

SEKISUI CHEMICAL CO., LTD.



Presentation of the FY2026-2028 Medium-term Management Plan

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May 21, 2026

Roadmap for Achieving Vision 2030

- Expanding contributions to resolving social issues through “business growth, reform and creation, centered on ESG management”
- Aiming to double the Group’s business (net sales of 2 trillion yen, operating profit margin of 10% or higher) by 2030

Innovation for the Earth

In order to realize sustainable society, we support the basis of LIFE and will continue to create "peace of mind for the future".

Sales: ¥2 trillion
 Operating profit margin: 10% or higher
**Business growth, reform and creation,
 centered on ESG management**

Innovative Mobility **Residential** **Advanced Lifeline** **Life Science** **Next Frontier**

Zero carbon and a recycling society are achieved
 (Production that uses labor, resources and the environment sustainably)

Healthy lives are ensured and social services are improved
 (Realization of a healthy and well-served society)

Access to safe water and sustainable energy are ensured
 (Use of water and energy resources)

**Sustainable infrastructure, Town and Community Development,
 residential environments and communication environments are provided**
 (Provision of disaster-resistant infrastructure, cities,
 residential environments and communication environments)

Strategic Foresight · Processing · Value Transformation

Employee Active Participation

Corporate Governance

Vision Statement

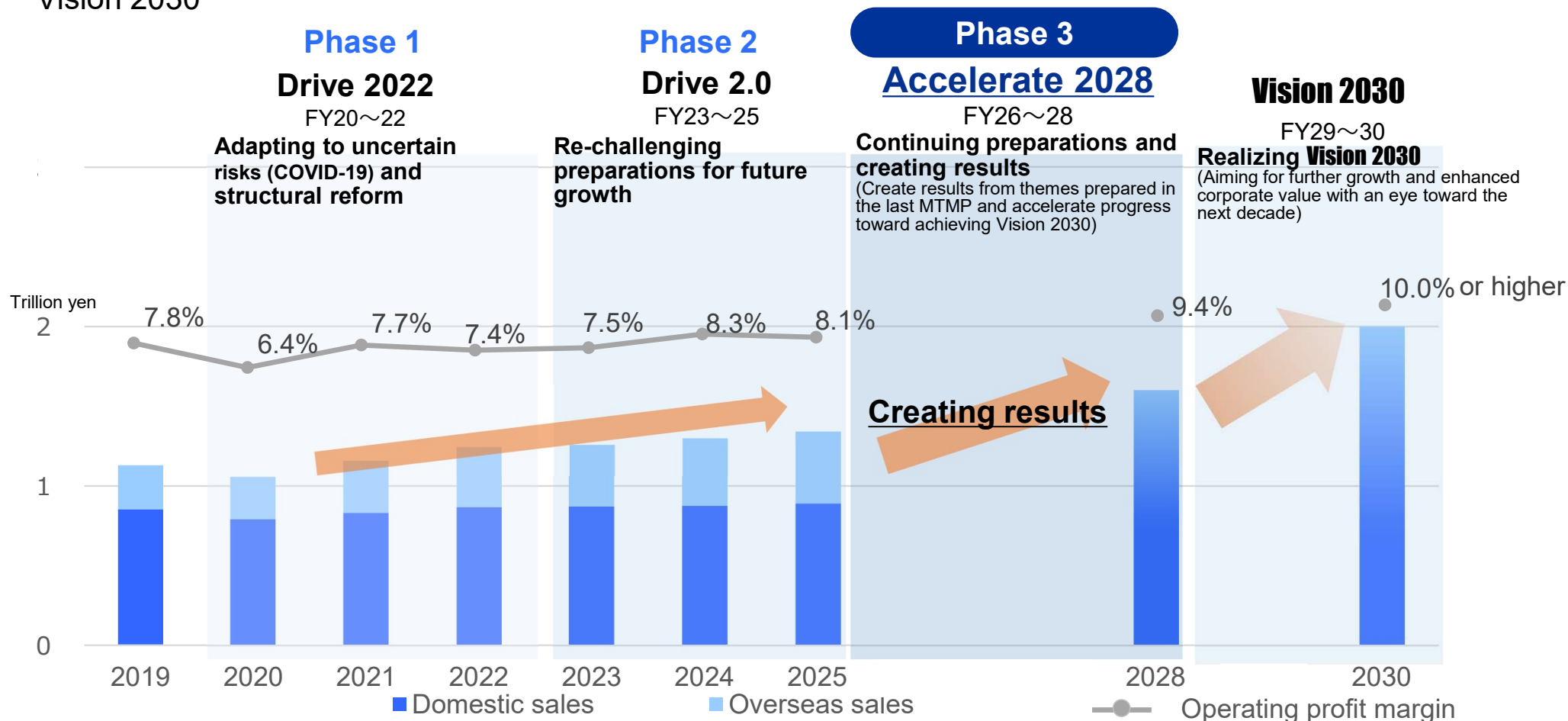
Targets
 (Numerical Targets)
 (Strategic Direction)

Business Domain

Social Issues

Capability
 (Organizational Capability)

- Undertake preparations for growth under the previous Medium-term Management Plan ; while continuing preparations under the new Medium-term Management Plan , create results; accelerate growth to achieve Vision 2030



Phase 3

Accelerate 2028

FY26~28
Continuing preparations and creating results
 (Create results from themes prepared in the last MTMP and accelerate progress toward achieving Vision 2030)

Vision 2030

FY29~30
Realizing Vision 2030
 (Aiming for further growth and enhanced corporate value with an eye toward the next decade)

<Major Preparations for Growth Under Drive 2022, Drive 2.0>

| | Investment Plan (FY20-30: Cumulative total exceeding 2 trillion yen) [billion yen] | Investment Total (FY20-25) | Investment Progress (FY20-25) |
|--|--|-------------------------------|----------------------------------|
| M&A budget | Over 400 | 39.2 | 10% |
| Capital expenditures (strategic + normal) | 1,000 | 433.5 | 43% |
| R&D expenses | 600 | 244.1 | 41% |

| | |
|---------------------|---|
| Existing businesses | [Specialty Chemicals] Increased production capacity of binder resins for MLCCs (Japan) [Interlayer Films] Increased production capacity [Device Materials] Increased SELFA production capacity; expanded/renewed evaluation equipment (Japan) [Fine Chemicals] Increased microsphere production capacity (Japan) [Pipe Systems] Increased CPVC production capacity (Thailand) [Performance Materials] Increased FFU production capacity (Europe) [Residential] M&A, Benhouse Co., Ltd. (Japan) etc. |
| New Businesses | [Film-type Perovskite Solar Cells] Commenced operations; undertook investments geared toward mass production |

2. Review of the Previous Medium-term Management Plan Drive 2.0 (FY23-25)

Drive 2.0

- The 2nd phase for 2030 -

- Management Policy -

Realizing our long-term vision through
 “sustainable growth” and “accelerate strategic innovation”

- Basic Strategy -

Three initiatives to enhance corporate value

Strategic Innovation

Prepare to create & acquire new businesses

Enter innovation areas in the “Strategic Area Map”

- Establish new business bases for the seven major themes

Establish a new bridgehead in the life science domain (Establishment of a 4th Divisional company)

Accelerated Growth

Organic Growth

Achieve steady growth of organic businesses and refine portfolio

Expand enhancement areas in the “Strategic Area Map”

Strengthen portfolio management (Optimal resource allocation)

Expand growth drivers and pursue consistent structural reforms

Profitability

Products to Enhance Sustainability

Strengthening Sustainability

Strengthen the ESG management that contributes to sustainable growth and enhanced preparations

- Strengthen Group-wide KPI for ESG management initiatives based on materiality
- Human capital: Nurture a culture of taking on challenges through active investment in human resources
- Environment: Initiatives toward realizing an Earth with preserved biodiversity
- DX: Strengthen global base and shift to a phase of new creation

- Strengthen corporate governance to support the corporate value creation, including the elimination of major incidents

Respond to social demands including initiatives for Human Rights and supply chain

Reliability

- Steady progress in preparations for new businesses (innovative areas) and organic businesses ; progress in strengthening sustainability based on materiality.

Summary of “Strategic Innovation”

Preparations progressing steadily, laying the groundwork for accelerated growth

- Preparations are progressing for new businesses (innovation areas), led by perovskite solar cells
- ▲ M&A: Exploring opportunities, but execution remains limited
- × Life Science, including Medical: Lag in preparations for anticipated growth

Summary of “Organic Growth”

Steadily executing investments in growth-driving and growth-potential businesses

- Implementing management based on expected roles; preparations are progressing through capital expenditures(secured returns on investments in preparations under this Medium-term Management Plan)

Summary of “Strengthening Sustainability”

Progress in strengthening management base for each materiality, supporting sustainable growth

- Net sales of Products to enhance sustainability have grown steadily, contributing to Group-wide sales growth
- Each materiality has largely reached medium-term targets

Strengthen Group-wide KPI for ESG management initiatives based on materiality

- Human capital: Nurture a culture of taking on challenges through active investment in human resources
- Environment: Initiatives toward realizing an Earth with preserved biodiversity
- DX: Strengthen global base and shift to a phase of new creation








- Strengthen corporate governance to support the corporate value creation, including the elimination of major incidents

Respond to social demands including initiatives for Human Rights and supply chain

Review of Drive 2.0 「Strategic Innovation」

- Established systems toward commercialization of film-type perovskite solar cells; launch a 100MW production line in FY27
- Significant progress made in expanding into new markets in aeronautical fields; also smooth expansion of next-generation communication components and overseas development of infrastructure materials
- Established biorefinery mass production technology; commercialization postponed; continued R&D in preparation for the future

Progress of Major New Business Themes

| Theme | Progress Status | Progress Evaluation |
|---|---|----------------------------|
|  Perovskite solar cells | Established a new company and systems toward commercialization Investment decision made for Sakai New Plant Production Line 1; Lines 2 and 3 under consideration; numerous demonstration experiments conducted | ◎ |
|  Biorefinery | Technology to mass-produce ethanol from waste has been established and prospects for practical application are in place, but due to delays in the launch of the “resource circulation” ethanol market, commercialization has been temporarily postponed | × December 2025 release |
|  Entry into aeronautical fields | Progress made in developing reinforced materials for aircraft and drones through collaboration with Aerospace | ○ |
|  Next-generation communication components | Demonstration test underway for commercialization of radio wave environment improvement project utilizing metasurface reflective film Selected for “R&D for the Expansion of Radio Wave Resources” commissioned by the Ministry of Internal Affairs and Communications | ○ |
|  Overseas development of infrastructure materials | European FFU plant operational, strengthened overseas marketing, established new SSCT base in India | ○ |
|  Smart city strategy | Smart town plans underway in Iwaki City, Ebetsu City, etc. Challenges regarding the procurement and management of human resources | △ |
|  New area of pharmaceutical CDMO | Negotiated with multiple M&A candidates, but no deal meeting functional and conditional requirements materialized | × |

Review of Drive 2.0 「Organic Growth」

- Investment in growth-driving and growth-potential businesses; focused allocation of management resources (75% of management resources directed toward growth-driving and growth-potential businesses cumulative medium-term total over a three-year period)

Expected Roles and Capital Expenditure Results by Business Division for Existing Businesses * At the start of Drive 2.0

| Expected Role | | HPP | Housing | UIEP | MD |
|-------------------------|---|---|--|---|---|
| Growth-driving | Drive earning power through proactive investment | <ul style="list-style-type: none"> Mobility (High-performance interlayer films, heat release materials, etc.) Electronics (Semiconductor and display materials) | | <ul style="list-style-type: none"> Pipe renewal Fire-resistant and non-combustible materials Construction and industrial piping Performance materials (railroad sleepers, etc.) | <ul style="list-style-type: none"> Diagnostic (Overseas) |
| Growth-potential | Future growth drivers | <ul style="list-style-type: none"> Molding products, sensing | <ul style="list-style-type: none"> Town and community development real estate | | <ul style="list-style-type: none"> Pharmaceutical Sciences |
| Revenue base | Create stable cash flow | <ul style="list-style-type: none"> Foam Functional Tape | <ul style="list-style-type: none"> Housing (New Construction) Renovation | <ul style="list-style-type: none"> Piping Materials PVC Materials Building Materials | <ul style="list-style-type: none"> Diagnostic (Domestic) |
| Improvement | Improve profitability through business model transformation and structural reform | <ul style="list-style-type: none"> KYDEX Aerospace | <ul style="list-style-type: none"> For the Elderly | | |

Investment 75%

Major Investments

| Domain | FY23 | FY24 | FY25 |
|-------------------------|--|---|---|
| Growth-driving | <ul style="list-style-type: none"> Specialty Chemicals : Increased production capacity of binder resins for MLCCs (Japan) | <ul style="list-style-type: none"> Interlayer Films : Increased production capacity (Thailand) FC : Increased conductive fine particles production capacity (Japan) Device Materials : Increased SELFA production capacity (Japan) | |
| Growth-potential | | | <ul style="list-style-type: none"> Residential : M&A, Benhouse Co., Ltd. (Japan) |
| Revenue base | <ul style="list-style-type: none"> PVC Materials : Increased CPVC production capacity (Thailand) | | |

Generally achieved 5 Materiality targets for governance, DX, the environment, human capital, and innovation

| Sustainable Management Capability KPIs | | Medium-term Management Plan Targets | Group-wide | | | |
|--|--|-------------------------------------|--------------------------|-------|---------|------|
| | | | FY23 | FY24 | FY25 | |
| Products to Enhance Sustainability | Overall Net Sales [billion yen] *1 | Over 1,000 | 950.2 | 996.8 | 1,015.6 | |
| | Premium Sector Net Sales [billion yen] *1 | 540.0 | 501.9 | 535.1 | 546.0 | |
| Governance | Number of Serious Incidents [Incidents] *2 | 0 | 0 | 0 | 0 | |
| DX | Direct Productivity *vs. FY22 | 1.07 | 1.01 | 1.05 | 1.09 | |
| | Indirect Productivity *vs. FY22 | 1.12 | 1.02 | 1.05 | 1.06 | |
| Environment | GHG Emissions Reduction Rate (Scope1+2)[%] *vs. FY19 | -33 | -32.8 | -37.9 | -46.5 | |
| | Material Recycling Rate [%] | Domestic *1 | 65 | 60.7 | 65.5 | 68.9 |
| | | Overseas *1 | 60 | 45.8 | 69.3 | 67.3 |
| Human Capital | Challenge Action Rate [%] | Group-wide | 60 | 48 | 56 | 62 |
| | Successor Candidate Preparation Rate [%] | | 100 | 79 | 88 | 104 |
| | Retention Rate [%] | SEKISUI CHEMICAL | Maintain and improve YoY | 97.7 | 97.8 | 98.1 |
| Group in Japan | | 94.1 | | 93.8 | 93.7 | |
| Innovation | Open Innovation Projects [Projects] | - | 137 | 149 | 135 | |

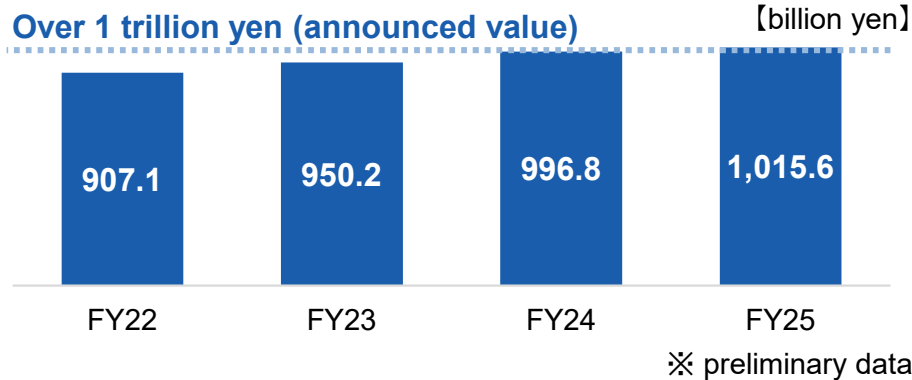
*1 GHG emissions reduction rate, waste plastic material recycling rate, net sales from products to enhance sustainability, of which the premium sector is preliminary data as of April 2026

*2 Instances of deficiency in current internal control and where details have been disclosed publicly.

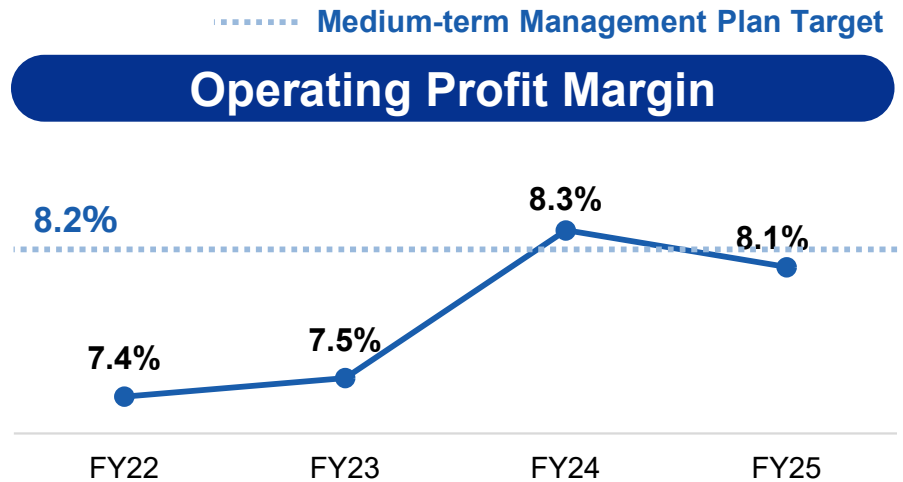
Review of Drive 2.0 : Top Priority KPIs

- Achieved over 1 trillion yen in net sales of Products to enhance sustainability
- Fell short of operating profit margin target; successful shift to high-value-added product;
- Greater than anticipated deterioration in market conditions; fell short of EBITDA target
- Steady progress with efforts to nurture and instill a culture of taking on challenges among employees; achieved the challenge action rate target

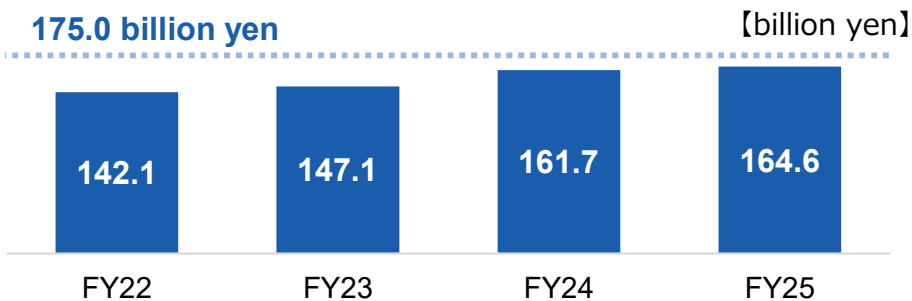
Net Sales from Products to Enhance Sustainability



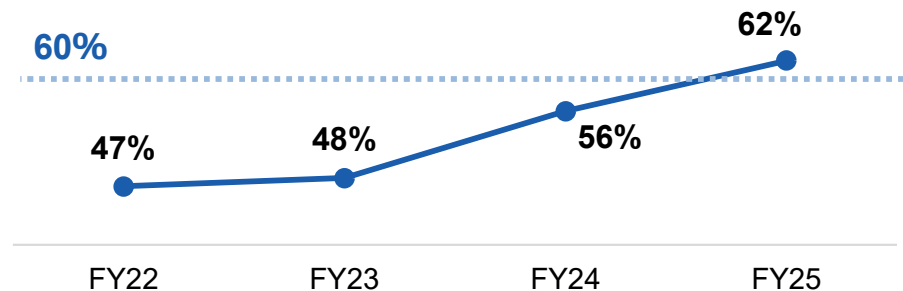
Operating Profit Margin



EBITDA



Challenge Action Rate



Review of Drive 2.0: Key Performance Targets

- Achieved sustained growth under Drive 2022, Drive 2.0 (set new records for net sales and operating profit)
- Increase in the operating profit margin on the back of firm growth in sales of high-value-added products
- Fell short of Medium-term Management Plan targets in FY25 owing to such factors as the slump in market conditions and the impact attributable to one-off expenses

[Billions of yen]

| Group-wide | FY19 Actual | FY22 Actual (a) | FY25 | | | |
|--------------------------------|----------------|-----------------------|---------------|-----------------|---|---|
| | | | Actual (b) | vsFY22 (b-a) | Medium-term Management Plan Target (c) | VS Medium-term Management Plan Target (c-b) |
| Net Sales | 1,129.3 | 1,242.5 | 1,309.3 | +66.8 | 1,410.0 | -100.7 |
| Operating Profit | 88.0 | 91.7 | 106.5 | +14.8 | 115.0 | -8.5 |
| Operating Profit Margin (%) | 7.8% | 7.4% | 8.1% | +0.8% | 8.2% | 0% |
| Net Income | 59.2 | 69.3 | 75.2 | +5.9 | 82.0 | -6.8 |
| ROIC(%) | 7.6% | 7.6% | 7.6% | 0% | 8.5% | -0.9% |
| ROE(%) | 9.7% | 10.0% | 9.1% | -1.0% | 11.0% | -1.9% |

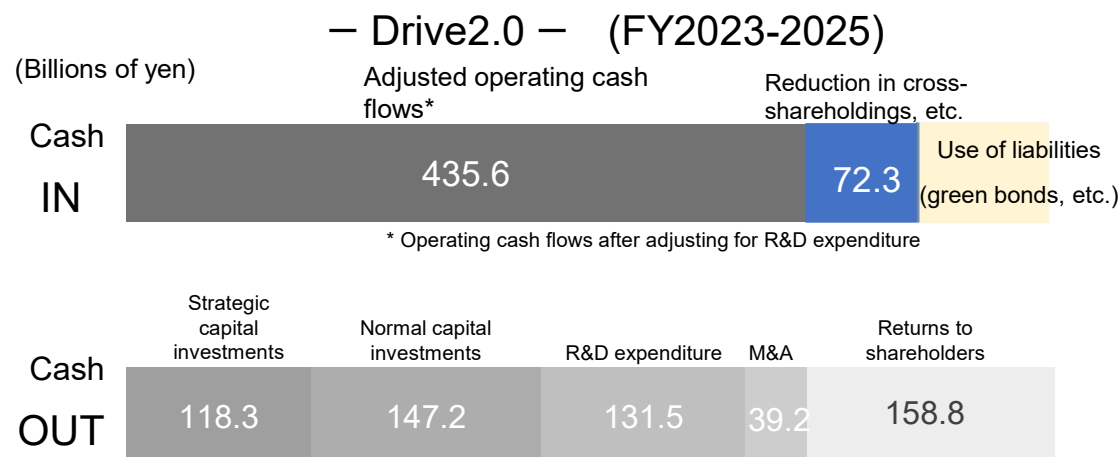
Review of Drive 2.0: Capital Allocation

- Steadily promoted strategic capital investments; undertook investments and provided returns to shareholders in excess of the cash generated
- Progress also made in reducing cross-shareholdings; proactive use of liabilities, including inaugural issuance of green bonds

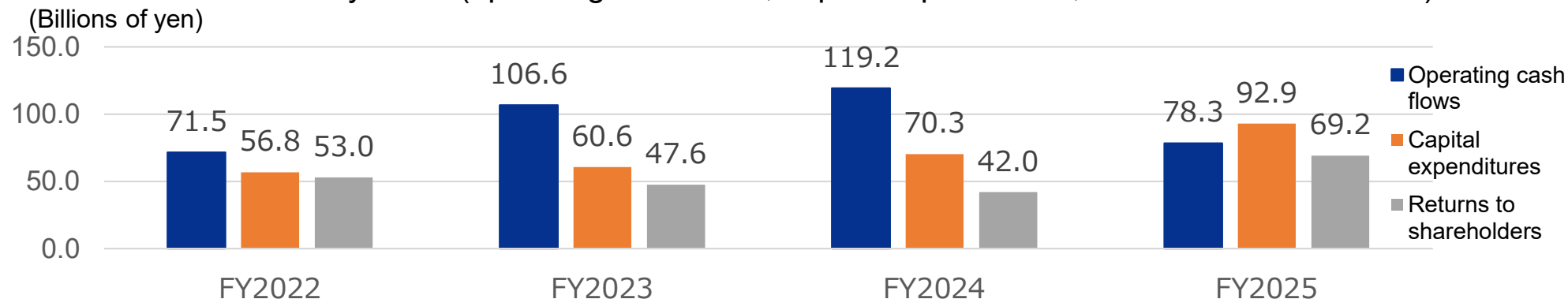
Capital Allocation

Investment Plan and Capital Allocation (Billions of yen)

| | Plan | Results |
|---|-------------|---------|
| Strategic investments | Limit 450.0 | 157.5 |
| M&A, etc | Limit 300.0 | 39.2 |
| Capital expenditures | 150.0 | 118.3 |
| ESG investment (including strategic and normal capital investments) | 23.0 | 44.3 |
| Normal investments | 150.0 | 147.2 |
| Total | 600.0 | 304.7 |
| R&D expenditure | 140.0 | 131.5 |



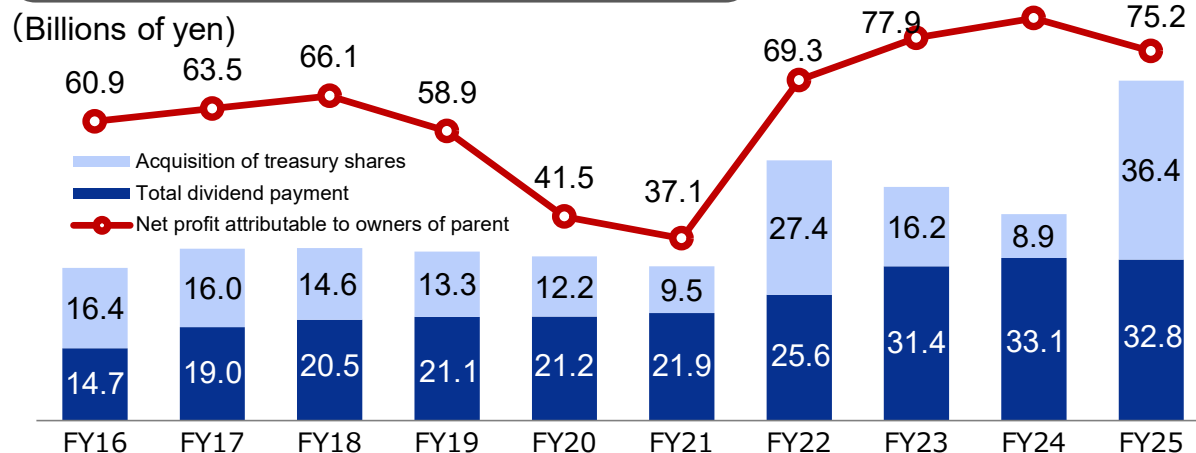
<Reference> Trends in key items (operating cash flows, capital expenditures, returns to shareholders)



Review of Drive 2.0 : Returns to Shareholders

- Provided returns to shareholders far in excess of the policy; working toward a 16th consecutive FY of dividend growth
- Backed also by the proactive acquisition of treasury shares , cumulative medium-term total return ratio of 68%

Returns to Shareholders Track Record



| | Returns to Shareholders Policy |
|---------------------------------|--|
| Dividend payout ratio | 40% or higher |
| DOE | 3% or higher |
| Total return ratio | 50% or higher if the net D/E ratio is less than 0.5; implement additional returns as appropriate, taking into account the investment progress under the Medium-term Management Plan , cash position, and stock price |
| Cancellation of treasury shares | Cancel newly acquired shares to the extent that total treasury shares do not exceed 5% of outstanding shares |

| FY | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------|--------|-------|-------|-------|-------|--------|-------|-------|--------|
| Net profit attributable to owners of parent per share (JPY) | 126.1 | 133.8 | 141.7 | 128.8 | 91.9 | 83.2 | 159.2 | 183.5 | 196.0 | 182.7 |
| Cash dividend per share (JPY) | 35 | 40 | 44 | 46 | 47 | 49 | 59 | 74 | 79 | 80 |
| Payout ratio (%) | 27.7 | 29.9 | 31.0 | 35.7 | 51.1 | 58.9 | 37.0 | 40.3 | 40.4 | 43.6 |
| Acquisition of treasury shares (JPY billion) | 16.4 | 16.0 | 14.6 | 13.3 | 12.2 | 9.5 | 27.4 | 16.2 | 8.9 | 36.4 |
| Total return ratio*1 (%) | 54.5 | 55.1 | 53.0 | 58.3 | 80.4 | 84.6 | 76.5 | 61.0 | 51.2 | 92.1 |
| DOE*2 (%) | 3.1 | 3.3 | 3.4 | 3.5 | 3.3 | 3.3 | 3.7 | 4.2 | 4.1 | 4.0 |
| Cancellation of treasury shares(thousand) | - | 10,000 | 8,000 | 8,000 | 8,000 | 5,000 | 15,000 | 8,000 | 4,000 | 14,000 |

*1 Total return ratio = (Amount of treasury shares acquired + Total dividends) / Net profit attributable to owners of parent

*2 DOE = Total dividend payment (full year) / Average equity

3. New Medium-term Management Plan “Accelerate 2028”

Accelerate 2028

—The Third Phase for 2030—

Implementing proactive ESG management through the dual pillars of “business strategy” and “foundation strengthening” to accelerate toward realizing Vision 2030

Accelerate 2028

–The Third Phase for 2030–

Business Strategy

Create results from preparations and continuously strengthen earning power

Expand and create Products to enhance sustainability based on the strategic domain map

Foundation Strengthening

Continuously strengthen ESG management

Expand contribution to sustainable growth and creating results from preparations

Innovation Areas

Continue preparations and accelerate the creation of results

Reliably launch and expand the perovskite solar cell business

Enhancement Areas

Expand growth drivers

Secure returns through strategic investment
Relentless structural reform

Environmental Strategy:

Advance carbon neutrality and implement the circular economy

HR Strategy: Empowering Prominent Human Resources

Foster a culture of taking on challenges
Deepen the right person for the right position
Proactive diversity

R&D Strengthening Strategy: Creating Prominence in Technologies

Accelerate new product development around TPF
Take on the challenge of research innovation using MI

Strengthening Portfolio Management

Implement focused allocation of management resources with an eye on capital efficiency

Strengthening Internal Control Eliminate serious incidents, establish management foundations in new business divisions

DX Strategy: Accelerate productivity improvements through digital transformation

Key Performance Targets

(Unit: Billions of yen)

| Group-wide | FY25 | FY28 | | (FY28: Breakdown by Divisional Company and the Medical Business) | | | |
|--------------------------------|---------|-----------------------------|------------------------|--|---------|-------|-------|
| | Actual | Medium-term Management Plan | vsFY25 | HPPC | Housing | UIEP | MD |
| Net Sales | 1,309.3 | 1,600.0 | +290.7 | 562.9 | 590.0 | 286.0 | 103.3 |
| Operating Profit | 106.5 | 150.0 | +43.5 | 77.5 | 45.0 | 32.0 | 16.0 |
| Operating Profit Margin | 8.1% | 9.4% | +1.2% | 13.8% | 7.6% | 11.2% | 15.5% |
| EBITDA | 164.6 | 226.0 | +61.4 | 108.4 | 59.1 | 44.3 | 24.0 |
| EBITDA Margin | 12.6% | 14.1% | +1.6% | 19.3% | 10.0% | 15.5% | 23.2% |
| ROIC | 7.6% | 8% or higher | +0.4% or higher | 14.0% | 11.5% | 10.6% | 10.9% |
| Net Income | 75.2 | 102.0 | +26.8 | - | - | - | - |
| ROE | 9.1% | 11% | +1.9% | - | - | - | - |

*Exchange rate assumptions: FY25 revised plan 151 JPY/USD, 175 JPY/EUR, medium-term plan 145 JPY/USD, 166 JPY/EUR

*Domestic naptha assumptions: Medium-term plan: Approx. 66,000 yen

Materiality KPI

(Unit: Billions of yen)

| Materiality | Indicator | FY28 | |
|---|--|--|--------------------|
| | | Medium-term Management Plan | vsFY25 |
| Realizing a carbon neutral society Realizing a circular economy | GHG emissions reduction rate (vs. FY2019) | -49% | +3% *3 |
| | Waste plastic material recycling rate | 75% | +6% *3 |
| Realizing a safe and comfortable society Realizing a healthy and well-served society | Net sales from Products to enhance sustainability (compared to Group-wide net sales) | 1,190.0 | +224.6 *1.3 |
| | Of which, premium sector | 600.0 | +83.7 *1.3 |
| Empowering prominent human resources | Challenge action rate | 72% | +10% |
| Creating prominence in technologies | Number of DR0*2 passes (new indicator) | vs. Plan (every half-year) 100% or more | - |
| Strengthening internal control | Number of serious incidents*4 | 0 | - |
| Strengthening Portfolio Management | ROIC,EBITDA | Presented on the key performance target slide | |

*1 Method for calculating net sales from products to enhance sustainability revised with a view to more closely aligning with consolidated financial statements; sales from equity method affiliates no longer included in the scope of calculation from FY26; FY25 data also calculated using the new standard)

*2 Internal review regarding the generation of new development themes.

*3 FY25 based on preliminary April 2026 data.

*4 Instances of deficiency in current internal control and where details have been disclosed publicly.

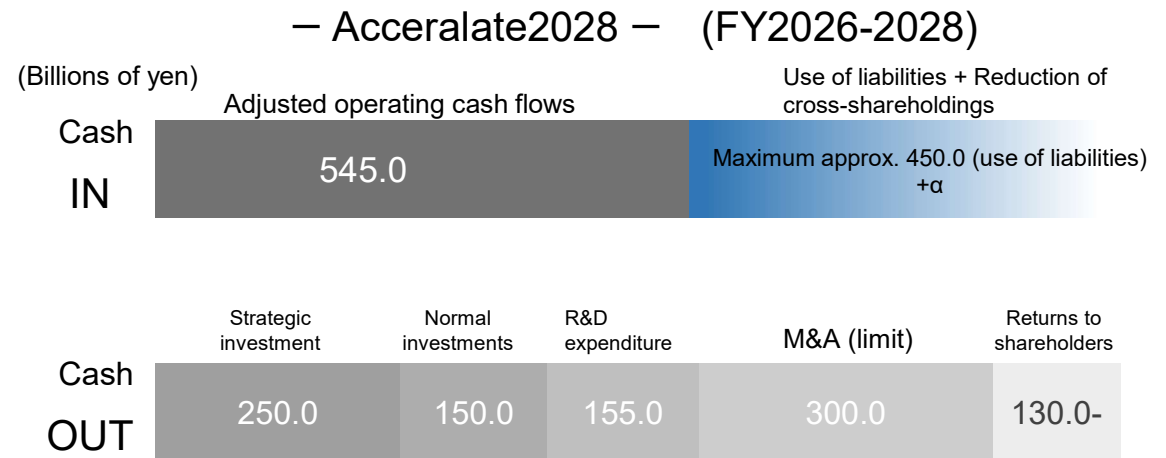
Capital Allocation (Operating cash flow, investments, returns to shareholders) **SEKISUI**

- Focus on allocating acquired cash to growth areas; undertake proactive investments in excess of the previous Medium-term Management Plan
- Increase DOE from 3% to 3.5%; introduce a progressive dividend
- Work to balance proactive investments with vigorous returns to shareholders through the effective use of debt and reduction in cross-shareholdings

Capital Allocation

Investment Plan and Capital Allocation (Billions of yen)

| | Plan | (Reference) Previous MTMP |
|----------------------|-------------|------------------------------|
| Strategic investment | Limit 550.0 | 157.5 |
| M&A, etc. | Limit 300.0 | 39.2 |
| Capital investment | 250.0 | 118.3 |
| Normal investments | 150.0 | 147.2 |
| Total | Limit 700.0 | 304.7 |
| R&D expenditure | 155.0 | 131.5 |



Returns to Shareholders Policy

| | The previous Medium-term Management Plan “Drive 2.0” | New Medium-term Management Plan “Accelerate 2028” |
|---------------------------------|--|--|
| Dividend payout ratio | 40% or higher | 40% or higher |
| DOE | 3% or higher | 3.5% or higher |
| Total return ratio | 50% or higher if the net D/E ratio is less than 0.5; implement additional returns as appropriate, taking into account the investment progress under the Medium-term Management Plan , cash position, and stock price | 50% or higher if the net D/E ratio is less than 0.5; implement additional returns as appropriate, taking into account the investment progress under the Medium-term Management Plan , cash position, and stock price |
| Cancellation of treasury shares | Cancel newly acquired shares to the extent that total treasury shares do not exceed 5% of outstanding shares | Hold treasury shares to the minimum necessary |
| Progressive dividends | – | Implement |

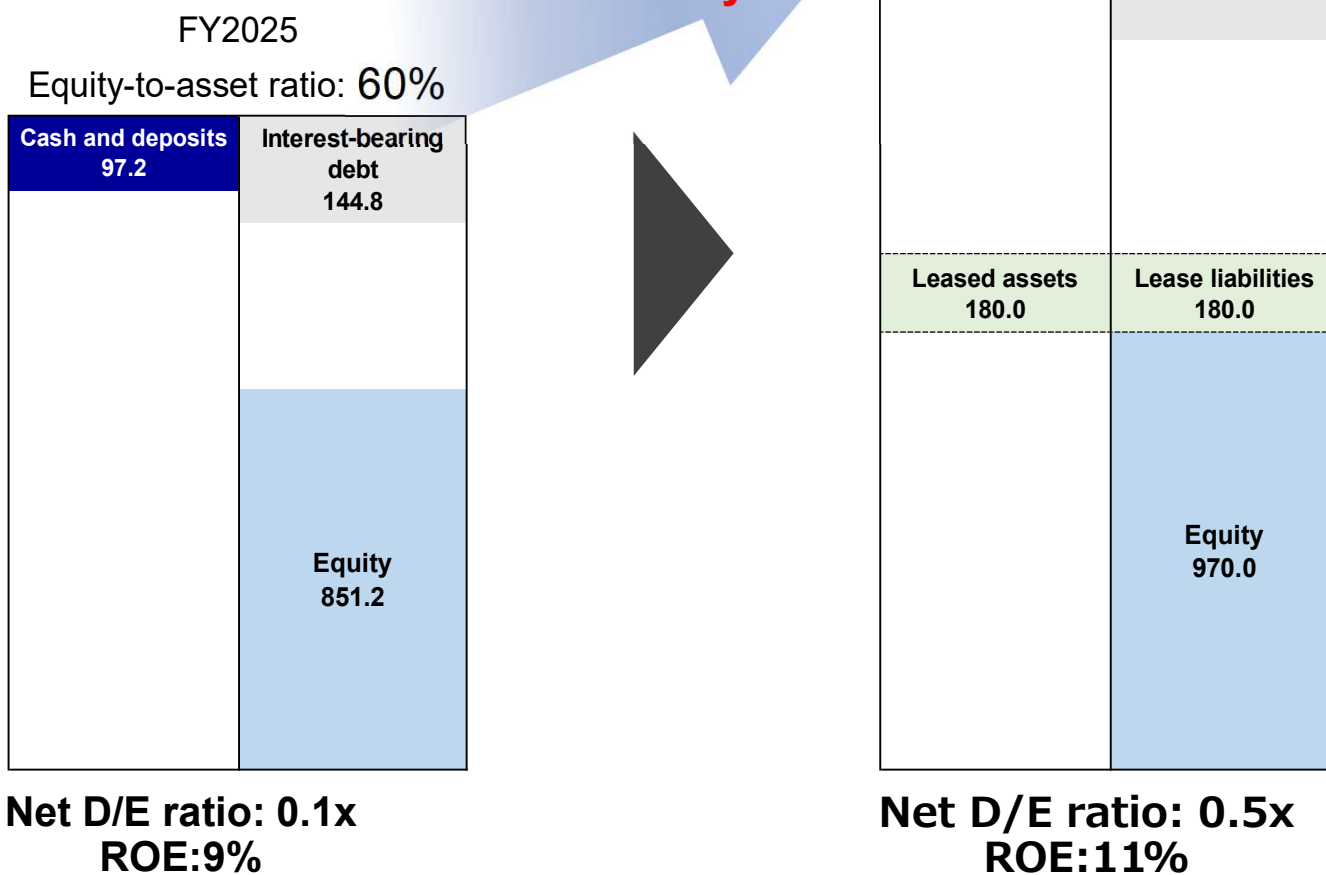
Image of the Balance Sheet

Proactively utilize the strategic investment budget and maintain an efficient and stable capital structure also under Accelerate 2028

Note: Lease obligations as of the end of FY28 not included in the calculation of interest-bearing debt

Plan as of the end of FY28
Equity-to-asset ratio (pre-lease):
44% (48%)

(Billions of yen)



- Utilize cash generated from existing businesses to continue proactive investment in businesses with growth potential; allocate over 70% of capital expenditures to growth-driving and growth-potential businesses (including new businesses)
- Concentrate management resources on growth-driving and growth-potential businesses; continue to strengthen earning power by creating and expanding products to enhance sustainability

Implement Focused Allocation of Management Resources with an Eye on Capital Efficiency  New businesses (Acquired through investment, etc.)

| Expected Role | HPP | Housing | UIEP | MD | Next Frontier |
|--|--|--|---|--|--------------------|
| Growth-driving • Drive earning power through proactive investment | Interlayer Films (Mobility) Device Materials Specialty Chemicals / FC (Electronics) | | Performance Materials / Fire Protection Materials (Building and Infrastructure Composite Materials) Pipeline Renewal (Infrastructure Renovation) | | |
| Growth-potential • Future growth drivers | Automotive Molding / Aeronautical Components (Mobility) Sensing / Molding Products (Industrial) | Domestic New Construction Renovation Residential Overseas | | Pharmaceutical Science (CRO / CDMO) | SEKISUI SOLAR FILM |
| Revenue base • Create stable cash flow • Implement investment decisions with an eye on capital efficiency | Foam / Functional Tapes (Industrial) | | Water Supply / Drainage Infrastructure PVC Materials (Pipe Systems) Building Materials (Building and Infrastructure Composite Materials) | Diagnostics | |
| Improvement Improve profitability through business model transformation and structural reform | Polymatech (Mobility) | | | [Major changes from the previous Medium-term Management Plan] KYDEX Aerospace Domestic New Construction Renovation For the Elderly Automotive Molding / Aeronautical Components (Mobility) Domestic New Construction Renovation Business Transfer | |

Working toward the continuous development of products to enhance sustainability through enhancement areas, which are central to growth-driving and growth-potential businesses, and innovation areas, where the generation of new innovations is expected

Strategic Area map Company-wide schematic diagram
Aiming for continually creating Products to enhance sustainability that support the sustainable growth of the Company and society

| | Innovative Mobility | Residential | Advanced Lifeline | Life Science | Next Frontier |
|---|--|--|---|--|---|
| Enhance areas Areas for expansion within existing business | <ul style="list-style-type: none"> High-performance interlayer films Semiconductor components Heat release materials Next-generation displays Biological sensing Environmentally friendly materials | <p>Total lifestyle proposals</p> <ul style="list-style-type: none"> SEKISUI HEIM (newly built detached houses, apartment buildings, etc.) Renovations (HEIM) (100-year/long-term support) Real estate domain (leasing, used property distribution*, real estate development) *Including purchase and resale | <ul style="list-style-type: none"> Supporting workstyle reform through labor-saving changes (Converting pipes to plastic, etc.) Developing social and industrial infrastructure (Water treatment support) Expanding overseas markets | <ul style="list-style-type: none"> Clinical testing Pharmaceutical development support | |
| Innovation areas Areas for creating new innovations | <ul style="list-style-type: none"> Composite materials for air mobility Interior and exterior components (enhancing perceived value) Hygienic functional materials Next-generation communication components Easy-to-disassemble materials Tactile sensing Next-generation sensing | <ul style="list-style-type: none"> Renovations (general properties) (including coordination with buy-and-sell operations) Urban area housing New overseas expansion Real estate asset domain (asset management, etc.) Smart City | <ul style="list-style-type: none"> Sensing Digital fabrication Water use and recycling Smart maintenance | <ul style="list-style-type: none"> New pharmaceutical modalities Cell cultures/processing Precision medicine Advanced drug discovery support | <ul style="list-style-type: none"> Perovskite solar cells CO₂→CO Electrolytic cell Next-generation energy (hydrogen/ammonia) Resource recycling |
| | | | Resource circulation | | |
| | | Enhancing and differentiating manufacturing through data utilization | | | |
| | | | Infrastructure monitoring | Digital health | Sensing data utilization (algorithm analysis) |

[Innovative Mobility (High-Performance Plastics Company)]

Accelerating development in key focus areas such as semiconductor materials and composite materials for air mobility

| Build-up film (enhancement area) | Composite materials for air mobility | Next-generation sensing |
|--|--|---|
| <p>Measures Realizing low transmission loss and high reliability; providing evaluation samples for AI and servers</p> | <p>Measures Development and sales expansion for CFRP foam core sandwich products via composite of heterogeneous materials and in-mold one-piece molding</p> | <p>Measures Third-generation sensor for detecting bowel movements (bowel sounds). Expansion into home care, health, and medical fields, including nursing facilities</p> |
| <p>Core technology Formulation technology x Coating technology</p> | <p>Core technology Composite materials x forming process</p> | <p>Core technology Sensing</p> |
|  |  |  <p>Third-generation ANSIEL</p> <p>Defecation (bowel sound) detection</p> |

[Residential (Housing Company)]

Accelerating growth in key focus areas such as urban area housing and new overseas expansion

| Urban area housing (Tokyo metropolitan area strategy) | Renovation technologies / Inter-Group collaboration | New overseas development |
|---|--|---|
| <p>Measures Strengthening competitiveness in development, sales, production, transportation, and installation by concentrating management resources in the Tokyo metropolitan area</p> | <p>Measures Expanding the organization and areas through various means, including M&As; strengthening collaboration with purchase and resale of Heim renovation business activities</p> | <p>Measures Expanding into the North American market using unit technology</p> |
| <p>Core technology HEIM brand power/technical capabilities</p> | <p>Core technology Renovation technologies / Inter-Group collaboration</p> | <p>Core technology Unit technology</p> |
|  |  |  |

【Advanced Lifeline (Urban Infrastructure & Environmental Products Company)】

Materializing the foundation with water utilization, water circulation, sensing, etc.

| Water utilization/water circulation | |
|-------------------------------------|---|
| Measures | Developing our own flat-membrane Membrane Aerated Biofilm Reactor (MABR). Accelerating market introduction through joint development with customers |
| Core technology | Microbial membrane treatment technology |

| Sensing | |
|------------------------|--|
| Measures | 3D optical fiber carrier pipes for civil engineering safety/infrastructure maintenance. Commercialization centered on joint development with major general contractors |
| Core technology | Extrusion molding x signal processing technology |

| Digital fabrication | |
|------------------------|---|
| Measures | Bringing production innovation to the custom-made industry through digital fabrication using 3D printing. From assistive devices to commercialization |
| Core technology | Thermoplastic materials x molding processing technology |

【Life Science (Medical Business)】

Strengthening initiatives in innovation areas such as cell culture/ processing and inspection field innovation

| Cell culture/processing | |
|-------------------------|--|
| Measures | Promotion commercialization of cell culture scaffolds for pharmaceutical applications/clarifying new business models and strengthening development |
| Core technology | Cell function control materials |

| Inspection field innovation (digital health/precision medicine) | |
|---|--|
| Measures | Promoting development of themes related to liver disease and cancer recurrence risk/Initiating development of testing themes addressing needs such as patient stratification |
| Core technology | Digital science, biological sample analysis, medical device design |

Steady launch of the film-type perovskite solar cell business; cultivating resource recycling fields

Film-type perovskite solar cells

- Commence delivery of 1-meter-wide products using existing production equipment in FY26
- Launch of a 100MW production line, scheduled to commence operations from FY27, proceeding smoothly
- Decision made to invest in production technology innovation; after taking steps to improve performance and reduce costs ahead of schedule, work toward further expansion
- Continue to allocate management resources with a view to establishing and 1GW supply structure and systems as quickly as possible

Develop public and private sector markets that leverage the characteristics of film-type products (lightweight, thin, and bendable)

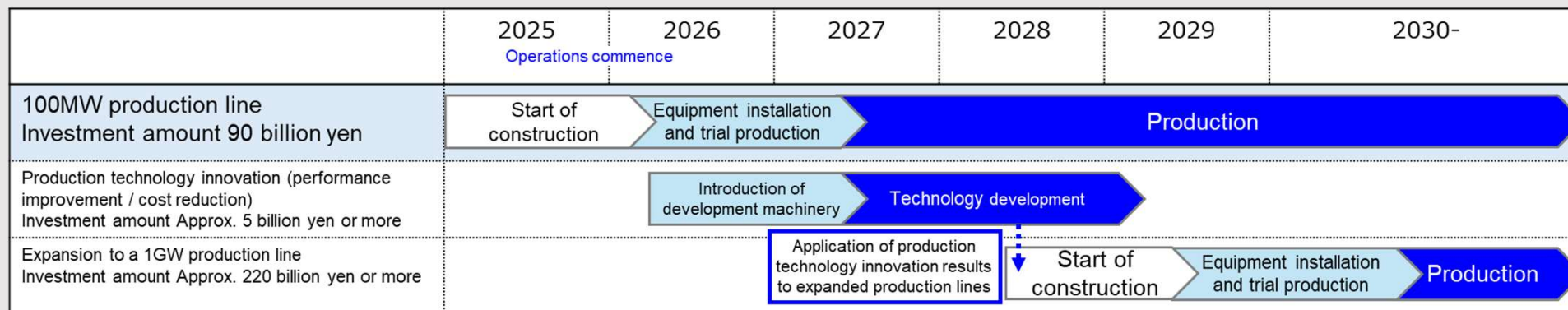
- STEP 1 Low load-bearing roof areas
- STEP 2 Wall-mounted / free-standing, etc.

Objectives of production technology innovation

- Improve power generation efficiency
- Enhance durability
- Increase productivity
- Increase the area of panel units

(Outlook)

- 100MW capacity fully online: Expectation of profitable operations
- 1GW capacity fully online: Target sales in the range of 100 billion yen



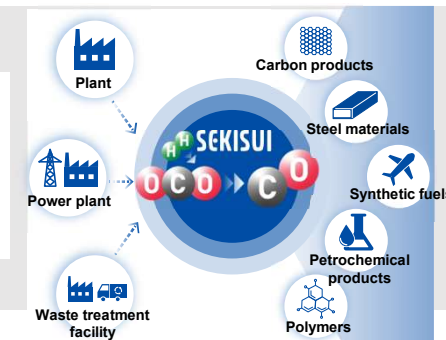
CO₂→CO (chemical looping) [resource circulation]

Measures

- Develop proprietary technology for high-yield conversion of CO₂ to CO
- Plan sales to other industries with an eye toward diverse applications of CO

(Outlook)

- 2027: Hitachinaka facility to commence operations
- 2030s: Sales exceed 5 billion yen



- Advancing carbon neutrality and implementing the circular economy
- Growth of Products to enhance sustainability through initiatives in the innovation area (resource circulation) and accelerating both offense and defense

Offense/growth Product design/material innovation

- Low-carbon products/services**

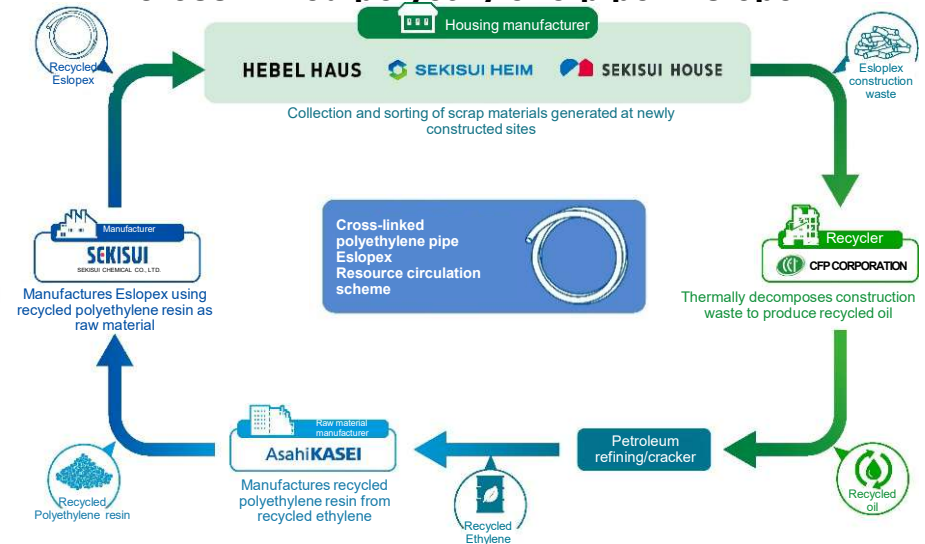
Low-carbon product development across the lifecycle (PSC), establishment of CCU(CO₂→CO) technology

- Circular products/services**

Transition to recycled and bio-based materials, building circular business models (external partnerships)

- Driving market creation and transformation** (creating new value, rule—making)

[Case study] Resource circulation scheme diagram for cross-linked polyethylene pipe “Eslopex”



Defense/risk reduction Manufacturing process transformation

- Reducing GHG emissions in business activities**

Transition to renewable energy (electricity/fuel), energy management, new technology adoption (heat)

- Waste reduction during production/construction**

Efficient resource utilization and proper waste disposal, establishment and implementation of recycling technologies

Base

Building a data foundation to accelerate corporate transformation and fulfill social responsibilities (legal disclosure and customer/societal demands)

Support diverse employees in their efforts to take on new challenges; work to become a corporate entity that is driven by its employees' growth and continues to create and expand Products to enhance sustainability

Providing growth opportunities to become “an organization that continues to be chosen by employees and society”

Continuing to create an environment where each diverse employee can grow autonomously through diverse challenges. Evolving into a corporate entity that grows alongside its employees and earns society's trust.

Foster a culture that embraces challenges

KPI: Challenge action rate, engagement score

Each individual takes on challenges, enabling both the company and its people to grow together

Support employees taking on challenges

- Build organizations that sustain challenge
- Foster a culture of challenge through dialogue



Create a place to take on challenges

- Expand career independence within the Group
- Support autonomous career development

Deepen the right person for the right position

KPI: Rate of successor candidate preparation

Implementing strategic human resources development to foster outstanding individuals that stand out

Develop next-generation leaders

- Accelerate early promotion and strengthening development
- Launch a global development framework



Foster key human resources

- Develop and secure industry top human resources
- Diversify core competencies through reskilling

Proactive diversity

KPI: Three-year retention rate

Create an environment where everyone can work comfortably and transform diversity into organizational vitality

Acquire diverse human resources

- Strengthen recruitment capabilities and implement flexible staffing
- Create an environment where diverse individuals stand out



Build foundations to support performance

- Establish a well-being culture
- Visualize human capital information

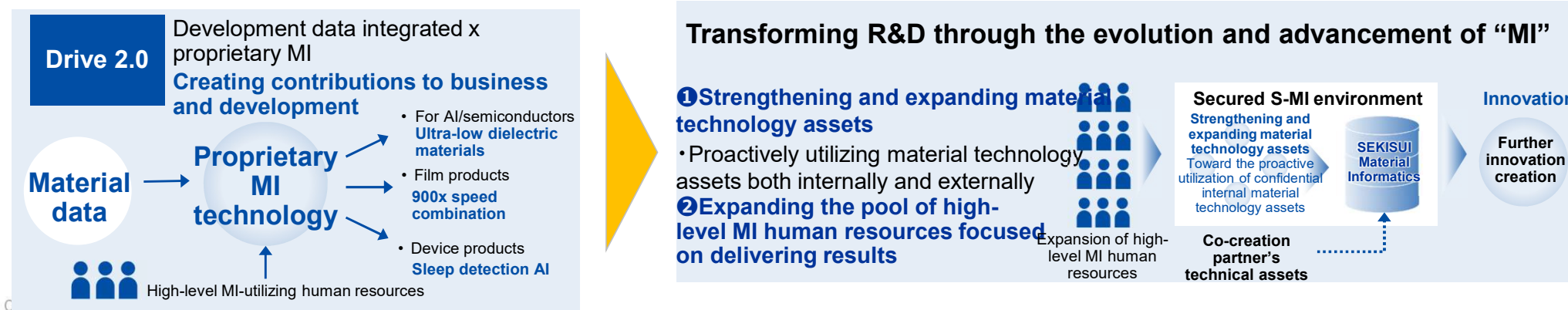
Strengthen the use of Materials Informatics (MI); accelerate the development of Products to enhance sustainability ※Technology Platform

Refining industry-leading core technologies (TPF) and accelerating new product development

| Strategies | Specific initiatives |
|---|---|
| <ul style="list-style-type: none"> Creating, acquiring, and refining new technologies Continuous strengthening and utilization of TPF <p style="border: 1px solid #0056b3; border-radius: 15px; padding: 2px; display: inline-block;">KPI: S*1 positions and above occupancy rate</p> | <ul style="list-style-type: none"> Creating and acquiring cutting-edge technologies through the integration of internal and external technologies Confirming TPF's competitive advantage and clarifying challenges through objective evaluation of proprietary technological capabilities Developing and expanding the ranks of top-tier industry engineers |
| Technology transfer | <ul style="list-style-type: none"> Establishing a technical succession framework centered on the S position system Sharing historical technical information and enabling efficient access |
| Strategic utilization of intellectual capital | <ul style="list-style-type: none"> Enhancing company-wide intellectual property capabilities utilizing intellectual property KPIs Appropriate intellectual property portfolio management |
| Generating promising development themes and accelerating their utilization <p style="border: 1px solid #0056b3; border-radius: 15px; padding: 2px; display: inline-block;">KPI: No. of DR0*2 -compliant units</p> | <ul style="list-style-type: none"> Identifying market needs, defining provided value, and continuously generating promising themes Expanding the scope of digital technology utilization to create promising themes and deliver actual results |

*1 Highly specialized professionals; specialty positions *2 Internal review regarding the generation of new development themes

Strengthen the Use of MI (Accelerate the Pace of Development)



- Eradicating major incidents across five areas (safety, quality, legal/ethical, accounting, and information management) and putting in place an eradication system; strengthening sustainable management capabilities

Eradicating major incidents across five areas and strengthening management foundations globally

- Keeping **major incidents at zero** across five areas (safety, quality, legal/ethical, accounting, and information management)

- Strengthening the foundation for sustainable management

| | |
|-------------------------------|---|
| Safety | Zero major disasters, enhanced disaster countermeasures, strengthened management systems, human resources development |
| Quality | Full implementation of quality risk assessment |
| Accounting | Expansion of SAP introduction sites and enhanced monitoring capabilities |
| Legal/ethical | Strengthened monitoring of critical rule compliance, streamlined reporting response, and enhanced overseas reporting support |
| Information management | Evolution from post-incident response (rule-based control and log acquisition) to proactive prevention (system-based defense) |

| | |
|---------------------|--|
| Human rights | Fostering a culture of human rights respect, accelerating human rights due diligence, continuing awareness of whistleblower and consultation contact points, and examining risk identification for the value chain |
| Procurement | Minimizing risks by expanding the scope of due diligence for business partners |

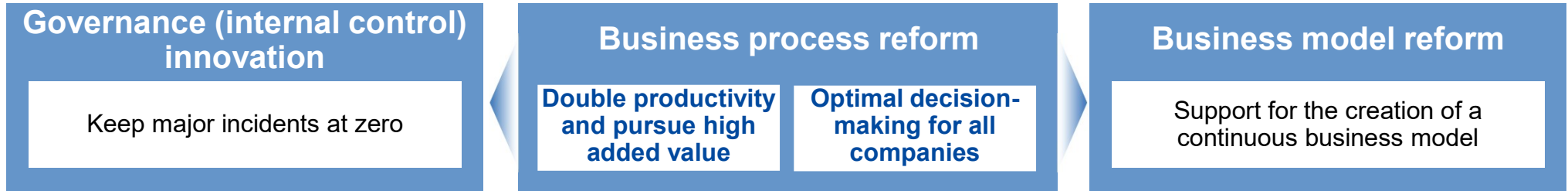
Strengthening internal control globally

- Further strengthening of overseas governance

Global standardization and enhanced monitoring by regional headquarters (RHQ)

Digital transformation (DX) in an accelerated growth phase; enhance productivity through data-driven sales, streamline operations by using AI, and work to expand sales of products to enhance sustainability

Toward realizing Vision 2030, digital transformation (DX) is entering the stabilization and operational phase



Governance (internal control) innovation

Keep major incidents at zero

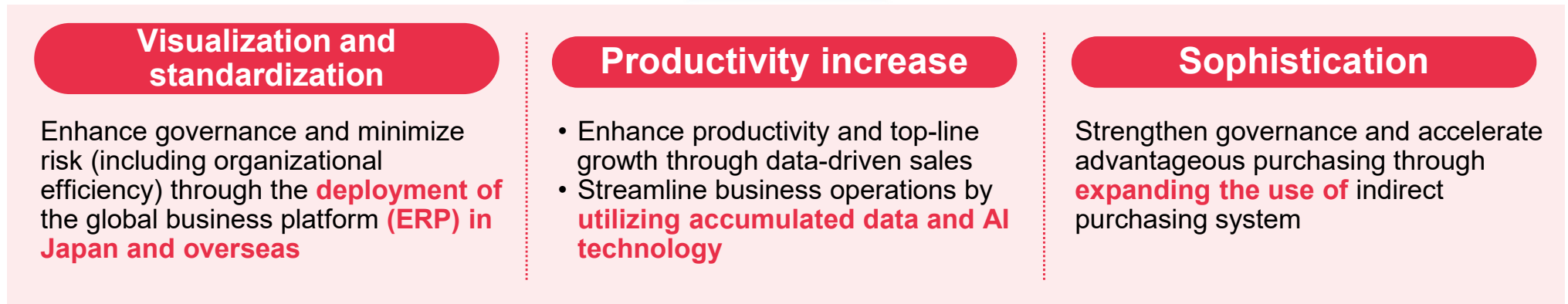
Business process reform

Double productivity and pursue high added value

Optimal decision-making for all companies

Business model reform

Support for the creation of a continuous business model



Visualization and standardization

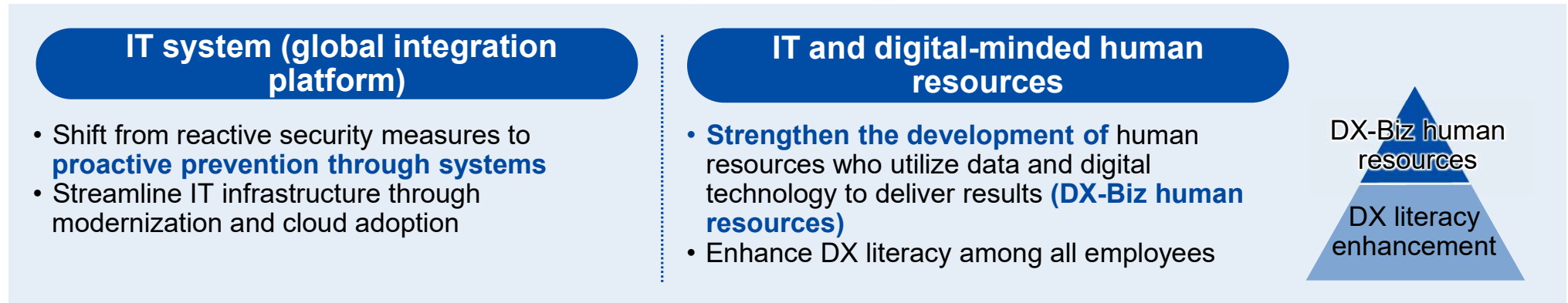
Enhance governance and minimize risk (including organizational efficiency) through the **deployment of the global business platform (ERP) in Japan and overseas**

Productivity increase

- Enhance productivity and top-line growth through data-driven sales
- Streamline business operations by **utilizing accumulated data and AI technology**

Sophistication

Strengthen governance and accelerate advantageous purchasing through **expanding the use of indirect purchasing system**



IT system (global integration platform)

- Shift from reactive security measures to **proactive prevention through systems**
- Streamline IT infrastructure through modernization and cloud adoption

IT and digital-minded human resources

- Strengthen the development of human resources** who utilize data and digital technology to deliver results (**DX-Biz human resources**)
- Enhance DX literacy among all employees



Implementing proactive ESG management through the dual pillars of “business strategy” and “foundation strengthening” to accelerate toward realizing Vision 2030

Accelerate 2028

—The Third Phase for 2030—

Business Strategy

Create results from preparations and continuously strengthen earning power

Expand and create Products to enhance sustainability based on the strategic domain map

Foundation Strengthening

Continuously strengthen ESG management

Expand contribution to sustainable growth and creating results from preparations

Innovation areas

Continue preparations and accelerate the creation of results

Reliably launch and expand the perovskite solar cell business

Enhancement areas

Expand growth drivers

Secure returns through strategic investment
Relentless structural reform

Environment Strategy:

Advance carbon neutrality and implement the circular economy

Human Resources Strategy: Empowering Prominent Human Resources

Foster a culture of taking on challenges
Deepen the right person for the right position
Proactive diversity

R&D Strengthening Strategies: Creating Prominence in Technologies

Accelerate new product development around TPF
Take on the challenge of research innovation using MI

Strengthening Portfolio Management

Implement focused allocation of management resources with an eye on capital efficiency

Strengthening Internal Control Eliminate serious incidents, establish management foundations in new business divisions

DX Strategy: Accelerate productivity improvements through digital transformation

High Performance Plastics Company

Akira Asano
Company President

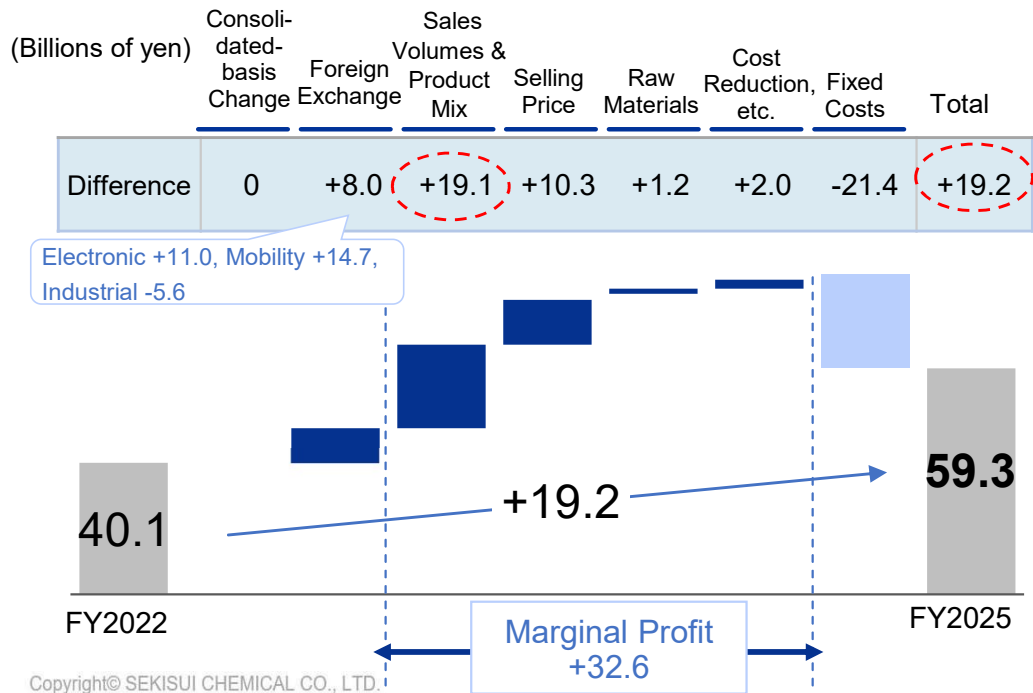
- Increase in net sales in each of the three segments mainly in the Mobility field
- Steady progress in preparations in each of the three segments with an eye toward accelerating growth under the Accelerate 2028

Divisional Company and Three Strategic Field Net Sales

| | FY22 | | FY25 | | Difference | | FY25 MTMP* | | Difference | |
|-------------|-----------|------------------|-----------|------------------|------------|------------------|------------|------------------|------------|------------------|
| | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit |
| HPP Company | 396.4 | 40.1 | 456.6 | 59.3 | +61.2 | +19.2 | 473.0 | 61.0 | -16.4 | -1.7 |
| Electronics | 53.3 | - | 72.0 | - | +18.7 | - | 74.6 | - | -2.6 | - |
| Mobility | 191.3 | - | 244.7 | - | +53.4 | - | 228.7 | - | +16.0 | - |
| Industrial | 104.4 | - | 104.6 | - | +0.2 | - | 119.0 | - | -14.4 | - |

*MTMP: Medium-term Management Plan

Analysis of Operating Profit



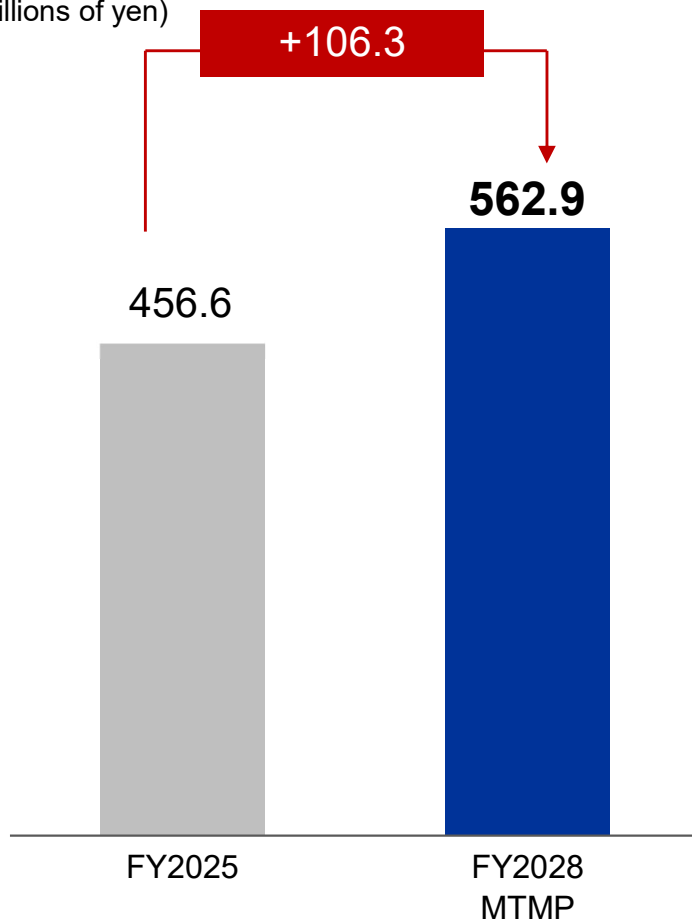
Major Preparations under Drive 2.0

| Field | Top Row: Preparations Bottom Row: Effects <input type="checkbox"/> Begin Realizing Benefits <input type="checkbox"/> Realize Benefits in Earnest | Overview of Preparations | |
|-------------|---|--|----------|
| | | Scale | Region |
| Electronics | Increase production capacity of binder resins for MLCC (Operational: From 2H 2025) | Investment in expanding production Around 2 billion yen | Japan |
| | | | |
| | | | |
| Electronics | Increase production capacity of SELFA (Scheduled to commence operations: 1H of 2027) | Investment in expanding production Around 5 billion yen | Japan |
| | | | |
| | | | |
| Electronics | Increase conductive fine particles production capacity (Scheduled to commence operations: 1H of 2028) | Investment in expanding production Around 2 billion yen | Japan |
| | | | |
| | | | |
| Mobility | Increase production capacity of interlayer films (Scheduled to commence operations: 2H of 2026) | Investment in expanding production Around 8 billion yen | Thailand |
| | | | |
| Industrial | Sensors / Care materials (Expand into the nursing care and clinical fields) | Develop third-generation ANSIEL | Japan |
| | | | |

- Secure solid returns from preparations mainly in the Electronics and Mobility fields; expand high-value-added products and sales volumes in each three fields
- Continue to undertake further investments with a view to achieving the Long-term Vision; accelerate growth

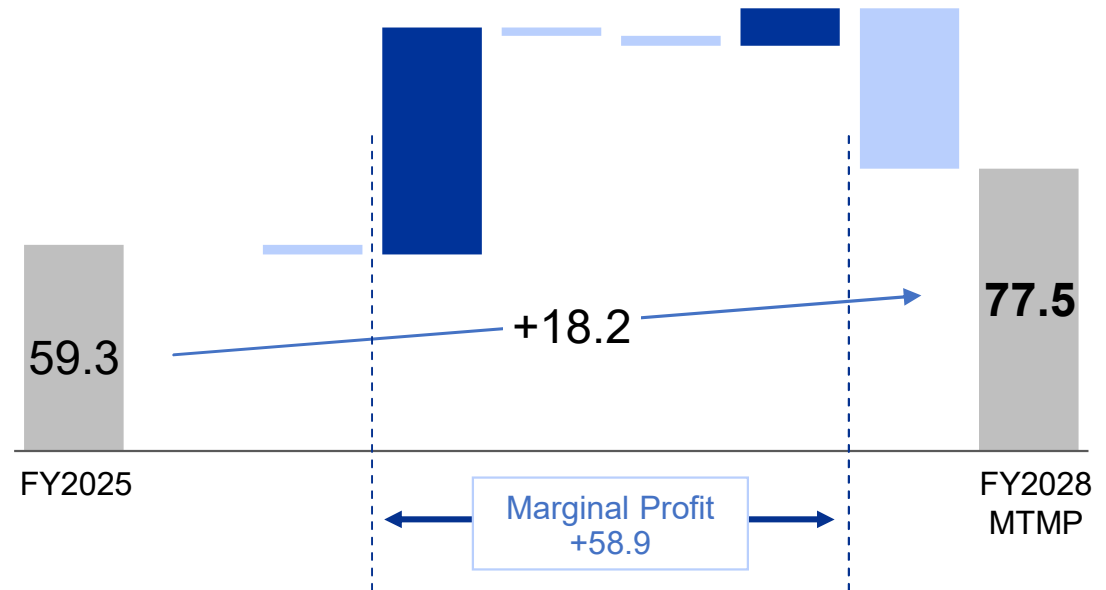
Net Sales

(Billions of yen)



Analysis of Operating Profit

| | Consolidated-basis Change | Foreign Exchange | Sales Volumes & Product Mix | Selling Price | Raw Materials | Cost Reduction, etc. | Fixed Costs | Total |
|------------|---------------------------|------------------|---|---------------|---------------|--|-------------|-------|
| Difference | 0 | -2.3 | +54.3 | -2.0 | -2.4 | +9.0 | -38.4 | +18.2 |
| | | | Electronic +16.0, Mobility +23.0, Industrial 15.0 | | | Investments for growth, etc. -16.0 Increases in wages and human capital -12.0 | | |



New Sales Trends and KPIs in the Three Strategic Fields

Electronics

Continued focus on expanding sales in the non-LCD field

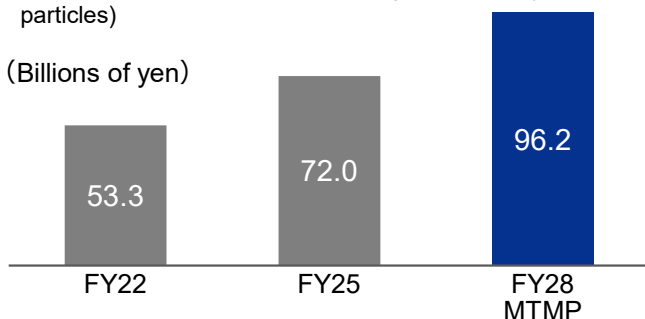
- Semiconductors / electronic parts

AI market expected to expand and market conditions in the semiconductor materials market projected to remain robust; steadily capturing growing demand; realizing the benefits of investments in expanding production (SELFA / semiconductor resins for MLCCs). Build-up film is expected to be fully marketed from the latter half of the new mid-term period

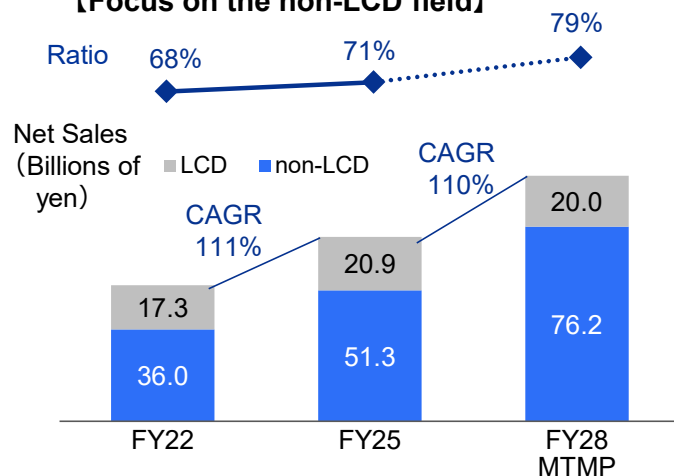
- LCD components

Smartphone and display market conditions expected to grow owing to the increase in screen size per device; realizing the benefits of investments in expanding production (conductive fine particles)

(Billions of yen)



[Focus on the non-LCD field]



Mobility

Growth in high-performance interlayer film sales and growth in the aeronautical components field

- Automotive components (interlayer films)

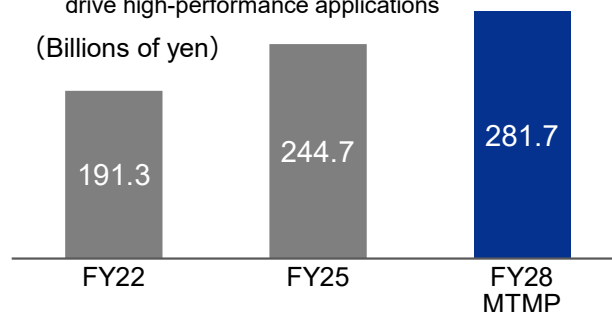
Use of interlayer films expected to expand owing to the increase in vehicle models equipped with HUD films as well as upswing in EVs; ongoing efforts to increase sales volumes focusing on N-HPPs; realizing in earnest the benefits of expanding production in Thailand

- Aeronautical components

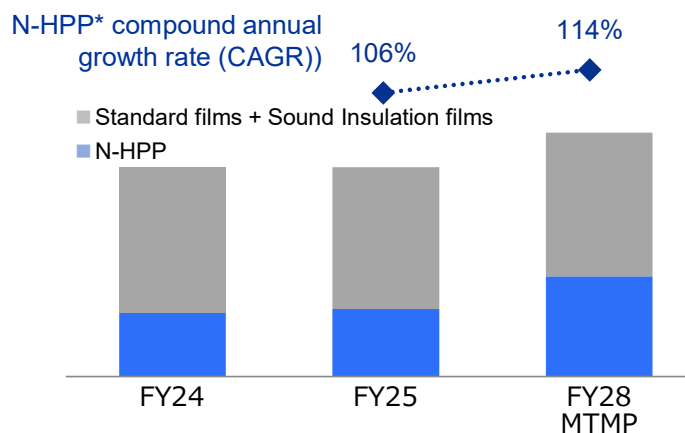
Demand in the aircraft field expected to recover; new fields, including drones projected to expand

- Interlayer films and aeronautical components continue to drive high-performance applications

(Billions of yen)



[N-HPP sales growth]



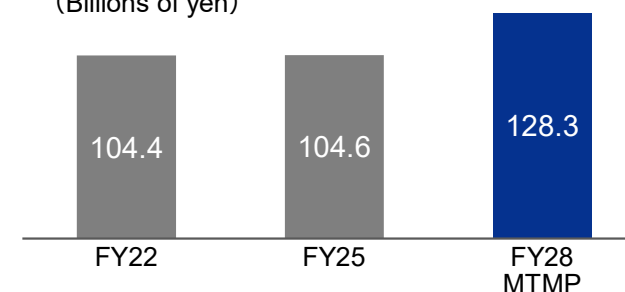
* N-HPP: Generic term for HUD, heat insulation, color / design films (high-performance interlayer films); Since the N-HPP classification was introduced in fiscal year 2024, comparisons are made starting from FY2024.

Industrial

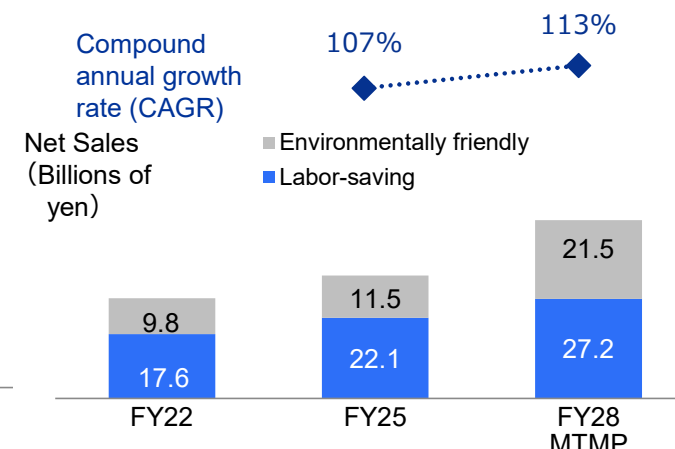
Growth in labor-saving and environmentally friendly products

- Labor-saving and environmentally friendly products
- Continue to focus expanding sales of high-value-added labor-saving and environmentally friendly products; work to expand sales of functional tapes and products for nursing care facilities, etc. that use sensing technologies

(Billions of yen)



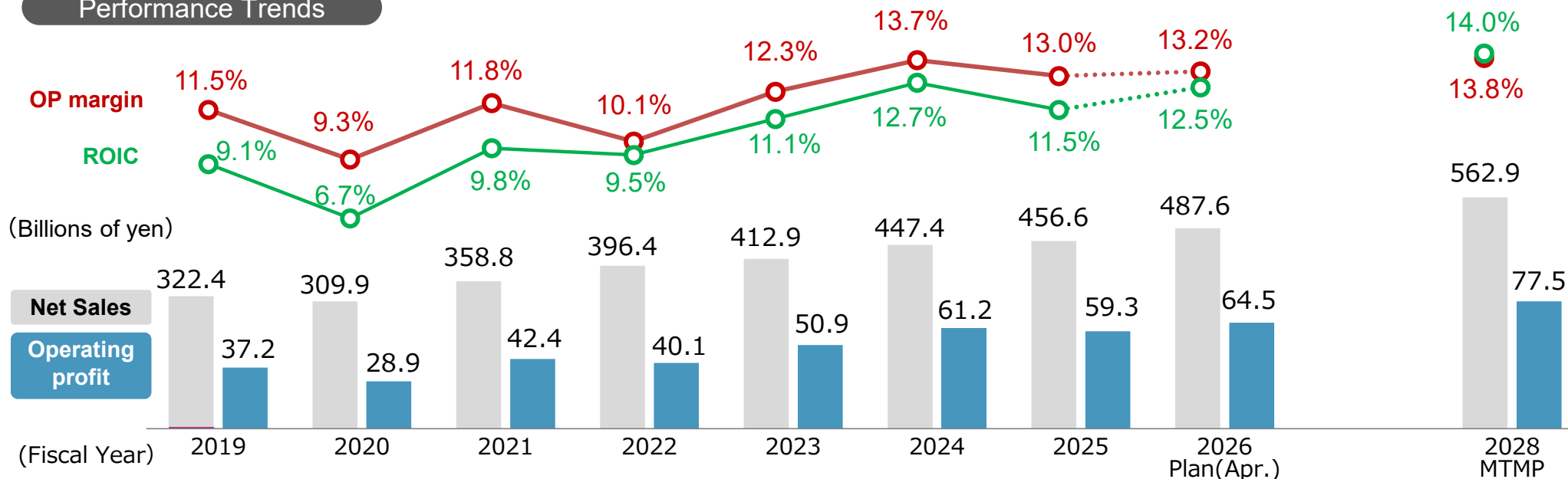
[Labor-saving, environmentally friendly product sales growth]



* Partially revise the adoption criteria for labor-saving and environmentally friendly products from FY26; FY25 data presented under the new criteria

- Record-high profit for two consecutive fiscal years (FY23 and FY24); despite incurring one-off expenses and a substantial increase in fixed costs on the back of efforts to accelerate development, secured a high level of profit in FY25
- Reap the benefits of investments and expand high-value-added products under the current Medium-term Management Plan; target both a record-high operating profit margin and ROIC

Performance Trends



| Forex rate (Avg. rate for each term) | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | ... | FY2028 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----|--------|
| /US\$ | ¥109 | ¥106 | ¥112 | ¥135 | ¥145 | ¥153 | ¥151 | ¥155 | ... | ¥145 |
| /€ | ¥121 | ¥124 | ¥130 | ¥141 | ¥157 | ¥164 | ¥175 | ¥183 | ... | ¥166 |

External environment
Main M&As and Strategic Investments

| | | | | | | |
|---|---|--|--|--|---|---|
| 2H 2019 SEKISUI AEROSPACE CORPORATION 2018-19 Started operations at new foam plants in Thailand and China | 02/2020~ Spread of COVID-19 2H 2020 Started operations at a new interlayer production line in Europe | 02/2022~ Russia: Incursion into Ukraine | 2H FY2023 Started operations at a new heat release materials plant in North America | 1H FY2024 Decision to expand production capacity for interlayer films in Thailand, semiconductor manufacturing process materials, and conductive fine particles | 1H FY2025 The U.S. Implementation of tariff measures | 02/2026 Deterioration in conditions in the Middle East |
|---|---|--|--|--|---|---|

Housing Company

Masahide Yoshida
Company President

- While continuing to face issues regarding its quantitative growth owing to a shrinking newly built detached housing market, the Housing Business succeeded in lowering the break-even point for the number of houses sold by carrying out measures to strengthen profitability
- Investments in growth areas, including the Renovation and Residential businesses progressing smoothly as a part of efforts break away from a business portfolio that overly relies the Housing Business

Net Sales and Operating Profit by Business

(Billions of yen)

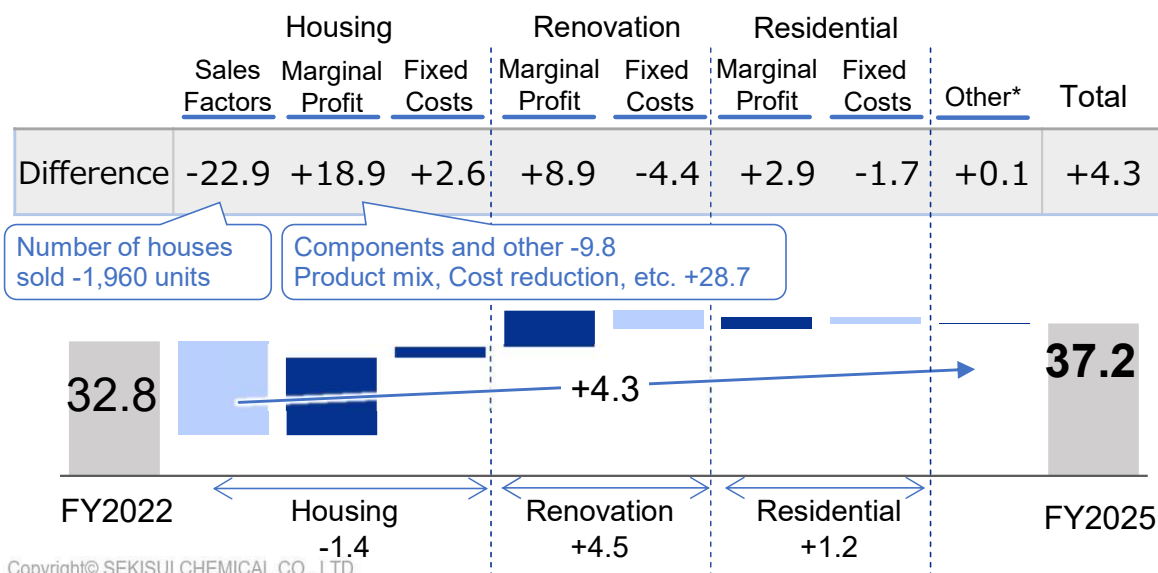
| | FY22 | | FY25 | | Difference | | FY25 MTMP | | Difference | |
|-----------------|-----------|------------------|-----------|------------------|------------|------------------|--------------|------------------|------------|------------------|
| | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit |
| Housing Company | 537.4 | 32.8 | 536.2 | 37.2 | -1.1 | +4.3 | 580.0 | 40.0 | -43.8 | -2.8 |
| Housing | 363.6 | 20.5 | 342.0 | 19.1 | -21.6 | -1.4 | 375.0 | 23.3 | -33.0 | -4.2 |
| Renovation | 97.3 | 8.0 | 114.9 | 12.4 | +17.6 | +4.5 | 110.0 | 9.8 | +4.9 | +2.6 |
| Residential | 65.2 | 4.2 | 73.9 | 5.4 | +8.7 | +1.2 | 83.0 | 5.7 | -9.1 | -0.3 |

Major Preparations under Drive 2.0

| Area | Investment / Measure | Details / Objectives |
|----------------------|--------------------------------------|--|
| Housing | Measures to strengthen profitability | [Reduce fixed costs] <ul style="list-style-type: none"> Optimize staffing and manufacturing systems (break-even point for the number of houses sold: -18% (vs. FY22)) [Strengthen the product strategy by area] <ul style="list-style-type: none"> Develop and market "ELVIA," a high-end, premium-priced model Develop "Grand To You FR," an affordable model for first-time homebuyers |
| | M&A | <ul style="list-style-type: none"> Capture market share in the Hokkaido region through expanded use of the timber framework construction method (Architec-Planning Co., Ltd.) |
| Renovation | Strengthen the sale structure | <ul style="list-style-type: none"> Train and develop shift personnel as part of measures to strengthen the profitability of the Housing Business |
| | M&A | <ul style="list-style-type: none"> Strengthen renovation for non-Heim owners as well as the purchase and resale of Heim in the North Hokkaido area (Creast Co., Ltd.) |
| Residential | M&A | <ul style="list-style-type: none"> Enhance the ability to procure land in the Tokyo metropolitan area (Benhouse Co., Ltd.) |
| Overseas | Establish bases | <ul style="list-style-type: none"> Establish a new modular manufacturing company to expand operations in Canada |
| Residential Services | Structural reform | <ul style="list-style-type: none"> Transfer the elderly business |

Analysis of Operating Profit

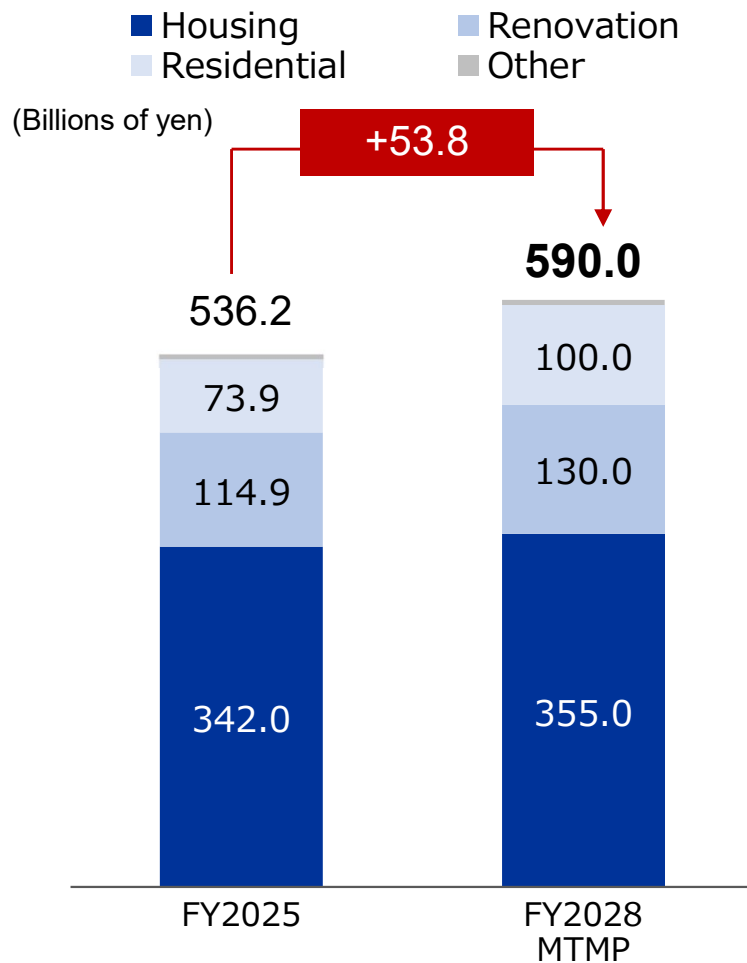
* Other (Overseas and Residential Services)



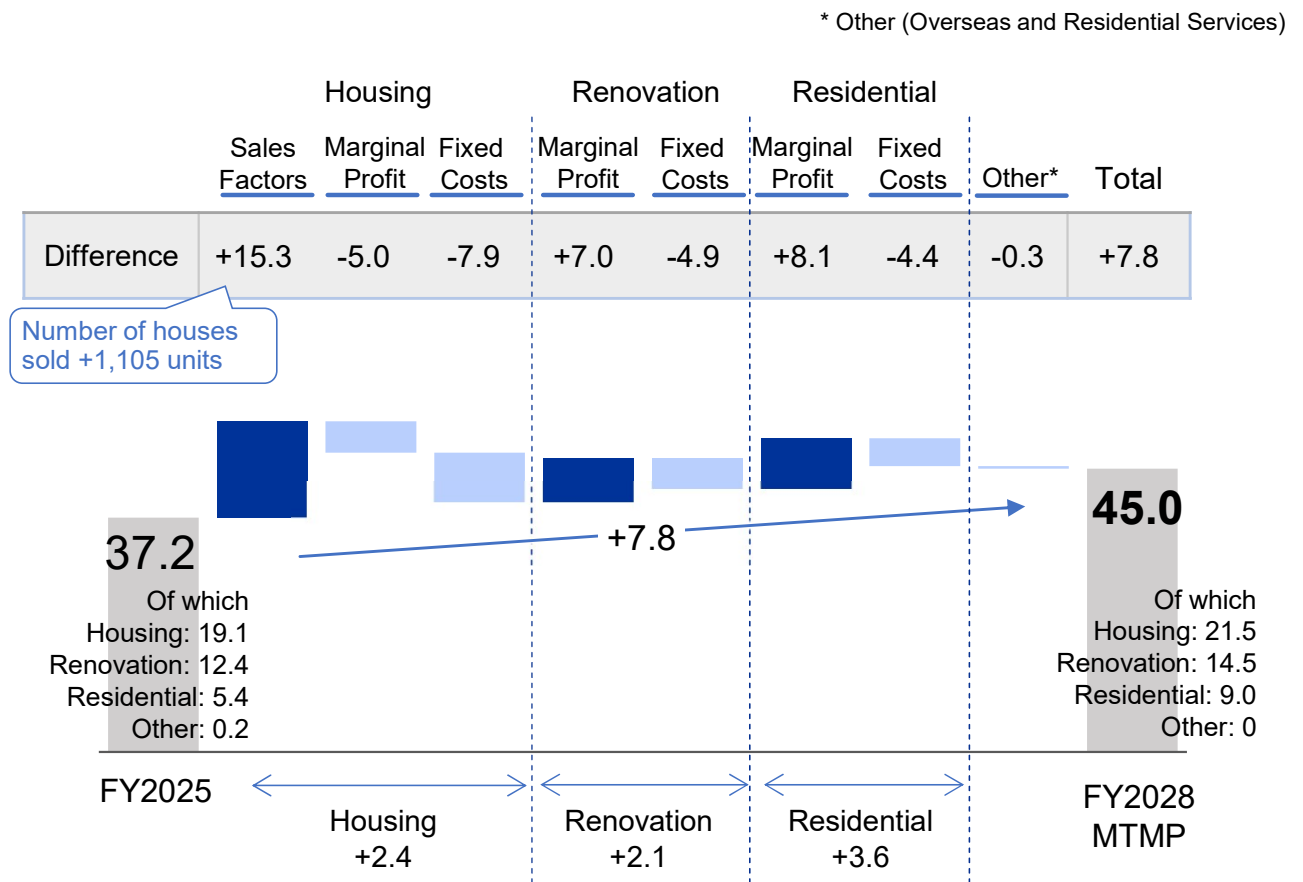
Medium-term Management Plan (Accelerate 2028) Targets

- Accelerate the shift away from a business portfolio overly reliant on the Housing Business by capitalizing on the results of preparations under Drive 2.0 and making further investments in growth
- Work toward record-high net sales and operating profit in FY28 after introducing a company system

Net Sales



Analysis of Operating Profit

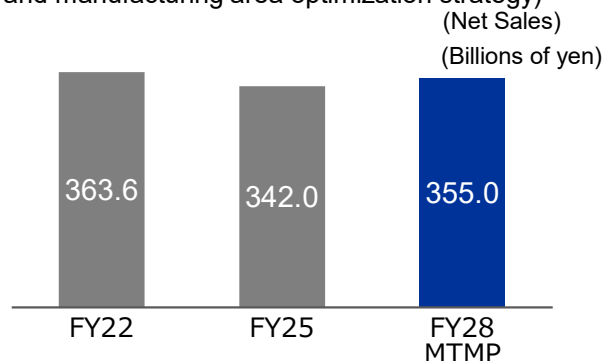


New Sales Trends and KPIs by Subsegment

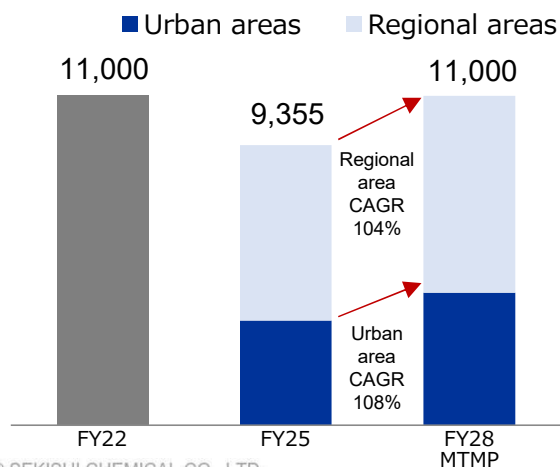
Housing

Promote sales strategies tailored to both urban and regional areas, also utilizing M&As, while taking into account market conditions and regional characteristics

- Urban areas: Increase orders across all segments detached housing, subdivision housing, and apartment buildings on the back of efforts aimed at concentrating management resources in the Tokyo metropolitan area (The strategy to increase sales in the Tokyo metropolitan area by 1.5 times by 2030)
- Regional areas: Increase volumes through efforts to strengthen subdivision housing and pricing by area (integrated sales and manufacturing area optimization strategy)



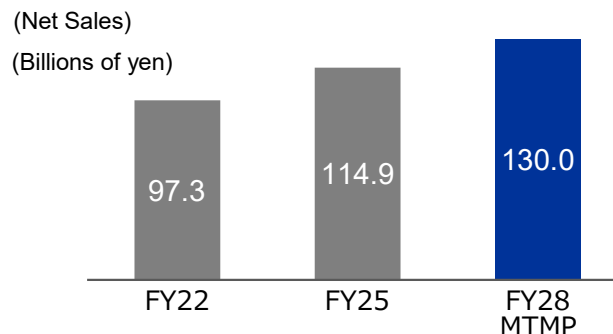
[Number of Orders]



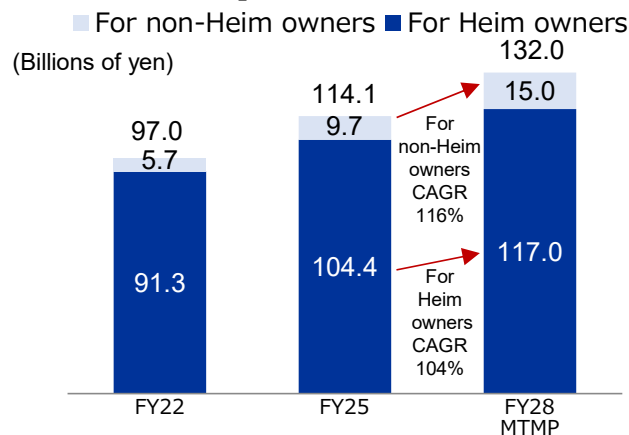
Renovation

Steady growth on the back of efforts to enhance customer communication and proactive investment in growth areas

- For Heim owners: Focus on expanding proposals for housing over 35 years old; establish a customer support system for housing over 60 years old
- For non-Heim owners: Expand sales bases in urban areas and strengthen human resources; expand areas through Group collaboration and M&As



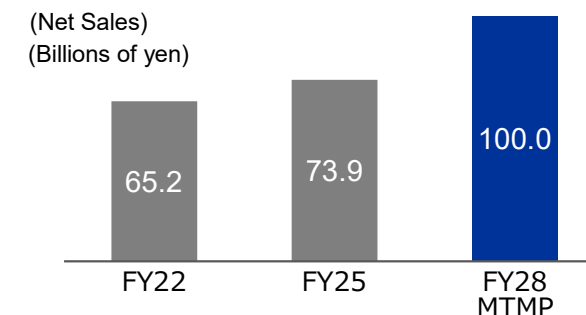
[Orders by For Heim Owners / Non-Heim Owners]



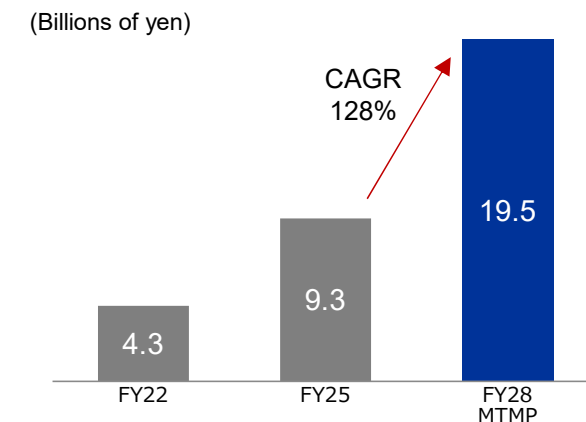
Residential

Work toward accelerating growth in the purchase and resale of Heim business while maintaining steady growth in the rental management as well as Town and Community Development businesses

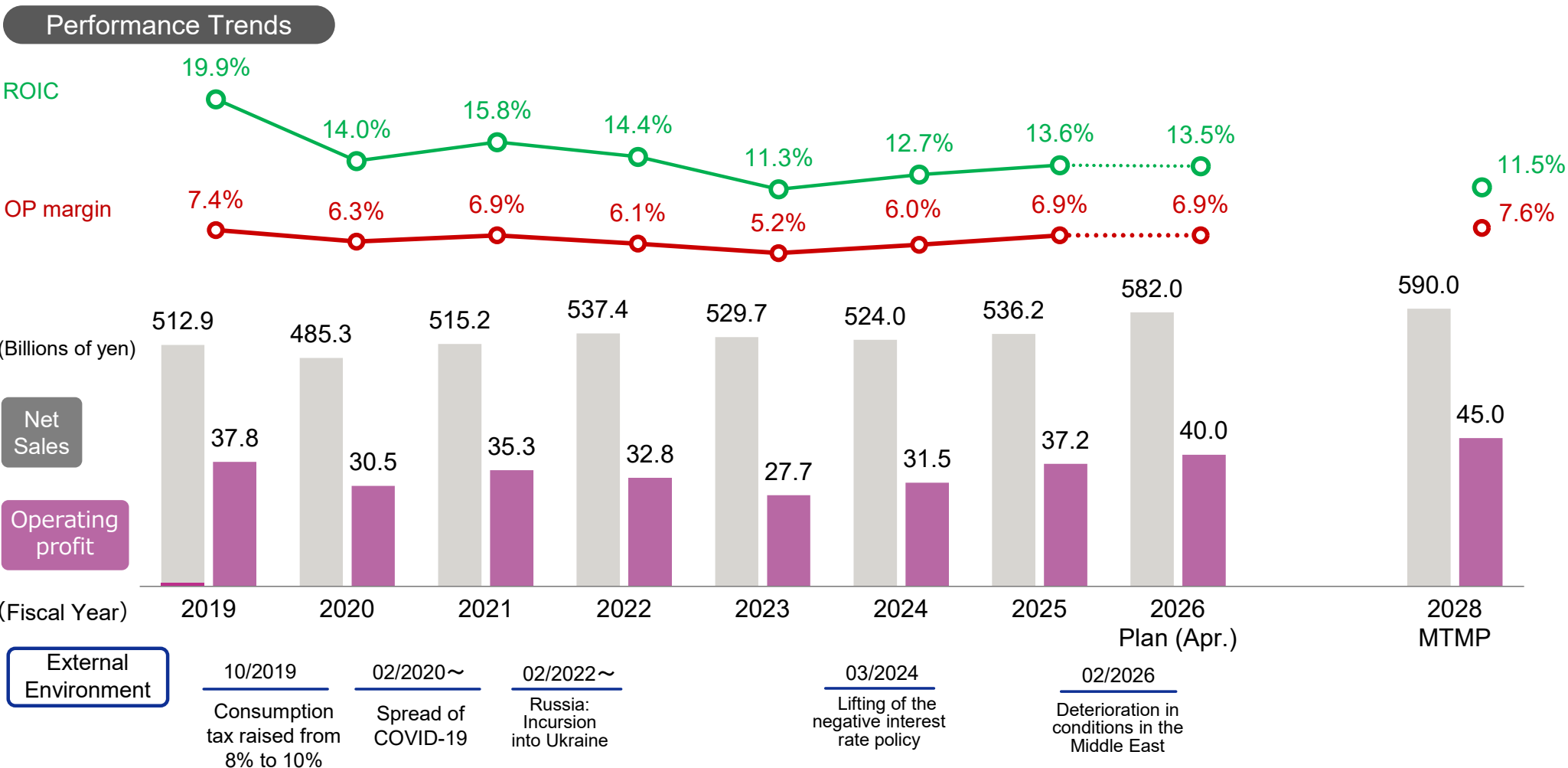
- Rental management: Increase the number of dwellings under management by enhancing CS and utilizing external resources
- Purchase and resale of Heim: Expand the purchase and resale of condominiums by strengthening procurement capabilities through M&As



[Purchase and Resale of Heim Net Sales]



- The Housing Business entering a phase of stable growth on the back of efforts to expand volumes and improve profitability through business model innovation
- Proactive investment in the Renovation and Residential businesses, which are positioned as growth areas, based on a disciplined investment approach that prioritizes capital efficiency; efforts to transform the business portfolio (ROIC: Target an ROIC of 10% or higher)



Urban Infrastructure & Environmental Products Company

Yoshiyuki Hirai
Company President

- Despite growth in sales of prioritized products and successful efforts to increase margins, fell short of the targets set under the Medium-term Management Plan owing the prolonged slump in market conditions in Japan and overseas
- Steady progress in preparations geared toward growth measures, including efforts to strengthen overseas marketing and invest in CVCs

Divisional Company and Three Strategic Field Net Sales

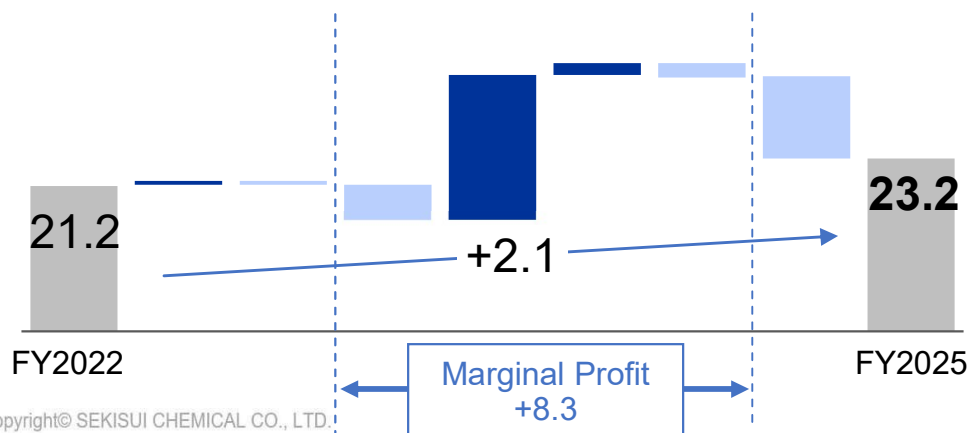
(Billions of yen)

| | FY22 | | FY25 | | Difference | | FY25 MTMP | | Difference | |
|--|-----------|------------------|-----------|------------------|------------|------------------|-----------|------------------|------------|------------------|
| | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit |
| UIEP Company | 234.3 | 21.2 | 240.4 | 23.2 | +6.1 | +2.1 | 261.0 | 25.0 | -20.6 | -1.8 |
| Pipe Systems | 113.7 | - | 110.9 | - | -2.8 | - | 131.6 | - | -20.7 | - |
| Building and Infrastructures Composite Materials | 79.5 | - | 82.4 | - | +2.9 | - | 89.1 | - | -6.7 | - |
| Infrastructure Renovation | 30.5 | - | 38.9 | - | +8.4 | - | 36.3 | - | +2.6 | - |

Analysis of Operating Profit

(Billions of yen)

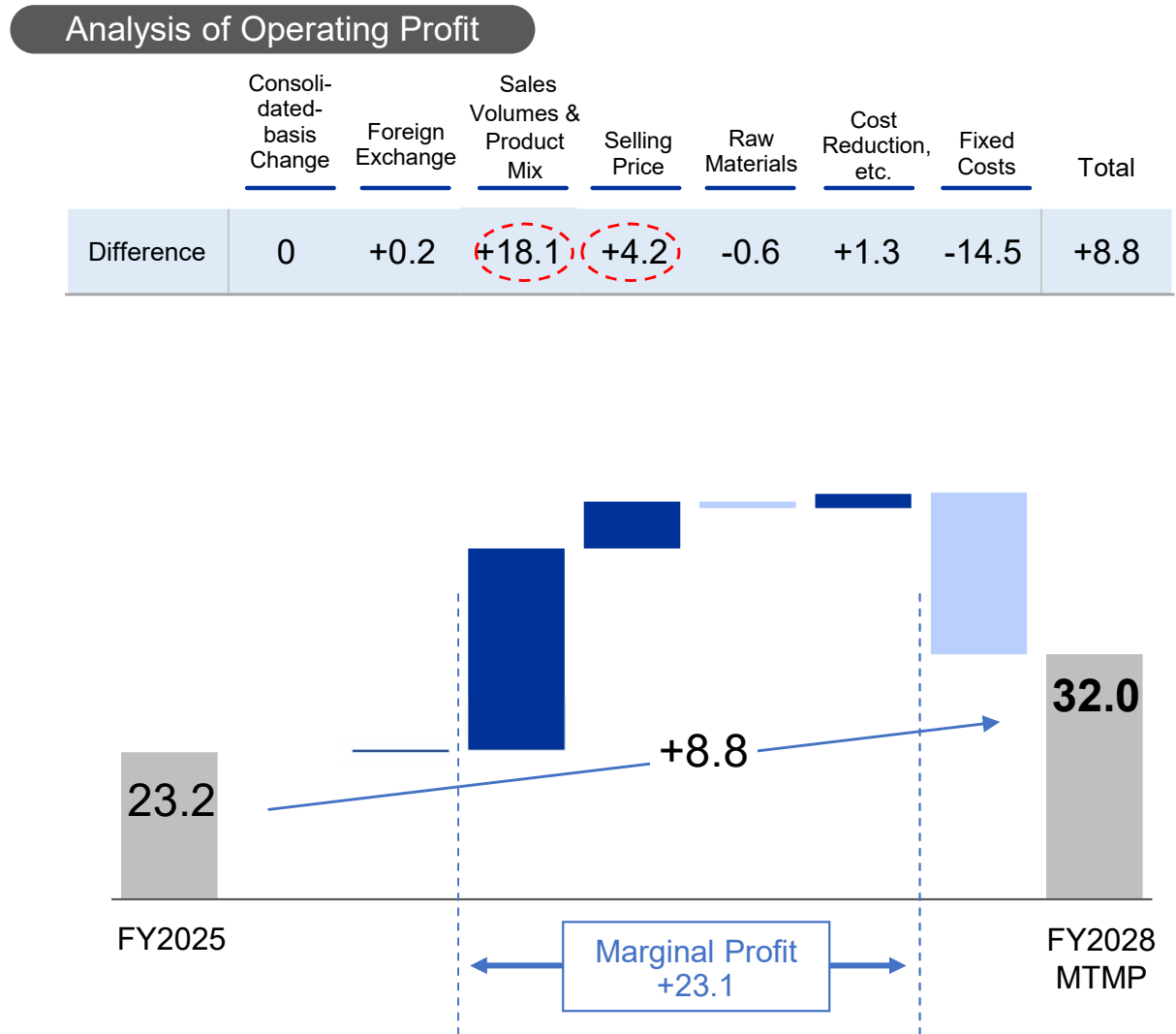
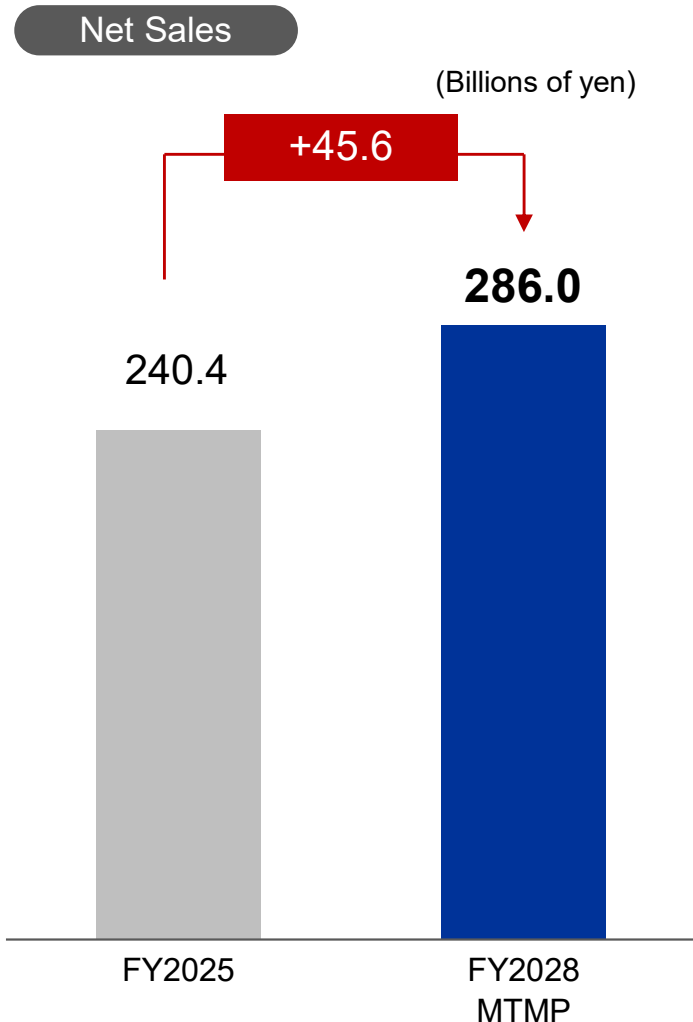
| | Consolidated-basis Change | Foreign Exchange | Sales Volumes & Product Mix | Selling Price | Raw Materials | Cost Reduction, etc. | Fixed Costs | Total |
|------------|---------------------------|------------------|-----------------------------|---------------|---------------|----------------------|-------------|-------|
| Difference | +0.3 | -0.3 | -2.7 | +11.1 | +0.9 | -1.1 | -6.3 | +2.1 |



Major Preparations under Drive 2.0

| Theme / Segment | Major Results |
|---|---------------------------------|
| Growth Measures | Overseas |
| | Japan |
| | New Products / Innovation Areas |
| | Resource Recycling |
| Efforts to Strengthen the Management Foundation | Productivity Improvement |
| | Ensuring Profitability |

- Improve sales volumes & product mix by increasing overseas sales primarily of performance materials, pipe renewal, and CPVC as well as expanding sales of prioritized products; secure margins by maintaining selling prices; target operating profit of 32 billion yen

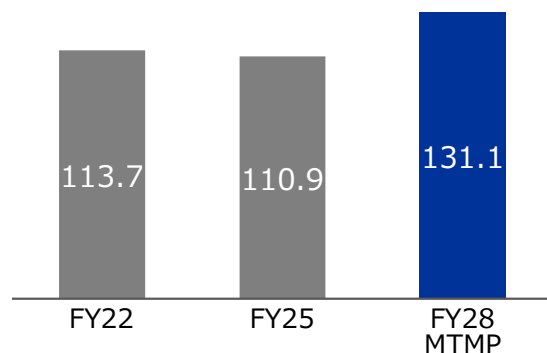


New Sales Trends in the Three Strategic Fields

(Billions of yen)

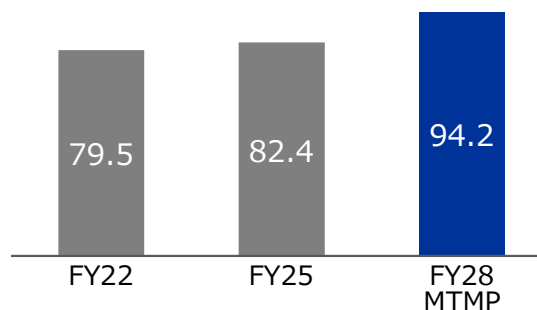
Pipe Systems

- Piping materials: Continued focus on expanding sales of prioritized products and maintaining margins
- CPVC: Continued focus on expanding sales of new products as well as sales areas



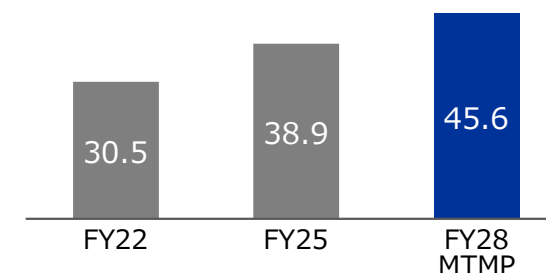
Building and Infrastructures Composite Materials

- FFU railway sleepers: Working to further promote expansion by increasing production capacity and introducing new products in Europe; continued focus on building a business foundation through increased use by key customers
- Fire-resistant and non-combustible materials: Expanding market share in non-flammable urethane as well as sales of new products



Infrastructure Renovation

- Pipe renewal: Maximizing efforts to capture renewal demand based on the results of nationwide surveys; endeavoring to raise awareness overseas through installation partner collaboration; working to expand orders
- Sekisui Aqua System Co., Ltd.: Focusing on capturing renewal demand for water storage panel tanks by leveraging differentiated construction methods

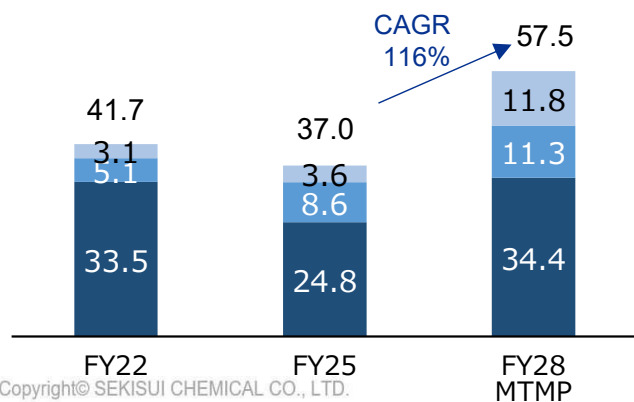


KPIs

(Billions of yen)

[Overseas Sales]

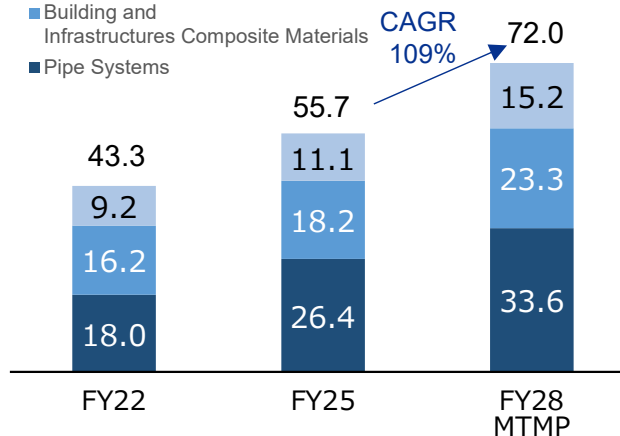
■ Asia, other ■ Europe ■ The Americas



[Prioritized Products Sales (Japan)]

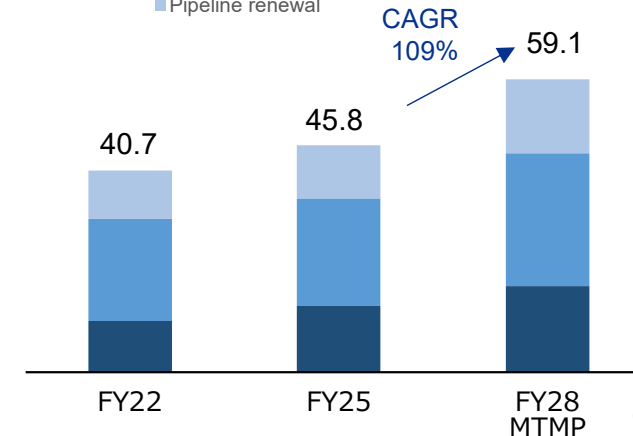
■ Infrastructure Renovation

■ Building and Infrastructures Composite Materials
■ Pipe Systems



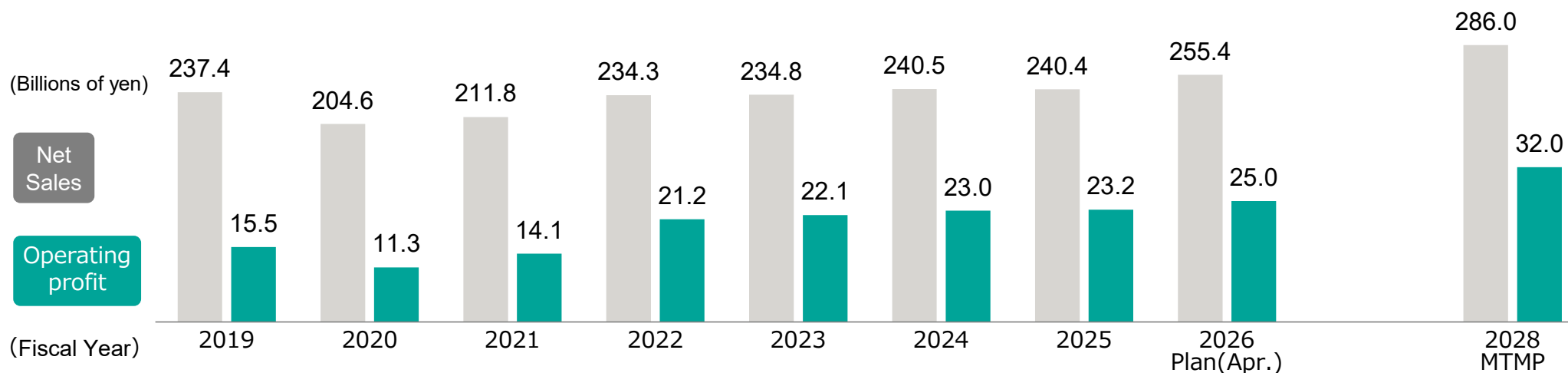
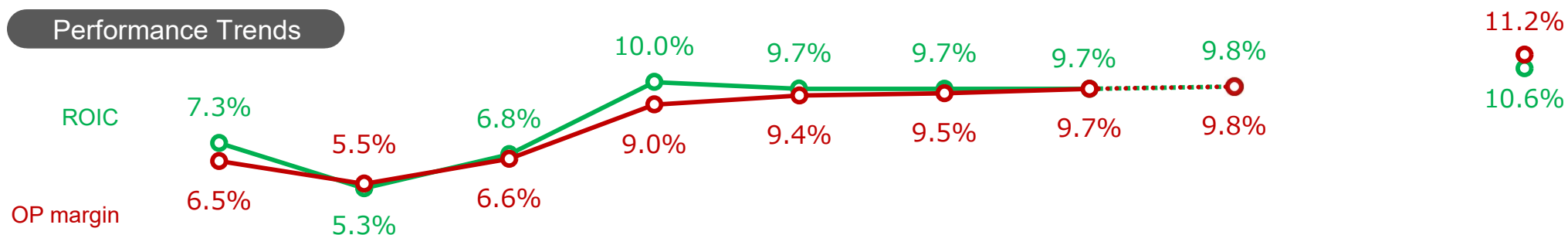
[Growth-driving Business Sales]

■ Performance materials
■ Fire-resistant materials
■ Pipeline renewal



- Achieved a fourth consecutive fiscal year of record-high profits in FY25; achieved sustained profit growth and further expansion
- Focusing on expanding overseas operations, expanding sales of prioritized products, realizing synergies from M&As and CVCs, and maintaining margins
- Promoting activities designed to improve productivity; work to achieve an operating profit margin of over 11%

Performance Trends



External Environment

10/2019
Consumption tax raised from 8% to 10%

02/2020~
Spread of COVID-19

07-08/2021
Tokyo Olympic Games

02/2026
Deterioration in conditions in the Middle East

Medical Business

Hiroyuki Yamashita

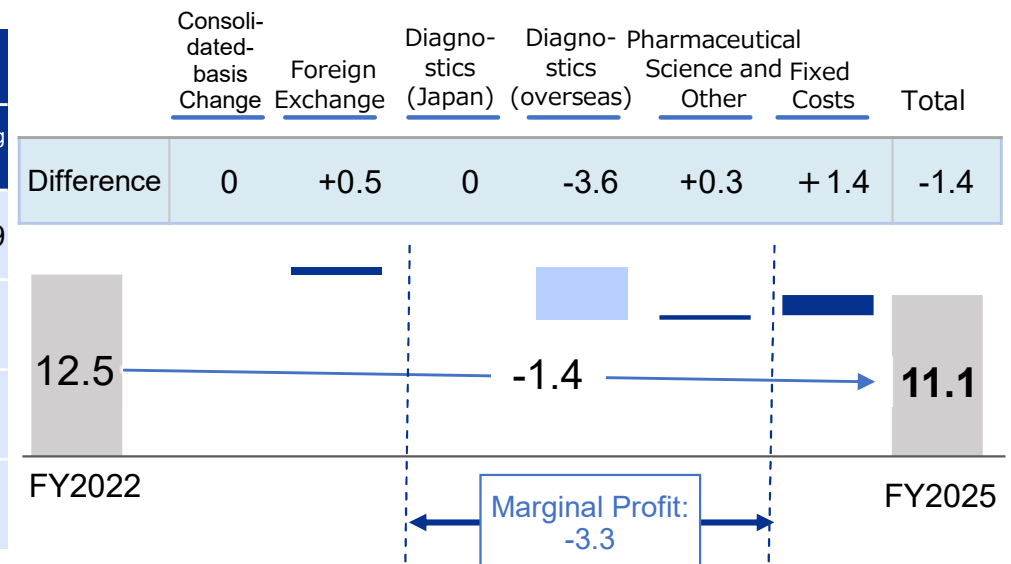
President of SEKISUI MEDICAL CO., LTD

- Deterioration in diagnostics market conditions owing to the downturn in demand for infectious disease testing kits in the U.S. and efforts to curb healthcare costs in China
- Significant shortfall against the previous MTMP. owing to the rise in raw material prices and impact of one-off upswings in disposal; decrease in profit from the MTMP (Drive 2022) preceding the previous MTMP

Net Sales

| (Billions of yen) | FY22 | | FY25 | | Difference | | FY25 MTMP | | Difference | |
|---------------------------------|-----------|------------------|-----------|------------------|------------|------------------|-----------|------------------|------------|------------------|
| | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit | Net Sales | Operating Profit |
| Medical | 89.7 | 12.5 | 93.7 | 11.1 | +4.0 | -1.4 | 112.5 | 18.0 | -18.8 | -6.9 |
| Diagnostics (Japan) | 30.9 | - | 32.4 | - | +1.5 | - | 33.6 | - | -1.2 | - |
| Diagnostics (Overseas) | 41.2 | - | 41.9 | - | +0.7 | - | 59.9 | - | -18.0 | - |
| Pharmaceutical Science Business | 17.6 | - | 19.5 | - | +1.9 | - | 19.9 | - | -0.4 | - |

Analysis of Operating Profit

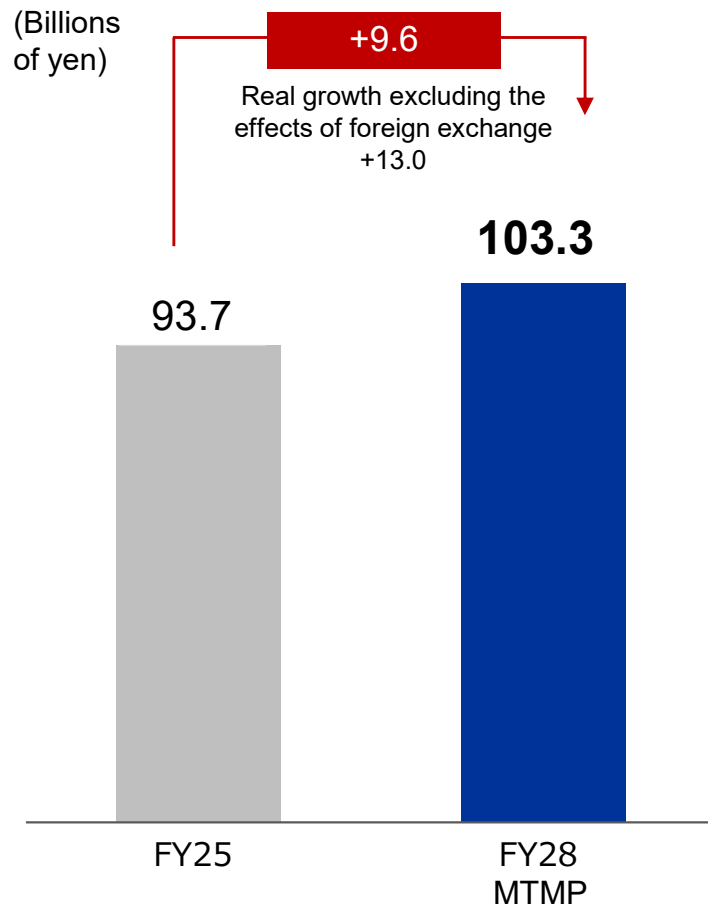


Major Preparations under Drive 2.0

| | Preparations | (Challenges) |
|---------------------------------|---|--|
| Diagnostics (Japan) | Expanded market share in the immunology segment Launched new blood coagulation device products (1H 2025) | Insufficient cost reduction to address rising costs |
| Diagnostics (Overseas) | Europe and the Americas: Captured new alliance projects; undertook capital expenditures China: Launched locally manufactured blood coagulation devices (2H 2025) | Results subject to the outbreak of respiratory infections and subsequent demand |
| Pharmaceutical Science Business | Increased production capacity on the back of domestic capital expenditures while expanding new orders Entered the cell culture material business by launching the Ceglu™ brand (1H 2025) | Delay in preparations due to the slow rollout of GMP capital expenditures in the U.K. Enzymes Business |

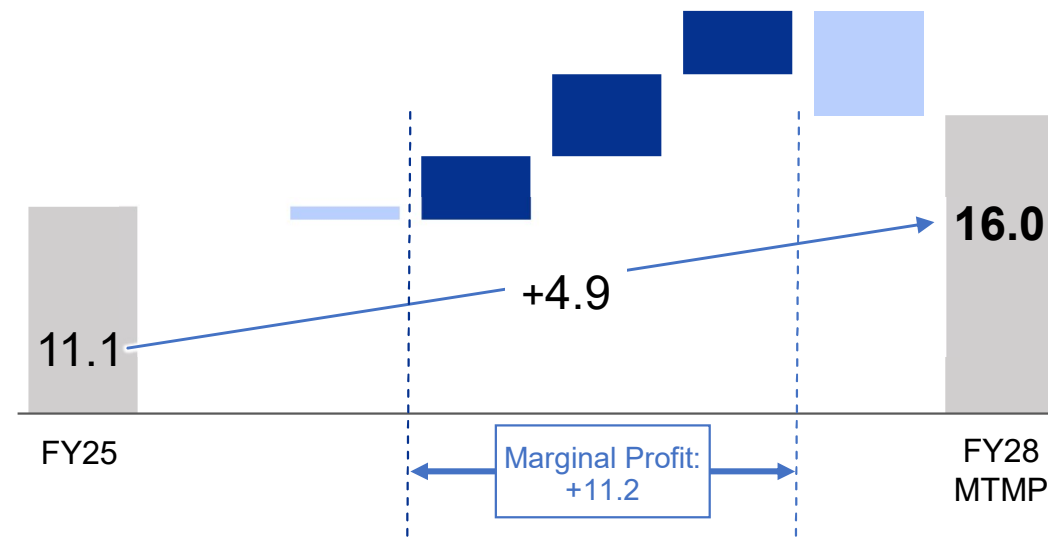
- Diagnostics: Expand overseas operations by increasing market share in core areas, continuing to introduce new products, and strengthening alliances
- Pharmaceutical Science: Capture new contract work by realizing the benefits of capital expenditures in Japan and overseas

Net Sales



Analysis of Operating Profit

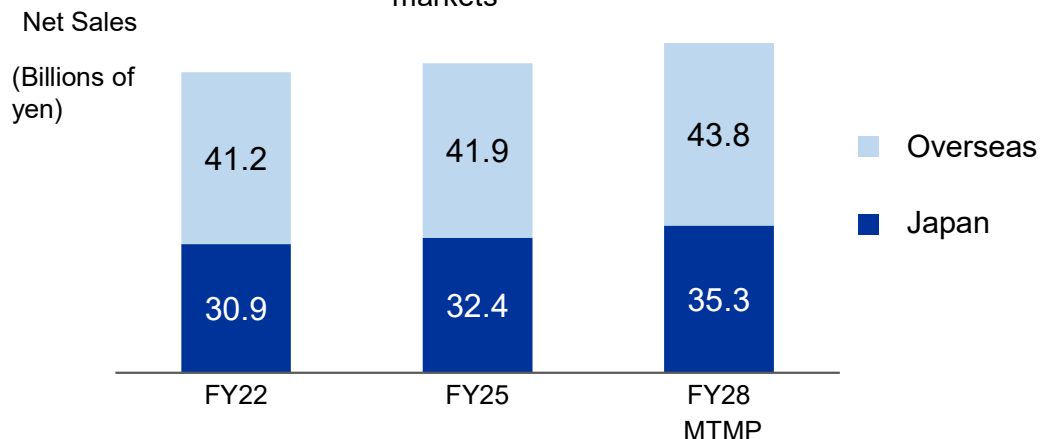
| | Consolidated-basis Change | Foreign Exchange | Diagnostics (Japan) | Diagnostics (overseas) | Pharmaceutical Science and Other | Fixed Costs | Total |
|------------|---------------------------|------------------|---------------------|------------------------|----------------------------------|-------------|-------|
| Difference | 0 | -0.7 | +3.4 | +4.4 | +3.4 | -5.6 | +4.9 |



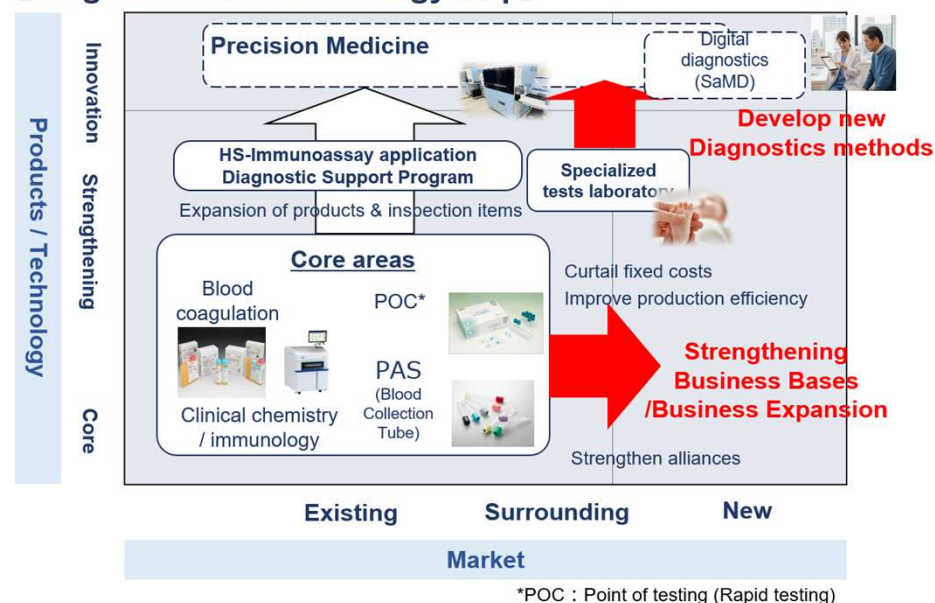
Diagnostics Business

Existing core / enhancement: (Japan) Expand market share in immunology and blood coagulation
 (Overseas) Expand sales by strengthening alliances

Innovation areas: Enter the digital diagnostics and precision medicine markets



[Diagnostics Field: Strategy Map]



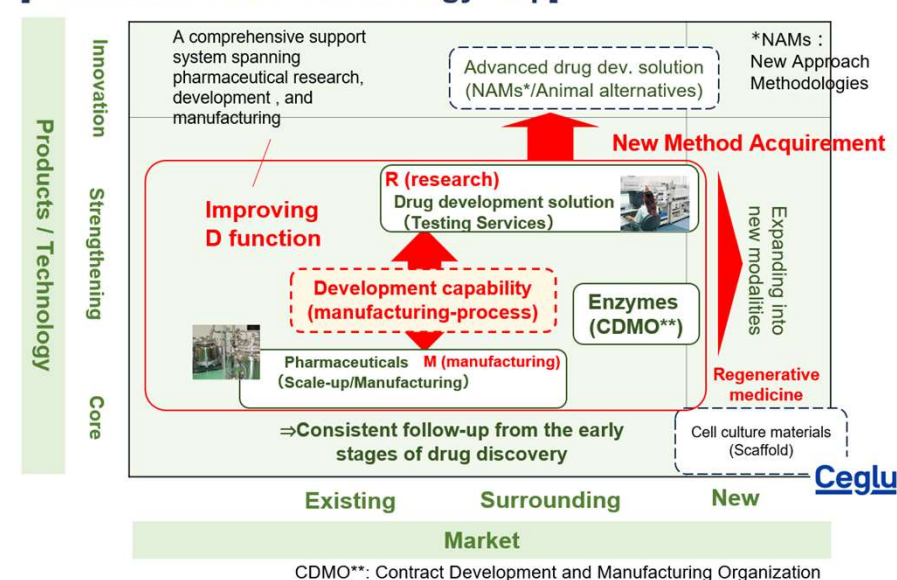
Pharmaceutical Science Business

Existing core / enhancement: Put in place a system to comprehensively support the research, development, and manufacture of pharmaceuticals;
 Improve the ability to secure new contract work

Innovation areas: Expand sales of Ceglu™ brand cell culture materials; develop drug discovery technologies as an alternative to animal testing

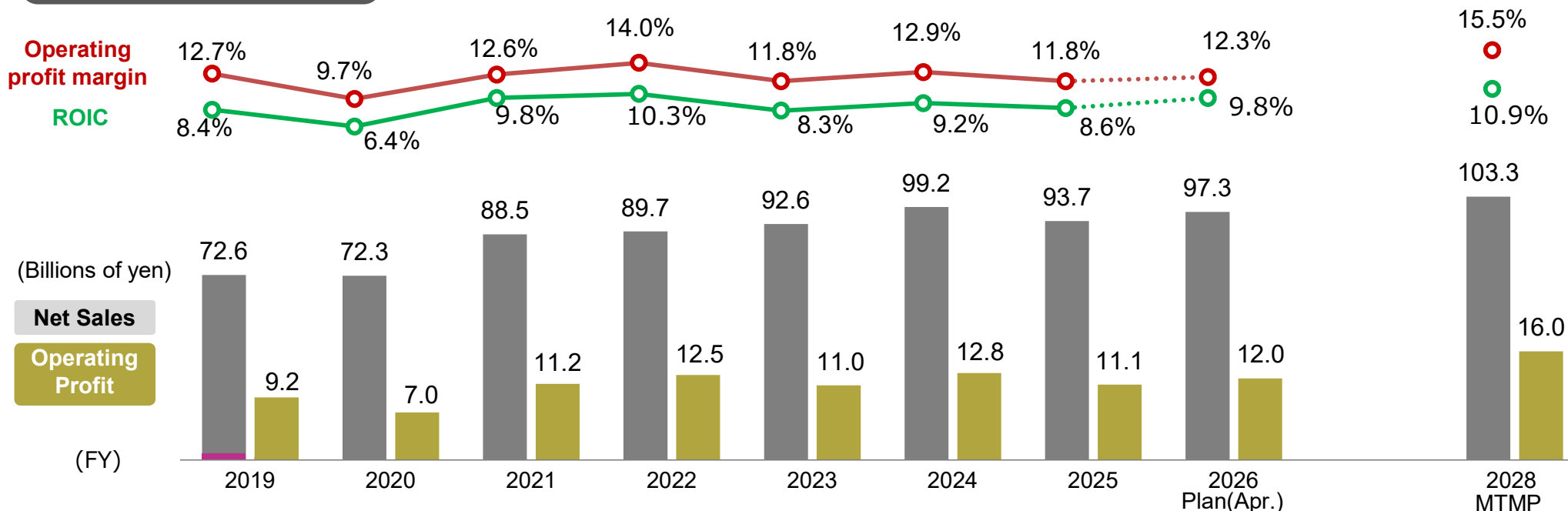


[Pharmaceutical Field Strategy Map]



- Stagnant business growth during the period of the previous Medium-term Management Plan due to the effects of market conditions; steps initiated to implement profitability improvement measures from the 2H of FY25
- Expanding business operations through new products and new contract work in core and enhancement areas; strengthening preparations with an eye toward sustainable growth

Performance Trends



| Forex rate (Avg. rate for each term) | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | | FY2028 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------|--------|
| /US\$ | ¥109 | ¥106 | ¥112 | ¥135 | ¥145 | ¥153 | ¥151 | ¥155 | | ¥145 |
| /€ | ¥121 | ¥124 | ¥130 | ¥141 | ¥157 | ¥164 | ¥175 | ¥183 | | ¥166 |

External environment

Major investments and policies

2020-2022
 Outbreak of COVID-19/ Restrictions on movements in each country

2022-2024
 Widespread implementation of measures to curb healthcare costs in China
 Establishment and expansion of centralized procurement systems

2025
 Consolidation of operation in the U.S. and China

2027-
 Start of operations at a GMP-compliant enzyme U.K. factory

Feb. 2026
 Deterioration of conditions in the Middle East

Jan. 2025
 Change in the U.S. administration
 Cuts in Medicare / Medicaid

2022
 Transfer of XenoTech, LLC shares

Mar. 2023
 Operations at a new pharmaceuticals facility at Iwate
 Factory commence

This slide presentation contains forward-looking statements. These statements are based on current expectations and beliefs. However, actual results may differ from those expressed or implied due to a number of factors and uncertainties such as changes in the global economy and our business, competition in the market, and regulatory issues.

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