



FY2022 Financial Results

Spiral-up 2024

SEKISUI KASEI CO., LTD.

(TSE Prime Code: 4228)

May 10, 2023

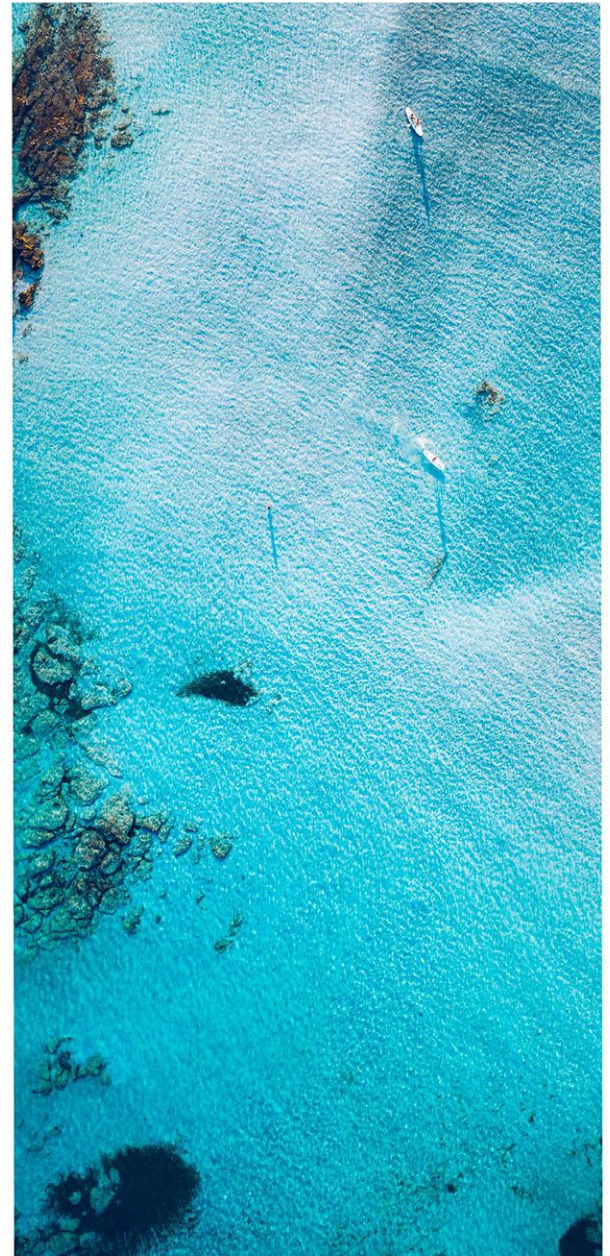


Table of Contents

1

Summary of FY2022 Financial Results

2

the Medium-Term Management Plan
Outlook for “Spiral-up 2024”

3

SEKISUI KAEI GROUP
Partial revision of Vision of the 100th Year

Table of Contents

1

Summary of FY2022 Financial Results

2

the Medium-Term Management Plan
Outlook for “Spiral-up 2024”

3

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Summary of FY2022 Financial Results

Spiral-up 2024

(Unit: billions of yen)	FY2021 Full-year	FY2022 Full-year		Year on year		Vs. forecasts announced August 2, 2022	
	Actual	Forecasts announced August 2, 2022	Actual				
	(A)	(B)	(C)	(C)-(A)		(C)-(B)	
Net sales	117.6	125.0	124.7	7.08	106%	-0.32	100%
Operating income <Operating income ratio>	1.46 <1.2%>	0.95 <0.8%>	0.79 <0.6%>	-0.67	54%	-0.16	83%
Ordinary income	1.40	1.08	0.70	-0.70	50%	-0.38	65%
Net income attributable to owners of the parent	-5.92	0.10	0.45	6.37	—	0.35	453%

- On YoY, increased in net sales and decreased in income.

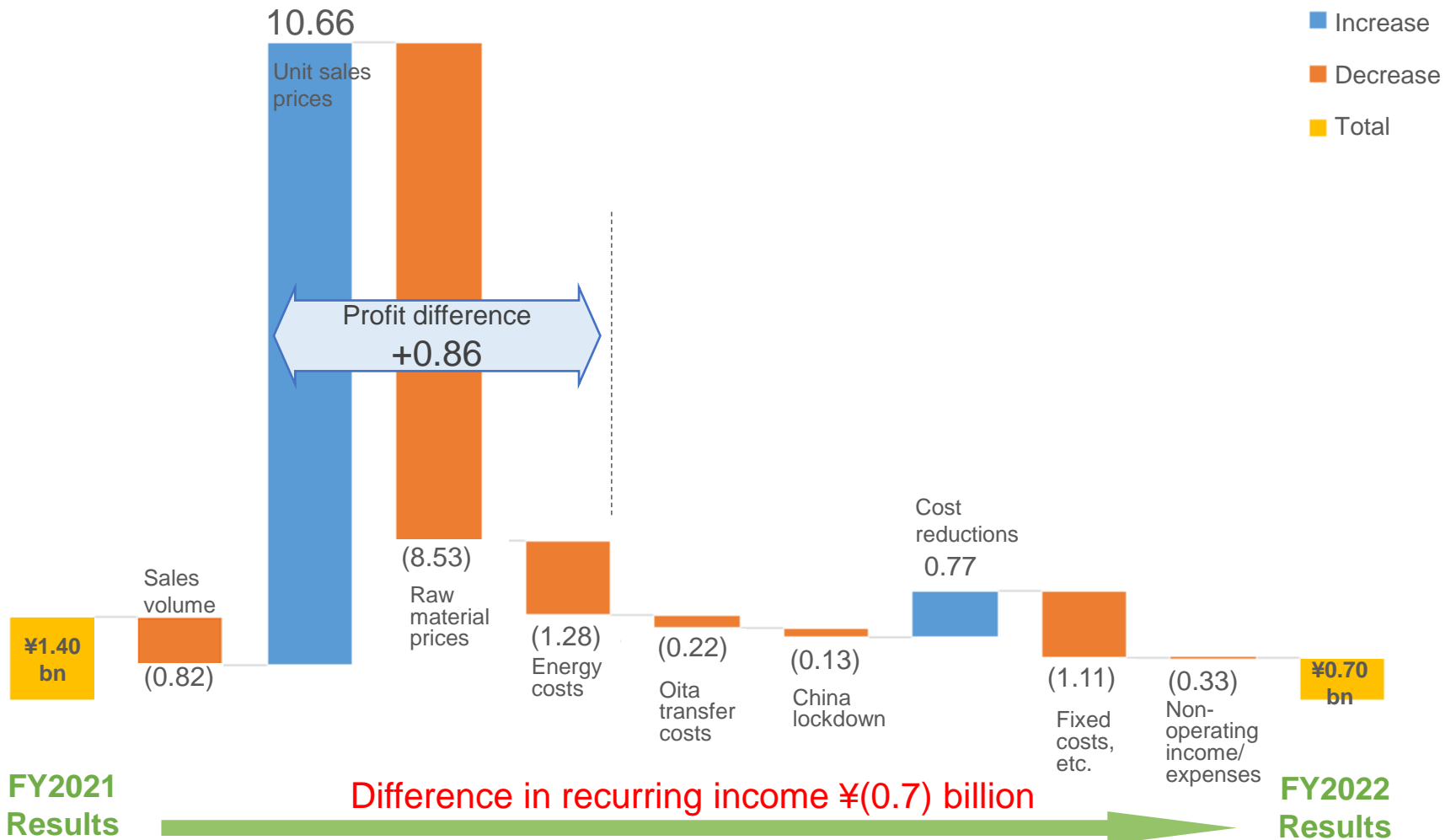
Net sales: Increase due to successfully passing on higher raw material prices to product prices.

Operating income: Decrease due to lower volumes resulting from market downturn and impact of Sekisui kasei Oita fire.

Net income: Increase due to the disappearance in FY2022 of extraordinary losses posted in the previous fiscal year associated with European subsidiary.

FY2022 Recurring Income Analysis (YoY)

Spiral-up 2024



FY2022 Industry Segment Results

Spiral-up 2024

(Unit: billions of yen)	FY2021 Actual (A)	FY2022 Actual			Year on year	
		1H	2H	(B)	(B) - (A)	
Net sales	68.0	35.3	36.8	72.1	4.0	106%
Operating income (Operating income ratio)	(1.33) —	(0.13) —	0.04 <0.1%>	(0.10) —	1.23	—
Ordinary income	(1.78)	(0.34)	(0.06)	(0.40)	1.38	—

● Sales

Electronics: Demand for use in LCD panels were hit by inventory adjustments, and recorded lower sales YoY

Mobility: Automotive production recovered gradually, resulting in higher sales YoY

Medical/Healthcare: Both ST-gel and ELASTIL recorded higher sales YoY

* Overall sales in the segment increased YoY, partly due to successfully passing on higher raw material prices to product prices.

- Profit Lower sales in Electronics led to lower profit, and despite the trend of recovery in Mobility (excluding some regions e.g. Southeast Asia), this was not enough to cover the losses in the Proseat business, resulting in losses for the Industry segment as a whole

FY2022 Human Life Segment Results

Spiral-up 2024

(Unit: billions of yen)	FY2021 Actual (A)	FY2022 Actual			Year on year	
		1H	2H	(B)	(B) - (A)	
Net sales	49.53	25.6	27.0	52.6	3.1	106%
Operating income (Operating income ratio)	3.38 <6.8%>	0.70 <2.7%>	1.88 <7.0%>	2.58 <4.9%>	-0.8	76%
ecurring income	3.38	0.67	1.92	2.59	-0.79	77%

● Sales

Food: Despite the impact of lower volumes for both beads and sheets, higher sales were achieved by passing-on of price increases

Housing/Energy: Civil engineering was weak, but construction performed strongly, leading to higher sales

* Overall sales in the segment increased YoY, partly due to successfully passing on higher raw material prices to product prices.

● Profit Lower profit due to decrease in volumes resulting from market downturn and impact of Sekisui Kasei Oita fire

● Volumes

Sheets: Although take-out container demand was strong, there was a lull in fresh food tray demand for supermarkets, etc., which in addition to a decline in instant noodle-related demand resulted in flat volumes overall YoY

Beads: Demand in mainstay agriculture/fishery applications was weak, and combined with a slowing of demand for cushion beads, which had been strong in the previous fiscal year, this resulted in an overall decline

FY2022 Financial Position

(Unit: billions of yen)	FY2021 (A)	FY2022 (B)	Year on year
Total assets	143.3	145.2	+1.8
Net assets	58.2	58.5	+0.2
Equity ratio	40.1%	39.8%	(0.3)%
Net assets per share	¥1,272.86	¥1,275.00	¥2.14
(Ref.) Equity capital	57.5	57.7	+0.2
Cash and deposits	10.5	11.1	+0.6
Short-term loans	16.3	13.0	(3.2)
Long-term loans	13.9	18.1	+4.2
Bonds	7.0	7.0	± 0
Interest-bearing debt	37.1	38.1	+1.0
D/E ratio (times)	0.65	0.66	+0.01

- Interest-bearing debt increased ¥1.1 billion due to the impact of forex rates
- There were no major changes in the financial position

Table of Contents

- 1 Summary of FY2022 Financial Results
- 2 Outlook for “Spiral-up 2024”
the Medium-Term Management Plan
- 3 Partial revision of Vision of the 100th Year
SEKISUI KAEI GROUP

Medium-Term Management Plan “Spiral-up 2024”

■ Basic policy

To contribute to a sustainable society, and to achieve the sustainable enhancement of our corporate value, we will establish a resilient earnings base based on ESG management.

■ Key issues

1. Strengthen the earnings structure

1) Restructuring the business portfolio (5 priority fields)

Food, Electronics, Mobility, Medical/Healthcare, Housing/Energy

2) Constructing a highly profitable structure in the Proseat business

3) Strengthening cost competitiveness through innovations in production

4) Rapidly generating profits from developed products

2. Shift to businesses that solve environmental and social issues

5) Expanding Sustainable Star Products through recycling-based business

6) Striving to achieve carbon neutrality

3. Reinforce our management foundations

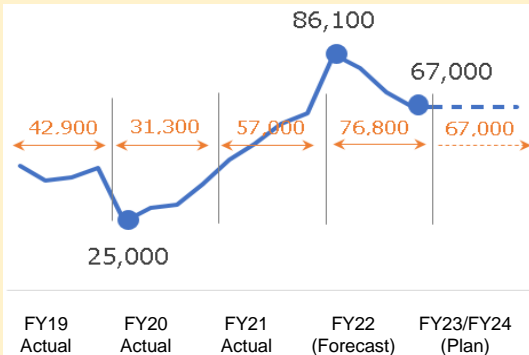
7) Strengthening efforts to address materiality (key management issues)

8) Enhancing financial health

* Three key issues, eight themes

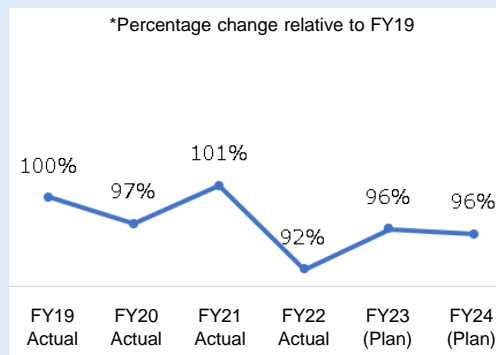
Market trends and outlook

Domestic naphtha prices (¥/kL)



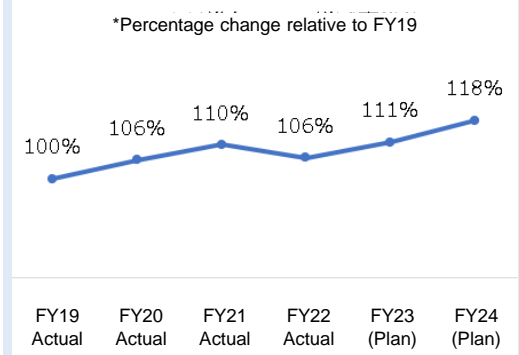
Prices have peaked, but forecast to stay high
Focus on trends in geopolitical risk, etc.

EPS beads (total industry volume)



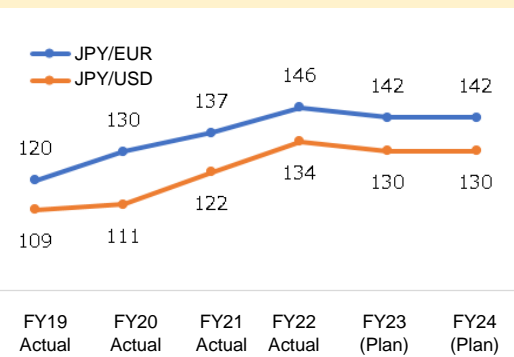
Due in part to flows of people recovering, expect YoY growth in FY23
In mainstay fishery, despite farmed-fish increase, weak overall

LCD displays (surface area basis)



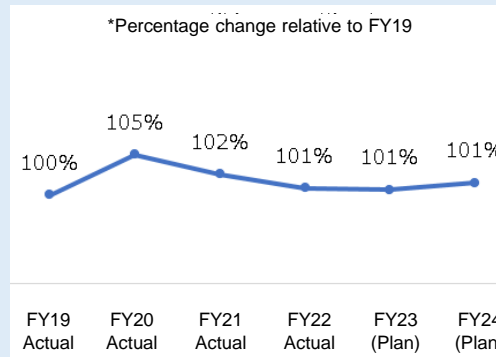
Demand recovering after bottoming in FY22, market to grow following increase in panel size

Forex rates (rate for year-end settlement of accounts)



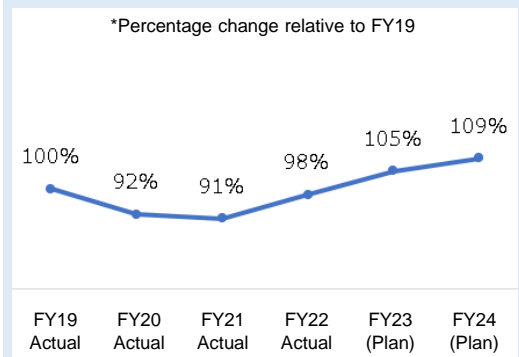
Highly uncertain due to monetary policy of individual countries, etc., so plan set at recent level

PSP sheets (total industry volume)



Strong despite slowing of home-cooked and ready-made meals
Increase in demand for recycling and reuse

Global automotive production (units)



Despite trend of gradual worldwide recovery, degree of improvement varies by region

Medium-Term Management Plan, “Spiral-up 2024”

■ Consolidated forecasts

	Previous mid-term plan	Spiral-up 2024		
	FY2021 Actual	FY2022 Actual (Initial plan)	FY2023 Forecast	FY2024 Forecast (Initial plan)
Net sales	¥117.6 billion	¥124.7 billion (¥125.0 billion)	¥130.0 billion	¥135.0 billion (¥135.0 billion)
Operating income	¥1.46 billion	¥0.79 billion (¥1.8 billion)	¥2.0 billion	¥4.0 billion (¥5.0 billion)
Ordinary income	¥1.40 billion	¥0.70 billion (¥1.6 billion)	¥1.7 billion	¥3.7 billion (¥4.8 billion)
Net income	(5.92) billion	¥0.45 billion (¥0.9 billion)	¥0.5 billion	¥2.4 billion (¥3.0 billion)
ROE	—	0.8 % (1.5%)	1.0 %	3.0 % (3.0 %)

Having taken into account forecasts for the market and the delayed recovery at Proseat Group, we have revised our performance targets for FY2024, the final year of the mid-term management plan

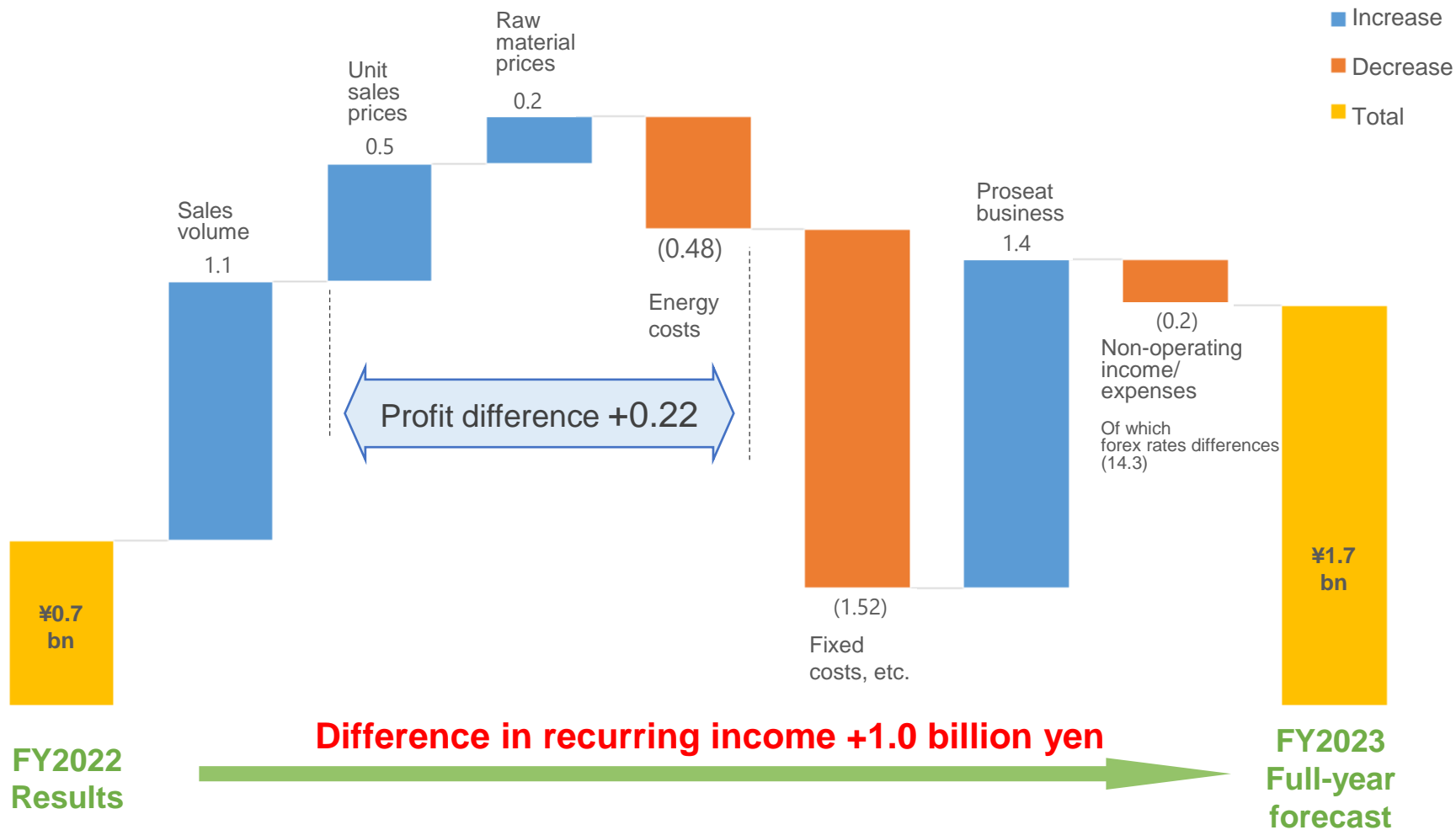
Earnings outlook for “Spiral-up 2024”

■ Performance by Segment

(Unit: billions of yen)	FY2022 Results			FY2023 (forecast)			YoY		FY2024 (Forecast)
	1H	2H	Full Year	1H	2H	Full Year	Full-year Change	Full-year Change (%)	Full Year
Net sales	60.9	63.8	124.7	64.0	66.0	130.0	5.3	104%	135.0
Industry	35.3	36.8	72.1	38.0	38.0	76.0	3.9	105%	79.0
Human Life	25.6	27.0	52.6	26.0	28.0	54.0	1.4	103%	56.0
Operating income	(0.3)	1.9	2.6	1.3	2.9	4.2	1.6	160%	6.9
(Operating income ratio)	—	3.0%	2.1%	2.0%	4.4%	3.2%			5.1%
Industry	(0.1)	0.0	0.0	0.0	1.5	1.5	1.5	—	3.8
Human Life	0.7	1.9	2.6	1.3	1.4	2.7	0.1	105%	3.1
Head office costs	(0.9)	(0.8)	0.0	(1.1)	(1.1)	0.0	0.0	—	(2.9)

*Head Office costs include DX and other system costs

FY2023 Ordinary Income Analysis (YoY)



FY2023 Industry Segment Forecast

(Unit: billions of yen)	FY2022 Results (A)	FY2023 forecast			Year on year		FY2024 forecast
		1H	2H	(B)	(B) - (A)		
Net sales	72.1	38.0	38.0	76.0	3.9	105%	79.0
(Core business)	40.7	20.6	21.6	42.2	1.5	104%	44.0
(Proseat business)	31.3	17.4	16.4	33.8	2.4	108%	35.0
Operating income	(0.1)	0.0	1.5	1.5	1.6	—	3.8
(Core business)	2.9	1.4	1.6	3.0	0.2	106%	3.8
(Proseat business)	(3.0)	(1.4)	(0.1)	(1.5)	1.5	—	0.0

Both the core business and the Proseat business to record higher sales YoY and improvements to bottom line

Electronics

Light diffusion agents
Packaging materials



TECHPOLYMER, PIOCELAN

Mobility

Automotive components
parts packaging materials



PIOCELAN, EPS

Mobility

Proseat business



Medical/Healthcare

Conductive gel
shoe materials



ST-gel, ELASTIL

FY2023 Industry Segment (Core business) Forecast

(Unit: billions of yen)	FY2022 Results (A)	FY2023 forecast			Year on year		FY2024 forecast
		1H	2H	(B)	(B) - (A)		
Net sales	40.7	20.6	21.6	42.2	1.5	104%	44.0
Operating income (Operating income ratio)	2.9 <7.1%>	1.4 <7.0%>	1.6 <7.4%>	3.0 <7.2%>	0.2 —	106% —	3.8 <8.6%>

Higher sales and profit YoY due to demand recovery in target markets

Electronics



- **TECHPOLYMER**
Higher sales due to demand recovery in mainstay application of LCD displays
- **PIOCELAN** packaging materials
Higher sales due to demand recovery in mainstay application of LCD displays

Mobility



- **Automotive components**
Higher sales following recovery in automotive production volumes
**“ST-Eleveat” being used in automotive seat cores for first time
- **Parts packaging materials**
Lower sales due partly to shift to local procurement of parts

Medical/Healthcare



- **ST-gel**
While demand is increasing, sales to be flat YoY due to reconfiguring product mix to further improve profitability
- **ELASTIL**
Higher sales due to increase in demand driven by greater health consciousness

FY2023 Industry Segment (Core business) Growth Strategy

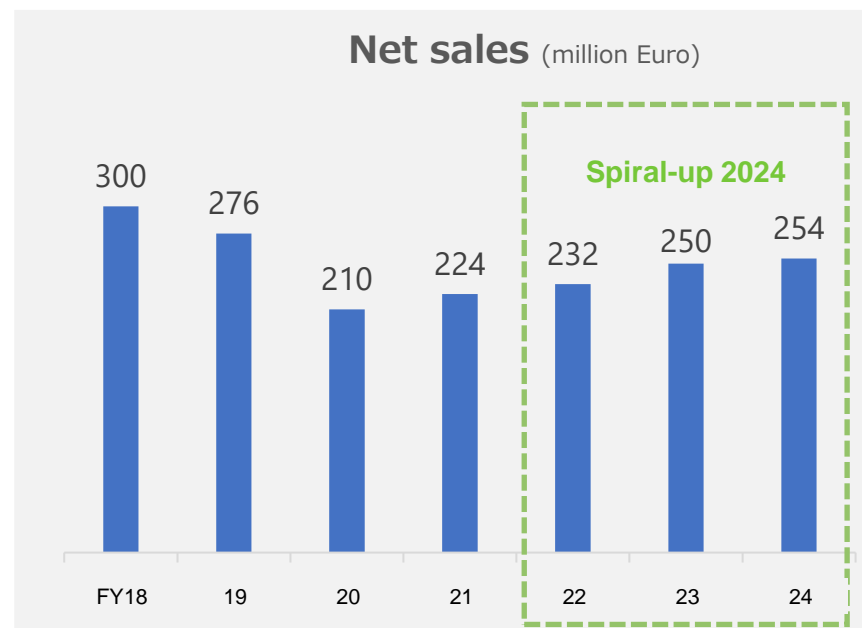
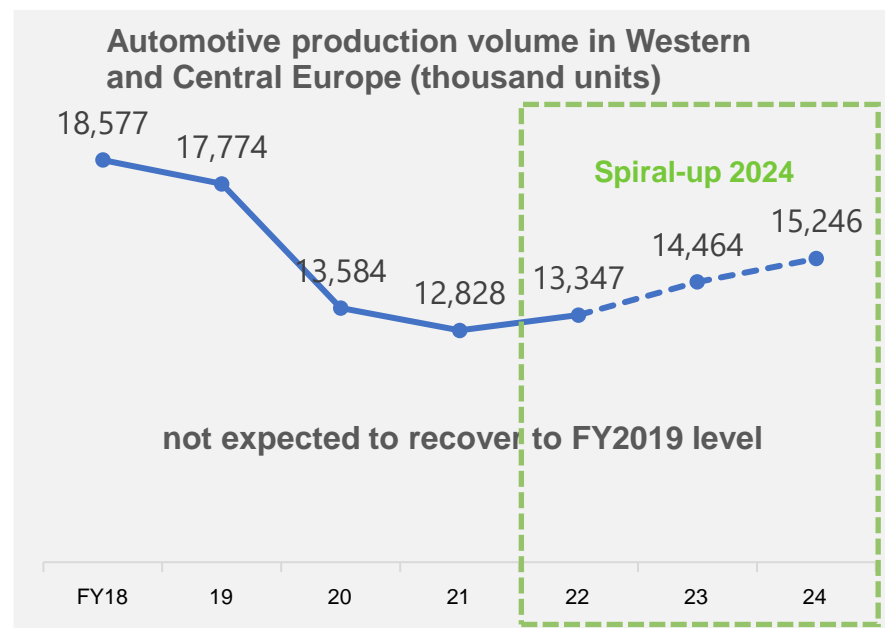
Pursuing global growth through differentiated strategy using PIOCELAN and ST-Eleveat, expansion of business area using TECHPOLYMER, and development of new business using ST-gel and ELASTIL

Electronics		Net sales												
PIOCELAN	<ul style="list-style-type: none"> Packaging materials: further strengthen competitive advantage using high-expansion rate PIOCELAN 2.0 Launch ReNew+, begin shift to resource-recycling business model 	<table border="1"> <caption>Net sales (Electronics)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Initial plan</th> <th>Actual/forecast</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>-</td> <td>¥15.5 billion</td> </tr> <tr> <td>FY23</td> <td>-</td> <td>¥16.9 billion</td> </tr> <tr> <td>FY24</td> <td>(18.0) billion</td> <td>¥18.0 billion</td> </tr> </tbody> </table>	Fiscal Year	Initial plan	Actual/forecast	FY22	-	¥15.5 billion	FY23	-	¥16.9 billion	FY24	(18.0) billion	¥18.0 billion
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FY22	-	¥15.5 billion												
FY23	-	¥16.9 billion												
FY24	(18.0) billion	¥18.0 billion												
TECHPOLYMER	<ul style="list-style-type: none"> Maintain and strengthen competitive advantage in optical applications for LCD displays Develop into new business areas, such as electronic materials 													
Mobility		Net Sales (Including Proseat)												
PIOCELAN	<ul style="list-style-type: none"> Components: using PIOCELAN 2.0 and our technical design capabilities we will further strengthen competitive advantage Packaging materials: launch ReNew+, begin shift to resource-recycling business model 	<table border="1"> <caption>Net Sales (Including Proseat) (Mobility)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Initial plan</th> <th>Actual/forecast</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>-</td> <td>¥49.8 billion</td> </tr> <tr> <td>FY23</td> <td>-</td> <td>¥52.7 billion</td> </tr> <tr> <td>FY24</td> <td>(50.0) billion</td> <td>¥55.0 billion</td> </tr> </tbody> </table>	Fiscal Year	Initial plan	Actual/forecast	FY22	-	¥49.8 billion	FY23	-	¥52.7 billion	FY24	(50.0) billion	¥55.0 billion
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FY22	-	¥49.8 billion												
FY23	-	¥52.7 billion												
FY24	(50.0) billion	¥55.0 billion												
ST-Eleveat	<ul style="list-style-type: none"> Utilize varied line-up to accommodate diverse development needs for next-generation mobility Forming an applications development team to leverage the Proseat development route, and accelerating recruitment 													
Medical/Healthcare		Net sales												
ST-gel	<ul style="list-style-type: none"> Develop composite materials via open innovation in the biosensor and wearable technology area Leverage gel packs equipped with AI to capture expanding demand for skincare 	<table border="1"> <caption>Net sales (Medical/Healthcare)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Initial plan</th> <th>Actual/forecast</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>-</td> <td>¥3.7 billion</td> </tr> <tr> <td>FY23</td> <td>-</td> <td>¥4.0 billion</td> </tr> <tr> <td>FY24</td> <td>(6.0) billion</td> <td>¥5.0 billion</td> </tr> </tbody> </table>	Fiscal Year	Initial plan	Actual/forecast	FY22	-	¥3.7 billion	FY23	-	¥4.0 billion	FY24	(6.0) billion	¥5.0 billion
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FY22	-	¥3.7 billion												
FY23	-	¥4.0 billion												
FY24	(6.0) billion	¥5.0 billion												
ELASTIL	<ul style="list-style-type: none"> Expand sales in shoe material applications, while promoting development of new applications in parallel 													

FY2023 Industry Segment (Proseat business) Forecast

(Unit: billions of yen)	FY2022 Results (A)	FY2023 forecast			Year on year		FY2024 forecast
		1H	2H	(B)	(B) - (A)		
Net sales	31.3	17.4	16.4	33.8	2.4	108%	35.0
Operating income (Operating income ratio)	(3.0) —	(1.4) —	(0.1) —	(1.5) —	1.5 —	— —	0.0 —

Despite forecasting higher sales and a smaller loss year on year, profit not expected until FY2024






FY2023 Industry Segment (Proseat business) Forecast

- Implement across-the-board improvements in sales, productivity, procurement, labor costs, and other aspects
- Reform business structure by withdrawing from low-profitability businesses and transforming management systems
- Implement decisive measures for each of the LWC, Trim, and Foam divisions

Profitability improvement plan (YoY)	+	(Improvements)	Pass on energy and component prices, revise product prices	+¥3.1 billion
			Improvements in productivity, reductions in procurement costs, cuts to labor and other expenses	
			Profitability improvement from higher sales	
	-	(Increased burden)	Increases in personnel expenses, depreciation, etc.	¥(1.7) billion
			Expenses for restructuring head office/factory employees	
			Total	+¥1.4 billion

FY2023 Industry Segment (Proseat business) Growth Strategy

Enter the market for weight-saving components and materials used around the battery, mostly for BEVs, to escape from commoditized areas and transform into a high-profitability business		
Strategy	LWC Division	 <ul style="list-style-type: none"> ■ Use ST-Eleveat and other new materials to win orders for use in new parts ■ Use light-weight compound materials consisting of foam and other substances to win orders for new parts ☞ <u>Aim to create de facto standards for BEV materials as technology moves from Europe to the world</u>
	Trim Division	 <ul style="list-style-type: none"> ■ Pursue the best possible cost at integrated new factory ■ Shift orders from products for general use to high value-added products
	Foam Division	 <ul style="list-style-type: none"> ■ Renegotiate passing-on to sales prices of higher energy and component costs, etc. ■ Raise the ratio of customers at which it is possible to secure profits ■ Withdraw from low-profitability programs

Goal (Competitive advantage)	Respond to increasingly sophisticated requirements of European OEMs by providing solutions differentiated by using both SEKISUI KASEI's materials development capabilities and Proseat's development proposal capabilities
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FY2023 Human Life Segment Forecast

(Unit: billions of yen)	FY2022 Actual (A)	FY2023 forecast			Year on year		FY2024 for ecast
		1H	2H	(B)	(B) - (A)		
Net sales	52.6	26.0	28.0	54.0	1.4	103%	56.0
Operating income (Operating income ratio)	2.6 <4.9%>	1.3 <5.0%>	1.4 <5.0%>	2.7 <5.0%>	0.1 —	105% —	3.1 <5.5%>

Higher sales and profits YoY as a result of declining raw material prices and increases in sheet business volumes

Food (sheets)



- Higher sales due to recovery in production capacity at Sekisui Kasei Oita, and increased sales of ESLEN Sheet RNW and other Sustainable Star Products

Food (beads)



- Higher sales due to demand recovery, as well as increased sales of ESLEN Beads RNW and other Sustainable Star Products

Housing/Energy



- Higher sales due to progress in construction projects delayed from FY2022, as well as increased sales of ESLEN Beads RNW and other Sustainable Star Products

FY2023 Human Life Segment Growth Strategy

Respond rapidly to market changes in the Food area, creating an unshakable source of profits while expanding into new areas (promising areas) such as prevention and mitigation of disasters, and energy

Food		Net sales	
Sheets	<ul style="list-style-type: none"> Expand sales of foam sheets to accommodate customers' need to reduce their use of plastic and CO2 emissions Expand business in Sustainable Star Products, such as ESLEN Sheet RNW and INTERFOAM BIO Promote proposals of materials tailored to the needs of new markets such as take-out, delivery, and e-commerce Increase supply chain resilience (SCM, expansions in production capacity to support growth in sales) 		
Beads	<ul style="list-style-type: none"> Expand sales of ESLEN Beads RNW Roll out recycled products using our proprietary technology, and promote related investments Expand into aquaculture applications and applications for exports of agricultural produce 		
Housing/Energy		Net sales	
Housing	<ul style="list-style-type: none"> Roll out unique products for preventing and mitigating disasters, and developing infrastructure (E.g. measures to address torrential rain = Aquaroad; disaster recovery = EPS method/EPS slope) 		
Energy	<ul style="list-style-type: none"> Roll out and expand sales of materials aimed at renewable energy facilities (floating solar panels and other projects under development) 		

Capital Investment

(Unit: billions of yen)	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Planned
Capital expenditures	5.3	5.4	3.8	3.7	6.0
Depreciation	6.1	6.2	6.2	5.7	6.3

- FY2022: investments were reduced in view of the earnings situation, the need to assess a changing market environment, and other factors
- FY2023: invest in expanding capacity, labor-saving and energy-saving facilities, the environment, DX, and R&D
- Main components of capital expenditure

FY2022 Results

- Production capacity expansion (TECHPOLYMER)
- Energy-saving / labor-saving facilities
- Environmental investments (renewable energy)
- Information systems investments

etc.

FY2023 Plan

- Restoration/expansion of production capacity (Oita PSP production facilities)
- Energy-saving / labor-saving facilities
- Environmental investments (recycling facilities)
- Information systems investments (DX-related)
- R&D investments (evaluation/analysis, facilities for new development)

etc.

Shareholder Returns (Dividend)

	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 (Planned)	FY2023 (Forecast)
Net income per share (yen)	5.13	2.49	-13.10	1.00	1.22
Dividends per share (yen)	3.0	2.1	1.2	1.0	1.2
Dividend payout ratio (consolidated)	59%	84%	—	120%	99%
Acquisition of treasury stock (millions of yen)	—	14.15	—	—	—
Total return ratio (consolidated)	59%	97%	—	120%	99%
ROE	3.6%	1.6%	—	0.8%	1.0%
Disposal of treasury stock (million shares)	—	—	—	—	—

● Dividend policy

Targeting a dividend payout ratio of 30-40%, with the decision to be made in accordance with the trend in consolidated results, and after taking a comprehensive view of the balance between dividend stability and internal reserves

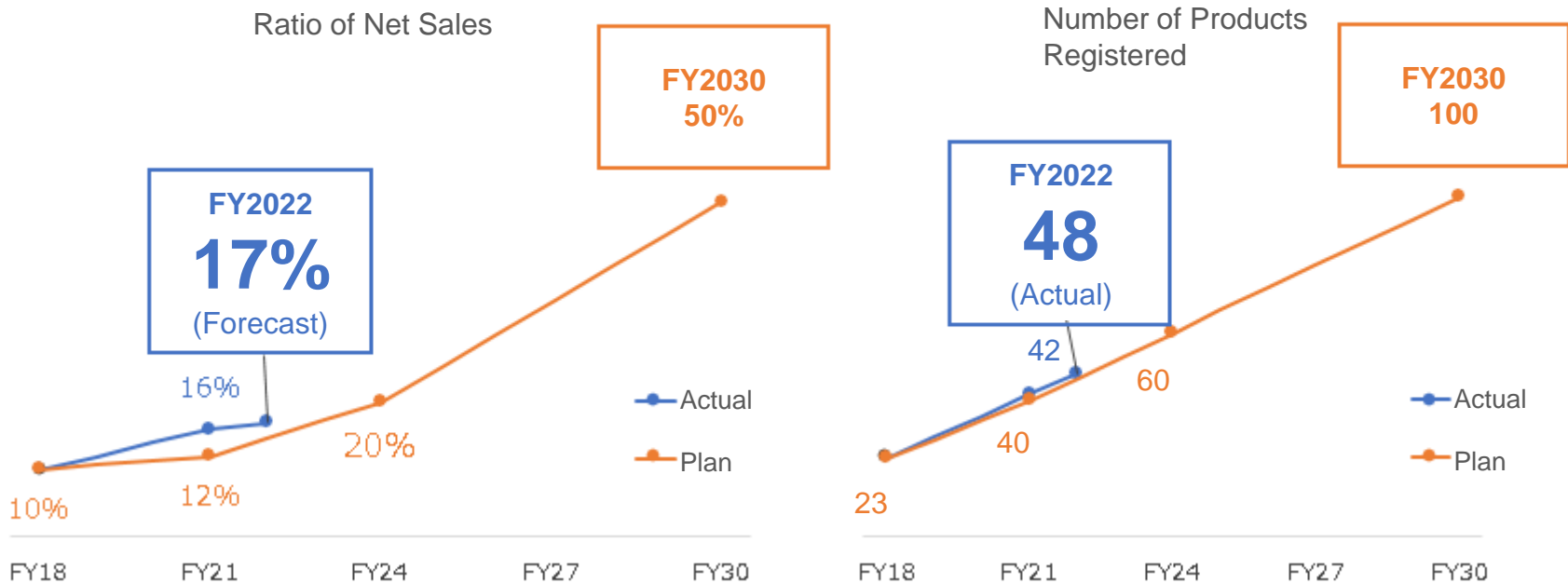
FY2022: 12 yen/share (planned) *interim dividend of 3 yen/share (already paid) + year-end dividend of 9 yen/share (planned)
 FY2023: 12 yen/share (forecast) *interim dividend of 3 yen/share + year-end dividend of 9 yen/share

● Acquisition of treasury stock

In February 2021 we acquired treasury stock

Shift to businesses that solve environmental and social issues

SKG-5R Progress toward 2030 target of “Create and expand Sustainable Star Products”



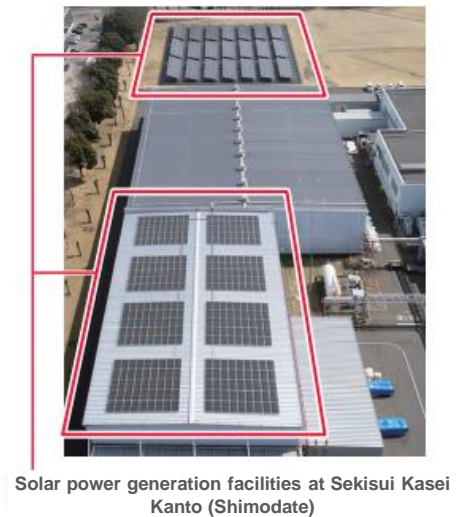
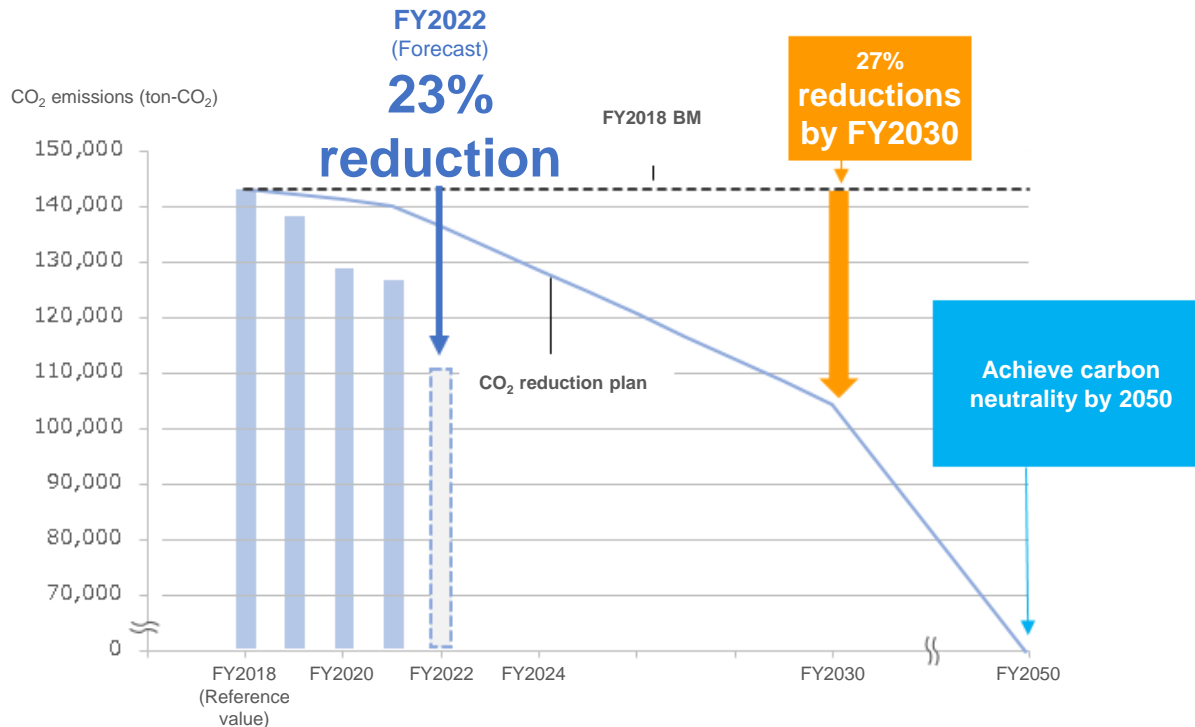
Percentage of net sales and number of products registered proceeding more or less in line with plan

Shift to businesses that solve environmental and social issues



SKG-5R

Progress toward 2030 target of “Reduced CO2 emissions”

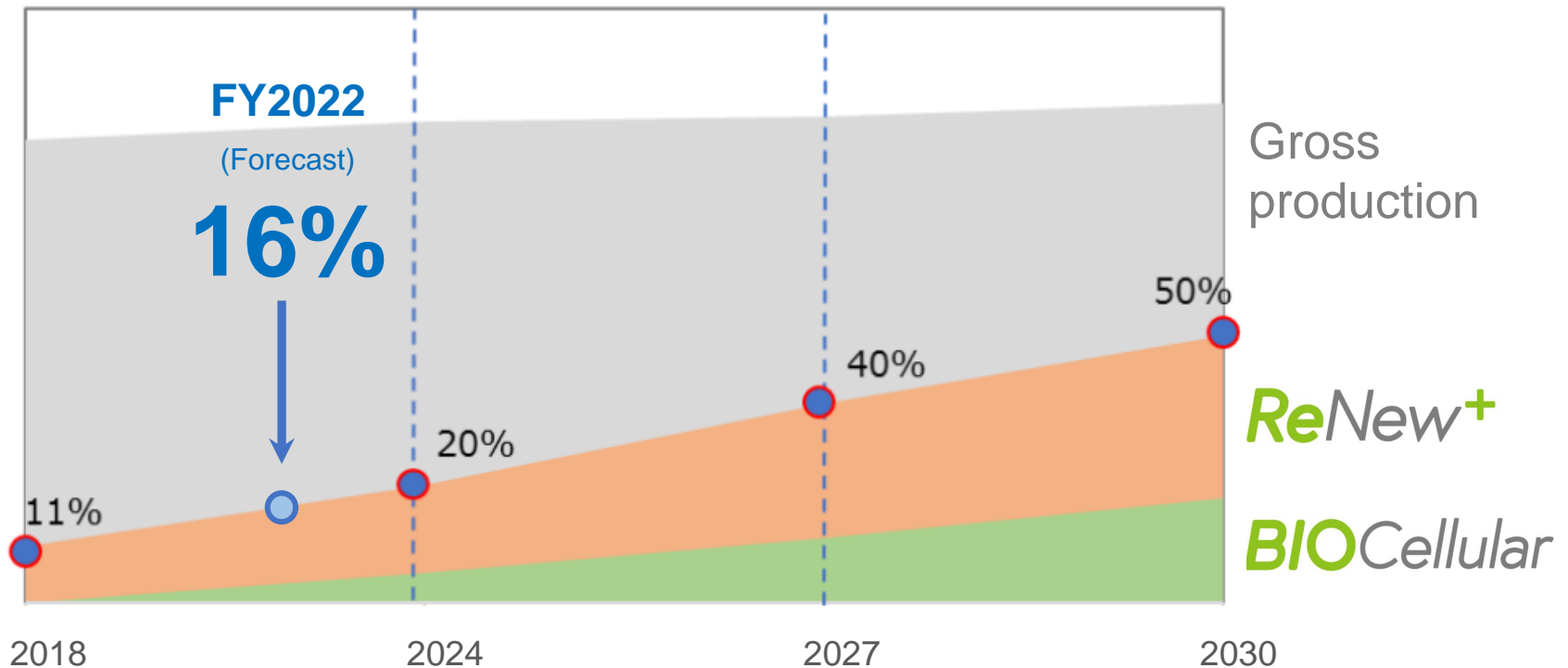


Proceeding ahead of plan due to improvements in production efficiency and introduction of renewable energy, etc.

Implementing information disclosure in line with TCFD recommendations, and working to further improve disclosure going forward

Shift to businesses that solve environmental and social issues

SKG-5R Target a recycled and biomass ratio of at least 50% by 2030



Production ratio of recycled products such as ESLEN Sheet increased, resulting in progress in line with plan

In FY2023 we aim to expand sales of recycled ESLEN Beads and PIOCELAN products

Shift to businesses that solve environmental and social issues

SKG-5R

Strengthening our lineup of products that help increase environmental value

PIOCELAN 2.0 (polystyrene/polyolefin hybrid resin foam)

PIOCELAN RNW



By recovering used PIOCELAN from customers and remanufacturing it as "PIOCELAN RNW" we enabled resource recycling.

PIOCELAN LW (Light Weight)

Reduce

By increasing the foam expansion ratio to 45x for automotive components we achieved a weight reduction of approx. 30% compared to the previous product (with a foam expansion ratio of 35x)

PIOCELAN HS (High Strength)

Reduce Reuse

To respond to the need for returnable packaging used for heavy items, we increased the strength of products mainly using foam expansion ratios of 5-10x by 20-30%.

PIOCELAN 2.0

Environmental solutions
Lower weight/returnable/recyclable

Polystyrene

- Superior durability
- Easy to obtain high foam ratio
- Superior insulation

Polyolefin

- Superior shock resistance
- Superior resistance to chemicals
- Superior abrasion resistance

Introduced new grades to address need for resource recycling and further weight reductions

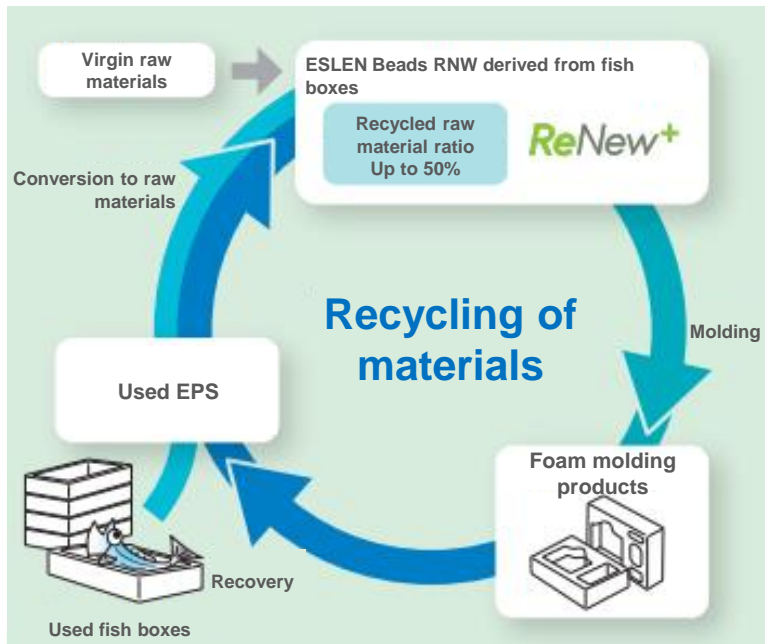
Shift to businesses that solve environmental and social issues

ReNew+

Brand for product categories utilizing recycled materials

ESLEN Beads RNW (Recycled polystyrene foam beads)

We developed ESLEN Beads RNW by recycling used fish boxes



By identifying the odorous element of fish boxes and proceeding with investigations into its elimination, we blended our proprietary recycling techniques with polymerization technology to establish a new technology for the previously difficult task of recycling expanded polystyrene fish boxes.

By enabling a recycled ratio of up to 50% for raw materials derived from fish boxes, we are able to offer performance equivalent to that of EPS using virgin raw materials.

Initially we expect this to be adopted for materials used in industrial logistics materials, construction materials, and civil engineering applications.

Shift to businesses that solve environmental and social issues

BIOCellular

Product category brands that utilize **biodegradable** or **biomass raw materials**

● RETONA FOAM BIO (biodegradable foam material)

This is a biodegradable foam that has excellent workability and design performance compared to previous foam resins

- The foam is derived from biodegradable resins such as PLA and PBS.
- It is broken down into water and carbon dioxide through the action of microorganisms that exist in the natural world, such as those found in compost.
- Example of use, in display applications its flexibility and formability enables it to adhere to curved surfaces to create three-dimensional shapes.



The material's flexibility and formability on curved services also makes 3D shapes possible

Has been adopted for use as an environmentally friendly and biodegradable material for displays
Going forward, we will move forward with application development in a wide range of fields, including electronic parts packaging in the area of Electronics, and various packaging materials in the field of Food

Reinforce our management foundations

■ Strengthening efforts to address materiality

By putting an Officer in charge of each category of materiality identified, and using KPI management, we are working to sustainably enhance corporate value

	Category	Materiality	Issues to promote
E	Environment	Creating Sustainable Star Products and expanding business	Promoting SKG-5R (expanding of Sustainable Star Products)
		Responding to climate change	Promoting SKG-5R (utilizing energy-saving technology and renewable energy to achieve carbon neutrality)
S	Innovation	Reducing environmental impact	Appropriate management of atmosphere, water, waste, and hazardous substances
		Business model resilience	Open innovation, initiatives for external cooperation and collaboration
	Human resources	Promoting DX	Production innovation, operational innovation, marketing innovation
S	Human resources	Diversity	Active participation by diverse human resources (women, seniors, non-Japanese)
		Workstyle reform	Promotion of health management, various systems for work-life balance, and diverse and flexible workstyles
S	Quality/Security and disaster prevention	Work engagement	Personnel systems designed to encourage personal development of workers
		Providing safety and security	Promote zero accidents and zero quality complaints
G	Governance	Strengthen corporate governance	Improve the effectiveness of the Board of Directors, enhance Group governance
		Compliance	Prevent problems before they occur, improve reporting systems
		Risk management	Promote BCP initiatives

Reinforce our management foundations

■ Strengthening efforts to address materiality (Social)

Certified in the Health & Productivity Management Organization Recognition Program 2023
(Large Enterprise Category)

As a “human capital management” initiative, we are enhancing mechanisms to enable participation by employees with ambition and ability



We have made “human resources” one of the categories in materiality (S: Social), and are proceeding with the following initiatives

- Diversity (participation by women and seniors, development of global management personnel)
- Workstyle reforms (promotion of health management, work-life balance, and diverse and flexible workstyles)
- Work engagement (measuring engagement, designing personnel systems to improve engagement)

Reinforce our management foundations

■ Strengthening efforts to address materiality (Governance)

We are working to address supplementary principles, etc. required for listing on the TSE Prime Market under the Corporate Governance Code of Japan

1-2 ④	Platform for exercising voting rights	Done
3-1 ②	Information disclosure in English	Done (Aiming to enhance further)
3-1 ③	Disclosure based on TCFD standards	Completed on April 27, 2023 (Aiming to enhance further)
4-8	Independent Outside Directors to account for at least one-third of total	Done (Of a total of eight, three are Independent Outside Officers)
4-10 ①	Nomination and Remuneration Committee	Established as a non-statutory committee (Going forward we will work to enhance disclosure related to remuneration systems for officers, and status of Committee activities)

Reinforce our management foundations

■ Enhancing financial health

Through initiatives undertaken with an awareness of capital efficiency, we aim to improve ROE (to 8% or more by 2030)

Enhancing profitability

- Proseat profit reforms
Implement drastic innovation by rethinking management systems, and speed up improvements in profits
- Restructuring the business portfolio
Reallocate resources to 5 priority areas with growth and profit potential
- Strengthening cost competitiveness through innovations in production
Achieve drastic innovations in production processes by introducing innovative technology and DX
- Rapidly generating profits from developed products
Speed up development by focusing on research transformation (RX)

Improve capital efficiency

- Withdrawal from unprofitable businesses
Shift assets from low profitability businesses
- Reduce inventories
Production innovations using DX, etc. (SCM and others)
- Verification of strategic shareholdings

Table of Contents

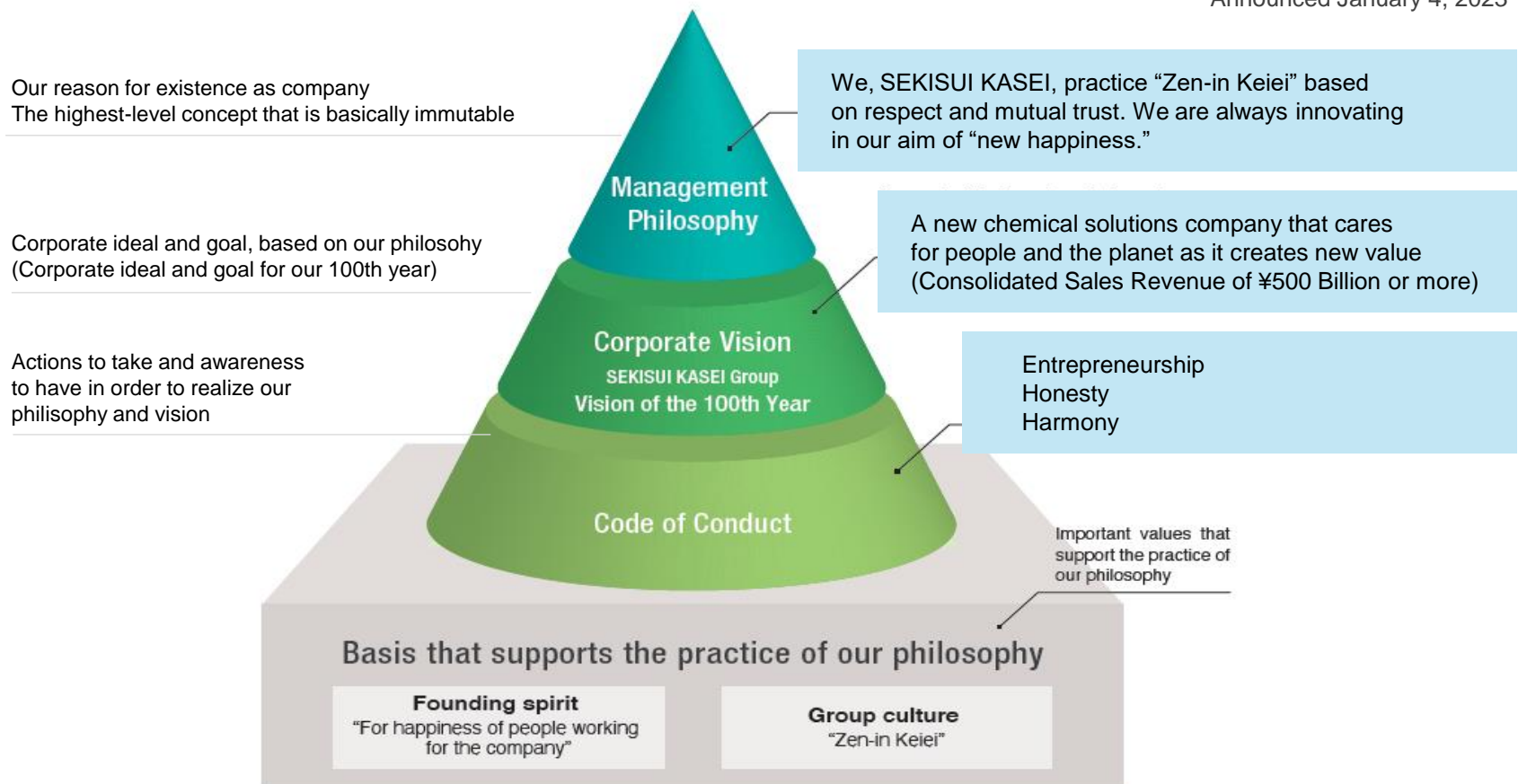
- 1 Summary of FY2022 Financial Results
- 2 Outlook for “Spiral-up 2024”
the Medium-Term Management Plan
- 3 Partial revision of Vision of the 100th Year
SEKISUI KAEI GROUP

SEKISUI KAEI GROUP Revising Vision of 100th year

Vision of the 100th year

Partially revised Vision of the 100th Year for its 100th year in 2059, defined a philosophy system, and revised Corporate Vision and Code of Conduct.

*Announced January 4, 2023



SEKISUI KAEI GROUP Revising Vision of 100th year

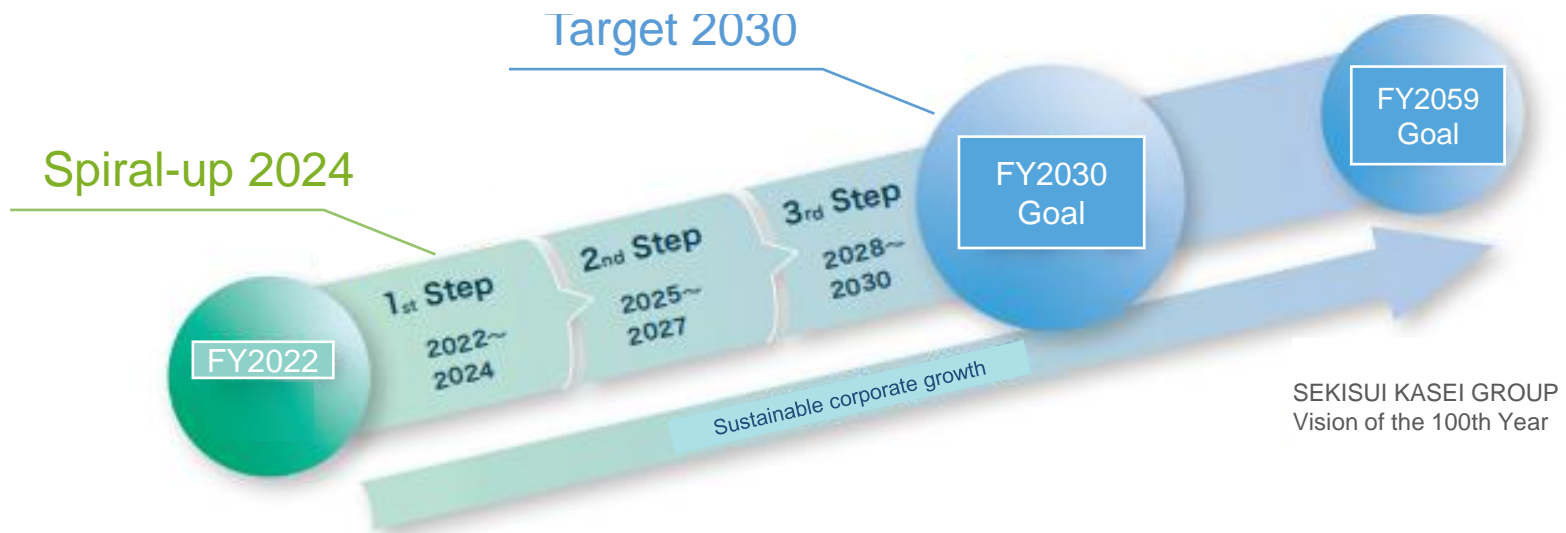
Vision of the 100th year

Established “Target 2030,” our business direction for 2030 in conjunction with the vision revision.

■ Positioning of “Target 2030”

“Target 2030” is our business direction for 2030 to realize the Vision.

”Spiral-up 2024,” is our mid-term management plan to achieve “Target 2030.”



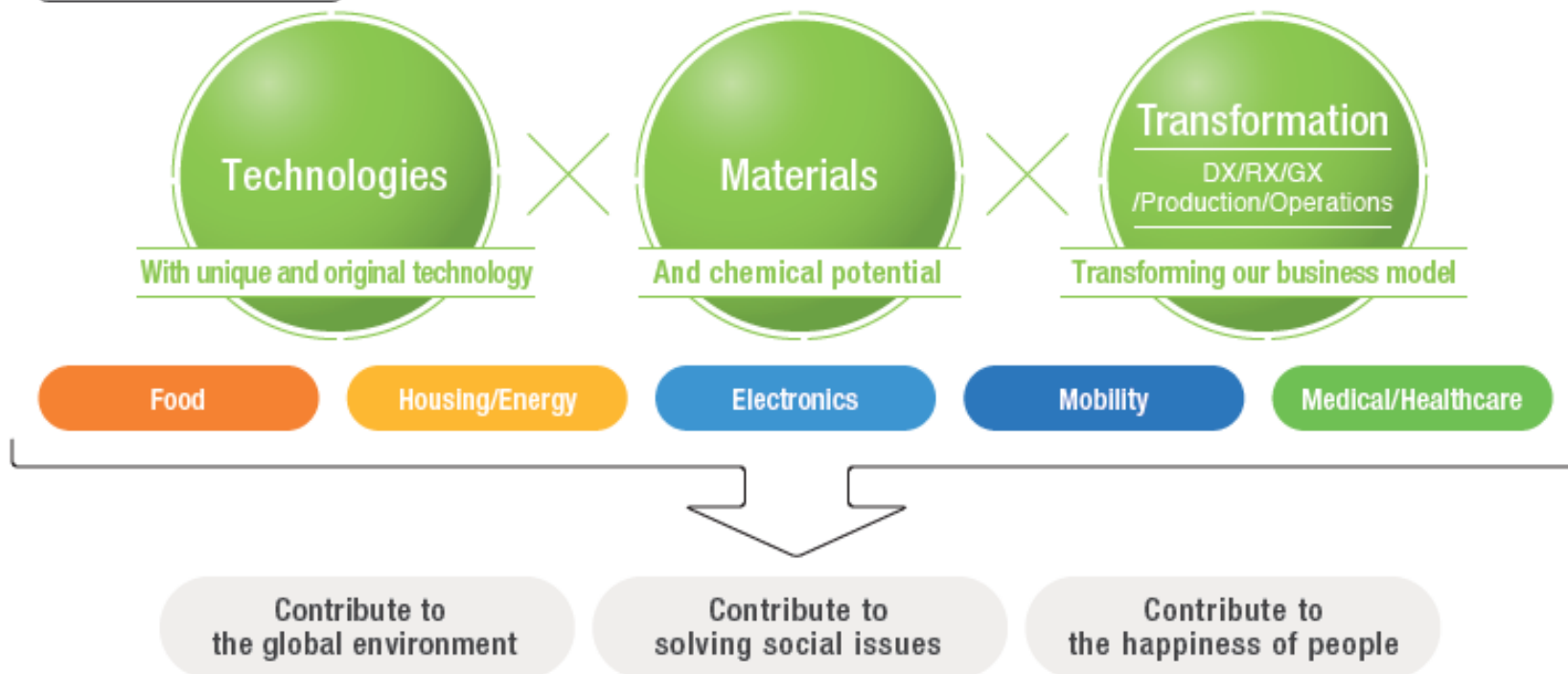
SEKISUI KASEI GROUP
Vision of the 100th Year

Our business direction for 2030

Basic Policy

Realize co-existence of “Contribution to a Sustainable Society” and “Sustainable Enhancement of Corporate Value”.

Business Domains



Our business direction for 2030

Quantitative Targets

	FY2030 Targets		
Financial Targets	Net sales	¥160 billion or more	(¥110 billion in 2019)
	Operating income	¥13 billion or more	(¥3.7 billion in 2019)
	Operating income ratio	8% or more	(3% in 2019)
	ROE	8% or more	(3% in 2019)
Environmental Targets	Sustainable Star Products as percentage of net sales	50% or more	(11% in 2019)
	Percentage reduction in CO2 emissions	27% or more	(Versus 2018)

*Financial targets use the pre-COVID-19 results of 2019 as a benchmark

The forward-looking statements such as result forecasts contained in this document are based on information that is currently available to the Company and certain assumptions that the Company judges to be reasonable. Actual results may differ materially due to various factors.

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Our Planet. Our Tomorrow.