

Value Creation Process

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 the future."

Value created together with stakeholders

Peace of mind for the future

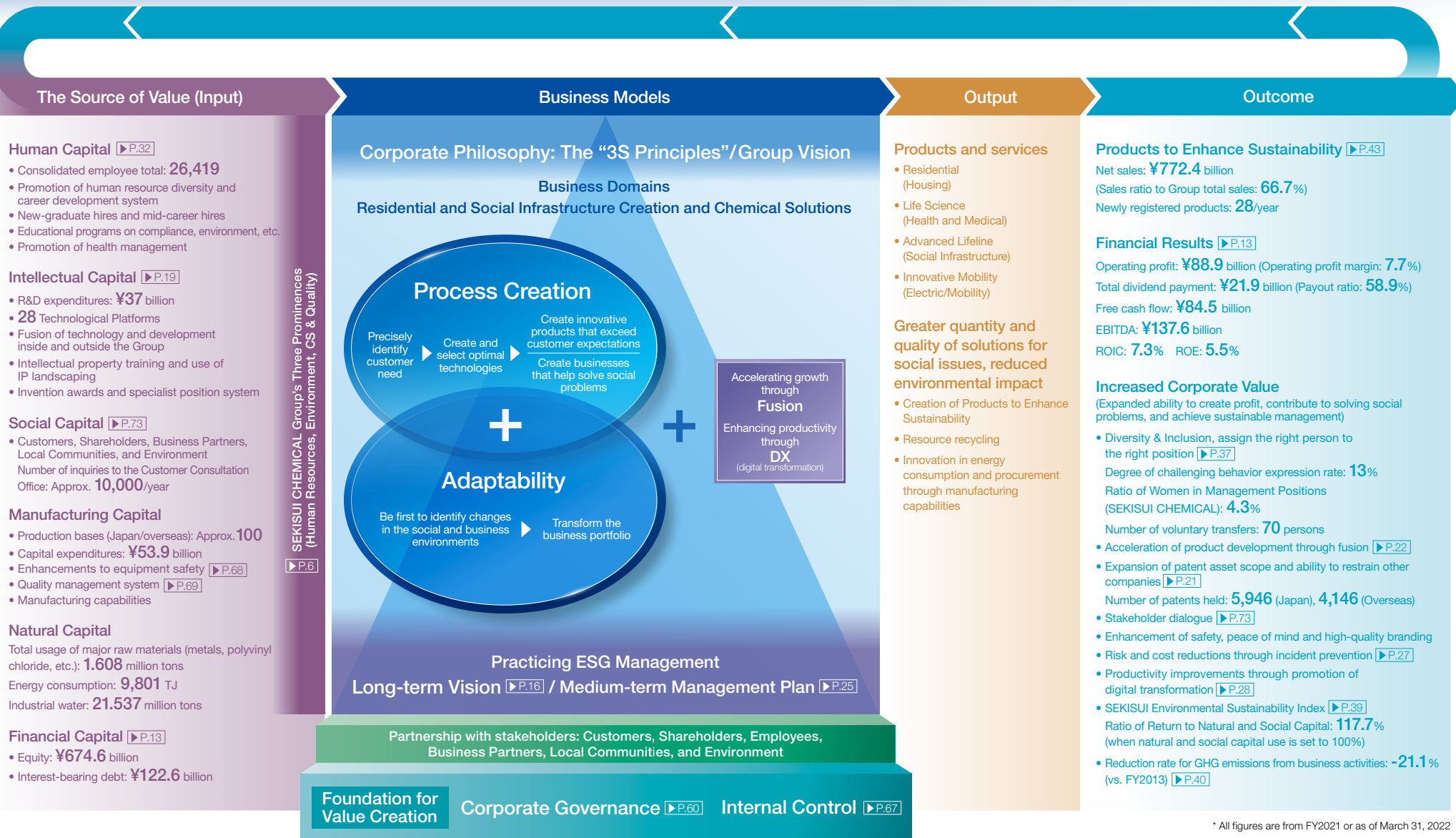
Peace of mind, safety, and comfort

Resilient social infrastructure

Comfortable mobility and communication

Health and longevity

Envisioned Macro Trends
More devastating natural disasters due to climate change
Resource and energy exhaustion
Longer healthy life spans



* All figures are from FY2021 or as of March 31, 2022



























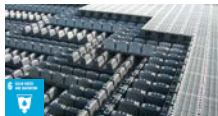



Commentary SEKISUI CHEMICAL Group's Value Creation Process

SEKISUI CHEMICAL Group's Business Domains and Products to Solve Social Issues

SEKISUI CHEMICAL Group maintains BtoC businesses primarily in new housing construction and BtoB businesses that handle conductive fine particles, interlayer films for automotive laminated glass and other materials in advanced fields, sewage pipes, and diagnostic reagents. Similarly, we carry out business through the three High Performance Plastics, Housing, and Urban Infrastructure & Environmental Products divisional companies as well as the Medical Business, with the aim of expanding business opportunities in the four domains of Residential, Advanced Lifeline, Innovative Mobility, and

Life Science within the business domains of Residential and Social Infrastructure Creation as well as Chemical Solutions.

We are creating value through Process Creation that extends from the capturing of customers' needs to the development of products and businesses, as well as by creating Products to Enhance Sustainability that increase the quantity and quality of our contribution to solving social issues through Adaptability that entails portfolio reform in line with changes in the social environment.

Business Domains	Residential and Social Infrastructure Creation				Chemical Solutions			
Domains	Residential (Housing)		Advanced Lifeline (Social Infrastructure)		Innovative Mobility (Electric/Mobility)		Life Science (Health and Medical)	
Growth Trajectory	Providing more people with peace of mind, safety and comfort through high-performance housing and housing-related services		Solving infrastructure issues and improving social infrastructure on a global scale with advanced materials and methods		Providing high-value added materials for equipment that contributes to both sustainable society and lifestyles		Supporting global health and longevity with products, systems and services that contribute to healthcare advancements	
Existing Businesses	Housing Company Housing, Renovation, Town and Community Development, Residential Services, Overseas		Urban Infrastructure & Environmental Products Company Piping and Infrastructure, Building and Living Environment, Advanced Materials		High Performance Plastics (HPP) Company Electronics, Mobility, Building and Infrastructure, Industry		Medical Business (Headquarters) Diagnostics, Pharmaceutical Sciences	
	 The Smart Power station series aimed at enabling energy self-sufficiency	 Smart and resilient town and community development	 High-performance seismic polyethylene pipe	 Reinforced plastic composite pipe (ESLON RCP)	 Conductive fine particles for displays and electronic devices	 Component packaging materials for semiconductors	 Blood coagulation analyzers S400CF	 Blood coagulation diagnostic reagent (Nanopia P-FDP)
	 In-house production in progress inside the Housing production factory	 Housing production factory (unit)	 Pipeline renewal method (SPR method)	 High flow rate drainage system	 Double-sided fixed LCD placement tape used in smartphones and tablets	 Moldings for automobile bumpers	 Diabetes diagnostic reagent (NORUDIA N HbA1c)	 SARS Coronavirus Antigen Test Kit
	 Lifeline and energy renovations for Sekisui Heim owners	 Renovation through the De Heim Sekisui Heim purchase and resale scheme	 Synthetic Sleepers for Railroads (FFU)	 Plastic molding sheets for aircraft cabin interiors	 Interlayer film for automotive laminated glass	 Aircraft components	 Plastic vacuum blood collection tubes	 Drug development solution testing
	 Serviced housing for the elderly	 Purchase and effective use of excess solar power generated by Sekisui Heim owners	 Plastic sheet for medical devices	 High-performance resin tatami (MIGUSA)	 Rainwater storage system	 Thermal expansion fire-chlorinated materials	 Active Pharmaceutical Ingredients (APIs)	 Raw material contract manufacturing for protein drugs

Creating products and services in the four domains to solve social issues while giving rise to fusion and synergy in existing businesses

Commentary SEKISUI CHEMICAL Group's Value Creation Process

The Three Prominences and R&D Capabilities That Serve as the Source (Input) of the Group's Value

Human Resources

Based on the belief that employees are precious assets bestowed on us by society, SEKISUI CHEMICAL Group has supported employees who take it upon themselves to pursue new challenges on their own initiatives.

In working to achieve the Long-term Vision, the Group positions its human resources as the driving force that generates innovation, and endeavors to develop human resources that undertake challenges in consideration of diversity and the workplace environment.

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Environment

SEKISUI CHEMICAL Group has recognized the environment as an important issue since the 1990s. In addition to ongoing efforts to prevent pollution, every effort has been made to reduce the environmental impact of the Group's business activities. Since 2003, we have worked diligently to practice Environment Management on an increasingly fully fledged basis with the aim of achieving sustainable growth that balanced ecology with the economy. We continue to strive to build a sustainable business base that includes ties of trust with our stakeholders through various measures including the acquisition of SBT certification and endorsement of the TCFD.

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CS & Quality

Since 1999, SEKISUI CHEMICAL Group has engaged in CS management that places emphasis on customer satisfaction (CS). The Group consistently innovates to maintain the quality of products, provides value (goods and services) that meets customer expectations, strives for selection by our customers on an ongoing basis, and develops and grows with the customer over the long term.

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▶ P.73

R&D Capabilities

SEKISUI CHEMICAL Group recognizes that maintaining a prominence in technology is the bedrock for creating value. Forming the basis of these efforts are the 28 technological platforms with direct links to the Group's two business domains: Residential and Social Infrastructure Creation and Chemical Solutions. These are the core technological platforms that support the Group's product lineup and could even be said to be the source of the competitiveness that has been cultivated over many years.

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Value Created with Stakeholders through Process Creation and Adaptability

SEKISUI CHEMICAL Group possesses almost none of its own raw materials, and instead selects the optimal materials as needed from outside. To create value, the Group therefore applies its two strengths, namely the ability to Process Creation in a way that creates value-added products and services through advanced technologies using the optimal materials and Adaptability in a way that captures the requests of customers and the need for solutions to social issues, incorporates these into development ahead of the competition, and transforms the business portfolio. And this value is created by working with business partners and as a result of employees taking on the challenge of and overcoming many difficulties. SEKISUI CHEMICAL Group creates high-value-added products and businesses that contribute to solutions for social issues as a means of enhancing its safety, peace of mind and high-quality branding, capturing further demand, and expanding business.

