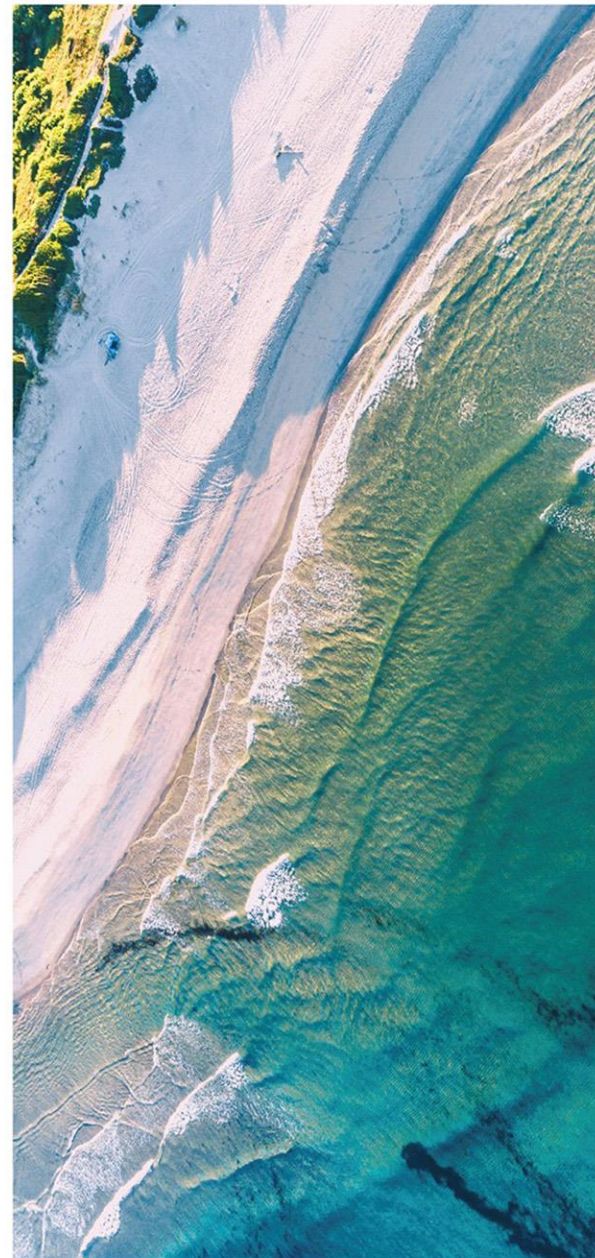


Medium- to Long-Term Management Strategy Briefing

Yasunobu Furubayashi
Representative Director
President and Chief Executive Officer
SEKISUI KASEI CO., LTD.
(TSE Prime Code: 4228)

July 25, 2025



Introducing the New President

Transformation and Completion

"I will lead a conscious and behavioral transformation to enhance profitability and reinforce our management foundation, with the aim of achieving sustainable growth of the Group."

Yasunobu Furubayashi

Representative Director, President and Chief Executive Officer

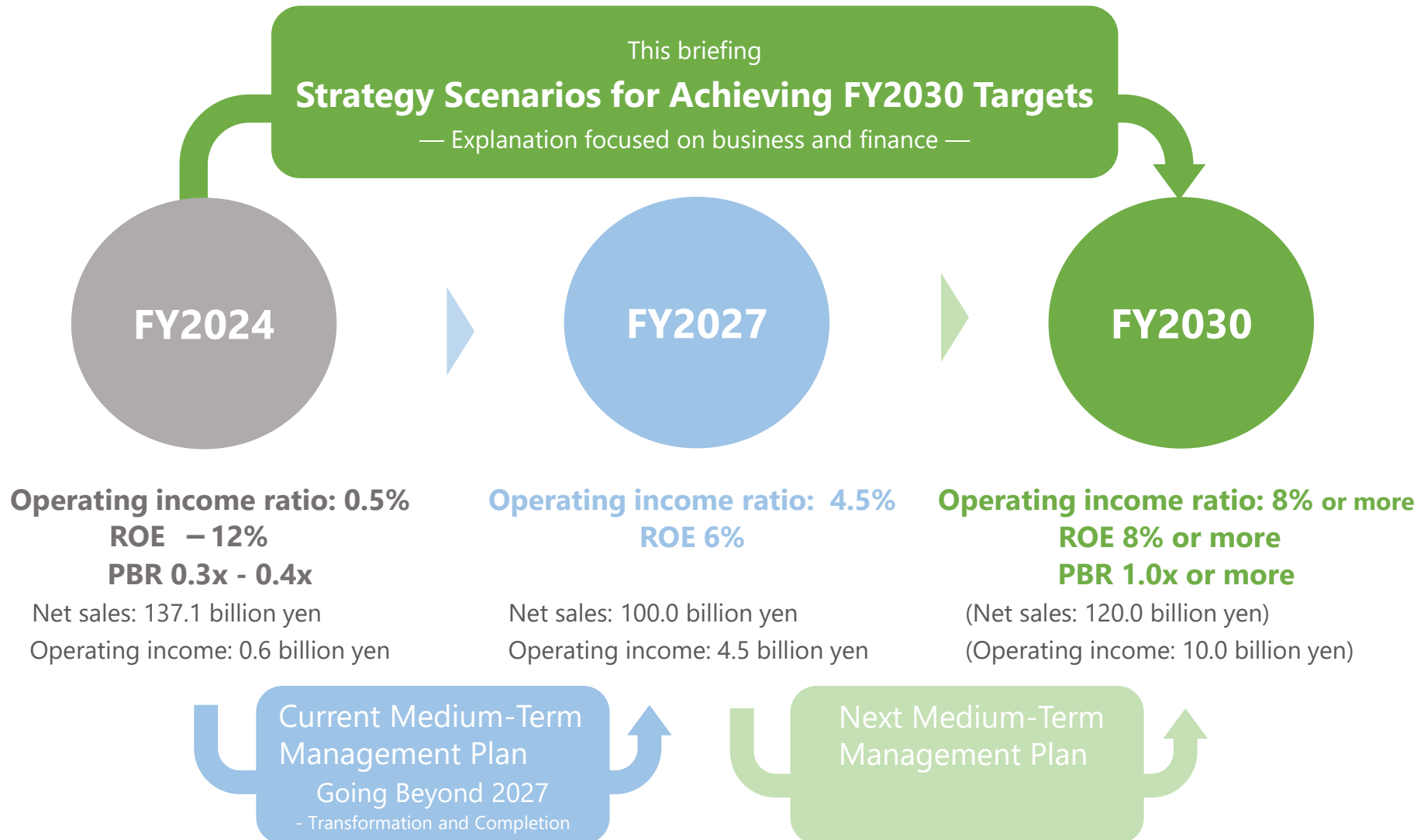
Born in Tokyo on June 30, 1967

Brief History

- | | |
|-----------|--|
| 1992 | Joined the Company |
| 1992-2017 | Responsible for sales in the mobility and electronics fields (appointed department head in 2010) |
| 2017-2018 | President and Representative Director of Sekisui Kasei Chubu Co., Ltd. |
| 2018-2021 | Executive Officer of the Company, General Manager of Corporate Planning Department |
| 2021-2024 | Director, Managing Executive Officer, Head of The 1st Business Headquarters |
| 2024 | Director, Senior Managing Executive Officer, Head of The 1st Business Headquarters |
| 2025 | Representative Director, President and Chief Executive Officer |

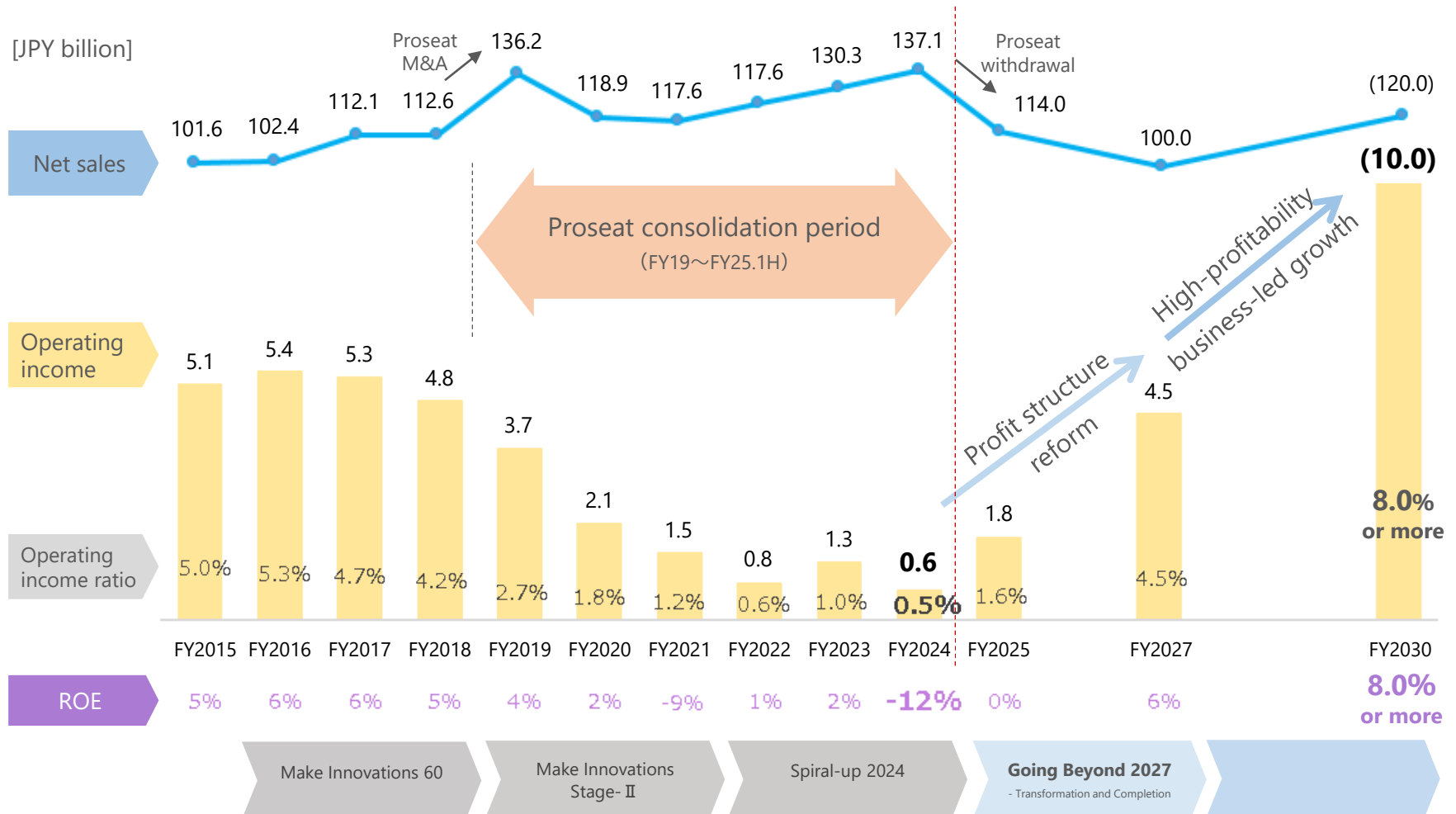


Positioning of the Medium- to Long-Term Management Strategy



Business Performance Trends and FY2030 Goal

Complete profit structure reform and achieve high-profitability businesses-led growth, and rapidly achieve operating income ratio of 8% or more and ROE of 8% or more



Performance Targets

	Spiral-up 2024	Going Beyond 2027 - Transformation and Completion	Target 2030
	FY2024 Results	FY2027 Plan	FY2030 Targets
Net Sales	137.1 billion yen	100.0 billion yen	(120.0 billion yen)
Operating Income	0.6 billion yen	4.5 billion yen	(10.0 billion yen)
Operating Income Ratio	0.5%	4.5%	8.0% or more
Ordinary Income	0.1 billion yen	4.3 billion yen	—
Net Income	-6.3 billion yen	2.9 billion yen	—
ROE	-12.0%	6.0%	8.0% or more

* Following the transfer of Proseat Group business we have revised some targets for FY2030 (timely disclosure on May 9, 2025)

Recognition of Issues to Be Addressed to Achieve FY2030 Goal

● Improvement of profitability

- Business portfolio transformation
 - ☞ Create new revenue sources + improve business revenue
- Lower cost and fixed expenses
 - ☞ Streamline + rationalize

● Rise in share price and PBR

- Clarify and continuously disclose growth scenarios
 - Promote management improvements by enhancing dialogues with investors
- ☞ Create new revenue sources + strengthen IR activities

● Improvement of financial soundness

- Reduce interest-bearing debt, which has increased recently
 - Increase cash-generating power
- ☞ Create new revenue sources + improve capital efficiency

Key issues to be addressed to achieve FY2030 Goal

- ✓ **Reform profit structure**
(streamline, rationalize, and improve revenue for existing businesses)
- ✓ **Grow through high-profitability businesses**
(develop businesses through growth drivers)
- ✓ **Improve capital efficiency**
(reduce strategic holdings, etc.)

Target and Policies

● FY2025 to 2027:

Medium-Term Management Plan “Going Beyond 2027 - Transformation and Completion”

◎ FY2027: 4.5% or more of operating income ratio and 6% or more of ROE

- Carry out thorough streamlining and rationalization aimed at turning business around
- Implement bold business portfolio transformation that utilizes ROIC perspective
- Carry out growth investment based on capital allocation and deliberate reducing strategic holdings
- Reduce interest-bearing debt (bring equity ratio back to the 40% range)

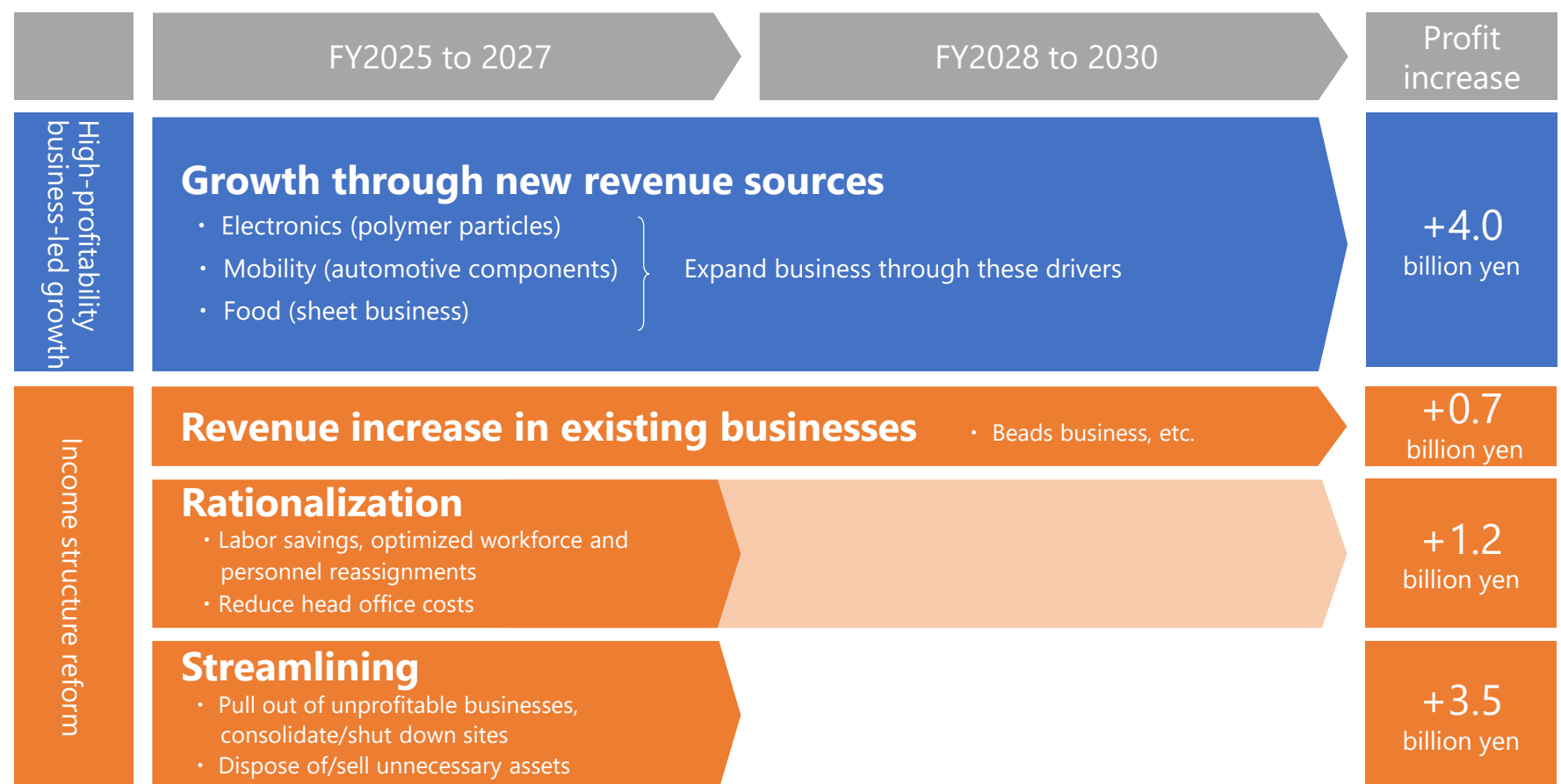
● FY2028 to 2030: FY2030 Goal “Target 2030”

◎ FY2030: 8% or more of operating income ratio and 8% or more of ROE * Cost of equity: 7-8%

◎ FY2030: 1.0x or more of PBR

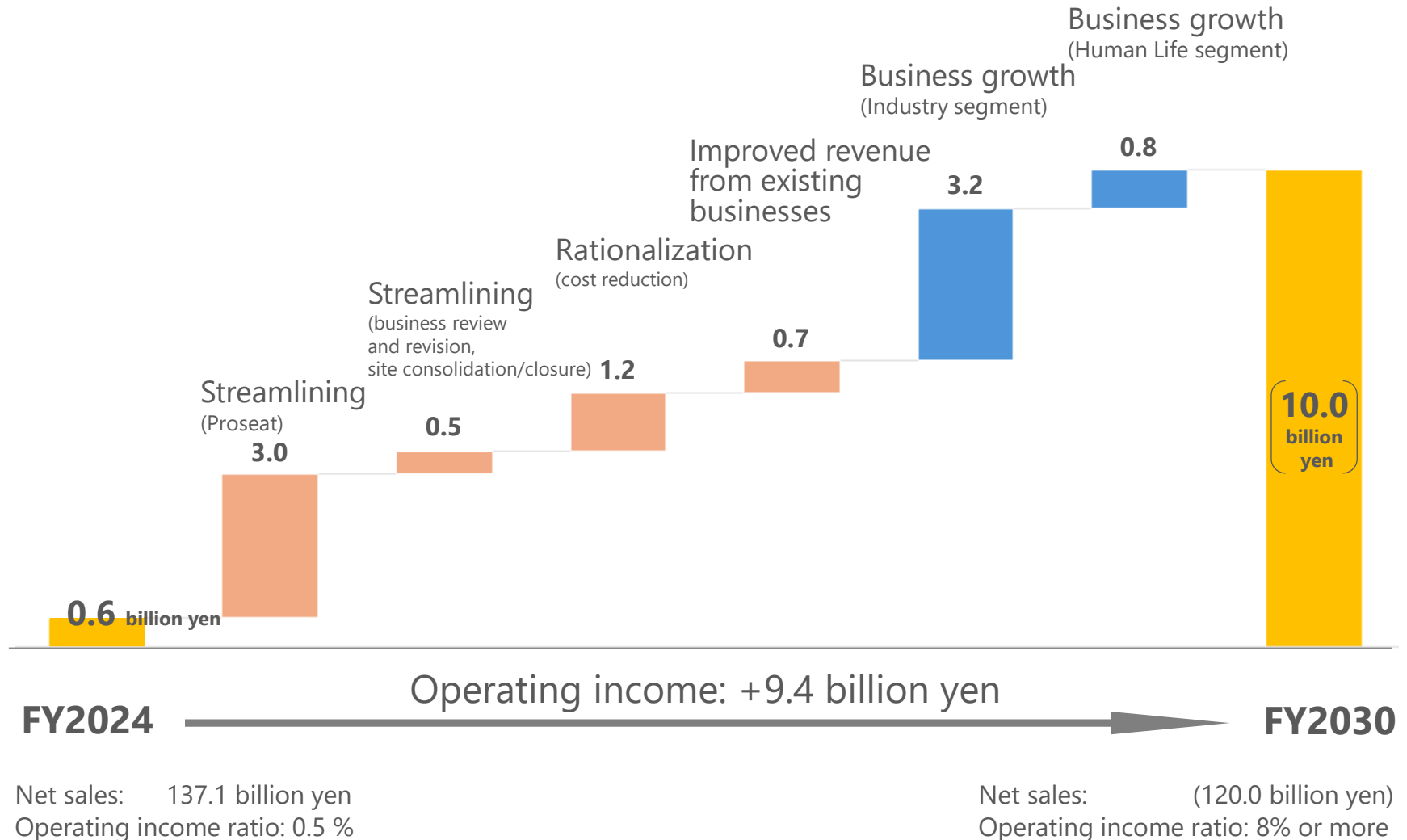
- Enrich disclosure and dialogue regarding growth businesses
- Continuously invest in growth businesses and create new high-profitability businesses
- Enhance shareholder returns

Strategy Framework and Timeline



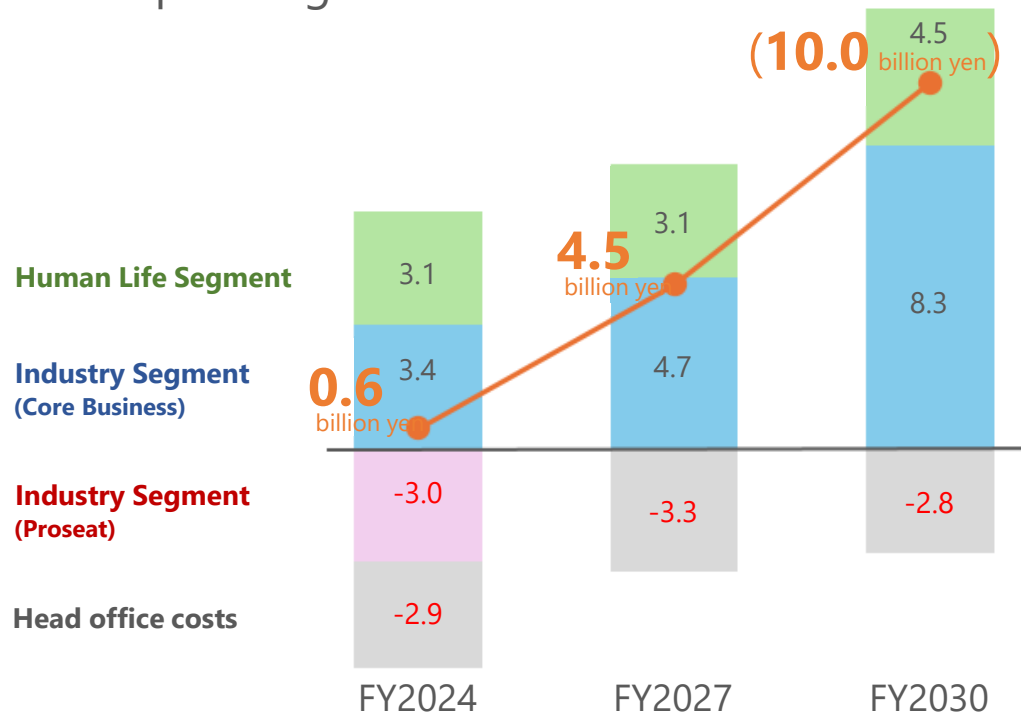
FY2030 Operating income: 10.0 billion yen (+9.4 billion yen from FY2024)

Breakdown of Impact of Increases in Sales Profits

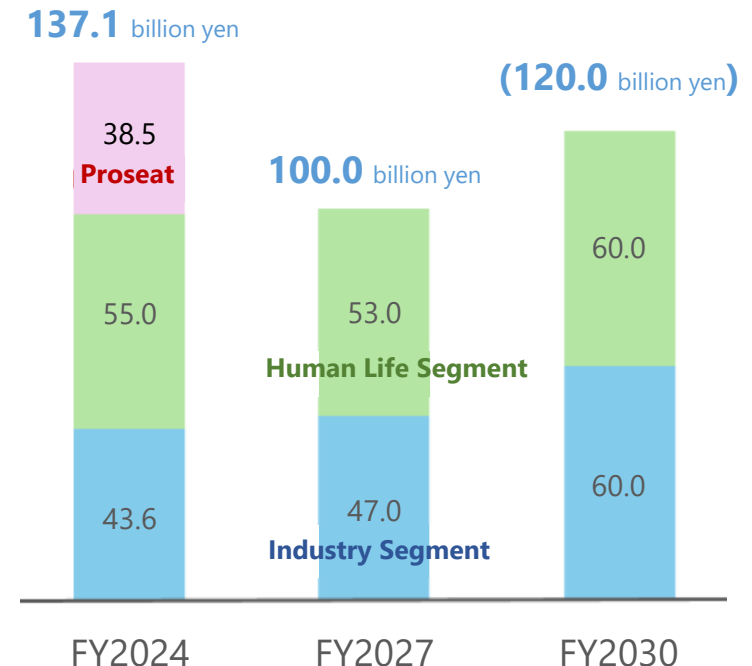


Performance by Segment

● Operating Income

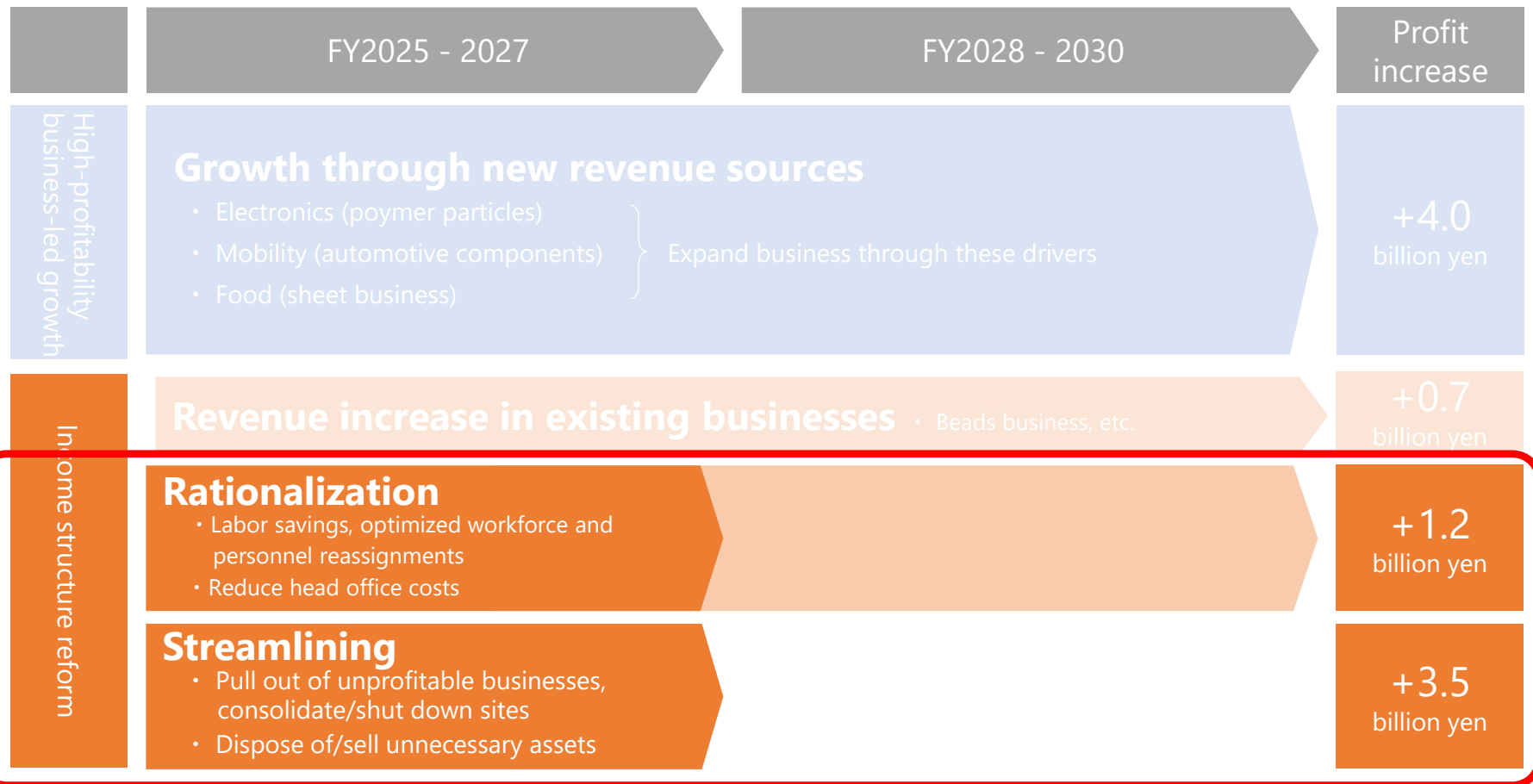


● Net Sales



- Secure steady profit in Human Life Segment, significantly expand profit in Industry Segment
(FY2030 composition of operating income by segment: Industry Segment : Human Life Segment = 65% : 35%)
- Aim to expedite head office cost reductions, while keeping FY2027 cost (-3.3 billion yen) as-is for the time being
(The business forecast will be upwardly revised as soon as there are clear prospects of rapid cost reductions)

Profit Structure Reform



FY2030 Operating income: 10.0 billion yen (+9.4 billion yen from FY2024)

Profit Structure Reform (Streamlining)

Streamlining
+3.5
billion yen
FY2024→FY2027

● Business withdrawals

Withdraw from low-profit and non-core businesses, concentrate management resources in core high-growth and high-profit businesses, and improve capital efficiency.

* Use ROIC when making decisions on profitability and withdrawal from businesses

Businesses and sites withdrawn from:

- Proseat business (Transfer)
- Sekisui Kasei Toubu Furukawa Factory (Closure)
- Sekisui Kasei Tohoku (Reorganization)
- Sekisui Kase Kansai Kobe Factory (Closure)
- Sekisui Kasei Sakai (Closure)
- Sekisui Kasei Shanghai Precision Forming (Closure)
- Reorganization of other sites and non-core businesses

Profit increase
+3.0 billion yen

Profit increase
+0.5 billion yen
(equivalent to 4.0 to 5.0
billion yen in net sales)

Profit Structure Reform (Rationalization)

Rationalization
+1.2
billion yen
FY2024→FY2030

● Labor-saving

Target: 2% reduction in cost-to-sales ratio

- Reduce variable costs:

Promote production management DX (visualize and eliminate waste)

- Increase manufacturing efficiency:

Promote focused automation and reduce production process loss

Profit increase
+0.7 billion yen

● Optimized workforce and personnel reassignments

Target: 2% reduction in fixed production cost ratio

- Reduce total labor hours:

Accelerate production and reduce man-hours

- Keep down increase in number of personnel:

Shift man-hours from areas with reductions to growth businesses

Profit increase
+0.4 billion yen

● Reduction of head office costs

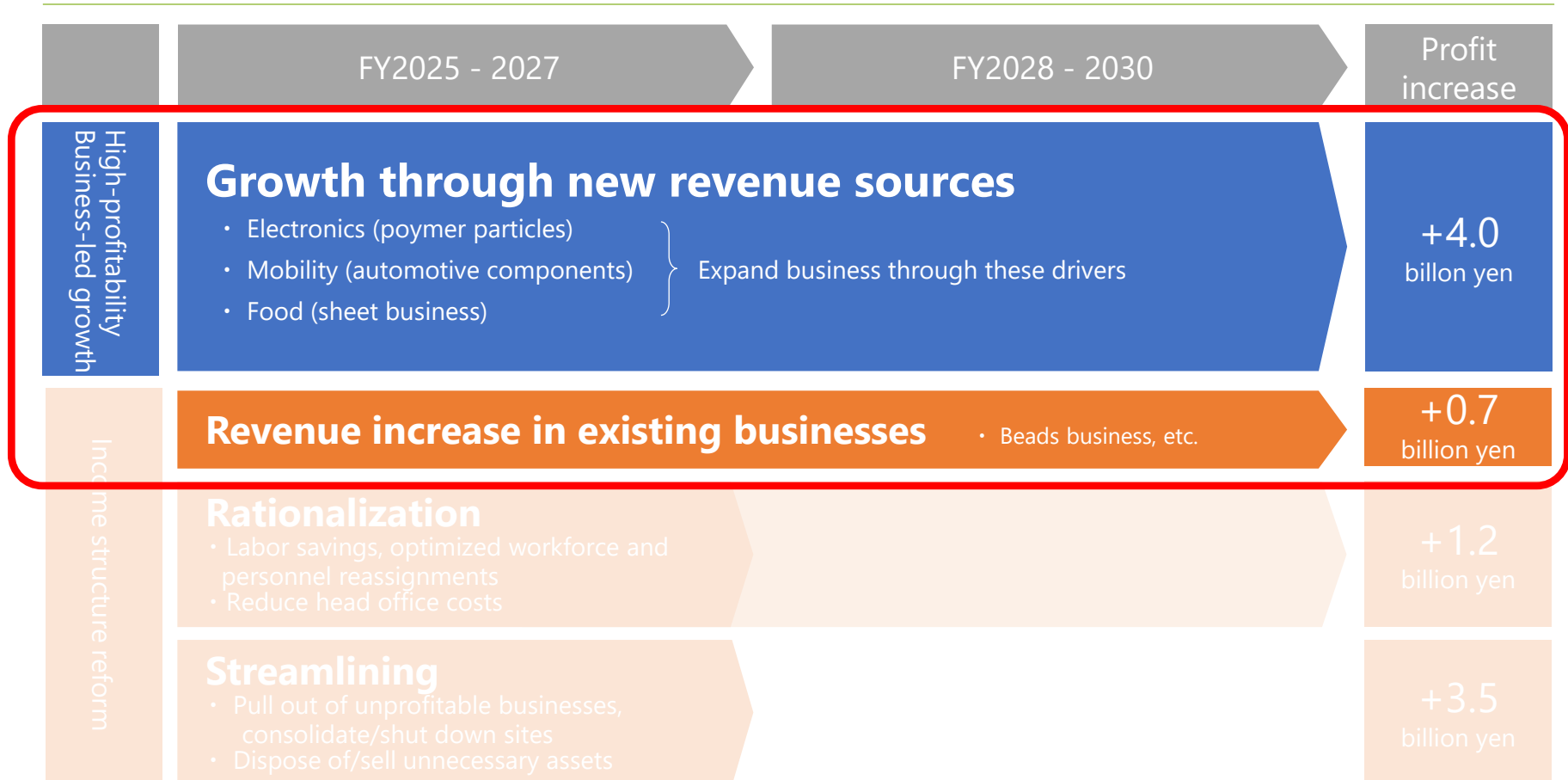
Target: 3% reduction

- Rationalize indirect departments:

Reap benefits of DX (operation efficiency improvements) and consolidate/eliminate departments

Profit increase
+0.1 billion yen

High-Profitability Business-led Growth



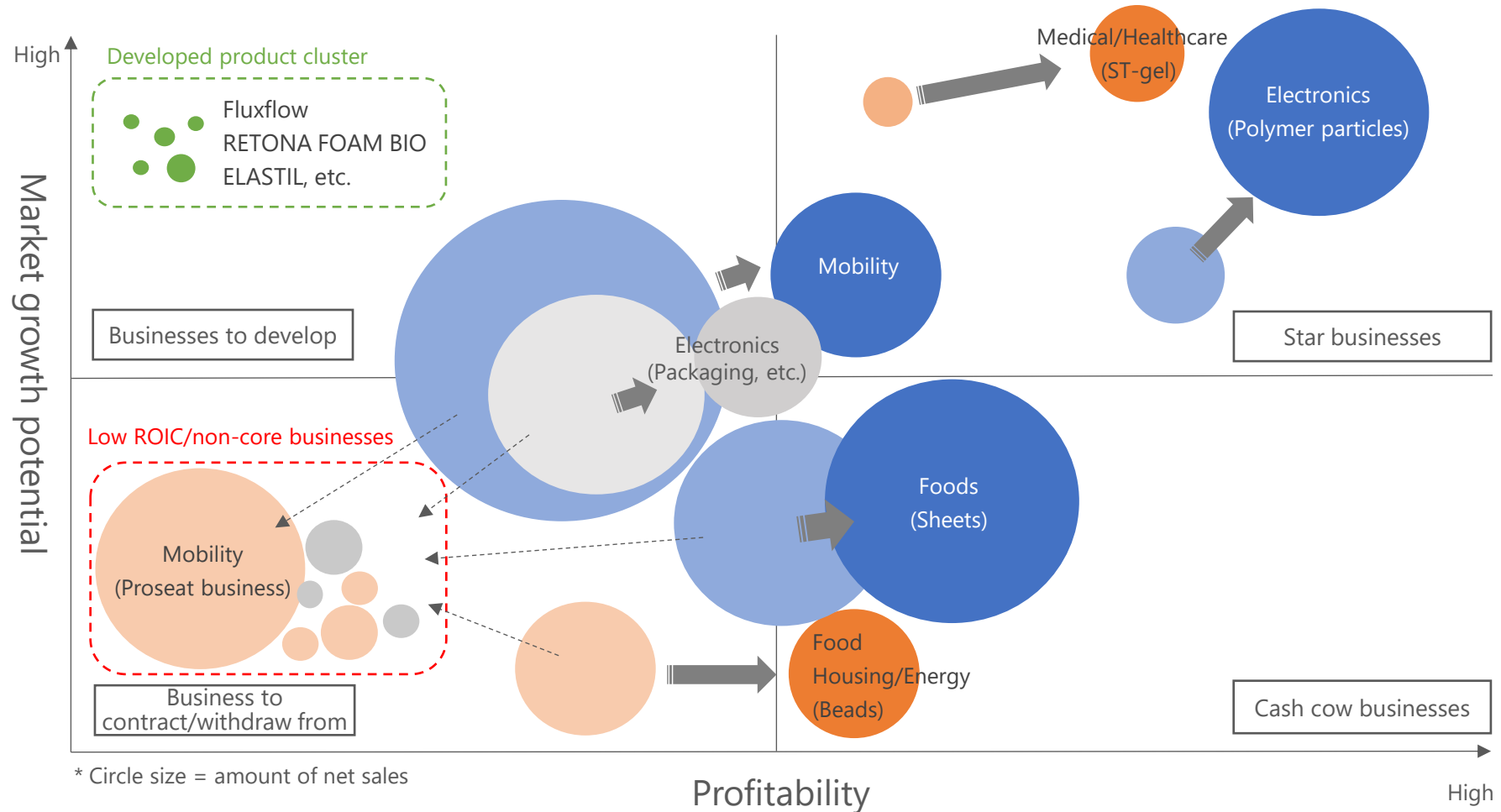
FY2030 Operating income: 10.0 billion yen (+9.4 billion yen from FY2024)

High-Profitability Business-led Growth: Business portfolio marix

- Transform business portfolio to one of high market growth potential and profitability * Utilize ROIC

High-profitability
business launches
+4.0
billion yen
FY2024→FY2030

Business revenue
improvements
+0.7
billion yen
FY2024→FY2030



High-Profitability Business-led Growth: Business portfolio/positioning by business

- Concentrate resources freed up by business contraction and withdrawal in growth engines
- Use differentiation strategy in the beads business to increase market share and put brakes on decline in production volume

High-profitability
business launches
+4.0
billion yen
FY2024→FY2030

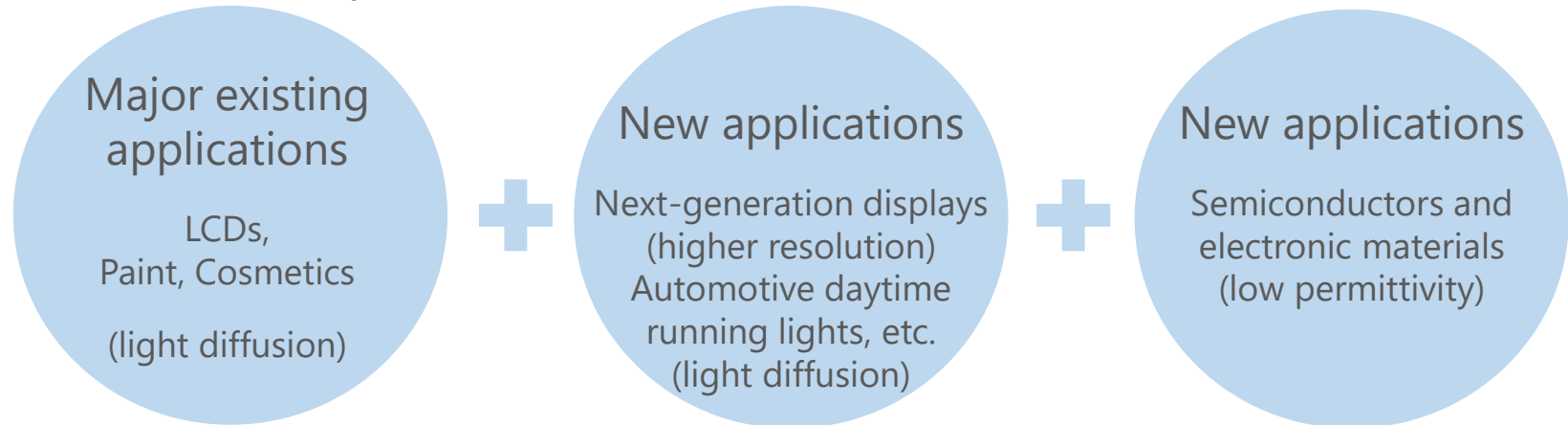
Business revenue
improvements
+0.7
billion yen
FY2024→FY2030

Segment	Business Field	Product Brand	Goal	Positioning
Industry	Electronics	TECHPOLYMER Polymer particles	Expand application (semiconductors, next-generation displays, etc.)	Growth engines
	Mobility	PIOCELAN Polystyrene/polyolefin hybrid resin foam	Expand applications + strengthen North American business (battery-related areas, etc.)	
		ST-Eleveat High heat-resistant lightweight foam	Develop applications (FRP composite foam core material)	
Human Life	Food	ESLEN Sheet Polystyrene foam sheet	Enter new markets (non-foam container market, paper container market)	Profit structure reform
		ESLEN Beads Expandable polystyrene beads	Transform business model (recycling business model)	

High-Profitability Business-led Growth: Electronics/TECHPOLYMER

High-profitability
business launches
+ 4.0
billion yen
FY2024→FY2030

- Enter high growth markets with high-value-added products, dramatically improve profitability



- Strategies for differentiation from competitors
 - Uniqueness of our microparticle manufacturing processes:
Unique polymerization technologies & organic polymers
 - Diverse customization capabilities:
Particle diameters, shapes, surface treatment, hollowness percentage control, etc.
 - Support for high-mix, low-volume production
 - Global sites and personnel:
Also consider industry alliances for priority applications

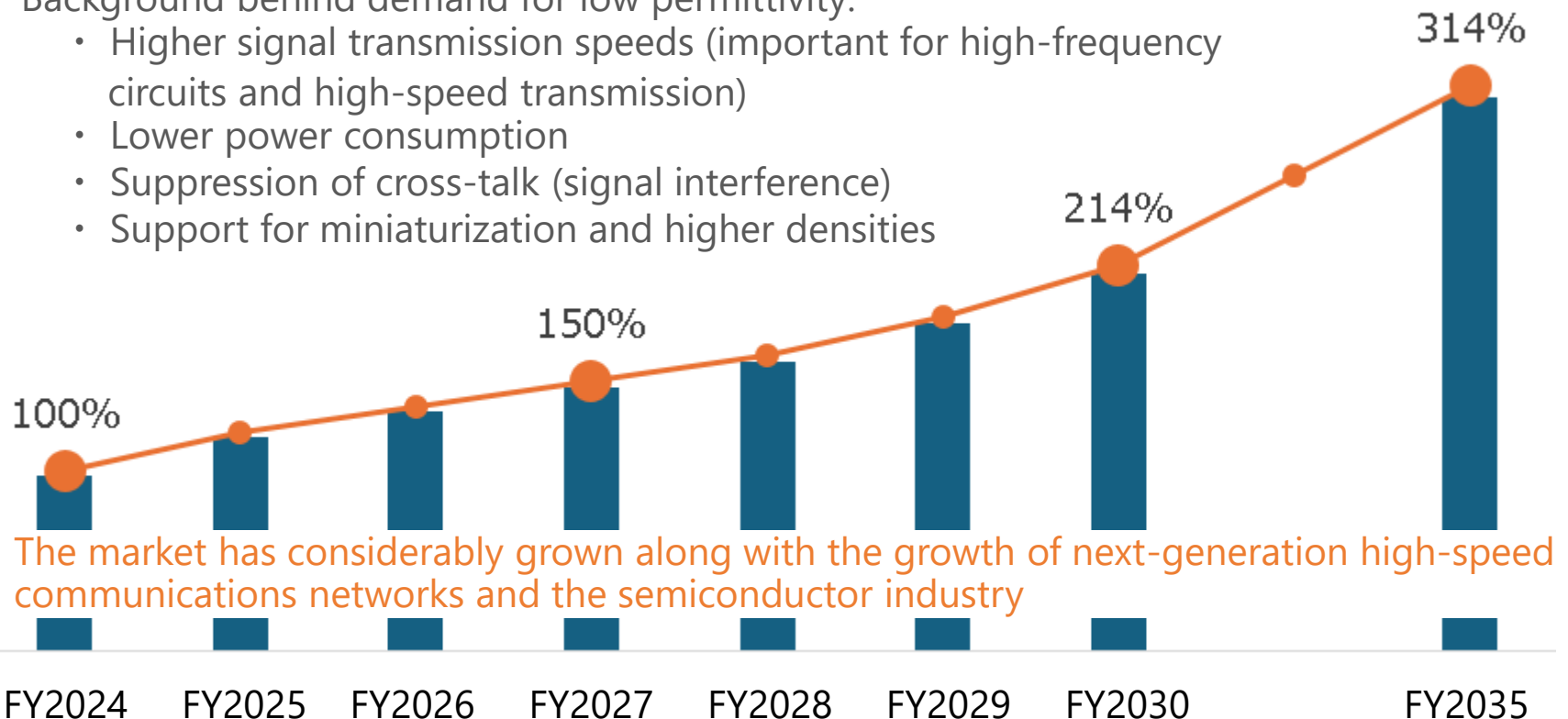
TECHPOLYMER Business
Profit increase: **+ 2.0** billion yen

● Low permittivity resin material market

Growing needs for low permittivity in materials used in semiconductors and electronic circuits

Background behind demand for low permittivity:

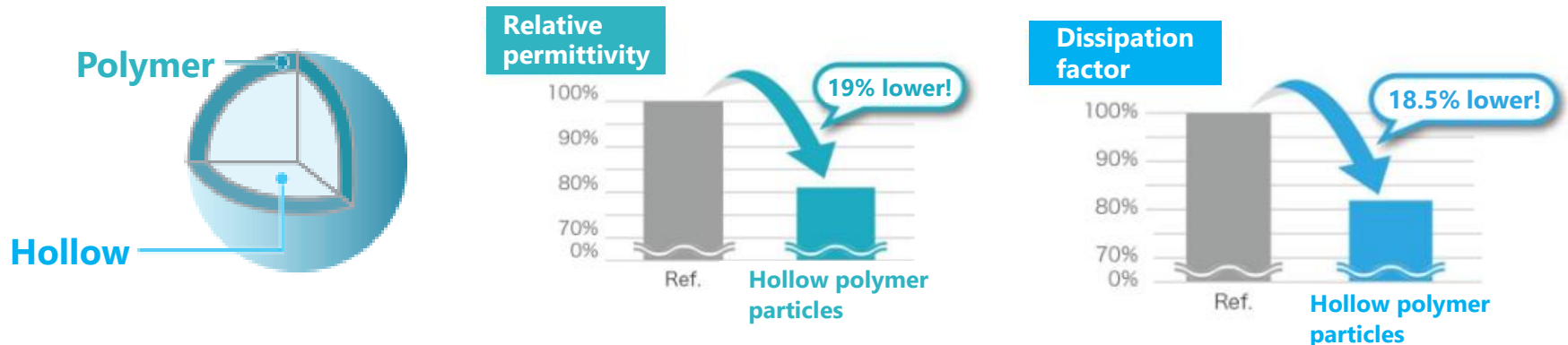
- Higher signal transmission speeds (important for high-frequency circuits and high-speed transmission)
- Lower power consumption
- Suppression of cross-talk (signal interference)
- Support for miniaturization and higher densities



* By monetary amount (according to SEKISUI KASEI research)

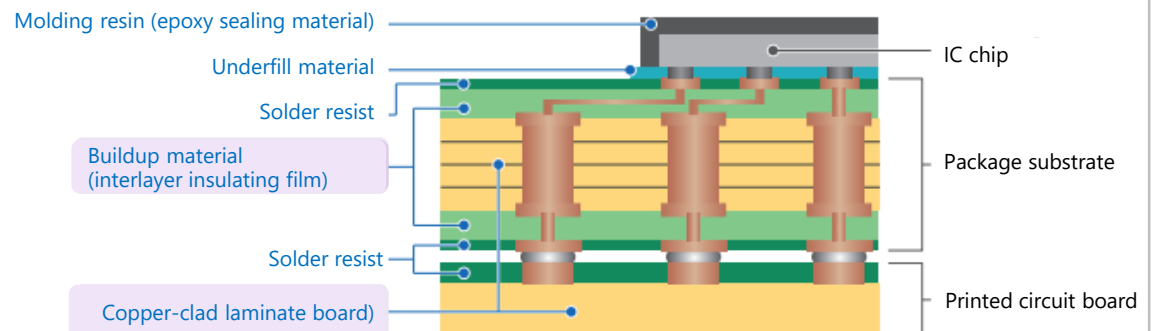
● Development of semiconductor and electronic material applications

We are jointly developing additives with diverse customers to meet needs for materials that reduce transmission loss (low permittivity) in the semiconductor package and mounting field.



Semiconductor package and mounting field

Low permittivity can be achieved by adding hollow polymer particles

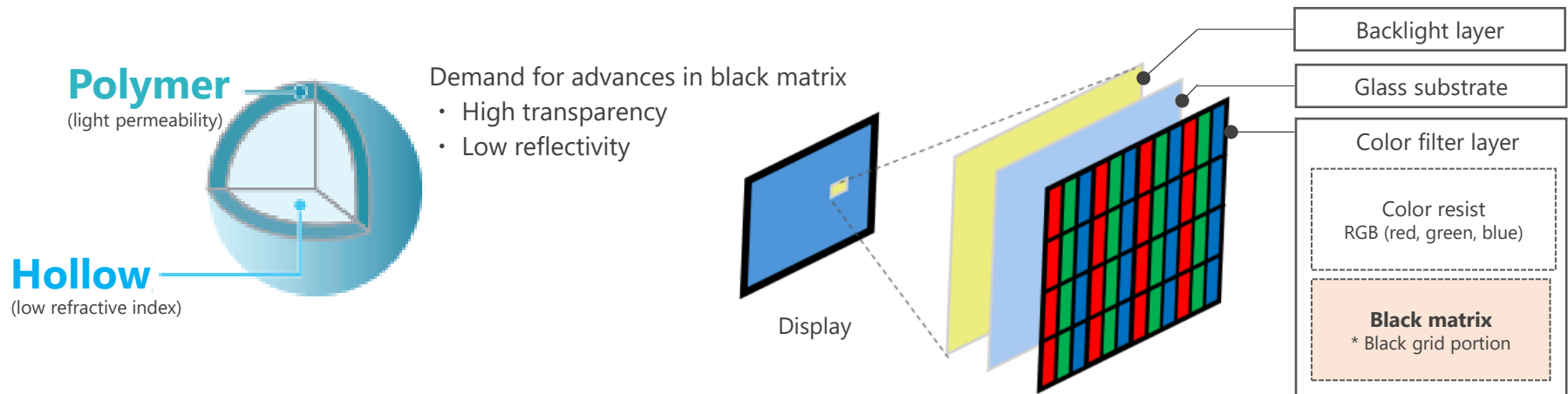


High-Profitability Business-led Growth: Electronics / TECHPOLYMER

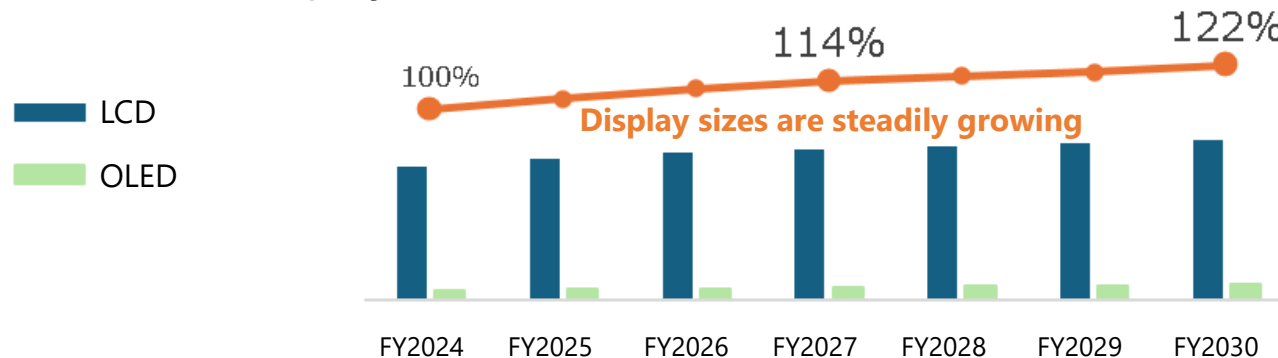
High-profitability
business launches
+4.0
billion yen
FY2024→FY2030

● New applications for next-generation displays

Development is proceeding on the addition of nano-sized hollow polymer particles to the black matrix of next-generation displays to achieve further image resolution improvements



● LCD/OLED display market trends



Resolution is
increasing

4K has been followed
by higher resolutions
such as 8K and 16K.

* By area: according to
SEKISUI KASEI research

High-Profitability Business-led Growth: Mobility/ Automotive Components

High-profitability
business launches

+ 4.0

billion yen

FY2024→FY2030

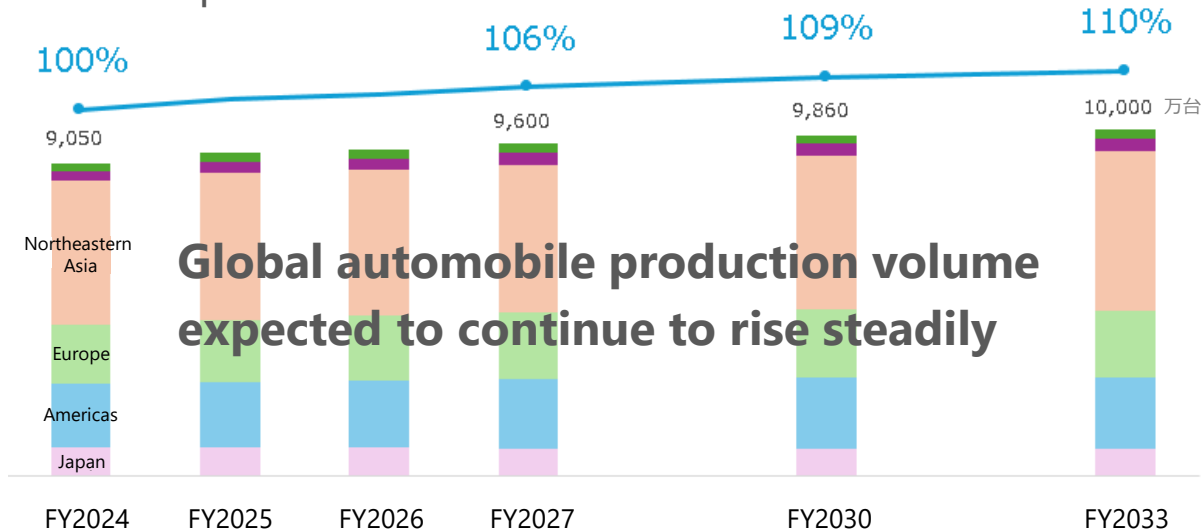
- Dramatically improve profitability in growth markets through new business expansion and differentiation strategies



High-Profitability Business-led Growth:
Mobility

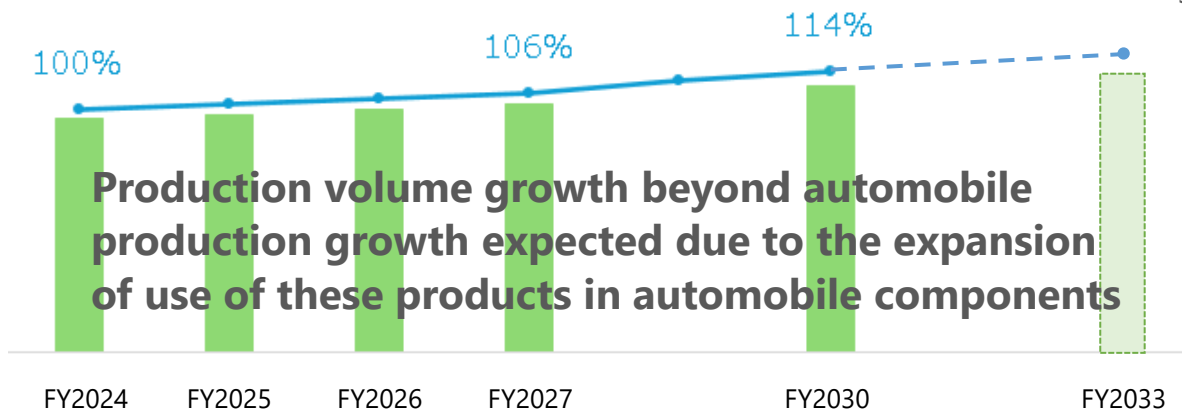
High-profitability
business launches
+ 4.0
billion yen
FY2024→FY2030

● Global automobile production volume forecast



● Market forecast for foam bead plastic automotive components

* By weight: according to
SEKISUI KASEI research



High-Profitability Business-led Growth: Mobility/ Automotive Components

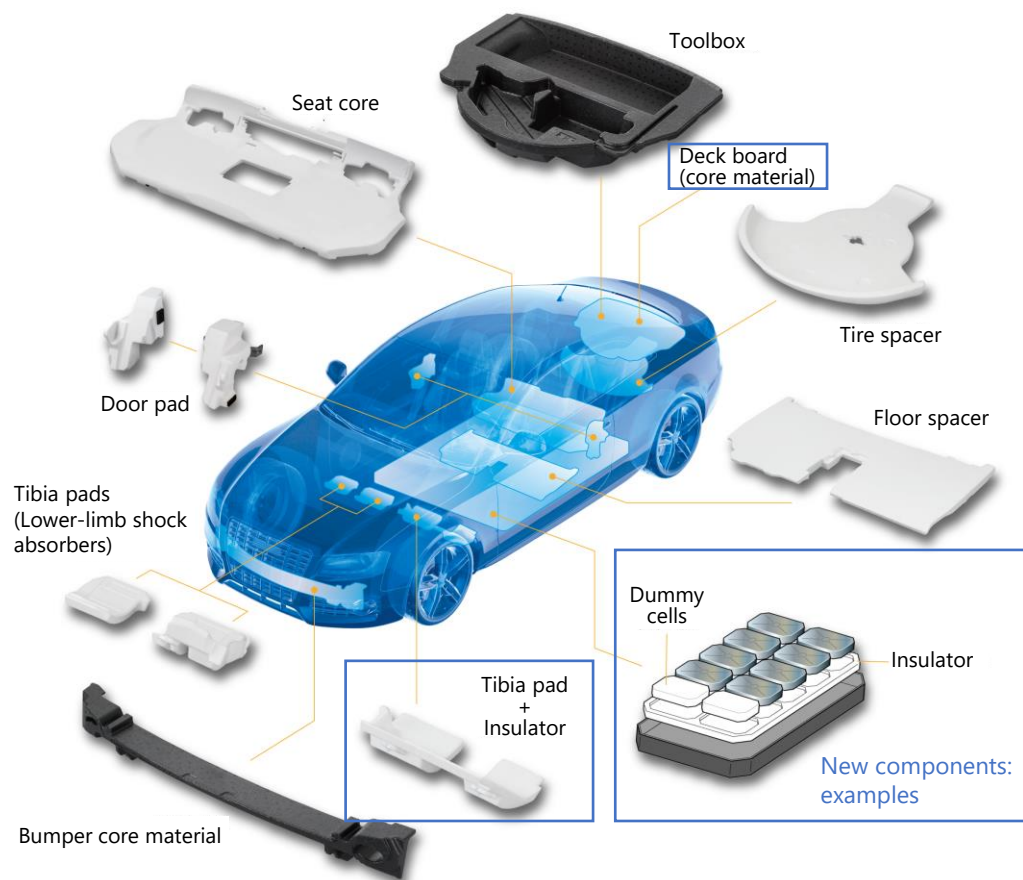
High-profitability
business launches

+4.0

billion yen
FY2024→FY230

● PIOCELAN application expansion and differentiation strategy

In addition to existing applications, the range of applications in areas such as battery-related products is expanding.



Market launch of products of grades that differentiate them from competitors

PIOCELAN 2.0

LWT

High-magnification foam grade

Accomplished the technically challenging goal of increasing expansion rate while meeting automotive quality standards

Achieve competitive advantage through weight reduction and cost

Competing material (30x magnification)



25% lighter

PIOCELAN LWT (40x magnification)

RNW

Recycled product grade

For needs to comply with environmental regulations of different countries: such as EU's ELV regulation

High-Profitability Business-led Growth: Mobility/ Automotive Components

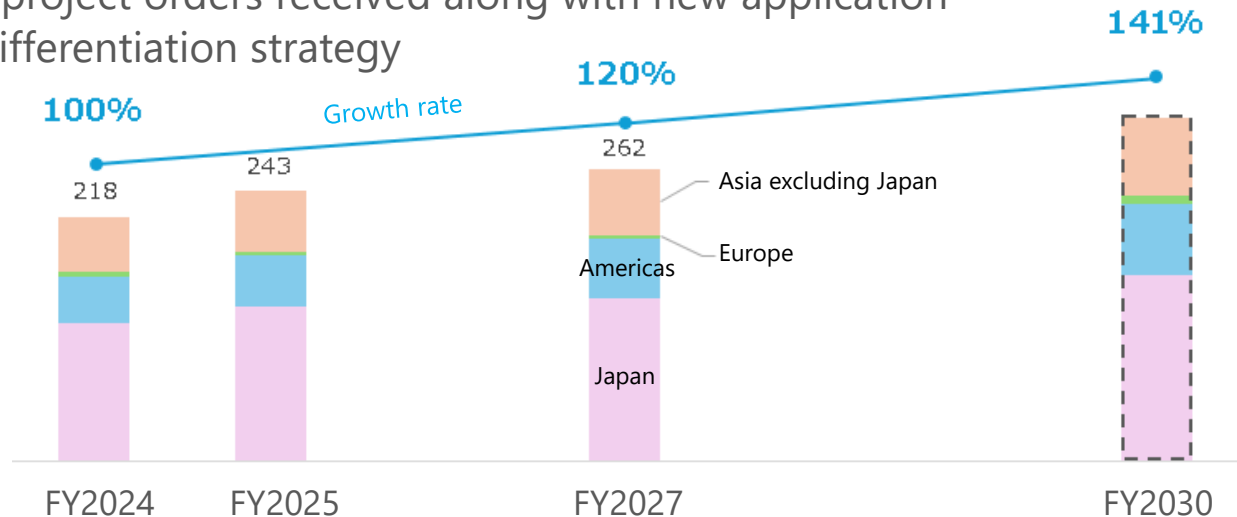
High-profitability
business launches
+4.0
billion yen
FY2024→FY2030.

● Project order trend

Increase in the number of project orders received along with new application expansions and through differentiation strategy

Number of orders received
by production area

* Fiscal years indicate when mass production is planned to begin. The FY2030 figure includes projects still under consideration.



● Production capacity expansion

Expand production capacity in line with growth in demand in North America



Sekisui Kasei U.S.A., Inc. Tennessee Factory

● Euro-American OEM business development

Secured an OEM order from a European company for the first time

* Synergy with Proseat



High-Profitability Business-led Growth: Mobility/ Automotive Components

High-profitability
business launches
+4.0
billion yen
FY2024→FY2030

● ST-Eleveat high heat-resistant foam

Use of foam material as core material for CFRP, GFRP, etc., to make structures lighter and stiffer
Recognition of the superior heat resistance and strength of our composite fabrication processes has led to increased in its adoption

● Growth potential of the market of foam core materials for composite use

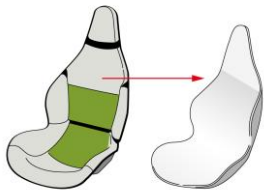
2024 market scale: 1.2 billion USD
2033 market scale: 1.8 billion USD ↗ 150% growth

● Competitive advantage

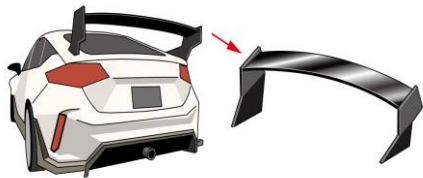
Foaming technologies supporting diverse resin materials —
one of our core strengths since the Company's foundation
Production processes suited for high-mix, low-volume production



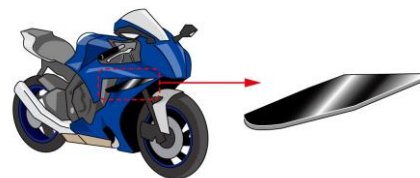
● Examples of use of our products as core materials



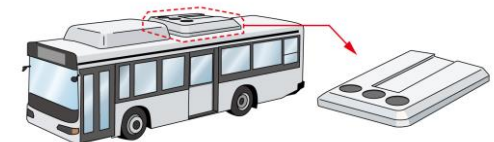
Automotive seats



Rear wings



Winglet



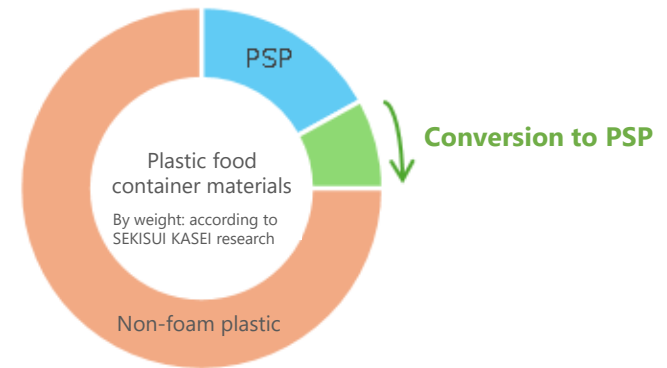
Bus air conditioner units

Business growth strategy: Food/Sheet Business

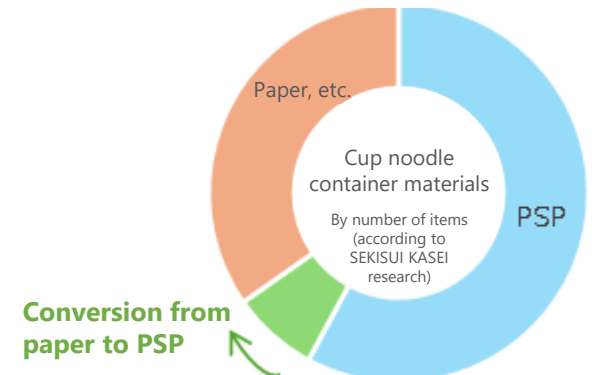
High-profitability
business launches
+ 4.0
billion yen
FY2024→FY2030

● **Low-foam PSP:** full-fledged sales launch in FY2024

- With a roughly 60% weight reduction achieved in non-foam HIPS containers to meet the needs for less plastic usage, steady advance is seen in converting non-foam HIPS material to PSP
- As food containers are made mostly from non-foam plastic material such as HIPS, PP, PET, there is ample room for switchover to low-foam PSP

● **PSP for use in foam sheet containers to replace paper containers:** new product development

- Use innovative technologies to develop deep cup-like shape PSP containers
- Main switchover targets are containers for cup noodles
- Development catered to the trend towards cup-shaped containers over bowl-shaped containers for shelving efficiency at stores and transport efficiency



Sheet Business
Profit increase: **+ 0.8 billion yen**

Revenue increase in existing businesses: Food/Beads Business

Business revenue improvements
+0.7
billion yen
FY2024→FY2030

- A negative growth market with declining demand for fix boxes, the mainstay product

- Maintain current production volume

ESLEN Beads RNW, recycled EPS beads

Increase industry share by focusing on civil engineering construction materials and food distribution



Conceptual image of Expo 2025 Osaka, Kansai, Japan site
(courtesy of the Japan Association for the 2005 World Exposition)

◀ EPS lightweight embankment blocks ▶

Sales are increasing due to the promotion of green procurement by governments and major construction companies



ESLEN Block RNW installation



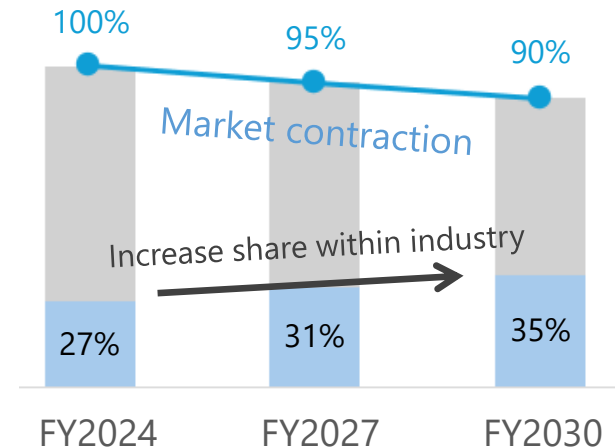
◀ Lightweight greening material ▶

Food containers for home delivery ▶

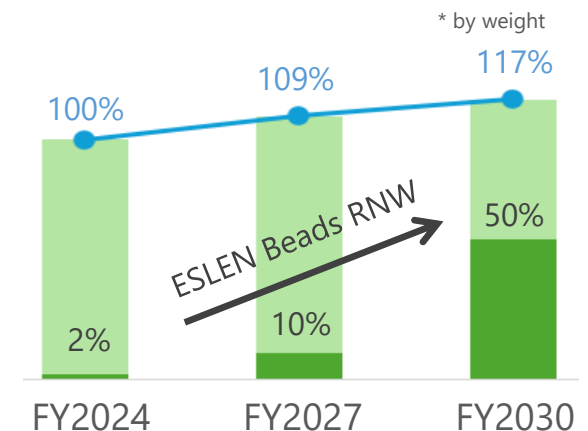


- Expand recycling facility capacity and build recycling loop

- Market trends and SEKISUI KASEI market share * by weight



- SEKISUI KASEI bead sales volume * by weight

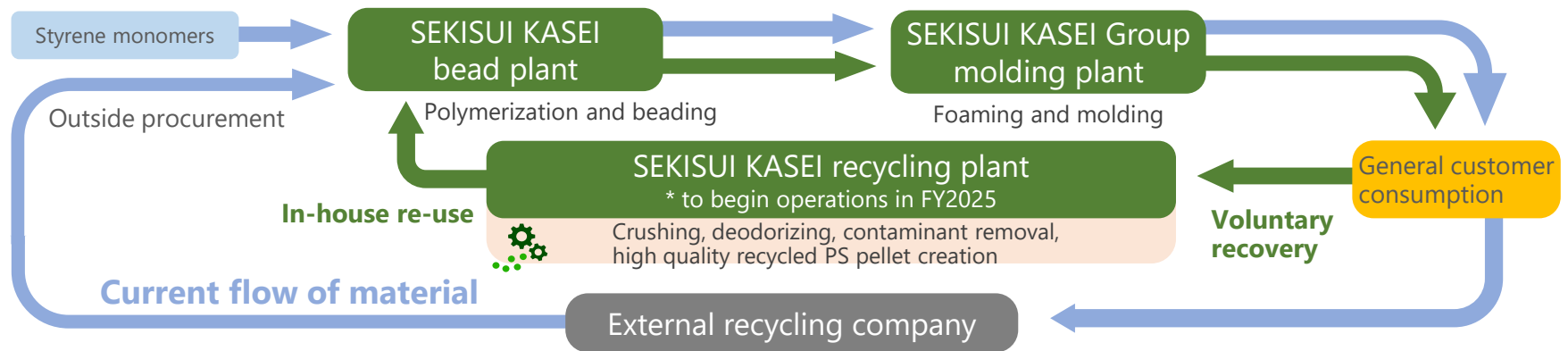


Revenue increase in existing businesses: Food/Beads Business

Business revenue improvements
+0.7
billion yen
FY2024→FY2030

● Establish recycling business model

Create recycling loop together with clients while reducing dependence on purchased raw material (customer lock-in)



● Business model strategy

- Build a system for collecting used articles to achieve stable, low-cost procurement of recycled materials
- Establish recycled material production technologies that produce cost-competitive material with quality equivalent to virgin material

Create competitive advantage through unique business model and recapture top market share

Beads Business
Profit increase: **+ 0.3 billion yen**

Revenue increase in existing businesses: Medical, Healthcare/ST-gel

Business revenue improvements
+0.7
billion yen
FY2024→FY2030

- Accelerate business growth through high-performance gel for biosensing applications

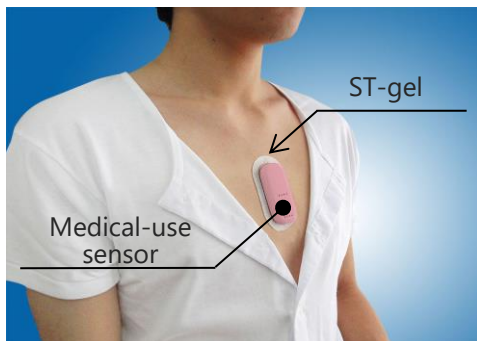
Future market growth expected due to the aging society, extension of people's healthy lives, more widespread use of preventive medicine and at-home medical care, etc.

- New product: **ST-gel OR Grade** — Organogel

Continuous, long-term monitoring of biological signals in preventive medicine

- Organogel = Can be applied to the body over extended periods of time
- Hydrogel = Enables high-precision measurement of biological signals

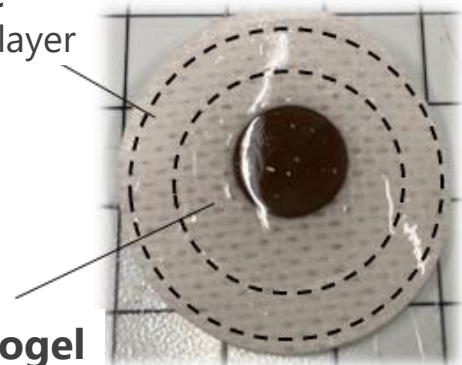
} A hybrid that combines two kinds of gel



Biosensing market growth: 8.5%
Until 2030, annual average

OR Grade

Adhesive layer



Hydrogel

Signal measurement layer

High-performance Business
Profit increase: **+ 0.3 billion yen**

New product and new business creation

- Reinforce new product and new business creation capabilities by leveraging SEKISUI KASEI's strengths

Improve and accelerate new product and new business creation capabilities

Review and revise research areas through the annual company-wide deliberation meeting

To strengthen development and marketing strengths
Reinforce market-testing activities

Narrow down themes

Conduct business feasibility study with business divisions

Idea creation

Propose themes centered on
SEKISUI KASEI's core technologies
— **foaming and polymerization technologies** —

Fluxflow Solution polymer/non-fluorochemical dispersing agent

Polymerization

Hydrophilic group:
solubility in solvent

Catechol group:
adhesion to diverse materials

Particles

Application example:
Alternative dispersant for complying with PFAS regulations

RETONA FOAM BIO Biodegradable resin foam

Foam



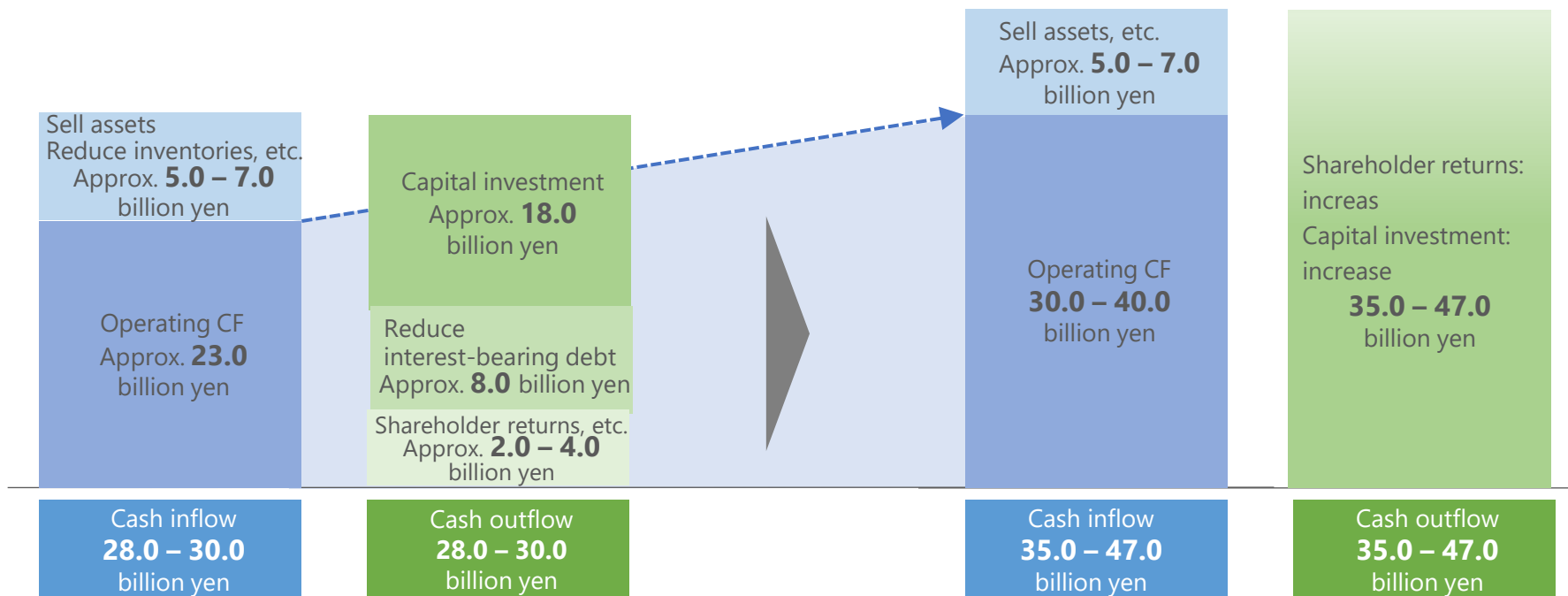
Application example: Recycled display panel

Financial strategy: Cash allocation

- Appropriately allocate increase in operating cash flow to shareholder returns, growth investment, and reduction of interest-bearing debt

FY2025 - 2027

FY2028 - 2030 (projected)



- Enhance shareholder returns and appropriately review and revise strategic holdings
- Dynamically increase total return ratio, considering the status of stock market environment and capital
- Growth investment: Projected cumulative total of 15.0 billion yen over 6-year period, consisting of approx. 7.0 billion yen from FY2025 to FY2027 and approx. 8.0 billion yen from FY2028 to FY2030

Dialogue with investors and shareholders

[Dialogue details] FY2024 results

Format	Earnings results briefings	Individual IR
Counterparty	<ul style="list-style-type: none"> Analysts of Japanese securities companies Institutional investors in Japan and overseas (both passive and active) 	
SEKISUIKASEI participants	<ul style="list-style-type: none"> Representative Director, President and Chief Executive Officer Director, Senior Managing Executive Officer, Head of the Corporate Strategic HQ. Director, Managing Executive Officer, in charge of PX Development Dept. 	<ul style="list-style-type: none"> Director, Senior Managing Executive Officer, Head of the Corporate Strategic HQ. Executive Officer, Deputy Head of the Corporate Strategic HQ. Head of the Corporate Communication Dept.
Key themes Areas of interest	<ul style="list-style-type: none"> Business results and forecasts by segment and key product, business results and prospects of Proseat in Europe Capital cost and share price-conscious management: Specific initiatives and goals for improving PBR, strategic holdings policies, dividend policies, etc. ESG themes: Climate change, resource circulation, human capital management, governance system, etc. 	
No. of dialogues	Two per year, with 64 people participating	As necessary, total of 25 dialogues

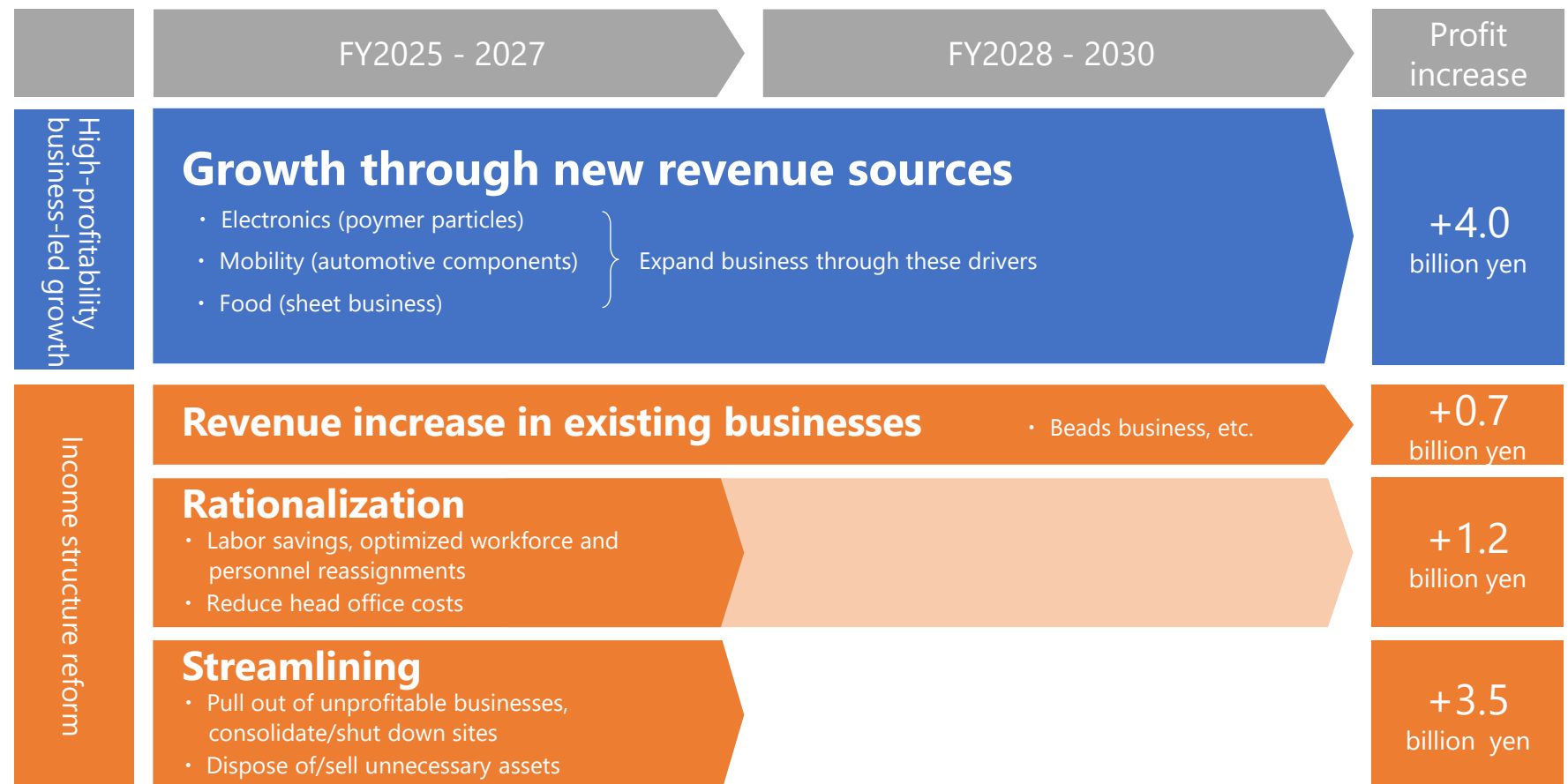
[SEKISUI KASEI dialogue follow-up]

- Following internal discussions regarding capital cost and share price-conscious management, disclosed corresponding updates on May 15, 2025
- Prepared internal system for publishing main timely disclosure materials simultaneously in Japanese and English * Started April 1, 2025
- Set up IR page for individual investors on SEKISUI KASEI website * Launched in May 2024

Aim to increase corporate value by enhancing IR/SR initiatives

- Continue fair and active information disclosure
- Enhance dialogues with investors and shareholders (deliberate different IR events)
- Increase frequency (four times/year) and improve quality of Board of Directors meetings

Summary: Achieving 2030 targets



FY2030 Operating income: 10.0 billion yen (+9.4 billion yen from FY2024)

A new chemical solutions company that cares for people and the planet as it creates new value

Based on the “spirit of respect for people” that has been in our DNA since our founding, as well as the “consideration for the global environment” that we have always focused on, we take on the challenge of realizing a sustainable society by creating “new value” and “solving environmental and social issues through chemical technologies.” The Corporate Vision reflects our strong determination to create a virtuous cycle of this challenge and the sustainable growth of the Group

We have newly resolved to dramatically increase our corporate value.

In the short term, we will dedicate our efforts to reforming our profit structure and creating a lean management structure. In the medium to long term, we will steadily implement growth strategies that powerfully propel our revenue expansion and transform our portfolio into one of high revenue and high growth.

Reaching an ROE of 8% or higher by FY2030 will be simply one waypoint for us, a minimum that we seek to achieve in our journey.

I will lead us as we work together as one to take on these challenges, becoming the Group that continually creates value for society.

Yasunobu Furubayashi, Representative Director, President and Chief Executive Officer

The forward-looking statements, including result forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. Actual results may differ materially due to various factors.

For inquiries regarding the contents, please contact:

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