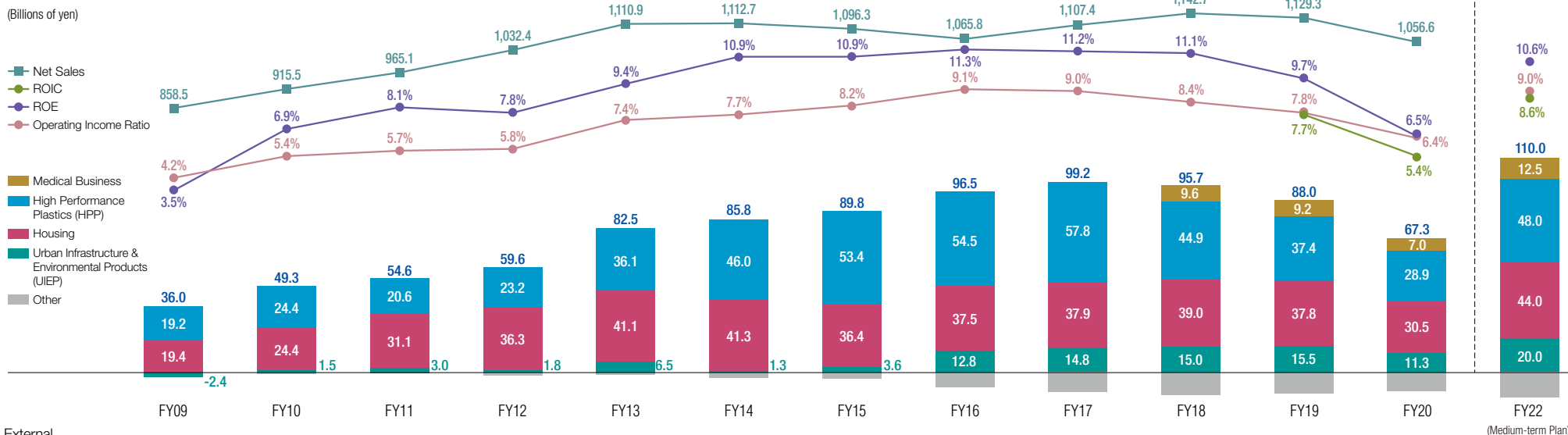


# Review of the Medium-term Management Plan (Trends in Operating Income)



External environment	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
	10/2018		03/2011			04/2014		01/2016	01/2017	03/2018	10/2019	02/2020
	Lehman shock		Great East Japan Earthquake			Consumption tax raised from 5% to 8%		Sudden yen appreciation	Establishment of a new U.S. administration	Emerging concerns toward global trade friction	Consumption tax raised from 8% to 10%	Spread of COVID-19
Forex Rate (Avg. rate for each term)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
	¥94/US\$	¥87/US\$	¥80/US\$	¥83/US\$	¥100/US\$	¥110/US\$	¥120/US\$	¥108/US\$	¥111/US\$	¥111/US\$	¥109/US\$	¥106/US\$

## GS-21-SHINKA! (FY2009-2013)

### Measures and Results

We made progress on bolstering earnings power in our core domestic businesses by having secured a "smart house No. 1" strategy in the Housing business and acquired the piping business of Mitsubishi Plastics, Inc., for the UIEP Company. Moreover, we have been actively developing our global business presence as well through the acquisition of the polyvinyl alcohol resin business from U.S.-based Celanese Corporation, and the Housing business setting up a joint venture for production and sales in Thailand. Over the period of the Plan, we have transformed our CSR management and raised the level of revenue gained from Environment-Contributing Products.

### Challenges

- Opening up Frontier Domains
- Overseas business adapting to local society

## SHINKA!-Advance 2016 (FY2014-2016)

### Measures and Results

By specializing in strategic businesses and products and implementing structural reforms we were able to achieve growth in profit. In particular, we significantly expanded our overseas business by focusing mainly on high-performance interlayer films. In addition, we pioneered new markets and new fields through internal and external alliances, and picked up the pace of making Town and Community Development into a business. Over the period of the Plan, we commenced penetration of CSR management, initiated efforts to enhance governance, and established the Nomination and Remuneration Advisory Committee, etc.

### Challenges

- Return to sales growth
- Commercialization and building of frontier domains
- CSR management rollout and further penetration among employees

## SHIFT 2019 -Fusion- (FY2017-2019)

### Measures and Results

Fusion accelerated over the period of the Plan under review, during which we targeted a balance between quantitative and qualitative growth. Net sales attributable to fusion with Town and Community Development as one example increased by ¥39.8 billion (FY2016 vs. FY2019). Moreover, we have made aggressive Investments to achieve growth, and net sales attributable to M&As (SoflanWiz Co., Ltd., Veredus Laboratories, and AIM Aerospace) rose by ¥15.4 billion (FY2016 vs. FY2019). Strengthening ESG initiatives aimed at building a sustainable business base, we continuously earned high evaluations from GLOBAL100 and others.

### Challenges

- Delays in securing returns on growth investments
- The speed of structural reform
- Strengthening ESG management

## Drive 2022 (FY2020-2022)

### \* Acquisition of AIM Aerospace

To achieve sustainable growth and in our aim for expansion in the mobility field, in fiscal 2019 we acquired AIM Aerospace Corporation (now SEKISUI AEROSPACE CORPORATION) in our efforts to make major inroads into the aerospace field. (Acquisition value: Approx. US\$500 million)

### Overview

- Headquarters: Seattle, Washington State, United States
- Business: Carbon fiber reinforced plastic (CFRP) (thermoplastic, thermosetting)

In the development, manufacture, and sale of molded products such as carbon fiber reinforced plastic (CFRP) (thermoplastic and thermosetting) composites in the aerospace field, where barriers to entry are high, SEKISUI CHEMICAL is generating development synergies with the thermoplastic CFRP technologies that it holds as well as sales synergies that leverage its worldwide network and will develop medical devices and other applications, as it endeavors to expand its business scale.