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April 25, 2025

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## Notice Regarding the Recording of Non-operating Expenses (Individual) and Extraordinary Losses (Consolidated and Individual), Revision of Consolidated Earnings Forecast, Difference Between Individual Earnings Forecast and Previous Fiscal Year Actual Results, and Revision of Year-end Dividend Forecast (No Dividend)

SEKISUI KASEI CO., LTD. (the Company) hereby announces that we will record non-operating expenses (individual) and extraordinary losses (consolidated and individual) for the fourth quarter of the fiscal year ended March 31, 2025 (from April 1, 2024, to March 31, 2025). Consequently, we will revise the consolidated earnings forecast for the fiscal year ended March 31, 2025 (from April 1, 2024, to March 31, 2025) announced on October 29, 2024, and there will be differences between the individual earnings forecast and the actual results of the previous fiscal year. In light of these factors, we have decided to revise the dividend forecast, and we announce this decision.

### 1. Recording of Non-operating Expenses and Extraordinary Losses

#### (1) Consolidated Financial Statements

As announced on March 19, 2025, in the "Notice Regarding Execution of Memorandum of Understanding on Transfer of Consolidated Subsidiaries (Shares Transfer)," we have concluded a memorandum of understanding to transfer six business subsidiaries (hereinafter referred to as "the Transfer Target Companies") owned by our consolidated subsidiary, Proseat Europe GmbH (hereinafter referred to as "PSEU"). Based on this information, we expect to record an impairment loss of approximately 5 billion yen on fixed assets related to the Transfer Target Companies as an extraordinary loss in the consolidated financial results for the fiscal year ended March 31, 2025. Additionally, as announced today in the "Notice Regarding Dissolution of the Consolidated Subsidiary (Subsidiary)," we will record approximately 1.2 billion yen as business restructuring expenses.

#### (2) Individual Financial Statements

As a result of the above (1), in the individual financial statements for the fiscal year ended March 31, 2025, we expect to record a provision for doubtful accounts on loans to PSEU as a non-operating expense, and a loss on valuation of shares of affiliated companies related to the Proseat Group as an extraordinary. However, these will be offset and eliminated in the consolidated financial statements, so there will be no impact on the consolidated financial results.

### 2. Revision of Consolidated Earnings Forecasts

#### (1) Full-Year Consolidated Earnings Forecasts for FY2024 (April 1, 2024 - March 31, 2025)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income Attributable to Owners of Parent per Share (Diluted)
Previous Forecast (A)	Millions of yen 134,000	Millions of yen 1,000	Millions of yen 700	Millions of yen 400	yen 8.80
Current Forecast (B)	136,000	740	200	(7,400)	(162.87)
Change Amount (B - A)	2,000	(260)	(500)	(7,800)	
Change Rate (%)	1.5%	(26.0%)	(71.4%)	-	
Reference Previous Full-Year Results	130,265	1,261	2,733	1,083	23.90

## (2) Reason for the Revision

### Ordinary Income

- The Human Life segment is expected to see an increase due to the pass-through of raw material prices to product prices (approximately 400 million yen). However, the European subsidiary Proseat Group is expected to be impacted by the sluggish demand in the European automotive market and rising labor costs (approximately -700 million yen).
- The impact of the yen's appreciation on foreign exchange is expected (approximately -200 million yen).

### Net Income

- At present, we are continuing deliberations on the transfer contract of the target company. Considering the preconditions of the contract, we expect to record an impairment against cash flow of the Proseat Group, considering the usage period of the fixed assets and other relevant factors. (approximately 5 billion yen).
- As announced today in the " Notice Regarding the Dissolution of a Consolidated Subsidiary (Sub-subsidiary)," we expect to record costs and business reorganization losses related to the dissolution of the consolidated sub-subsidiary Proseat SAS (approximately 1.2 billion yen).

## 3. Individual Financial Results Forecast

### (1) Differences between Individual Financial Results Forecast and Previous Year's Actual Results (from April 1, 2024, to March 31, 2025)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income Attributable to Owners of Parent per Share (Diluted)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	yen
Previous Forecast (A)	63,681	408	(325)	(1,023)	(22.57)
Revised forecast (B)	66,000	900	(4,900)	(8,400)	(184.88)
Change Amount (B - A)	2,319	492	(4,575)	(7,377)	
Change Rate (%)	3.6%	120.6%	-	-	

### (2) Main Reasons for Increase and Decrease

- We expect to record additional allowance for doubtful accounts on loans to PSEU as non-operating expenses (approximately 4.2 billion yen).
- We also expect to record a loss on valuation of affiliated company shares related to the Proseat Group as an extraordinary loss (approximately 3.2 billion yen).  
\*There will be no impact on the consolidated financial results, as these will be offset and eliminated in the consolidated financial statements.

## 4. Revision of Dividend Forecast

### (1) Revision of Fiscal Year-End Dividend Forecast for the Fiscal Year Ending March31, 2025

Date of Record	Annual Dividends per Share		
	At the end of 2nd Q	Fiscal year-end	Total
	yen	yen	yen
Previous Forecast)	-	10.00	13.00
Current Forecast	-	0.00	3.00
Current Results	3.00		
Previous Results (Fiscal Year Ended March31, 2024)	3.00	10.00	13.00

### (2) Reason for the Revision

The Company considers the return of profits to shareholders as an essential management issue. While securing internal reserves to strengthen our management structure and prepare for future business development, we have maintained a basic policy of providing returns to shareholders based on consolidated performance trends and considering the stability of dividends. However, at the end of this fiscal year, we expect a net loss attributable to owners of the parent company. Regrettably, we will not be distributing a year-end dividend.

Considering this fiscal year's performance, we have decided not to pay executive bonuses (performance-linked compensation) scheduled to be paid in June 2025.

Note: The earnings forecasts and other forward-looking statements presented in this notice are based on information available at the time of its issue. Various factors can cause actual results to differ materially from the forecast.