

President's Small Meeting for Sell-side Analysts

* HPP Company: High Performance Plastics Company

* UIEP Company: Urban Infrastructure & Environmental Products Company

■ Purpose

SEKISUI CHEMICAL Group announced details of its Long-term Vision, Vision 2030, in May 2020. The Company also launched its Medium-term Management Plan, an important third step toward realizing this Long-term Vision on May 21, 2026. This meeting was held to provide sell-side analysts with the opportunity to gain a broader and deeper understanding of the Company's management and business, including the direction of the Medium-term Management Plan and the president's thoughts.

■ Date and Location

Date: June 24, 2026 (Wednesday)

Location: Tokyo Headquarters, SEKISUI CHEMICAL CO., LTD.

■ Q&A Summary

Overall Direction of "Accelerate 2028"

Q: This is the Company's first Medium-term Management Plan since you took office as President and CEO. Are there any points that you would like to change?

A: (Shimizu) Efforts were directed toward capital expenditures aimed at expanding production, mainly in the HPP Company, and laying the groundwork for new businesses, including perovskite solar cells, under the previous Medium-term Management Plan. By segment, the HPP Company's Electronics and Mobility fields have helped drive Group-wide growth. In the UIEP Company, we have lifted the operating profit margin to close to 10% by revising product prices. Going forward, we will work diligently to expand volumes. While the Housing Company, we successfully improved new construction profitability one year in advance. Looking ahead, we will focus on expanding our share in the new construction market. Turning to the Medical Business, we continue to face difficulties and are currently implementing structural reforms under the leadership of the new president. As far as perovskite solar cell businesses are concerned, we are making steady progress toward the startup of a 100 MW production line. In pulling out all the stops, we are promoting a host of measures. Meanwhile, in its biorefinery endeavors, the Group's costs did not align with market expectations toward second-generation alcohol prices. Contingent on the alignment of costs, we have reverted to a development phase and will re-challenging should the opportunity arise in the future. Regarding M&As, while allocating a budget of ¥300 billion, we have only used around ¥40 billion. Rather than employ the budget for its own sake, I believe this was the correct decision from a

business perspective. Moving forward, our M&A endeavors will focus on opportunities that offer business and technological synergies and are closely aligned to our current business fields. We are setting aside a budget of ¥300 billion and continuing to evaluate opportunities and make appropriate decisions on a case-by-case basis. We have positioned the current Medium-term Management Plan as a stage for generating results and accelerating growth. Also, we are confident in achieving our operating profit target of ¥150 billion. Toward the realization of our Long-term Vision targets for FY2030—net sales of ¥2 trillion and an operating profit margin of 10% or higher—we will continue to “accelerate” our initiatives.

About Perovskite Solar Cells

Q: Turning to the perovskite solar cell business, could you explain the rationale behind the revision of the net sales target? With Chinese technology gaining traction, how confident are you that you can truly maintain competitiveness through technological innovation?

A: (Shimizu) The revision of the sales target to ¥100 billion was not due to a change in the assumed sales volume. Rather, it reflects a recalibration of the assumed selling price to a level comparable with that of silicon solar cells. Our profit target remains unchanged. We are looking to improve quality and cost competitiveness through technological innovation as well as profit margins. Our target markets include building facades and gymnasium roofs where silicon cannot be used. Having said this, and with an eye to the future, we questioned whether it was prudent to compete against silicon without a competitive advantage. This led us to the decision to lower our net sales target. By focusing on applications that do not directly compete with silicon-based solar cells, there is potential to achieve higher profit margins.

Q: Is ¥5 billion sufficient for investment in technology innovation?

A: (Shimizu) At this point, we believe an investment of around ¥5 billion is applicable.

Q: Can you provide a breakdown for the 100 MW ¥90 billion production line?

A: (Shimizu) ¥45 billion of the ¥90 billion is in government subsidies. Half of the ¥90 billion is earmarked for land and buildings.

(Nishimoto) The rest is for equipment, utilities, and facilities. From a production facility perspective, we are looking at around one-third of the total.

Q: Can you provide a breakdown for the perovskite solar cell 1 GW capital expenditure ¥220 billion production line?

A: (Shimizu) The ¥220 billion is in fact a part of the original ¥315 billion assigned to the 1 GW line. Half of this amount is in the form of government subsidies. The required amount is expected to decline through the production innovation I mentioned earlier.

About Capital Expenditure and M&As

Q: What is the Company's investment profitability criteria?

A: (Shimizu) We have established investment criteria for both return-type investments and rationalization-type investments.

Q: Can you provide a breakdown of the ¥700 billion investment plan identified under the new Medium-term Management Plan, and are the major investments for the current fiscal year?

A: (Shimizu) ¥300 billion of the ¥700 billion will be allocated to M&As. ¥100 billion of ¥400 billion capital investment is for our perovskite solar cell operations. This represents the residual capital expenditure required to reach 1 GW of production. Remaining ¥300 billion, ¥150 billion each is earmarked to strategic as well as normal investments. By divisional company, the HPP Company will be roughly ¥150 billion, with the remaining ¥150 billion splits between other divisional companies and headquarters. The major portion is yet to be determined.

(Nishida) Typically, we invest just under ¥100 billion each year. Other than perovskite solar cells, it is safe to assume that capital expenditures will increase only slightly.

Q: Which of the Company's past M&As are currently generating synergies?

A: (Shimizu) Our most successful M&A entailed the polyvinyl alcohol (PVA) business of Celanese Corporation. PVA remains a raw material used in intermediate films today. In the case of Polymatech, the clear objective was to acquire expertise in the heat release material business and technology. At present, we are capturing a solid demand for semiconductor application. Our goal in acquiring AIM Aerospace is to address our reliance on the automotive sector within the Mobility field. Taking into consideration the risks associated with the automotive industry, we plan to diversify our activities and add new pillars of business. Despite the temporary difficulties experienced due to the pandemic, this business (currently SEKISUI AEROSPACE CORPORATION) has become a robust entity. Looking ahead, we will continue to expand our endeavors and nurture SEKISUI AEROSPACE CORPORATION into a core business pillar.

Q: What was the objective of the M&A in the wooden-frame housing field?

A: (Shimizu) Against the backdrop of a shrinking housing market, an even more serious issue is the shortage of carpenters as well as the dearth of successors to run small- and medium-sized construction companies going forward. Exacerbating this bleak picture are the increasingly stringent ZEH regulations imposed by Japan's Ministry of Land, Infrastructure, Transport and Tourism and the subsequent difficulties faced by companies when attempting to comply. Requiring around half the number of skilled workers compared with traditional construction methods, the inherent strength of our plant production initiative provides a competitive edge when combating this harsh environment. Given our ZEH expertise, we also believe this is an area in which we can secure so-called "survivor profits." Under these circumstances, we consider initiating M&As with promising small- and medium-sized construction companies while increasing both the number of houses sold as well as market share. Building on the success of our acquisitions of

Architect-Planning Co., Ltd. and Creast Co., Ltd. in Hokkaido, we acquired 100% of the shares of Noble Home, a custom wooden-frame housing company, to accelerate business expansion in the Northern Kanto area. Through this acquisition, we aim to leverage Noble Home's marketing capabilities and expand the wooden-frame housing to land that is unsuitable for HEIM unit housing. In addition, our goals include harnessing Noble Home's construction capabilities to address the lack of construction capacity. Going forward, we will continue to acquire construction companies while narrowing the areas in which to operate. Together with our steel-framed housing, we are looking at 11,000 units, a level comparable to 2020.

About Portfolio Management

Q: How do you evaluate the effectiveness of the current conglomerate management approach at present?

A: (Shimizu) If our business revolved solely around semiconductors, I believe our stock price would be increasing by now. However, relying solely to semiconductors exposes use to inevitable cyclical fluctuations with the equally inevitable downturn. We experienced a significant downturn in earnings when the Company previously became overly reliant on LCD products. Through that experience, we came to fully recognize the importance of management stability. We believe that operating multiple businesses helps diversify risk, strengthens resilience against market fluctuations. I felt then that for LCDs as an example, we should move into semiconductors in similar fashion to electronics or strengthen efforts in areas peripheral to our core business. While the Housing may seem less closely related to businesses such as HPPs, it has delivered stable performance and continues to generate a sufficient ROIC spread. As such, we believe it plays a key role in supporting the Group's overall earnings stability. From both a stability perspective and a ROIC spread perspective, we intend to continue driving the business forward with discipline and focus. It is essential to steadily grow each of our businesses. Indeed, the Company is difficult to grasp. Nevertheless, we recognize the critical need to engage in meticulous investor relations.

(Nishida) I firmly believe that contributions from the Housing Company allow us to maintain a stable balance sheet even when undertaking a certain level of proactive investment as outlined under the current Medium-term Management Plan.

Q: While acknowledging that conglomerates have their merits such as the ability to mitigate fluctuations in performance, help provide a technology platform, and sales capabilities, they can negatively impact the provision of hinder operations, including the fair evaluation of disparate business units, and impede such management endeavors as the effective allocation of management resources. Do you believe the merits outweigh these negative impacts?

A: Concerning merits, perovskite solar cells come to mind. In addition to the basic HPP technologies, such as Roll-to-Roll and Sealing, employed, installation is undertaken using a combination of techniques, including UIEP technologies. Looking ahead, there is also potential to expand using to the roofs of detached housing. I am convinced that this is an initiative that only the Company could undertake. From

an internal perspective, the Company's divisional company structure enables us to more easily coordinate on a horizontal basis relative to a holding company structure. The benefits are far greater than expected and indicative of a divisional company structure. Working toward optimizing the Group's operations, we were successful in comprehensively reorganizing our business portfolio in 2022. I believe the negative impacts are limited. We will endeavor to clearly communicate these benefits through investor relations activities and other means.

Q: How will you introduce mechanisms that will allow you to identifying underperforming businesses and making exit decisions?

A: While no clear exit criteria have been set elsewhere, we will consider withdrawing from a project when unable to secure an ROIC spread, or when the operating profit margin fails to certain standards, or when we are unable to foresee growth potential going forward.

About DX

Q: I believe that DX and AI are seen as tools to significantly reduce internal control as well as communication costs across various departments. How will your DX and AI strategies reduce Group-wide horizontal management costs and generate synergies?

A: (Shimizu) Reasonable progress has been made in streamlining individual operations using DX and AI. In addition, we have implemented ERP with signs that the governance of accounting fraud is taking effect. Having said this, contributions to our business using regenerative AI remain insufficient from a Group-wide business perspective. In response, we have launched a project and will place particular emphasis on this going forward. One area in which a modicum of progress has been made is materials informatics (MI). While use is becoming increasingly effective, most notably in increasing the pace of development, there is still a long way to go. As such we will consider further during the period of the current Medium-term Management Plan.

About Business Operations

Q: What is your winning formula? What strategies that allow you to robustly generate profits can be viewed with confidence?

A: (Shimizu) Our winning formula rests on a technology platform that employs the inherent strength of 27 technologies and development new products to win niche market. Moreover, we are securing high levels of profit and moving one step ahead of the pack by differentiating ourselves through the use of innovative technologies. Dating back 79 years, for example, our butyral resin technology traces its history to Chisso Corporation. The same can be said of PVA. Refining our butyral resin technology led to the introduction of intermediate films. Binder resins for MLCCs, for which we hold large share of the global market is the product of efforts to increase the purity of resin and market it in powder form. With respect to the Ceglu brand of cell culture scaffolds, we will also provide a variety of products to the market drawing on our butyral resin technology and one other core technology strength. In addition, the interlayer film has built a strong competitive position by focusing on niche markets and continuously bringing highly competitive

products to market ahead of its peers. These include the world's leading HUD interlayer films by market share, as well as more recently developed high-performance sound insulation films.