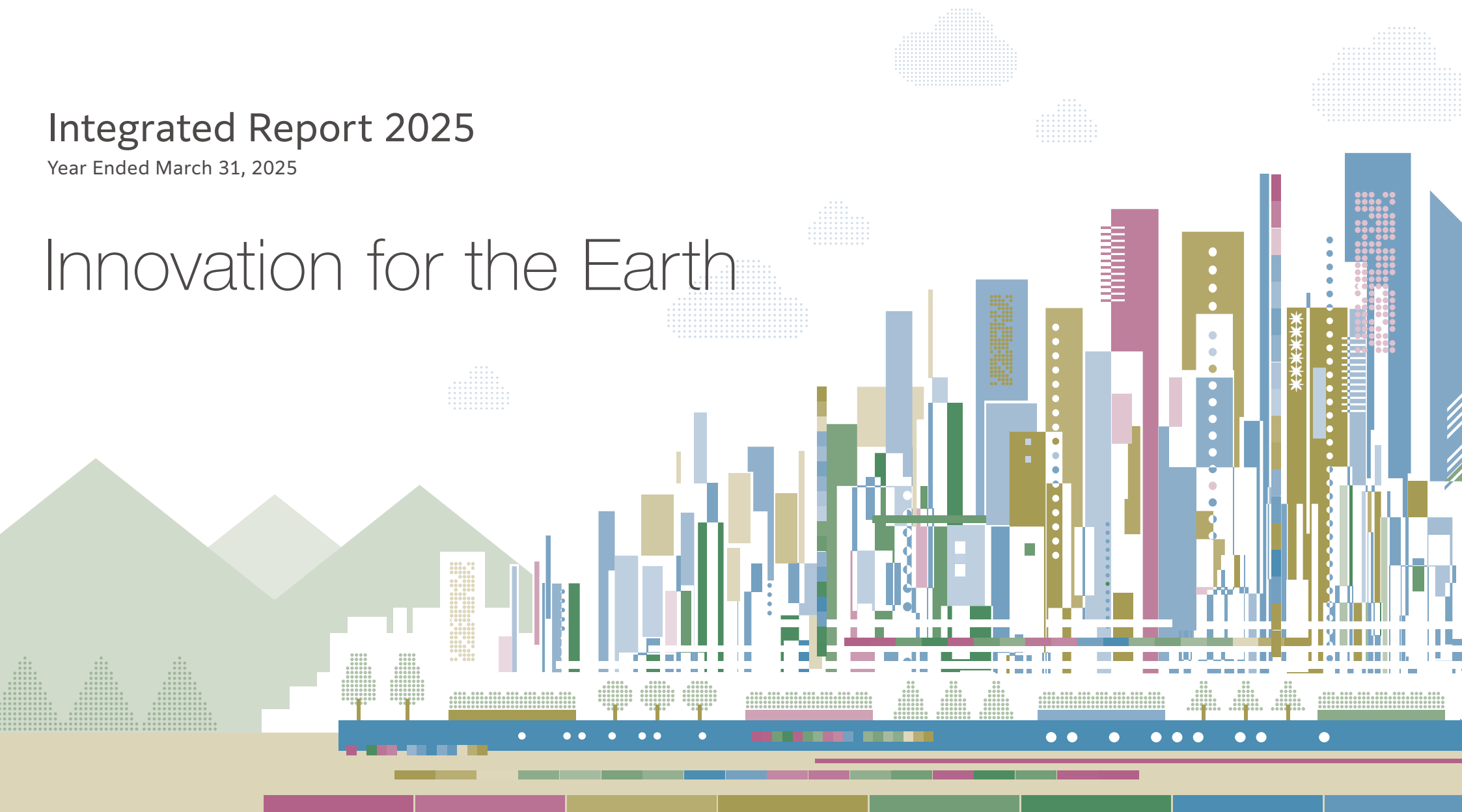


Integrated Report 2025

Year Ended March 31, 2025

Innovation for the Earth



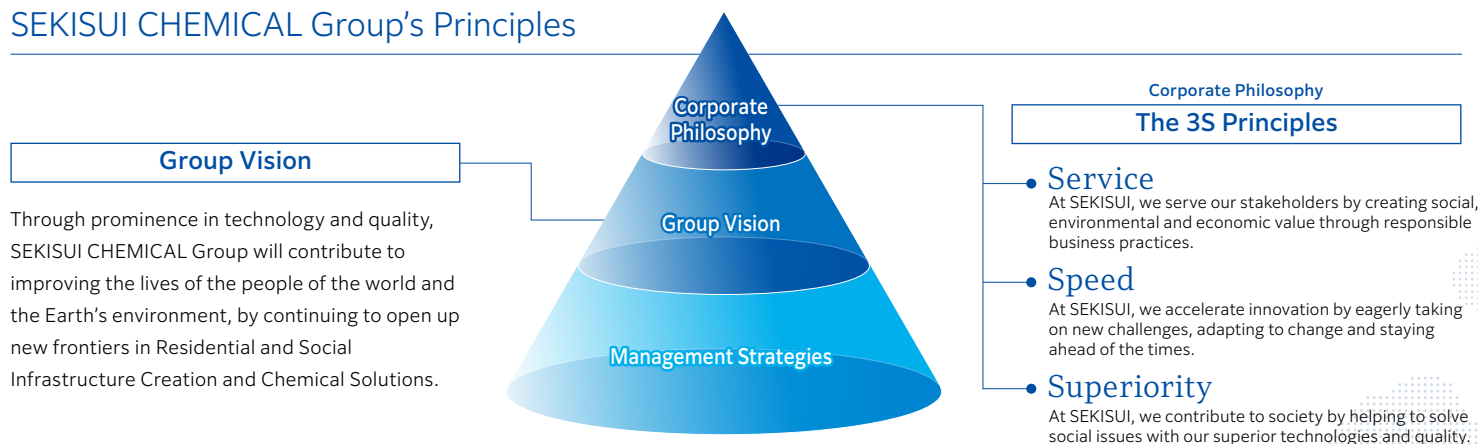
Innovation for the Earth

To realize a sustainable society, we support the basis of LIFE and will continue to create peace of mind for generations to come.

Viewing changes in the social environment as a business opportunity, SEKISUI CHEMICAL Group is working to continuously generate innovation to help resolve social issues drawing on the solutions created by its varied and diverse technologies as well as the trust it enjoys with its stakeholders.

By contributing to the Earth and people's lives, we are endeavoring to enhance the sustainability of society in concert with efforts to secure our sustainable growth as a company.

SEKISUI CHEMICAL Group's Principles



Five stakeholders for SEKISUI CHEMICAL Group: Customers, Shareholders, Employees, Business Partners, Local Communities and Environment

Positioning its five stakeholders as partners in improving corporate value and assessing their expectations and requests, as well as resolving society-wide issues together with them, leads to great opportunities for SEKISUI CHEMICAL Group.

We will create a relationship of mutual prosperity with our stakeholders while continuing to promote sustainable growth.



SEKISUI CHEMICAL Group's Principles

<https://www.sekisuichechemical.com/about/outline/vision/principles/>

Feedback on the 2024 Integrated Report and key improvements in the 2025 Integrated Report

Feedback

- "Could you give a more specific explanation of the business portfolio strategy?"
- "Could you provide a more detailed explanation of the DuPont analysis of ROE?"

Improvements

- The CEO Message touches on the concepts of ROE analysis and portfolio management.
P.04
- The interview on innovation with the director in charge touches on management of progress in new businesses and criteria for their selection and withdrawal.
P.43
- The Report includes an interview with employees involved in the development of perovskite solar cells, which are attracting increasing attention.
P.31

CONTENTS

SEKISUI CHEMICAL Group's Value Creation

- 02 | Message from the President & CEO
- 08 | SEKISUI CHEMICAL Group Accomplishments
- 09 | SEKISUI CHEMICAL Group's Business Domains
- 10 | Value Creation Process
- 14 | Products to Enhance Sustainability

Strategies That Underpin Medium- to Long-term Growth

- 19 | Long-term Vision, Vision 2030
- 20 | Growth Image and Strategic Investment
- 21 | Medium- to Long-Term Strategies for Growth —Strategic area map
- 22 | Risks and Opportunities
- 24 | Key Issues (Materiality)
- 25 | Performance Trends and History of Changes in Business Portfolio
- 26 | Review of the Medium-term Management Plan and its Global Extension
- 27 | Medium-term Management Plan, Drive 2.0 (FY2023-2025)
- 28 | Basic Strategy 1: Strategic Innovation
- 29 | Topic: Perovskite Solar Cell Business
- 33 | Basic Strategy 2: Organic Growth
- 34 | Mainstay Business Strategy
- 38 | Revenue Base Business Strategies
- 39 | Segment Information
- 40 | Basic Strategy 3: Strengthen the ESG Management Platform
- 41 | Investment and Financial Strategies
- 42 | Returns to Shareholders
- 43 | Innovation
- 43 | Interview with the Director responsible
- 46 | Technological Platforms and Promotion Framework
- 48 | New Products and Businesses
- 49 | Intellectual Property Management
- 50 | Human Capital
- 52 | Environment
- 56 | DX
- 58 | Internal Control

Foundation for Business Model

- 62 | Corporate Governance
- 62 | Discussion between an Outside Director and the Director in charge of the Human Resources Department
- 65 | Board of Directors, Audit & Supervisory Board Members
- 67 | Composition and Skills Matrix of the Board of Directors and Audit & Supervisory Board
- 68 | Corporate Governance System
- 70 | Cross-shareholdings/
Remuneration for Officers
- 71 | Risk Management
- 72 | Respect for Human Rights/
Responsible Procurement

Data

- 73 | Financial and Non-financial Highlights
- 76 | Key Financial and Non-financial Data
- 80 | Corporate Information and Stock Information
- 80 | Regarding the Publication of the Integrated Report2025

This report is available in PDF format in Japanese and English and can be downloaded from the following URL.

Japanese Edition
<https://www.sekisui.co.jp/ir/document/annual/>

English Edition
<https://www.sekisuichechemical.com/ir/report/annual/>

Organizations Covered

In principle, this report covers SEKISUI CHEMICAL CO., LTD. and its consolidated subsidiaries.

Applicable Period

Includes FY2024 (April 1, 2024 to March 31, 2025) and other details to August 2025.

In Editing This Report

In editing this report, we referred to the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation of Japan's Ministry of Economy, Trade, and Industry (METI), and Guidelines for Intellectual Property and Intangible Asset Governance of Cabinet Office.

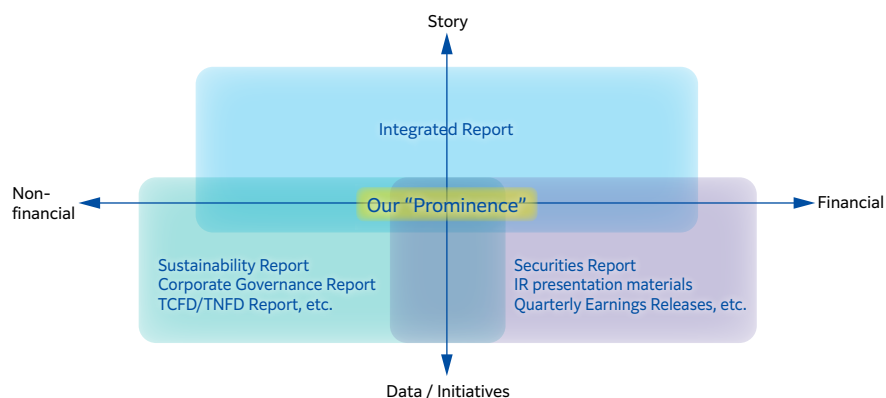


Cautionary Notes

The forecasts, plans, outlooks, and other forward-looking statements in this report are based on management's judgment of information available at the time this report was produced. Changes in key factors could cause actual performance results to differ materially from these forward-looking statements. Figures denominated in billions of yen in this integrated report are rounded off to the nearest first decimal place.

In addition, those denominated in millions of yen are rounded down to the nearest million yen.

SEKISUI CHEMICAL Group Information Disclosure System



SEKISUI CHEMICAL Group reports on its management strategies aimed at creating corporate value, its financial and non-financial approach as well as related data and initiatives in a comprehensive manner in its Integrated Report.

Moreover, we continuously disclose explanatory materials on our management strategy, including financial results and non-financial data, in our Annual Securities Report and IR financial results presentation materials.

Details of the Group's ESG management and sustainability activities as well as comprehensive non-financial information are disclosed in the Sustainability Report.

Our "Prominence," the reference materials for Investors explains the competitive strengths and basic strategies of SEKISUI CHEMICAL Group's major businesses.

Website Information

Investor Relations
<https://www.sekisuichechemical.com/ir/>

Securities Report
https://www.sekisuichechemical.com/ir/report/financial_report/

Presentations
<https://www.sekisuichechemical.com/ir/presentations/>

Reference Materials for Investors Our "Prominence"
<https://www.sekisuichechemical.com/ir/report/prominence/>

Sustainability
https://www.sekisuichechemical.com/sustainability_report/

Sustainability Report
https://www.sekisuichechemical.com/sustainability_report/report/

TCFD/TNFD Report
https://www.sekisuichechemical.com/sustainability_report/report/#tcfd

Message from the President & CEO



CEO MESSAGE

Maintaining a healthy sense of urgency and an even greater ability to take on new challenges to achieve Vision 2030

President & CEO

Reflecting on the Previous Fiscal Year

In spite of the unstable global situation and increasing uncertainties, SEKISUI CHEMICAL Group has reached its long-standing goal of achieving an operating profit of over 100 billion yen in FY2024. We twice revised our earnings outlook upward during the fiscal year, and the final result of 108.0 billion yen was very well received in the Europe IR meeting that we conducted from the end of May to June. I feel that this has further deepened the understanding of our Group's strength and growth potential. I also believe that this record achievement is the result of our Long-term Vision, the formulation of a Medium-term Management Plan to realize that vision, and the steady promotion of the Plan.

In particular, during the period of the previous Medium-term Management Plan, Drive 2022, we faced deteriorating business performance due to the COVID-19 pandemic. However, we did not panic, but instead proceeded with structural reforms based on the assumption that the uncertain outlook would continue, and we have concurrently improved profitability by shifting to high-performance products and invested in the development of new businesses. The ongoing Medium-term Management Plan, Drive 2.0, is an important period that marks the turning point toward achieving our Long-term Vision. I feel that the results were achieved because we once again clarified what we wanted to be as a company, and all employees shared and grasped this with a clear understanding of what we were trying to accomplish.

I personally feel confident that the direction of our Long-term Vision and Medium-term Management Plan was the right one. KPIs that encourage employees to take on challenges have also steadily improved, and I believe that the results of the challenges we have embraced in the five years since the announcement of our Long-term Vision have led to these achievements.

Message from the President & CEO

The Value That SEKISUI CHEMICAL Group Provides to Society

Since its establishment, our Group has consistently worked to “solve problems that are at the root of life,” including social issues that affect the safety and health of people around the world, as well as global environmental changes, such as climate change and natural disasters, that have a serious impact on the survival of society. The ultimate outcome of the value creation process in our Group is “peace of mind for generations to come.” I believe that the Group’s social role is to ensure that we will not leave current social issues to future generations, so that people can continue to live with peace of mind, not only today, but also for the next generation and the future.

Although we have a diverse range of businesses, we have consistent strengths in Strategic Foresight, Processing, and Value Transformation. **P.10** Our sources of value are our human capital, mainly our people who continue to embrace challenges, and our intellectual capital, including our technology platform and patents. We create value based on these strengths and work together with our stakeholders to make unique innovations.

The year 2025 marked the year of Expo 2025 in Osaka, Kansai, Japan, and the perovskite solar cells that we developed are being utilized at the venue, attracting great attention both in Japan and abroad. Our Group continues to take on the challenge of anticipating the needs of the market and social issues (Strategic Foresight), creating unique solutions by combining internal and external technologies (Processing), and transforming society by building new values and systems (Value Transformation).

At the same time, since we specialize in processing and do not own raw materials, we are working on development with a strong awareness that we cannot survive unless we create higher added value than our competitors. The concrete result of this effort is the continuous creation of “Products to Enhance Sustainability”. **P.14** I believe that solving social issues means adding value to products, and, by increasing the number of Products to Enhance Sustainability, we will continue to strive to achieve a sustainable society with peace of mind for generations to come, while simultaneously improving corporate value.

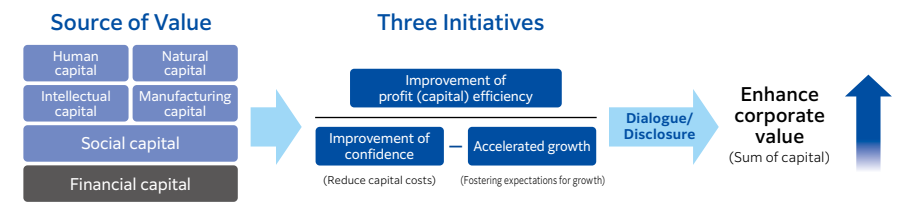
Strategic Foresight by Matching Needs with Seeds

The Group’s greatest strength lies in Strategic Foresight. The phrase “Strategic Foresight” may suggest antennae fully extended to detect social issues, but other companies are equally aware of social issues. What is important is the kind of solutions that are provided to address those issues. Our Group is unique in that we place the highest priority on precisely matching the “needs of the world” (i.e., social issues) with the “strong seeds of our Group” (i.e., core technologies).

We have a number of competitive, world-class technologies, which we have inventoried and

systematized into a technology platform. We combine these core technologies and, when necessary, integrate them with external technologies from other companies and universities, or develop them through open innovation. The Group also has significant strengths in intellectual property. We are focusing not only on adding value and improving profit margins, but also on efforts to leverage our intellectual property capabilities to sustain profits over the long term.

Current Status of Management That is Aware of Capital Costs and Stock Prices



We are promoting three initiatives to improve corporate value: improvement of capital efficiency, improvement of confidence, and accelerated growth. I believe that the most important thing for improvement of capital efficiency is to grow existing businesses. In order to foster expectations for growth, the “creation of new business areas” specified in the strategic area map is key, and we must set milestones for the commercialization of high-focus Innovation Areas in recent years, such as perovskite solar cells. With regard to reducing capital costs, I believe it is important to interpret this in a slightly broader sense, while also enhancing corporate governance. We will emphasize preventing the occurrence of incidents, such as serious misconduct that will damage corporate value if it occurs, while also evolving environmental management and human capital investment, and respecting human rights throughout the supply chain.



Message from the President & CEO

Our PBR has been stable at more than 1 over the past 10 years, and, with the exception of FY2020 and FY2021, which were affected by the COVID-19 pandemic, our PER has remained at a level of more than x10, while ROE has been stable above 10%. With regard to ROE, which is positioned as a particularly important management indicator, I am aware of the equity spread, which is the difference versus shareholders' equity cost, and, except for during the COVID-19 pandemic, ROE has consistently exceeded our shareholders' equity cost (7–9%). However, we will not be satisfied with the status quo, but, while remaining aware of capital efficiency, will aim to further improve profitability in order to achieve the 10% operating profit margin set forth in Vision 2030.

Shareholders' equity cost

Estimated by CAPM (Capital Asset Pricing Model)

$$\text{Risk-free rate} + \beta \times \text{Market risk premium} = \text{Shareholders' equity cost}$$

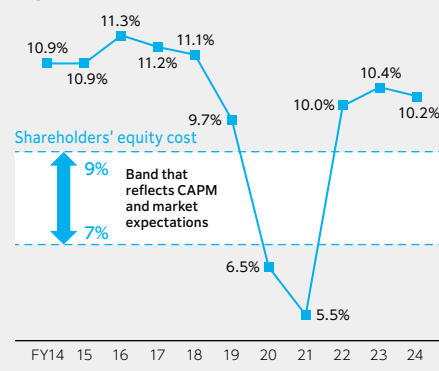
About 1% + 1.2 (Last 5-year average (Bloomberg)) × 5%–6% = 7%–9%

Estimates based on equity yields

$$\text{The inverse of PER by assuming a growth rate of 0\%} = \text{Shareholders' equity cost}$$

7%–9%

ROE



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
ROE	9.7%	6.5%	5.5%	10.0%	10.4%	10.2%
II						
Net profit margin	5.2%	3.9%	3.2%	5.6%	6.2%	6.3%
×						
Total assets turnover	1.06	0.94	0.99	1.02	0.98	0.98
×						
Financial leverage	1.81	1.72	1.78	1.74	1.67	1.65

Breaking down ROE also reveals important challenges. Total assets turnover has remained below 1, but this is a temporary effect due to land purchases for town and community development, as well as for ready-built housing sales, and also due to growth investments in growth-driving businesses and new businesses, including perovskite solar cells. We will strive to translate these investments into results and improve our total assets turnover. In order to prevent assets from growing beyond necessity, investment projects are subject to preliminary screening and continuous effectiveness verification, and land and buildings are strictly monitored with turnover as a key KPI. Our financial leverage has maintained a level of efficiency and safety. Also, past trends show that the decline in net profit margin was directly related to the decline in ROE. I believe that in order to strengthen profitability in the future, accelerating growth and improving

asset efficiency are important.

I hope that stakeholders will continue to focus on whether we can maintain a stable ROE of more than 10% over the medium to long term, and whether we are on a trend of further improvement.

Addressing Portfolio Management

The Group consists of three divisional companies: Housing, Urban Infrastructure & Environmental Products, and High Performance Plastics, as well as a Medical Business, each of which is steadily increasing its performance. Broadly speaking, High Performance Plastics is driving growth, while Housing and Urban Infrastructure & Environmental Products are generating stable earnings, and the Medical Business is a business with future growth potential.

Through portfolio management, we have developed strategies for all 33 businesses of the divisional companies and the Medical Business, classifying them into four quadrants from the perspective of “profitability, ROIC, and growth potential.” These four quadrants are: “Growth-driving,” “Growth potential,” “Revenue base,” and “Improvement.” **P.33** Given the policy of allocating capital in a rational manner for sustainable growth, 60% or more of the total capital under the Medium-term Management Plan shall be allocated to the businesses in the two quadrants of “Growth-driving” and “Growth potential.” We expect to earn 90% or more of the increase in cash (EBITDA) out to 2025 from these two quadrants.

In order to support this growth, the “Revenue base” businesses will leverage existing strengths and buttress operations just as the name implies: by steadily creating a cash base. For businesses positioned as “Improvement” businesses, we will promote profitability transformation through bold structural reforms.

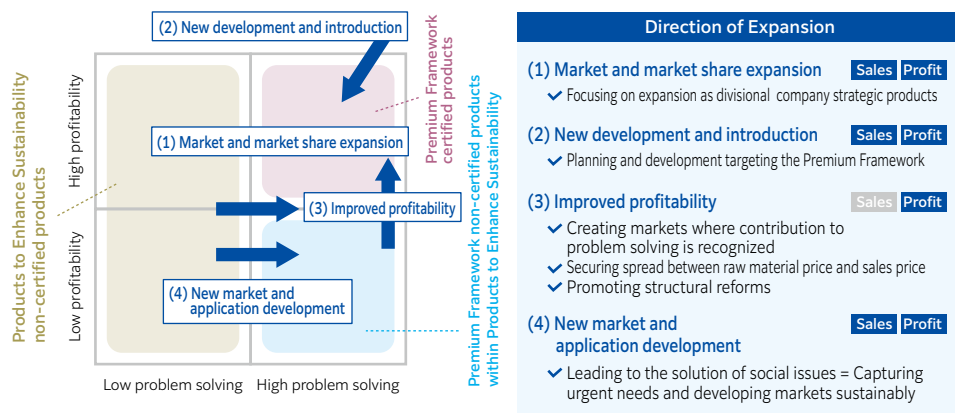


Message from the President & CEO

Firmly fulfilling the role of the businesses in each of these stages, we aim to increase corporate value by expanding the ROIC spread, as well as improving ROE. Our WACC is expected to be around 6–8%, which we use as a minimum hurdle when examining existing businesses and identifying investments.

Additionally, Products to Enhance Sustainability are indispensable for the Group's growth. Each business department is particularly focused on expanding its Premium Framework, and also emphasizes a product portfolio with social contribution and profitability as evaluation factors for each product. By creating new markets that contribute to solving social issues, we will increase the profitability of Products to Enhance Sustainability and push them into the Premium Framework.

Premium Framework Expansion Strategy



The Significance of Owning a Housing Business

I have great confidence in the level of quality of the Group's housing, which has earned a reputation for high quality and high added value, especially as "disaster-resistant houses." Not limited to the Housing business alone, synergies are being demonstrated with the Town and Community Development business as a whole—including plumbing, unit baths, CROSS-WAVE (a rainwater storage/recharge system), and construction that eliminates utility poles, which are Urban Infrastructure & Environmental Products. These synergies play important roles in the realization of our Long-term Vision of contributing to people's lives.

The technologies developed in the Housing business also contribute to the creation of new businesses for the Group. For example, the knowledge of our engineers in the Housing business was utilized in the development of roof installation technology for perovskite solar cells [P.29](#), and we envision future deployment on residential roofs, which means that owning the Housing business will also augment the strength of the Perovskite business.

Furthermore, although it requires a certain amount of investment and ingenuity, the Housing business continues generating cash on a stable basis without major additional capital investment, contributing to the Group's operational stability and the maintenance of a high external rating of AA-. I believe that this stability will have a positive effect on borrowing for future investment in perovskite solar cells, leading to the active use of interest-bearing debt and management with an awareness of capital efficiency.

The Housing business is a high-ROIC business with robust profit that is significantly higher than WACC, which also strongly contributes to improving corporate value. Although market conditions are challenging, the high plant-production ratio makes this business less susceptible to changes in the external environment, such as a shortage of carpenters and soaring construction labor costs, and it is expected to continue to grow in the future. We will maintain our efforts in order to convey to investors and other stakeholders this steady sense of growth.

Creating New Businesses That Are the Key to Accelerating Growth

The Group has created a strategic area map [P.21](#) as a compass for our business strategy, and has designated areas to expand out from existing businesses as "Enhancement Areas," while areas to create new innovations based on future trends are "Innovation Areas." Particularly in Innovation Areas, we will accelerate progression to the commercialization phase by leveraging internal and external collaboration and M&A based on our core technologies. For example, with regard to perovskite solar cells, a new company was established in January 2025, and a 100 MW-scale production line is being set up, while cell adhesion polymer [P.13](#) for use in stem cell cultures, including iPS cells, was launched in June. These pioneering efforts are progressing steadily.

With regard to investment, strategic capital investment is expected to exceed the budget set in the Medium-term Management Plan due to an increase in growth investment projects, such as production capacity expansion in High Performance Plastics and capital investment for the start-up of mass production lines for perovskite solar cells. We will continue to consider a wide range of M&A opportunities, with a focus on Innovation Areas. At the same time, since DX at development sites is indispensable for efficiently creating new products, our Group is focusing on improving the speed of R&D by utilizing materials informatics (MI). [P.57](#) This is an effort to dramatically increase the efficiency of materials development through the use of machine learning and other information sciences, and significant results are beginning to emerge. For example, in the study of formulations for film products, a process that previously took five months to design a formulation was reduced to four hours, and, in the development of adhesives for tapes used in electronic materials, a process that previously took one month was reduced to 16 hours.

Message from the President & CEO

Enhancing Governance with an Awareness of Reducing Capital Costs

I believe that enhancing corporate governance is the most important factor in improving confidence. Our basic policy is to aim for sustainable growth and medium- to long-term enhancement of corporate value by increasing management transparency and fairness, while pursuing swift decision-making.

In terms of risk management, the Sustainability Committee [P.69](#) identifies risks and opportunities that the Group may face in the future, including climate change, urban concentration, aging populations, and the rise of AI technologies.

I also believe it is important to set internal control as a key issue and to curb the occurrence of serious misconduct and other incidents that could significantly damage corporate value. We are working to improve our ability to prevent, detect, and respond to incidents at an early stage in five key areas: Safety, Quality, Legal/Ethical, Accounting, and Information Management. Regarding quality in particular, we are accelerating the DX of processes, from measurement to shipment determination, that do not involve any human intervention. Furthermore, we are promoting awareness of the need to reduce capital costs, and are reflecting awareness of financial and non-financial capital costs [P.24](#) in human resource evaluations of management positions. In the non-financial sphere, we have put in place a system to quantify the impact of incidents and reflect it in evaluations as an impact on capital costs, which is also linked to bonuses.

Initiatives to Tackle Ambitious Environmental Goals

We are proud to be one of the leading industry companies in terms of environmental initiatives, having been the first chemical manufacturer in the world to acquire SBT certification and reacquire SBT certification with an even higher GHG emission reduction rate target. I believe that this is the result of not only our approach to reduce GHG emissions in our own production processes, but also our approach to reduce environmental impact with an awareness of Scope 3 emissions through the development and promotion of Products to Enhance Sustainability. Both are closely related to our initiatives on climate change and resource recycling, which we have set as key issues.

Regarding climate change, the Company's GHG emissions reductions are on track, with a 37.9% reduction in FY2024, and a reduction target of 50% in FY2030 (versus FY2019 levels). Among other things, we have obtained SBT certification for our percentage of renewable energy to purchased electricity, with the goal of achieving 100% by 2030. At the same time, a large portion of the breakdown of GHG emissions during production is fuel-derived, such as gas and steam. With regard to the reduction of fuel-derived GHG emissions, we are moving forward with production innovations such as reviewing the distillation process and studying the use of

next-generation carbon fuels, such as hydrogen and e-methane, with the aim of achieving net-zero emissions by 2050.

Resource recycling is an approach that contributes to the reduction of Scope 3 GHG emissions. We are actively working to expand sales of products made from recycled raw materials and to recycle waste plastic into new materials, which is a standard for certifying Products to Enhance Sustainability, and is also included in our evaluation indices. We are working toward the ambitious target of a 100% waste recycling rate by 2030, with a view to utilizing new technologies.

Human Capital Strategies for Fostering Employees Who Embrace Challenges

Based on the philosophy that “employees are precious assets bestowed on us by society,” our Group places importance on “human resources that embrace challenges” and strives to create a vibrant organization where everyone is willing to take on challenges. Since the formulation of our Long-term Vision, we have been reforming our human resources system and have put in place programs to encourage embracing challenges, while at the same time securing a budget line for human capital investment and aggressively investing in reskilling and other activities.

In addition, in order to encourage each employee to continue to take on the challenge of “creation, innovation, and improvement” in the workplace, we are emphasizing human capital in terms of both investment and structure by including the Employee Challenge Action Rate in the KPIs and by establishing a system to actively promote personnel who are willing to take on such challenges. The accumulation of such efforts is the driving force behind our operating profit of over 100 billion yen, and I feel that the challenges taken by each and every employee are leading to results.

In securing human resources, we are putting forth the idea that we are not a company that people join for the sake of stability, but rather a company where they can experience personal growth through embracing challenges. We have also prepared a commercial for recruitment to convey that we are a “company where you can take on interesting challenges and experience growth,” while simultaneously communicating the message that, “We will not leave current social issues to future generations.” In the second round of recruitment messages, we highlighted our engagement in the development of perovskite solar cells, and, particularly in terms of the degree of employment interest from science students, this has steadily produced positive results.

We will continue to actively communicate our corporate stance and practical approaches to growth through solving social issues as we strive to secure and develop excellent human resources who are highly motivated to take on challenges.

Message from the President & CEO

A Leadership Ideal of “Leaders Who Take on Challenges with Us”

As was the case with our Group's Long-term Vision, which was created through thorough team discussions, even though the final decision is made by the leaders, I believe that it is extremely important for all members to understand the process and share the vision of what we should be aiming for. If we can share a vision, each of us will voluntarily take up the challenge. Together with our members, we will clarify what is ideal for our organization, and, in the process of challenging ourselves to realize it, we will grow as members ourselves. The role of leaders is to encourage that growth.

Imposing on people only to “do as you're told,” will not yield a proactive embrace of challenges. I believe that the ideal leader is one who creates an environment in which members can challenge themselves and grow, while that leader works with them to embrace challenges together.

Respecting Human Rights as Part of Responsible Global Management

The Group, which operates globally, is committed to being responsible for respecting the human rights of all people affected by its business activities, as globalization is further accelerating in the procurement of raw materials, especially those for the High Performance Plastics Company. In order to strengthen a sustainable management foundation, we regard respect for human rights as the foundation of management and are pursuing initiatives not only for employees, but throughout the supply chain, including business partners. Furthermore, since human rights violations carry the risk of significantly damaging corporate value, we are further strengthening our efforts with the earnest intention of preventing serious problems before they occur.

Based on this mindset, we established a Human Rights Subcommittee in FY2022 under the Sustainability Committee, which I chair, and this subcommittee is responsible for formulating Group-wide policies on human rights. Through the four working groups under the Human Rights Subcommittee, we established mechanisms for human rights due diligence within the Group and for human rights due diligence of business partners, as we work to identify and correct issues. Furthermore, we provide human rights education, and established whistleblower and consultation contact points accessible to a wider range of stakeholders, including foreign employees.

Shareholder Dialogue That Leads to Increased Corporate Value

I believe that dialogue with shareholders, investors, and other stakeholders is extremely important. Just as in the past, I conscientiously take the opinions and suggestions received through these dialogues and use them in management. Recently, we have received many questions and opinions from shareholders, especially those with long-term holdings, on issues such as growth strategies, capital policies, our business portfolio, and ESG management.

I believe that increasing the number of shareholders who become fans of our Group is the most important factor for sustainable enhancement of corporate value. Based on sound management with effective governance, we will steadily build up our business performance, disclose appropriate information, and continue to place importance on dialogue with our shareholders and investors. Although I sometimes receive unfiltered opinions in the course of dialogue, I believe that frank and honest opinions are what we should appreciate, as they often provide hints for future improvement in our efforts to enhance corporate value over the medium to long term.

SEKISUI CHEMICAL Group Today and the Challenges I Embrace as President

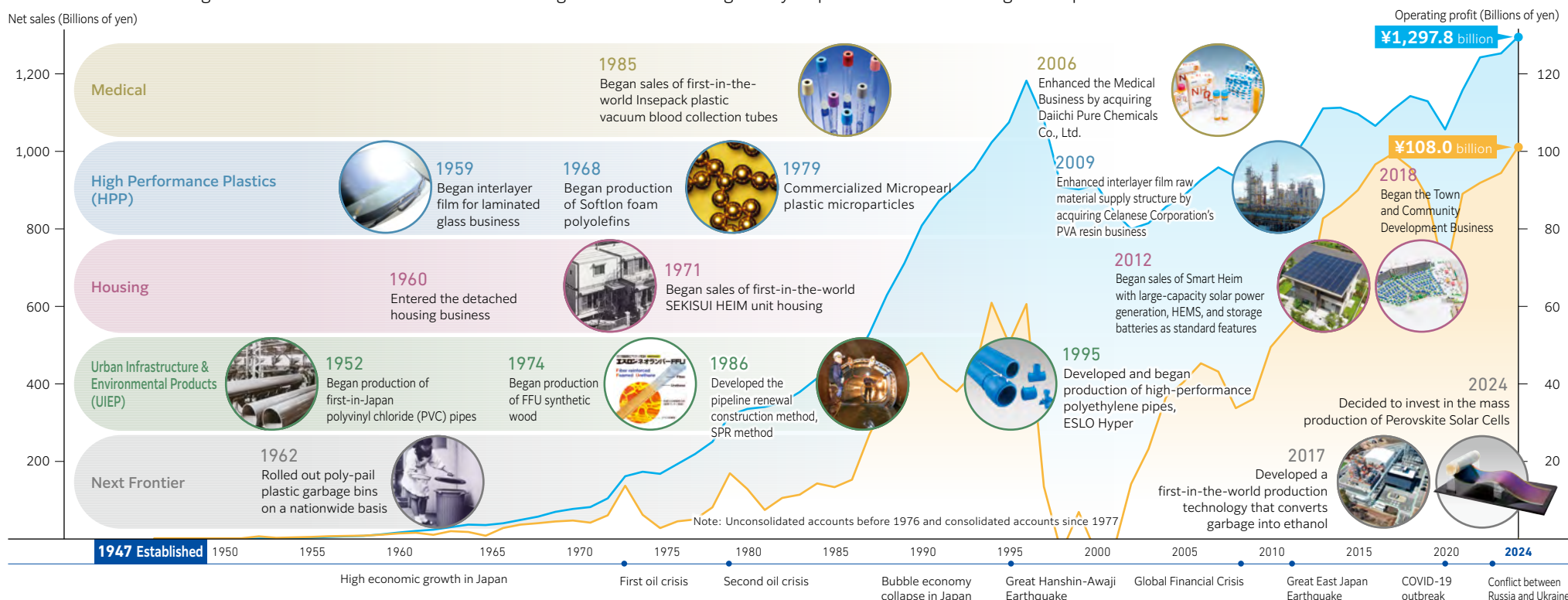
Are we able to maintain a “healthy sense of urgency?” I feel that this question captures the current challenge facing the Group. Although we achieved record performance in FY2024, it is easy to become more complacent when things are going well. Becoming satisfied with the status quo is the beginning of the descent. Performance begins to deteriorate, the Company goes on the defensive, and we lapse into a contractionary equilibrium. That is the situation that should be avoided most for companies seeking sustainable growth. It is precisely when things are going well that we need to have a sense of urgency and be ready for the next round of preparation.

What I must do now, then, is foster and instill a “culture of challenge” throughout the Group. The percentage of employees who said they “embraced challenge” in FY2024 is still in the 50% range, albeit up 8 percentage points from the previous year. If this number increases to 70% or 80%, I am confident that we can evolve into a company with overwhelming growth potential.

My greatest challenge is to instill a culture of continuous openness toward embracing challenges. I remain fully committed to the sustainable growth of our Group and our employees.

SEKISUI CHEMICAL Group Accomplishments

With its roots in Nippon Chisso Hiryo K.K., founded by Shitagau Noguchi, SEKISUI CHEMICAL Group was established in 1947 by seven young employees aiming to comprehensively launch a business based on plastics, a new miracle material at the time. Guided by our 3S Principles (Service, Speed, Superiority) over the ensuing period, we have dared to challenge new businesses and frontiers while ushering in a new era focusing mainly on plastic-related technologies and products.



1947- Foundation

Established Process Creation Business as Pioneers in Plastics

SEKISUI CHEMICAL Group took on the challenge of being the first in Japan to engage in plastic processing using domestically produced injection molding machines. We contributed to Japan's postwar reconstruction by bringing new changes to people's lives through plastic products such as daily necessities, tapes and films, PVC pipes, and poly-pail plastic garbage bins. We entered the housing sector in 1960, then later spun it off as a separate company, now called Sekisui House, Ltd. In 1963, we aggressively expanded operations, which included becoming the first Japanese manufacturer to make a foray into the United States.

1966- Development

Improved Management Framework and Developed Next-generation Businesses

With high economic growth in Japan drawing to a close, we implemented structural reforms and improved our management framework based on our basic philosophy of respecting employees and business partners, while contributing to society through plastics. We began SEKISUI HEIM industrialized modular houses and the Medical Business as the next wave of growth businesses. The Company was awarded the Deming Prize, the highest honor for TQC,* in 1979 for company-wide TQC activities.

* TQC: Total Quality Control

1980- Growth

Launched High-performance Products and Expanded the Housing Business

With commercialization of next-generation products progressing since the late 1970s, we saw growth particularly in the social infrastructure-related, housing, and medical fields. We implemented organizational reforms to enhance our ability to meet customer needs, while launching new materials, technologies, and products to address more sophisticated user needs and social issues. The Housing Business enhanced after-sales services, significantly grew, and drove overall company earnings. In 1997, we were the first in the industry to begin selling houses equipped with solar-power generation systems.

1999- Resurgence

Adopted a Three Company System and Initiated CSR Management

The Company reorganized from a seven-division to a three-company system (P.25), engaged in business selection and concentration, as well as globalization, to overcome the business crisis following the collapse of the bubble economy in Japan. At the same time, we promoted CSR management under the Three Prominences: Environment to achieve sustainable growth by balancing the economy and ecology; CS & Quality to improve CS (customer satisfaction) together with enhancing quality; and Human Resources to support the growth of employees to maximize their strengths.

2008- Transformation

Proactively Pursuing Strategic Investment and Evolving from CSR to ESG Management

We are improving profitability along with expanding our businesses by pursuing investment strategies that clarify strategic fields and by enhancing our business structure. We have significantly increased sales of the High Performance Plastics Company by expanding our lineups of high-performance products. In 2020, we formulated our new Long-term Vision. As part of this, we are pursuing the evolution of CSR management—an integral part of our operations—into ESG management to realize social and corporate sustainability by taking a more strategic approach to environmental and social issues.

SEKISUI CHEMICAL Group's Business Domains

SEKISUI CHEMICAL Group is active in the Residential and Social Infrastructure Creation and Chemical Solution business. We have developed business in the four domains of "Residential," "Advanced Lifeline," "Innovative Mobility," and "Life Science." We produce a large number of Products to Enhance Sustainability by making a high degree of contribution to solving natural and social environmental issues, and the ratio of these products to total company sales has risen to nearly 80%. The current business consists of four segments and the three divisional companies of Housing, Urban Infrastructure & Environmental Products (UIEP), and High Performance Plastics (HPP), as well as the Medical Business.

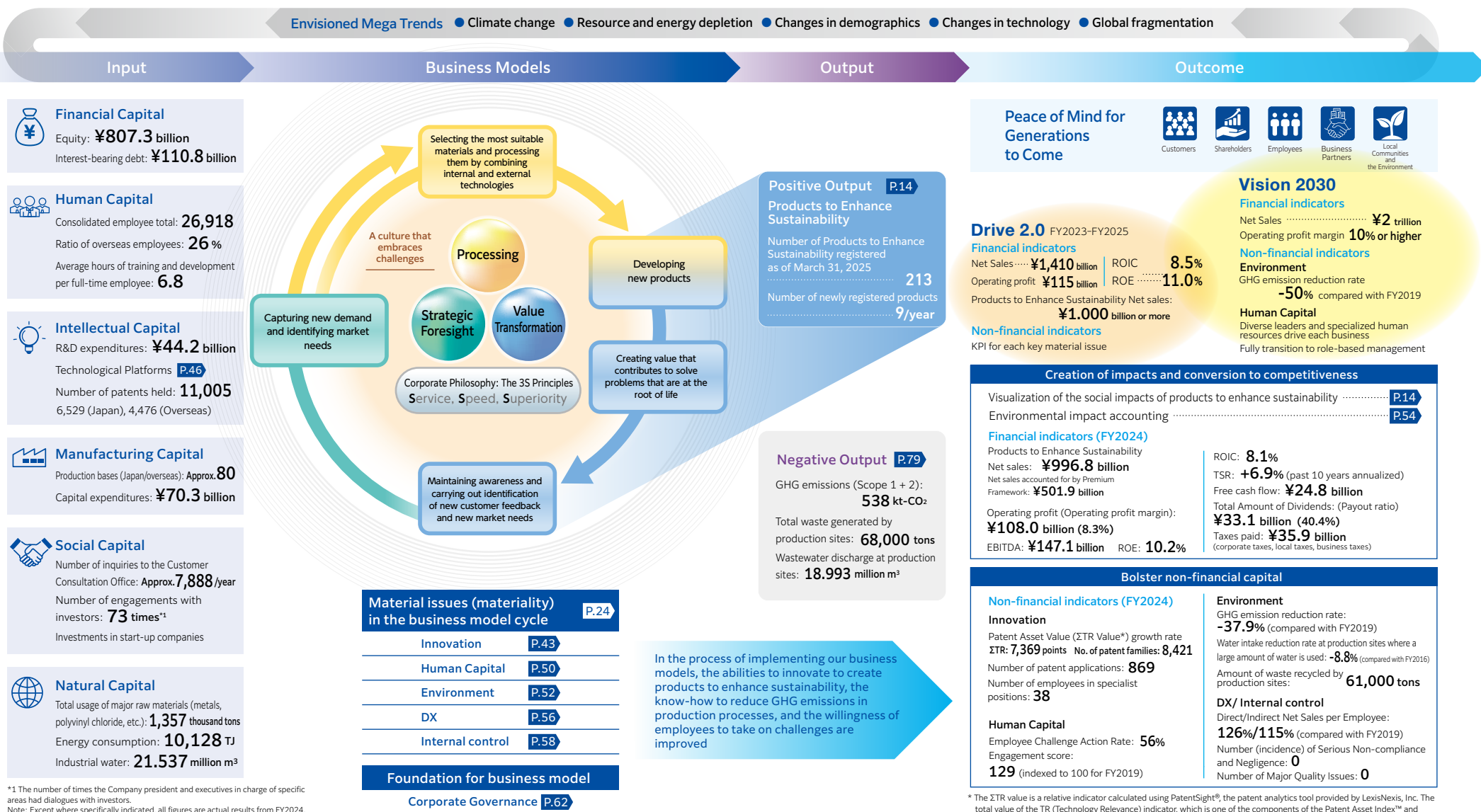


While generating synergies among our existing businesses, we aim to continuously create Products to Enhance Sustainability and support the sustainable growth of the Company and society in these four domains. **P.21**

Value Creation Process

SEKISUI CHEMICAL Group provides Products to Enhance Sustainability, which are products and services that help improve people's lives and the global environment, strategically addressing social issues based on relationships of trust with stakeholders and myriad technologies. By effectively utilizing the six forms of capital and implementing our business models, we will create Products to Enhance Sustainability and convert their impact into competitiveness, as well as increase our non-financial capital to improve the sustainability of society and achieve sustainable growth as a company.

We will continue to take on the challenge of realizing a sustainable society by delivering to society "peace of mind for generations to come," which means that "peace of mind for living will continue not only for us living now, but also for the next generation and into the future."



* The ΣTR value is a relative indicator calculated using PatentSight®, the patent analytics tool provided by LexisNexis, Inc. The total value of the TR (Technology Relevance) indicator, which is one of the components of the Patent Asset Index™ and reflects patent asset value based on the number of citations, is defined as the technical value (ΣTR) of our entire portfolio.

Commentary Value Creation Process Value co-creation with stakeholders through business models

SEKISUI CHEMICAL Group's strengths are Strategic Foresight, Processing and Value Transformation.

Through collaboration with varied and diverse stakeholders, the Company practices a business model centered on these three strengths in a way that creates products and services that contribute to the solutions for environmental and social issues.

Through this cycle, we will create a positive impact on the environment and society, convert this into competitiveness, increase non-financial capital, and strive to sustainably increase corporate value and maximize shareholder value.

Strategic Foresight

The ability to anticipate market change and society's needs and determine whether the strengths of the Group's core technologies can be leveraged

Processing

The ability to combine internal and external technologies to deliver original solutions

Value Transformation

The ability to create new value and transform society through our products and services

Selecting the most suitable materials and processing them through the combination of technology-driven creation



- Since it has almost no in-house raw materials, SEKISUI CHEMICAL Group is able to select the most suitable materials according to customer requirements. In addition, we have established competitive technologies as "technology platforms" (TPFs) and are continuously working to strengthen our technologies. In turn, we are developing products that anticipate changes in the social environment by combining multiple TPFs. In addition, based on these TPFs, employees with special expertise that can be used both inside and outside the company are appointed to specialist positions (S positions) and compensated appropriately. [P.46, 47](#)

- We conduct all transactions in accordance with the basic policies and guidelines of sustainable procurement. In order to achieve more appropriate procurement throughout supply chains, we are working with our Tier 1 suppliers to achieve and maintain a socially responsible procurement at our Tier 2 and Tier 3 suppliers. [P.72](#)

Employee ambition



- Through the Vision Caravan, which serves as an opportunity for dialogue between management and employees, SEKISUI CHEMICAL Group encourages employees to empathize with the Corporate Philosophy and Vision, and to take the initiative in changing their own behavior.
- In order to appropriately assess the actions taken by employees to undertake the challenge of achieving the Long-term Vision, SEKISUI CHEMICAL Group established a new human resources system in FY2021. [P.50](#)
- We have launched an intrapreneur training program to equip employees with the skills to commercialize the products to enhance sustainability that they have created. [P.44](#)

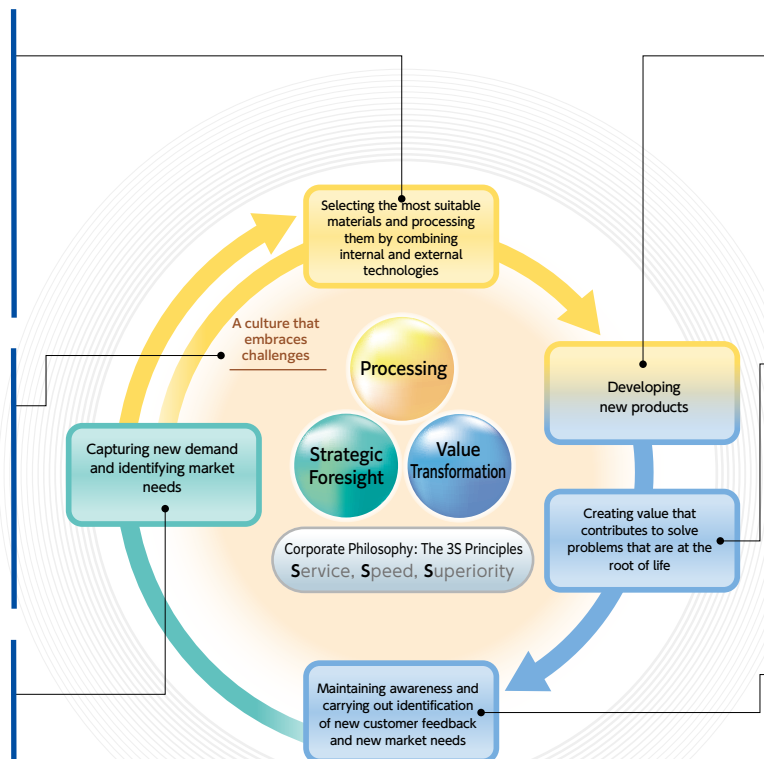
Initiatives that enable strategic foresight



- For the second year in a row, our Group was introduced as a company highly evaluated for its efforts in multifaceted rule-making activities, as publicized by the Ministry of Economy, Trade and Industry. In addition, we are actively involved in the development of standards for perovskite solar cells, and participate in various initiatives and rule-making efforts in the environmental field (climate change, resource recycling, etc.). Our leadership in shaping industry rules and our involvement in the formulation and standardization of criteria has helped us to create demand ahead of our competitors and subsequently increase our competitiveness.

A company highly evaluated (by the Ministry of Economy, Trade and Industry) for its efforts in multifaceted rule-making activities (Japanese only)

<https://www.eslontimes.com/news/detail/1697/>



Create products to enhance sustainability



- SEKISUI CHEMICAL Group regards intellectual property as an important management resource and promotes strategic intellectual property activities, such as strategy development based on analysis of the competitive environment using intellectual property information, market and competitive information, and portfolio management of intellectual property. [P.49](#)
- SEKISUI CHEMICAL Group emphasizes quality compliance. In particular, the Company has established a quality management system to eradicate the root causes of incidents of quality irregularities and data falsification. The Company has also built a quality assurance system for goods purchased from suppliers, and engages in activities to ensure quality. [P.59](#)

Create impacts that contribute to solving social and environmental issues



- SEKISUI CHEMICAL Group receives advice and recommendations from the External Advisory Board regarding products that contribute to solutions for issues faced by both the natural and social environments in an effort to certify Products to Contribute Sustainability and to expand sales of these. [P.14](#)
- SEKISUI CHEMICAL Group searches for start-ups and holds workshops on new technologies and prior cases for each issue aimed at technologies, development, and market transformations necessary to achieve long-term goals related to carbon neutrality and the circular economy. In addition, we hold the innovation roundtable initiative as a forum for cross-organizational discussion of solutions to problems that are rooted in social issues.

Transforming impacts into competitiveness and capturing new needs



- We calculate the carbon footprint of our products based on life cycle assessments in order to convey to our customers the value of low-carbon and decarbonized products that help mitigate climate change. In business areas where low-carbon value is growing, being ahead of the curve can set our business apart and turn risks into opportunities. [P.17](#)
- Building a manufacturing system close to our customers through investment enables us to respond to customer requests in a timely manner. It also represents the foundation for gaining customer trust and capturing new demand. [P.26](#)

Distribution of value to stakeholders

https://www.sekisuichechemical.com/sustainability_report/pdf/report_2025/sustainability_report2025e.pdf#page=135

SEKISUI CHEMICAL Group calculates the value provided to each stakeholder based on financial statements and while referring to the GRI Standards and other standards.

Commentary Value Creation Process Business Model: Case Study



Strategic Foresight



Processing



Value Transformation

Microparticles

We provide distinctive microparticles by controlling particle size and engineering functional features.

New business exploration

In the 1970s, amid the deteriorating business environment caused by the oil crisis, our Central Research Laboratory sought to develop new businesses, and in 1977, two major themes, electronics and medical, were established.

Human resources supporting technology

Microparticle technology is enhanced and passed down by highly specialized personnel (Specialist Positions*). P.47 We can create new functions by microparticulating materials that could not previously be microparticulated, or by creating unique shapes and structures, while responding to the changing needs of our customers over time.

* Specialist Positions (S positions): Company personnel with a high level of expertise, recognized both internally and externally, in the technologies that drive our competitiveness, and who are committed to deepening their expertise and playing a role in training the next generation of technical leaders. Appointments are made based on factors including the level of expertise, contribution to business, ability to drive technological enhancement, and ability to communicate externally.

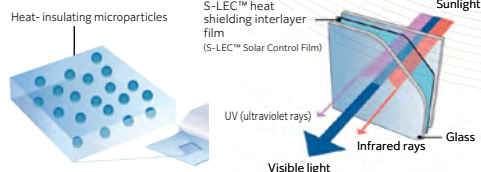
Flow of EV Conversion

Reduced CO₂ emissions volume
(through ZEV regulations, etc.)

Achieving carbon neutrality

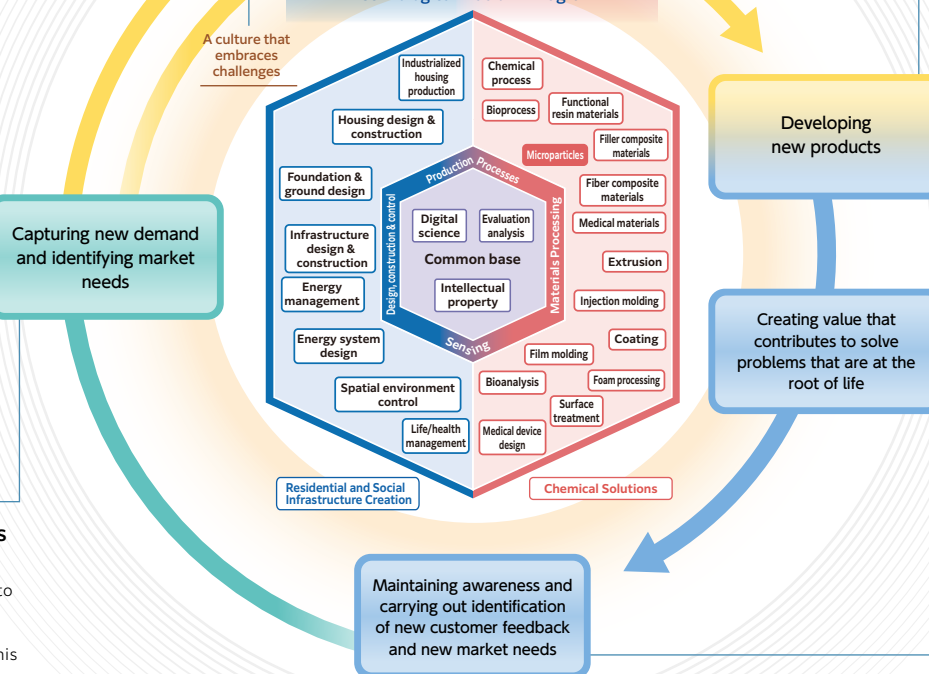
Development of technology applications

Heat insulation interlayer films use SEKISUI CHEMICAL Group's proprietary fine particle dispersion technology to uniformly disperse heat-shielding fine particles in the interlayer film resin, and this technology has been established based on patents obtained by the Group. This contributes to improved cabin comfort by significantly blocking not only ultraviolet rays but also infrared rays.



Selecting the most suitable materials and processing them by combining internal and external technologies

Technological Platform Diagram



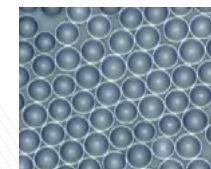
Capturing new demand and identifying market needs

Developing new products

Creating value that contributes to solve problems that are at the root of life

Maintaining awareness and carrying out identification of new customer feedback and new market needs

New product development utilizing core technologies



1979: Commercialized Micropearl plastic microparticles

Our unique technology has made it possible to produce plastic microparticles with a uniform particle size. This contributes to the high image quality of LCDs.



Capturing antigens as latex in diagnostic drugs for tests

Microparticles equipped with antibodies on their surface quickly react to antigens, which are foreign matter that enters the body. A single antigen is captured by multiple antibodies, causing microparticles to agglutinate and precipitate. Disease diagnosis is conducted based on their precipitation patterns (turbidity). This contributes to the early detection of diseases.

High value-added through the use of patents

Due to changes in market trends, the material used for metal wiring has changed, necessitating penetration through the insulation layer. Conventional microparticles could not penetrate the insulation layer reliably, resulting in poor conduction. However, by forming protrusions in these microparticles, it has become possible to reliably penetrate the insulating layer and achieve vertical conductivity. This protrusion formation technology is protected by a patent, and the invented technology has met with strong assessments.

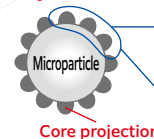
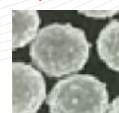
Conductive fine particles



Invention details

New invention

Projection formation using core material



Particle diameter: 3 to 5 μm,
core protrusion diameter: 0.1 μm

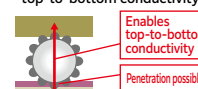
Feature 1

(A) Many and uniform protrusions on the surface of fine particles
→Protrusions securely contact the insulation layer and can penetrate

Feature 2

(B) Large protrusions on the surface of fine particles with high strength
→Reliably penetrates even thick insulation layers

New invention and top-to-bottom conductivity



Reliably penetrates the insulation, enabling top-to-bottom conduction

We provide a variety of high-performance plastics through resin design, modification, and compounding.

Products to Enhance Sustainability

Basic Concept

SEKISUI CHEMICAL Group has positioned Products to Enhance Sustainability as the most appropriate conduit through which to realize both a sustainable society and the sustainable growth of the Group itself. Through the creation and expansion of Products to Enhance Sustainability, the Group aims to help achieve the SDGs while improving its contributions and ability to solve social issues as well as grow as a company.

Product Assessment System Evolution

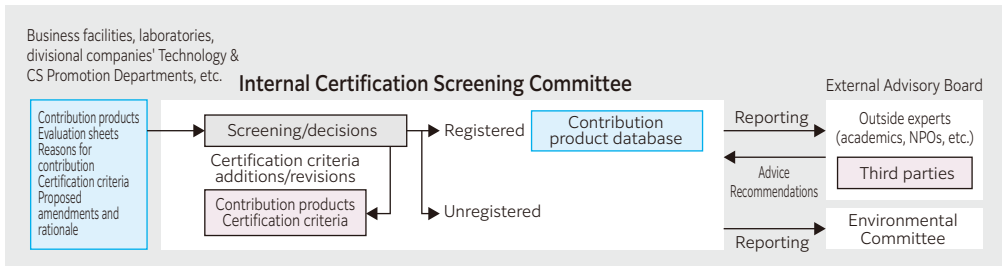
In 2017, the scope of SEKISUI CHEMICAL Group's Environment-Contributing Products system, which was launched in 2006 based on the Group's own evaluation and certification, was expanded to include products that contribute to solving issues in the social environment in addition to the natural environment. In FY2020, we changed the name to "Products to Enhance Sustainability" and established the "Premium Framework" [P.15](#) to strategically expand products that contribute to solving social issues.

Certification Method

Products to Enhance Sustainability are products that make a significant contribution to solving social issues in the natural and social environments and are certified based on internal criteria. We accept the opinions and advice of outside advisors with various backgrounds in industry, government, and academia regarding these criteria, approaches, and the validity of results to ensure high standards and transparency. On the External Advisory Board, external committee members provide opinions and advice on the significance of the contributions that newly registered products make to the natural and social environments, as well as how to communicate these contributions, and their expectations for the future.

In FY2023, we introduced negative checks at the time of registration to confirm whether or not the product has a negative impact on multiple environmental issues, or what measures we are considering to prevent the negative impacts.

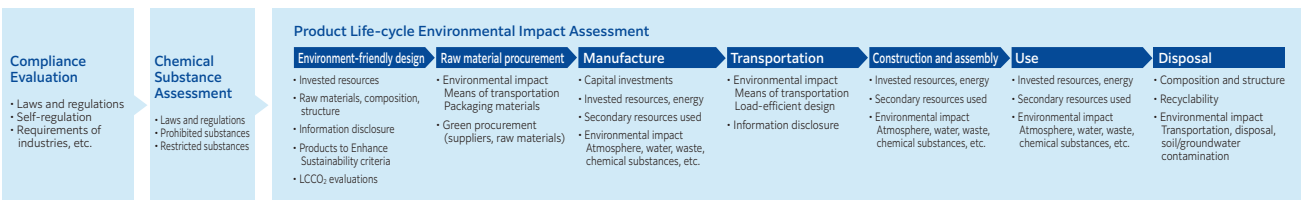
Products to Enhance Sustainability System Operation/Certification Method



Internal Certification Screening Committee: Chaired by the Head of the ESG Management Department, this committee is composed of those responsible for related departments at the Corporate Headquarters, as well as for technology and business at the divisional companies

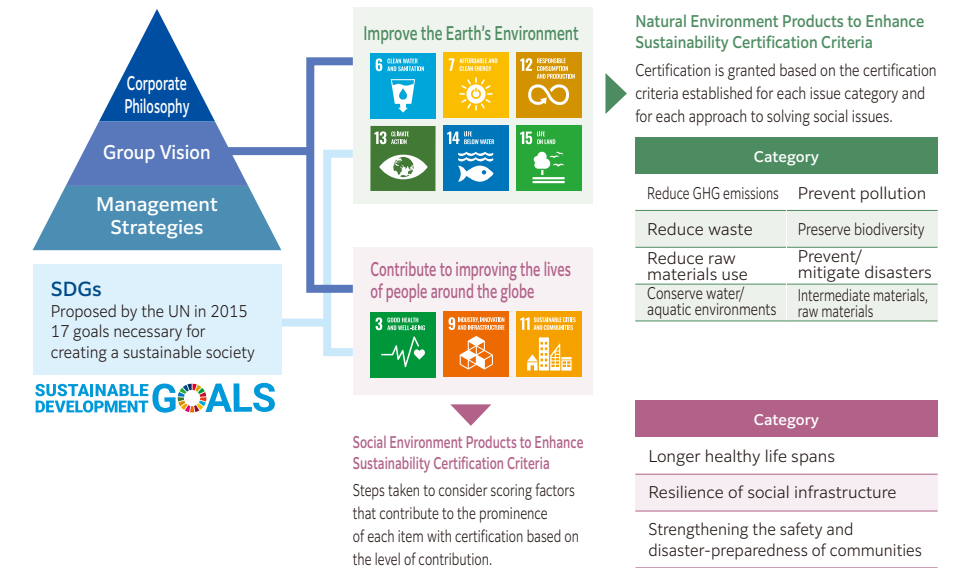
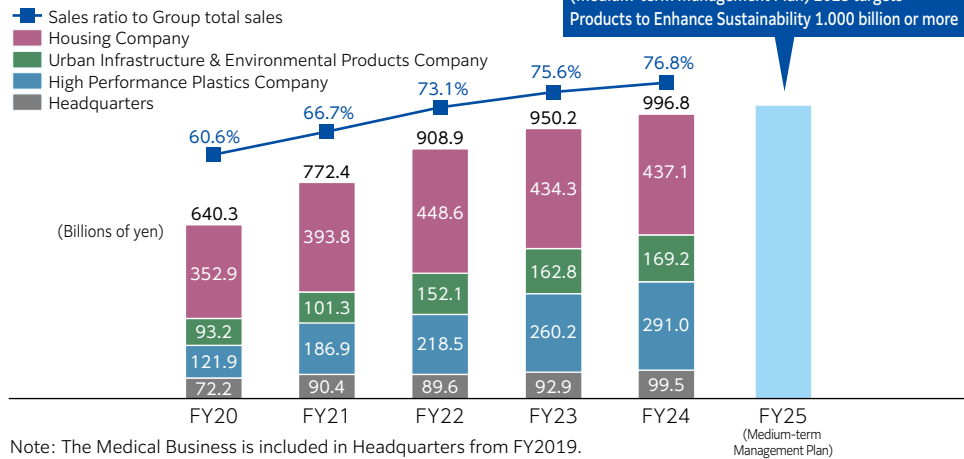
Product Development Method

SEKISUI CHEMICAL Group conducts design reviews during the development and modification of product processes, while also carrying out environmental impact assessments at all product life-cycle stages.



Products to Enhance Sustainability Net Sales

Products to Enhance Sustainability Net Sales/Sales Ratio



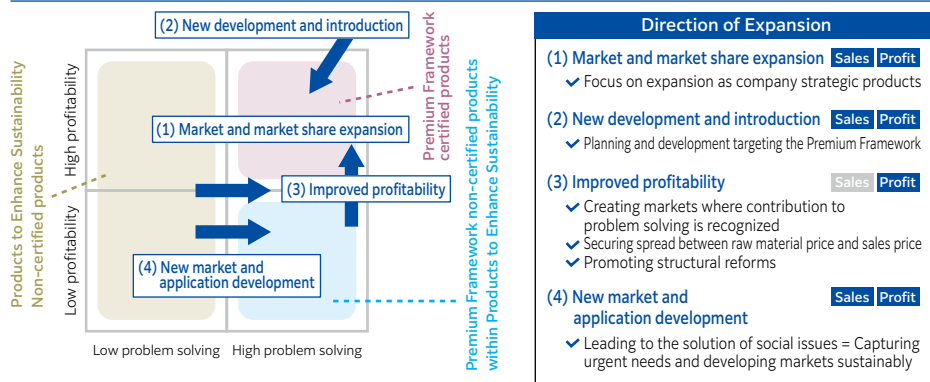
Products to Enhance Sustainability

About the Premium Framework

The Premium Framework is a strategic framework that combines social issue resolution and profitability.

Excluding the Housing Business (revenue base), which aims to generate stable cash, approximately 70% of Premium Framework net sales are composed of products from businesses in the Growth Driving Business and Growth Potential Business categories. We will accelerate the expansion of the Premium Framework by aggressively allocating capital to these two categories.

Premium Framework Expansion Strategy (Illustration)



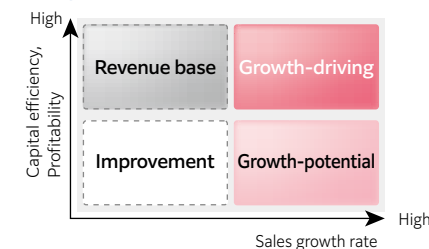
The above Premium Framework expansion strategy provides a visual illustration of our strategy for Products to Enhance Sustainability and the Premium Framework. In the first phase, we will target the lower right-hand area and grow Products to Enhance Sustainability and in the second phase, we will grow the upper right-hand area, which is the Premium Framework.

Product Environmental Impact Assessment

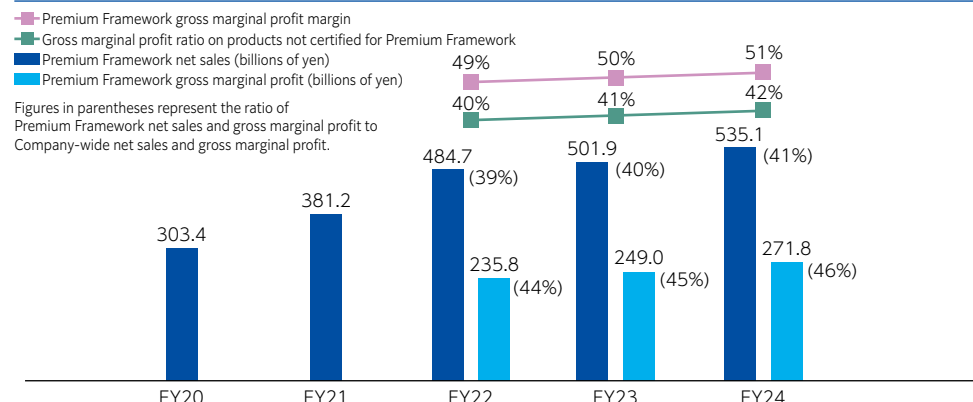
We are aiming to quantify and disclose the social impact of products certified as Products to Enhance Sustainability, and we are evaluating their environmental impact from the perspectives listed on the right. We are using the LIME2 (life cycle assessment/LCA evaluation*) method to quantitatively evaluate the environmental and social impact of more than 50% of the total net sales of registered Products to Enhance Sustainability. Although we do not disclose the results of this impact assessment for each product, we do ascertain the ratio of negative and positive impacts for all company products, and we calculate and disclose the SEKISUI Environment Sustainability Index. [P.52](#) Through this, we will promote activities that reduce negative impacts and increase positive impacts.

*The SEKISUI Environmental Sustainability Index has been calculated using the updated version of IDEA database for LCA since FY2023. The MILCA ver. 3.1 LCA calculation system, which incorporates IDEA ver. 3.1, reflects insights further clarifying impacts on biodiversity. By using this system as a new benchmark, we aim to accurately ascertain the impact of our activities on biodiversity.

Business Portfolio Management in the Medium-Term Plan [P.33](#)



Premium Framework Profitability



In FY2024, Premium Framework net sales were ¥535.1 billion, accounting for 41% of total Company net sales, while the gross marginal profit for the Premium Framework was 46% of the gross marginal profit of the entire Company. In addition, the gross marginal profit rate for Premium Framework certified products in the same fiscal year was approximately 10% higher than that of non-certified products, indicating high profitability.

Assessment of Environmental Areas with Product Contributions

We utilize the LIME2* methodology to objectively evaluate the contribution of sustainability products to various environmental areas. This calculates the impact of environmental load substances such as CO₂ (inventory) by dividing the area of impact (e.g., air pollution) into four specifically affected categorical endpoints (e.g., respiratory diseases) to be protected.

【Four Protection Areas】

- (1) Biodiversity: Predicted increase in the number of extinct species of living organisms; determining equivalent increase in extinct species
- (2) Primary production: Ecosystem and plant growth guidelines; determining equivalent to the amount of biomass produced by plants in a year
- (3) Social assets: Amount of impact on agricultural and fishery products, land, and resources; determining equivalent to the amount of damage and the amount needed for recovery
- (4) Human health: Lost life expectancy affecting health; determining equivalent to years of lost life expectancy *Determine if measurements are possible for GHG emissions as well

We will prevent what is called ESG-washing and use this evidence-based method to visualize the environmental areas to which each of our Products to Enhance Sustainability contributes, making it easier to understand the characteristics of the products.

*LIME2: Impacts on four areas (endpoints) determined by a damage calculation-style impact assessment method

Examples of the Environmental Impact of Products to Enhance Sustainability

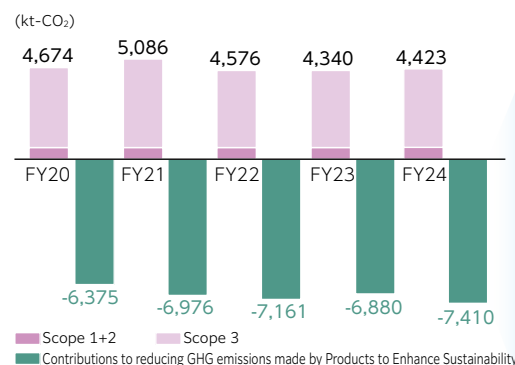
Promoting the Environmental Value of Products

In response to, or ahead of, the demands of society and customers, SEKISUI CHEMICAL Group is promoting the value of low-carbon and decarbonized products that contribute to mitigating climate change issues. In order to convey to customers the value of low-carbon and decarbonized products, we calculate the carbon footprint of our products based on carbon life cycle assessments (C-LCA). Calculations are made by setting parameters according to each objective and product. For raw materials, at present, calculations are based on a database (IDEA) with publicly available average GHG emission coefficients. We believe that as progress is made with initiatives at raw material manufacturers and coordination with the supply chain, we will be able to leverage the low-carbon value of each company's efforts. The amount of raw materials used, energy used in production, and other data are calculated using actual measurement data from production plants.



Products and services which contribute to the environment, primarily through GHG emission reductions which help to mitigate climate change

GHG Emissions from Corporate Activities and Contributions to Reducing GHG Emissions Made by Products to Enhance Sustainability



Contributions to reducing GHG emissions made by Products to Enhance Sustainability are calculated using general-purpose products as a comparison, where the calculation indicates the contribution to reduction as the difference from comparison products given by MilCA (Japan Environmental Management Association for Industry), a calculation system based on the concept of LIME2.

For details on the calculation methods used for Scope 1, 2, and 3, see the [Sustainability Report](#)

Contributions to GHG Emissions Reduction in the Mobility and Electronics Fields Account for Nearly 70% of the Total

The High Performance Plastics Company's contribution to GHG reductions in the electronics and mobility fields accounts for approximately 70% of the total. We will further expand our contribution by promoting the use of renewable energy for electricity used at production plants, and the resource conversion of raw materials.

Disclosure of products' contribution to greenhouse gas emissions reduction (FY2024)

Field	Form of Contribution	CO ₂ Reductions (kt-CO ₂)
Electronics	Interlayer materials, etc. contribute to the energy-saving features of LEDs	688
Mobility	Interlayer films for laminated glass used in vehicle windshields. High-performance membranes with heat shielding and sound insulation contribute to lower fuel consumption by reducing vehicle weight and improving the efficiency of car air conditioners.	4,755
Housing	Solar panels, HEMS, and storage batteries are installed to solve energy problems from the perspectives of energy creation, energy conservation, and energy storage.	1,349
Infrastructure	In addition to reducing resources and waste, the SPR pipeline renewal method for aging pipes (which does not require road excavation) improves fuel efficiency for vehicles by reducing traffic congestion because it reduces the extent to which vehicle traffic is stopped during construction.	418
Others	—	200
Total	—	7,410

Electronics Field

In these fields, we contribute to reducing GHG emissions at the production and usage stages of our customers' products.

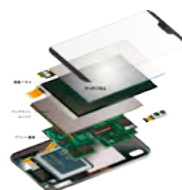
Contribute to the performance of energy-efficient products and reduce CO₂

- Micropearl
- Conductive fine particles
- UV sealants
- Heat-release materials



Improve product durability and reduce CO₂ over the life cycle

- Foam tape
- Double-faced adhesive tape for fixing of LCD components etc.



Mobility Field

In these fields, we contribute to reducing GHG emissions at the production and usage stages of our customers' products.

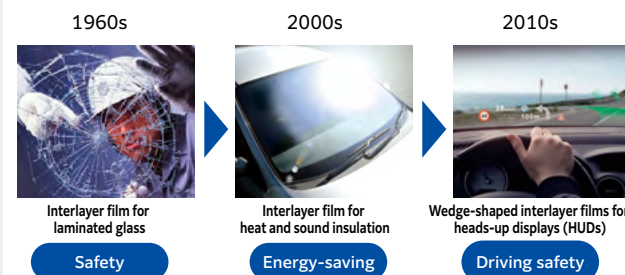
Reduce fuel consumption and CO₂ by decreasing vehicle weights and through heat insulation

- Sound and heat insulation interlayer films
- Alveosoft vehicle floor material, etc.



Product Example: Automotive Interlayer Film

- 1960s: "Shatterproof" reinforced windshields dramatically increase automobile **safety**
- 2000s: Contributing to **energy conservation and comfort** by adding heat and sound insulation performance
- 2010s: Projecting information on windshields reduces diversion of driver focus and **improves safety**



Lighter weight, more efficient air conditioning
→ **Reduced fuel consumption**

Contribution to the four environmental areas [P.15](#)

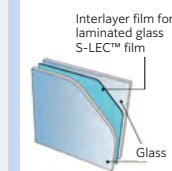
(1) Contribution to human health (GHG emission reduction)

Thinner glass makes vehicles lighter
=> Improves fuel efficiency, curbing global warming

(2) Contribution to social asset

Thermal barrier performance improves vehicle air conditioning efficiency
=> **Contributes to reduced energy use**
Reduces global warming with improved fuel efficiency
=> **Helps to protect agricultural and marine products**

What is an interlayer film?



• A 0.76-mm thick film used between two sheets of glass

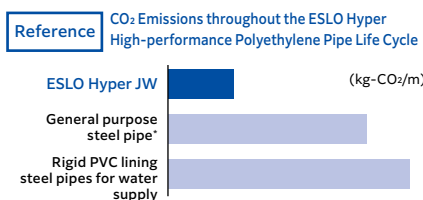
Examples of the Environmental Impact of Products to Enhance Sustainability



Products and services which contribute to the environment, primarily through GHG emission reductions which help to mitigate climate change

Infrastructure

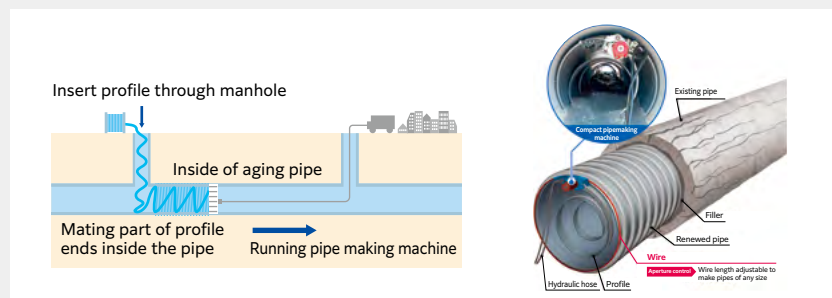
In this field, we contribute to mitigating environmental impact by reducing CO₂ throughout life cycles, from raw materials to production, by replacing conventional materials with plastic and by reducing waste, for example, through the SPR pipeline renewal method that eliminates the need to excavate roads during construction.



Notes: 1. Figures for metal pipes are inferred from publicly available information. These figures are for reference purposes only, and are not collected as data from the production process.
2. CO₂ emissions by material and product are calculated using impact assessment coefficients (GHG emissions per unit production) cited from IDEAv2 of the National Institute of Advanced Industrial Science and Technology and the Sustainable Management Promotion Organization.

Product Example: SPR Method (Pipeline Renewal)

- Renews old sewage pipes to equal or better condition than new pipes without excavating the road and while allowing water to flow through without stoppage
- Safer, lower-noise, and faster installation
- SPR-NX was launched in 2019, achieving more compact pipe making machinery and resulting in virtually no flow obstruction



Contribution to the four environmental areas P.15

- (1) Contribution to mitigating climate change**
No need to transport raw materials or waste
Shorter construction times, relieving traffic congestion
=> Improves fuel efficiency, curbing global warming
- (2) Contribution to biodiversity**
No excavation of land
=> No destruction of living organism habitats
- (3) Contribution to primary production**
No landfill waste
No need for new sediment
=> Does not disturb plant growth environments

Topic Sales activities that promote the low-carbon value of products by utilizing carbon footprints

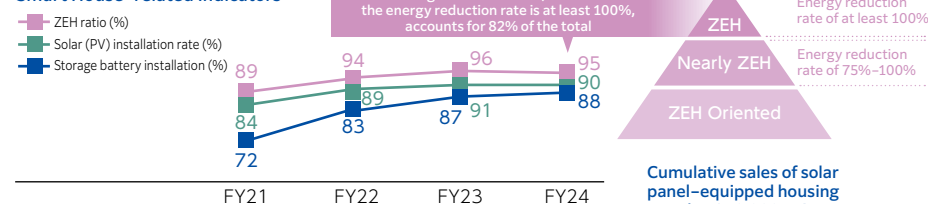
The Urban Infrastructure & Environmental Products Company, which handles many resin infrastructure products, has developed material describing the calculated carbon value of resin pipes and other products to customers, and also conducts training for sales staff. More than 500 trained employees have been engaged in sales activities promoting the value of low carbon since FY2021. Given these activities, the Urban Infrastructure & Environmental Products Company is ready to present material in response to requests from customers whenever needed.

WEB Press Release: Commencing disclosure of LCA data (CFP data) for the Urban Infrastructure & Environmental Products Company (Japanese only)
https://www.sekisui.co.jp/news/2025/1433652_41954.html

Housing

As one of the first companies to tackle environmental issues, we began selling houses equipped with solar panels in 1997. In 2012, we began contributing to energy creation, conservation, and storage through solar panels, HEMS (home energy management system), and storage battery-equipped housing. By utilizing high-capacity storage batteries and large-capacity solar panels, we propose advanced lifestyles that eliminate electricity purchases wherever possible.

Smart House-related Indicators*1



*1 Rate of installation for detached housing orders

Reference: Company data*	FY21	FY22	FY23	FY24
Installed solar panel area	400,000 m ²	428,000 m ²	367,000 m ²	390,000 m ²
Total installed solar panel capacity*2	60 MW	60 MW	55 MW	55 MW

*2 Cumulative installed solar panel capacity now exceeds 1,300 MW. As a result, total annual electricity generation is equivalent to the electricity consumed by a city with a population of 500,000 people.

Visit <https://www.sekisuiheim.com/info/press/20240423.html>

Cumulative sales of solar panel-equipped housing stood at 250,000 units (approx.) as of March 31, 2023



Product Example: SEKISUI HEIM ZEH Housing

Contribution to the four environmental areas P.15

- (1) Contribution to mitigating climate change**
Solar panels/storage batteries & high-insulation housing
=> Self-sufficiency with clean energy, and deterrence of global warming through efficient heating and cooling
- (2) Contribution to human health**
Improvement of indoor air quality, reduction of temperature differences => Deterrence of disease morbidity
- (3) Contribution to social assets**
Private solar power generation => Creation of clean energy

Examples of Products to Enhance Sustainability



Promoting Resilient Infrastructure, Cities as well as Living and Communications Environments

Spreading and Promoting Resilient Social Infrastructure and Safe, Secure Lifelines

We provide products and construction methods that contribute to solutions for social issues, including aging structures, disaster prevention and mitigation, and labor shortage countermeasures, as part of water supply and sewage lines, agriculture, electric power, and other aspects of social infrastructure. We also provide lightweight, highly durable, high strength materials in the aircraft, railway, and other transportation infrastructure fields in order to contribute to building safe, secure lifelines.



Polyethylene pipes for earthquake resistant water supply



SPR Method contributes to aging infrastructure, including sewage pipes



Reinforced plastic composite pipes are also used as rainwater storage pipes

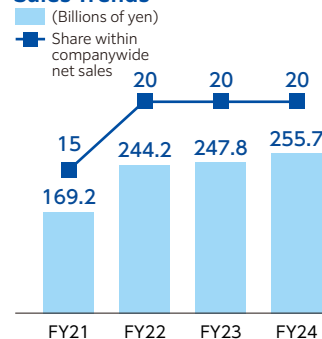


Rainwater storage systems contribute to torrential rain countermeasures



Synthetic sleepers for railroads have exceptional water resistance and durability

Water-related Business Net Sales Trends



* The water-related business was redefined in FY2022.



High flowrate drainage systems contribute to torrential rain countermeasures, etc.



Fire-resistant VP Rigid PVC pipes for buildings



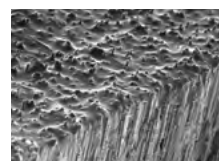
Drinking water storage system



Non-combustible certified material, thermal insulating urethane foam material for onsite use

Resilient Communications Infrastructure

Products that contribute to improving the durability and performance of ICT-related parts, which are becoming increasingly important with the development of 5G connectivity, also contribute to more sophisticated ICT.



MANION high thermal conductivity heat release sheet
Contributes to the performance of high-speed communication and high-density semiconductors



Selfa semiconductor processing material
Contributes to realizing high density, ultra-thin wafers

Providing Smart, Resilient Living Environments, and Town and Community Development



SEKISUI HEIM are made from high durability structures that are resistant to natural disasters as the result of a highly industrialized unit construction method



New e-PocketGREEN high-capacity storage battery
A high-capacity, compact storage battery that can be installed indoors

In addition to communities where all residences are equipped with storage batteries and built to zero energy house (ZEH) specifications, we are deploying smart, resilient town and community development throughout Japan by bringing to bear the infrastructure materials of the Group that stand strong against disasters, including rainwater storage systems that provide countermeasures to torrential downpours and drinking water systems capable of securing days of potable water, even when water services are suspended.

SEKISUI CHEMICAL Group
Infrastructure Technologies



Support for Health and Longevity

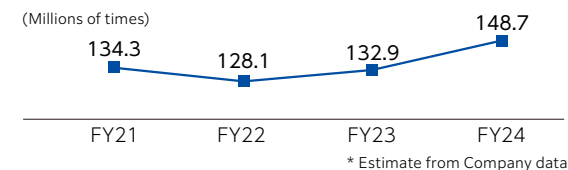
Contributing to the Early Detection of Diseases

We support healthy lifestyles by detecting illness and infectious diseases early on through our product lineups of clinical reagents for diabetes and infectious diseases, analysis equipment, and plastic blood collection tubes.

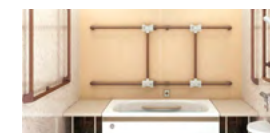


Reference Image

Number of tests made using SEKISUI CHEMICAL Group diagnostic reagents in the clinical chemistry (HDL, LDL), diabetes, and POCT fields*



Lightens the Burden on Those Receiving and Providing Elderly Care



Large-scale prefabricated bath for independence support and nursing care



Monitoring Sensor ANSIEL

Proposing Lifestyles with Little Temperature Difference Risk



Comfortable air ventilation and air-conditioning systems

Addressing the New Normal



Virus removal spray with a virus removal effect that lasts approximately one month