SEKISUI CHEMICAL CO., LTD.

Sustainability Meeting

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Responsible for ESG Management,
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Long-term Vision, Vision 2030

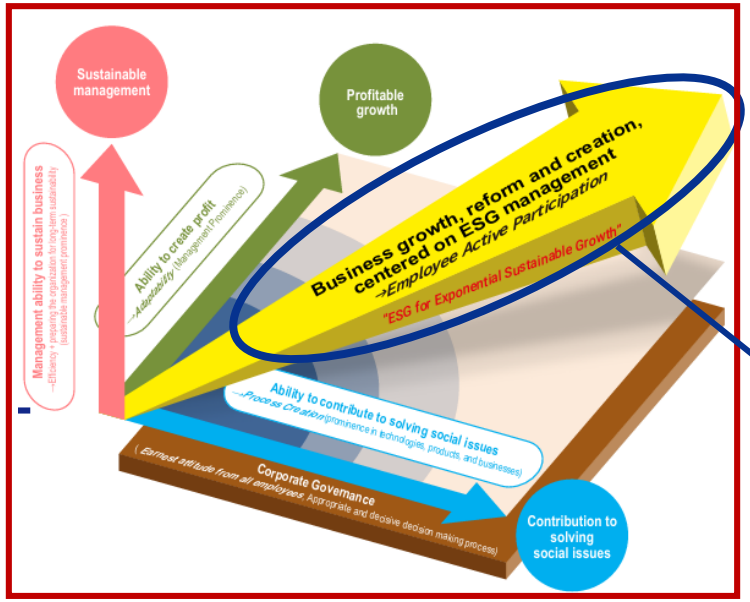
Innovation for the Earth

To realize a sustainable society, we support the basis of LIFE

and will continue to create “peace of mind for generations to come.”

What Sustainability means to us?

Ensure an optimal balance between the pursuit of profitability and environmental as well as social impact by developing and expanding Products to Enhance Sustainability and in particular Premium Framework certified products



Diagonal axis KPI

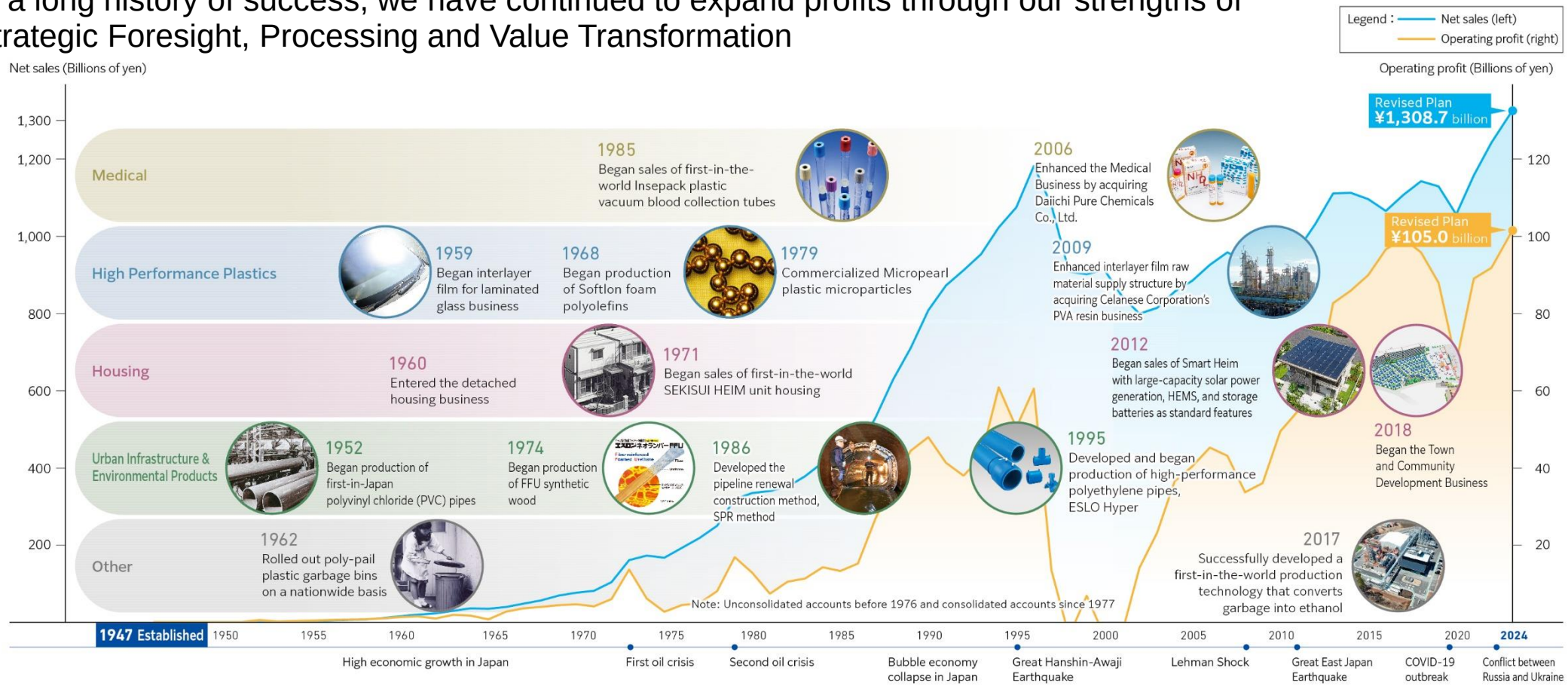
Products to Enhance Sustainability

Agenda

1. SEKISUI CHEMICAL Group Accomplishments
2. Long-term vision, Vision 2030
3. Value
    (i)：Products to Enhance Sustainability
    (ii)：Business Model
    (iii)：The source for creating Products to Enhance Sustainability
4. Financial and Non-financial Performance Indicators
5. Evaluation of the Degree of Corporate Value Creation Achievement / Materiality
6. Corporate Governance
7. Summary

1. SEKISUI CHEMICAL Group Accomplishments

- SEKISUI CHEMICAL has dared to challenge new businesses and frontiers focusing mainly on plastics-related technologies and products since its foundation in 1947
- In a long history of success, we have continued to expand profits through our strengths of Strategic Foresight, Processing and Value Transformation



1947-: Foundation	1966-: Development	1980-: Growth	1999-: Resurgence	2008-: Transformation
Established Process Creation Business as Pioneers in Plastics	Improved Management Framework and Developed Next-generation Businesses	Launched High-performance Products and Expanded the Housing Business	Adopted a Three Company System and Initiated CSR Management	Proactively Pursuing Strategic Investment and Evolving from CSR to ESG Management

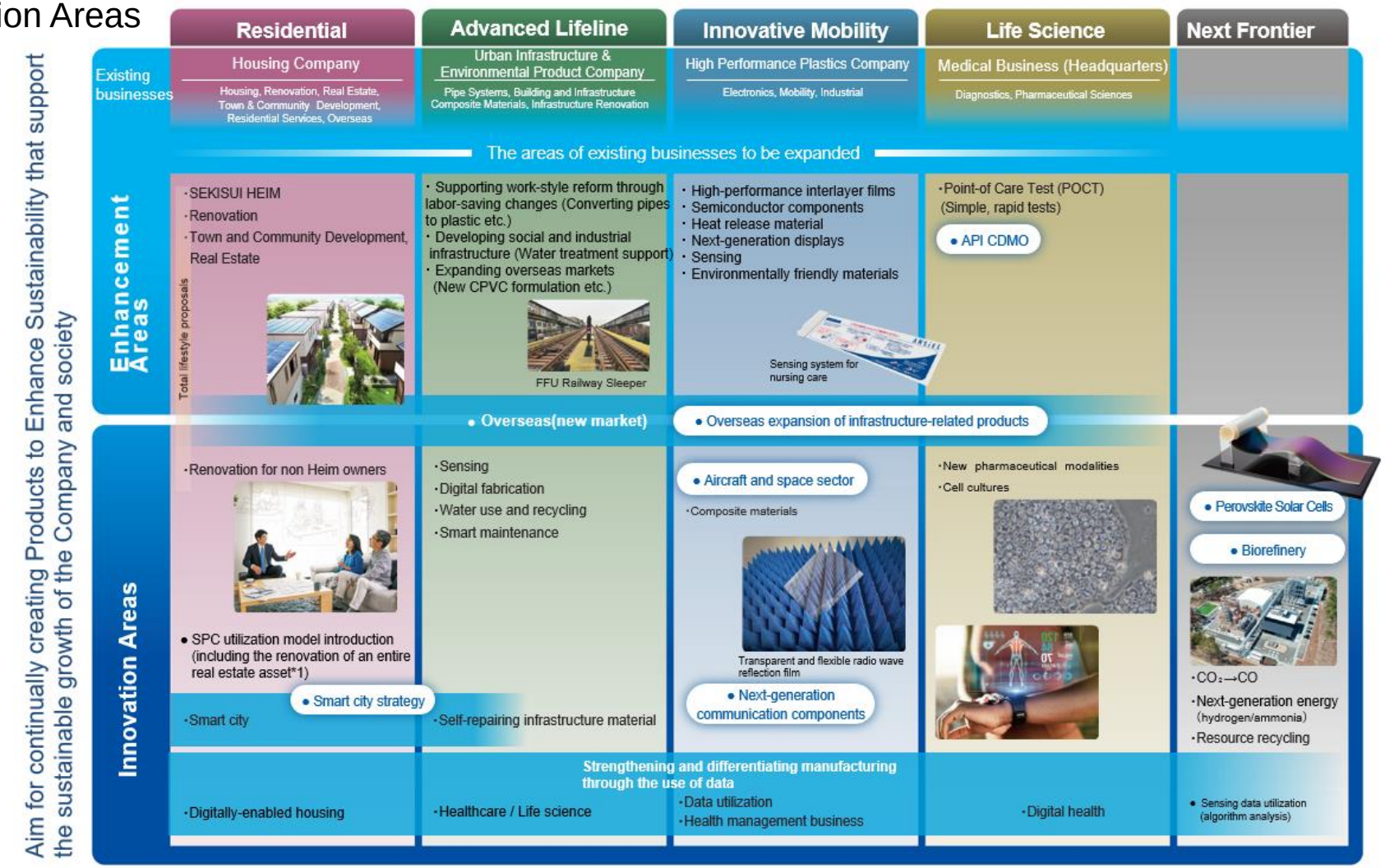
1. Vision 2030: Social Issues

- Backcasting from its view of a sustainable society, Vision 2030 outlines the Group's thoughts on the ideal future by forecasting from its technology platforms(TPFs), which serve as the source of its ability to stimulate innovation, as well as its existing businesses in four key domains
- Envisioning megatrends that will impact society in the future, we have identified and will contribute to the resolution of four key issues by leveraging our current business domains and strengths (strategic foresight・processing・value transformation)

Social Issues	Domain			
	Residential	Advanced Lifeline	Innovative Mobility	Life Science
Zero carbon and a recycling society are achieved				
Healthy lives are ensured and social services are improved				
Access to safe water and sustainable energy are ensured				
Sustainable infrastructure, Town and Community Development, residential environments and communication environments are provided				

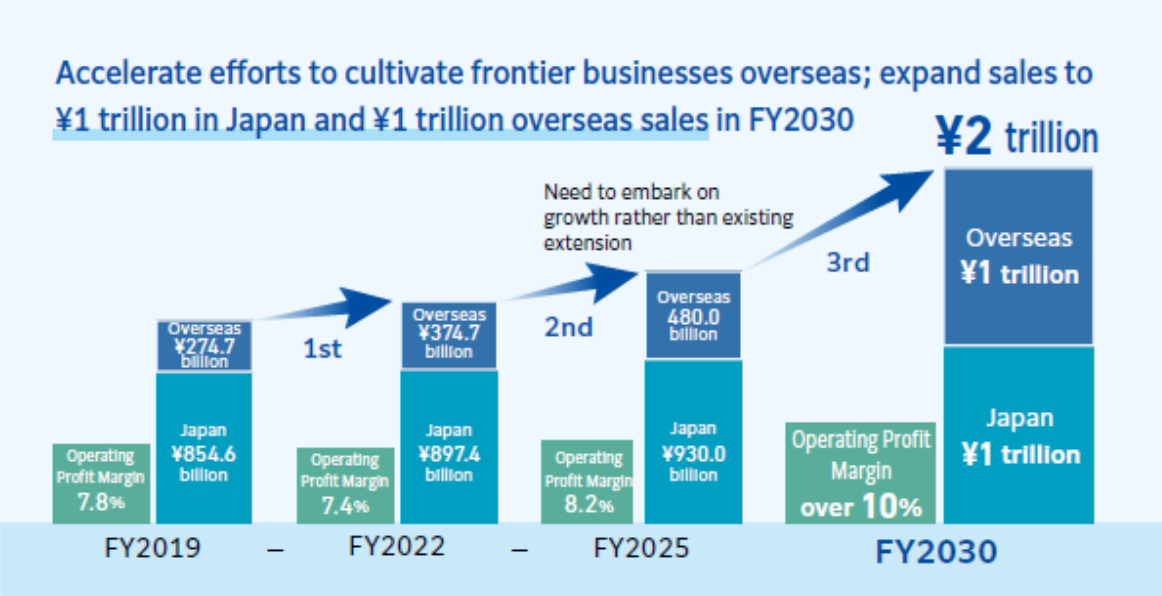
2. Vision 2030: Strategic Area Map

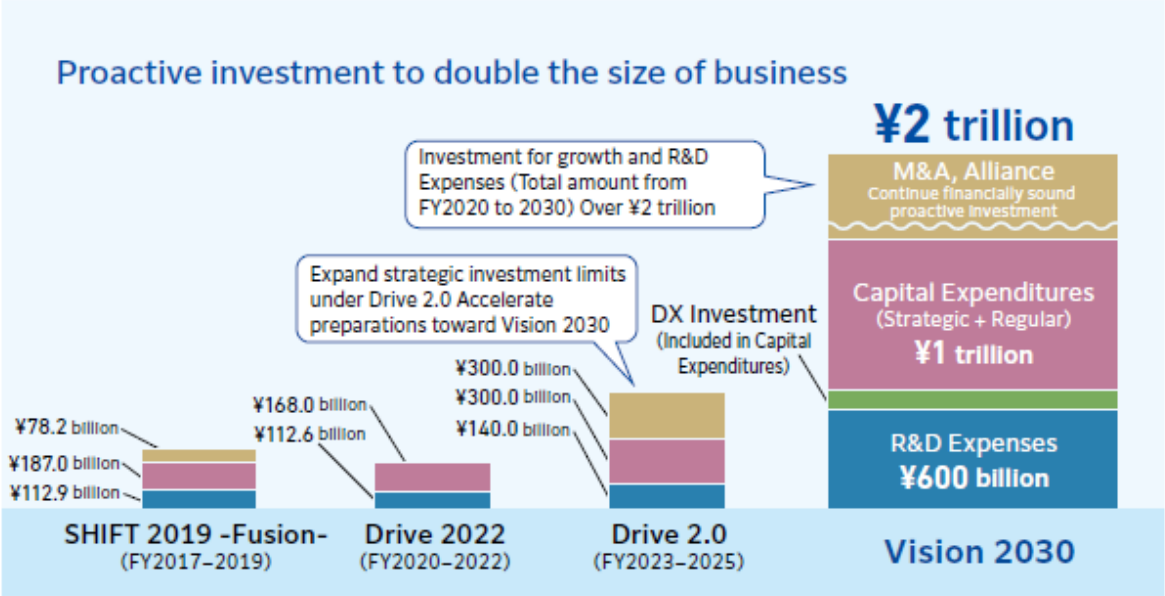
- We have drawn up a strategic area map to act as a compass for business strategies so we can realize our long-term vision, Vision 2030.
- We will allocate capital focusing mainly on Enhancement Areas that extend from the Group's existing businesses as well as Innovation Areas



2. Vision 2030: Growth Image and Strategic Investment

- By taking up the challenge of pursuing innovation as an extension of core technologies in each domain, the Group will create new businesses and the next frontier for the new business domains in anticipation of major paradigm shifts.
- When executing new investments including capital expenditures aimed at growth, the Group considers financial soundness and steps to increase the probability of return in anticipation of making investments exceeding ¥2 trillion in total value over the 10 years through 2030



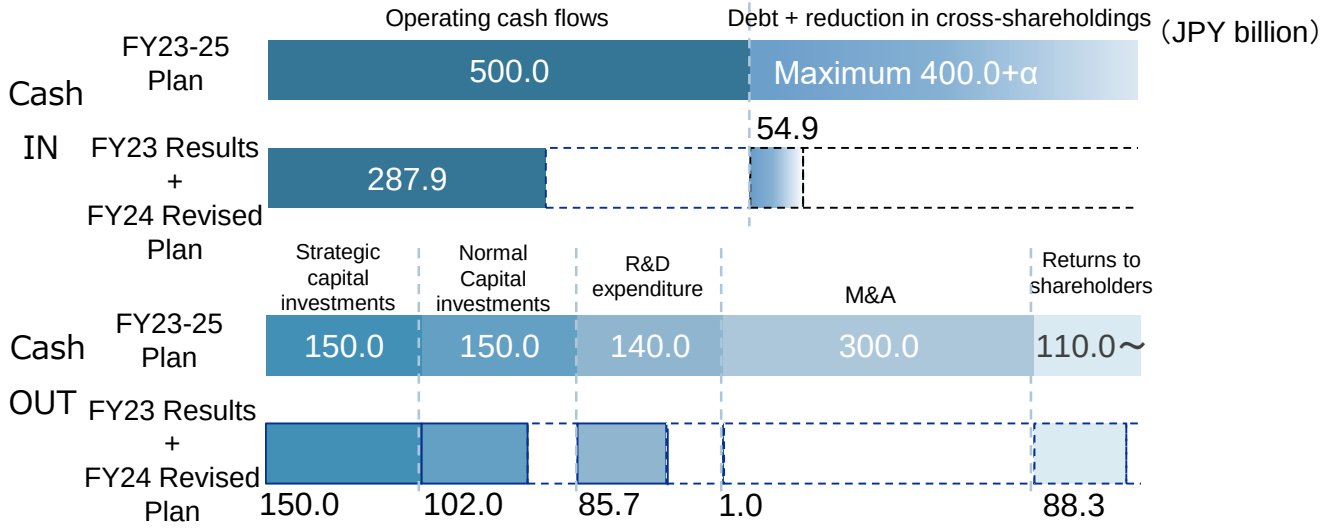


(Reference) Status of the Strategic Investment Framework under MTP Drive 2.0 (FY2023-2025)

- Although progress stalled in FY2023 due to the sluggish market, increase in growth investment projects from FY2024; strategic capital investments are expected to exceed limits over the period of the Medium-term Management Plan

Investment Plan and Progress

(JPY billion)	FY23-25 Plan	FY23 Results	FY24 Revised Plan*
Strategic investments	Limit 450.0	22.0	129.0
M&A, etc.	Limit 300.0	1.0	0
Capital expenditures	150.0	21.0	129.0
ESG investment (included within strategic and normal investments)	30.0	13.0	16.0
Normal investments	150.0	44.0	58.0
Total	600.0	66.0	187.0
研究開発費	140.0	41.7	44.0



* Perovskite solar cell contribution added to revised plan data as of October.

Investment Examples (Determined)

Strategic investments (JPY billion)

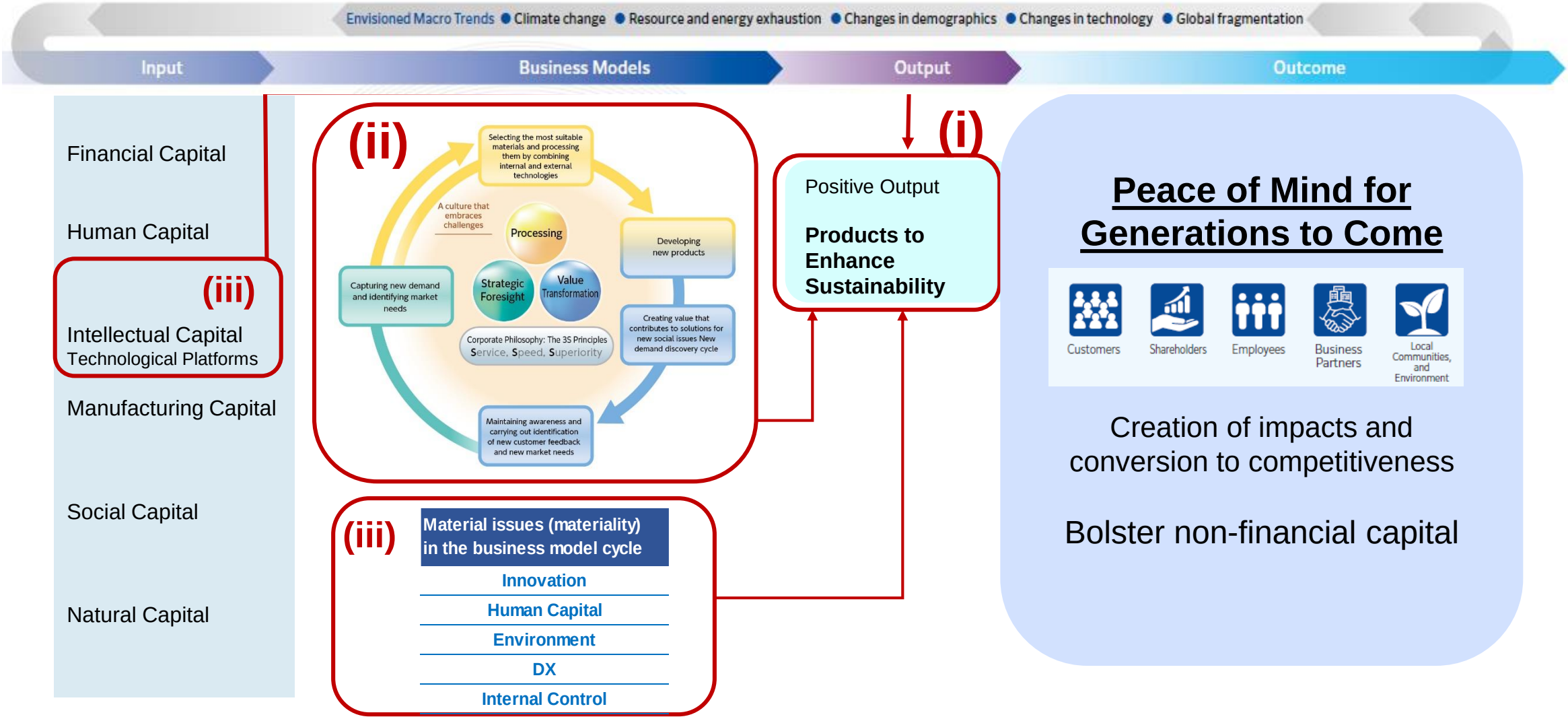
Themes	Investments Approx.	Operation timing	Remarks
Perovskite Solar Cells	90.0	FY27	Including subsidy 100MW-level production capacity
Expansion of Domestic Production Capacity of Process Materials for Advanced Semiconductor Manufacturing	5.0	FY27 1H	Taiwanese semiconductor R&D site; Operation timing scheduled for April 2025
Increasing Production Capacity of Interlayer Film for Laminated Glass (N-HPP)	8.0	FY26 2H	Equivalent to a capacity increase of approx. 7 million autos/year
Increasing Production Capacity of Conductive Fine Particles	2.0	FY28 1H	-

ESG investments (JPY billion)

Materiality	Themes	Investments Approx.	Remarks
DX	Implementation of SAP	20.0	Included within strategic and normal investments
Environment	Solar panel installation, etc.	2.0	
Internal Control	Safety (earthquake-resistant initiatives, etc.)	13.0	
Human Capital	Employee career advancement, etc.	12.0	—

3. Value Creation Process

- By effectively utilizing the six forms of capital and implementing our business models, we will create Products to Enhance Sustainability; converting the environmental and social impacts of these products into competitiveness and in turn financial capital, we will also increase our non-financial capital in a bid to secure sustainable circulation

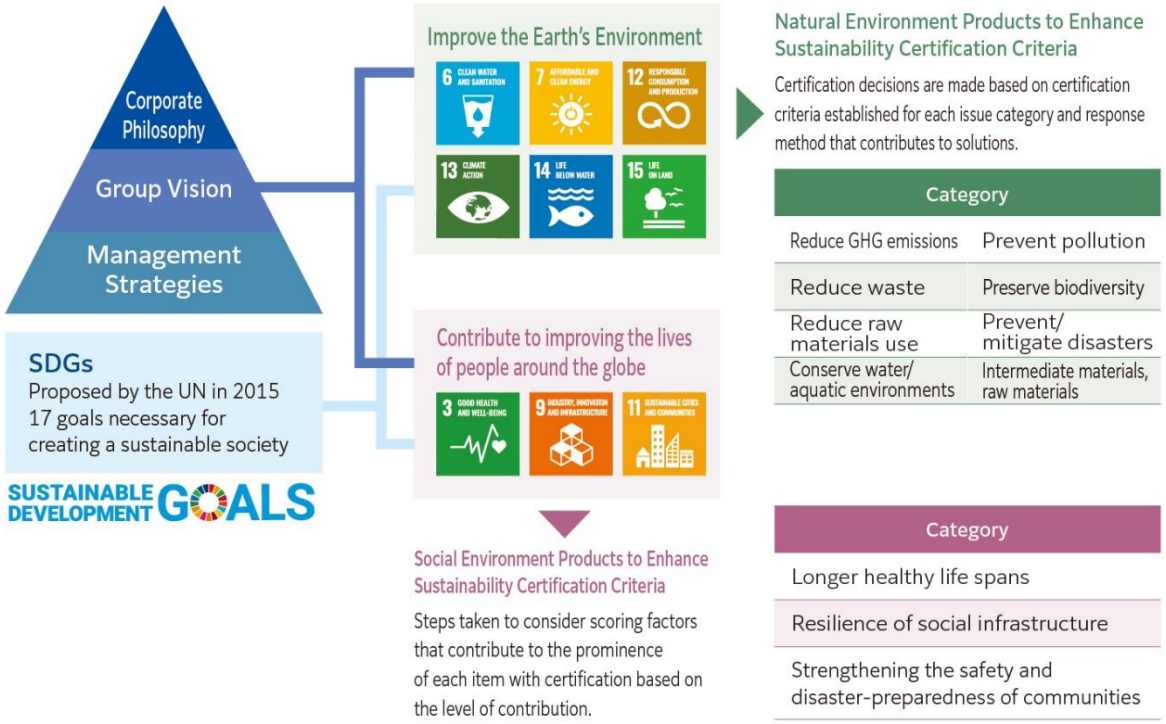


3. (i) Output : Products to Enhance Sustainability

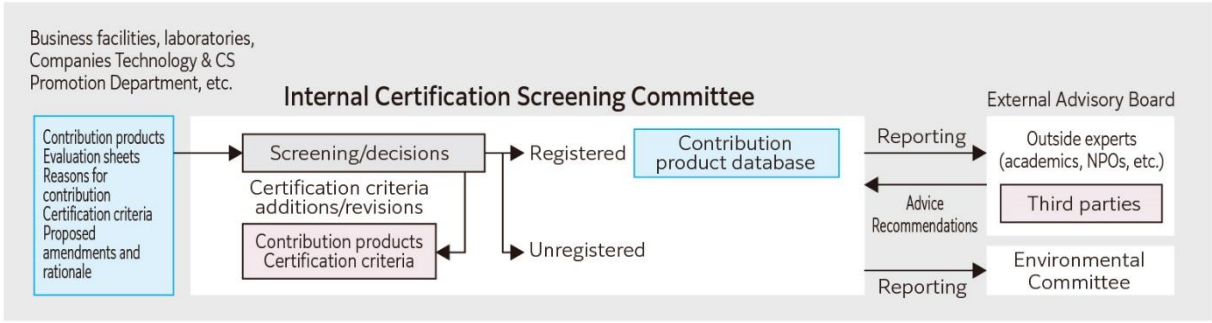
- They are products that make a significant contribution to solving social issues in the natural and social environments. We accept the opinions and advice of outside advisors with various backgrounds in industry, government, and academia regarding these criteria, approaches, and the validity of results to ensure high standards and transparency.

Definition and Certification Method of Products to Enhance Sustainability

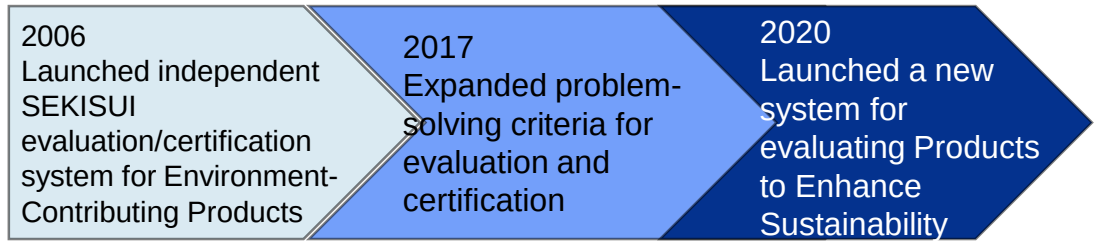
Definition



Certification Method



Transition of product evaluation systems



Registration of products that help solving environmental issues

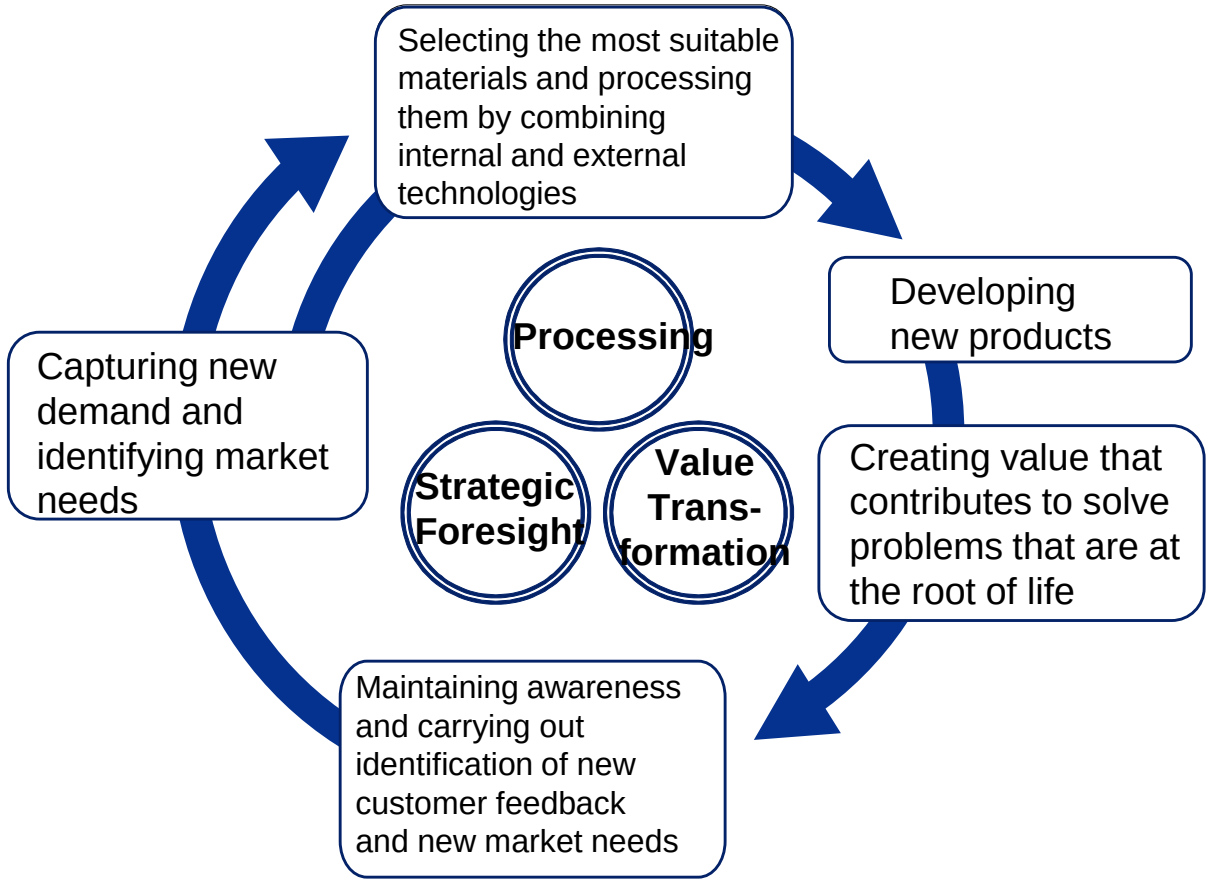
Expanded criteria to include products that help solve problems in both the natural and social environments.

Established the Premium Framework

3. (ii) Business Model for Creating Products to Enhance Sustainability

- We are committed to creating Products to Enhance Sustainability that contribute to the resolution of environmental and social issues based on our business model that focuses on our three strengths of strategic foresight, processing, and value transformation; since it has almost no in-house raw materials, SEKISUI CHEMICAL Group is able to select the most suitable materials according to customer requirements

Business model and our strengths



Strategic Foresight
The ability to anticipate market change and society's needs and determine whether the strengths of the Group's core technologies can be leveraged

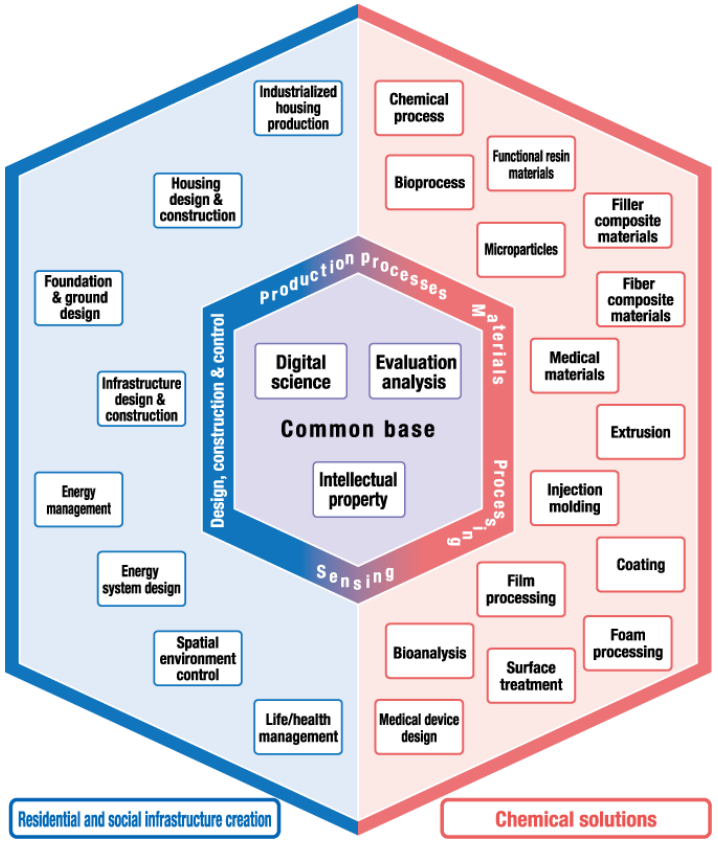
Processing
The ability to combine internal and external technologies to deliver original solutions

Value Transformation
The ability to create new value and transform society through our products and services

3. (iii) The Source for Creating Products to Enhance Sustainability: Intellectual Capital

- We are developing products that anticipate changes in society and demand by combining multiple competitive technology platforms
- We place considerable importance on intellectual property activities as an important management resource that support the Group's growth and profitability; we secure business competitiveness and profitability by acquiring strong patents

Technological Platforms



Products Creation by Combining TPFs

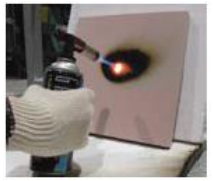
Achieving peace of mind even during disasters without purchasing electricity as far as possible

Energy self-sufficient homes
Smart Power station
FX GREENMODEL

Housing design & construction × Industrialized housing production × Energy management etc.

Preventing the spread of fire during and after construction

Non-combustible certified material, PUXFLAME



Filler composite materials × Infrastructure design & construction etc.

Contributing to higher quality medicine through faster, more accurate testing

LRG blood level test reagent

Bio-analysis × Micro-particles

Contributing to the spread of renewable energy

Perovskite Solar Cells

Functional resin materials × Coating × Film processing

Intellectual Property Performance Data（Japan）

▶Patent Asset Scope Ranking（2023）

Ranking	Company name	Patent asset scope (points)	Number of patents
1	Fujifilm	62,210.0	1,275
2	LG CHEM	20,696.3	539
3	SEKISUI CHEMICAL	20,136.4	495
4	DIC	19,861.6	377
5	Nitto Denko	18,193.6	468
6	Mitsubishi Chemical	17,828.1	573
7	LG ENERGY SOLUTION	17,785.4	571
8	Kao	17,694.7	677
9	Sumitomo Chemical	17,661.4	509
10	Resonac	17,012.4	518

Source: Patent Result Co., Ltd. Chemical Industry: Patent Asset Scope Ranking 2023

▶Ability to Restrain Other Companies Ranking（2023）

Ranking	Company name	Number of patents
1	Fujifilm	3,607
2	Mitsubishi Chemical	1,803
3	Kao	1,464
4	Resonac	1,424
5	SEKISUI CHEMICAL	1,096
6	Asahi Kasei	1,072
7	Nitto Denko	1,058
8	Sumitomo Chemical	873
9	Shin-Etsu Chemical	746
10	DIC	695

Source: Patent Result Co., Ltd. Chemical Industry: Ability to Restrain Other Companies Ranking 2023

3. (iii) The Source for Creating Products to Enhance Sustainability: Human Capital

- Based on our belief that employees are precious assets bestowed on us by society, the Group is committed to developing an environment where employees can work enthusiastically; at the same time, we respect the diversity, personality and individuality of each person, and promote various working styles while creating safe and secure working environments in response to conditions in each country and region

Human Capital Strategies and Initiatives

	Make the most of preparedness to boldly take on challenges	Fully prepare for the realization of management strategies	
Medium-term personnel strategy	Foster a Culture that Embraces Challenges	Realize the right person for the right position	Achieving Diversity
Human Capital Investment	Invest **¥12 billion** over the three-year period from FY2023 to FY2025 in human capital (intangible assets) 1. Invest in employee career advancement 2. Secure human resources for each Group company (labor condition improvements, personnel reinforcements, working environment upgrades)		
Key personnel strategy	ROIC ↑ Create a place to take on challenges Accelerate career realization led by employees Provide opportunities to take on challenges Support employees taking on challenges Implement activities to foster a culture of taking on challenges (creation, innovation, improvement)	ROIC ↑ Foster “ambidextrous” business leaders Select and train executive candidates Secure professional human resources that “stand out Secure and strengthen highly specialized human resources	ROIC ↑ Capital Costs ↓ Promote the active participation of diverse human resources Promote the employment and retention of diverse human resources Promote diversity and support work-life balance Realize an environment that enhances the vitality of individuals and the workplace Create an environment where employees can work with peace of mind

Targeted Human Resources Portfolio

Strengthening our human resource portfolio to continuously create Products to Enhance Sustainability

3 Keywords	KPI	FY23	FY24 Forecasts	FY25 targets	Initiatives
Employee with challenge spirit	Employee Challenge Action Rate	48%	56%	60%	Continue to foster a corporate culture to achieve 80% (2030)
Business leader	Successor candidate preparation rate	92.4%	96.9%	100%	Continue to implement development measures and engage in early selection
Highly specialized human resources (Specialist positions*)	Specialist position sufficiency rate	73%	70%	100%	Strengthen systematic development and appointments; expand areas of activity

∗ Specialist Position

Human resources **with a high level of expertise** in **each of the technologies that serve as the wellspring of our competitiveness** and is **well-received both with in and outside the Company**, who will work to **deepen the skills** and develop future employees; appointments are made based on such attributes as **the level of expertise, contribution to business as well as the ability to drive technical enhancement and communicate externally**

3. (iii) The Source for Creating Products to Enhance Sustainability: Strategic Environmental Initiatives

- Recognizing that climate change issues represent risks and opportunities that have a major impact on business, we raised our 2030 GHG reduction target to match the 1.5° C scenario in March 2023 and received SBT certification
- We promote resource recycling initiatives that help accelerate decarbonization efforts

Efforts to Address Climate Change

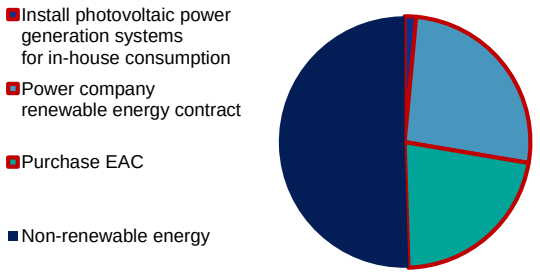
Road Map to Reducing GHG Emissions

ROIC ↑ | Capital Costs ↓

	Indicator	FY23	FY25 Plan	FY30 Plan	FY50 Plan
GHG Reduction	GHG Emissions from business activities	▲32.8% (vs FY19)	▲33% (vs FY19)	▲50% (vs FY19)	Zero emissions
	Renewable energy ratio of purchased electricity	49.5%	70%	100%	Total power consumption including co-generation 100%
	Fuel-source GHG emission reduction rate	▲15.9% (vs FY19)	▲12% (vs FY19)	▲11% (vs FY19)	Zero emissions
	GHG Emissions from the supply chain	▲8.8% (vs FY19)	-	▲30% (vs FY19)	-

Initiatives Aimed at Switching Electricity Purchased to Renewable Energy

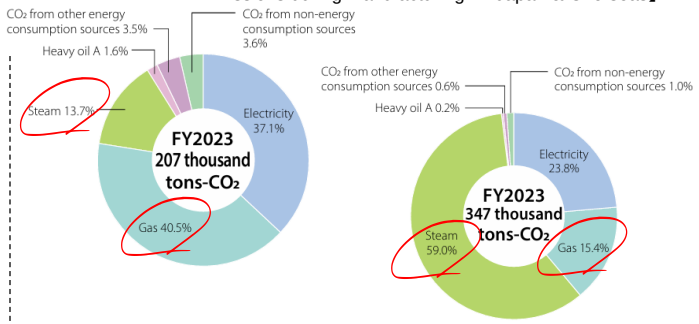
(By renewal energy introduction method: FY23)



- Installed solar power generation facilities at 20 domestic and overseas business sites by FY2023; consider expanding the number of eligible installation sites going forward while evaluating the use of perovskite solar cells, currently under development
- Also continue to consider PPA use as part of the renewable energy menu

Fuel-source GHG Reduction Initiatives

【Breakdown of Greenhouse Gas (GHG) Emissions during Manufacturing Japan & Overseas】



- Reduced steam consumption through production innovation
  Reviewed and improved the distillation process
- Took into consideration the use of next -generation low-carbon fuels (hydrogen)
  Pushed forward feasibility studies on the conversion of LNG boilers to hydrogen -fired/single fuel firing boilers

Initiatives for Resource Recycling

Road Map for Achievement of Long-Term Resource Recycling Targets

ROIC ↑ | Capital Costs ↓

		FY23	- FY25	- FY30
Business Strategy	Net sales of Products to Enhance Sustainability that contribute to resource circulation*	1.8 times (¥99.0 billion)	1.7 times (¥94.0 billion)	Double or more (¥110.6 billion)
Raw material resource conversion	Net sales of products not derived from fossil fuels and using recycled materials	¥34.7 billion	¥40.0 billion	¥100.0 billion
Resource recycling of waste	Ratios for recycling waste plastic into new materials	60.7% (Japan)	65% (Japan)	100%

* Benchmark for net sales of Products to Enhance Sustainability that contribute to resource circulation: ¥55.3 billion (FY2020)

Plan for Recycling Waste Plastic into New Materials

Phase	Initiatives Implemented	FY23	FY24	FY25	FY28	FY30
[Phase1] Use of existing technologies	● Review of recycler suitability				Continued expansion of content	
	● Thorough separation of blended materials					
	● Improved (1) storage and (2) transportation efficiency due to compression/grinding					
[Phase2] Introduction of new material recycling technologies	Development of new material recycling technologies 1. Identification and application of technologies according to difficult-to-recycle material targets 2. Establishment of operating methods			Establishment of material recycling methods for composite materials and other difficult-to-recycle materials		
[Phase3] Completion utilizing chemical recycling technologies	Use of Biorefinery (BR) and other chemical recycling technologies Acceleration through collaboration with other companies				Enable recycling up to miscellaneous and other waste	

●:Increase in the material recycling rate to start taking expect (expected)

3. (iii) The Source for Creating Products to Enhance Sustainability : DX

Digital Transformation (DX) mission is to accelerate and support growth business strategies and structural reforms for the realization of its Long-term Vision

DX-related Strategies and Measures (Positioning under the Long-term Vision)

FY20 - 22
Introduction
Preparation for long-term growth
Strengthening of governance
Divisional Company DX start-up to acceleration

FY23 - 25
Deployment and Effect Creation
Renewal of global management infrastructure
Full-scale reaping of DX effects
Securing of human resources to create effects

- FY30
Establishment and Operation
Data-driven management
Maximizing the effect of global DX
Proactive company-wide control
Amplification of effects through structural reforms

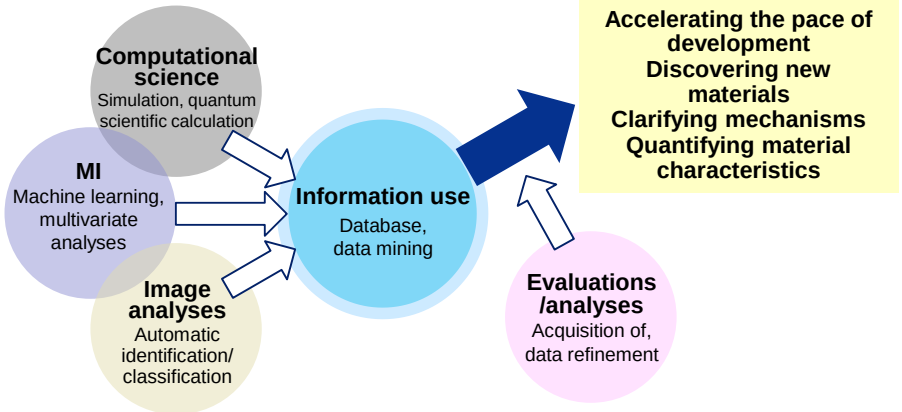
Capital costs ↓	Capital costs↓	ROIC ↑
Visualization and standardization	Sophistication	Productivity increase
・Operation and deployment of global ERP*1, Reform of global indirect purchasing	・Further strengthening of cybersecurity, especially overseas	・MI by material data integration (data-driven developments) ・Increased efficiency of sales and marketing duties

*1 ERP:Enterprise Resources Planning, A system that merges and centrally controls core operations, such as corporate accounting, human resources, manufacturing operations, and sales operations.

Main Themes	Goals	Remarks
Innovation of global management infrastructure	・Improve governance, minimize risk, and improve the productivity of indirect operations by standardizing and visualizing operations in the core system (global ERP)	The amount of investment is expected to **exceed ¥20 billion** during the period of the current Medium-term Management Plan
Foundation building for data-driven materials development on the back of MI evolution	・Advanced material development by searching optimal conditions for material properties ・Automation of materials development knowledge organization using AI and the construction of a knowledge base ・Promoting DX with respect to material experimentation operations through the construction of an experimental digital twin*1 and the automation of experimental data collection	Cooperation with Hitachi, Ltd.
Evolution and streamlining of sales and marketing operations	・Thoroughly improve efficiency and productivity through standardization and automation of operations ・Improve top line by utilizing sales data	-

*1 Digital twin: To reproduce in cyberspace the experimental workflows undertaken at the materials development frontline, and to connect experimental data (including materials, methods, equipment, and workers) for each process

Examples of MI Promotion and Initiatives



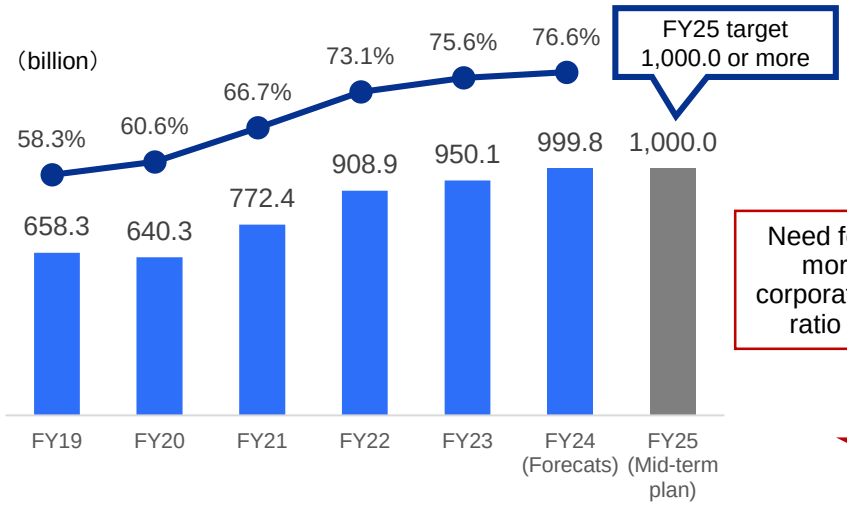
Examples of Development Acceleration	Before MI Application	MI Application Details	Results
Film product formulation study	With the number of material and process combinations exceeding 300,000, more than five months is required to design a formula	Apply machine learning to the design of formulas; simultaneous prediction of 13 types of physical properties	Four hours to the design of formulas **900 times the speed** (Five months ⇒ Four hours)
Electronic material tape adhesive development	Chemical synthesis ⇒ property prediction ⇒ repeated sorting Approximately one month required to search for new adhesive ingredients	Apply machine learning to the design of formulas; prediction of physical properties directly from chemical structures	16 hours required to identify new ingredients **45 times the speed** (One month ⇒ 16 hours)

4. Financial Performance Indicators : Products to Enhance Sustainability Premium Framework

SEKISUI

Strategic framework that combines social issue resolution and profitability; products that drive earnings in each Divisional Company

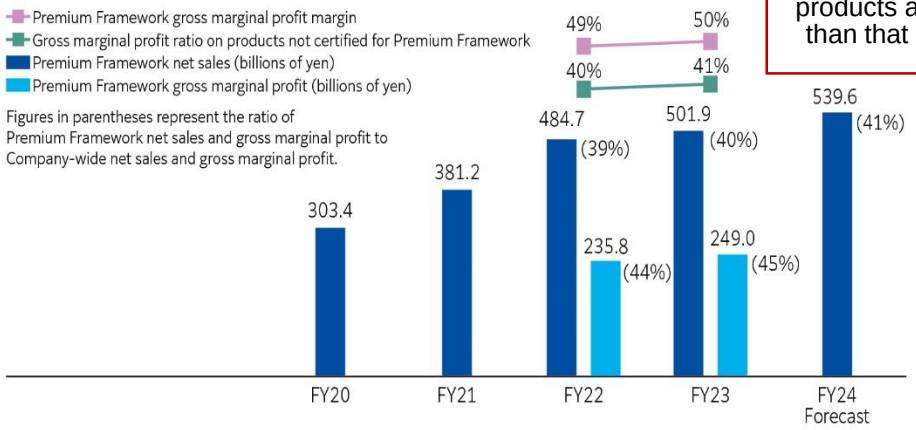
Products to Enhance Sustainability Net Sales



Need for an indicator that is more closely linked to corporate value amid the sale ratio approaching 100%

Premium Framework Profitability

The gross marginal profit rate for Premium Framework certified products approximately 10% higher than that of non-certified products



Position within the Group's Product Portfolio

Product Portfolio

[Premium Framework Expansion Strategy (Illustration)]

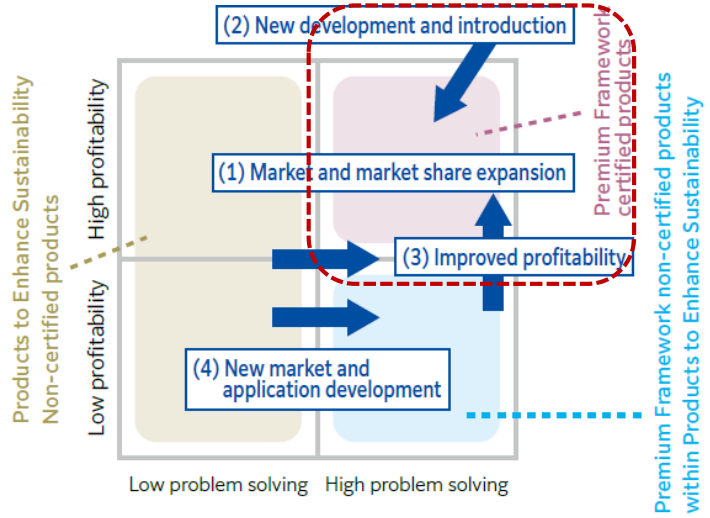
Direction of Expansion

(1) Market and market share expansion — Sales / Profit
- Focus on expansion as company strategic products

(2) New development and introduction — Sales / Profit
- Planning and development targeting the Premium Framework

(3) Improved profitability — Sales / Profit
- Creating markets where contribution to problem solving is recognized
- Securing spread between raw material price and sales price
- Promoting structural reforms

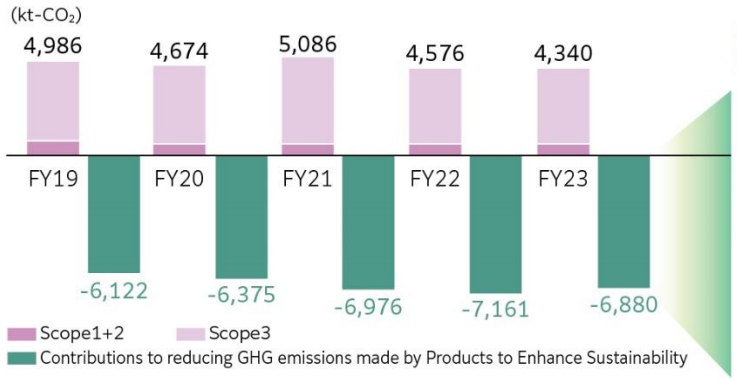
(4) New market and application development — Sales / Profit
- Leading to the solution of social issues = Capturing urgent needs and developing markets sustainably



First phase: Grow Products to Enhance Sustainability (right-hand area)
Second phase: Grow the Premium Framework (top-right area)

Actively allocate capital to the development and expansion of Premium Framework certified products that contribute to the resolution of social issues and are highly profitable

GHG Emissions from Corporate Activities and Contributions to Reducing GHG Emissions Made by Products to Enhance Sustainability



FY2023 Contributions to GHG Emissions Reduction by Field

Business Field	Contributions to CO_2 Reductions (kt-CO_2)
Electronics	608
Mobility	4,376
Housing	1,163
Infrastructure	535
Others	198
Total	6,880

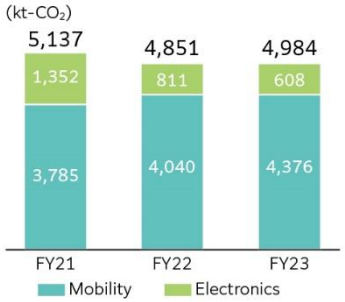
* Contributions to reducing GHG emissions made by Products to Enhance Sustainability are calculated using general-purpose products as a comparison, where the calculation indicates the contribution to reduction as the difference from comparison products given by MiLCA (Japan Environmental Management Association for Industry), a calculation system based on the concept of LIME2.

Mobility Field, Electronics Field

Contributions to GHG emissions reduction in the Mobility and Electronics fields account for nearly 70% of the Total

Mobility Field

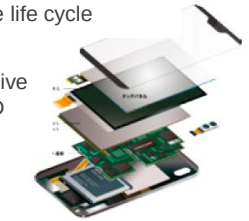
Reduce fuel consumption and CO2 by decreasing vehicle weights and through heat insulation
- Sound and heat insulation interlayer films
- Alveosoft vehicle floor material, etc.



Electropnics Field

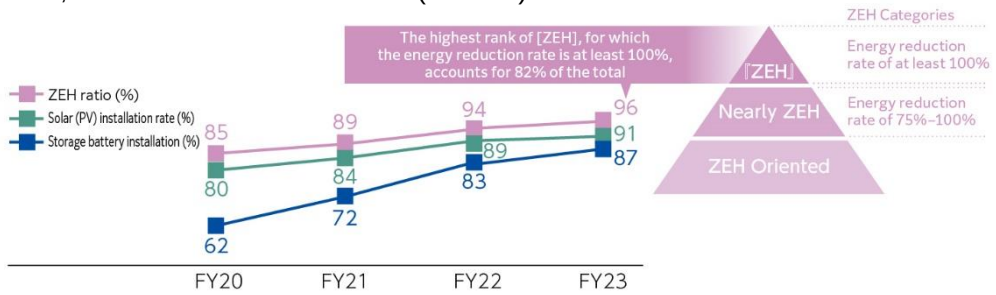
Contribute to the performance of energy-efficient products and reduce CO2
- Micropearl
- Conductive fine particles
- UV sealants
- Heat-release materials

Improve product durability and reduce CO2 over the life cycle
- Foam tape
- Double-faced adhesive tape for fixing of LCD components etc.



Housing

・The highest rank of [ZEH], for which the energy reduction rate is at least 100%, accounts for 90% of the total (FY2023)



* Rate of installation for detached housing orders

Reference: Company data*	FY20	FY21	FY22	FY23
Installed solar panel area	360,000m²	400,000m²	428,000m²	367,000m²
Total installed solar panel capacity*1	50MW	60MW	60MW	55MW

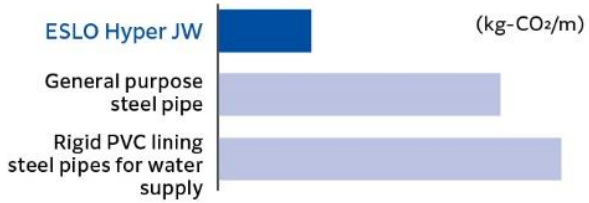
*1 Cumulative installed solar panel capacity now exceeds 1,300 MW. As a result, total annual electricity generation is equivalent to the electricity consumed by a city with a population of 500,000 people.

Infrastructure

Contribute to mitigating environmental impact by reducing CO2 throughout life cycles, from raw materials to production, by replacing conventional materials with plastic and by reducing waste, for example, through the SPR pipeline renewal method that eliminates the need to excavate roads during construction

Reference Image

CO_2 Emissions throughout the ESLO Hyper High-performance Polyethylene Pipe Life Cycle



*Notes: 1 Figures for metal pipes are inferred from publicly available information. These figures are for reference purposes only, and are not collected as data from the production process.
2 CO2 emissions by material and product are calculated using impact assessment coefficients (GHG emissions per unit production) cited from IDEAv2 of the National Institute of Advanced Industrial Science and Technology and the Sustainable Management Promotion Organization.

5. Evaluation of the Degree of Corporate Value Creation Achievement

SEKISUI

- SEKISUI CHEMICAL Group's vision for 2050 is of a planet where diversity is maintained and in which many of the issues being faced have been resolved, and biodiversity is preserved in a healthy condition; in this context, we are visualizing the extent to which a sustainable society and sustainable corporate growth have been achieved

SEKISUI Environment Sustainability Index (FY23)

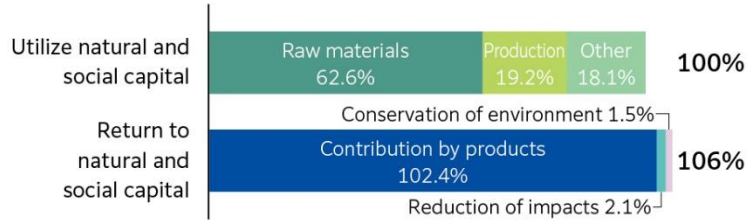
Visualize the use of and returns to natural and social capital from corporate activities; working toward corporate growth while continuing to maintain positive returns

Use of natural and social capital

〈Create Returns〉

- **Contribution by products**
  Expand and create markets for Products to Enhance Sustainability
- **Reduce environmental impacts**
- **Conserve the natural environment**

Returns to natural and social capital



FY2023 Results	
Rate of return to natural and social capital through corporate activities	**106%***

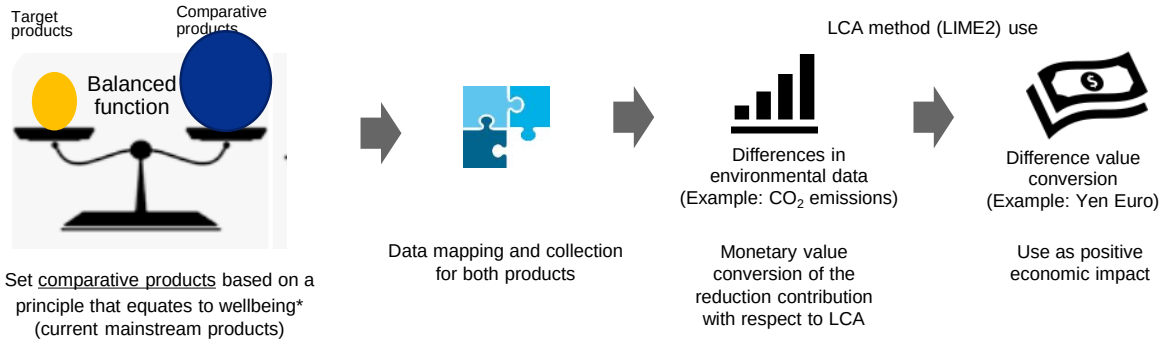
*The goal for FY2023 under the Medium-term Plan is 100% or higher

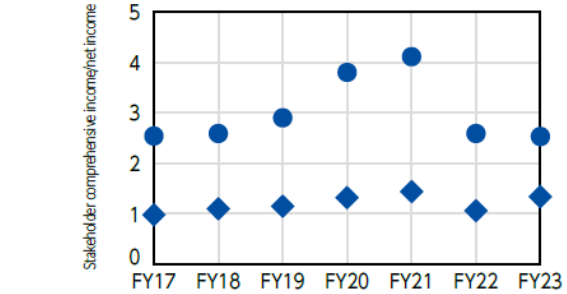
Stakeholder Comprehensive Income

Visualize and convert the impact of corporate activities on all stakeholders into a monetary value; recognize social impact and corporate growth as corporate value while working toward sustainable growth

Stakeholder comprehensive income =
Profit for the period + Non-financial value positive impact (A) – Non-financial value negative impact (B)

[Positive impact: Value conversion method for environmental impact and contribution by products]





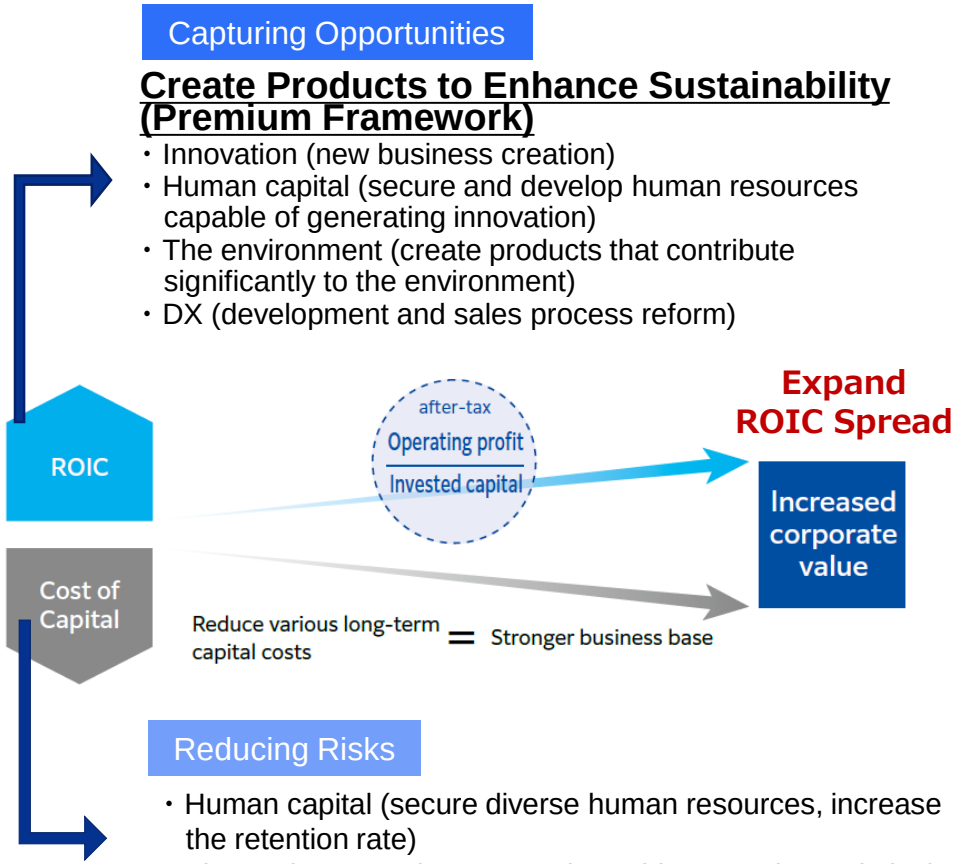
●:Human capital approach 1= Assumes that all employees generate added value in solving social issues
◆:Human capital approach 2= Assumes that human resources with high social problem solving contribution ability create added value in solving social issues

- Generating benefits to society that are greater than the profits essential to society
- If the ability of all employees to contribute to solving social problems improves, the benefits may improve from the lower side to the upper side of the graph

5. Evaluation of the Degree of Corporate Value Creation Achievement / Materiality

- Set materiality, which is defined as **innovation**, **human capital**, the **environment**, **DX**, and **internal control**, as key issues for sustainable management

Relationship between Key Issues (Materiality) and the Enhancement of Corporate Value



KPIs of our materiality

		KPI	FY2025 targets
Output	Products to Enhance Sustainability and Premium Framework	Net sales of Products to Enhance Sustainability and Premium Framework Products	At least ¥1 trillion Includes Premium Framework ¥540 billion
Materiality	Innovation	Number of open innovation	-
	Human Capital	Employee Challenge Action Rate*1	60%
		Rate of successor candidate preparation*2	100%
	Environment	Rate of GHG reduction(Scope1+2)	- 33%（vs FY19）
		Material Recycling rate of waste plastic (Japan)	Japan:65%（Overseas BM+5%）
	DX	Direct/Indirect Net Sales per Employee	Direct productivity 28% increase Indirect productivity 23% increase (vs FY2019)
	Internal Control	Number of major incidents in the 5 fields	0

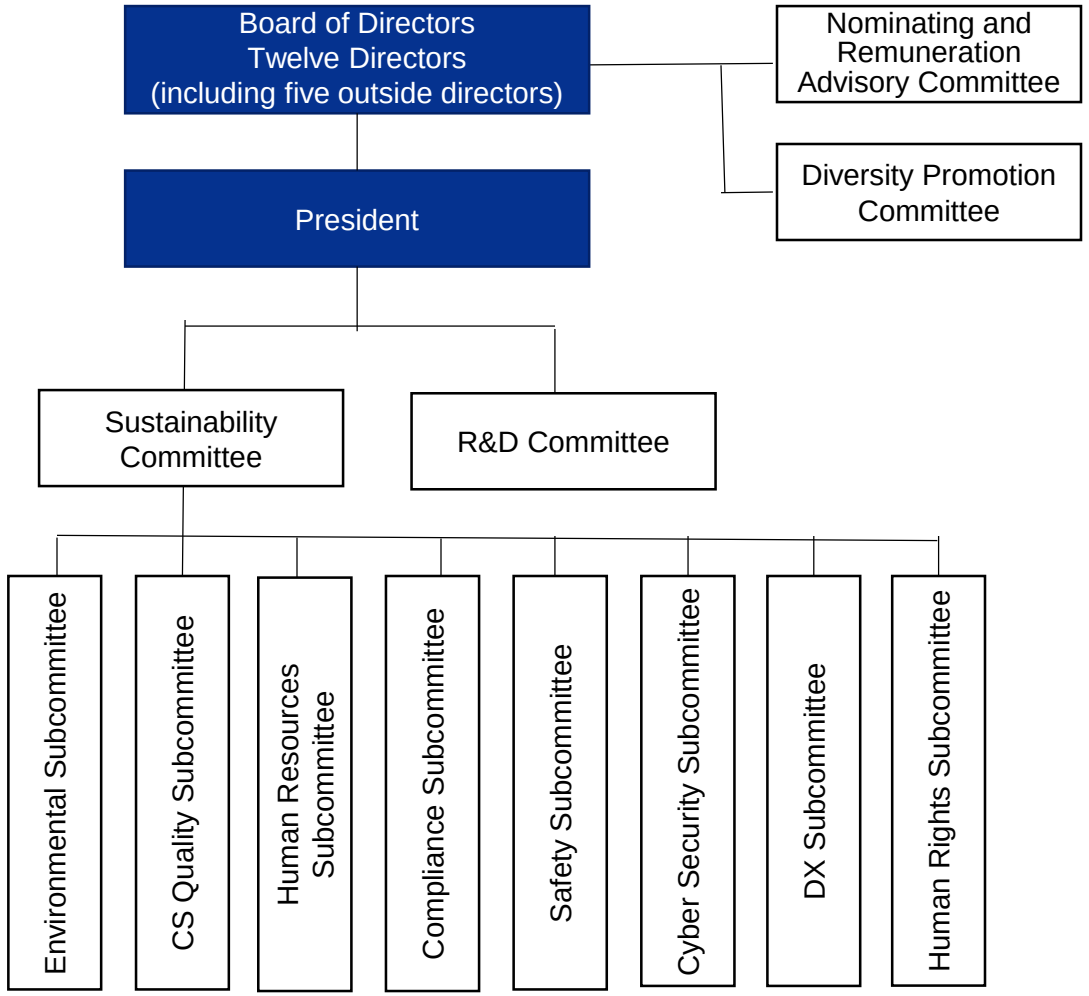
*1 Employee Challenge Action Rate: The percentage of respondents who replied either yes or somewhat applicable to the question: “I am taking concrete actions to engage in challenging action to realize Vision 2030.” (redefined in 2023)
*2 Rate of successor candidate preparation:
Number of potential successors to the most senior business leader post ÷ number of such posts

6. Corporate Governance

Appoint several Outside Directors with an appropriate degree of independence; establish a highly effective supervisory system for Directors to ensure transparency in management and fairness in business decisions and operations

Corporate Governance System

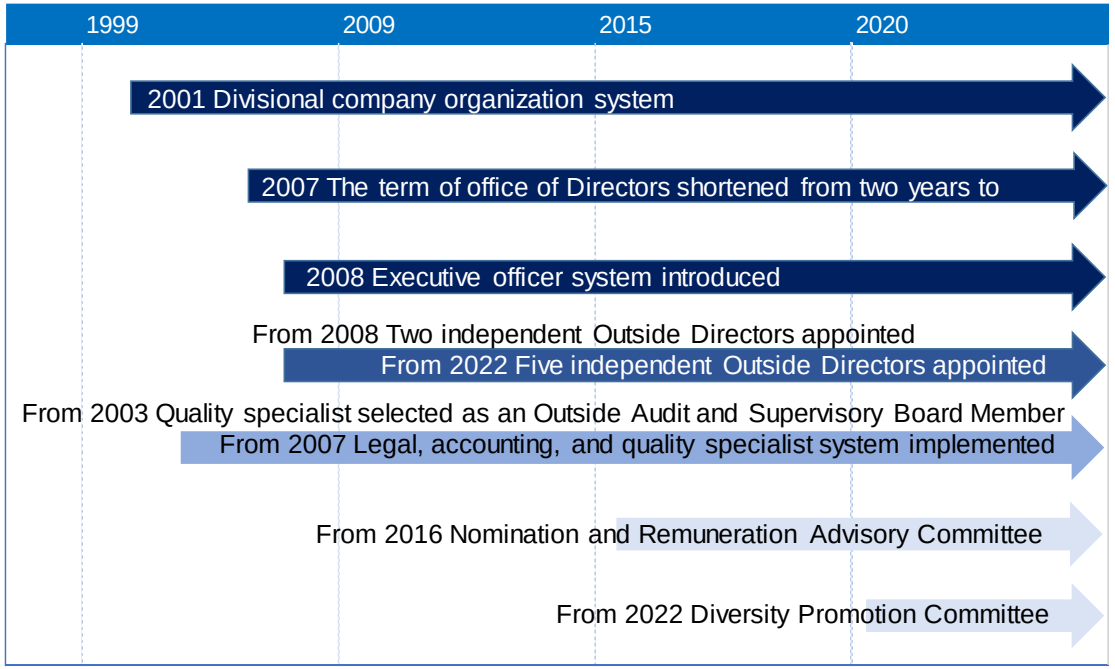
System Chart



Diversity Promotion Committee

- Purpose : strengthening the supervisory function and objectivity of the Board of Directors regarding the basic policy and target values concerning the securing of diversity of human resources in management, the execution of various measures, and the disclosure of these inside and outside of the Company, and also supervising and advising on management execution
- Major Deliberation Issues : 1. Formulation of basic policy and target values concerning empowerment of diverse human resources, 2. Human development policy and accompanying environmental consideration policy, 3. Setting various major indicators and methods to use them, 4. Issues related to the disclosure of these inside and outside the Company, 5. Monitoring the execution status

Initiatives Taken to Enhance Corporate Governance



- The achievement of financial indicator (operating profit, ROIC, etc.) and non-financial indicator (the environment, human capital, etc.) targets are reflected in remuneration
- The Board of Directors conducts a review of cross-shareholdings and reduces those holdings that are insufficiently significant or inconsistent with the Group's capital policies

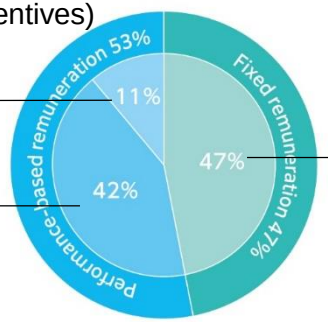
Remuneration for Officers

Remuneration System for Directors

- 53% of total remuneration is based on performance, of which 11% is a share-based payment to promote improvements in business performance while contributing to an increase in corporate value
- Performance-based remuneration reflects non-financial indicators such as environment, human capital, etc. (50% of short-term incentives)

Medium- and long-term incentive (Share-based compensation)

Short-term incentive(Bonuses)



Basic Remuneration

Classification	Indicator	Rating weight
Financial indicators	Corporate and company performance (operating profit)	18%
	EBITDA	12%
	Marginal profit per employee	4%
	ROIC	4%
	Sales growth rate	4%
	Sales of Products to Enhance Sustainability	8%
Non-financial indicators	GHG emissions reduction rate	6%
	Waste plastic material recycling rate	4%
	Employee Challenge Action Rate	5%
	Human resources retention rate	5%
	Open innovation	4%
	Other (direct and indirect productivity, governance, company-specific indicators)	26%

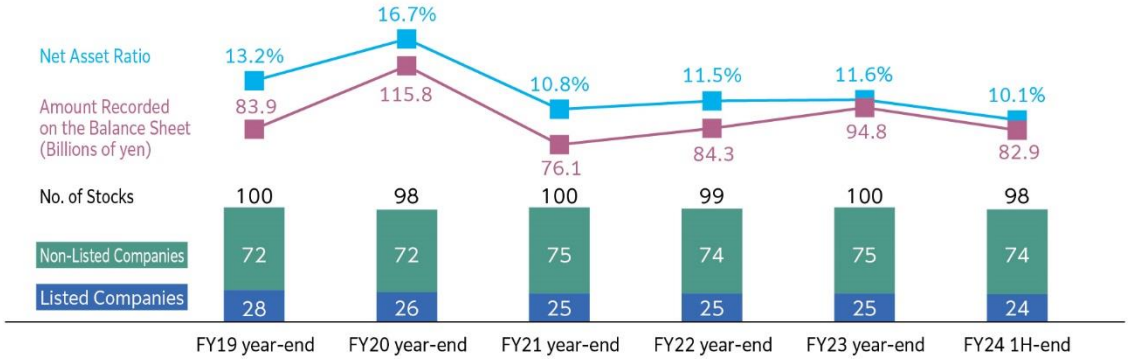
Total 50%

Total 50%

Cross-shareholdings

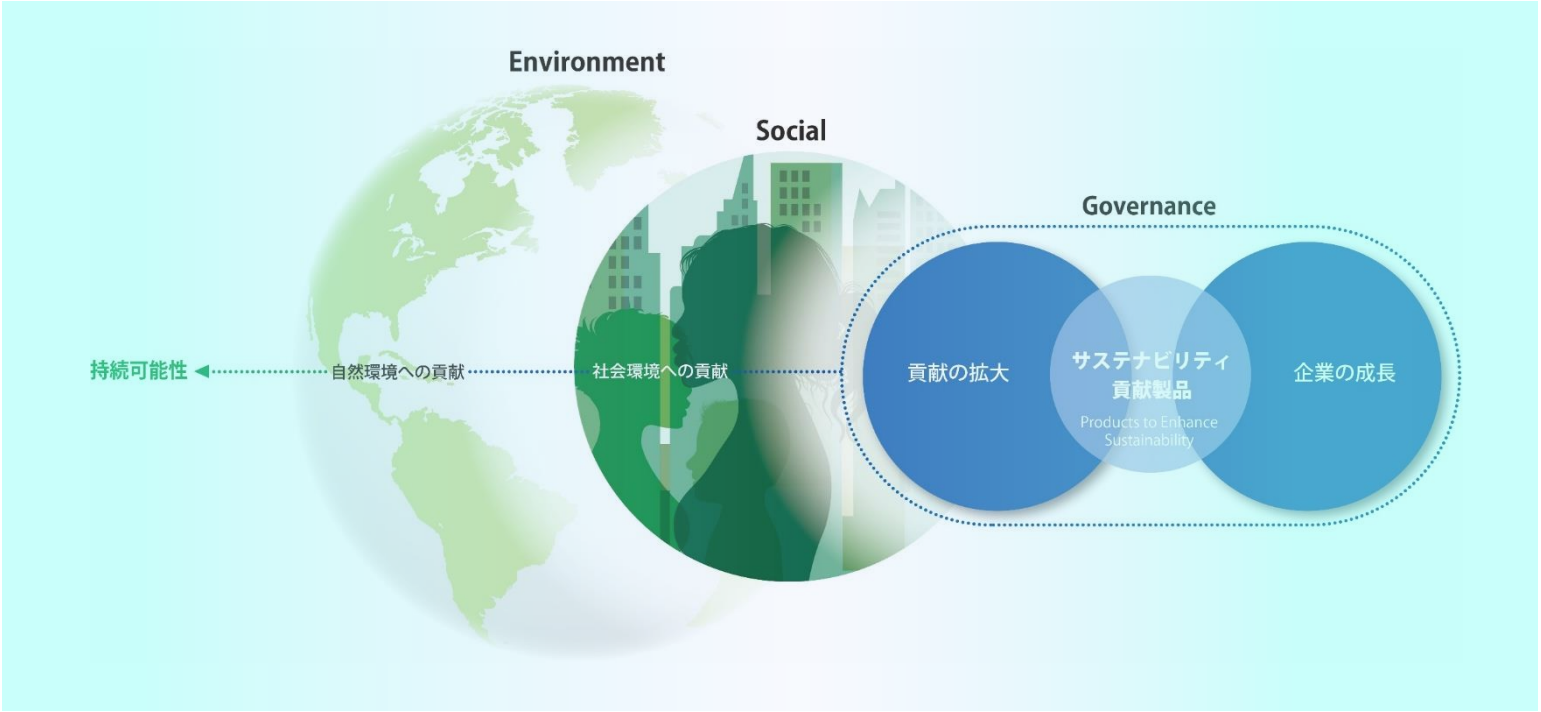
Changes in Stock Holdings

- The Company may strategically hold shares of the other publicly-listed companies, to a limited extent, that are important business partners of the Company provided that the Company made its judgment on such holdings to be beneficial for the purpose of maximizing medium to long-term enhancement of corporate value of the Company and the business partners
- Based on the above basic policy, the Board of Directors conducts assessments of such holdings to examine and verify, on a stock-by-stock basis, whether the benefits and risks associated with the policy shareholdings are commensurate with the cost of capital



7. Today's Summary

- Products to Enhance Sustainability represent the output of the Group's corporate activities; Products to Enhance Sustainability that are especially profitable and contribute significantly to the resolution of social issues are included in the group's Premium Framework; the wellspring of this Framework is the Group's intellectual capital, human capital, strategic environmental initiatives, and DX
- Premium Framework earnings represent the financial outcome of the Group's corporate strategy, while reductions in GHG emissions and related endeavors represent non-financial outcomes
- The Group's ROIC Spread, SEKISUI Environment Sustainability Index, and Stakeholder Comprehensive Income are used to evaluate the degree of corporate value creation achievement



Efforts to balance profitability with environmental and social impact through the creation and expansion of Products to Enhance Sustainability (Premium Framework certified products) while contributing to the achievement of a sustainable society with peace of mind for generations to come help secure the Group's own sustainable growth

Message from an Outside Director

Outside Director Yoshihiko Hatanaka

[Career Summary]

Jun. 2005 Corporate Executive, Head of Corporate Planning Department, Strategy Division of Astellas Pharma Inc.
Apr. 2006 Executive Officer of Astellas Pharma Inc. , President & CEO of Astellas US LLC, President & CEO of Astellas Pharma US, Inc
Jun. 2008 Senior Corporate Executive Officer of Astellas Pharma Inc. ,
President & CEO of Astellas US LLC, President & CEO of Astellas Pharma US, Inc
Apr. 2009 Senior Corporate Executive, Chief Straregy Officer and Chief Financial Officer (CStO & CFO) of Astellas Pharma Inc.
Jun. 2011 Representative Director, President and CEO of Astellas Pharma Inc.
Apr. 2018 Representative Director, Chairman of the Board of Astellas Pharma Inc. [resigned in 2022]
Jun. 2019 Outside Director of Sony Corporation (currently Sony Group Corporation) [incumbent]
Mar. 2023 Outside Director of Shiseido Company, Limited [incumbent]
Jun. 2023 Outside Director of Sekisui Chemical Company, Limited [incumbent]

・Number of Shares of the Company Owned 1,000 shares
・Number of Years in Office of the Company 1 year 6months
・FY2023 Attendance
Board of Directors : 13 out of 13
Nomination and Remuneration Advisory Committee : 5 out of 5
Diversity Promotion Committee : 3 out of 3

＜Important Position of Other Organizations Concurrently Assumed＞
Outside Director of Sony Group Corporation (Chair of the Board)
Outside Director of Shiseido Company, Limited (Chair of the Board)

[Themes]

(1) Involvement as an Outside Director in growth strategies centered on Products to Enhance Sustainability
(2) Relevance and issues regarding growth strategies centered on Products to Enhance Sustainability
(3) Discussions by the Board of Directors regarding the Company's sustainability as well as the opinions of and proposals from Outside Directors

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.

Note: Figures denominated in units of 100 million JPY are rounded off to the nearest hundred million.