



June 13, 2025

To Whom It May Concern:

Company Sekisui Kasei Co., Ltd.
Name:
Representative: Masato Kashiwabara, President
(Code number 4228 / Prime Market of the Tokyo Stock
Exchange)
Contact: Katsumi Sasaki,
Senior Managing Executive Officer
Head of Corporate Strategic
Headquarters
(TEL. 03-3347-9618)

**(Update on Disclosed Matter) Notice Regarding Execution of Share and Equity Transfer
Agreement on Transfer of Consolidated Subsidiaries (indirectly owned), Change of
Transferee and Recognition of Extraordinary Losses**

Regarding the transfer of all shares and equities (the “Shares”) of six business subsidiaries (the “Subsidiaries”) owned by Proseat Europe GmbH (“PSEU”) as announced in Sekisui Kasei Co., Ltd.’s (the “Company”) press release “Notice Regarding Execution of Memorandum of Understanding on Transfer of Consolidated Subsidiaries (Shares Transfer)” dated March 19, 2025, the Board of Directors of the Company resolved at the board meeting dated June 12, 2025, to enter into a share transfer agreement (the “Share Transfer Agreement”) regarding the transfer of the Shares (the “Transfer”) with Brose Sitech sp. z o.o., (“Brose Sitech”), the Polish company that the Company entered into the memorandum of understanding with, and following this resolution, the Company executed the Share Transfer Agreement on the same day (European time). The transferee of the Shares will be Brose Sitech Foam GmbH, a German wholly-owned subsidiary of Brose Sitech. Further, the Transfer is subject to the approval under EU competition law.

In addition, as a result of the execution of the Share Transfer Agreement, the transfer price of the Transfer has been determined, and the Company expects to record an extraordinary loss. Please see below for further details.

- 1) Shares to be Transferred, Transfer Price, and the Status of the Shares Before and After the Transfer

(Held by PSEU)

		Proseat GmbH & Co.KG	Proseat Sp.z o.o	Proseat Mladá Boleslav s.r.o.
(1)	Number of equity held before the change	100%	100%	100%
	Number of shares held before the change	-	11,070 shares	-
(2)	Number of shares/equity to be transferred	-	11,070 shares	-
(3)	Transfer price	-		
(4)	Number of equity held after the change	0%	0%	0%
	Number of shares held after the change	-	0 shares	-

* The final transfer price is confidential as agreed with the Transferee.

2) Regarding the Change of Transferee

(i) Reason for Change of Transferee

In the Company's press release "Notice Regarding Execution of Memorandum of Understanding on Transfer of Consolidated Subsidiaries (Shares Transfer)" dated March 19, 2025, the Company announced that a memorandum of understanding regarding the basic agreement to transfer the Shares to Brose Sitech had been executed. However, during discussions toward the execution of the Share Transfer Agreement, Brose Sitech expressed its intention to establish an intermediate holding company to manage the Subsidiaries. As a result, the transferee has been changed from Brose Sitech to its wholly owned subsidiary, Brose Sitech Foam GmbH.

(ii) Overview of Transferee

(Before change)

(1)	Name	Brose Sitech sp. z o.o.		
(2)	Location	ul. Strefowa 2, 59-101 Polkowice, Poland		
(3)	Name and position of representative	Thomas Spangler, CEO		
(4)	Business lines	Manufacture of automotive seats and seat components		
(5)	Date of founding	April 7 th , 1998		
(6)	Major shareholders and shareholding ratio	Volkswagen Finance Luxembourg S.A.		50%
		Brose Fahrzeugteile SE & Co. Kommanditgesellschaft		50%
(7)	Relationship with the Company	Capital relationship	There are no pertinent matters to be recorded.	
		Personal relationship	There are no pertinent matters to be recorded.	
		Business relationship	There are no pertinent matters to be recorded.	

	Pertinent relationship with related parties	There are no pertinent matters to be recorded.
--	---	--

(After change)

(1)	Name	Brose Sitech Foam GmbH	
(2)	Location	Max-Brose-Straße 1, 96450 Coburg, Federal Republic of Germany	
(3)	Name and position of representative	Thomas Spangler and Florian Müller, CEOs (<i>Geschäftsführer</i>)	
(4)	Business lines	Manufacture of automotive seats and seat components	
(5)	Date of founding	September 10 th , 2024	
(6)	Major shareholders and shareholding ratio	Brose Sitech Sp. z o.o 100%	
(7)	Relationship with the Company	Capital relationship	There are no pertinent matters to be recorded.
		Personal relationship	There are no pertinent matters to be recorded.
		Business relationship	There are no pertinent matters to be recorded.
		Pertinent relationship with related parties	There are no pertinent matters to be recorded.

3) Schedule

(1)	Board resolution	June 12, 2025
(2)	Execution of Share Transfer Agreement	June 12, 2025
(3)	Closing date of the transfer	Around the end of August

4) Future outlook

As a result of the Transfer, the Company expects to record an extraordinary loss of approximately 1.2 billion yen in the consolidated financial results for the fiscal year ending March 2026, including provisions for loss on sale of shares of affiliated companies. This extraordinary loss has already been approximately incorporated into the consolidated earnings forecast disclosed in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <Under Japanese GAAP>” dated May 9, 2025, and therefore, the impact on the consolidated results for the fiscal year ending March 2026 is expected to be minimal.

The Company is currently examining any other potential impacts of the Transfer, and will promptly disclose any matters that require announcement as they arise.