

Q&A Summary

FY2025, ending March 31, 2026

Presentation of Financial Results for 3Q

Date: January 29, 2026

* HPP Company: High Performance Plastics Company

* UIEP Company: Urban Infrastructure & Environmental Products Company

About Sekisui Chemical's Group-wide 3Q Results and 4Q Forecasts

Q: (Presentation materials P6) You mentioned that shipments were brought forward from the 4Q to the 3Q and that a lag (timing shift) occurred between the 3Q and 4Q. Can you provide us with details and does this impact 4Q forecasts?

A: (Shimizu) Shipments in the Industrial field of the HPP Company were shifted from the 3Q to the 4Q. In addition to a lag (timing shift) in pipe system shipments to the 4Q in the UIEP Company, results in the CPVC Business fell below plans owing to weak market conditions in India. As far as diagnostics results in the Medical Business are concerned, the anticipated 3Q outbreak of infectious diseases is now projected to occur in the 4Q. Meanwhile, net sales in the Housing Company were brought forward from the 3Q to the 4Q as trends continued to level out. Accounting the each of these factors, Group-wide 3Q results were generally in line with plans. Based on the aforementioned, we believe the accuracy of 4Q forecasts is high.

About the HPP Company

Q: Results are forecast to grow substantially from the 3Q to the 4Q. Can you provide us with details?

A: (Shimizu) Looking in particular at the Mobility field, we anticipate continued growth from SEKISUI AEROSPACE CORPORATION in the 4Q. Over and above expectations that customers' production rates will remain firm, we see new acquisitions for non-aircraft applications as another potential upside factor.

Q: Turning to liquid crystal trends in the Electronics field, is the forecast Q-on-Q downturn in net sales due to the impact of conditions in the Chinese smartphone market? From a non-LCD perspective, why is the outlook for the 4Q firm compared with seasonal patterns observed in previous years?

A: (Shimizu) As far as liquid crystal trends are concerned, we believe that smartphone manufacturers' operating rates will fall owing to such factors as the shortage of semiconductors. Conversely, demand for high-performance semiconductors for generative AI use is high. We believe this will have a positive impact on the Company's semiconductor-related products, including Selfa®. On this basis, our outlook for the 4Q is also firm.

Q: What can you tell us about the current status of designed films in the Mobility field?

A: (Shimizu) Conditions continue to be affected by the partial slowdown in the EV market. In contrast, we expect 4Q results will grow compared with the previous year boosted by such factors as subsidies in China.

Q: What are your thoughts on the growth in films for HUDs compared with the previous year and trends from the 3Q and over the 4Q?

A: (Shimizu) As far as films for HUDs are concerned, results in the 3Q were impacted as certain customers with balance dates ending December each year adjusted inventories. Despite the aforementioned, we anticipate 4Q and 2H results will exceed 120% year on year.

Q: What is the status of efforts to renew annual interlayer film contracts?

A: (Shimizu) We have reached agreements with many customers for January-to-December contracts under acceptable terms and conditions. Negotiations are ongoing with certain other customers.

About the Housing Company

Q: Exhibition visitors appear to be on the decline. Can you elaborate? What countermeasures and promotions are you considering?

A: (Nishimoto) Rather than look to an increase in exhibition visitors, we are focusing on generating inquiries for materials via the WEB and other channels as well as at retail and other facilities. We are also working to improve the efficiency of orders.

Q: (Presentation materials P14) Turning to new housing orders, what is the status of detaching housing and apartment buildings? What underpins the upward trend in apartment buildings?

A: (Shimizu) Demand for family-type rental apartments is firm. This is in line with the surge in housing prices especially in urban areas. We believe that our apartment buildings are meeting this demand. We are concentrating marketing activities in core regional cities outside the Tokyo, Osaka, and Nagoya areas. This includes establishing dedicated teams. Here, we anticipate continued growth going forward. Meanwhile, while conditions surrounding detached housing remain difficult nationwide, we plan to make headway by focusing on such high-value model products as ELVIA as well as standardized housing tailored to regional needs.

Q: What can you tell us about orders for ELVIA, the new model launched three months ago?

A: (Nishimoto) Negotiations with high-end customers are increasing, resulting in a number of contracts. Full-scale marketing/sales, including the opening of exhibitions, are planned for the next fiscal year and beyond.

Q: How are rising interest rates affecting results and trends?

A: (Shimizu) While we have not seen a significant change in speculative demand or buyers holding back on purchases, we are observing instances where mortgage loan approval rates are rising making it harder for certain applicants to clear the screening process.

About the UIEP Company

Q: Results are forecast to grow substantially from the 3Q to the 4Q. Can you provide us with details?

A: (Shimizu) Pipeline renewal and FFU results are forecast to improve. Sales also typically increase in the 4Q owing to the high proportion of public sector investment projects in the UIEP Company. Moreover, there instances of timing shifts from the 3Q to the 4Q in certain businesses this fiscal year.

Q: What can you tell us about the status of pipeline renewal trends?

A: (Shimizu) A survey conducted last year identified that certain pipelines were at risk of deterioration. Given the fixed nature of local government budgets, we expect that other renewal projects will be scaled back accordingly. Based on the aforementioned, we do not anticipate any meaningful uptick in sales this fiscal year. With the national budget set, we are expecting a certain amount of sales growth, especially for large-diameter projects next fiscal year and beyond.

About the Medical Business

Q: (Presentation materials P18) Overseas diagnostics sales declined in the 3Q and are increasing in the 4Q compared with October plans. Can you provide us with details?

A: (Shimizu) Net sales in the 3Q declined ¥1 billion compared with October plans. The forecast increase in net sales in the 4Q of ¥0.9 billion is largely attributable to delays in the outbreak of infectious diseases in the U.S.

About the Biorefinery Business

Q: Why did you post an impairment loss at this time? What is your outlook for the Biorefinery Business?

A: (Nishida) Following completion of the demonstration experiment as planned, facilities were dismantled and the decision made to liquidate the Kuji Plant. Set up on a 1/10 scale basis for demonstration purposes, facilities were never intended to generate profits on a stand-alone basis. As a result, steps to dismantle following completion of the demonstration experiment aligns with original plans. Taking into consideration the bioethanol market as well as costs, we determined that business commercialization was not quite right at this time. Looking ahead, we will continue to pursue on a development basis going forward.

Q: What is your forecast for expenses posted to date in the Other segment in the next fiscal year and beyond?

A: (Nishida) While progressing on a demonstration basis, we have pushed forward this initiative under an

appropriate structure and systems. Accordingly, all associated fixed costs will decline from the next fiscal year. This downturn in costs from the next fiscal year will contribute to increased profits.

About the Group-wide Extraordinary Profit

Q: What are your reasons for not revising financial results forecasts for the full fiscal year?

A: (Nishida) While posting an impairment loss of around ¥15 billion, we are projecting a gain on sales of cross-shareholdings from the 3Q and over the 4Q. On this basis, the bottom line in forecast to come in line with October plans.