

TCFD REPORT 2026

Task Force on Climate-related Financial Disclosures

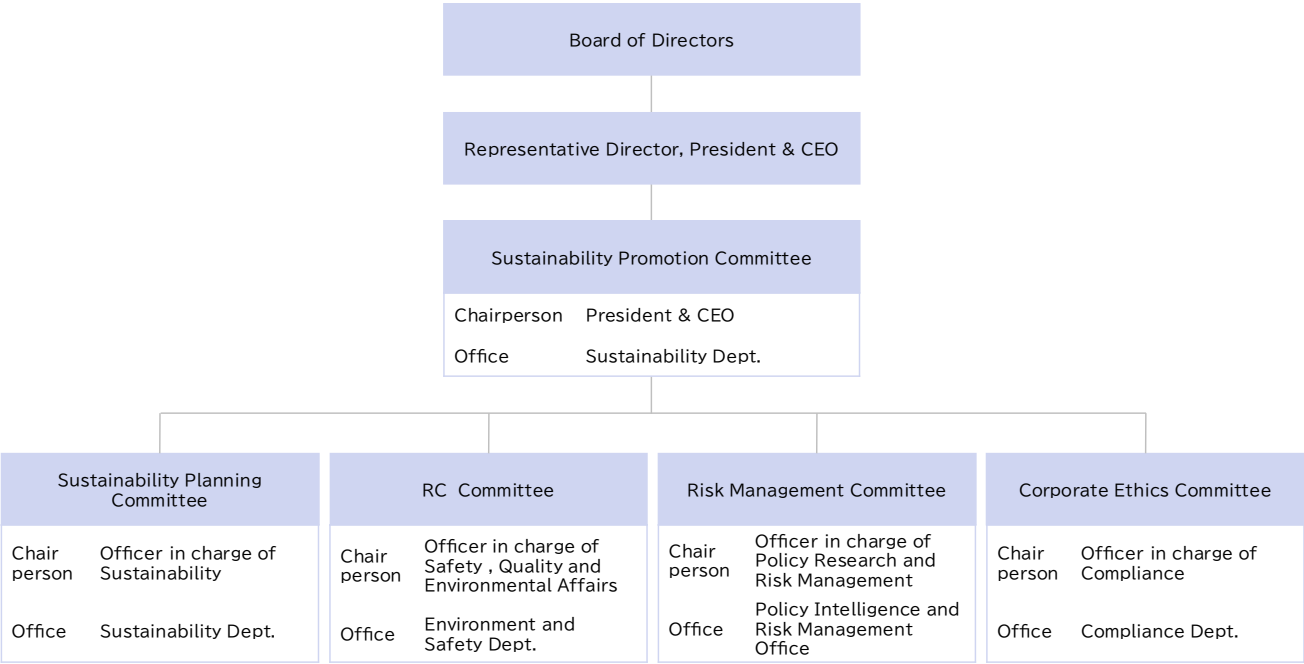
■ Governance

Board Oversight

JSR Group regards climate change as one of its key management priorities. The Board of Directors has oversight responsibility for the Group’s response to climate change. The Board regularly receives reports on sustainability-related risks and opportunities, including climate-related risks and opportunities, as well as progress toward sustainability-related targets, and reviews and discusses these matters in the context of the Group-wide business strategy.

Executive Management Structure

At the executive management level, JSR Group has established the Sustainability Promotion Committee, chaired by the CEO and President. As a general rule, the Committee meets at least four times a year to strengthen sustainability management and oversee and promote sustainability initiatives across the Group, including its response to climate change.



■ Strategy

JSR Group considers climate change through the lens of both climate-related risks and opportunities as it works toward achieving net-zero greenhouse gas (GHG) emissions from Scopes 1 and 2. The Group is enhancing its sustainability-related disclosures and transparency, while seeking to strengthen its competitive advantage by proactively pursuing climate-related business opportunities and managing climate-related risks in a manner consistent with its corporate social responsibility commitments.

Scenario Analysis

Selection of Businesses for Scenario Analysis

In line with its approach to progressively analyze and refine its understanding of the impacts of climate change on the JSR Group, the Group selected the Electronic Materials Business and the Display Solution Business from among all of its businesses as the subjects of the scenario analysis presented in this report and conducted the analysis across their respective value chains.

Building on the assessment methodology established through this analysis, the Group will continue to explore ways to enhance the usefulness of its disclosures.

Scenarios Considered

To support the objectivity and reliability of its scenario analysis, the Group uses internationally recognized external scenario data and pathways, including those presented in the International Energy Agency’s (IEA) World Energy Outlook (WEO) and the Intergovernmental Panel on Climate Change’s (IPCC) Sixth Assessment Report (AR6).

Scenario	Scenario Overview	Reference Scenarios
1.5°C Scenario	- A scenario in which global warming is limited to 1.5°C above pre-industrial levels. - This scenario assumes a society in which carbon pricing is introduced and environmental regulations are strengthened rapidly in countries around the world, causing transition risks associated with economy-wide decarbonization to become extremely high, while market demand expands for new products and technologies that help reduce environmental impacts.	- IEA <i>World Energy Outlook</i>: Net Zero Emissions by 2050 Scenario (NZE Scenario) - IPCC Sixth Assessment Report (AR6): SSP1-1.9
4°C Scenario	- A scenario in which climate policies remain broadly unchanged at current levels in countries around the world, resulting in further increases in global average temperature. - This scenario assumes a society in which transition risks arising from policy and legal measures remain limited, while physical risks increase as more severe typhoons and flooding, as well as water scarcity, cause major disruptions to infrastructure services and supply chains.	- IEA <i>World Energy Outlook</i>: Stated Policies Scenario (STEPS) - IPCC Sixth Assessment Report (AR6): SSP5-8.5

Process for Identifying and Assessing Climate-related Risks and Opportunities

To objectively and comprehensively assess the impacts of climate change on its business activities, the Company followed the three-step process outlined below to identify significant climate-related risks and opportunities and estimate their financial effects.

Step1
Identification of
Risks and
Opportunities

For the Electronic Materials Business and the Display Solution Business selected for the analysis, the Company considered the entire value chain—from upstream activities through its own operations to downstream activities—and identified climate-related risks and opportunities anticipated under the scenarios considered.*1

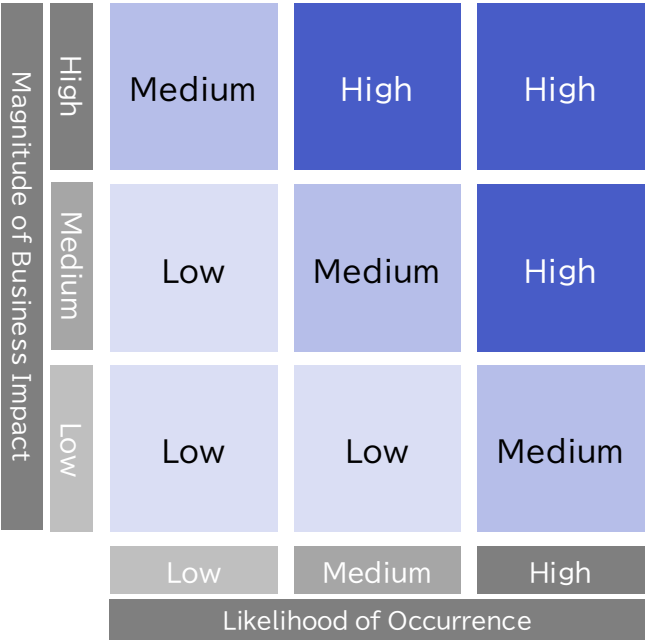
Step2
Significance
Assessment

The identified risks and opportunities were screened both qualitatively and quantitatively using two assessment dimensions—“likelihood of occurrence” and “magnitude of impact on the business”—assuming conditions in 2050. Based on the results, their significance was classified as “high,” “medium” or “low,” as shown in the figure to the right.

In addition, the assessment of the ‘magnitude of impact on the business’ is aligned with the criteria used in JSR Group’s material risk management.

Step3
Estimation of
Financial Effects

For climate-related risks and opportunities classified as high, the Company estimated their potential future financial effects under the 1.5°C and 4°C scenarios.*2



*1 : In identifying climate-related risks and opportunities, the Company referred to the disclosure topics for the “Semiconductors” and “Chemicals” industries in the industry-based guidance published by the International Sustainability Standards Board (ISSB) and considered their relevance and applicability.

*2 : Certain risks and opportunities have been assessed only qualitatively because their potential effects cannot currently be quantified objectively. The Company will continue to examine assessment methodologies as external and internal data become more comprehensive.

Financial Effects of Risks and Opportunities and Response Measures

Among the climate-related risks and opportunities classified as high, the JSR Group estimated the financial effects of those that could have significant future impacts on the JSR Group's businesses and identified response measures. In addition to mitigating risks associated with its own operations, the JSR Group will continue to seek to enhance supply chain resilience against climate-related risks and capitalize on new business opportunities through collaboration across the value chain.

					Financial Effects*3					
Type	Category	Anticipated Risks and Opportunities			1.5°C Scenario		4°C Scenario		Responses Measures	
		Risk / Opport unity	Value Chain	Description	2030	2050	2030	2050		
Transition	Policy and Legal	Implemen tation and strengthe ning of carbon pricing, including carbon taxes and emissions trading schemes	Risk	Own opera tions	Increased operating costs resulting from carbon pricing and other measures to address GHG emissions from the Company’s own operations	Medi um	Medi um	Medi um	Medi um	■ Promoting the transition to renewable electricity at manufacturing sites in Japan and overseas ■ Optimizing production conditions to improve production efficiency ■ Strengthening the implementation of GHG emissions-reduction initiatives through the Group’s targets approved by the Science Based Targets initiative (SBTi)
		Risk	Upstr eam	Suppliers pass on their compliance costs in the prices of raw materials, increasing the Company’s raw material procurement costs	Medi um	Medi um	Medi um	Medi um	■ Securing alternative sources of supply and diversifying the supply chain to reduce dependence on specific regions and suppliers ■ Considering engagement with suppliers to encourage the setting of science-based GHG emissions reduction targets, taking into account whether they have established GHG emissions reduction targets ■ Promoting the recycling of raw materials used in manufacturing processes	
	Market	Stricter environme ntal regulation s in customer industries	Opport unity	Down strea m	Increased demand for the Company’s products that help customers reduce power consumption and improve energy efficiency, resulting in higher sales	—*4				<u>Electronic Materials Business</u> ■ Expanding sales of advanced lithography materials that enable continued semiconductor scaling and lower power consumption for semiconductor devices ■ Expanding sales of MOR (Metal Oxide Resist) for EUV lithography, which helps reduce energy consumption by improving the efficiency of semiconductor manufacturing processes ■ Expanding sales of advanced packaging materials that enable lower power consumption at the system level through high-density semiconductor packaging <u>Display Solution Business</u> ■ Expanding sales of low-temperature process materials that enable reduced energy consumption at customers’ manufacturing plants ■ Developing and expanding sales of display materials that enable reduced energy consumption in devices ■ Launching an alignment layer materials recycling business to promote resource efficiency and support reductions in customers’ Scope 3 GHG emissions

					Financial Effects*3				Responses Measures
Type	Category	Anticipated Risks and Opportunities			1.5°C Scenario		4°C Scenario		
		Risk / Opport unity	Value Chain	Description	2030	2050	2030	2050	
Physical	Acute	Increased severity of flooding	Risk	Own operations	Lost sales opportunities and reduced revenue resulting from damage to the Company’s sites, as well as asset losses or impairments caused by damage to facilities	— Not included in the estimate	High	High	■ Establishing a resilient supply system by diversifying manufacturing sites ■ Regularly updating the business continuity plan (BCP) in accordance with business continuity management (BCM) and implementing related activities ■ Continuing flood risk assessments at manufacturing sites using Aqueduct, a water risk assessment tool developed by the World Resources Institute (WRI)
			Risk	Upstream	Disruptions in raw material procurement resulting from damage to or operational disruptions at suppliers’ facilities lead to lost sales opportunities and reduced revenue		High	High	■ Regularly updating the business continuity plan (BCP) in accordance with business continuity management (BCM) and implementing related activities ■ Identifying business-critical raw materials, maintaining a database of them, and ensuring appropriate safety stock levels ■ Continuing flood risk assessments of suppliers’ sites using Aqueduct
	Chronic	Worsening water scarcity	Risk	Upstream	Disruptions in raw material procurement lead to lost sales opportunities and reduced revenue	—*5			■ Continuing water scarcity risk assessments of suppliers’ sites using Aqueduct

*3 Financial effects are estimated based on their impact on operating profit in a single fiscal year. The impact magnitude categories are aligned with the assessment criteria used in the Company's enterprise-wide risk management framework and are defined as follows: High: ¥10 billion or more; Medium: ¥1 billion to less than ¥10 billion; and Low: ¥500 million to less than ¥1 billion.

*4 Financial effects could not be estimated because it is difficult to quantify the extent to which the Company's products contribute to the energy efficiency of intermediate and final products.

*5 Financial effects could not be estimated because the business impacts of water scarcity are difficult to quantify.

■ Risk Management

JSR Group regards preventing major crises and, should one occur, minimizing its impact on business activities as key management priorities. In response to these issues, the Group has formulated the JSR Group Risk Management Regulations to address risk management centered on the Risk Management Committee.

Since FY2009, the Group has operated its own risk management system. Under the leadership of the Risk Management Committee, the Group regularly identifies risks across all departments and divisions worldwide, including those of Group companies. With respect to climate change, the Group identifies and discusses at the management level risks such as declining sales competitiveness and reputational damage resulting from delays in responding to customer needs amid unanticipated or faster-than-anticipated policy strengthening aimed at accelerating decarbonization, as well as amendments to, or new enactments of, carbon emissions-related laws and regulations in countries and regions around the world. The Group also categorizes and assesses transition risks as risks associated with business strategy and physical risks as risks associated with business operations.

The identified risks are classified and mapped in terms of the degree of impact on management and the frequency of occurrence. Key risks that could have a significant impact on business continuity are listed and managed as JSR Group Business and Other Risks, and response measures are implemented in accordance with their priority. Senior management monitors and periodically reviews the identified risks, while establishing and maintaining systems designed to prevent crises and minimize their impacts should they occur.

[🔗 Sustainability site > Risk Management](#)

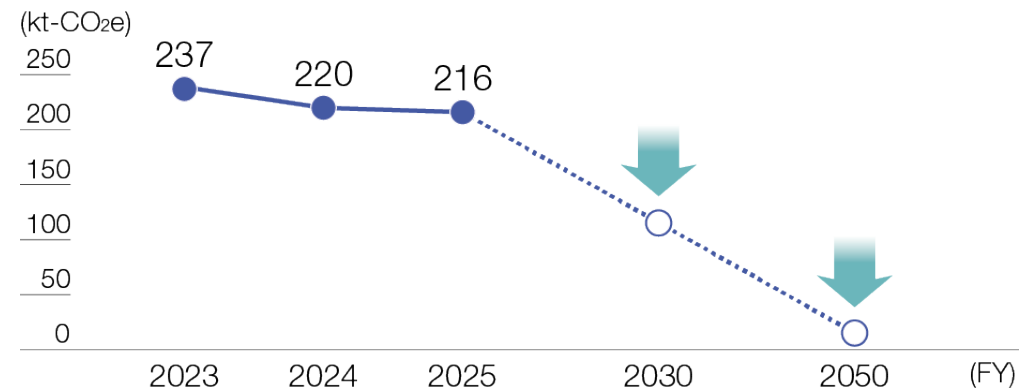
■ Metrics and Targets

To support its goal of achieving net-zero GHG emissions from Scope 1 and Scope 2 by FY2050, JSR Group has set an interim target to reduce Scope 1 and Scope 2 GHG emissions by 42% by FY2030 from FY2023 levels. The Group is pursuing emissions reduction initiatives while continuously reviewing and strengthening its emissions reduction targets.

In addition to energy-efficiency initiatives, the Group is advancing the procurement of renewable electricity and the transition to lower-carbon energy sources, as well as promoting these emissions reduction initiatives across the JSR Group.

The Group continuously discloses its annual GHG emissions performance against its targets on its website.

[Sustainability site>ESG Data](#)



Disclaimer

The plans, forecasts, strategies, and other forward-looking statements contained in this TCFD Report are based on information available at the time this report was prepared and on certain assumptions, including scenarios, that the Company considered reasonable. Actual results and progress may differ materially from the statements contained in this report due to a wide range of risks and uncertainties.

Key uncertainties include the following:

- **Uncertainty in Forward-looking Information** : Changes in scenarios published by external organizations, including the International Energy Agency (IEA), and in scientific knowledge used as inputs to the analysis, as well as limitations and constraints in estimating internal parameters arising from potential changes in the Company's future business plans and strategies.
- **Scope of the Analysis** : The scenario analysis and estimation of financial effects presented in this report focus initially on the Electronic Materials Business and the Display Solution Business. They do not provide a comprehensive assessment of potential future impacts on the JSR Group as a whole.
- **External Factors** : Economic conditions, foreign exchange rate fluctuations, market competition, and the adoption of innovative technologies.

The Company will review and update the results of this scenario analysis, as appropriate and in line with its strategy execution cycle, taking into account significant changes in the business environment, developments in international measurement and calculation standards for climate-related matters, and the availability and development of relevant data.