accidents and health hazards, and to create workplaces where they can work with peace of mind.

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.

FY2024 was a fulfilling year filled with Company trips, barbecues, and various club activities.

The EUCO Association gets its name from Ebara Udylyte Corporation, the predecessor of JCU Corporation.

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. Furthermore, we respect the fundamental human rights of all employees and strive to create a workplace environment where everyone can work with peace of mind by eliminating harassment and promoting acceptance of diversity.

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 locations in Japan to promote safety and health. Monthly safety and health committee meetings are held at the Niigata Plant, Head Office, and R&D Center.

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.

Contributing to the Local Community

Regular Cleanup

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 locations 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.



Disaster Preparedness Drills

Each JCU Group business location conducts regular emergency evacuation drills and first aid training to enable appropriate and prompt responses during disasters and to enhance disaster prevention awareness among employees.

In FY2024, the R&D Center conducted simulated earthquake training using an earthquake simulation vehicle, and learned how to calmly respond in the event of an actual earthquake. The R&D Center also conducts annual evacuation drills to prepare for disasters.



Eco-Cap Movement

JCU began collaborating with the Eco-Cap Movement in November 2020 as part of efforts aimed at contributing to achieving the SDGs.

The Eco-Cap Movement is an initiative that collects and recycles plastic bottle caps that are typically discarded, then using the funds received to promote employment for people with disabilities and the elderly, as well as to provide vaccine support for children in developing countries. JCU supports this initiative and contributes to the Eco-Cap Movement activities conducted by the NPO Disable Support Association of Japan, by collecting plastic bottle caps from each business site nationwide.

As of FY2024, we had collected a cumulative total of 149.7 kg of plastic bottle caps. This is equivalent to approximately 75 doses of polio vaccine, or about 472 kg of CO₂ reduction. JCU intends to maintain these and other efforts aimed at contributing to society going forward.

Reinforce Compliance and Risk Management

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

We also identify risks that could have a significant impact on the achievement of our corporate goals and business activities, and implement measures to reduce these risks.

Promoting Compliance

Based on the JCU Code of Conduct, the JCU Group always complies with relevant laws and internal rules in all aspects of its corporate activities, and promotes compliance so that all of its 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, and Code of Conduct are distributed to all employees of the JCU Group to ensure that they are all well-informed.

JCU Code of Conduct (in Japanese only)

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

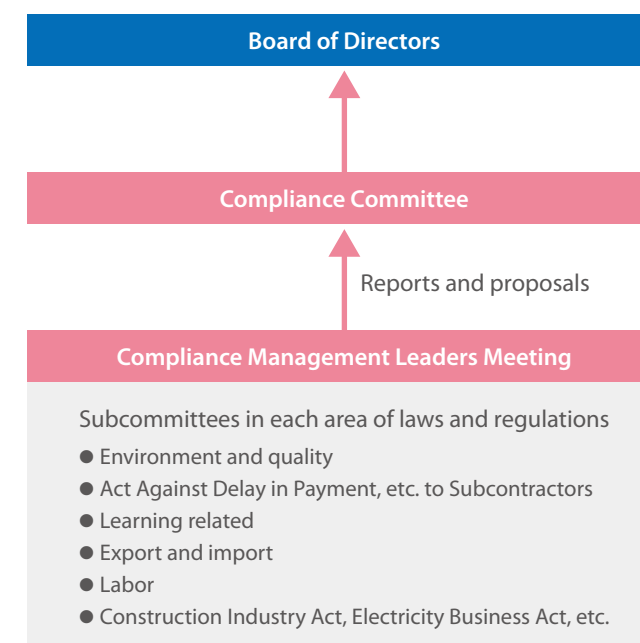


Compliance Promotion System

The JCU Group has a Compliance Committee (chaired by the chairman 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



Reinforce Compliance and Risk Management

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

Compliance Initiatives

The JCU Group has established rules and guidelines, 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. We also provide learning opportunities on our e-learning system, where learners participate on an individual basis. 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 R&D Center and Niigata Plant hold study sessions on laws and regulations related to their work and on chemicals that require careful handling. We also check their levels of understanding and evaluate capabilities as part of our efforts to ensure compliance.

Furthermore, JCU recognizes the importance of corporate social responsibility and is committed to compliance promotion activities aimed at fostering a workplace where employees conduct themselves appropriately. As part of this effort, we regularly conduct compliance quizzes for all employees. Until now, we conducted sessions in which each participant studied independently at their own desks. However, starting in October 2022, we significantly revamped this content. Training materials have been aligned with JCU's standards of conduct and regulations, and are presented in an easy-to-read manga style, and implemented every two weeks. By covering topics comprehensively, we strive to raise the level of legal compliance and awareness throughout the Company.

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 the JCU 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.

Reinforce Compliance and Risk Management

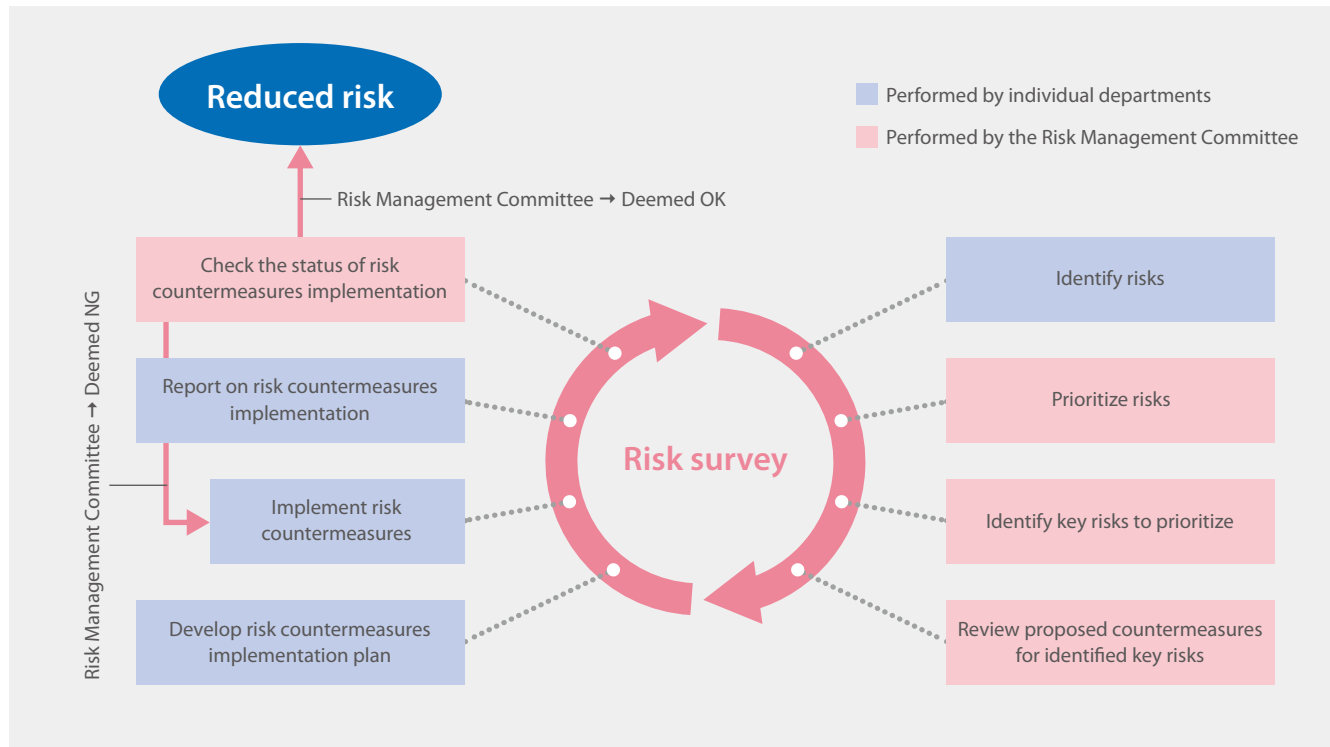
Risk Management Structure

The JCU Group has a Risk Management Committee chaired by the chairman 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



Reinforce Compliance and Risk Management

Key Risks

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.

Key Risks

- Developments in demand side industries (automotive, electronics)
- Exchange rate fluctuations
- Intellectual property protection and infringement
- Legal regulations
- Occupational safety and health
- Price fluctuations in held securities
- Competition with other companies, delays in new technologies development
- Tax and transfer price taxation
- Natural disasters, accidents, communicable diseases, etc.
- Material price fluctuations
- Overseas operations
- Quality control system
- Securing and developing HR
- Products and services
- Risks related to management policies and strategies
- Fixed asset impairment accounting
- Harassment
- Environmental conservation
- Information system failure
- Irrecoverable receivables, etc.
- Technical know-how leak

IR Documents (in Japanese only)

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



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 BCP 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.

As part of our BCP efforts, we are preparing to commence operations at our second domestic production factory (Kumamoto Facility) in Kumamoto Prefecture. With the establishment of two domestic production bases, we will create a system capable of ensuring stable product supplies to customers even in the event of an emergency.

In addition, at domestic and overseas business locations, we pay close attention to the situation in each country and region, and continue to take various measures, such as preparing first aid kits, setting up emergency contact networks, and reviewing response manuals.

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

Conducting Drills

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 FY2024, we conducted training for proxy ordering operations under a scenario where the Nagoya Branch has sustained damage. Assuming a fire had broken out as a secondary disaster caused by a large-scale earthquake, we conducted a simulation that involved activating business continuity planning, confirming the safety of employees at the Nagoya Branch and the status of damage, and performing ordering operations at the Head Office, which serves as a proxy base. Through this training, we confirmed how each department would behave in the event of an actual emergency and what obstacles we are likely to encounter.

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 or pandemics of communicable diseases. Multiple times a year, we conduct safety confirmation drills on an irregular basis using this system to prepare for emergencies.


Further Upgrade Governance Regarding Fairness, Transparency, and Effectiveness

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 (in Japanese only)
https://www.jcu-i.com/ir/corporate_governance/



Corporate Governance System

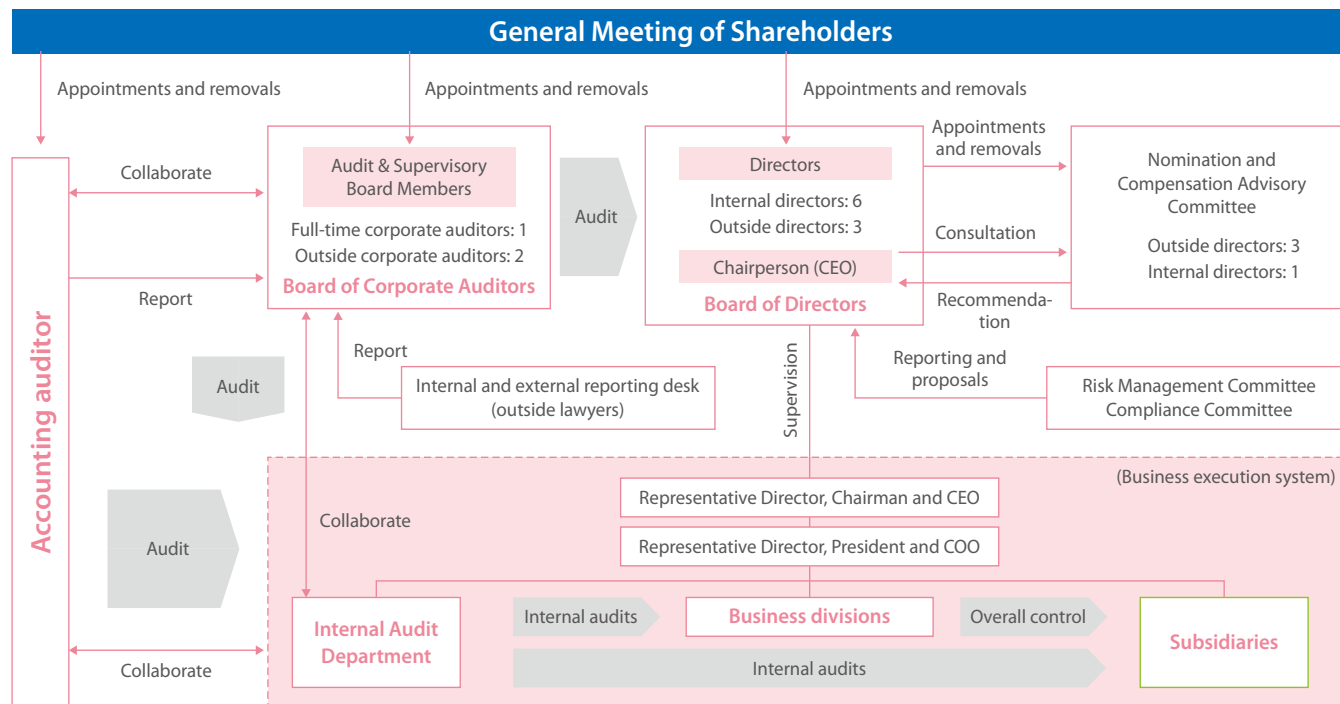
JCU has a Board of Directors as an organization that makes decisions on important management matters and supervises the status of business execution. The Board of Directors consists of 9 directors (including 3 outside directors), and in principle meets at least once a month.

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 is 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 1 full-time auditing officer and 2 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.

Corporate Governance System Schematic



Further Upgrade Governance Regarding Fairness, Transparency, and Effectiveness

CSR Policy

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

1. Continue to provide better products and services as an R&D-oriented company.
2. Comply with laws, regulations, and social rules, and work to address social demands that go beyond these rules.
3. Make every effort to appropriately communicate with stakeholders and maintain relationships of trust.
4. Enhance management transparency, improve openness of communication, and conduct corporate activities in a fair and equitable manner.

In-house Education on Sustainability

The JCU Group provides in-house training on sustainability as necessary in order to become a “global company that continues to grow together with society by maximizing its unique strengths and contributing to the environment and society.”

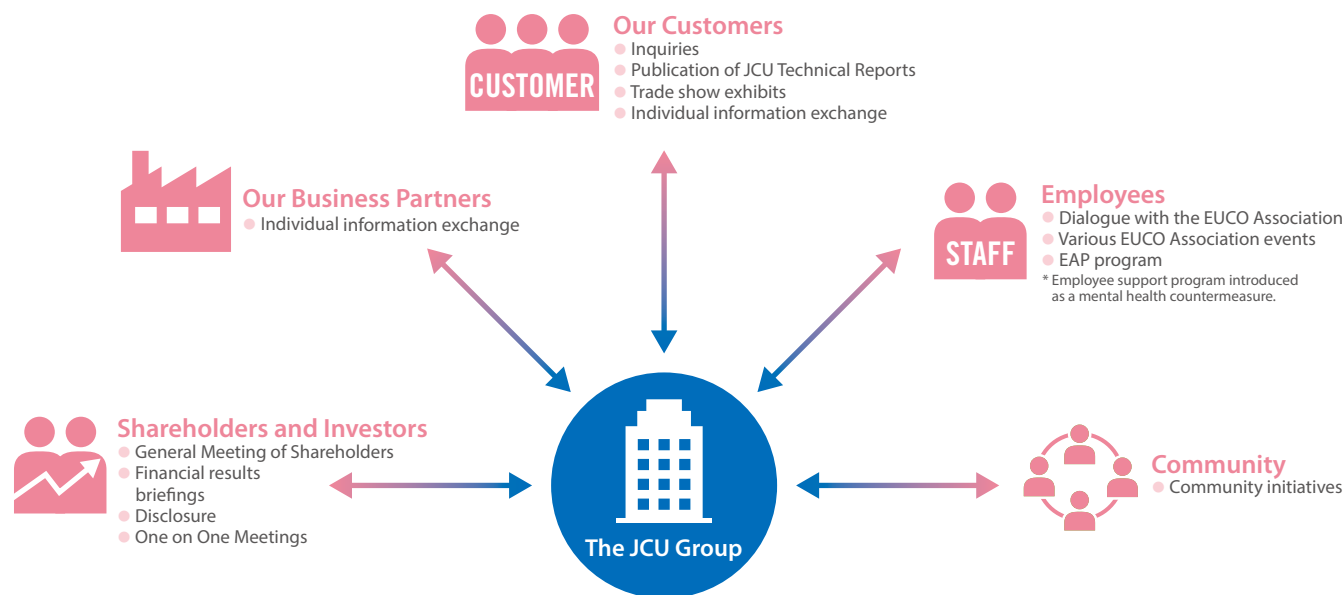
In FY2024, we explained our TCFD and CDP initiatives—in some instances in web conferences—to executives and employees at our domestic offices and overseas subsidiaries.

Communication with Stakeholders

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

Initiatives for the SDGs

The SDGs consist of 17 goals for realizing a sustainable world. The JCU Group will continue its efforts to contribute to realizing these goals as much as possible.



5 GENDER EQUALITY	SDG 5 Gender Equality ● Employees	6 CLEAN WATER AND SANITATION	SDG 6 Clean Water and Sanitation ● Water consumption volumes
7 AFFORDABLE AND CLEAN ENERGY	SDG 7 Affordable and Clean Energy ● Use of renewable energy	8 DECENT WORK AND ECONOMIC GROWTH	SDG 8 Decent Work and Economic Growth ● Comfortable working environment
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	SDG 9 Industry, Innovation and Infrastructure ● Business activities and sustainability	10 REDUCED INEQUALITIES	SDG 10 Reduced Inequalities ● Respect for human rights
11 SUSTAINABLE CITIES AND COMMUNITIES	SDG 11 Sustainable Cities and Communities ● Community	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12 Responsible Consumption and Production ● Our customers ● Business activities and sustainability
13 CLIMATE ACTION	SDG 13 Climate Action ● Carbon offsetting	14 LIFE BELOW WATER	SDG 14 Life Below Water ● Business activities and sustainability ● Wastewater and waste
15 LIFE ON LAND	SDG 15 Life on Land ● Carbon offsetting ● Wastewater and waste	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	SDG 16 Peace, Justice and Strong Institutions ● Corporate governance
17 PARTNERSHIPS FOR THE GOALS	SDG 17 Partnerships for the Goals ● Carbon offsetting ● Our business partners		

Further Upgrade Governance Regarding Fairness, Transparency, and Effectiveness

Executive Compensation System

Policy for determining executive compensation, etc.

① Basic policy

Directors (Excluding outside directors)	The compensation system is linked to shareholder interests in order that it functions sufficiently as an incentive to strive for the sustainable improvement of corporate value, and the basic policy for determining the compensation of individual directors is to set it at an appropriate level taking into account their respective job responsibilities.
Outside directors	In consideration of their duty in overseeing the management of the Company, they are paid only basic compensation.

② Compensation structure and levels

■ Compensation for directors other than outside directors
 Compensation consists of fixed compensation (basic compensation), performance-linked compensation and other variable compensation, and stock-based compensation. The level of compensation is set at an appropriate amount, based on the responsibilities and number of directors of the Company, as well as future changes in the business environment, etc.

■ Compensation for outside directors and Audit & Supervisory Board members

Outside directors who perform supervisory functions are paid only fixed compensation (basic compensation).

The compensation of Audit & Supervisory Board members consists of only fixed compensation, with a view to emphasizing independence and objectivity from management. The compensation amount of each Audit & Supervisory Board members is decided through consultation.

③ Compensation determination procedure

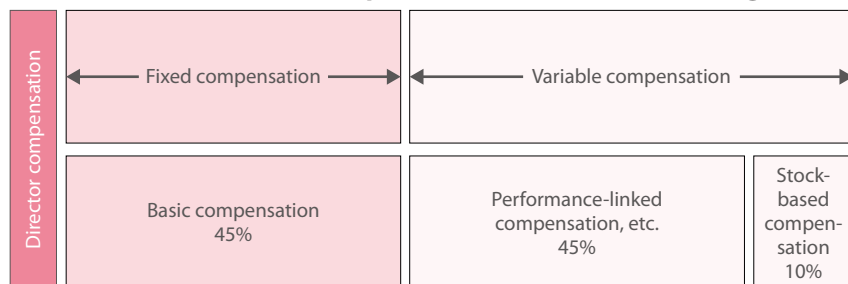
Compensation for executive directors (excluding outside directors) consists of fixed compensation (basic compensation), performance-linked compensation, and stock-based compensation. The specific details of individual compensation amounts are delegated to the Representative Director and Chairman based on a resolution of the Board of Directors. In order to appropriately exercise the delegated duties, the Chairman shall submit a draft to the Nomination and Compensation Advisory Committee, receive a recommendation, and make decisions in accordance with the contents of the recommendation.

Policy on Cross-shareholdings

With regard to cross-shareholdings, we may hold listed shares of our business partners, etc., with the aim of increasing our corporate value in the medium to long term, after comprehensively considering whether a cooperative relationship is necessary from a business strategy perspective. When holding shares, the Board of Directors regularly reviews whether and to what extent the holding is meaningful, as well as the economic rationale of whether the cost of holding the shares, calculated based on the cost of shareholders' equity and the cost of after-tax debt, exceeds the amount of contribution the shares make to the business. As a result of these reviews, we reduce shares that do not match with our holding policy.

Regarding exercising our voting rights, we respect the management policies and strategies of the investee companies and make comprehensive decisions not only from the perspective of shareholders but also from the perspective of whether the action will lead to the enhancement of our corporate value as a business partner.

Guideline for the Ratio of Compensation for Directors Excluding Outside Directors



Compensation components	Objectives and overview
Fixed compensation (Basic compensation)	Basic compensation for business execution (execution of duties)
Performance-linked compensation, etc.	Compensation to incentivize motivation and morale for improving business performance Calculated based on the amount set according to the achievement of the goal and the evaluation distribution based on the performance of the assigned work
Stock-based compensation (Stocks with transfer restrictions)	Compensation to strengthen the linkage with medium- to long-term improvement in corporate value. Every fiscal year, restricted stock equivalent to the base amount is issued, and transfer restrictions are lifted upon retirement.

Board Members

(As of July 30, 2025)

10 men and 2 women (16.7% of Board members are women)

Masashi Kimura ● Born on February 9, 1958 ● Tenure: 7 years

Chairman of the Board (Representative Director)
Chief Executive Officer (CEO)

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
March 2019: President of JCU CHEMICALS INDIA PVT. LTD. (present position)
April 2021: Representative Director, President and CEO
June 2024: Representative Director, Chairman and CEO (present position)

Hirofumi Ikegawa ● Born on July 29, 1965 ● Tenure: 6 years

Managing Director
Managing Executive Officer
General Manager, Administration Headquarters

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

Mayumi Yamamoto ● Born on February 11, 1956 ● Tenure: 4 years Outside

Director

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 of Central Labor Relations Commission
January 2019: Member of Financial System Council, Financial Services Agency (present position)
June 2019: External Audit & Supervisory Board Member of MORINAGA MILK INDUSTRY CO., LTD (present position)
July 2019: Member of Self-regulatory Planning Sub-committee, Self-regulation Board, Japan Securities Dealers Association (present position)
June 2020: Outside Director of MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation) (present position)
April 2021: Member of the Labor Policy Council, Ministry of Health, Labour and Welfare
June 2021: Director of the Company (present position)
February 2025: Established Arc Law Office

Akihisa Omori ● Born on October 2, 1965 ● Tenure: 1 year

President (Representative Director)
Chief Operating Officer (COO)

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 and Executive Managing Officer
April 2019: Managing Director, Executive Managing Officer and General Manager of R&D Center
December 2020: President of JCU (THAILAND) CO., LTD.
December 2020: Representative Director of JCU VIETNAM CORPORATION
December 2020: President of PT. JCU INDONESIA
June 2023: Senior Managing Director, Senior Managing Executive Officer, General Manager of R&D Center
June 2024: Representative Director, President and COO (present position)

Yoji Inoue ● Born on January 10, 1967 ● Tenure: 4 years

Director
Managing Executive Officer
General Manager of Corporate Strategy Office

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

Masayuki Itagaki ● Born on March 24, 1964 ● Tenure: 4 years Outside

Director

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

Takanori Arata ● Born on May 13, 1967 ● Tenure: 11 years

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

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 Chemicals 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 of Sales Headquarters
April 2022: Managing Director, Managing Executive Officer and Chairman and President of JCU SHENZHEN TRADING CORPORATION (present position)

Fumihiko Araake ● Born on February 9, 1966 ● Tenure: 4 years

Director
Managing Executive Officer
General Manager of Sales Headquarters

April 1989: Joined the Company
November 2009: President of 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 of Production Headquarters
June 2021: Director, Managing Executive Officer and General Manager of Production Headquarters
April 2022: Director, Managing Executive Officer and General Manager of Sales Headquarters (present position)
April 2022: Representative Director of JCU KOREA CORPORATION (present position)

Harusato Nihei ● Born on August 30, 1957 ● Tenure: 1 year Outside

Director

April 1980: Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)
March 2006: General Manager of Taipei Branch, Mizuho Corporate Bank, Ltd.
April 2008: Executive Officer and General Manager of Taipei Branch, Mizuho Corporate Bank, Ltd.
April 2009: Executive Officer and General Manager of 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 of Mizuho Bank, Ltd.
April 2014: Deputy President of Mizuho Research Institute Ltd. (currently Mizuho Research & Technologies, Ltd.)
June 2016: Audit & Supervisory Board Member of Kawasaki Kisen Kaisha, Ltd.
June 2017: Senior Managing Executive Officer of Kawasaki Kisen Kaisha, Ltd.
June 2018: Representative Director and Senior Managing Executive Officer of Kawasaki Kisen Kaisha, Ltd.
April 2020: Director of Kawasaki Kisen Kaisha, Ltd.
June 2020: Special Advisor of Kawasaki Kisen Kaisha, Ltd.
June 2021: Corporate Auditor of JCU
June 2021: Outside Corporate Auditor of Shindengen Electric Manufacturing Co., Ltd. (present position)
June 2024: Director of the Company (present position)

Board Members

(As of July 30, 2025)

Mitsuyoshi Matsuura ● Born on August 31, 1964 ● Tenure: 1 year
Full-time Corporate Auditor

April 1989: Joined Fuji Bank Ltd. (currently Mizuho Bank, Ltd.)
 October 1997: Research Officer at New York Branch, Fuji Bank Ltd.
 July 2004: Counselor of Americas Sales Department, Mizuho Corporate Bank Ltd. (currently Mizuho Bank, Ltd.)
 November 2006: Deputy Senior General Manager of Fourth Sales Department, Mizuho Corporate Bank, Ltd.
 April 2008: Deputy Director of Administrative Promotion Department, Mizuho Corporate Bank, Ltd.
 April 2010: Deputy Director of Administrative Management Department, Mizuho Corporate Bank, Ltd.
 January 2011: Deputy Branch Manager of Los Angeles Branch, Mizuho Corporate Bank, Ltd.
 April 2014: Deputy General Manager of 11th Sales Department, Mizuho Corporate Bank, Ltd.
 April 2016: Manager of Yangon Branch, Mizuho Corporate Bank, Ltd.
 September 2019: Joined the Company, General Manager of Sales Management Division, Sales Department
 April 2021: Executive Officer, General Manager of Sales Management Department, Sales Division
 April 2022: Executive Officer and General Manager of JCU SHANGHAI TRADING CORPORATION
 April 2024: Executive Officer
 June 2024: Full-time Auditing Officer (present position)

Mitsuru Ichikawa ● Born on April 15, 1960 ● Tenure: 11 years **Outside**
Corporate Auditor

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 of Tokyo Lawyers Cooperative
 October 2019: Outside Director of Renaissance Inc.
 May 2023: Vice President of Tokyo Lawyers Cooperative

Koyuri Kawato ● Born on July 5, 1968 ● Tenure: 6 years **Outside**
Corporate Auditor

April 1991: Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
 March 1994: Registered as a certified public accountant
 July 2000: Representative of 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)

(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 and Vice President of JCU (THAILAND) CO., LTD.

Tadahiko Miyamoto Executive Officer and Managing Director of JCU KOREA CORPORATION

Toyokazu Imai Executive Officer and General Manager of Production Headquarters

Kanae Tokio Executive Officer and Deputy General Manager of R&D Center

Noriyuki Tomita Executive Officer and Deputy General Manager of Sales Headquarters

4 men and 1 woman (20.0% of executive officers are women)

Directors' Skills Matrix

Name	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	Human resources strategy	DX
Masashi Kimura		7	○	○	○	○	○	○	○	○	
Akihisa Omori		1	○	○	○		○			○	○
Takanori Arata		11	○	○			○	○		○	
Hirofumi Ikegawa		6	○			○	○	○	○	○	○
Yoji Inoue		4	○	○			○			○	
Fumihiko Araake		4	○	○	○	○	○			○	
Mayumi Yamamoto	●	4							○		
Masayuki Itagaki	●	4	○		○	○					
Harusato Nihei	●	1	○				○	○			
Total			8	5	4	4	7	4	3	6	2

* 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 and expertise in corporate legal and risk management
Human resources strategy	Experience and expertise in human resources and labor affairs/ Experience and ability in formulating human resource strategies such as human resource development
DX	Experience and expertise in promoting DX

Outside Directors' Interview

Participants: Mayumi Yamamoto, Masayuki Itagaki and Harusato Nihei

We interviewed three outside directors on topics ranging from Board of Directors' diversity and agenda items to progress and issues related to Medium-term Management Plan JCU VISION 2035 —1st stage—, and outside director contributions to the enhancement of corporate value.

Issues going forward include the appointment of internal female and foreign national directors to the Board

To begin, please share your opinions on the Board of Directors' diversity and agenda items.

Yamamoto: While I recognize that JCU's Board of Directors engages in vigorous discussions from multiple perspectives, I think the lack of female internal directors is an issue. Regarding agenda items, I believe there would be greater scope for fulfilling my role as an outside director if the major strategic direction envisioned by the executive team for the Company were to be incorporated more directly into the agenda.

Nihei: The Board of Directors' deliberations are conducted thoroughly and appropriately. However, I share Ms. Yamamoto's view that the proportion of female internal directors and the appointment of foreign nationals are issues requiring attention. We should take the time to discuss these matters repeatedly and work toward improvement.

Itagaki: Overall, I consider the balance of internal directors and the diversity of external directors to be adequately ensured. Ideally, the addition of Board members with vast expertise in surface treatment technologies—one of our core competitive strengths—will further strengthen the alignment between technology and management strategies, which I expect will enhance the quality of decision-making.

The medium-term management plan is proceeding on track, and expectations are high for the Kumamoto Facility, which is scheduled to commence operations in FY2026

How is Medium-term Management Plan JCU VISION 2035 —1st stage— progressing?

Itagaki: From a technical perspective, I think we are making steady progress. We have developed the core technologies of copper sulfate plating chemicals and etching chemicals for PCBs into surface treatment technologies for next-generation semiconductors, and have begun rolling out the TIPHARES® series. The commencement of operations at the Kumamoto Facility in FY2026 will accelerate the development of surface treatment chemicals required in semiconductor manufacturing processes.

Nihei: I feel the same. Business performance is generally on track. It is extremely important to secure our position in the semiconductor package substrate and advanced semiconductor packaging fields, as set

forth under the medium-term management plan, and we are steadily implementing measures such as establishing new factories at the Kumamoto Facility and overseas subsidiaries, and making focused investments in research and development. Although we expect to exceed projections for the total amount of investment during the medium-term management plan period, I will leverage my perspective as an outside director to engage in discussions and ensure appropriate decision-making with regard to required investments.

Yamamoto: It is essential we further accelerate research and development to realize JCU VISION 2035. I expect the establishment of a dual-location structure comprising the Kumamoto Facility and R&D Center will accelerate the pace and deepen the scope of technological developments, propelling the Company toward sustainable growth.

Issues surrounding human resource retention and utilization

What issues affect medium-term management plan achievement?

Nihei: To respond to changing market demands in the electronics sector, we must steadily implement measures that include optimizing human resource utilization through labor-saving efforts driven by DX, accelerating workforce training, retaining highly skilled personnel, and conducting joint research with academic institutions.

Yamamoto: I consider enhancing human capital to be our most pressing issue. We will further discussions to identify optimal solutions for retaining and utilizing talent, which in turn will lead to sustainable growth.

What are your expectations for JCU?

Itagaki: As surface treatment technologies spread throughout the world, I expect more people will be able to utilize AI and communication technologies facilitated by advanced semiconductor packaging. This will contribute to building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation, as well as reducing inequalities within and among countries, as targeted by the SDGs.

Yamamoto: I hope to see the Company invest proactively in refining its technologies as an R&D-oriented company, while developing the ability to withstand competition.

Nihei: JCU's products have the potential to establish a significant position in semiconductor back-end processing, and I expect steady progress and accelerated developments toward this end.

Leveraging diverse career histories to contribute to the enhancement of corporate value

How do you hope to contribute to enhancing corporate value?

Nihei: I want to contribute by leveraging my experience and knowledge from involvement in finance, capital markets, and corporate management. Specifically, this entails formulating growth strategies, providing advice regarding financial markets, and maintaining appropriate dialogues with capital markets.

Yamamoto: As a lawyer, I hope to encourage reflection on JCU's existing corporate culture, its "village logic" so to speak, by offering a candid, outsider's perspective. If this can contribute to growth, I will be delighted.

Itagaki: Leveraging my academic background, I hope to assist in the creation of new technologies through efforts that include strengthening R&D Center industry-academia collaborations. As globalization progresses, the rate at which engineers and researchers obtain doctoral degrees is increasingly becoming a benchmark for assessing technological capabilities. I want to provide guidance enabling as many employees as possible to obtain doctoral degrees.

Bringing next-generation technologies to society based on stable management and governance systems

In closing, what is your message for shareholders and investors?

Yamamoto: JCU is a very serious and good company. Communication between directors and executive officers is open, and the organization is well-balanced. In terms of governance structure, JCU continuously strives to respond to changes in society and risk factors. I will continue to repeatedly engage in discussions aimed at further improvements and advancements.

Nihei: I believe we can have high expectations for JCU, as it provides shareholder returns and long-term business performance growth under a stable management and governance system. Going forward, I will maintain efforts to provide clear and detailed information disclosure.

Itagaki: Engineers and researchers with talent and dreams are developing next-generation technologies while awaiting the next opportunity. These efforts will surely bear fruit in the near future, so I think there is a lot to look forward to.

Play a Role in the Digitalization of Society by Supplying Leading-Edge Technologies

At JCU, we have created a “technology” category in our long-term corporate vision and identified important issues (materiality).

As an R&D-based company, in order to realize our vision, it is essential that JCU continues to develop and spread cutting-edge technology, and we are moving forward with a variety of initiatives to achieve this.

JCU will continue to strive to be a company that contributes to society through technology and can grow together with society.

New Brand TIPHARES® Series

Amid ongoing improvements in semiconductor performance, new demands and technical requirements are emerging in the fields of semiconductor front-end and back-end processing. In JCU’s business area of surface treatment chemicals, there is demand for new packaging technologies to achieve high-density mounting, also known as advanced semiconductor packaging.

JCU launched new brand TIPHARES® with the aim of entering this sector by leveraging JCU’s expertise in acid copper plating and etching for forming fine wiring.

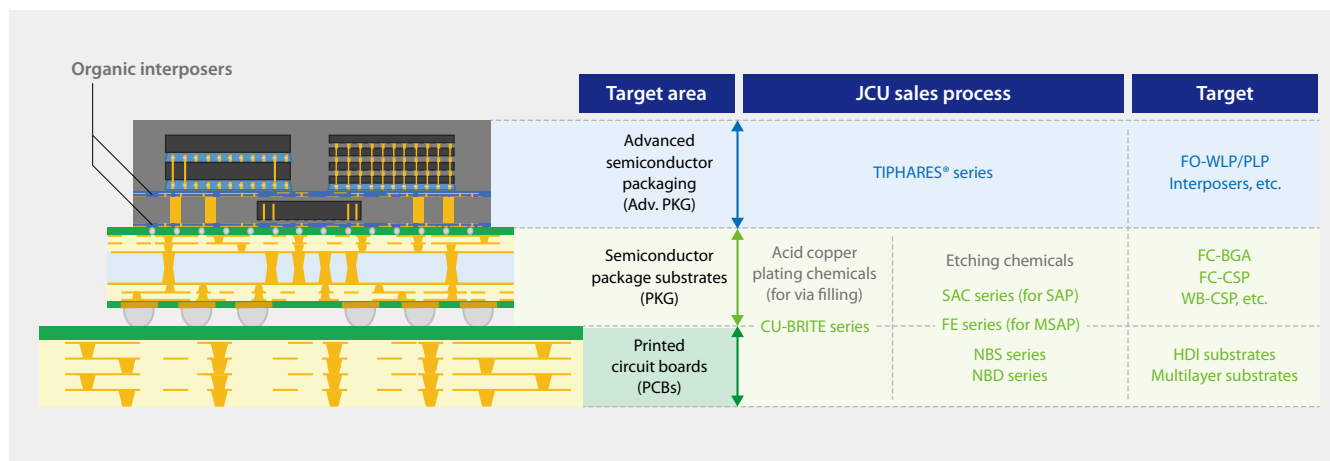
New Site/Kumamoto Facility

The Kumamoto Facility, which serves as the foundation supporting JCU’s medium- to long-term growth, will primarily focus on developing semiconductor-related products positioned as next-generation areas.

This facility was completed in October 2025, and we are currently installing equipment and machinery necessary for development and production.

Additionally, we are targeting operational efficiency by consolidating the Development, Production, and part of the Customer Support Division in one location and strengthening the collaboration between them.

The Production Division plans to commence trial production in April 2026.

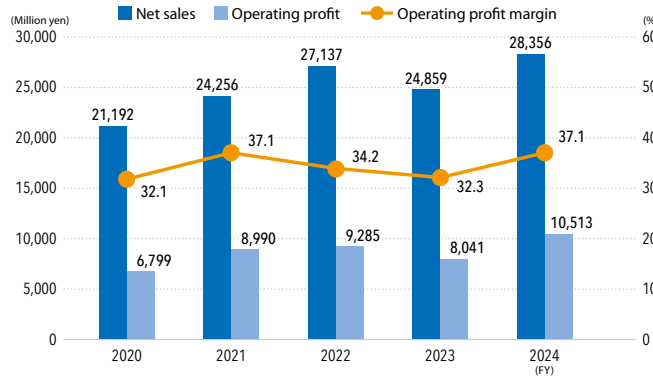


Kumamoto Facility Overview

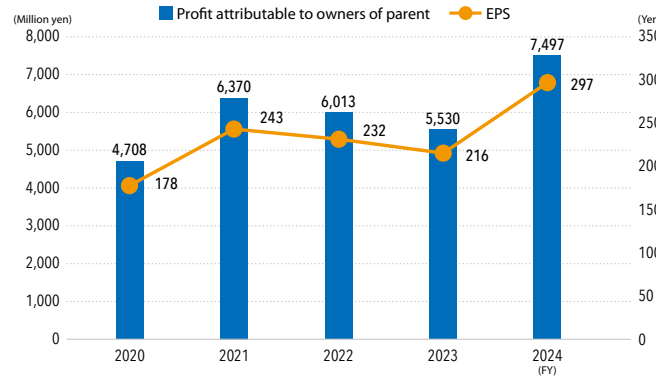
Location	2083-8 Oyatsu, Mashiki-machi, Kamimashiki-gun, Kumamoto Prefecture
Floor area/ construction area	26,178.41 m ² / 12,991.83 m ²
Business activities	Research and development of semiconductor-related chemicals and manufacturing, including those chemicals
Total investment	Approximately 11.4 billion yen (excluding land acquisition costs)

Financial and Non-financial Highlights

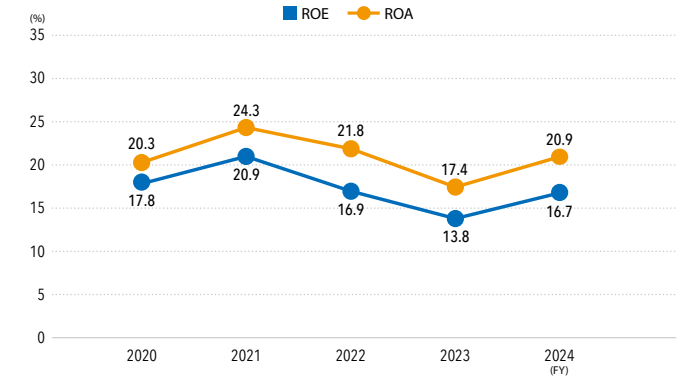
Net Sales, Operating Profit and Operating Profit Margin



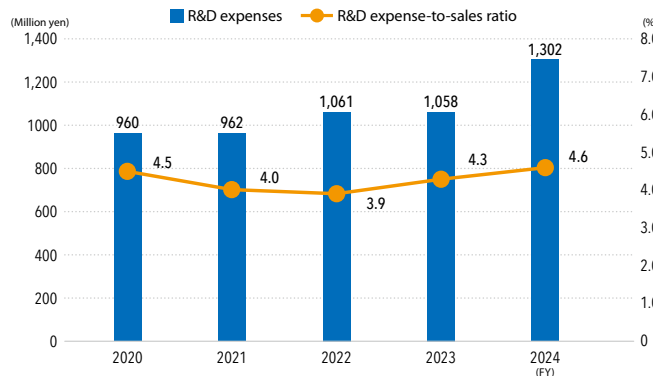
Profit Attributable to Owners of Parent and Earnings per Share (EPS)



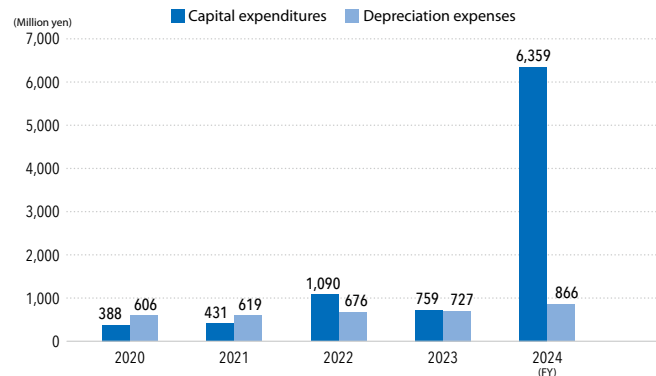
Return on Equity (ROE) and Return on Assets (ROA)



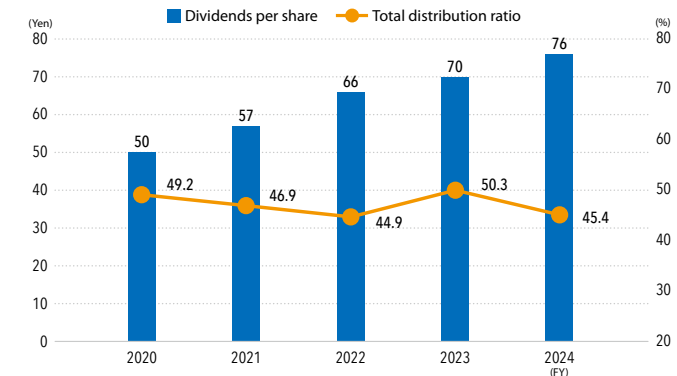
R&D Expenses and R&D Expense-to-sales Ratio



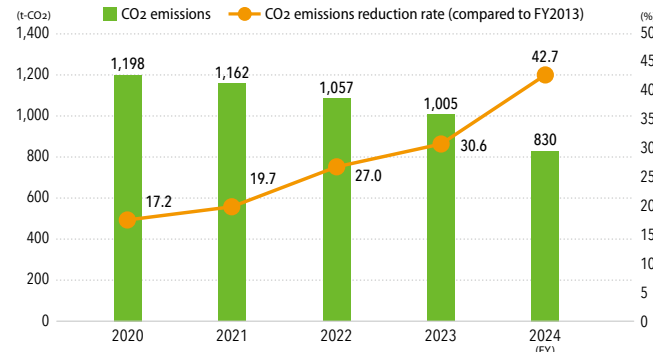
Capital Expenditures and Depreciation Expenses



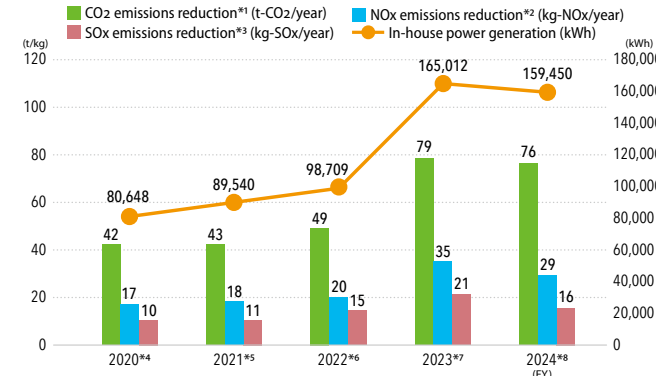
Dividends per Share and Total Distribution Ratio



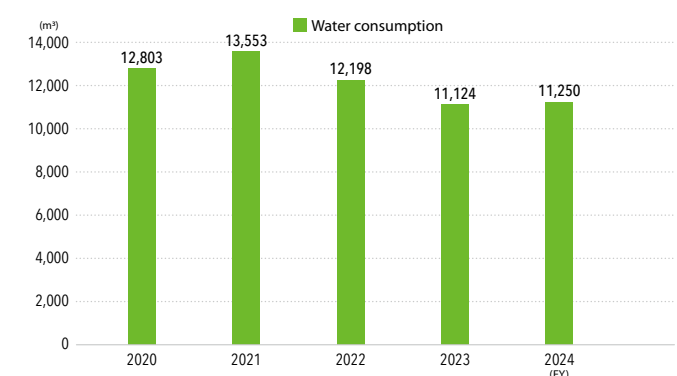
Total CO2 Emissions at Domestic Business Locations and Emissions Reduction Rates



Solar Power Generation Facility Introduction Effect



Annual Water Consumption at Domestic Business Locations



*1 Uses actual CO2 emission factors from values published by the Tohoku Electric Power Company. *2 Uses nitrogen oxide (NOx) emission intensity from values published by the Tohoku Electric Power Company. *3 Uses sulfur oxide (SOx) emission intensity from values published by the Tohoku Electric Power Company. *4 Uses FY2019 performance factors. *5 Uses FY2020 performance factors. *6 Uses FY2021 performance factors. *7 Uses FY2022 performance factors. *8 Uses FY2023 performance factors.

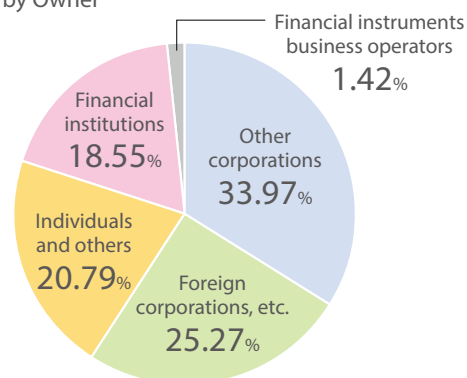
Stock Information and Company Profile

Stock Information

Stock Information (As of March 31, 2025)

Total number of authorized shares: 77,568,000 shares
 Total number of issued shares: 26,529,949 shares
 Number of shareholders: 4,301

Shareholding Distribution by Owner



Major Shareholders

 (As of March 31, 2025)

Shareholder name	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,393	13.61
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: Mizuho Bank, Ltd., Settlement Business Department)	1,020	4.09
Custody Bank of Japan, Ltd. (Trust Account)	948	3.80
Nihon Parkerizing Co., Ltd.	908	3.64
Ebara Jitsugyo Co., Ltd.	800	3.21
S·D·PA Co., Ltd.	800	3.21
NIHON KAGAKU SANGYO CO., LTD.	744	2.98
KAMIYA RIKEN Co., Ltd.	640	2.56
Sakae Denshi Kogyo Co., Ltd.	640	2.56
TPR Co., Ltd.	634	2.54

Note: Shareholding ratios are calculated after deducting treasury stock (1,608,714 shares), then rounding down to the nearest hundredth.

Company Profile

Company name JCU CORPORATION
 Headquarters 16th Floor, TIXTOWER UENO, 4-8-1 Higashi-Ueno, Taito ku, Tokyo 110-0015, Japan
 Founded December 1957
 Established April 1, 1968
 Main business Production and sales of surface treatment chemicals, surface treatment equipment, and related materials and equipment.
 Capital 1,281.48 million
 Employees Non-consolidated: 242 Consolidated: 550 (As of March 31, 2025)
 Fiscal year-end March 31
 Listed stock exchange Tokyo Stock Exchange Prime Market

Domestic Offices

Osaka Branch
 Kyushu Sales Office
 Nagoya Branch
 R&D Center
 Production Headquarters (Niigata Plant)
 Kumamoto Facility

Overseas Offices

 (As of March 31, 2025)

China JCU SHANGHAI TRADING CORPORATION
 JCU SHENZHEN TRADING CORPORATION
 JCU SURFACE TECHNOLOGY HUBEI CO., LTD.
 Taiwan JCU TAIWAN CORPORATION
 South Korea JCU KOREA CORPORATION
 Thailand JCU (THAILAND) CO., LTD.
 Vietnam JCU VIETNAM CORPORATION
 Indonesia PT. JCU INDONESIA
 Malaysia JCU MALAYSIA SDN. BHD.
 India JCU CHEMICALS INDIA PVT. LTD.
 United States JCU INTERNATIONAL, INC.
 Mexico JCU AMERICA, S.A. DE C.V.



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