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**Consolidated Financial Results for the Fiscal Year Ended March 31, 2024**  
**<Under Japanese GAAP>**

April 30, 2024

Company Name:	SEKISUI KASEI CO., LTD.
Listing:	Tokyo Stock Exchange
Securities code:	4228
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Scheduled date of annual general meeting of shareholders:	June 21, 2024
Scheduled date to commence dividend payments:	June 24, 2024
Scheduled date to file annual securities report:	June 24, 2024
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (For securities analysts and institutional investor fund managers)

(Figures rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (% figures represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	130,265	4.5	1,261	59.0	2,733	288.1	1,083	139.4
March 31, 2023	124,683	6.1	793	-45.8	704	-49.7	452	-

Note: Comprehensive Income For the fiscal year ended March 31, 2024: (1,141) million yen (- %)  
For the fiscal year ended March 31, 2023: 642 million yen (- %)

	Net income attributable to owners of parent per share	Net income attributable to owners of parent per share (Diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended March 31, 2024	23.90 yen	- yen	1.9 %	1.9 %	1.0 %
March 31, 2023	10.00	-	0.8	0.5	0.6

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024: - million yen  
For the fiscal year ended March 31, 2023: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity to asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	146,473	56,821	38.3	1,235.52
As of March 31, 2023	145,175	58,464	39.8	1,275.00

Reference: Equity As of March 31, 2024: 56,060 million yen As of March 31, 2023: 57,723 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	7,375	(3,779)	(3,658)	10,867
March 31, 2023	3,110	(993)	(1,542)	11,072

2. Dividend Status

(Date of Record)	Annual dividends per share					Total cash dividends (Total)	Payout Ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	At the end of 1 <sup>st</sup> Q	At the end of 2 <sup>nd</sup> Q	At the end of 3 <sup>rd</sup> Q	Fiscal year-end	Total			
Fiscal year ended March 31, 2023	- yen	3.00 yen	- yen	9.00 yen	12.00 yen	543 Millions of yen	120.0 %	0.9 %
March 31, 2024	-	3.00	-	10.00	13.00	589	54.4	1.0
March 31, 2024 (Forecast)	-	3.00	-	10.00	13.00		69.4	

3. Consolidated Outlook for Fiscal 2024 (April 1, 2024-March 31, 2025)

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income attributable to owners of parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
1st Half	66,000	1.5	800	136.5	700	-40.1	200	-56.5	4.41
Full Year	132,000	1.3	2,500	98.2	2,200	-19.5	850	-21.6	18.73

Note:

- (1) Changes in significant subsidiaries during the period  
(change of specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in the accounting policy, changes in accounting estimates, and restatement
- a) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - b) Changes other than a): None
  - c) Changes in accounting estimates: None
  - d) Restatements: None
- (3) Number of shares outstanding (common shares)
- a) Number of shares issued at the end of the period (including treasury shares)
    - As of March 31, 2024 46,988,109 shares
    - As of March 31, 2023 46,988,109 shares
  - b) Number of treasury shares at end of the period
    - As of March 31, 2024 1,614,299 shares
    - As of March 31, 2023 1,714,425 shares
  - c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)
    - Fiscal year ended March 31, 2024 45,343,080 shares
    - Fiscal year ended March 31, 2023 45,250,078 shares

[Reference] **Overview of non-consolidated financial results**

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results (% figures represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	63,681	-4.7	408	-82.8	(325)	-	(1,023)	-
March 31, 2023	66,849	6.3	2,380	-23.4	86	-98.0	279	-

	Net income per Share		Net income per Share (Diluted)	
	yen	yen	yen	yen
Fiscal year ended				
March 31, 2024	(22.57)	-	-	-
March 31, 2023	6.19	-	-	-

(2) Non-Consolidated financial position

	Total assets		Net assets		Equity to asset ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	yen	yen	
As of March 31, 2024	120,710	48,779	48,779	48,779	40.4	1,075.05		
As of March 31, 2023	122,150	50,849	50,849	50,849	41.6	1,123.17		

Reference: Equity: As of March 31, 2024: 48,779million yen As of March 31, 2023: 50,849million yen

Note: Financial results reports are exempt from audit conducted by certified public accountants or audit corporation.

Note: Proper use of earning forecasts, and other special matters

(Cautionary statement regarding forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this report are based on information available as of the date of this report and on certain assumptions that the Group believes are reasonable.

Forward-looking statements are not guarantees that the Group will achieve the amounts indicated. Various factors can cause actual results to differ materially from those projected.

For important matters regarding the conditions associated with the assumptions of these forecasts and their appropriate use, please see “1. Summary of Business Results, (3) Outlook” on page 7.

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## 1. Summary of Business Results

### (1) Summary of Business Results for FY2023

#### 1) Business Results for FY2023

During the fiscal year under review, the outlook for the global economy remained uncertain due to concerns about the economic slowdown arising from such factors as the progression of inflation, monetary tightening, and the unstable international situation. In the automotive industry, automotive production is generally trending toward recovery despite variances by region and manufacturer. In the area of electronics, demand for television and monitor applications appears to have bottomed and signs of a recovery are becoming visible. On the other hand, although there has been a progressive normalization of socio-economic activities and a moderate recovery trend in the Japanese economy, soaring resource prices and the impact of the weaker yen have led to continued uncertainty. In addition, responses to environmental issues, such as reductions in greenhouse gas emissions and the problem of climate change, are becoming increasingly important.

In Japan's foam plastics industry, although there has been an increase in flows of people, food container-related demand has been affected by high prices and other factors, the recovery in personal consumption is stalling, and demand related to home meals and home-meal replacements is slowing. Conversely, demand for parts, transport materials, and packaging materials is trending toward recovery.

In this business environment, the Group has been working as one on the three Key Issues of the three-year medium-term management plan, "Spiral-up 2024," which was launched in the previous fiscal year. In terms of "Strengthen the earnings structure," by selecting and concentrating management resources we are working to restructure the business portfolio, implement bold innovations in production, and generate profits rapidly from newly developed products. In terms of "Shift to businesses that solve environmental and social issues," we have also positioned "expanding Sustainable Star Product (our environmentally friendly product brand) through recycling-based business" and "striving to achieve carbon neutrality" as key issues, while striving to further strengthen SKG-5R activities. As an initiative to broaden the adoption of closed-loop recycling, a demonstration project aimed at mass production of ESLEN Beads RNW (an expanded polystyrene bead that uses recycled raw material) was selected for the Ministry of the Environment's Demonstration Project for a Plastic Resource Circulation System, which is part of the 2023 Demonstration Project for a Circular Economy System toward a Decarbonized Society. In the environmental area, we were certified by the Ministry of Environment as an environmentally advanced Eco-First Company, which is an organization engaged in unique and industry-leading environmental activities. Going forward we will continue to contribute to the realization of a recycling-based and sustainable society. In terms of "Reinforce our management foundations," with the objective of promoting respect for human rights initiatives, we set out SEKISUI KASEI Group Human Rights Policy, based on the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council in June 2011. We will continue to implement initiatives aimed at resolving social, economic, and environmental issues, and work to enhance corporate value.

In terms of sales, in the Human Life Segment we made efforts to expand sales of Sustainable Star Product, but fishery-related demand was weak, resulting in a year-on-year decline. On the other hand, in the Industry Segment we promoted efforts to capture the recovery in demand, leading to

year-on-year growth and to an increase in revenue overall.

In terms of profits, to improve profitability we responded to soaring energy prices by reducing costs and cutting fixed expenses, as well as revising selling prices.

As a result of the above factors, consolidated net sales for the fiscal year under review came to ¥130,265 million (up 4.5% year on year), with operating income of ¥1,261 million (up 59.0% year on year), and ordinary income, including foreign exchange gains caused by the ongoing depreciation of the yen, of ¥2,733 million (up 288.1% year on year). Moreover, after recording extraordinary income of ¥208 million derived from partial sales of investment securities, and deducting an extraordinary loss of ¥318 million, which includes one-off losses such as impairments of non-current assets at a consolidated subsidiary, net income attributable to owners of the parent was ¥1,083 million (up 139.4% year on year).

\* The “SKG” in “SKG-5R” represents SEKISUI KASEI Group, and the “5R” stands for Reduce, Reuse, Recycle, Replace and Re-create.

## 2) Summary by Business Segment

### <Human Life Segment>

Net sales in the Human Life Segment reached ¥49,103 million (down 6.7% year on year), with a segment income of ¥1,787 million (down 30.9% year on year).

The Food field was affected by increases in prices of food ingredient, and demand was sluggish. In agricultural applications, the impact of the weather led to poor crops and a lack of growth in shipments, and fishery remained weak due to the continuation of the trend towards declining catches. Net sales increased due to price revisions, but results overall were lower year on year.

In the Housing/Energy field, we made progress in winning projects related to green roofs, but performance was sluggish due to weak construction materials, delays in the progress of construction projects in civil engineering, and other factors.

Sales volume of “ESLEN Sheets” (foamed polystyrene sheets), our mainstay product, grew partly due to our success in capturing new demand for the “ESLEN Sheet PZ series,” which we recently developed in partnership with FP Corporation as a new material that enables reduction of plastic usage. On the other hand, although sales of containers for natto (a fermented bean product) were strong, demand for supermarket fresh food tray applications was weak, and the slump in demand for instant noodle applications continued, leading to overall sales declining year on year. Sales volume of ESLEN Beads (expandable polystyrene beads) recorded a year-on-year decline overall, due to continued weak demand in the areas of fishery and agriculture, lower demand for beads used in cushions and other life goods, and the impact of delays in the progress of construction projects in civil engineering applications.

In terms of profits, we made every effort to reduce costs and fixed expenses, pass on higher inputs on to selling prices and cut costs associated with transfers of products, but the fall in sales volume resulted in lower profits.

### <Industry Segment>

Net sales in the Industry Segment reached ¥81,161 million (up 12.6% year on year), with a segment

income of ¥2,363 million (compared to a loss of ¥400 million for the previous fiscal year).

In the Mobility field, sales of “PIOCELAN” (polystyrene/polyolefin hybrid resin foam) were strong. By application, although automotive parts were affected by lower automobile production arising from parts shortages in the first half of the fiscal year, the impact of the Noto Peninsula earthquake in the second half, and other factors, for the full year the recovery in automobile production volume resulted in firm demand. In parts packaging applications, demand for electronic components packaging applications, which experienced considerable growth in the previous year, recorded a significant year-on-year decline due to slowing demand, but our “PIOCELAN RNW,” which has been adopted by Toyota Motor Corporation as a returnable material for use in electrical component logistics applications, continued to make progress in the market. On the other hand, FRP parts and related material used in trucks and buses performed well due to our success in capturing new demand. Production volume at the Proseat Group increased due to a moderate recovery in the European automobile market, and the group made efforts to improve productivity, cut fixed costs, and pass on higher prices to automakers to offset rising energy prices and personnel costs, but although performance recovered significantly the losses continued.

In the Electronics field, “TECHPOLYMER” (polymer particles) recorded strong sales in relation to light diffusion applications for LCD panels, etc. due to the end of inventory corrections at LCD panel manufacturers. Although “PIOCELAN” for use in LCD panel transportation material applications saw a recovery in Taiwan, demand in China recorded a year-on-year decline.

In the Medical/Healthcare field, full-year sales of “ELASTIL” (thermoplastic elastomer foam) declined year on year, as growth in sales in training shoes in the second half of the fiscal year was not enough to offset slowing demand for protective sneakers, which recorded significant growth in the previous fiscal year. “ST-gel” (functional high-polymer gel) saw strength in medical applications such as electrodes, driven by a recovery in demand for screening, but demand was sluggish in pads for low-frequency therapy equipment and other health applications, and failed to pick up.

In terms of profits, the segment returned to the black as a result of the trend towards demand recovery in the Electronics field and the ongoing recovery in automotive production volume in the Mobility field, combined with improvements in productivity, reductions in fixed costs, and the passing-on of higher input prices, among other efforts.

### 3) Other Important Items

#### <Global Expansion>

SEKISUI KASEI Group is moving to expand its business globally, primarily in the Industry Segment including Mobility and Electronics. With the move towards carbon neutrality by 2050 progressing around the world, in the Mobility field, consumers are expected to increasingly consider and adopt next-generation vehicles, and the market for the Group’s foam plastic products, which contribute to greater functionality, is expected to expand.

The Group is moving to expand globally to address demand for parts and packaging materials that use foam plastics, which contribute to the weight-reduction efforts that will become increasingly important in the Mobility field going forward. It is working to grow the parts and packaging materials business in North America, which includes the United States and Mexico, and in Asian

countries such as China, Thailand, and Indonesia. In February 2019 the Group also acquired European auto parts manufacturer Proseat Group as a stepping stone towards expanding the business in Europe, and is building a structure to allow it to respond quickly to the shift towards next-generation vehicles that originated in Europe. In order to recover from the deterioration in performance that has occurred since the acquisition, we are putting in place a stronger foundation for business by withdrawing from unprofitable operations and restructuring the organization, and working to develop products and expand the customer base in order to grow the European business.

In fields such as Electronics and Medical/Healthcare, we will develop new materials with reduced environmental impacts, including foam plastics and polymer particles based on new technology, ReNew<sup>+</sup>, and BIO Cellular, and strive to achieve efficient production and to increase sales of these products. Note that overseas sales for the consolidated fiscal year under review came to ¥55,556 million (42.6% of consolidated net sales).

#### <Sustainability Initiatives>

Based on the Sustainability Policy of “SEKISUI KASEI Group is committed to fulfilling our social responsibility to all stakeholders, including the global environment, by carrying out our management philosophy. We strive to contribute to the sustainable development of society globally and to enhance the sustainable corporate value,” we are engaging in sustainability activities founded on the three themes of “manufacturing with consideration for the environment, safety and quality,” “sincere management activities focusing on compliance” and “practice of Zen-in Keiei.\*”

With regard to the environment, since its founding, the Group has advanced its foaming and polymerization technologies while taking on the challenges of conducting monozukuri (manufacturing craftsmanship) and innovative business activities in harmony with the environment, including energy conservation and recycling, with the aim of creating a low-carbon and recycling-based society. In May 2022, the Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we disclosed information in accordance with the TCFD’s recommendations for the second time in February 2024. We also became the third company to acquire certification for voluntary recovery and resource circulation project plans based on the Act on Promotion of Resource Circulation for Plastics, and has begun a voluntary recovery and resource circulation project for expanded polystyrene. Going forward, we will continue to contribute to achieving a sustainable society through our business activities.

With regard to compliance, rather than restricting ourselves to the perspective of conformance with laws and regulations, we are working on a general and wide-ranging strengthening of governance, including taking measures to enhance the effectiveness of the Board of Directors, and rebuilding the committee structure of the Company.

In terms of “practice of Zen-in Keiei,” we are concentrating on promoting health and productivity management, workstyle reforms and diversity (promoting the participation and advancement of women in the workplace, nurturing global managers, etc.) as human capital management initiatives. We are also reforming personnel systems with a focus on individual career formation and improving motivation, and with the aim of building frameworks that ensure that employees with enthusiasm and ability can participate. We have also identified materiality (important management issues) from the perspective of the environment, society, and government, have established issues to promote and KPIs for each, and are strengthening initiatives to resolve them. In the external assessments of the Nikkei SDGs Management Survey and the Nikkei Smart Work Management

Survey, we have been awarded three stars in each survey for five consecutive years, and will promote ESG management further in order to achieve sustainable growth.

\*Zen-in Keiei is our group culture we value that each individual of SEKISUI KASEI Group fully recognize the aim of the entire Group and achieves goals by joining forces as a team and cooperate each other while optimizing personally and strength of individuals, and what leads to greater achievement of the entire Group.

## (2) Summary of Financial Position for FY2023

### 1) Assets, Liabilities and Net Assets

At the end of the consolidated fiscal year under review, assets totaled ¥146,473 million (an increase of ¥1,298 million from the end of the previous year).

In assets, increases in items such as electronically recorded monetary claims-operating resulted in current assets rising by ¥2,236 million. Non-current assets decreased by ¥937 million due to sales of investments in securities.

In liabilities, current liabilities rose by ¥4,874 million as a result of increases in notes and accounts payable-trade, and contract liabilities-operating. Conversely, mainly as a result of the repayment of long-term loans, long-term liabilities decreased by ¥1,933 million.

Net assets decreased by ¥1,642 million. Equity, which is net assets after deducting non-controlling interests, came to ¥56,060 million, and the equity ratio was 38.3%.

### 2) Cash Flows

The balance of cash and cash equivalents (hereafter “net cash”) at the end of the consolidated fiscal year under review decreased by ¥205 million compared to the end of the previous fiscal year, to ¥10,867 million.

#### <Cash flows from operating activities>

Cash flow from operating activities saw increase by ¥4,264 million, resulting in ¥7,375 million in net cash provided in operating activities, due mainly to the increase in operating income.

#### <Cash flows from investing activities>

Cash flow from investing activities saw decrease by ¥2,785 million, resulting in ¥3,779 million in net cash used in investing activities, due to decreases in proceeds from sales of investments in securities.

#### <Cash flows from financing activities>

Cash flow from financing activities saw decrease by ¥2,115 million, resulting in ¥3,658 million in net cash used in financing activities was, due to the decline in proceeds from long-term loans.



(Reference) Change in cash flow-related indices

	FY2019	FY2020	FY2021	FY2022	FY2023
Equity ratio (%)	44.1	44.2	40.1	39.8	38.3
Equity ratio on a market value basis (%)	17.6	17.7	13.8	13.0	15.7
Interest-bearing debt to cash flow ratio	5.5	5.8	10.9	13.6	5.7
Interest coverage ratio	15.0	17.1	10.7	6.8	7.7

(Notes)

Equity ratio: Shareholders' equity/Total assets

Equity ratio on a market value basis: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/cash flow

Interest coverage ratio: Cash flow/interest payments

\*All figures are calculated on a consolidated basis.

\*Market capitalization is calculated based on the number of shares outstanding excluding treasury stock.

\*Interest-bearing debt includes all debt in the consolidated balance sheet for which interest is paid.

### (3) Outlook

With regard to the outlook going forward, in addition to concerns about an economic slowdown caused by such factors as monetary tightening and the unstable international situation, the impact of exchange rate volatility and of fluctuations in prices for raw materials and energy will require careful attention.

In the Human Life Segment, we anticipate rising demand for recreation and tourism-related materials as a result of a recovery in inbound tourism, but the recovery in personal consumption is stalling due to high prices and other factors, and demand for home meals and home-meal replacements in the form of supermarket food trays and restaurant take-out containers is expected to slow. In the Industry Segment, although there are concerns in the Mobility field about the deterioration of the supply chain as a result of the situation in Ukraine and geopolitical risks, we expect parts applications and parts packaging applications to trend toward recovery on the whole, despite disparities between region and manufacturer. In the Electronics field, we expect LCD-related demand as a whole to continue to recover.

As a result, for the fiscal year ending March 31, 2025, we forecast consolidated net sales of ¥132.0 billion, operating income of ¥2.5 billion, ordinary income of ¥2.2 billion and net income attributable to owners of the parent of ¥0.8 billion.

## 2. Management Policy

### Medium- to Long-term Management Strategy, Targets for Management Indices

SEKISUI KASEI Group has created a new “Spiral-up 2024” medium-term management plan, which began in April 2022. In accordance with the <Basic Policy> below, all our members have been participating in this plan, with their efforts centered on <Key Issues>.

#### (1) 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.

#### (2) Key Issues

##### (i) 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 Proseat business

##### 3) Strengthening cost competitiveness through innovations in production

##### 4) Rapidly generating profits from developed products

##### (ii) Shift to businesses that solve environmental and social issues

##### 1) Expanding Sustainable Star Products through recycling business

##### 2) Striving to achieve carbon neutrality

##### (iii) Reinforce our management foundations

##### 1) Strengthening efforts to address materiality (key management issues)

##### 2) Enhancing financial health

#### (3) Quantitative targets

We took into consideration the future forecast of the market and the most recent business conditions in each segment, etc., in response to the issues facing the Group. We have also partially revised the plan for FY2024 as follows.

Consolidated targets	FY2021 (results)	FY2022 (results)	FY2023 (results)	FY2024 (plan)
Net Sales (Previous forecast plan)	¥117.5 billion	¥124.6 billion	¥130.2 billion	¥132.0 billion (¥135.0 billion)
Operating income (Previous forecast plan)	¥1.4 billion	¥0.7 billion	¥1.2 billion	¥2.5 billion (¥4.0 billion)
Ordinary Income (Previous forecast plan)	¥1.4 billion	¥0.7 billion	¥2.7 billion	¥2.2 billion (¥3.7 billion)
Net income attributable to owners of the parent (Previous forecast plan)	¥(5.9) billion	¥0.4 billion	¥1.0 billion	¥0.8 billion (¥2.4 billion)
ROE (Previous forecast plan)	—	0.8%	1.9%	1.5% (3.0%)

(Amounts of less than ¥100 million are not shown)

### 3. Basic Approach to the Selection of Accounting Standards

Taking into account comparability between reporting periods and between companies in its consolidated financial statements, for the time being the Group's policy is to prepare its consolidated financial statements based on Japanese GAAP. With regards to the application of international financial reporting standards (IFRS), the Group will respond appropriately, taking into account various conditions both domestically and overseas.

#### 4. Consolidated Financial Statements and Notes to Consolidated Financial Statement

##### (1) Consolidated Balance Sheets

	(Millions of Yen)	
	FY2022	FY2023
	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,080	10,904
Notes receivable	3,085	2,274
Accounts receivable	23,727	25,853
Contract assets	1,575	1,248
Electronically recorded monetary claims-operating	7,930	9,141
Merchandise and finished goods	9,253	8,604
Work in process	1,909	2,420
Raw materials and supplies	5,127	5,220
Other	3,227	3,496
Allowance for doubtful accounts	(42)	(56)
<b>Total current assets</b>	<b>66,874</b>	<b>69,110</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	49,140	49,665
Accumulated depreciation	(34,336)	(35,315)
Buildings and structures, net	14,804	14,350
Machinery, equipment and vehicles	90,482	93,041
Accumulated depreciation	(77,729)	(80,277)
Machinery, equipment and vehicles, net	12,753	12,763
Land	21,492	21,510
Construction in progress	1,472	1,914
Other	19,815	20,332
Accumulated depreciation	(16,635)	(17,158)
Other, net	3,180	3,174
<b>Total property, plant and equipment</b>	<b>53,702</b>	<b>53,712</b>
<b>Intangible assets</b>		
Software	1,277	1,302
Other	486	633
<b>Total intangible assets</b>	<b>1,763</b>	<b>1,935</b>
<b>Investments and other assets</b>		
Investments in securities	14,041	13,045
Deferred income taxes	851	854
Assets for retirement benefits	6,936	6,711
Other	1,053	1,159
Allowance for doubtful accounts	(47)	(55)
<b>Total investments and other assets</b>	<b>22,834</b>	<b>21,715</b>
<b>Total non-current assets</b>	<b>78,301</b>	<b>77,363</b>
<b>Total assets</b>	<b>145,175</b>	<b>146,473</b>

	(Millions of yen)	
	FY2022	FY2023
	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	17,026	18,437
Electronically recorded obligations-operating	8,263	8,611
Short-term loans	13,026	14,466
Accrued expenses	3,420	3,217
Accrued income and enterprise taxes	1,338	742
Contract liabilities	684	842
Accrued consumption taxes	265	586
Provision for bonuses to employees	1,010	1,080
Provision for bonuses to directors and audit and supervisory board members	42	33
Notes payable-facilities	46	44
Electronically recorded obligations -non-operating	724	950
Other	2,246	3,957
<b>Total current liabilities</b>	<b>48,096</b>	<b>52,971</b>
<b>Long-term liabilities</b>		
Bonds payable	7,000	7,000
Long-term loans	18,094	16,413
Deferred income taxes	4,593	4,218
Deferred income taxes for land revaluation	1,596	1,596
Provision for product warranty	82	57
Liabilities for retirement benefits	3,728	3,916
Other	3,521	3,478
<b>Total long-term liabilities</b>	<b>38,614</b>	<b>36,681</b>
<b>Total liabilities</b>	<b>86,711</b>	<b>89,652</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	16,533	16,533
Capital surplus	16,445	16,408
Retained earnings	16,602	17,142
Treasury stock	(1,382)	(1,301)
<b>Total shareholders' equity</b>	<b>48,199</b>	<b>48,783</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains on securities	7,440	6,880
Surplus arising from land revaluation	1,479	1,479
Translation adjustments	562	(778)
Retirement benefits liability adjustments	41	(304)
<b>Total accumulated other comprehensive income</b>	<b>9,524</b>	<b>7,277</b>
<b>Non-controlling interests</b>	<b>740</b>	<b>760</b>
<b>Total net assets</b>	<b>58,464</b>	<b>56,821</b>
<b>Total liabilities and net assets</b>	<b>145,175</b>	<b>146,473</b>

## (2) Consolidated Statement of Income and Statement of Comprehensive Income

### Consolidated Statement of Income

	(Millions of yen)	
	FY2022	FY2023
	(From April 1, 2022 to March 31, 2023)	(From April 1, 2023 to March 31, 2024)
Net sales	124,683	130,265
Cost of sales	100,072	103,816
Gross profit	24,611	26,448
Selling, general and administrative expenses	23,818	25,187
Operating income	793	1,261
Non-operating income		
Interest income	19	51
Dividends income	349	305
Foreign exchange gain, net	143	1,323
Subsidy income	29	179
Compensation income	210	157
Insurance income	63	634
Other	210	228
Total non-operating income	1,025	2,879
Non-operating expenses		
Interest expenses	538	928
Loss on sales and retirement of non-current assets	31	45
Commission fee	14	34
Compensation expenses	12	0
Loss on fire	228	-
Additional retirement benefit	-	183
Other	289	214
Total non-operating expenses	1,114	1,407
Ordinary income	704	2,733
Extraordinary income		
Gain on sales of investments in securities	1,632	208
Total extraordinary income	1,632	208
Extraordinary loss		
Loss on devaluation of investments in Securities	-	2
Loss on business liquidation	-	117
Impairment loss	50	199
Total extraordinary losses	50	318
Net income before income taxes	2,287	2,623
Income taxes - current	1,846	1,573
Income taxes - deferred	(13)	(56)
Total income taxes	1,833	1,517
Net income	453	1,105
Net income attributable to non-controlling interests	0	22
Net income attributable to owners of the parent	452	1,083

## Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	End of FY2022 (From April 1, 2022 to March 31, 2023)	End of FY2023 (From April 1, 2023 to March 31, 2024)
Net income	453	1,105
Other comprehensive income		
Net unrealized gains on securities	(1)	(559)
Translation adjustments	(183)	(1,341)
Retirement benefits liability adjustments	374	(345)
Total other comprehensive income	189	(2,246)
Comprehensive income	642	(1,141)
(Breakdown)		
Comprehensive income attributable to owners of the parent	641	(1,163)
Comprehensive income attributable to non- controlling interests	0	22

### (3) Consolidated Statement of Changes in Net Assets

FY2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2022	16,533	16,503	16,602	(1,448)	48,190
Changes of items during period					
Dividend of surplus			(452)		(452)
Net income attributable to owners of the parent			452		452
Decrease due to additional acquisition of shares of consolidated subsidiaries		(24)			(24)
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(32)		65	33
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(57)	0	65	8
Balance at March 31, 2023	16,533	16,445	16,602	(1,382)	48,199

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains on securities	Surplus arising from land revaluation	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2022	7,442	1,479	745	(332)	9,334	717	58,242
Changes of items during period							
Dividend of surplus							(452)
Net income attributable to owners of the parent							452
Decrease due to additional acquisition of shares of consolidated subsidiaries							(24)
Acquisition of treasury stock							(0)
Disposal of treasury stock							33
Net changes of items other than shareholders' equity	(1)	-	(183)	374	189	23	212
Total changes of items during period	(1)	-	(183)	374	189	23	221
Balance at March 31, 2023	7,440	1,479	562	41	9,524	740	58,464



## FY2023 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at April 1, 2023	16,533	16,445	16,602	(1,382)	48,199
Changes of items during period					
Dividend of surplus			(543)		(543)
Net income attributable to owners of the parent			1,083		1,083
Decrease due to additional acquisition of shares of consolidated subsidiaries					-
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(37)		80	43
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	(37)	539	80	583
Balance at March 31, 2024	16,533	16,408	17,142	(1,301)	48,783

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains on securities	Surplus arising from land revaluation	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2023	7,440	1,479	562	41	9,524	740	58,464
Changes of items during period							
Dividend of surplus							(543)
Net income attributable to owners of the parent							1,083
Decrease due to additional acquisition of shares of consolidated subsidiaries							-
Acquisition of treasury stock							(0)
Disposal of treasury stock							43
Net changes of items other than shareholders' equity	(559)	-	(1,341)	(345)	(2,246)	20	(2,226)
Total changes of items during period	(559)	-	(1,341)	(345)	(2,246)	20	(1,642)
Balance at March 31, 2024	6,880	1,479	(778)	(304)	7,277	760	56,821

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net income before income taxes	2,287	2,623
Depreciation and amortization	5,650	5,716
Impairment loss	50	199
Increase (decrease) in allowance for doubtful accounts	(12)	19
Interest and dividend income	(369)	(356)
Interest expenses	538	928
Increase (decrease) in provision for bonuses to employees	(36)	68
Increase (decrease) in provision for product warranty	(26)	(24)
Increase (decrease) in net liabilities for retirement benefits	(142)	(95)
Loss (gain) on sales of investments in securities	(1,632)	(208)
Loss (gain) on devaluation of investments in securities	-	2
Loss (gain) on sales and retirement of property, plant and equipment	24	41
Subsidy income	(29)	(179)
Loss on fire	228	-
Loss on business liquidation	-	117
Decrease (increase) in notes and accounts receivable	108	(1,780)
Decrease (increase) in inventories	(788)	628
Increase (decrease) in notes and accounts payable	(170)	968
Other, net	(1,417)	211
Subtotal	4,262	8,880
Interest and dividends received	369	356
Interest paid	(458)	(964)
Proceeds from casualty insurance claims	174	1,021
Proceeds from subsidy income	29	179
Income taxes (paid) refunded	(1,266)	(2,097)
Net cash provided by (used in) operating activities	3,110	7,375
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	(28)
Purchases of property, plant and equipment	(3,070)	(3,822)
Proceeds from sales of property, plant and equipment	75	120
Purchases of investments in securities	(4)	(4)
Proceeds from sales of investments in securities	2,444	404
Increase in short-term and long-term loans receivable	(18)	(18)
Collection of short-term and long-term loans receivable	5	24
Other, net	(424)	(453)
Net cash provided by (used in) investing activities	(993)	(3,779)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	1,342	(428)
Proceeds from long-term loans	8,807	3,500
Repayment of long-term loans	(10,278)	(5,196)
Dividends paid	(453)	(544)
Dividends paid to non-controlling shareholders	(1)	(1)
Other, net	(959)	(986)
Net cash provided by (used in) financing activities	(1,542)	(3,658)
Effect of exchange rate change on cash and cash equivalents	(4)	(143)
Net increase (decrease) in cash and cash equivalents	569	(205)
Cash and cash equivalents at the beginning of the year	10,503	11,072
Cash and cash equivalents at the end of the quarter	11,072	10,867

## (5) Notes to Consolidated Financial Statements

(Note regarding assumption of going concern)  
Not applicable.

(Significant matters that serve as the basis of preparation of consolidated financial statements)  
(Matters related to scope of consolidation)

Consolidated subsidiaries 39

Major subsidiaries:

Sekisui Kasei Hokkaido Co., Ltd., Sekisui Kasei Kansai Co., Ltd., Sekisui Kasei Toubu Co., Ltd., Sekisui Kasei Seibu Co., Ltd., Sekisui Kasei Chubu Co., Ltd., Sekisui Kasei Yamakyu Co., Ltd., Sekisui Kasei Europe B.V., Proseat Europe GmbH, Sekisui Kasei U.S.A., Inc., Sekisui Kasei Mexico S.A. de C.V., Sekisui Kasei Korea Co., Ltd., Sekisui Kasei Taiwan Co., Ltd., Sekisui Kasei (Shanghai) International Trading Co., Ltd., Sekisui Kasei (Thailand) Co., Ltd., PT. Sekisui Kasei Indonesia

(Segment Information)

<Segment Information>

### 1. Outline of reported segments

The reportable segments of the Company are components for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Company's business revolves mainly around plastics. The Company has established business divisions based on product markets and applications for global development in the two segments of Human Life and Industry. Each division works closely with subsidiaries to plan overall strategies and operate its business.

Accordingly, the Group consists of segments by product market and application on the basis of the divisions and has two reportable segments "Human Life" and "Industry."

The Human Life Segment primarily manufactures and sells boxes and trays for agricultural and fishery products, food containers, and housing and civil engineering materials, etc. The main products for the Industry Segment include automobile components, digital consumer electronics components, packaging materials and other related products.

### 2. Methods used for calculating sales, income (or loss), assets and other items of each reportable segment

The accounting policies of the segments are the same as those stated in "Significant matters that serve as the basis of preparation of consolidated financial statements."

Segment income is based on ordinary income. Inter-segment sales and transfers are based on prevailing market prices.

### 3. Information on sales, income (or loss), assets and other items of each reportable segment

FY2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments			Adjustments and eliminations (*1)	Total (*2)
	Human Life Segment	Industry Segment	Total		
Net sales:					
Japan	52,470	22,764	75,234	-	75,234
Europe	-	33,103	33,103	-	33,103
Asia	131	12,524	12,655	-	12,655
Other	-	3,689	3,689	-	3,689
Earnings from contracts with customers	52,602	72,081	124,683	-	124,683
Other earnings	-	-	-	-	-
Sales to third parties	52,602	72,081	124,683	-	124,683
Intersegment sales and transfers	565	161	726	(726)	-
Total	53,167	72,242	125,410	(726)	124,683
Segment income (loss)	2,585	(400)	2,185	(1,481)	704
Segment assets	67,063	60,314	127,378	17,796	145,175
Other items					
Depreciation and amortization	1,852	3,024	4,877	773	5,650
Increase in property, plant and equipment and intangible assets	1,387	1,614	3,002	680	3,682

(Notes)

1. Adjustments and eliminations in the preceding table were as follows:

(1) Segment income in the amount of (1,481) million yen includes elimination of inter-segment transactions in the amount of (1) million yen and unallocated corporate expenses of (1,480) million yen.

(2) Segment assets in the amount of 17,796 million yen consisted primarily of investments in securities and assets related to administrative departments and the Central R&D Laboratory owned by the Company.

(3) Depreciation and amortization in the amount of 773 million yen include amortization of long-term pre-paid expenses, and consisted primarily of depreciation of assets related to administrative departments and the Central R&D Laboratory owned by the Company.

(4) Increase in property, plant and equipment and intangible assets in the amount of 680 million yen consisted primarily of assets related to the Central R&D Laboratory owned by the Company.

2. Segment income was adjusted for ordinary income in the consolidated statement of income.

3. Names of major products belonging to each segment

- Human Life Segment: ESLEN Beads, ESLEN Sheets, ESLEN Wood, INTERFOAM, other foamed / molded products using these materials, ES Dan Mat, ESLEN Block, etc.

- Industry Segment: PIOCELAN, LIGHTLON, NEOMICROLEN, CELPET, TECHPOLYMER, ST-gel, TECHEATER, ELASTIL, FOAMAC, ST-LAYER, ST-Eleveat, other foamed/molded products using these materials, etc.

FY2023 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments			Adjustments and eliminations (*1)	Total (*2)
	Human Life Segment	Industry Segment	Total		
Net sales:					
Japan	49,073	25,634	74,708	-	74,708
Europe	-	38,827	38,827	-	38,827
Asia	29	12,148	12,177	-	12,177
Other	-	4,550	4,550	-	4,550
Earnings from contracts with customers	49,103	81,161	130,265	-	130,265
Other earnings	-	-	-	-	-
Sales to third parties	49,103	81,161	130,265	-	130,265
Intersegment sales and transfers	595	127	723	(723)	-
Total	49,699	81,289	130,988	(723)	130,265
Segment income (loss)	1,787	2,363	4,151	(1,417)	2,733
Segment assets	65,798	65,385	131,184	15,289	146,473
Other items					
Depreciation and amortization	1,923	3,027	4,951	765	5,716
Increase in property, plant and equipment and intangible assets	2,178	2,289	4,468	593	5,062

(Notes)

1. Adjustments and eliminations in the preceding table were as follows:

(1) Segment income in the amount of (1,417) million yen includes elimination of inter-segment transactions in the amount of (1) million yen and unallocated corporate expenses of (1,415) million yen.

(2) Segment assets in the amount of 15,289 million yen consisted primarily of investments in securities and assets related to administrative departments and the Central R&D Laboratory owned by the Company.

(3) Depreciation and amortization in the amount of 765 million yen include amortization of long-term pre-paid expenses, and consisted primarily of depreciation of assets related to administrative departments and the Central R&D Laboratory owned by the Company.

(4) Increase in property, plant and equipment and intangible assets in the amount of 593 million yen consisted primarily of assets related to the Central R&D Laboratory owned by the Company.

2. Segment income was adjusted for ordinary income in the consolidated statement of income.

3. Names of major products belonging to each segment

- Human Life Segment: ESLEN Beads, ESLEN Sheets, ESLEN Wood, INTERFOAM, CELPET, other foamed / molded products using these materials, ES Dan Mat, ESLEN Block, etc.

- Industry Segment: PIOCELAN, LIGHTLON, NEOMICROLEN, TECHPOLYMER, ST-gel, TECHEATER, ELASTIL, FOAMAC, ST-LAYER, ST-Eleveat, other foamed/molded products using these materials, etc.

<Related information>

FY2022 (April 1, 2022 to March 31, 2023)

1. Information by product and service

Omitted as information is categorized the same as for the reportable segments.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Europe	Asia	Other	Total
75,234	33,103	12,655	3,689	124,683

(Note) Net sales are categorized by region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Europe	Asia	Other	Total
43,271	4,201	4,239	1,990	53,702

3. Information by major customer

(Millions of yen)

Customer or individual name	Net sales	Related segment
FP Corporation	17,381	Human Life Segment

FY2023 (April 1, 2023 to March 31, 2024)

1. Information by product and service

Omitted as information is categorized the same as for the reportable segments.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Europe	Asia	Other	Total
74,708	38,827	12,177	4,550	130,265

(Note) Net sales are categorized by region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Europe	Asia	Other	Total
42,442	4,691	4,314	2,264	53,712

3. Information by major customer

(Millions of yen)

Customer or individual name	Net sales	Related segment
FP Corporation	17,190	Human Life Segment

<Information concerning impairment loss on non-current assets in each reportable segment>

FY2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Human Life Segment	Industry Segment	Corporate/ Eliminations	Total
Impairment loss	—	50	—	50

FY2023 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Human Life Segment	Industry Segment	Corporate/ Eliminations	Total
Impairment loss	39	159	—	199

(Per share information)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Net assets per share	1,275.00 yen	1,235.52 yen
Net income per share	10.00 yen	23.90 yen

(Notes) 1. Diluted net income per share has not been presented as there are no potentially dilutive shares.

(Notes) 2. Basis for computation of net assets per share is as follows.

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Total net assets (million yen)	58,464	56,821
Amounts deducted from total net assets (million yen)	740	760
(of which, equity of non-controlling interests (million yen))	(740)	(760)
Net assets related to common stock at the fiscal year-end (million yen)	57,723	56,060
Number of shares of common stock outstanding (thousands)	46,988	46,988
Number of shares of treasury stock (thousands)	1,714	1,614
Number of shares of common stock at fiscal year-end used in computing net assets per share (thousands)	45,273	45,373

(Notes) 3. Basis for computation of net income per share is as follows.

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Net income per share		
Net income attributable to owners of the parent (million yen)	452	1,083
Amount not attributable to common shareholders (million yen)	—	—
Net income related to common stock attributable to owners of the parent (million yen)	452	1,083
Average number of shares during the period (thousands)	45,250	45,343

(Subsequent events)

Not applicable.