

Optimization of Certain Business Segments in Pursuit of Greater Synergies

SEKISUI CHEMICAL Group announces the reorganization of strategic business segments of the Urban Infrastructure and Environmental Products Company and the High Performance Plastics Company, along with changes in business control over some business units and products, as well as affiliated companies, in order to build an organization geared to optimization of business segments and greater business synergies.

I. Background and Objective

SEKISUI CHEMICAL Group established Vision 2030, its long-term vision for 2030, under which it has announced “Innovation for the Earth” as its vision statement. The Group has set a goal of creating "peace of mind for the future" by supporting the basis of LIFE and striving for the creation of a sustainable society by continuing to generate innovation.

As individual businesses have expanded their domains in recent years, some business activities have approached one another among divisional Companies. In response to this development, the Group has decided to optimize domains and to shift to a system that generates synergies in marketing, manufacturing, technology and all other aspects of business.

II. Summary of the Changes

[Urban Infrastructure and Environmental Products Company]

· The existing three strategic fields of Piping and Infrastructure, Building and Living Environment, and Advanced Materials will be reorganized into Pipe Systems, Buildings and Infrastructure Composite Materials and Infrastructure Renovation. ([Figure])

· In the Pipe Systems field, a new PVC Materials Division will be created. In addition to some functions of the Pipe Systems Division, business fields related to chlorinated polyvinyl chloride (CPVC) resin that are currently part of the High Performance Plastics Company will be moved to the new division.

· SEKISUI SEIKEI CO., LTD., and SEKISUI KYDEX LLC. will be incorporated into the High Performance Plastics Company. In order to boost synergies with various industries by utilizing its precision molding technologies, SEKISUI SEIKEI will be reorganized and moved to the Industrial field. SEKISUI KYDEX will be transferred to the Mobility field to strengthen synergies with SEKISUI AEROSPACE CORPORATION.

(The Sheet Division will be eliminated with the transfer of SEKISUI KYDEX.)

[High Performance Plastics Company]

· Its three strategic business field will be reorganized into Electronics, Mobility, and Industrial. (Building and Infrastructure materials → Industrial) ([Figure])

· The Fire Protection Materials Division (including its subsidiary SEKISUI SOFLANWIZ CO., LTD.) will be transferred to Buildings and Infrastructures Composite Materials field of the Urban Infrastructure and Environmental Products Company.

· Business fields related to chlorinated polyvinyl chloride (CPVC) resin that had been under the Specialty Chemicals Division in the Building and Infrastructure domain, as well as subsidiaries (TOKUYAMA SEKISUI CO., LTD., SEKISUI SPECIALTY CHEMICALS (THAILAND) CO., LTD., and S AND L SPECIALTY POLYMERS CO., LTD.) will be transferred to the PVC Materials Division under Pipe Systems field of the Urban Infrastructure and Environmental Products Company.

· The Crosswave rainwater storage system and related products that had been manufactured by SEKISUI TECHNO MOLDING CO., LTD., will be moved to the Pipe Systems Division under the Pipe Systems field of the Urban Infrastructure and Environmental Products Company.

[Figure] Strategic field changes in the Urban Infrastructure and Environmental Products Company and the High Performance Plastics Company

