Envisioned Macro Trends

Longer healthy life spans

More devastating natural disasters due to climate change Resource and energy exhaustion

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 Peace of mind for the future Peace of mind, safety, and comfort Resilient social infrastructure Comfortable mobility and communication Health and longevity The Source of Value (Input) **Business Models** Output Human Capital ▶P.32 Products and services Corporate Philosophy: The "3S Principles"/Group Vision Net sales: ¥772.4 billion • Consolidated employee total: 26,419 Residential **Business Domains** (Housing) Promotion of human resource diversity and career development system • Life Science Residential and Social Infrastructure Creation and Chemical Solutions • New-graduate hires and mid-career hires (Health and Medical) • Educational programs on compliance, environment, etc. Advanced Lifeline Financial Results ▶P.13 Promotion of health management (Social Infrastructure) Intellectual Capital P.19 Group's Three Prominences Environment, CS & Quality) Innovative Mobility **Process Creation** (Electric/Mobility) • R&D expenditures: ¥37 billion • 28 Technological Platforms Create innovative Greater quantity and EBITDA: ¥137.6 billion products that exceed Fusion of technology and development Create and customer expectations quality of solutions for inside and outside the Group BOIC: 7.3% BOE: 5.5% select optimal • Intellectual property training and use of Create businesses social issues, reduced technologies IP landscaping Accelerating growth environmental impact problems **Increased Corporate Value** Invention awards and specialist position system Creation of Products to Enhance Fusion Sustainability Social Capital ▶ P.73 Enhancing productivit SEKISUI CHEMICAL (Human Resources, Resource recycling · Customers, Shareholders, Business Partners, DX (digital transfor the right position P.37 Local Communities, and Environment Innovation in energy Number of inquiries to the Customer Consultation consumption and procurement Adaptability Office: Approx. 10.000/vear through manufacturing capabilities **Manufacturing Capital** Be first to identify changes in the social and business Production bases (Japan/overseas): Approx. 100 environments • Capital expenditures: ¥53.9 billion ▶ P.6 • Enhancements to equipment safety P.68 companies ▶ P.21 • Quality management system P.69 Manufacturing capabilities

Natural Capital

Total usage of major raw materials (metals, polyvinyl chloride, etc.): 1.608 million tons

Energy consumption: 9.801 TJ

Industrial water: 21.537 million tons

Financial Capital P.13

- Equity: ¥674.6 billion
- Interest-bearing debt: ¥122.6 billion

Partnership with stakeholders: Customers, Shareholders, Employees, Business Partners, Local Communities, and Environment

Practicing ESG Management

Long-term Vision ▶ P.16 / Medium-term Management Plan ▶ P.25

Foundation for Value Creation

Corporate Governance ▶P.60 Internal Control ▶P.67

Outcome

Products to Enhance Sustainability ▶ P.43

(Sales ratio to Group total sales: **66.7**%) Newly registered products: 28/year

Operating profit: ¥88.9 billion (Operating profit margin: 7.7%) Total dividend payment: **¥21.9** billion (Payout ratio: **58.9**%) Free cash flow: ¥84.5 billion

(Expanded ability to create profit, contribute to solving social problems, and achieve sustainable management)

• Diversity & Inclusion, assign the right person to

Degree of challenging behavior expression rate: 13% Ratio of Women in Management Positions (SEKISUI CHEMICAL): 4.3%

Number of voluntary transfers: 70 persons

- Acceleration of product development through fusion P.22
- Expansion of patent asset scope and ability to restrain other

Number of patents held: 5,946 (Japan), 4,146 (Overseas)

- Stakeholder dialogue ▶ P.73
- Enhancement of safety, peace of mind and high-quality branding
- Risk and cost reductions through incident prevention P.27
- Productivity improvements through promotion of digital transformation P.28
- SEKISUI Environmental Sustainability Index P.39 Ratio of Return to Natural and Social Capital: 117.7% (when natural and social capital use is set to 100%)
- Reduction rate for GHG emissions from business activities: -21.1% (vs. FY2013) ▶ P.40

* 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

Domains

Growth Trajectory

Existing Businesses Residential (Housing)

Providing more people with peace of mind, safety and comfort through high-performance housing and housing-related services

Housing Company

Housing, Renovation, Town and Community Development, Residential Services, Overseas



The Smart Power station series aimed at enabling energy self-sufficiency



In-house production in progress inside the Housing production factory



Lifeline and energy renovations for Sekisui Heim owners



Serviced housing for the elderly



Smart and resilient town and community development



Housing production factory (unit)



Renovation through the Be Heim Sekisui Heim purchase and resale scheme



Purchase and effective use of excess solar power generated by Sekisui Heim owners

Advanced Lifeline (Social Infrastructure)

Solving infrastructure issues and improving social infrastructure on a global scale with advanced materials and methods

Urban Infrastructure & Environmental Products Company Piping and Infrastructure, Building and Living Environment, Advanced Materials



High-performance seismic polyethylene pipe



Pipeline renewal method (SPR



Synthetic Sleepers for Railroads (FFU)



Plastic sheet for medical devices





High flow rate drainage system



Plastic molding sheets for aircraft cabin interiors



High-performance resin tatami

Innovative Mobility (Electric/Mobility)

Providing high-value added materials for equipment that contributes to both sustainable society and lifestyles

High Performance Plastics (HPP) Company

Electronics, Mobility, Building and Infrastructure, Industry



Conductive fine particles for displays and electronic devices



Double-sided fixed LCD placement tape used in smartphones and tablets



Interlayer film for automotive laminated Aircraft components



Rainwater storage system



Component packaging materials for semiconductors



Moldings for automobile bumpers





Thermal expansion fire-chlorinated materials

Life Science (Health and Medical)

Supporting global health and longevity with products, systems and services that contribute to healthcare advancements

> Medical Business (Headquarters) Diagnostics, Pharmaceutical Sciences



Blood coagulation analyzers \$400CF



Chemical Solutions

Blood coagulation diagnostic reagent (Nanopia P-FDP)



Diabetes diagnostic reagent (NORUDIA N HbA1c)

(APIs)



SARS Coronavirus Antigen Test Kit



Plastic vacuum blood collection tubes Drug development solution testing





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.



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.

▶P.39

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



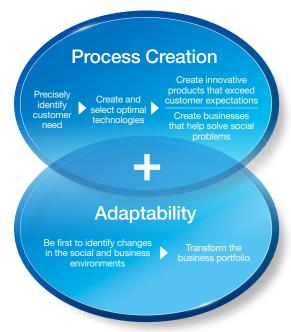
R&D Capabilities

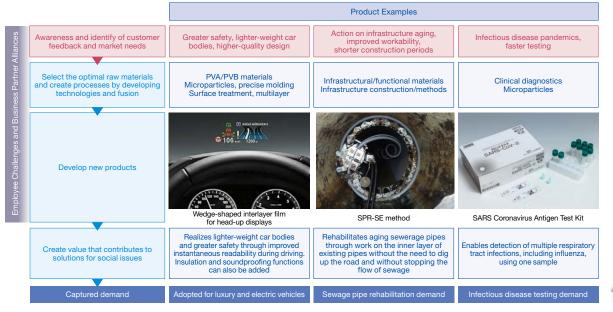
SEKISUI CHEMICAL Group recognizes that maintaining a prominence in technology is the bedrock for creating value. Forming the basis of these efforts are the 28 technological platforms with direct links to the Group's two business domains: Residential and Social Infrastructure Creation and Chemical Solutions. 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.

▶P.19

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.







Partnered with local communities

and applied the Group's collective

strengths to develop smart, resilient

towns and communities that are