

Stakeholder Engagement

We will build relationships of mutual prosperity with our five stakeholders—customers, shareholders, employees, business partners as well as local communities and the environment—while continuing to promote stable growth.

Creating Attractive Products and Services Based on Customer Feedback

Our Customer Consultation Office receives approximately 10,000 inquiries and comments every year. We directly answer each inquiry and analyze the factors that motivated the customer to make the inquiry in the first place, in order to discover the hidden needs of customers.

Since 2015, we have been publishing VOICE, which summarizes the comments received by the Customer Consultation Office with the intent of raising awareness and understanding across all of the Group's businesses and extending beyond the boundaries of each employee's working area. In fiscal 2021, we published case study interviews showcasing products and services developed on the basis of customer feedback.



Enhancing Corporate Value by Direct Dialogue with Investors

We believe it is extremely important to engage in constructive dialogue with shareholders and investors in order to achieve sustainable growth and enhance corporate value over the medium to long term.

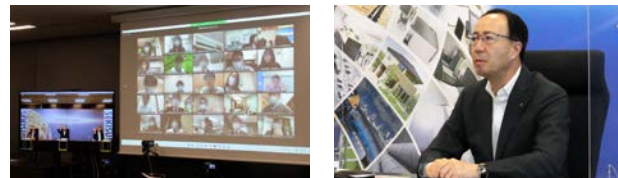
We therefore have put in place Active Engagement between Investors and Management as one of our key issues, while the president and director in charge of the Business Strategy Department are taking the lead in proactively holding financial results briefings and direct dialogues with shareholders and institutional investors to leverage our management strategy to enhance corporate value.

We are strengthening information dissemination on our website with an awareness of fair disclosure while striving to reflect as much as possible the opinions and questions received through dialogue with shareholders and investors in the Integrated Report and other IR materials. In December 2021, we held an ESG Management Briefing and a Presentation of Strategic Area Map & Life Science Business for institutional investors and analysts in June 2022 to promote understanding of our initiatives aimed at achieving our Long-term Vision. In addition, we made this briefing available on our website.



Vision Caravan Dialogue between Management and Employees

To disseminate our Long-term Vision and ESG management, which is the key to realizing that vision, we are conducting the Vision Caravan as an opportunity for dialogue between management and employees. At fiscal 2021 Vision Caravan events, management explained their own thoughts on realizing the Long-term Vision and ESG management, while employees deepened their understanding by discussing among themselves the connection between their work and ESG management. Then, executives commented and gave feedback on the presentations and questions on the content of the discussions, promoting a lively two-way dialogue.



President Kato and directors interact online with employees.

Aiming for Coexistence in Mutual Prosperity and Collaboration throughout the Supply Chain

In March 2022, we signed the Declaration of Partnership Building to promote coexistence in mutual prosperity and collaboration with business partners in the supply chain and operators of businesses that create value. To assist in resolving social issues in the supply chain and achieve sustainable procurement, we have formulated Sustainable Procurement Guidelines and are working together with our business partners to realize a sustainable society.

▼ Declaration of Partnership Building

<https://www.biz-partnership.jp/declaration/8555-05-08-tokyo.pdf>

Use of Sustainable Timber and Ensuring Traceability

To contribute to the eradication of deforestation and the sustainable use of timber resources, at SEKISUI CHEMICAL Group every effort is made to ensure that the timber used in products is logged in accordance with statutory and regulatory

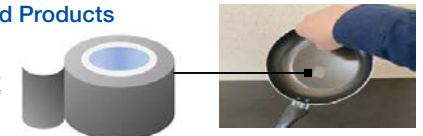
requirements, such as FSC-certified wood. In addition, the Group conducts investigations into commercial distribution with regard to the logging area, tree species and quantity of timber materials to ensure traceability. For recycled materials, we use timber- and wood-based products that are already used in markets, as well as unused thinnings and branches.

Product Creation That Learns from Nature's Wisdom

Believing that learning from nature's wisdom has the potential to create fundamental innovations that differ from conventional energy-consuming technologies, we support manufacturing that learns from nature for researchers outside the Company in the development of biomimicry technology. Amid efforts to promote development based on this understanding, some products have already emerged.

Examples of Created Products

Fluoroplastic-compatible adhesive tape developed from the study of mussel secretions



Distributing Value to Stakeholders (Fiscal 2021)

SEKISUI CHEMICAL Group calculates the status of distribution based on financial statements by stakeholder, using GRI and other standards as a reference.

(Millions of yen)

Stakeholder	Method of Calculating Amounts	
Shareholders	Dividends	23,177
Business partners	Cost of Sales, Selling Costs/General Administrative Costs (Excluding Personnel Costs)	858,944
Employees	Labor costs, Salaries and allowances as part of sales costs and general administrative costs, Provisions for bonuses, Provisions for retirement pay	210,122
Local communities	Donations	198
Global environment	Environmental conservation costs	27,522
Government and administrative bodies	Corporate taxes, local taxes, business taxes	31,099
Creditors	Interest paid as part of costs apart from sales	774