

## Q&A Summary

FY2025, ending March 31, 2026

### Presentation of Financial Results for 1Q

Date: July 31, 2025

\* HPP Company: High Performance Plastics Company

\* UIEP Company: Urban Infrastructure & Environmental Products Company

### About the Electronics Field in the HPP Company

**Q: [Presentation material P10] While net sales saw a slight increase in the 1Q, it would appear that financial results were relatively stable taking into consideration the impact of foreign currency exchange rates. What were actual sales volume trends in the LCD and non-LCD fields excluding the impact of foreign currency exchange rates?**

**A:** (Shimizu) While net sales in the 1H are projected to increase ¥1.7 billion YoY, this figure reflects the impact of foreign currency exchange rates, specifically the strong yen. As you point out, actual sales volumes are trending higher than this figure.

**Q: Was there an accelerated impact from US tariff measures? What is the outlook for the 2Q?**

**A:** (Shimizu) There was a rush in demand in the 4Q of FY2024 owing to the impact of US tariff measures, with a similar increase in net sales in the 1Q of FY2025. We anticipate further growth from the 2Q on the back of such factors as the forecast increase in demand for semiconductor processing materials and successful efforts to capture order for upcoming smartphone models.

**Q: Can you provide us with background details for the adjustment in semiconductor processing material inventories, and what are the reasons behind the forecast recovery from the 2Q?**

**A:** (Shimizu) Inventory adjustments largely reflect the decision by the Company's customers, namely customers in China, to postpone purchases owing to the impact of US/China tariffs. Meanwhile, recognizing that the Company's customers have secured alternative customers, we anticipate this will trigger a recovery in the operations of Sekisui Chemical

Group customers' operations from the 2Q.

**Q: Will existing customers also experience a recovery now that China has authorized the export of semiconductors?**

A: (Shimizu) A recovery by existing customers has not been factored into 1H forecasts announced in this instance. However, we are expecting a contribution to further growth going forward.

### About the Mobility Field in the HPP Company

**Q: [Presentation material P10] N-HPP sales for HUDs is exhibiting growth. Although it would appear that HUD film sales in China are expanding this year commensurate with the amount of decline targeting China last year, can you comment on HUD film trends in other regions? While the general view is that automotive industry will experience a slight downturn from the 2Q, are you expecting growth as planned?**

A: (Shimizu) Orders in China are exhibiting growth and have exceeded those of FY2023, making up for the decline last year. Orders from other regions have also surpassed 110% YoY. We believe that the outlook for the 1H is sound. We are confident that we are increasing our share of the HUD film market and anticipate firm trends from the 2H. While our initial plan was for more than 110% growth, we are looking to surpass this target. As far as designed films are concerned, the Company is also feeling the effects of the downturn in sales by certain EV manufacturers. We believe this will continue for the foreseeable future.

**Q: What are the reasons for the increase in HUD film market share? What has led to the increase in orders above FY2023 levels especially in China?**

A: (Shimizu) Orders have increased in China owing to the renewal of contracts. We believe this reflects the quality and delivery performance of our products.

**Q: [Presentation material P10] What can you tell us about standard films and sound insulation films in the 1Q? What is the outlook for the 1H?**

A: (Shimizu) For films other than N-HPPs, we anticipate an increase in sales volumes of around just under 105%. These products continue to maintain their prices. As a result, sales volumes are declining compared with plans especially for sound insulation films. Accordingly, we have slightly lowered 1H sales forecasts in the Mobility field compared with plans.

**Q: Are prices for HUD films also unchanged?**

A: (Shimizu) Under a new contract that went into effect from January 2025, we are reducing prices in accordance with sales volumes as a volume discount.

**Q: What can you tell us about SEKISUI AEROSPACE CORPORATION in the 1Q and your outlook from the 2Q?**

A: (Shimizu) SEKISUI AEROSPACE CORPORATION finally turned a profit in the 2H of FY2024. We have also seen contributions to profit in the 1Q. Production rates at major customers are exceeding expectations, and we anticipate an increase from the 2Q.

### About the Housing Company

**Q: [Presentation material P12] The upswing in detached housing unit prices has slowed slightly this fiscal year. What can you tell us about this trend?**

A: (Shimizu) One factor is the sluggish growth in new housing orders in urban areas. However, in overall terms detached housing unit prices have risen 101% YoY.

**Q: How has the leveling out of 1Q results progressed this far?**

A: (Shimizu) The fact that the Company was able to maintain an order backlog of ¥160 billion as of the end of FY2024 contributed to an increase in 1Q net sales. With a short rainy season and extremely favorable weather, construction progressed steadily. This in turn also helped to boost 1Q net sales. Rather than rushing to increase net sales by incurring additional costs as of the end of the 1H and fiscal year-end, we are prioritizing appropriate construction schedules.

**Q: What are your thoughts on the sluggish housing market, especially in Japan?**

A: (Shimizu) The number of housing starts has declined. Growth in the Company's housing orders also stands at 95%. However, the product mix is undergoing change with the forecast growth in apartment buildings in particular exceeding initial plans in the 1Q. We will take concrete steps to secure orders at around the same level as the previous year by promoting a variety of measures, including efforts to bolster our sales systems and product lineup.

#### About Group-wide and Plan Discrepancies, etc.

**Q: [Presentation material P7] Can you elaborate on the one-off expense and additional costs totaling ¥2 billion.**

A: (Shimizu) First, the need arose to make a provision totaling ¥1.3 billion in the 1Q following the revision of contracts related to raw material transactions in Europe by the HPP Company. Second, plans are in place to post an amount exceeding ¥0.6 billion in the 2Q for repair or replacement costs to address issues following the shipment of construction-related products to a certain customer by the UIEP Company.

**Q: Can we assume that these are one-off expenses?**

A: (Shimizu) Yes.

**Q: [Presentation material P7] Fixed costs have significantly decline. How was this achieved?**

A: (Shimizu) Fixed costs have fallen from ¥14.8 billion to ¥9.8 billion in the 1H under review on a YoY operating profit basis. Of this reduction, the HPP Company, Medical Business, and Other account for ¥3 billion, ¥1.4 billion, and ¥0.6 billion, respectively. The principal components are development expenses, where we are engaging in such activities as the review of development themes while monitoring conditions, and other expenses. Furthermore, this reduction reflects cost-cutting measures undertaken on a Group-wide basis, including at the corporate level.

**Q: [Presentation material P5] Can you provide us with a breakdown of Other 1Q results?**

A: (Shimizu) PV, LB, BR as well as R&D and other declined ¥0.5 billion, ¥0.3 billion, ¥0.5 billion, and ¥2 billion for a total of ¥3.3 billion.