

SEKISUI CHEMICAL Group's Sustainability

■ SEKISUI CHEMICAL Group's Sustainability	007
● Strategy	007
● Governance	013
● Risk Management	014
● Indicators and Targets	014
■ Products to Enhance Sustainability	017



SEKISUI CHEMICAL Group's Sustainability

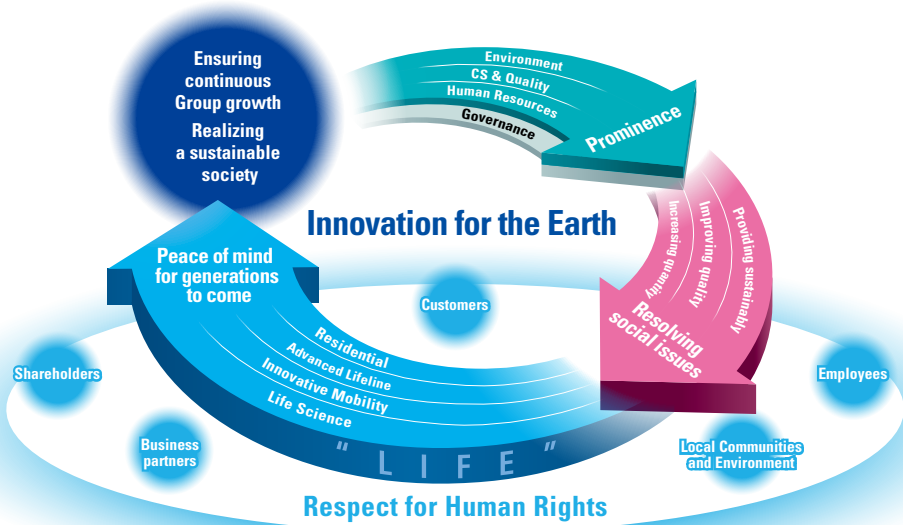
Strategy

Basic Concept

By means of its ESG management, SEKISUI CHEMICAL Group is aiming to realize both a sustainable society and the sustainable growth of the Group itself. To this end, we are working together with stakeholders on three steps: securing prominence; solving social issues; and creating peace of mind for generations to come.

Under the previous Medium-term Management Plan, Drive 2022, we focused on strengthening our management ability to sustain the business and on controlling the cost of capital. Under the current plan, Drive 2.0, we built on that work with initiatives that support our growth strategy. Under the next Medium-term Management Plan, Accelerate 2028, which starts in FY2026, we will further strengthen our ESG management base while accelerating its contribution to the SEKISUI CHEMICAL Group's sustainable growth and to turning preparations into results.

ESG Management Conceptual Diagram



Three steps

(1) Securing prominence

Putting in place a corporate structure that is trusted by society through Governance (Internal Control) and driven by the challenge of its prominence in Human Resources to create products and services that are overwhelmingly different in terms of Environment as well as CS & Quality.

(2) Solving social issues

Based on its prominence, accelerating the solving of social issues by means of three approaches (increasing the quantity of contributions, improving the quality of contributions, and providing both quantity and quality in a sustainable manner).

(3) Creating peace of mind for generations to come

Creating and expanding the value that delivers peace of mind for the future to all generations, including those of the future, through four domains (Residential, Advanced Lifeline, Innovative Mobility, and Life Science).

Long-term Vision and ESG Management

Under its Long-term Vision, Vision 2030, which was formulated in 2020 and carries the Group through to 2030, SEKISUI CHEMICAL Group has identified the Vision Statement to support the basis of LIFE and create peace of mind for generations to come in order to realize a sustainable society. Through "business growth & reform and creating new business centered on ESG management," the Company aims to expand its existing businesses and contribute to solving social issues through the creation of new businesses.

SEKISUI CHEMICAL Group's Principles

SEKISUI CHEMICAL Group's system of management principles comprises the Group's Corporate Philosophy, which outlines the approach and policies that underpin corporate activities; the Group Vision, which expresses the form to which we aspire under our Corporate Philosophy over the medium to long term; and Management Strategies to realize the Group Vision.



Corporate Philosophy: The 3S Principles

Service: At SEKISUI, we serve our stakeholders by creating social, environmental, and economic value through responsible business practices.
Speed: At SEKISUI, we accelerate innovation by eagerly taking on new challenges, adapting to change, and staying ahead of the times.
Superiority: At SEKISUI, we contribute to society* by helping to solve social issues with our superior technologies and quality.

* Society: Five social, environmental, and economic stakeholders, namely Customers; Shareholders; Employees; Business Partners; and Local Communities and Environment.

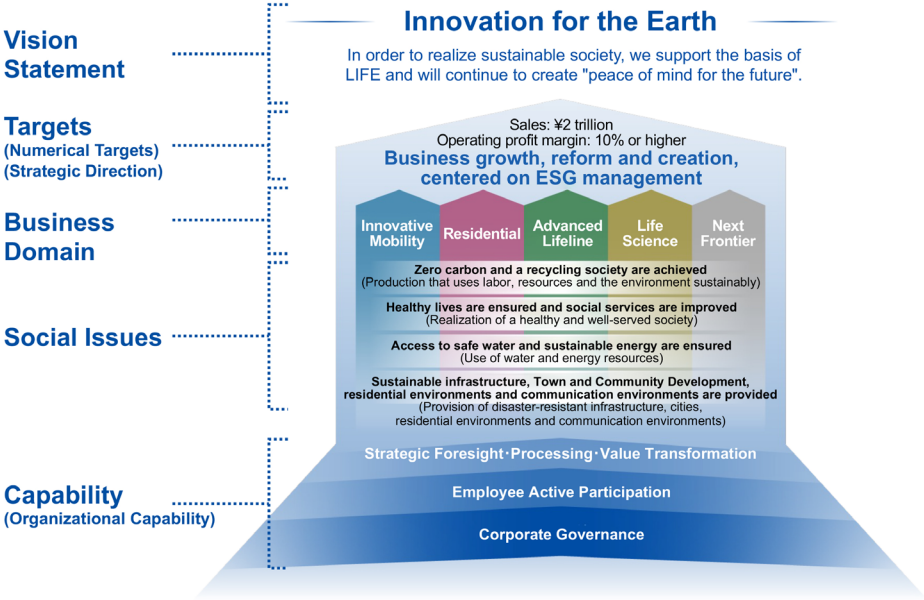
Group Vision

Through prominence in technology and quality, SEKISUI CHEMICAL Group will contribute to improving the lives of the people of the world and the Earth's environment, by continuing to open up new frontiers in Residential and Social Infrastructure Creation and Chemical Solutions.

WEB Our Principles: Corporate Philosophy and Group Vision
<https://www.sekisuichemical.com/about/outline/vision/principles/>

Long-term Vision, Vision 2030

SEKISUI CHEMICAL Group has a vision statement that incorporates a strong determination to innovate. This determination to stimulate innovation is designed to support the basis of LIFE and create peace of mind for generations to come in order to realize a sustainable society. With “business growth & reform and creating new business centered on ESG management” at the center of its strategy, SEKISUI CHEMICAL Group aims to contribute more than ever before to solving social issues by driving innovation through two distinct means: expanding existing businesses* through product and business reform and creating new businesses through the development and acquisition of new business bases. Drawing on this cycle, we envisage doubling our sales volume by 2030 (to sales of 2 trillion yen and an operating profit margin of 10% or higher).
* Four business domains: Residential (Housing); Advanced Lifeline (Social Infrastructure); Innovative Mobility (Electric Mobility); and Life Science (Health and Medical).

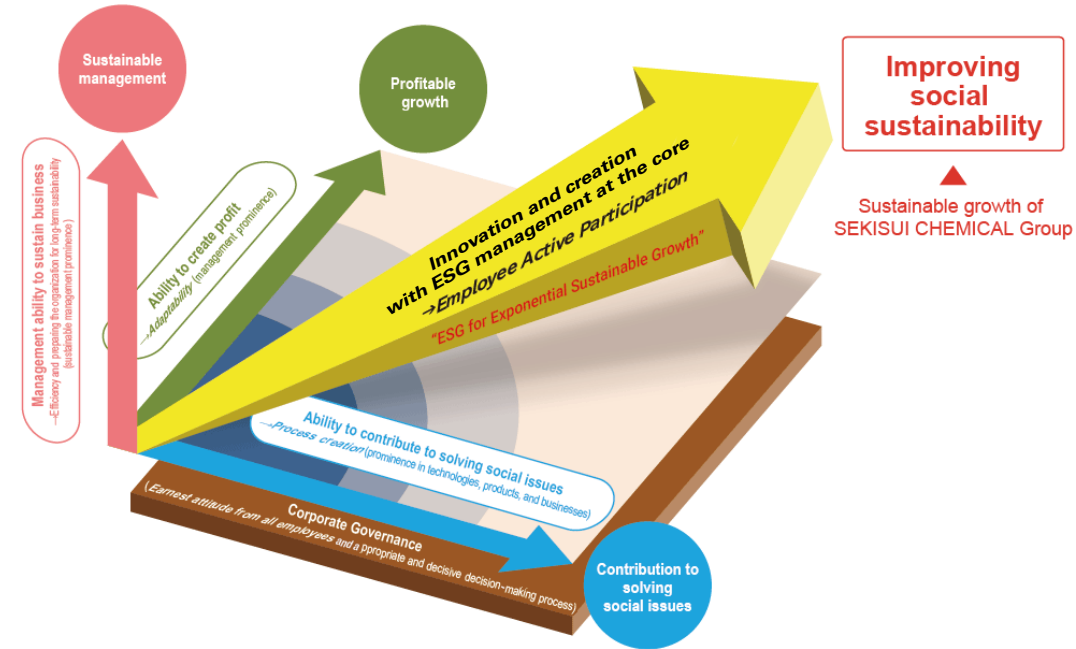


WEB Long-term Vision and Medium-term Management Plan Presentation (May 22, 2020)
https://www.sekisuichemical.com/about/outline/vision/principles/pdf/20200522kge_2.pdf

(This link to our Medium-term Management Plan presentation covers Drive 2022, our previous Medium-term Management Plan.)

ESG Management

Through “business growth & reform and creating new business centered on ESG management,” SEKISUI CHEMICAL Group aims to realize both a sustainable society and sustainable growth of the Group itself by strengthening three driving forces that are the key to Vision 2030: the ability to contribute to solving social issues; the ability to create profit; and the Group’s management ability to sustain business.



The Group’s Management Ability to Sustain Business

Adopted ROIC as a KPI to strengthen the Group’s management ability to sustain business

SEKISUI CHEMICAL Group adopted ROIC as an indicator of efficiency and is targeting an improvement over the medium to long term. To this end, we will improve our profit margin by such measures as expanding marginal profit and improving productivity and increase invested capital turnover through various efforts including effective capital investment, optimal plant utilization, and inventory adjustments.

Improve the Group’s corporate value by increasing capital efficiency and controlling capital costs over the long term

SEKISUI CHEMICAL Group defines the SEKISUI Sustainable Spread (ROIC spread) as the difference between ROIC and long-term capital cost. By expanding the SEKISUI Sustainable Spread, the Group is increasing its corporate value.

Control the cost of capital in a broad sense and improve the Group’s management ability to sustain business

SEKISUI CHEMICAL Group will increase investments in such areas as Governance (Internal Control: Safety, Quality, Accounting, Legal/Ethical, and Information Management), Digital Transformation (DX), Environment, and Human Capital to mitigate risks that could lead to serious incidents. We will also work to control medium- to long-term capital costs and improve our management ability to sustain business.

Review of the Current Medium-term Management Plan

Under the current Medium-term Management Plan, Drive 2.0, we adopted three initiatives to raise corporate value as our basic strategy (Strategic Innovation, Organic Growth, and Strengthen Sustainability) and carried out a wide range of measures. Net sales reached 1,309.3 billion yen (against a target of 1,410 billion yen) and operating income 106.5 billion yen (against 115 billion yen), short of our Medium-term Targets. Our operating margin of 8.1% likewise fell just short of the 8.2% target, but we advanced the groundwork for growth from FY2026 onward and began improving the profitability of our Medical Business. ROIC came in at a 7.6% (against a target of 8.5%), and we see it as an important management issue for the next medium-term period as well.

Strategic Innovation

Preparations in new businesses such as perovskite solar cells progressed steadily. Carrying out M&A and laying the groundwork for growth in the life sciences remain challenges.

Organic Growth

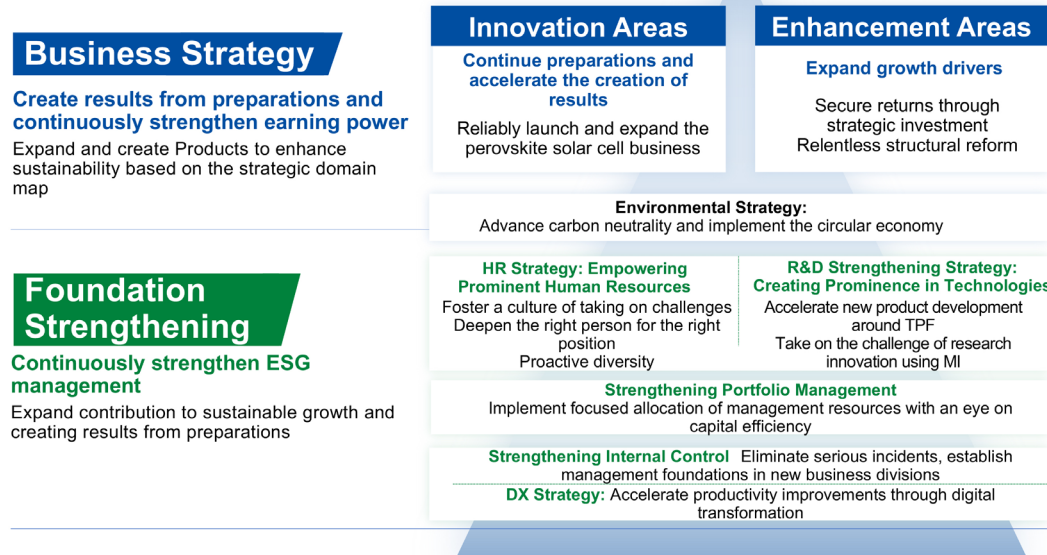
Guided by the roles assigned to each business under the portfolio management we introduced in the current Medium-term Management Plan, we invested mainly in our growth-driving and growth-expected businesses. Generating returns on those investments remains a challenge.

Strengthen Sustainability

Foundation strengthening rooted in each material issue progressed and helped underpin sustainable growth. Linking this work to our strategy and further expanding our contribution remain challenges.

The Next Medium-term Management Plan:
Accelerate 2028

Implementing proactive ESG management through the dual pillars of “business strategy” and “foundation strengthening” to accelerate toward realizing Vision 2030



Accelerate 2028 is the third Medium-term Management Plan on the path to our Long-term Vision, Vision 2030. It calls for practicing proactive ESG management based on our basic strategy's two wheels, Business Strategy and Foundation Strengthening, and accelerating sharply toward Vision 2030. By FY2028, the final fiscal year, we aim to improve net sales to 1,600 billion yen, operating income to 150 billion yen, and ROIC to 8.0% or higher. Because this is an investment-led medium-term period, however, the plan does not anticipate a major improvement.

Business Strategy (create results from preparations and continuously strengthen earning power)

We will keep developing the Strategic Area Map, the compass for our business strategy, and accelerate the expansion and creation of Products to Enhance Sustainability. In innovation areas (where we create new innovation by, among other things, combining external resources), we will keep making preparations with a medium- to long-term outlook while accelerating the delivery of results from the preparations made so far. In enhancement areas (the product groups and measures we focus on most within our growth-driving and growth-expected businesses), we will accelerate our work on the themes under each keyword and earn returns through strategic investment while also expanding our growth drivers. In our environmental strategy too, we aim to further expand Products to Enhance Sustainability by pursuing proactive efforts such as resource recycling, a theme we have set across every domain.

Strengthening the Foundation (continuously strengthen ESG management)

We will further strengthen our ESG management base and accelerate our growing contribution to sustainable growth and to turning preparations into results. In our human resources strategy, we have defined our goal as becoming a corporate entity that offers opportunities for growth and remains the employer of choice for employees and society, and we will pursue three main strategies: refining a culture of taking on challenges, deepening the right talent in the right position, and bold diversity. In particular, we will take an active approach to strategic talent development, with an eye to accelerating the training of next-generation leaders. Under our R&D-strengthening strategy, we aim to refine our technology platforms, the industry-leading core technologies at our foundation, and to accelerate new product development built around them. Specifically, we will create advanced technologies by combining internal and external expertise, train and expand our pool of industry-leading engineers, and extend the use of digital technology into business planning, production processes, and beyond, all to generate promising development themes and bring them to fruition faster. We will also accelerate, more than ever, our environmental strategy of cutting GHG emissions and reducing waste in production and construction, our stronger portfolio management that allocates resources with clear priorities, the steady strengthening of internal control as a global company, and our DX strategy centered on productivity gains.

WEB SEKISUI CHEMICAL Group's Medium-term Management Plan: "Accelerate 2028"
https://www.sekisuicheical.com/news/2026/_icsFiles/afieldfile/2026/05/21/260521_en.pdf

WEB Presentation of the Medium-term Management Plan (May 21, 2026)
<https://www.sekisuicheical.com/ir/pdf/event/20260521kge.pdf>

Identifying Key Issues (Materiality)

To strengthen still further ESG management, which is the key to realizing the Long-Term Vision, Vision 2030, SEKISUI CHEMICAL Group has identified Governance (Internal Control), DX, Environment, Human Capital, and Innovation as key issues and is promoting measures centered on these issues.

Extracting and identifying key issues

Key issues are identified based on the following processes.

Step 1: Extracting issues

We have comprehensively extracted short-term, medium-term, and long-term* issues from the following perspectives.

* Period: Short-term (less than three years); Medium-term (three to less than six years); Long-term (six years or more)

- (1) SEKISUI CHEMICAL Group
 - Corporate Philosophy system (Corporate Philosophy, Group Vision, and Long-Term Vision 2030)
 - Various policies
 - Medium- to long-term strategies
 - Business model
 - Employee awareness surveys
 - Discussions at various meetings
- (2) Social demands
 - Regulations, soft law, and disclosure directives of each country in which the Group operates
 - Opinions and expectations of external stakeholders (customer surveys and dialogue, sustainable procurement surveys, dialogue with shareholders and investors, and NPOs)
 - Opinions from outside experts regarding the global environment, consumers, etc. (advisory boards)

P021 Advisory Board

- Evaluation institution and customer survey items and content
 - Global guidelines (UN Global Compact, ISO 26000, GRI Standards, SDGs,TCFD,TNFD, SASB, and OECD's Guidelines for Multinational Enterprises)
- (3) Other companies' trends
 - Integrated reports and sustainability reports
 - Exchange of opinions at Global Compact subcommittee and other meetings

Step 2: Identifying risks and opportunities

The Group-Wide Risk Review Subcommittee identifies potential risks or opportunities based on the two axes of impact and likelihood of occurrence.

Step 3: Identifying key issues

We identify key issues after deliberation by the Sustainability Committee and prioritize them in accordance with the two axes: A. Importance for stakeholders*1 (Customers, Shareholders, Employees, Business Partners, and Local Communities and Environment) and B. Importance for SEKISUI CHEMICAL Group management*2.

*1 Taking into consideration the magnitude of the positive and negative impact on the Earth and society utilizing the SEKISUI Environment Sustainability Index.

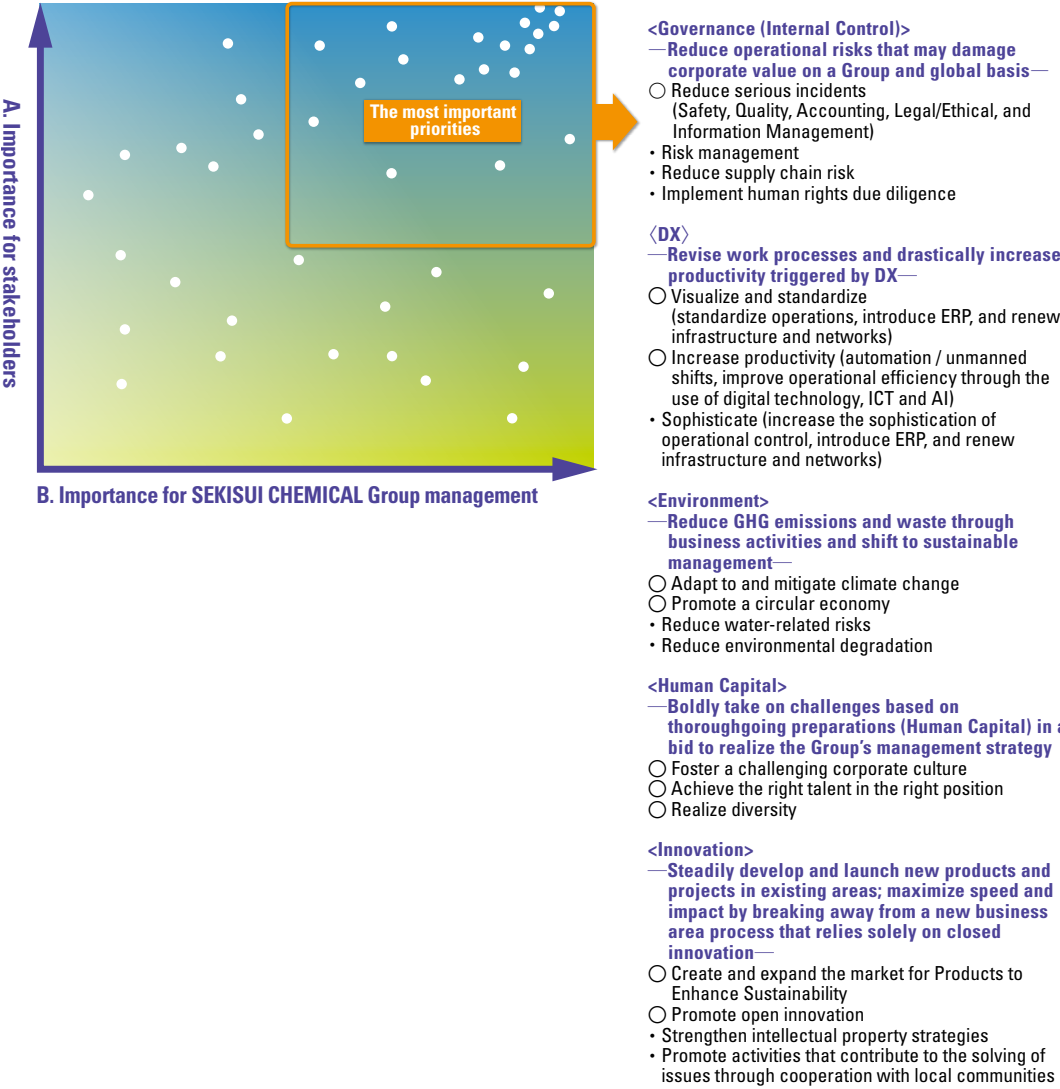
*2 Utilizing the SEKISUI Sustainable Spread, which reflects the concepts of ROIC and capital cost, based on the assumption of a substantial financial impact in the future.

Step 4: Authorizing key issues

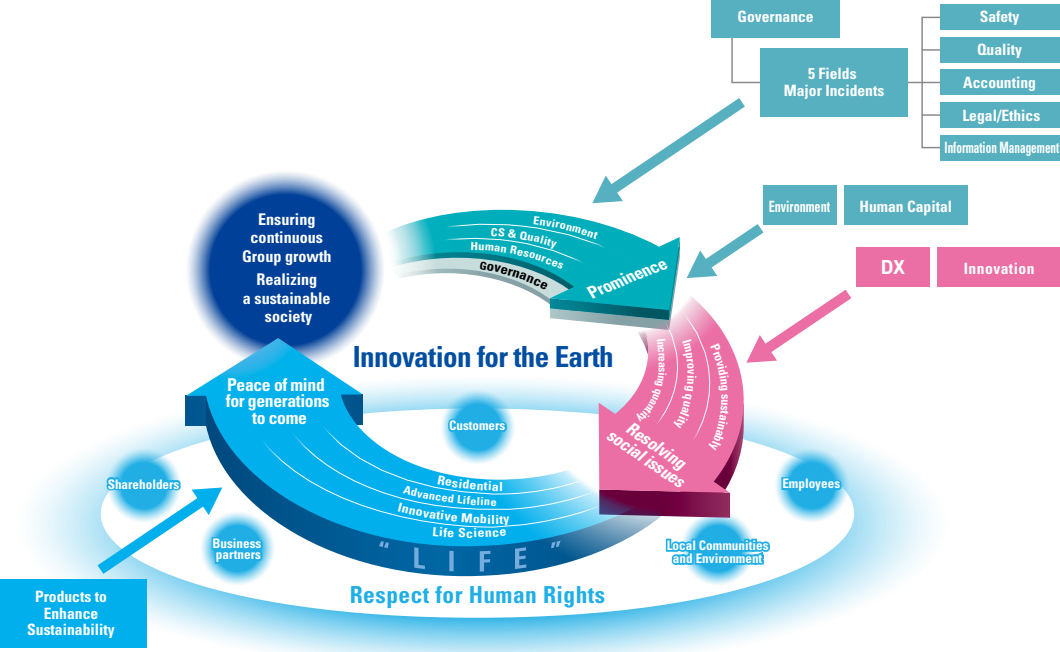
Key issues deliberated by the Sustainability Committee are ultimately authorized by the Board of Directors.

Regarding key issues, we will consider the necessity for change each year based on changes in the Group's situation, social conditions, etc.

SEKISUI CHEMICAL Group's Key Issues (2023-2025)



Positioning of Key Issues in the ESG Management Conceptual Diagram



Governance

ESG Management Oversight and Promotion System (As of April 1, 2026)

SEKISUI CHEMICAL Group promotes ESG management on an integrated Group-wide basis through an oversight and promotion system made up of the Board of Directors, which fulfills a supervisory function, the Sustainability Committee, which fulfills a business execution function, and seven subordinate subcommittees. Under this system, we monitor activities related to the key issues facing the Group that are carried out by each principal and related department of SEKISUI CHEMICAL Group's Corporate Headquarters and divisional companies.

Board of Directors

The Board of Directors receives reports on policies, strategies, and Group-wide risks and opportunities deliberated by the Sustainability Committee twice a year. In addition to making final decisions, the Board oversees the execution of sustainability initiatives.

Sustainability Committee

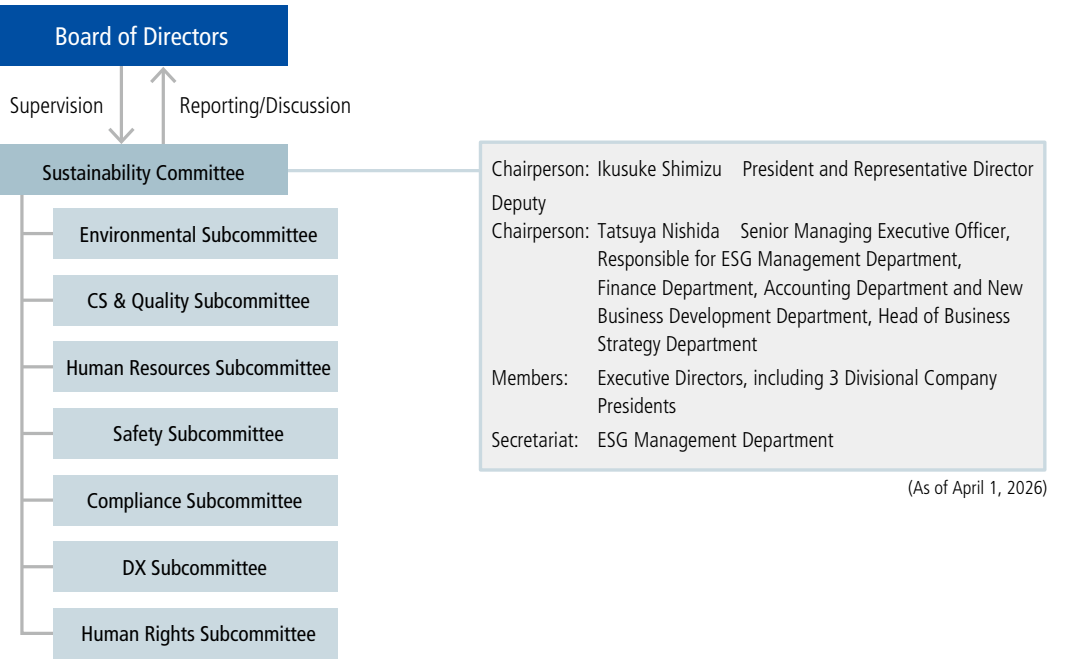
Chaired by the President and Representative Director, the Sustainability Committee's membership also includes the Senior Managing Executive Officer Responsible for the ESG Management Department serving as deputy chairperson, as well as representative executive directors including the Presidents of the Housing Company, the UIEP Company, and the HPP Company. Meeting two times each year, the Sustainability Committee verifies risks and opportunities that the Group may face in the future, and reviews key issues as appropriate. At the same time, the Committee determines Group-wide policies and KPIs, formulates Group-wide action plans, receives reports from each subcommittee chairperson, and monitors the status of each key issue initiative.

Subcommittees

SEKISUI CHEMICAL Group has established seven subcommittees covering the Group's material issues, namely Environment, CS & Quality, Human Resources, Safety, Compliance, DX, and Human Rights under the umbrella of the Sustainability Committee. Meeting twice a year, each of the six subcommittees, excluding the Human Rights Subcommittee, is chaired by the executive in charge of the Corporate Headquarters and includes the executives of each divisional company as well as general managers of divisional companies, the Corporate Headquarters, and the Medical Business, which falls under the umbrella of the Corporate Headquarters. The Human Rights Subcommittee is chaired by the Managing Executive Officer and Head of the Human Resources Department at the Corporate Headquarters, and is comprised of executive officers in charge of each related Corporate Headquarters area as well as the Head of the ESG Management Department. Each subcommittee drafts specific measures for each divisional company based on decisions

made by the Sustainability Committee. These measures are incorporated into action plans and the status of progress monitored. The chairperson of each subcommittee participates in meetings of the Sustainability Committee to report on and discuss results.

Sustainability Committee / Subcommittee Structure



Risk Management

ERM (Enterprise Risk Management): A Reference to Group-Wide Risk Management

SEKISUI CHEMICAL Group conducts regular monitoring based on the importance of risks and opportunities.

First, we work to gain a comprehensive understanding of the issues facing society and the Group from the regulations, soft law, and disclosure regulations in each country in which we operate as well as a variety of other means, including stakeholder engagement and dialogue with experts. We then incorporate these issues into a Group-wide risk map after taking such measures as ranking each issue based on the axes of impact and likelihood of occurrence. With the participation of the chairpersons of each subcommittee, the Group-wide Risk Review Subcommittee, which meets once a year, deliberates on each issue. The Subcommittee identifies and prioritizes short-, medium-, and long-term issues that may pose risks or opportunities for the sustainability of society as well as the sustainable growth of the Group itself.

The issues identified are then discussed by the Sustainability Committee and approved by the Board of Directors. Issues that are designated as key issues are reflected in the strategies and action plans of the Group and each divisional company. Turning in particular to Group-wide major risks that have a high possibility of leading to serious incidents, SEKISUI CHEMICAL Group has made it mandatory to conduct assessments on risk management activities by organization. In this manner, we are working to prevent the occurrence of serious incidents.

Indicators and Targets

SEKISUI CHEMICAL Group has identified sales of Products to Enhance Sustainability as a KPI to reflect its focus on ESG management (improving social sustainability and achieving the sustainable growth of the Group itself). We have also set the sales target for Products to Enhance Sustainability at over 1,000 billion yen in our current Medium-term Management Plan. Moreover, we have set KPIs and targets for each of the key issues of Governance (Internal Control), DX, Environment, Human Capital, and Innovation.

Group-Wide Indicators for ESG Management

Net sales of Products to Enhance Sustainability

Target for the final fiscal year of the Medium-term Management Plan (FY2025): Over 1,000 billion yen

Key Issue KPIs

Targets for the final fiscal year of the Medium-term Management Plan (FY2025)

Governance (Internal Control)

Number of serious incidents in the 5 fields Zero

DX

Net sales per direct/indirect employee FY2030: Indirect productivity 43% increase; direct productivity 30% increase (compared with FY2019)

Environment

Climate change: GHG emissions reduction rate -36% (compared with FY2019)
Resource recycling: Recycling rate for waste plastic materials (Japan: 65%; Overseas: 69%)

Human Capital

Challenge action rate: 60%
Rate of successor candidate preparation: 100%
Retention rate: Maintain or improve compared with the previous year

Innovation

Incidence of open innovation

P015 Key ESG Management Issues (Materiality) and KPIs, and Management Indicators

Key ESG Management Issues (Materiality) and KPIs, and Management Indicators

Current Medium-term Management Plan (FY2023-2025)

		KPIs	Final Fiscal Year (FY2025) Targets of the Current Medium-term Management Plan		FY2025 Results	Reference Page
Outputs	Products to Enhance Sustainability	Net sales of Products to Enhance Sustainability	Over ¥1,000 billion		1,016 billion yen ^{*1}	P.024
		Net sales of Products to Enhance Sustainability that are categorized as Premium Framing	— ^{*2}		546 billion yen	—
Key Issues (Materiality)	Improvement of confidence (reduction of capital costs)	Governance (Internal Control)	■ Number of serious incidents in the 5 fields ^{*3}	0	0	—
			Safety: Incidences of injuries attributable to machines and equipment ^{*4}	0	5 cases	P.118
			Quality: Events to increase the level of CS & Quality	4 times per year	4 times per year	P.159
			Accounting: Rate of sales coverage of new ERP introduction companies	37% (excluding housing (number of companies: 7 in Japan)) ^{*5}	27.32%	P.182
			Accounting: Percentage of new ERP introduction companies that automatically prepare consolidated financial accounting formats	100% (new ERP introduction companies)	100%	P.182
			Legal/Ethical: Deployment rate of important rules at overseas Group companies	100%	100%(57/57 companies)	P.165
			Legal/Ethical: Number of regions where internal whistle-blowing systems have been established at overseas Group companies	All overseas regions (10 regions)	System installation at all overseas areas (10 regions) completed	P.165
			Information Management: Recovery time following detection	Within 3 business days	3 business days	P.173
			Information Management: Deployment of Overseas CSIRT ^{*6}	Completion of deployment across all regions	Completion of deployment across all regions	P.173
	Cultivation of growth expectations (accelerate strategic innovation)	DX	■ Net sales per direct/indirect employee	FY2030: Indirect productivity 43% increase; direct productivity 30% increase (compared with FY2019)	— ^{*2}	P.014
			Development status and deployment progress toward the construction of global standard operations and system models	Start of renewal and deployment of the global management foundation; realization of the business transformation we are aiming for (introduction locations)	Full domestic operation of the accounting domain, review of the medium- to long-term rollout roadmap based on experience to date, and additional development to ensure overall ERP consistency for global deployment	P.183
			Progress status of measures aimed at purchasing indirect materials (deployment/utilization plan)	Realization of favorable purchasing through centralized purchasing and start of overseas expansion	Through the embedding of the indirect purchasing system, the use of accumulated data, and fair-transaction activities, benefits have taken hold in earnest, and for overseas deployment we have integrated it into the global management foundation framework and begun a current-state survey	P.183
			Progress status of measures aimed at sales/marketing reform (coverage rate / man-hour shift)	Improve top line by establishing data-based sales activities and strengthening customer management	To improve operational productivity and the top line through data utilization, we are promoting the automation and labor saving of routine work using digital tools such as AI and RPA, as well as the expansion of the sales domain through more advanced digital marketing	P.183
			Status of progress of initiatives to secure human resources that employ digital tools and data to generate benefits	Continuous acquisition of DX promotion human resources	Conducted literacy training to encourage all employees to take on DX challenges, secured core personnel who lead DX through the DX practical course, a development scheme for personnel who solve business issues, and visualized DX personnel through DX badges	P.183
			Progress and usage status of measures to establish a new normal work style and strengthen global communication	Provision of global communication infrastructure and overseas expansion of standard terminals	Sequential application of integrated authentication to new cloud services, continuous promotion of the domestic rollout of a globally compatible communication platform and standard terminals, and review of the overseas rollout roadmap for standard terminals in consideration of local circumstances in each region	P.183
		Environment	■ Climate change: GHG emissions reduction rate (Scope 1 + 2) ^{*7} (compared with FY2019)	-36% (compared with FY2019)	-45.2% (compared with FY2019)	P.048
			Climate change: Renewable energy ratio of purchased electricity	70%	72.4%	P.049
			■ Resource recycling: Recycling rate for waste plastic materials (Japan)	Japan: 65% (Overseas: 69%)	Japan: 70.0% Overseas: 68.6%	P.064
			Resource recycling: Reduction rate of amount of waste generated per unit of production	-3% (compared with FY2022)	+10.0% (compared with FY2022)	P.064
			Water-related risks: Reduction rate of water intake volume at production sites ^{*8} which use large quantities of water	-10% (compared with FY2016)	-5.9% (compared with FY2016)	P.074

^{*1} Net sales of Products to Enhance Sustainability through FY2025 include net sales of equity-method affiliates.
^{*2} Undisclosed.
^{*3} The 5 fields refer to Safety, Quality, Accounting, Legal/Ethical, and Information Management. Cases that meet the criteria for significant incidents within the Company and have been publicly disclosed.
^{*4} Injuries attributable to machines and equipment: Injuries directly inflicted on a person due to the energy of machines and equipment in operation at a plant, or the accumulated energy thereof.

^{*5} Targets revised due to the postponement of Enterprise Resource Planning (ERP) implementation.
^{*6} Computer Security Incident Response Team, or CSIRT. A general term for specialized teams that receive reports, conduct surveys, and enact response measures related to computer security incidents at companies and other organizations.
^{*7} Scope 2 is calculated according to a market-based method.
^{*8} In FY2018, two sites were selected whose water intake accounts for 15% or more of the total water intake of all production sites globally.

			KPIs	Final Fiscal Year (FY2025) Targets of the Current Medium-term Management Plan	FY2025 Results	Reference Page
Key Issues (Materiality)	Cultivation of growth expectations (accelerate strategic innovation)	Human Capital ^{*9}	■ Challenge action rate ^{*10}	60%	62%	P.097
			■ Rate of successor candidate preparation ^{*11}	100%	104%	P.100
			■ Retention rate ^{*12}	Maintain/Improve from previous fiscal year	98.4%	P.104
			Engagement score ^{*13}	Maintain/Improve from previous fiscal year	138	P.098
			Training hours ^{*14}	10 hours	8.3 hours	P.100
			Specialty Positions fulfillment ratio ^{*15}	100%	73.3%	P.101
			Ratio of women in core positions	5%	5.7%	P.105
			Recruitment ratio of women	35%	31.7%	P.106
			Gender wage gap ^{*16}	Maintain/Improve from previous fiscal year	71.8%	P.107
			Percentage of male employees taking childcare leave	75%	93.3%	P.109
			Employment ratio of people with disabilities ^{*17}	2.5% (above the legally stipulated ratio)	2.7%	P.108
			Total working hours ^{*18}	Less than 2,000 hours/year	1,944 hours	P.111
			Rate of long-term leave due to mental health problems ^{*19}	1.00%	1.25%	P.114
			Added-value productivity ^{*20}	Maintain/Improve from previous fiscal year	163.3%	P.094
		Innovation	■ Incidence of open innovation	— ^{*2}	— ^{*2}	—

^{*9} The indicators other than challenge action rate, rate of successor candidate preparation, engagement score, rate of long-term leave due to mental health problems, and added-value productivity disclose the targets and actual values of Sekisui Chemical alone.

^{*10} A questionnaire was conducted to survey whether the employees expressed challenge action toward the realization of the long-term vision

^{*11} Number of succession candidates for G1 posts (business leaders in the highest posts) ÷ number of available posts
Succession candidates for G1 posts are appointed by the Human Resources Committee.

^{*12} 1 - (Number of retirees in a year ÷ number of employees as of April 1 of that fiscal year) × 100
The number of retirees does not include those whose contract period has expired, those who have become executives, those who have retired at retirement age, or those who have transferred within the Group. The number of employees as of April 1 of that fiscal year includes only those employed without a fixed term.

^{*13} The index representing the ratio of employees who averaged 4.5 points or more when answering 6 engagement-related behavior questions (6 points max.), with the fiscal 2019 results set at 100

^{*14} Number of hours for training per employee during the fiscal year
This is an aggregation of the training hours registered in the relevant systems (the number of training types that can be managed in company-wide shared systems having been expanded, beginning in fiscal 2025)

^{*15} Number of specialty domains with Specialty Position personnel assigned ÷ total number of specialty domains

^{*16} The gap in wages is due to the composition of workforce (including age and certification) and is not due to the personnel system
Calculation formula: Average annual wage of women ÷ Average annual wage of men
Scope of aggregation: All employees (full-time employees, part-time employees, and fixed-term employees) are included.
Full-time employees: Includes those seconded from the Company to other companies
Part-time or fixed-term employees: Includes contract employees, temporary employees, and part-time employees
Scope of wages: Excludes commuting allowances, etc.

^{*17} In accordance with the report on the employment status of persons with disabilities. (Reference date: June 1, 2025)

^{*18} Prescribed working hours (7.5 hours) + overtime hours - paid leave hours taken

^{*19} The ratio of employees who took more than one month of leave due to mental health issues in that year

^{*20} Value added (operating profit + depreciation + labor costs) [result] ÷ Human capital cost (labor costs + welfare expenses + hiring expenses + training expenses) [investment]



Products to Enhance Sustainability

Strategy

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 development and expansion of Products to Enhance Sustainability, we aim to help solve social issues, beginning with efforts to achieve the SDGs, while growing as a company. Under the current Medium-term Management Plan, we have set a policy to demonstrate the feasibility of our Long-term Vision through sustainable growth and through sustainable growth and acceleration of strategic innovation. Under this policy, we will utilize the Products to Enhance Sustainability system to transform our product portfolio. Within Products to Enhance Sustainability, in particular, we have established Premium Framing as a framework for products that have a high degree of contribution to solving social issues and a high level of profit-generating ability. Moving forward, we will strengthen measures to strategically expand Premium Framing.

In addition, we will continue to strengthen and integrate technology platforms, which are the source for developing Products to Enhance Sustainability, and to foster human resources. Furthermore, we have formulated the Strategic Area Map to serve as a compass for realizing our Long-term Vision. We will promote the creation and market expansion of Products to Enhance Sustainability that align with the designated “Enhanced Areas” and “Innovative Areas.” Under the current Medium-term Management Plan, we have maintained a target for FY2025 of over 1 trillion yen in net sales of Products to Enhance Sustainability.

We aggressively invested management resources in key businesses and products in our enhancement areas, which we are expanding as an extension of existing businesses, and in our innovation areas, which create new innovation through fusion and other means. As a result, we expanded our contribution to solving social issues through our business activities and further accelerated the creation of new products that drive the growth of the Group.

Furthermore, In the next Medium-term Management Plan, we will advance our deliberations with the aim of incorporating the Environmentally-Conscious Design Guidelines, formulated in February 2026, into our internal systems and business processes.



WEB Introduction to the Products to Enhance Sustainability
https://www.sekisui.co.jp/resource/pdf/sustainability/ENG_products_to_enhance_sustainability.pdf

■ Evolving the Product Evaluation System Based on Internal Strategies

Since FY2006, we have continued to operate a product evaluation system to quickly resolve natural environment and social issues. Products that contribute significantly to solving such issues are certified and registered as Environment-Contributing Products based on criteria determined through discussions among internal committee members.

Since FY2010, we have received opinions and advice from outside advisors on standards and concepts as well as the validity of results. We utilize this feedback to ensure the high standards and transparency of the system.

● FY2006: Launched the Environment-Contributing Products system

In order to promote the development and expansion of products that contribute to the resolution of natural environment issues, we have launched a product system that certifies and registers products that contribute to the resolution of issues based on internal standards.

● FY2017: Expanded the scope of products to include products that contribute to the resolution of social environment issues in addition to the natural environment

Also promoted the development and increased use of products that further solve problems. Reaffirmed that the goals are the same as those of the SDGs.

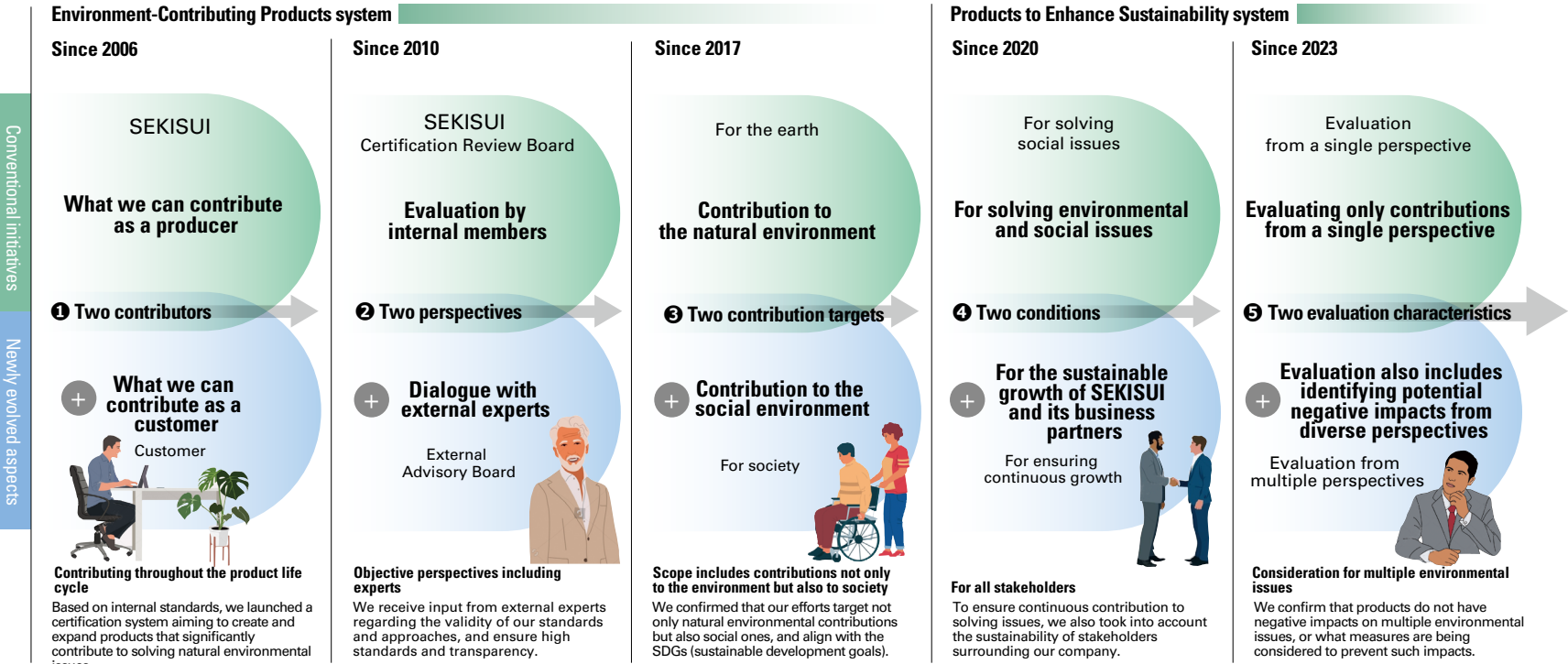
● FY2020: Worked to evolve as Products to Enhance Sustainability

Introduced Premium Framing and sustainability assessments. Sustainability assessments were completed in FY2022.

● FY2023: Introduced negative checks for environmental issues

At the time of registration, we confirm that products do not have negative impacts on multiple environmental issues, or what measures are being considered to prevent such impacts.

Evolution of the Product System at SEKISUI CHEMICAL Group



SEKISUI CHEMICAL Group is working to improve its ability to contribute to solving social issues in order to accelerate (drive) efforts aimed at achieving a sustainable society as well as sustainable growth as a company as outlined under Vision 2030. In specific terms, we have been implementing the following initiatives since FY2020.

1) Establishment of Premium Framing

To improve profitability, we will match our business portfolio to expand business through products that contribute significantly to solving social issues, and establish Premium Framing in a way that strategically expands Products to Enhance Sustainability.

2) Conducted sustainability assessment (completed in FY2022, currently suspended as it has fulfilled its role)

We conduct sustainability assessments to confirm and evaluate items necessary to improve the sustainability of products and businesses with related departments in a bid to improve sustainable management capabilities.

We are committed to expanding products that help address social challenges by introducing Premium Framing and setting Medium-term Targets for its strategic expansion. Our goal is to accelerate our contribution to solving social issues by formulating strategies that balance the resolution of social issues with profitability. In addition, in order to continue producing products that contribute to solving social issues and to further expand their contribution, it is essential for the Group and its products to remain sustainable. To this end, we added a new perspective to the existing certification process to evaluate the sustainability of companies and products from FY2020. We assessed efforts across the supply chain related to profitability, process evaluation, governance (internal control), and other areas, and confirmed the sustainability of and potential risks to the Group and its products. Based on the results, (1) points of enhancement in environmental process evaluations have been reflected in initiatives and target setting at production sites and research laboratories, and (2) measures such as strengthening risk management and supply chain management systems have been considered for governance. These have been incorporated into the current Environmental Medium-term Plan, and we are advancing related activities. As a result, sustainability assessments are currently considered to have completed their role and have been suspended. In addition, negative checks for environmental issues were introduced from FY2023. This is based on the point of enhancement in the Environmental Medium-term Plan to “solve environmental issues through high-quality solutions without trade-offs.” We are confirming whether or not products impose a negative impact on various environmental issues as well as what measures are being considered to prevent any negative impact at the time of registration as Products to Enhance Sustainability.

Collection and Provision of Product Information

SEKISUI CHEMICAL Group is working to appropriately ascertain product information on raw material procurement, safety in use, and disposal methods. The information collected is also provided to society and customers.

Information gathering on raw material procurement

The Group undertakes the following measures to collect information on the procurement of raw materials.

(1) Quality and safety of raw materials

We sign contracts with raw material suppliers with respect to purchasing specifications, and obtain the quality control items and evaluation results to ensure compliance with specifications.

(2) Sustainability of raw materials

As far as human rights, the environment, and social considerations related to the manufacture of raw materials are concerned, we confirm that there are no problems through surveys of raw material suppliers.
We conduct due diligence on raw material suppliers that are deemed to be particularly high risk. Based on the results, we propose measures and work together to make improvements.

Product impact assessment

We evaluate the impact (i.e., the degree of contribution to solving issues) of our products on the natural and social environment from the following perspectives.

(1) Negative impact

In order to thoroughly confirm and examine (1) compliance with environmental regulations and (2) reduction of negative impacts on the natural and social environment from the planning and development stage throughout the product life cycle, we conduct an ER (environmental review) within the DR system (design review system)*. In this process, we are evaluating the environmental aspects while utilizing the environmental impact assessment report. By conducting these reviews, we identify negative impacts early and consider countermeasures to reduce them before product development.

* DR system (design review system)
A system that manages development themes by setting stage gates from the planning and concept stage through to development, mass production trials, and product launch.
At each stage gate, confirmation requirements and levels are defined, and one of the confirmation requirements is a review of environmental aspects. (Other reviews include a patent review (PR) to confirm intellectual property and a marketing review (MR) to confirm the market.)

(2) Positive impact

As described above, we assess not only negative but also positive impacts on the natural and social environment of our products prior to the launch of sales through the use of product environmental impact assessments within the DR system.
To enable development focused on creating and expanding positive impacts, we have set criteria within the Products to Enhance Sustainability system to evaluate the level of positive impact, and we refine the product until it reaches a level that meets or exceeds these standards.
After a product goes on sale, we evaluate whether the impacts on the natural and social environment of each product meet the standards for Products to Enhance Sustainability. After clearing these standards, an application is lodged to register the product.
In addition, we employ the LIME2 method for more than 60% of registered Products to Enhance Sustainability to conduct LCA evaluations in order to quantitatively assess their environmental and social impacts.
Utilizing DR, we conduct product environmental impact assessments to confirm the environmental and social impacts of all products sold throughout their life cycles.
The results of impact assessments for each product are not disclosed. Certain information is however provided by determining the ratio of negative impact to positive impact for all products on a Group-wide basis and reflecting that information in the SEKISUI Environmental Sustainability Index.

Providing information on safety in the use of products

To ensure the safe use of our products, we prepare a safety data sheet (SDS) and present it to our customers at the time of product sale.

Reducing the natural and social environmental impacts associated with product disposal

In order to reduce the impacts of our products on the natural environment and social environment at the time of disposal, we have formulated a resource recycling policy. Based on this policy, we are promoting the recycling of waste to achieve our Long-term goal of a circular economy.
As far as the disposal of waste is concerned, we exchange manifests with waste contractors. In addition, we take steps to confirm the final disposal method and recycled items, and consider the potential of converting to higher quality recycling.

Governance

Promotion System

Under Vision 2030, we position the outcomes produced through materiality that has an important impact on management and society as Products to Enhance Sustainability. We also aim to resolve social issues and grow our business by developing Products to Enhance Sustainability and expanding the market.

The Group has set the development of Products to Enhance Sustainability and market expansion as a KPI target, and is working toward its achievement.

This target is a milestone backcast target from SEKISUI Environment Sustainability Vision 2050, the Long-term Environmental Management Vision.

The Long-term Environmental Management Vision sets goals for 2050 for solving natural and social environmental issues that need to be addressed from a Long-term perspective. Building on this, we set the goal of creating Products to Enhance Sustainability and expanding their market as a management target in both the previous Environmental Medium-term Plan, the SEKISUI Environment Sustainability Plan: Accelerate II (2020-2022), and the current Environmental Medium-term Plan, the SEKISUI Environment Sustainability Plan: EXTEND (2023-2025). Furthermore, we continuously manage the progress of these efforts under the Environmental Management Promotion System.

Products to Enhance Sustainability are products that make a significant contribution to the resolution of environmental and social issues, and we certify and register them based on certain internal standards. For certification, we have established the Certification Screening Committee*, which is comprised of internal members. Members include the executive officers who oversee organizations in charge of the technical aspects of each divisional company and the organization heads who are in charge of management planning operations with a grasp of business conditions as a whole, and they review the degree of contribution of the products.

* Certification Screening Committee: Chaired by the supervisor of the ESG Management Department, this committee is comprised of supervisors in charge of technology and business at the headquarters and divisional companies, and deliberates on the certification of Products to Enhance Sustainability. As a rule, meetings are held regularly twice a year, with the number of meetings adjusted depending on the application situation.

P035 Environmental Management Promotion System

Discussion with External Advisors

SEKISUI CHEMICAL Group has held meetings of the External Advisory Board since FY2010. The board is a meeting of internal and external members organized by the supervising director of the organization in charge of sustainability. These meetings are an opportunity to receive opinions and advice from an external perspective registration, and future perspectives of Products to Enhance Sustainability.

We have also invited five experts from outside the Company, with various backgrounds in industry,

government, and academia and engaged in environmental and other sustainability-related work. In FY2025, the External Advisory Board held a total of two meetings and received feedback and advice regarding the value that newly registered products bring to the natural and social environment, how to communicate this value, and future expectations. We draw on the insights gained at these meetings to improve the operation of the Products to Enhance Sustainability system and to further increase the value.

Name	Affiliated Institution and Position	Specialist Areas	Anticipated Role(s)
Juichi Shibusawa	President of the specified non-profit corporation Network for Coexistence with Nature	- Experience in business as a Doctor of Agriculture - As president of an NPO, implements activities for forest, community, and human resource development with environmental NPOs in Japan and other countries	Opinions and advice on social issue-solving businesses based on the spirit of three-way benefits (the buyer, seller, and society as a whole), opinions from a nature-positive perspective
Takehisa Kabeya	Senior Managing Director, Sustainable Management Promotion Organization (SuMPO)	- Experience as a government official at Japan's Ministry of Economy, Trade and Industry - Promotes social change activities through environmental values, such as LCAs and support for regional revitalization	The giving of opinions from a life cycle perspective, the giving of opinions/advice based on regulations regarding environmental value and global trends
Minako Oishi	Representative Director, Nippon Association of Consumer Specialists (public corporation)	- Knowledge and experience concerning consumers and their demands - Promotes activities that connect consumers, businesses, and government	From the standpoint of using products, the giving of opinions/advice based on requests, expectations, and matters of concern
Shoichi Saito	Senior Producer, Nikkei ESG Management Forum Division	- Media experience - Ascertains and disseminates global trends in all areas of sustainability	From a comprehensive perspective, the giving of opinions on future trends with regard to risks and opportunities in ESG management
Mari Yoshitaka	Representative Director, Virtue Design	- Experience with regard to ESG investment in financial institutions - Leading figure in SDGs, green business, and climate change finance	Seen from a financial standpoint, the giving of opinions/advice on risks and opportunities in terms of corporate value and ESG management/green business

Negative Checks for Environmental Issues Outside Registration Criteria

We are strengthening and reviewing the operation and criteria of the Products to Enhance Sustainability system to ensure that the product portfolio continues to evolve in line with business strategies that take into account the demands of social and business conditions.

Since FY2023, we have conducted negative checks on all environmental issues when registering products.

This is in response to social demands such as the EU Taxonomy and the Conference of the Parties to the Convention on Biological Diversity (CBD-COP). The goal is to avoid any negative impact on environmental issues, and to secure a positive impact, or in other words, improve the quality of solutions to environmental issues. Moreover, we aim to promote an awareness of issues among business stakeholders through negative checks.

Visualization of the Degree of Contribution to Resolving Social Issues

To clarify the amount of return to natural capital up to FY2019, SEKISUI CHEMICAL Group worked to visualize the degree to which each Environment-Contributing Product contributed to solving social issues. We calculated and quantified into a single indicator (damage costs) the various contribution vectors in the life cycle of Environment-Contributing Products. We multiplied the market impact, based on sales, by the environment contribution of each product to arrive at a quantifiable contribution by product, which was then reflected in the SEKISUI Environment Sustainability Index. In addition, until FY2016, when calculating the negative impact (load) on the environment for each Environment-Contributing Product, we grouped the issues to be addressed toward achieving an Earth where biodiversity is maintained into three major environmental aspects (climate change mitigation and adaptation, plant biomass, and biodiversity). From FY2017 onwards, with the expansion of the scope of Environment-Contributing Products, the contribution areas were expanded to four aspects, including social assets.

We began conducting environmental impact assessments based on the contribution to solving issues in the natural and social environments of Products to Enhance Sustainability throughout their respective life cycles from FY2020. These contributions to natural and social capital are reflected in the SEKISUI Environment Sustainability Index. In particular, we started to explore the possibility of evaluating the social value of our products based on impact-weighted accounting.

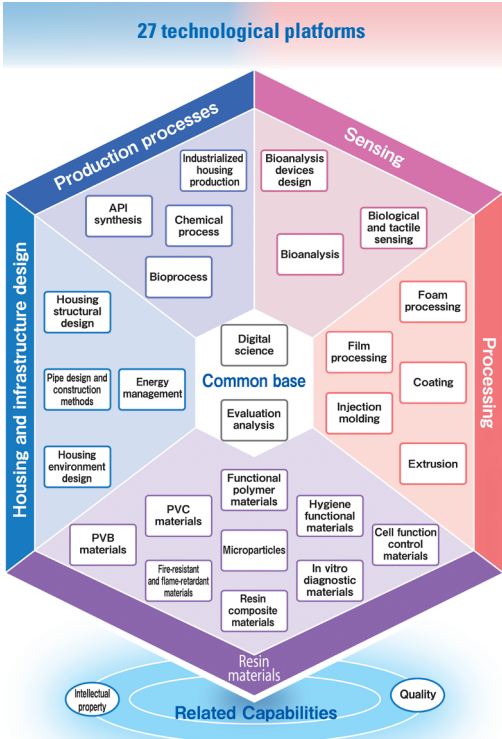
Since FY2023, we have been using the updated IDEA LCA database to calculate the SEKISUI Environmental Sustainability Index. The MiLCA ver. 3.1 LCA calculation system incorporates IDEA database ver. 3.1 and reflects further findings on the impact on biodiversity. By utilizing this system and setting new benchmarks, we aim to accurately grasp the impact on biodiversity. By doing so, we will promote activities that reduce negative impact and increase positive impact.

Revitalizing Liaison Meetings and Workshops for Each Environmental Issue

SEKISUI CHEMICAL Group maintains 27 technological platforms. We are encouraging forums to fuse these platforms, with the belief that fusion will help accelerate the resolution of social issues, including environmental issues.

Currently, we are holding workshops on startups, new technologies, and prior cases for each issue, with an eye on the technologies, development, and market transformation required to achieve such Long-term goals as carbon neutrality and a circular economy. Furthermore, we hold emergence roundtable discussions as a forum for cross-organizational discussions on solutions to social issues that need to be addressed. By promoting cross-organizational discussions, we are expanding the range of solutions and promoting activities that enable a quicker response.

Furthermore, we have launched an in-house entrepreneur development program to help acquire the skills necessary to commercialize the Products to Enhance Sustainability that have been developed, with young employees taking the lead in planning and promoting the initiative. We believe that such activities encourage employees to take on challenges, enhance their ability to contribute to solving social issues, and ultimately lead to the expansion of human capital.



■ Utilizing ESG Investment

Under the current Medium-term Management Plan, SEKISUI CHEMICAL Group initiated steps to undertake a second set of support measures to support the expansion of Products to Enhance Sustainability within its established limit for ESG Investment. These measures are designed to encourage the development of Products to Enhance Sustainability and to spur planning and proposals intended to expand their markets. In the current Medium-term Management Plan, we implemented the second set of support measures to accelerate consideration of initiatives related to the four environmental issues (climate change mitigation and adaptation, resource recycling, water risk, and biodiversity) and initiatives corresponding to the innovation areas we aim to move into as we work to bring our vision to fruition. Furthermore, to accelerate innovation, we have included requirements for internal fusion and open innovation with external parties.

Under the second set of support measures, the leader planning the theme submits an application and a screening committee decides whether or not to invest. This committee also evaluates the importance attached to solving social issues and the contribution to enhancing sustainable corporate value. Moreover, deliberations are made on how internal fusion or open innovation with external parties has helped accelerate a theme, and how we can expand our corporate value as a result of this fusion.

In the next Medium-term Management Plan, we will once again organize the challenges in innovation and consider measures to accelerate this further.

■ Promoting Products' Environmental Value

Taking into consideration the needs of society and customers, we strive to stay one step ahead of the curve by promoting the value of low-carbon, decarbonized products that help mitigate climate change. To convey the value of low-carbon, decarbonized products to customers, we calculate the carbon footprint of products by means of the Carbon Life Cycle Assessment (C-LCA).

Calculations are made based on the boundary set according to the purpose and product. At this stage, raw materials are calculated using a publicly available database (IDEA) that provides average GHG emission factors. We believe that efforts by raw material manufacturers and cooperation with supply chains will enable us to utilize the low-carbon value of each company's efforts.

The volume of raw materials used and the energy consumed during production are calculated using actual measurement data at production sites.

The importance of low-carbon value as an indicator and LCA assessments is expected to increase in the future. In order to understand and better appreciate the significance of calculation methods, we actively participate in such forums as the LCA Utilization Promotion Forum, the LCA Forum, and the Institute of Life Cycle Assessment to brush up our knowledge on how to handle each method and solution. In addition, for employees, while we have provided education and training on calculation until recently, we now believe that it is also important to enhance the ability to verify calculation results and to develop human resources, and we will consider fostering verification personnel going forward. In FY2025, the following illustrates the activities taken by the Group and the industry to encourage transformation intended to achieve a decarbonized society.

● Sales activities that use carbon footprint of products (CFP) to promote the low-carbon value of products

The Urban Infrastructure & Environmental Products (UIEP) Company is prepared to present, whenever a customer requests it, a leaflet compiling its calculation results for the carbon footprint of products (CFP), and since FY2021 it has continued sales activities that promote low-carbon value. To roll these activities out more widely across the Company, the High Performance Plastics (HPP) Company began working on the SuMPO/Third-Party Certified Carbon Footprint Comprehensive Calculation Scheme* for its tape-related products in the autumn of 2023, and obtained third-party certification in December 2025. Anticipating the social demands and customer requirements that are likely to grow even stronger going forward, we will actively work not only to further advance CFP calculations but also to build the internal verification systems needed to enhance the reliability and objectivity of our calculation results.

* The Third-Party Certified Carbon Footprint Comprehensive Calculation Scheme is a scheme operated by the Sustainable Management Promotion Organization (SuMPO) to enable companies to disclose the results of CFP calculations for their own products and services in a planned and efficient manner while ensuring a high level of reliability.

WEB List of Companies Certified Under the SuMPO/
Third-Party Certified Carbon Footprint Comprehensive Calculation Scheme
<https://sumpo.or.jp/scheme/list.html> (in Japanese only)

● Activities to increase the reliability of CFP calculations

As part of our efforts to increase the reliability of our product CFP, we are actively working to acquire CFP certification and establish Product Category Rules (PCRs). At present, such products as ESLON Heat-resistant Plastic AD joint HG and interlayer film for automotive laminated glazing (manufactured at a plant in Europe) are registered as Approved CFP products.

● Activities promoting greater recognition of LCA and low-carbon value

We regard the International Conference on EcoBalance, hosted by the Institute of Life Cycle Assessment, Japan, as an important forum for presenting methods and case studies and holding discussions that advance LCA-centered activities and accelerate their implementation and use in society, and we believe that progress in this field will contribute greatly to bringing about a decarbonized society. Accordingly, the Group endorses the aims of the conference and provides corporate sponsorship.

To maximize the outcomes of this conference, in FY2025 we continued to participate as a corporate member of the executive committee for the International Conference on EcoBalance 2026, contributing to its planning and preparation. In FY2026, the year the conference takes place, we will also participate in implementing the plans and running the event.

● **Participation in the Cabinet Office’s programs for Bridging the gap between R&d and the Ideal society (Society 5.0) and Generating Economic and social value (BRIDGE)**

The Group participated in a designated initiative under BRIDGE, which launched in October 2024: Development and Demonstration Project of Nature Footprint Based on the Promotion of Nature-Related Information Disclosure and International Standardization by Financial/Investment Institutions. In particular, under Theme 2, Operationalizing Nature Footprint in Financial Decision Systems (lead organization: Value Management Institute, Inc.), we carried out a trial assessment of the environmental impact that Cross-Wave, one of our Products to Enhance Sustainability, could have on natural capital. Using the assessment tool MiLCA, we examined the positive aspects that Cross-Wave can offer in terms of the usefulness of the space above it for land use and its ability to reduce flood risk, and we achieved a degree of success in this project, which aimed to build an integrated model combining biodiversity impact assessment and the economic valuation of ecosystem services.

● **Participation in the UTokyo LCA Center for Future Strategy**

We have participated in the UTokyo LCA Center for Future Strategy led by Professor Ichiro Daigo of The University of Tokyo since FY2022. We have taken part in studies of a preemptive LCA that goes beyond current assessment and lays the groundwork for the future. A preemptive LCA is a means of quantitatively evaluating the environmental, economic, and social benefits of advanced scientific and technological products at the developmental stage, and presenting their social implementation. Presenting evidence-based social implementation strategies also contributes to the achievement of the SDGs.

We recognize that the rise in low-carbon value varies from industry to industry. By taking the lead in business fields where the rise in value is gradual, we can differentiate ourselves and turn risks into opportunities. Going forward, we will leverage the insights gained here and, working with the supply chain, meet the requirements for low-carbon and decarbonized products. To this end, we will promote the selection of raw materials, the reform of production processes, the conversion of energy used, and the study of ways to contribute to resource recycling. By doing so, we aim to expand the range of low-carbon and decarbonized products.

Indicators and Targets

■ **Medium- to Long-term Targets: Sales of Products to Enhance Sustainability**

● **Net sales**

2025 target	2025 result
Over 1,000 billion yen	1,016 billion yen
2028 target	
1,190 billion yen	

2030 target

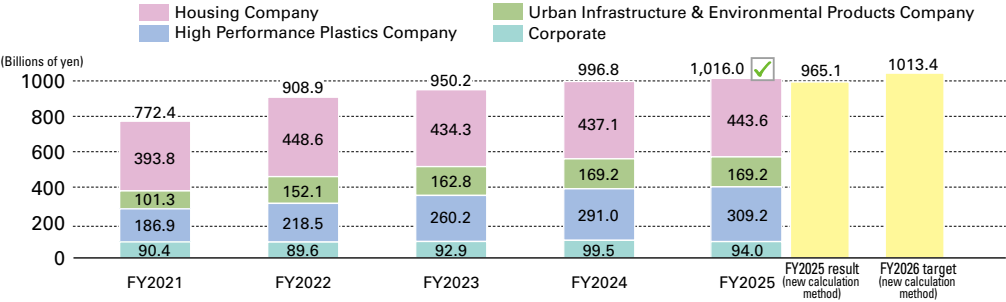
Expand sales of problem-solving products and services

2050 target

Drive sustainable corporate growth through products and services that improve environmental and social sustainability

Performance Data

Net Sales*1 of Products to Enhance Sustainability



Note 1: Medical business is included in Corporate.
Note 2: In line with a change in the control of certain businesses in the UIEP and HPP companies implemented from October 2022, the data for FY2022 of both companies is collated as if the change in control had been initiated from the beginning of FY2022.

Indicator	Calculation Method
Net Sales of Products to Enhance Sustainability*1	Net sales of Products to Enhance Sustainability = Net sales of products internally certified as Products to Enhance Sustainability

*1 Net sales of Products to Enhance Sustainability through FY2025 include net sales of equity-method affiliates. From FY2026, we have revised the calculation method to prioritize consistency with the consolidated financial statements (hereinafter, the “new calculation method”). To align the scope of net sales of Products to Enhance Sustainability with the scope of consolidation in the consolidated financial statements, net sales of equity-method affiliates are not included. Due to this change, net sales of Products to Enhance Sustainability for FY2025 under the new calculation method were 965.1 billion yen. Note that net sales of Products to Enhance Sustainability under the new calculation method are not subject to third-party assurance.

Number of Products to Enhance Sustainability Newly Registered

FY2021	FY2022	FY2023	FY2024	FY2025	2026 (Number of registrations as of the end of March 2026)
28 cases	18 cases	11 cases	9 cases	5 cases	214 cases