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Formulation of the New Medium-Term Management Plan “Going Beyond 2027 — Transformation and Completion”

SEKISUI KASEI CO., LTD. (the Company) is pleased to announce the formulation of its new Medium-Term Management Plan, “Going Beyond 2027 — Transformation and Completion,” covering the fiscal years 2025 to 2027. An overview of the plan is provided below. :

1. New Medium-Term Management Plan

“Going Beyond 2027 — Transformation and Completion”

The Company has established “Target 2030” as the strategic direction it aims to pursue toward the year 2030. Under the new Medium-Term Management Plan, “Going Beyond 2027 — Transformation and Completion,” we will implement a three-year, a group-wide initiative aimed at enhancing profitability across the SEKISUI KASEI Group. This plan is aligned with the basic policies and strategies of “Target 2030,” which emphasizes both contributing to a sustainable society and enhancing long-term corporate value. With the goal of achieving an 8% operating profit margin and 8% ROE by fiscal year 2030, we are committed to completing the transformation of our business portfolio toward high-profitability businesses.

- Plan Title: “Going Beyond 2027 — Transformation and Completion”
- Basic Policy
Achieving “Strengthen Earnings Structure” and “Strengthen Management Foundation” through Conscious and Behavioral Transformation to Elevate Corporate Value

Focus Points

- Creation of New Business Fields in the Industrial Segment and Expansion of Global Operations
- Stable Profit Growth in the Human Life Segment and Strengthening of Environmentally Contribution Businesses
- Production Innovation and Enhancement of On-Site Capabilities, and Strengthening Cost Competitiveness through DX Promotion
- Promoting Human Capital Management and Capital Efficiency-Oriented Management

➤ Key issues

(i) Strengthening the Earnings Structure

Transformation of the business portfolio through new value creation and business model innovation

1. Enhancing Revenue Base and Improving Profitability

- Strengthening of profitability by concentrating resources on high-value-added products (business expansion in the Industry Segment)
- Increasing market share and improving profitability through environmental initiatives such as resource circulation and resource conservation (foundation strengthening in the Human Life Segment)
- Expanding revenue through the reconstruction of global strategies (clarifying global regional strategies and exploring new markets)
- Early market introduction of developed products and creation of new fields (development of high-performance new materials such as TECHPOLYMER, ST-gel, ST-Eleveat, PIOCELAN, Fluxflow, etc.)

2. Strengthening of profitability in environmentally contributive businesses

- Accelerating the creation and market introduction of “Sustainable Star Product —environmentally friendly products”

3. Strengthening Cost Competitiveness through Production Innovation and Enhancement of On-site Capabilities

- Enhancing on-site capabilities through innovative technologies and DX deployment focused on efficiency in overall production activities and SKG improvement activities

(ii) Strengthening the Management Foundation

Pursuing Capital Efficiency, Environment, Society, and Governance

4. Practicing Management with Awareness of Capital Efficiency and Capital Costs

- Building internal systems and management decision processes aimed at improving capital efficiency
- Promoting activities with awareness of stock prices (promoting trusted dialogue with stakeholders, reviewing policy-held shares)

5. Strengthening Initiatives to Address Environmental and Social Issues

- Promoting initiatives to address climate change
- Strengthening information disclosure aimed at promoting resource circulation and enhancing corporate value

6. Promoting Human Capital Management and Strengthening Governance

- Improving employee engagement and promoting diversity

(iii) Quantitative Targets

Consolidated targets	FY2024 (results)	FY2025 (plan)	FY2027 (plan)	Target 2030 (target)
Net Sales	¥137.0 billion	¥114.0 billion	¥100.0 billion	¥120.0 billion
Operating Profit (OP Margin)	¥0.6 billion (0.5%)	¥1.8 billion (1.6%)	¥4.5 billion (4.5%)	¥10.0 billion (Over 8.0%)
Ordinary Profit	¥0.1 billion	¥1.4 billion	¥4.3 billion	-
Profit Attributable to Owners of Parent	¥-6.2 billion	¥0.0 billion	¥2.9 billion	-
ROE			6.0%	8.0%

(Amounts of less than ¥100 million are rounded down)

*The first-half plan for FY2025 includes the impact of the Proseat (operating income: -1.2 billion yen, net income: -2.7 billion yen).

*The net sales and operating income figures for “Target 2030” have been revised to exclude the impact of the Proseat.