

INTEGRATED REPORT 2025



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Editorial Policy

This report is intended to report on matters concerning the sustainable growth of the SJC Group and to improve our initiatives further while communicating with all relevant stakeholders. This report also serves as a corporate introduction, reporting on the Group's philosophy, business activities, products, and other information.

Reference Guideline

- Integrated Reporting Framework, IFRS Foundation
- Guidance for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry
- Environmental Reporting Guidelines (Fiscal 2018 Version), Ministry of the Environment
- SDG Compass
- Task Force on Climate-related Financial Disclosures (TCFD)

Scope of This Report and Period Covered

Sekisui Jushi Corporation and consolidated domestic and overseas group companies
FY 2024

Note: Material matters also cover before and after FY 2024.

Date of Publication July 2025

Department Responsible for Publication

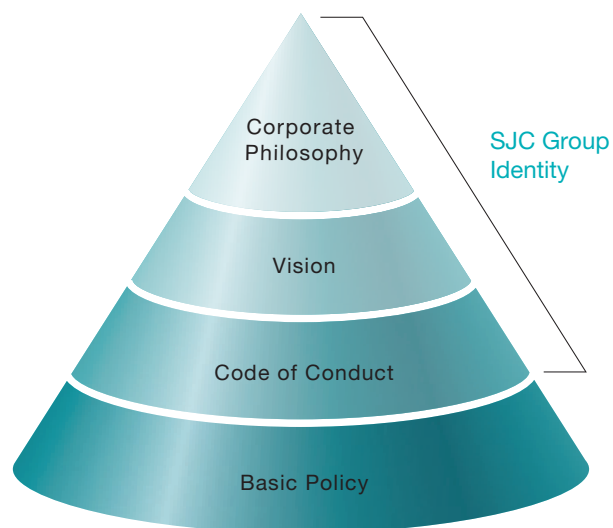
Legal & Public Relations Department

Disclaimer Regarding Forward-Looking Statements All forward-looking statements in this report are based on information available at the time of preparation, with no guarantees or promises as to their accuracy or completeness, and are subject to change due to future changes in the business environment and other factors.



Corporate Philosophy

The SJC Group is committed to becoming a corporate group that contributes to the safety, security, and environment of society by creating valuable products and services based on composite technologies.



Vision

We aim to become a corporate group committed to creating valuable products and services that support the safety, security, and comfort of people worldwide and to contributing to realizing a sustainable society, thereby earning the trust and inspiring people everywhere.

Group Slogan and Statement

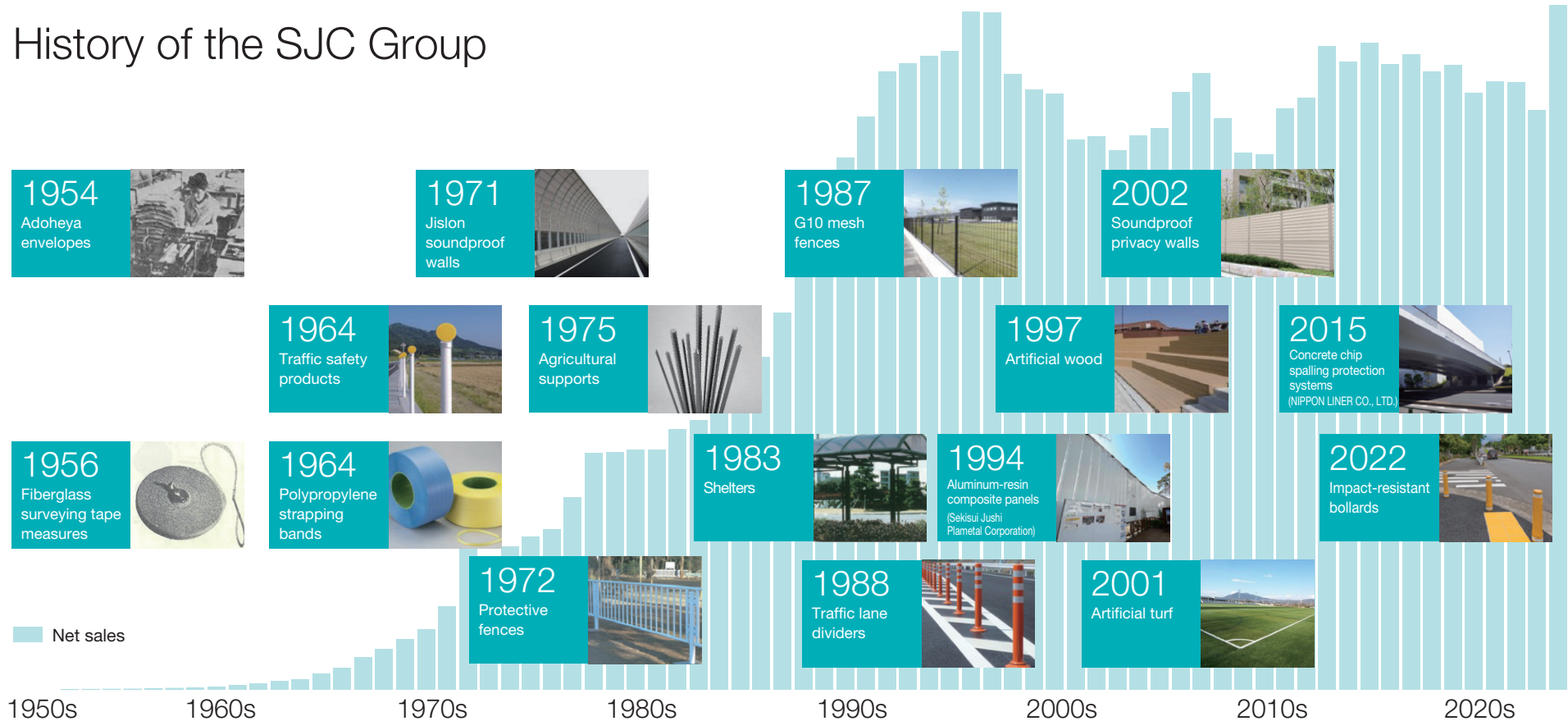
Shaping a Safer, More Comfortable Tomorrow.

Pioneering innovative solutions for a safer, more comfortable world, our expertise in combining materials and technologies empowers us to address challenges across sectors, from transportation and disaster prevention to soundproofing, accessibility, and agriculture.

We are committed to creating sustainable communities where people thrive.

SEKISUI
JUSHI

History of the SJC Group



In 1954, Adoheya Shiko Corporation was founded.
We created adhesive envelopes, tape measures, belts, and ropes using existing technology and ingenuity.

We developed a variety of new businesses and products tailored to customer needs.
We expanded overseas.

In 1970, the company name was changed to Sekisui Jushi Corporation.
In 1971, we were listed on the Osaka Securities Exchange Second Section.
In 1973, we were listed on the Tokyo Stock Exchange Second Section and strengthened our financial base as a company.

In 1986, we changed our listing to the Tokyo Stock Exchange First Section and Osaka Securities Exchange First Section.
We developed the G10 mesh fence and traffic lane dividers, which are our main products today.
We improved the quality of our conventional products, and a majority of our products had the top market share.

We expanded into new business sectors including artificial wood and turf.

We shifted our focus to M&A and other initiatives to build a stronger group.

In 2022, we changed our listing to the Tokyo Stock Exchange Prime Section.



Head office and plant at the time of establishment

(See page 42 for more a detailed history.)



Listed for the first time



Shiga Plant



Dream Way performance verification testing track



WEMAS Group

● 1962: Opened Hirakata Plant
(Shut down in 2004)

● 1968: Opened Tsuchiura Plant
● 1971: Opened Shiga Plant
● 1972: Opened Ishikawa Plant

● 1987: Opened Ryuo Plant

● 1990: Opened R&D Plaza
● 1990: Opened Tsukuba Plant and Hiroshima Tojo Plant
● 1993: Established Dream Way
● 1994: Sekisui Jushi Plametal Corporation joined the Group

● 2015: NIPPON LINER CO., LTD joined the Group
● 2023: EXTILE CO., LTD. joined the Group
● 2024: WEMAS joined the Group
● 2024: RIKEN KOGYO Inc. joined the Group

Overview of Our Business

Main Products in the Public Sector

Urban Environment Business



Soundproof walls

Soundproof walls

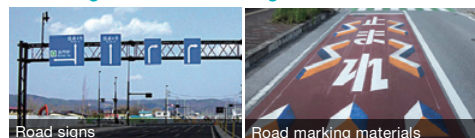
Traffic Environment-related Business



Traffic safety products

Electronic products

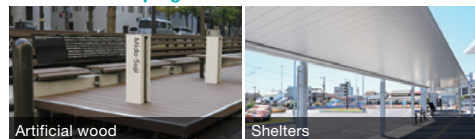
Traffic Sign and Road Marking-related Business



Road signs

Road marking materials

Urban Landscaping Business



Artificial wood

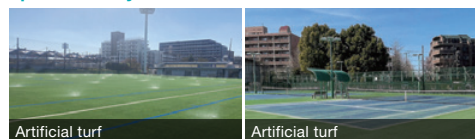
Shelters



Street fences

Railings

Sports Facility Products Business



Artificial turf

Artificial turf

Group Company Businesses



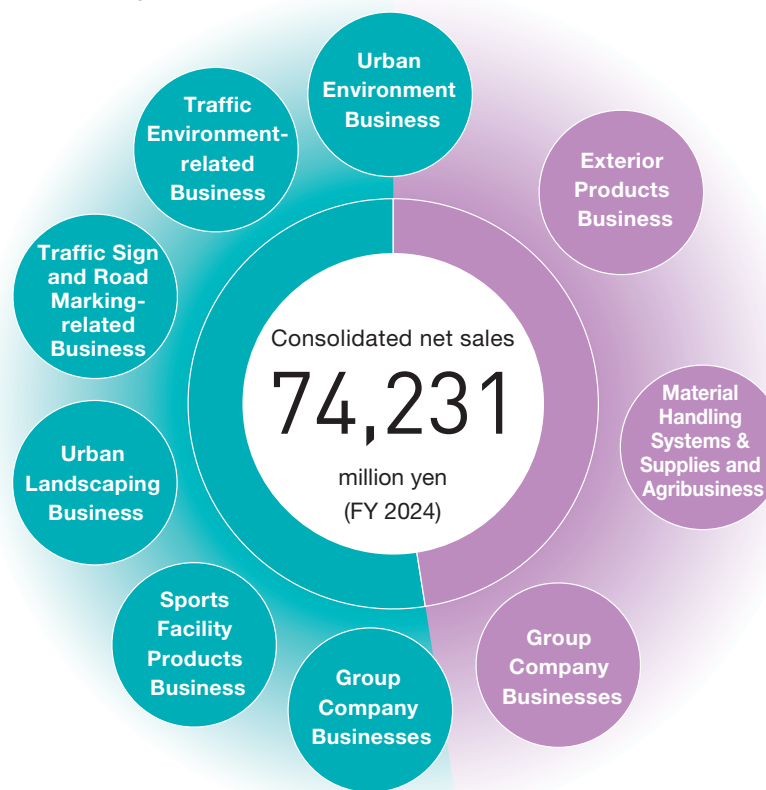
Concrete chip spalling protection systems

Temporary traffic safety products

NIPPON LINER CO., LTD

WEMAS Group

We are building trust through manufacturing that utilizes composite technologies to contribute to safety, security, and environmental preservation.



Public sector

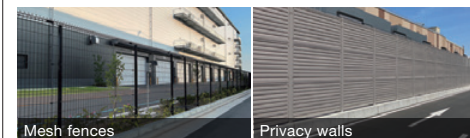
Net sales composition **52.3%**
Net sales **38,815** million yen

Private sector

Net sales composition **47.7%**
Net sales **35,416** million yen

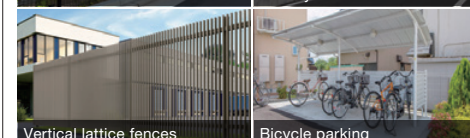
Main Products in the Private Sector

Exterior Products Business



Mesh fences

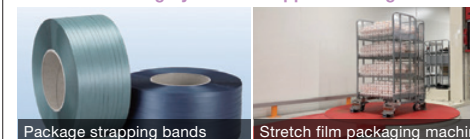
Privacy walls



Vertical lattice fences

Bicycle parking

Material Handling Systems & Supplies and Agribusiness



Package strapping bands

Stretch film packaging machine



Agricultural materials

Safety fences

Group Company Businesses

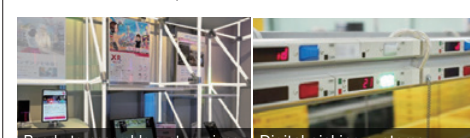


Aluminum-resin composite panels

Metacolor building materials

Sekisui Jushi Plametal Corporation

Sekisui Jushi Plametal Corporation



Ready-to-assemble system pipes

Digital picking systems

SPACIO, Co., Ltd.

Sekisui Jushi CAP-AI System Co., Ltd.



Resin fences

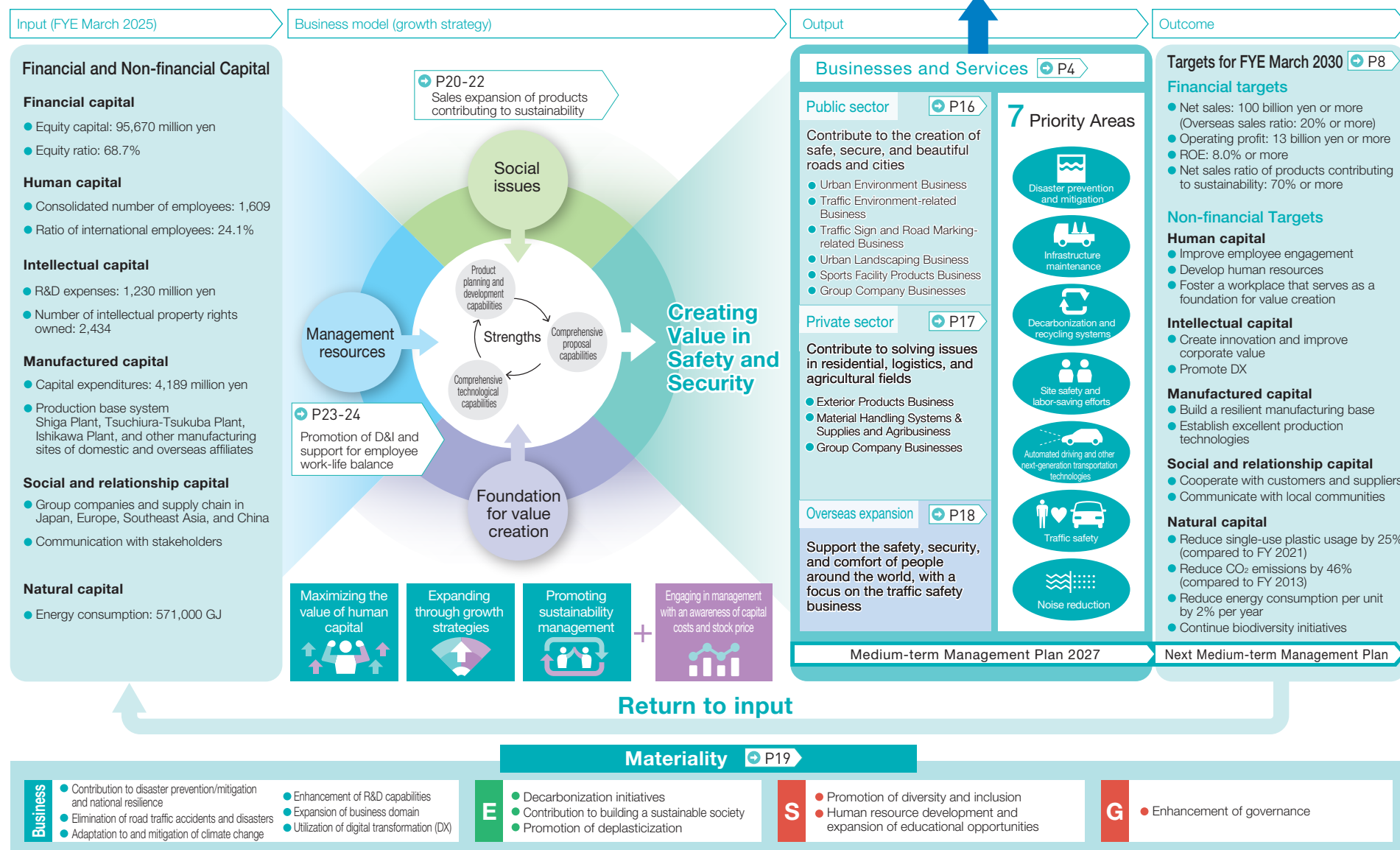
Package strapping bands

EXTILE CO., LTD.

Sanei Polymer Corporation

Value Creation Process

We aim to become a corporate group that continues to ensure the safety, security, and comfort of people worldwide through the sustainable development of value-creating processes centered on human capital.



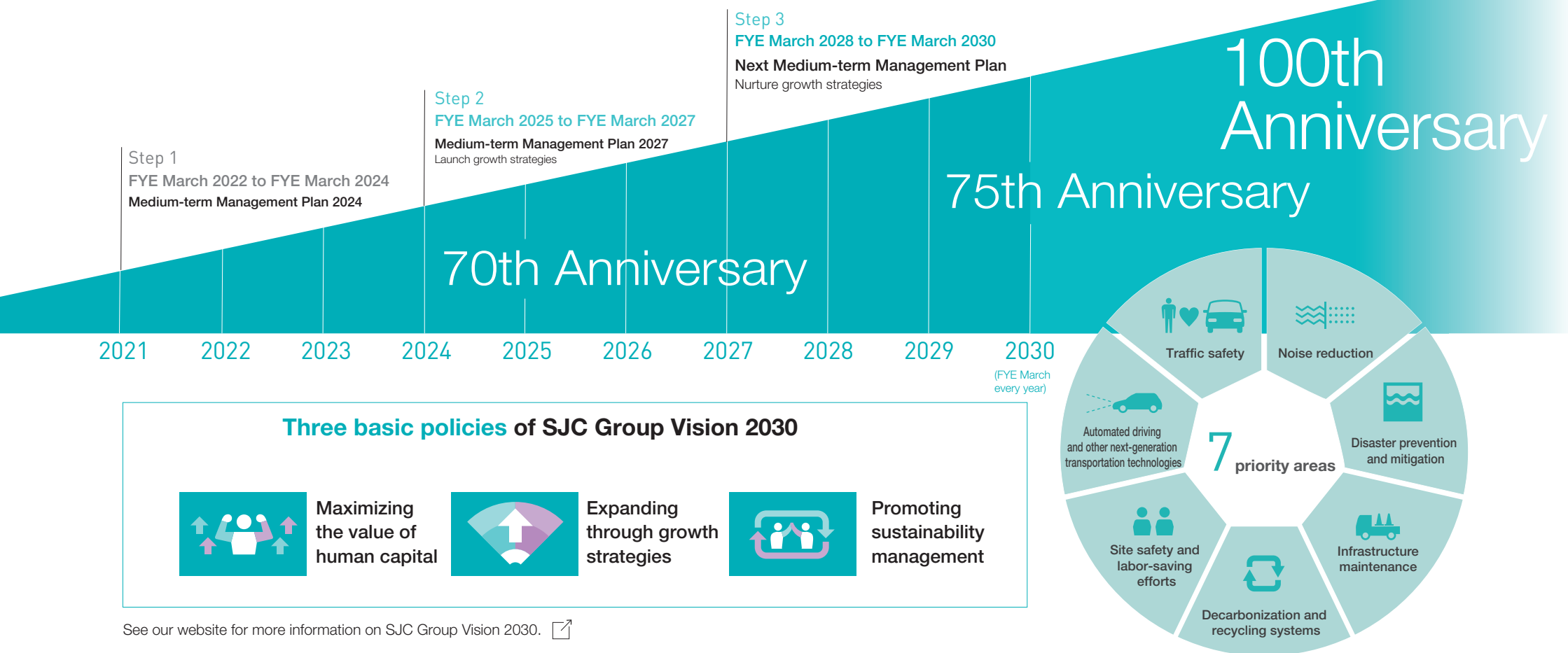
SJC Group Vision 2030

Creating a vision for the future as we look toward our 100th anniversary

In April 2023, we created SJC Group Vision 2030, a long-term vision culminating in FYE March 31, 2030.

FYE March 2030 marks the 75th anniversary of the Group, and as we look beyond that to our 100th anniversary, our goal is to become a corporate group that continues to ensure the safety, security, and comfort of people worldwide through the sustainable development of value-creating processes centered on human capital.

We set seven priority areas as growth strategy targets to address social issues through our business operations and help create a sustainable society.



Basic Policy and Priority Measures of Medium-term Management Plan 2027



Financial and Sustainability-Related Targets

		FY 2023	FY 2024	Medium-term Management Plan 2027	Reference: SJC Group Vision 2030
		Actual	Actual	Target	Target
Financial targets	Consolidated net sales	¥62.7 billion	¥74.2 billion	¥84.0 billion or more	¥100.0 billion or more
	(Overseas sales portion)	(¥4.2 billion)	(¥13.7 billion)	(¥13.0 billion or more)	(¥20.0 billion or more)
	Consolidated operating profit	¥6.2 billion	¥5.0 billion	¥8.5 billion or more	¥13.0 billion or more
	ROE	4.5 %	3.7 %	7.0 % or more	8.0 % or more
Sustainability-related targets	Diversity among core personnel ^(*1)	25.2 %	27.6 %	27 % or more	30 % or more
	Reduction of single-use plastic usage (compared to FYE March 2022) ^(*2)	2.7 % reduction	5.7 % reduction	15 % reduction	25 % reduction
	Ratio of consolidated net sales of products contributing to sustainability	55.4 %	57.0 %	60 % or more	70 % or more

(*1) Ratio of women, non-Japanese, mid-career hires, and others to managerial positions and above.

(*2) The scope of one-way plastic calculation has been expanded, and values have been revised retroactively for past fiscal years.

A portrait of a middle-aged man with short dark hair and glasses, wearing a dark suit, white shirt, and a teal tie. He is standing in front of a large window with a view of a modern building. His hands are clasped in front of him.

Message from the President

Steadily realizing our growth strategy with dual investments in human resources and technology

Continuing to promote investments and strengthen our management base to achieve significant growth

In November 2024, the Company celebrated the 70th anniversary of its founding. This important milestone was made possible thanks to the longstanding support of our stakeholders. On behalf of all employees and officers, I would like to express my heartfelt gratitude.

The business environment surrounding our corporate activity is constantly evolving. Although our own business domains are not exempt from this wave of change, I firmly believe that the technological capabilities we have cultivated since our founding, and the human resources that support them, form the core of our sustainable growth and give us the strength to flexibly respond to any environmental change.

In April 2023, we formulated the SJC Group Vision 2030. Going forward, we will continue to make strategic growth investments, prioritize human resources, and enhance our management foundation to achieve the significant growth we have set as our goal.

President and Representative Director,
Chief Executive Officer

馬場浩志

Responding to environmental change with high-value-added products

Our business can be broadly divided into two domains: the public sector and the private sector. Both face an uncertain outlook due to ongoing instability in the external business environment within Japan.

In the public sector, we primarily operate in Road Infrastructure Business. In the future, we anticipate that the focus will shift from new road construction to the renovation and maintenance of existing infrastructure. In line with this, there is growing demand for high-value-added products that address renovation and maintenance needs in addition to conventional offerings. We will also continue to expand into new fields, such as ports and railways, leveraging the technical expertise we have developed in road infrastructure.

In the private sector, we operate in various fields, including exterior products, material handling systems and supplies, and agribusiness. With the impact of Japan's declining population becoming increasingly evident—such as the decrease in new housing starts—there is growing demand for lightweight, easy-to-install products that can help address labor shortages at construction sites. There is also a rising demand for environmentally friendly products and enhanced performance in terms of security and disaster prevention. We will meet these needs by not only maintaining our existing products but also developing products

with added value in these areas to compete in the increasingly demanding private sector.

We are also expanding our business overseas in addition to the domestic market. Focusing on the promotion of traffic safety products, we aim to expand in Europe and Southeast Asia and grow overseas sales to account for over 20% of our total sales by fiscal 2030. Although uncertainties surround the overseas business environment, such as unstable U.S. trade policies, we will continue to closely monitor the situation and strive for steady growth.

Applying our technology in an automated driving society

To flexibly respond to changes in the business

environment and achieve sustainable growth, it is essential not only to continually improve and upgrade core products but also to enhance product value through the acquisition of new, elemental technologies. We are dedicated to addressing social issues and generating new value through technology-driven product development.

A key initiative in FY 2024 was the development of products for the future automated driving society in the public sector. We participated in working groups comprising automobile and system manufacturers and conducted several social experiments. We also worked on developing systems that utilize IoT technology to remotely monitor and manage road conditions, including traffic accidents and flooding.



Expansion through growth strategy [Major achievements for FYE March 2025]

- Strengthening overseas expansion
(Contribution to consolidated results by WEMAS Group and promotion of traffic safety business in Asia)
- Acquisition of management rights of RIKEN KOGYO Inc. to establish a business base in Hokkaido and strengthen snow and wind protection fence technology
- Establishment of the Tokyo Design Section to strengthen design responsiveness in the Kanto region and Tokyo metropolitan area
- Establishment of the IoT Promotion Section to promote the development of traffic safety products that contribute to the next-generation mobility society



WEMAS' temporary traffic safety products

Playing a role in the spread of perovskite technology

In the private sector, we are advancing the development of RFID(*) products as part of our efforts to address radio wave interference and have begun research and development of robotic technologies expected to have wide-ranging applications in both public and private sectors. A particularly noteworthy new business field is perovskite solar cells (PSC), a next-generation renewable energy technology gaining increasing attention. Perovskite solar cells are lightweight and offer advantages such as reduced structural loads and improved seismic resistance. The Japanese government has declared its intention to support their development as a national policy. Within the Sekisui Chemical Group, Sekisui Solar Film Co., Ltd. is at the forefront of PSC technology. We aim to play a role in the widespread adoption of PSC



by applying our unique technology for affixing them to building structures and by promoting unitization.

(*) RFID: A contactless automatic identification technology that reads/writes IC tag information using radio waves

Promoting M&A with a focus on technology

As part of our growth strategy, we will continue to pursue M&A initiatives that aim to generate technological synergies.

In January 2024, we welcomed Germany's WEMAS Group into the SJC Group. WEMAS specializes in temporary traffic safety products, while our Dutch Group company, Jislon, excels in permanent products. Together, they form a complementary structure in the European market. In December 2023, we also welcomed EXTILE CO., LTD., which boasts top-class domestic technology in foam extrusion and commands strong position in the field of lightweight, high-performance privacy walls. By integrating their technology with our own mesh fence and privacy wall expertise, we expect to further enhance product capabilities.

Most recently, in December 2024, we welcomed RIKEN KOGYO Inc. into the Group. RIKEN KOGYO has outstanding technology in R&D of snow and wind protection fences and owns one of Japan's leading wind tunnel testing facilities. Combining their expertise with our strengths in

traffic safety and barrier products will enable us to deliver even higher-performance offerings and generate significant technical synergies.

These M&A initiatives do not merely expand our business scope. Our focus lies in mutual technological complementarity and synergy creation, as well as the human resource synergies gained by welcoming highly skilled personnel into the Group. We will continue to pursue strategic M&A that contributes to the sustainable growth and value creation of the Group.

Establishing two new divisions to drive growth strategy

To accelerate our growth strategy, we established two new divisions in April this year: the Technical Design, Installation & Market Development Headquarters and the IT Strategy Headquarters. The former operates across the traditional silos of the Business Headquarters – Public Sectors and Business Headquarters – Private Sectors, handling large-scale projects and design proposals in collaboration with both. If our business divisions are considered vertical structures, this new division functions as a horizontal connector that supports operations with a cross-functional perspective. New businesses such as tower and platform manufacturing for power and infrastructure will also be advanced under through this headquarters.

Meanwhile, the IT Strategy Headquarters was established to accelerate internal efficiency improvements, which had previously been overlooked. This was done in recognition that our growth strategy will necessitate an internal IT infrastructure and environment that can support business expansion. To enable our talented people to thrive, we will promote IT adoption and operational efficiency across the Group, with the IT Strategy Headquarters taking the lead.

A company that grows sustainably alongside society

For modern businesses, the pursuit of sustainability is no longer optional—it is an essential responsibility.

At the Group, we designate products that help solve social issues, including environmental concerns, as products contributing to sustainability. Products that meet internal standards are reviewed and certified through evaluation sessions that include Outside Directors. In FY 2024, these products accounted for 57.0% of consolidated net sales. We aim to raise this to over 70% by the end of FY 2029.

In our decarbonization efforts, we are working to reduce CO₂ emissions through initiatives such as reviewing electricity usage in our manufacturing operations. Compared to FY 2013, we achieved a 40.7% reduction in FY 2024, meeting our initial

target. We are now aiming for a 46% reduction by the end of FY 2029.

As part of our contribution to regional environmental preservation, we are creating “Environmental Conservation Initiatives Undertaken by Ourselves” at two locations, including our Shiga Plant in Ryuo Town, Shiga Prefecture. Employees devote time between work duties to protect endangered flora and fauna, and in October 2023, these efforts were recognized with certification as Nationally Certified Sustainably Managed Natural Sites by the Ministry of the Environment. We were also honored to present at the Keidanren Nature Conservation Council Symposium in December 2023.

We will continue to promote sustainable management in all areas of our business and strive to grow sustainably in harmony with society.

Upholding our commitment to Human Resources First

The Group has set forth clear strategies and numerical targets in its Medium-term Management Plan 2027 and SJC Group Vision 2030. However, it is our people who carry out these strategies and achieve those goals. As CEO, I consider it my top management priority to create a workplace where employees and officers can work in safety, security, and good health—and to cultivate a corporate culture that their families also support. By upholding our core belief in Human Resources First, we boost employee motivation, which in turn leads to the acquisition of new technologies, the development of innovative products, and ultimately to enhanced



Promoting sustainability management [Major achievements for FYE March 2025]

- Expansion of products contributing to sustainability
- Developing products compatible with next-generation transportation technologies and participating in empirical experiments in various municipalities
- Received the “Resilience and Sustainability Award” in the Ministry of Land, Infrastructure, Transport and Tourism’s “Green Logistics Partnership Conference”
- Commemorating the 70th Anniversary, established the Group slogan and logo for new branding



Products contributing to sustainability EX, protective bollards

corporate value.

In recent years, external stakeholders have praised our people, with comments such as “Sekisui Jushi’s sales staff are very proactive and make strong proposals,” and “Even the administrative staff are energetic and leave a positive impression.” These remarks reflect a company-wide mindset of “making this a better company together,” and as a manager, I find this incredibly rewarding and am deeply grateful. However, there are still challenges. In a recent internal engagement survey, although our scores were above average compared to those of our peers of similar size, some issues were brought to light. One of the more common comments was the need to improve the working environment for female employees. There is still room for improvement in creating conditions that allow

women to continue contributing over the long term, even after life events such as childbirth or childcare. We will earnestly respond to all feedback—both positive and critical—and swiftly implement improvements.

Continuing effective investment for the future

In the previously formulated SJC Group Vision 2030, the three years of the Medium-term Management Plan 2027 are positioned as a preparatory period for achieving significant growth by 2030, during which we will continue to invest in growth, including in human capital, and strengthen our management foundation. Following on from the initial year, we will also actively invest in and build systems for the future this year.

In FYE March 2025, consolidated net sales reached 74.2 billion yen, marking an increase from the previous year. This figure includes sales from the WEMAS Group and EXTILE CO., LTD., both of which were acquired through mergers and acquisitions (M&A). Consolidated operating profit was 5.0 billion yen, due to rising resource and raw material prices, transportation cost increases, changes in the sales composition of existing businesses, and overlapping investments in human resources and growth. However, if we look at EBITDA—which adds depreciation and goodwill amortization to operating profit—we have seen growth this year.

We will not slow our pace of investment in people and technology, which form the foundation of our future under the SJC Group Vision 2030. For FYE March 2026, we forecast increases in both sales and profit, with profit expected to grow by more

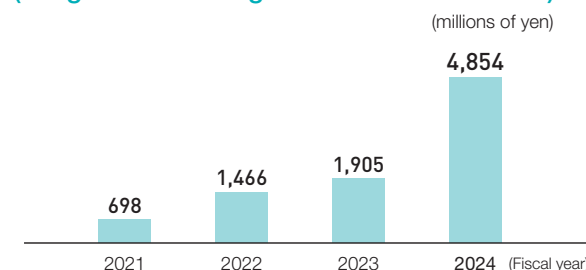


Maximizing the value of human capital [Major achievements for FYE March 2025]

- Certified as a 2025 Health Outstanding Organization (large enterprise category) for the second consecutive year
- Conducted engagement surveys and held workshops to reform organizational culture
- Continued improvement of employee working environments
- Merged four production subsidiaries and reorganized into a plant-based structure to maximize the value of human capital in the manufacturing departments



Capital expenditures (Tangible and intangible non-current assets)



than 20% and ROE to improve to 4.5%.

We remain committed to shareholder returns. We will continue to acquire treasury shares and aim to maintain a total return ratio of 100% or higher through FYE March 2027. For dividends, we aim to maintain a payout ratio of at least 40% by the end of FYE March 2030. Through sustainable growth and enhanced corporate value, we will meet the expectations of our shareholders and stakeholders.

Sustainable growth driven by people and technology

Our greatest asset is our people, and the foundation of our growth strategy is our technological capability. By acquiring new elemental technologies, further developing our core technologies, and creating innovative products, we will achieve sustainable growth driven by the twin engines of human resources and technology. At the same time, we will manage our business with a stronger awareness of our

stock price and meet investor expectations through enhanced corporate value.

As I mentioned at the outset, our company celebrated its 70th anniversary in November of last year. The final year of the SJC Group Vision 2030, FY 2029, will also mark our 75th anniversary. Looking even further ahead toward the day we become a 100-year company, we aim to help build a sustainable society through products and services that help solve social issues. We sincerely appreciate your continued support.



Engaging in management with an awareness of capital costs and stock price

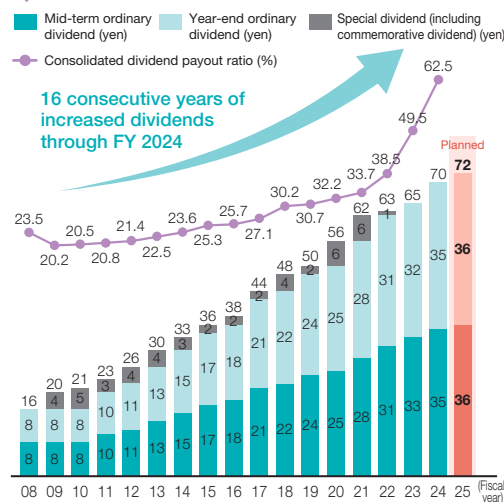
Shareholder returns

During the period of the SJC Group Vision 2030 (until FYE March 2030), we will carry out progressive dividends as a basic policy and will aim to maintain a consolidated dividend payout ratio of 40% or higher. Regarding total return, we aim to maintain a total return ratio of 100% or higher, which combines dividends from surplus and treasury share acquisition, throughout the period of the Medium-term Management Plan (until FYE March 2027).

Acquisition and cancellation of treasury shares

FYE March 2025	Total acquisition of 1.8 million shares (approx. of 4.2 billion yen) and cancellation of 1.5 million shares Total return ratio of 180.3%
FYE March 2026	1 million shares (maximum of 2.5 billion yen) All acquired shares scheduled for cancellation

Transition of dividends

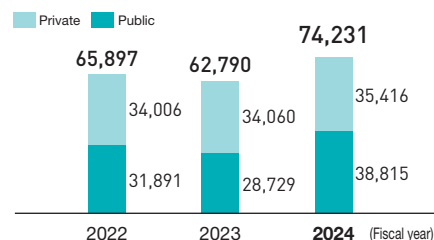


Financial and Non-financial Highlights

Financial targets

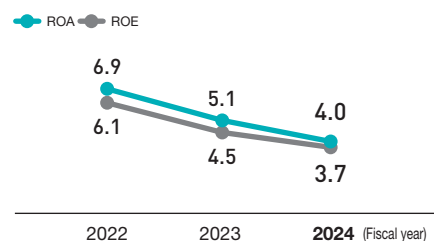
Net sales (millions of yen)

Net sales increased due to the inclusion of two newly added Group companies and revenue growth in existing businesses.



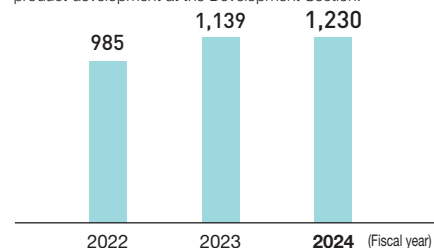
ROA and ROE (%)

We will work to improve profitability and optimize our capital structure so as to achieve our target ROE of the SJC Group Vision 2030 of 8% or higher as soon as possible.



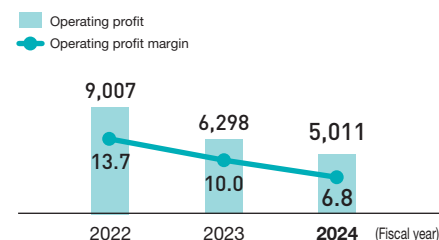
R&D expenses (millions of yen)

R&D expenses increased due to basic research at the New Key Technology Research Institute and the promotion of product development at the Development Section.



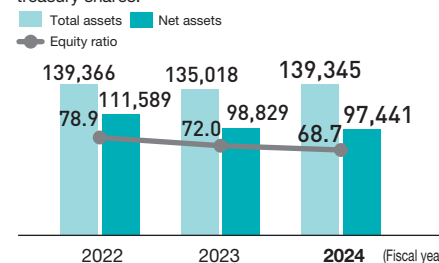
Operating profit (millions of yen) and operating profit margin (%)

Profit decreased due to continued growth investments, changes in the sales composition, and increased costs such as raw material prices.



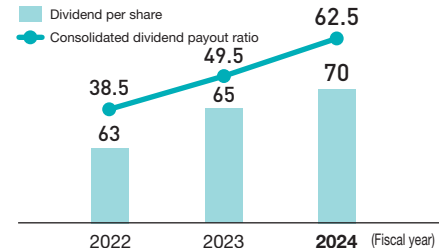
Total assets and net assets (millions of yen) and equity ratio (%)

Net assets declined primarily due to the acquisition of treasury shares. ^(*)



Dividend per share (yen) and consolidated dividend payout ratio (%)

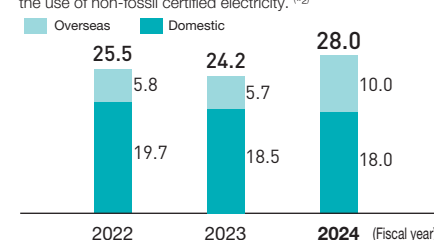
The annual dividend was increased by 5 yen to 70 yen from the previous period, marking the 16th consecutive year of dividend increases.



Non-financial targets

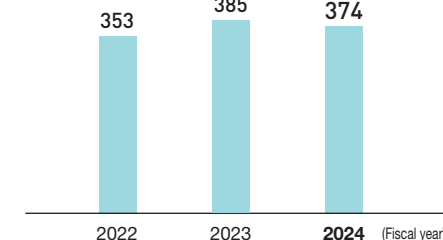
CO₂ emissions (thousands t-CO₂)

At domestic business offices, CO₂ emissions were reduced through measures such as the installation of solar panels and the use of non-fossil certified electricity. ^(*)



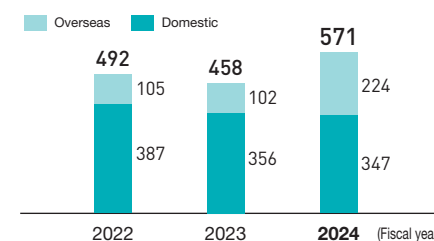
Single-use plastic usage (t)

Single-use plastic usage decreased due to a revision of packaging specifications, efforts to reduce usage, and other factors. ^(*)



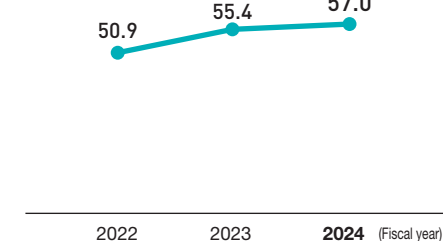
Energy consumption (thousands GJ)

At domestic business offices, reductions were achieved through the consolidation of production facilities and the introduction of energy-saving facilities. ^(*)



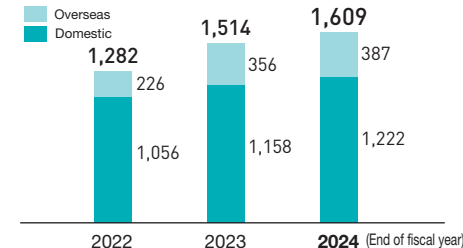
Net sales ratio of products contributing to sustainability (%)

The net sales ratio of products contributing to sustainability improved as a result of active marketing of these products, including EX products, and sales promotion activities.



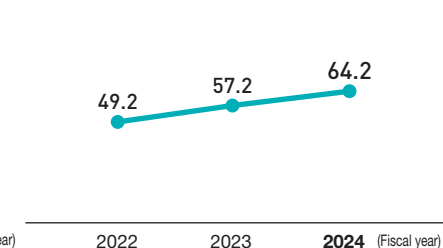
Number of employees

In addition to an increase in personnel in existing businesses, the number also increased due to the acquisition of RIKEN KOGYO Inc. as a subsidiary.



Paid leave taking rate (%)

The paid leave taking rate increased with revisions to the organizational culture and implementation of well-being management.



^(*) For FY 2024, provisional accounting procedures related to business combinations have been finalized, and figures for FY 2023 have been adjusted to reflect the finalized content of the provisional accounting procedures.

^(*) As of FY 2024, the WEMAS Group has been included, resulting in increased figures for overseas business offices.

^(*) The scope of one-way plastic calculation has been expanded, and values have been revised retroactively for past fiscal years.

SJC Group Business Report

Business Overview of the Public Sector

Accelerating contributions to solving social issues by leveraging technical capabilities cultivated through extensive experience

Our future policy

- Acoustic control technologies developed over many years, such as for soundproof walls
- Deployment of IoT products and services addressing disaster prevention and mitigation needs
- Promotion of R&D for realizing an automated driving society
- M&A synergy creation

Expanding existing businesses

The public sector includes road infrastructure-related and sports-related product groups. The mainstay products in the former category are traffic safety products and protective fences. To contribute to building safe, secure, and comfortable roads, we are strengthening the development of products that support traffic safety, road environment measures, and disaster prevention and mitigation. We are also increasing the ratio of sustainability-contributing products to total net sales and working to expand our market share and improve profitability. Particular focus is placed on products that utilize long-developed acoustic control technologies to reduce noise along expressways and bullet train lines, as well as traffic safety products for school routes. Additionally, IoT products are designed to meet the needs of disaster prevention and mitigation. We are also focusing on regions with high demand

for traffic safety products, such as Europe and Asia, particularly the Asian market, where significant growth is expected. Meanwhile, in the sports business, our focus is on artificial turf. We are also working to enhance the environmental friendliness required of resin products, as well as improve heat resistance in summer and overall durability.

Expanding to new business domains

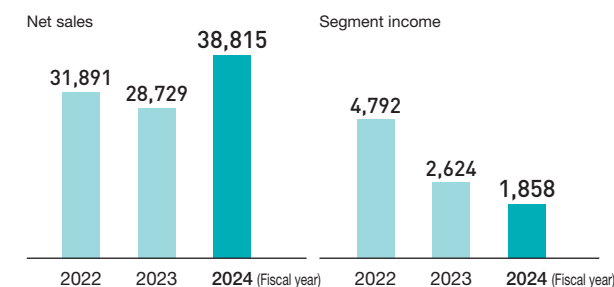
The key concepts of our new business domains are “next-generation transportation technologies” and “disaster prevention and mitigation.” In April 2025, in collaboration with Ecomott Inc., with whom we have a capital and business alliance, we developed the ICOT-LINK® web application service, which enables smart road infrastructure through remote road management and monitoring operations. We are promoting initiatives to provide customers with data obtained from products and sensors and to utilize it for traffic safety, disaster prevention, and mitigation. Additionally, we are focusing on developing lane markings and vehicle-to-infrastructure cooperation products using road marking materials to support the realization of an automated driving society. By leveraging the expressway lane marking construction technology of affiliate NIPPON LINER CO., LTD., we are working to realize an autonomous driving society in terms of both product development and construction technology. Moreover, with the increasing domestic demand for energy, there is a growing demand for power infrastructure products related to new installations and upgrades by electric power

companies, as well as measures for natural disasters and the promotion of renewable energy. In this sector as well, we will continue to demonstrate our design capabilities and manufacturing technologies.

M&A synergy

With RIKEN KOGYO Inc.—a company that possesses simulation technologies for snow and wind protection fences—joining our Group, we will be able to enhance the disaster prevention/mitigation performance of our existing products more effectively. By combining their expertise with our technologies (e.g., self-illuminated warning lights), we aim to contribute to safer roadways.

Net sales and segment income (millions of yen)



RIKEN KOGYO Inc., snow protection fence

SJC Group Business Report

Business Overview of the Private Sector

In addition to increasing the share of existing businesses, we aim to capture new markets

Our future policy

- Improving market share and profitability for mass-produced factory products in the private sector, such as fences and packaging consumables
- Launch of new products for business challenges in new areas
- Deployment of products to prevent misreading in RFID(*)

(*) RFID: A contactless automatic identification technology that reads/writes IC tag information using radio waves

Expanding existing businesses

In the private sector, we are developing a wide range of businesses, including the exterior products business, which focuses on exterior products for apartment complexes, commercial facilities, and plant perimeters; the material handling systems and supplies business, which handles package strapping bands, stretch film packaging machines, and digital picking systems; and the agribusiness, which deals with agricultural and facility horticultural materials, as well as wildlife damage prevention products. In the exterior products business, our mesh fences and privacy walls, tailored to meet safety, crime prevention, and privacy needs, hold a high market share. The “soundproof privacy wall” developed to address urban noise has been highly evaluated and widely adopted in the construction

industry and by architectural firms for its excellent sound insulation, aesthetics, and design. Although we struggled with profitability last year due to soaring raw material prices, we have implemented price revisions and are working to improve earnings.

In the material handling systems and supplies business, in addition to the production and sale of packaging materials using recycled materials, we are working to expand market share and improve profitability by leveraging our strength in offering comprehensive proposals to improve logistics operations in plants and warehouses—such as through machine businesses that utilize sensing technology to reduce labor in packaging work and digital picking systems.

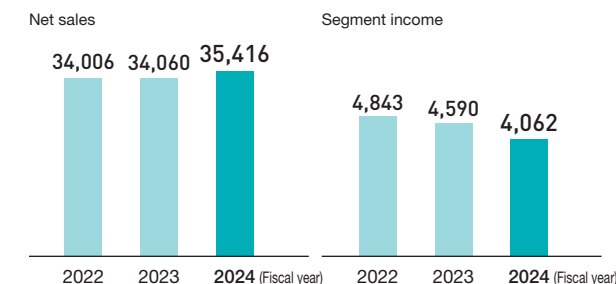
In the agribusiness, we aim to further expand our profits by capturing a significant share of the horticultural support market and increasing sales of wildlife damage prevention products.

Expanding to new business domains

As the first product of “DENBOW,” a transparent radio wave absorption solution that addresses the issue of false recognition in the increasingly adopted RFID technology in the logistics field, we launched the “Walk-through Gate System” in April 2025. By using transparent radio wave absorption panels with 68% transmittance, the system improves visibility at work sites and reduces the risk of misreading RFID tags located outside the gate.

M&A synergy

We aim to expand our fence business using polystyrene foam materials owned by EXTILE CO., LTD., which joined our Group in December 2023. This material is not only lightweight and highly durable, but also made from recycled materials, making it an environmentally friendly choice. We plan, develop, and sell products not only for detached housing markets—EXTILE’s existing sales channel—but also for non-residential markets, maximizing synergies between both companies.

Net sales and segment income (millions of yen)

EXTILE CO., LTD., resin fences



Walk-through Gate System

SJC Group Business Report

Status of Overseas Expansion

Promoting synergy with the WEMAS Group and expanding the traffic safety business in Asia

Our future policy

- Aiming to create synergy in the traffic safety business with the WEMAS Group from a global perspective
- Accelerating the expansion of the traffic safety business in Asia, while also exploring overseas expansion of the fence business

Under the SJC Group Vision 2030, we plan to expand overseas net sales to over 20.0 billion yen and increase the consolidated net sales ratio to 20% or more by FYE March 2030. Two key tools for realizing this strategy are M&A and synergy

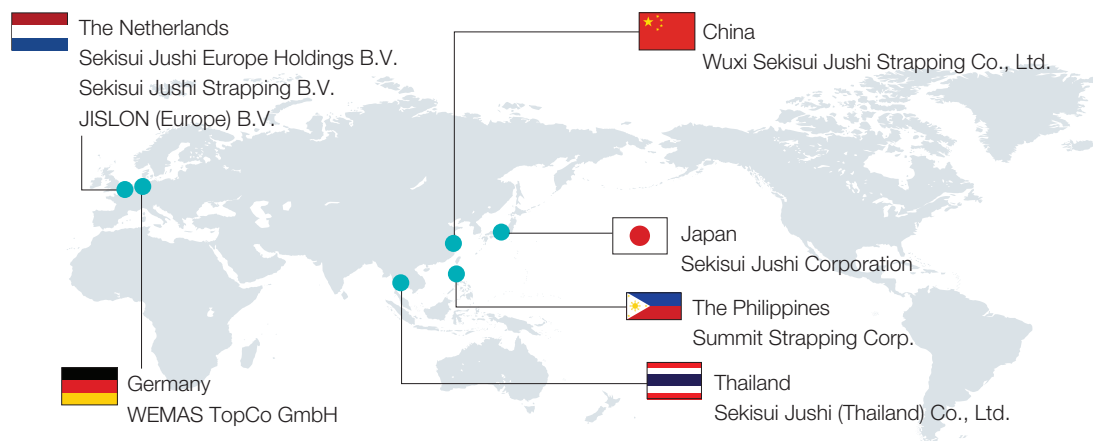
creation with acquired companies following the execution of M&A transactions. The WEMAS Group, a German manufacturer specializing in temporary traffic safety products, joined the SJC Group in 2024.

They offer a lineup of temporary traffic safety products—such as barriers and visual guide signs for construction—that were not previously available from our Group, as well as advanced production technology, manufacturing sites, and sales channels in Europe. By incorporating WEMAS's temporary traffic safety products into our lineup of permanent traffic safety products, such as the Pole Cone lane divider, which has been one of our key strengths, we have rapidly expanded both the scope of our traffic safety business and our product offerings.

Germany's budget for traffic safety and road maintenance is projected to total 133 billion euros by 2030. Beyond product synergy, we

will collaborate with the WEMAS Group to coordinate development and marketing, leveraging their manufacturing sites and sales networks to strengthen our business foundation in Europe further.

In addition, through synergy creation, we will strive to expand our traffic safety business and overall operations not only in Europe but also in Japan and Asia, while exploring overseas expansion of the fence business.



WEMAS Group (Germany)

Summit Strapping Corp.
(The Philippines)Sekisui Jushi Strapping B.V.
(The Netherlands)Sekisui Jushi (Thailand) Co., Ltd.
(Thailand)

SJC Group's Materiality

The SJC Group identified and released the following materiality in the long-term SJC Group Vision 2030. We manage and report on the progress toward achieving these targets.

In addition, we will consider revising our targets and adding action plans in response to changes in the environment both inside and outside the company.

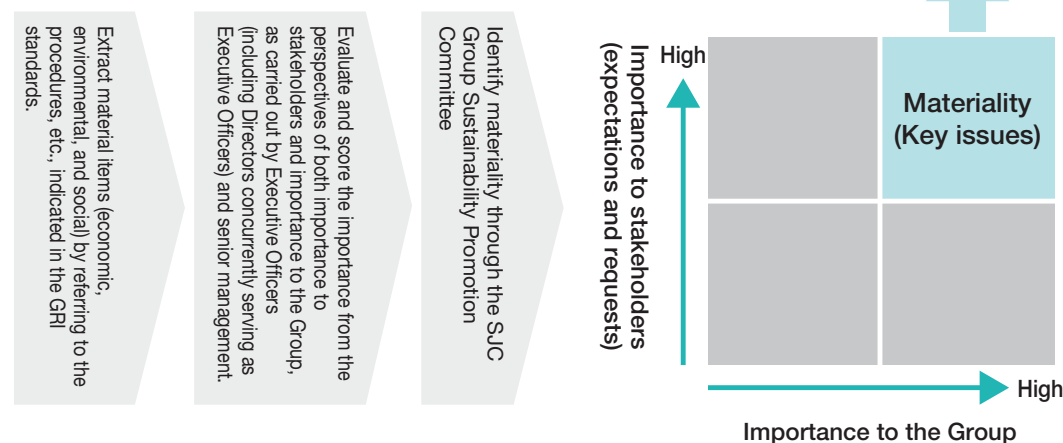
Materiality

Classification	Materiality
Business	<ul style="list-style-type: none"> Contribution to disaster prevention/mitigation and national resilience Elimination of road traffic accidents and disasters Adaptation to and mitigation of climate change Enhancement of R&D capabilities Expansion of business domain Utilization of digital transformation (DX)
E	<ul style="list-style-type: none"> Decarbonization initiatives Contribution to building a sustainable society Promotion of deplasticization
S	<ul style="list-style-type: none"> Promotion of diversity and inclusion Human resource development and expansion of educational opportunities
G	<ul style="list-style-type: none"> Enhancement of governance

Initiatives on materiality

Direction of initiatives	Action plan	Target (for FYE March 2030)
Sales expansion of products contributing to sustainability	Promote development of products contributing to sustainability and expand sales channels and opportunities ➔ P20, 21, 22	Consolidated net sales ratio of 70% or more
Promotion of diversity and inclusion	Promote diversity among core personnel ➔ P23	Diversity among core personnel beyond new male graduates (mid-career hires, females, non-Japanese, etc.) 30% or more
Support for employee work-life balance	Provide childcare and nursing care support systems Practice health management ➔ P23, 24	Become certified as a White 500 company with excellent health management
Enhancement of organizational sustainability	Implement succession training planning for each management level ➔ P24	100% succession readiness rate for senior management positions
Enhancement of decarbonization initiatives	Reduce CO ₂ emissions ➔ P25, 26, 27	Reduce by 46% (compared to FY 2013)
Expansion of 3R system deployment	Reduce single-use plastic in product packaging ➔ P28	Reduce by 25% (compared to FY 2021)

Identification method



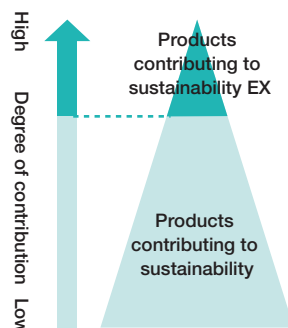
Materiality Report 1 Sales expansion of products contributing to sustainability

Contributing to the Creation of a Sustainable Society through Products Contributing to Sustainability

Certification criteria for products contributing to sustainability

Areas of contribution	Key items for certification
(1) Disaster prevention/mitigation and national resilience	<ul style="list-style-type: none"> Mitigation of damage caused by natural disasters Thermal barrier and temperature rise control function Contributing to extending the service longevity of existing products
(2) Creation of safe, secure, and comfortable roads, cities, and working environments	<ul style="list-style-type: none"> Reducing traffic accidents by offering guided lines of sight to drivers, etc. Contributing to the creation of safe and comfortable working environments Noise, light interference, radio wave reduction functions, monitoring/warning functions
(3) Decarbonization	<ul style="list-style-type: none"> Employing clean energy sources such as solar, wind, hydro, geothermal, pressure, etc. Improving energy consumption efficiency during product use
(4) Deplasticization	<ul style="list-style-type: none"> Utilizing biomass-derived raw materials Significantly reducing the amount of plastic used compared to conventional products
(5) Building a sustainable society	<ul style="list-style-type: none"> System to collect and recycle used products Using recycled raw materials Reducing the use of raw materials
(6) Biodiversity and ecosystem conservation	<ul style="list-style-type: none"> Reducing pollution of marine and terrestrial environments Contributing to the conservation of marine and natural terrestrial ecosystems

The Company has established in-house criteria for contribution areas that lead to the resolution of environmental and social issues, from product development and design to operation and disposal, and positioned products meeting these criteria as products contributing to sustainability.



Targets and results of products contributing to sustainability

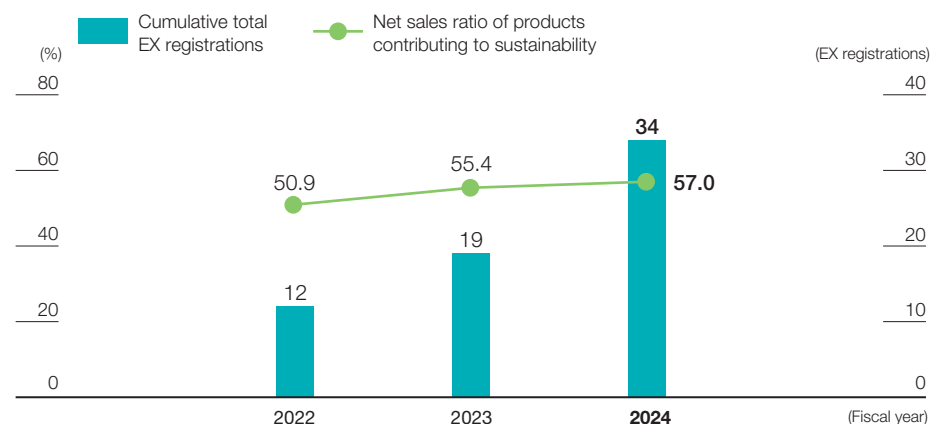
Item	Target for FY 2026	Target for FY 2029 (FYE March 2030)
Net sales ratio of products contributing to sustainability	Net sales ratio of 60% or more	Net sales ratio of 70% or more

Products contributing to sustainability are certified by the SJC Group Sustainability Promotion Committee after being assessed by the Development Committee, a subordinate body of the SJC Group Sustainability Promotion Committee.

Products that are recognized for their overall quality, especially in terms of degree of contribution to sustainability and technological novelty, are designated as products contributing to sustainability EX and reported to the Board of Directors.



Net sales ratio of products contributing to sustainability and cumulative total EX registrations



Materiality Report 1 Sales expansion of products contributing to sustainability

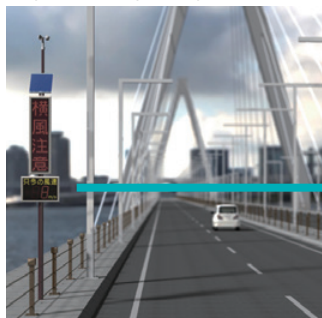
Evaluation of Degree of Contribution of Products Contributing to Sustainability EX

The Company has positioned products that help solve global environmental and social issues as products contributing to sustainability and is focusing on overall proposals of products with high added value.

Products that have incorporated new technology and have a high degree of contribution to sustainability and overall quality are designated as products contributing to sustainability EX.

ICOT-LINK®

Labor-saving and manpower-saving in road management and monitoring operations
Contributing to disaster prevention and mitigation during emergencies



Transparent radio wave absorption panel

RFID^(*) misreading prevention



Creation of safe, secure, and comfortable roads, cities, and working environments
Labor-saving in working environment

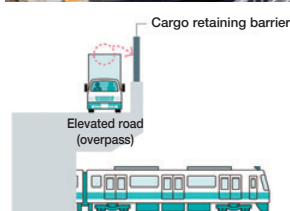
- Transparent radio wave absorption panels improve the radio environment and ensure visibility for workers, providing a safer workspace

(*) RFID: A contactless automatic identification technology that reads/writes IC tag information using radio waves

- These panels feature "lightweight," "thin," and "transparent" characteristics, allowing them to be used in various forms such as partitions and boxes, solving misreading issues caused by multipath reflections in RFID

Cargo retaining barrier

Aesthetically pleasing cargo retaining barrier



Disaster prevention/mitigation and national resilience
High-strength structure that withstands high winds and impact

- Uses high-strength transparent polycarbonate panels
- High strength (3.0 kN/m²) for natural disaster response

Creation of safe, secure, and comfortable roads, cities, and working environments
Traffic safety and labor-saving efforts

- Prevents cargo from falling beneath elevated structures, averting secondary damage to trains and vehicles
- Provides a pleasant road without obstructing visibility
- Contributes to vehicle traffic safety by providing wind protection
- Can be installed from the roadside, reducing labor burden

Fence II for mechanical parking lots Masufino

Compliant with the new standards of the Japan Parking System Manufacturers Association
Incorporated: "Fence height of 1,800 mm or more" and "Mesh size of 20×40 mm or less"



Decarbonization

Energy-saving design

- Changed the panel to a frameless design, reducing the number of components and lowering energy consumption during the manufacturing process

Building a sustainable society

Reduce

- Reduced the usage of main raw materials (panel section) by over 10% compared to conventional products

Creation of safe, secure, and comfortable roads, cities, and working environments

Crime prevention and labor-saving in working environment

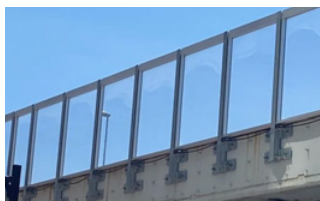
- Improved safety through mesh dimensions that prevent children's hands from passing, and fence bottom openings of 10 mm or less
- Bending the top of the panel into a frame-like shape increased the section modulus and ensured strength, resulting in higher strength than conventional products
- Reduced weight per span by over 10% compared to conventional products, reducing labor burden on site workers

Materiality Report 1 Sales expansion of products contributing to sustainability

Introduction to Products Contributing to Sustainability EX

Durable transparent glass-coated panels

Aluminum-framed transparent panels with a long-lasting glass coating applied to polycarbonate transparent material, offering more than twice the durability and excellent weather resistance



Compact IoT water level sensor

This water-level sensor is compact, lightweight and easy to install. Enables remote monitoring and management of flood risks, helping reduce labor and workload



Tetrafence

Four-panel division enhances transportability, workability, and transportation efficiency, thereby contributing to reduced CO₂ emissions



Pole Cone CITY R and Pole Cone Guide R

Environment-friendly multipurpose rubber pole that offers five installation methods depending on site conditions, and allows for part replacement to reduce discarded materials



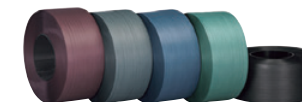
Projection guide / Vehicle-mounted projection guide

Projects high-brightness lines onto the road surface using low power (projection mapping), contributing to visibility improvement, safety of special vehicles, and labor-saving



Colored recycled strapping bands

Environment-friendly PP bands for automatic packaging machines made with 100% recycled materials



KIE-9 roadline paint

We offer an extremely wear-resistant and highly durable road marking paint. Expected to reduce the number of times white lines need to be repainted, contributing to long-term national resilience and traffic safety



Chuo Expressway,
Yamanashi Prefecture

High-strength privacy wall VS

Our high-strength privacy wall for urban spaces has a strength of 2.0 kN/m² compared to conventional products with a design strength of 1.2 kN/m².



Plametal Smart

Panel material combining a resin core containing recycled and biomass-derived materials with environmentally-friendly aluminum foil, reducing CO₂ emissions



For more information on how our products contribute to sustainability, please visit our website. (Japanese only)



Materiality Report 2 Promotion of D&I and support for employee work-life balance

SJC Group's Human Resources First Initiative

Maximizing the value of human capital, a top priority of Medium-term Management Plan 2027

Based on our fundamental philosophy of Human Resources First and in line with one of the key implementation items of the Medium-term Management Plan 2027, which is Maximizing the Value of Human Capital, we are implementing the following five initiatives. FY 2024 was positioned as a “period of consciousness and behavioral reform,” focusing on institutional reform and strengthening organizational foundations. The following measures were implemented.

1. Revise the personnel system; Revamp the evaluation, grading and remuneration systems

To fairly reward each employee's challenges and achievements, we are comprehensively revising our evaluation, grading, and remuneration systems, aiming to complete the full reconstruction of our HR systems by FY 2026. In introducing the new systems, we are emphasizing transparency and employee buy-in by sequentially holding briefing sessions for employees and training for evaluators.

2. Strengthen human resource development

To foster “talent who think, act, and continue to take on challenges,” we have enhanced training by job level and expanded support for autonomous career development. We have enhanced the training environment to enable overseas employees to participate simultaneously via online platforms.

3. Reform organizational culture; Create a safe and secure workplace; Improve employee engagement

Last year, we conducted our first engagement survey targeting standalone employees, and the results were shared internally via our intranet, along with messages from the President and Head of Corporate Headquarters – Human Capital Management. At workshops for senior management, issues were visualized and employee needs were identified, with improvement measures taken at the division level. We will continue these activities and expand them to include Group companies, further reforming our organizational culture and enhancing employee engagement.

4. Implement well-being management

To support balancing life events with work, we

revised our childcare and nursing care systems, expanding support beyond statutory requirements. We were also recognized as a Health Outstanding Organization (large enterprise category) for the second consecutive year, reflecting external recognition of our strong emphasis on mental and physical health.

5. Promote diversity and inclusion

We are promoting the active hiring of women regardless of whether they are new graduates or mid-career hires. To foster understanding and resonance with D&I among all employees, we continue to conduct D&I training targeting members of the management team, female employees, and their supervisors, aiming to deepen their knowledge and practice of D&I further.

Strategic framework for maximizing the value of human capital

Key implementation item: Recruit and retain talent, and maximize the value of human capital	FYE March 2025 to FYE March 2027 Period of change in consciousness Change in consciousness and behavior	FYE March 2028 to FYE March 2030 Period of establishment Improve creativity and competitiveness
	<p>Maximizing the value of employees and the Company</p> <p>To define the Company's vision and what is expected of employees, and to maximize value, we are reforming the personnel system and organizational culture while strengthening human resource development.</p> <p>Promoting D&I and well-being management</p> <p>Create a workplace environment where individuals can maximize their abilities and both the employees and organization shine with vitality and energy.</p>	<ul style="list-style-type: none"> ● Use engagement surveys to visualize the current situation and issues ● Reform work styles, and establish and expand supports systems for balancing work with childcare and/or caregiving ● Take positive action and continue to recruit people with disabilities ● Promote health management ● Employees take an active role in their own well-being, that of their families, and that of the workplace ● Confirm KPI achievement status, and set PDCA and new materiality ● Create a workplace environment where employees can be healthy both physically and mentally and work with vitality and energy ● A well-being organization where employees feel satisfied in their work, create new value, and are excited to start the work week with energy

Materiality Report 2 Promotion of D&I and support for employee work-life balance

Strengthen human resource development

Based on the human resource development policy restructured in FY 2022, we are enhancing tiered training, D&I training, open college programs, business skills, English conversation self-development support systems, and other development programs necessary for career formation, to support the autonomous growth of our employees. This fiscal year, we launched four new goal-specific training programs: management enhancement, facilitation, planning and presentation, and OJT leader training. We focus on training effectiveness by supporting follow-up activities that ensure what is learned is applied in

the field and leads to tangible outcomes. Human capital development and skill-building information is posted on the intranet and kept up to date for anytime access.

In line with our SJC Group Vision 2030, which sets “100% successor readiness rate for senior management positions” as a materiality-related initiative, we have also launched a succession development program. For the performance management system, we incorporate skill development and encourage dialogue between superiors and subordinates to engage in systematic capability development.

To expand our overseas business, we have also

implemented an overseas training program to continually develop global-minded talent.

Employees selected through an open call are dispatched for six months to our local subsidiaries in the Netherlands and Thailand, gaining hands-on experience in international business. This initiative is conducted annually.

Human resource development programs

	Business leader development			Career autonomy	Career development		D&I measures	Departmental training	Purpose-specific training
	Tiered training	Purpose-specific training	Targeted training	Career design training	Self-development	Elective training	D&I training	Skill development	For all employees
Management/ leadership	Management training Leadership training	Management enhancement training Facilitation training / Planning and presentation training OJT leader training	Senior management candidates Management candidates Leadership and full-time position candidates	50s 40s 30s	Business skills Business English	Business skills	Business and management D&I training Women empowerment Women's forum	Sales Production and development Office worker	Sustainability training Harassment Mental health Human rights
Regular employees	Chief inspector training Manager training Young employee training (intermediate) Young employee training (beginner) Onboarding training New employee training								
Provide opportunities for continuous learning and growth to promote employee autonomy and adopt proactive behaviors									



Young employee training

Materiality Report 3 Enhancement of decarbonization initiatives

Information Disclosure Based on the TCFD Framework and Efforts to Strengthen Our Initiatives

Our approach to addressing climate change

The SJC Group regards promotion of sustainability management as part of our responsibility to ensure the safety, security, and comfort of future generations, and we believe that addressing sustainability issues is essential to realizing the SJC Group Vision 2030 and ensuring that the Group continues to be valued by society well into the future.

We have identified addressing climate change as one of our materialities (key issues), setting greenhouse gas reduction targets to curb CO₂ emissions, and in September 2022, we announced our endorsement of the TCFD recommendations, analyzing the impact of climate change-related risks and opportunities on our business activities and earnings, while considering measures to minimize risks and ensure opportunities are seized.

In FY 2025, we will review the results of our indicators and targets and utilize these in our initiatives going forward.

Governance

The Group has a system in place for the Board of Directors to consider various factors related to climate change when discussing management strategies. The SJC Group Sustainability Promotion Committee, consisting of the CEO and other members of the management team in principle, meets once every three months to administer and promote initiatives related to climate change to enhance effective implementation.

The Board of Directors receives a report every six months about the activities of the Committee and provides appropriate supervision and guidance on the achievement of targets, while decisions on important issues and indices are made at Board of Directors meetings to further facilitate such initiatives.

Strategy

While we are taking steps to minimize the risks associated with climate change, we believe that ensuring we seize opportunities and link them to profits is an essential process for achieving the SJC Group Vision 2030. Risks and opportunities are analyzed across multiple short-, medium-, and long-term time frames from the perspective of policies, regulations, technologies, and markets

during the transition phase to a decarbonized society, as well as the physical impacts of climate change.

Our time frames

Short-term: Through 2025

Medium-term: Through 2030

Long-term: Through 2050

Risk management

To ensure that the SJC Group's sustainability-related risk management process is appropriate, the SJC Group Sustainability Promotion Committee identifies company-wide risks and opportunities, which includes climate-related risks and opportunities, then evaluates the significance of the risks and opportunities while effectively utilizing outside knowledge and considering the degree of impact on management, timing of manifestation, financial impact, and other factors, and determine the optimal measures to be taken. Since climate change is related to the materiality of the Group, we regard it as a particularly important risk/opportunity that should be managed on a group-wide scale.



Materiality Report 3 Enhancement of decarbonization initiatives

Risks, opportunities, and response policy

Category	Risk type	Time frame	Business impact	Severity of impact	
				+1.5°C	+4.0°C
Risk	Policy and legal	Increase in tax burden on in-house CO ₂ emissions due to the introduction of a carbon tax	Medium to long-term	Increase in manufacturing costs	Large ↓ *1 ×
		Increase in electricity prices due to soaring energy costs stemming from low-carbon regulations	Medium to long-term	Increase in manufacturing costs (Improved for +4.0°C)	Small ↓ *2 Small ↑ *2
		Increase in raw material costs due to low-carbon restrictions on steel products and petroleum-derived products or demand fluctuations	Medium to long-term	Increase in manufacturing costs	Large ↓ *3 Large ↓ *3
	Typhoon, torrential rain	Asset damage and opportunity losses due to flooding, damage, and shutdown of production sites from increased flooding and landslides	Short to medium-term	Decrease in net sales Restoration expenses and asset damage	Medium ↓ *4 Medium ↓ *4

*1 The carbon price was sourced from the Net Zero Emissions by 2050 Scenario and the Stated Policies Scenario in the IEA World Energy Outlook 2022 (p. 465) and assumed to be a carbon tax per unit of emissions.

*2 Figures are calculated by estimating the rate of increase in electricity prices from the statistics in the Sustainable Development Scenario and the New Policies Scenario of the IEA World Energy Outlook 2018 (p. 471).

*3 Figures are calculated by estimating the rate of steel price increase based on the GLOBAL PRICE DEVELOPMENT HRC OF CRUDE STEEL (USD/TON) in 2DII The Transition Risk-o-Meter (p. 49). Figures are calculated by adding the assumed carbon tax impact to the value calculated by estimating the crude oil price increase rate according to the Fossil fuel prices by scenario in the IEA World Energy Outlook 2021 (p. 101).

*4 Evaluation of inundation risk for production sites was made using the World Resources Institute's (WRI) Aqueduct Floods and hazard maps for each municipality in Japan. Opportunity losses were calculated by multiplying the expected number of outage days per inundation height by the daily production output of the site in question while also taking into account the current status of production sites, with reference to the Physical Risk Evaluation Guide for TCFD Recommendations issued by the Ministry of Land, Infrastructure, Transport, and Tourism.

Risk type	Course of action
Increase in tax burden on in-house CO ₂ emissions due to the introduction of a carbon tax	Reduction of GHG emissions <ul style="list-style-type: none"> ● Reduction of energy consumption through production process reforms ● Utilization of renewable energy ● Continuing initiatives for energy conservation ● Enhancement of production efficiency through DX utilization, equipment maintenance, and productivity improvement
Increase in electricity prices due to soaring energy costs stemming from low-carbon regulations	
Increase in raw material costs due to low-carbon restrictions on steel products and petroleum-derived products or demand fluctuations	Early identification of the status of regulated materials and consideration of alternative materials <ul style="list-style-type: none"> ● Early collection of information through enhanced cooperation with suppliers ● Development of products focused on recycling, resource conservation, and biomass feedstock
Asset damage and opportunity losses due to flooding, damage, and shutdown of production sites from increased flooding and landslides	Strengthening the supply chain <ul style="list-style-type: none"> ● Identifying risks at each production site and promoting countermeasures ● Promotion of multiple purchasing, inventory strategies, and material switchovers based on purchasing strategies

Category	Opportunity type	Time frame	Severity of impact
Opportunity	Market	Increase in net sales due to higher market share of products contributing to sustainability	Medium-term ↑
		Description of impact	
		The Company has set a goal of achieving a 70% or higher net sales ratio of products contributing to sustainability by FY 2029 and is developing products that contribute to building a decarbonized society to achieve this goal. In the +1.5°C scenario, demand for such products is expected to be even stronger, which will have an incremental impact on the Company's net sales. Currently, the degree of impact has not been quantified due to a lack of information to assess the expected degree of demand fluctuation. Information will continue to be collected and analyzed going forward.	

Category	Opportunity type	Time frame	Severity of impact
Opportunity	Market	Increase in net sales due to increase in flood control works	Medium-term ↑
		Description of impact	
		Although the Company currently sells a line of products to meet the demand for flood control measures designed to prevent roads from flooding and rivers from rising, if the +4.0°C scenario is adopted, the demand for such products is likely to increase as typhoons and torrential rains are expected to cause greater damage. In response to such demand, the Company expects increased opportunities to contribute to minimizing damage and creating disaster-resistant cities. Currently, the degree of impact has not been quantified due to a lack of information to assess the expected degree of demand fluctuation. Information will continue to be collected and analyzed going forward.	

Future initiatives of the SJC Group

The SJC Group will continue to promote initiatives to address risks and opportunities anticipated in relation to climate change. While advancing our decarbonization efforts and further developing products contributing to sustainability through research and development, we will enhance the quantification of risks, improve forecasting accuracy, and strengthen necessary initiatives.

In addition, we will contribute to achieving a sustainable society while expanding our activities to affiliates that have become new consolidated subsidiaries.

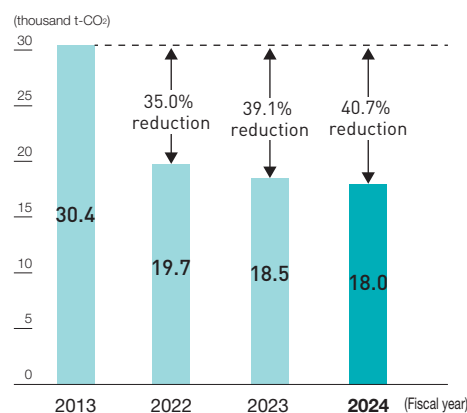
Materiality Report 3 Enhancement of decarbonization initiatives

Index, targets, and FY 2024 results

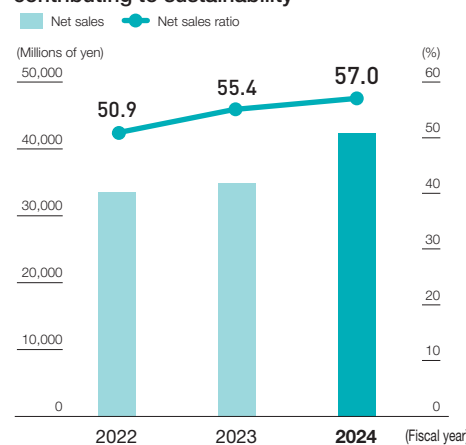
As a means to perform integrated management of climate change initiatives, the SJC Group has set non-financial targets as stated in the SJC Group Vision 2030, with progress managed and promoted by the SJC Group Sustainability Promotion Committee.

Index	Targets	Actual
Index for risk CO ₂ emission	Scope 1, 2 FY 2029: 46% reduction compared to FY 2013 FY 2024: 40% reduction compared to FY 2013	FY 2024 results: 40.7% reduction (target achieved)
Index for opportunity Net sales ratio of products contributing to sustainability	Target for FY 2029: Net sales ratio of 70% or more Target for FY 2024: Net sales ratio of 57% or more	FY 2024 results: 57.0% (target achieved)

Change in CO₂ emissions (Scope 1, 2)
(domestic production offices)



Net sales and net sales ratio of products contributing to sustainability



FY 2024 key initiatives

- Upgrade high-voltage transformers (Sanei Polymer Corporation)
- Optimize the size of industrial water pumps (Shiga Plant)
- Install solar panels (new admin/welfare building at Tsuchiura Plant, under Tsuchiura-Tsukuba Plant)
- Electrify forklifts
- Reduce CO₂ emissions through continuous production processes and reduction of the failure rate (at multiple locations), etc.

Topic Reducing CO₂ emissions through a new admin/welfare building at Tsuchiura Plant

At the Tsuchiura Plant(Tsuchiura-Tsukuba Plant), a new administrative and welfare building was completed in October 2024. The new building consolidates previously dispersed offices and adopts energy-saving measures such as multi-layer glass. Solar panels were installed on the building's roof and used with storage batteries to help reduce electricity consumption at the plant.



Solar panels installed on the roof of the admin/welfare building

Future initiatives

We will continue to introduce and upgrade energy-saving equipment and improve productivity (such as updating packaging band production lines and heating furnaces) while promoting the consolidation of production facilities, the optimization of production bases, and energy conversion. In addition, we will continue to use non-fossil certified electricity and install solar power systems on roofs when updating buildings (e.g., the Shiga Plant's admin/welfare building, planned as a Zero Energy Building, or ZEB), aiming to achieve a 46% reduction compared to FY 2013 by FY 2029.

Materiality Report 4 Expansion of 3R system deployment

Implementing the 3R System of Reduce, Reuse, and Recycle

3R initiatives

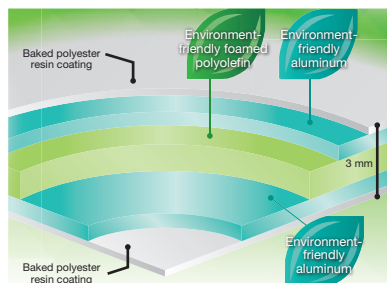
The SJC Group promotes initiatives that take the 3Rs into consideration at each stage of the product lifecycle.

Key initiatives

- Elimination of film when transporting and packaging mesh fence panels
- Use of thinner packaging bands for mesh fence panel transport
- Expansion of products that use less stretch film when transporting between plants
- Use of thinner packaging film

Utilizing biomass-derived raw materials

“Plametal Smart® Art Panel (metal-resin laminated composite board)” reduces the amount of petroleum-derived resin used by incorporating biomass-derived materials in addition to recycled materials (Certified with Biomass Mark by Japan Organics Recycling Association, Certification No. 230303). The aluminum foil used in this product is “ALmitas+ SMART,” an environmentally-friendly aluminum material from UACJ Corporation, which incorporates recycled materials and green ingots. Through this material composition, the product achieves approximately a 30% reduction in CO₂ emissions across the entire lifecycle—from raw material procurement to manufacturing, shipping, and disposal—compared to conventional products (internal estimate).



Material composition



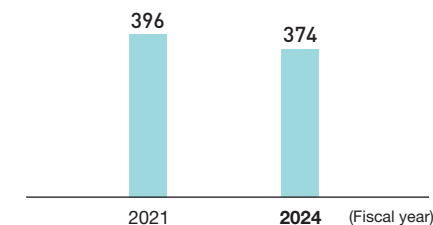
バイオマス
No.230303

この商品はアルミ樹脂積層複合板に植物由来の原料を使用しています

Reducing single-use plastic usage

Our production departments are working to reduce usage of single-use plastic (packaging material). In FY 2024, we reduced usage by 5.7% compared to FY 2021. The initiative details are shared among production departments and implemented across departments.

Single-use plastic usage (domestic production offices) (t)



* The scope of one-way plastic calculation has been expanded, and values have been revised retroactively for past fiscal years.

Topic

Commercialized a polypropylene strapping band made from recycled material derived from used clear holders and obtained Eco Mark certification

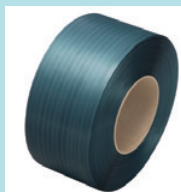
A polypropylene strapping band containing 25% recycled material derived from used clear holders collected by ASKUL Corporation was commercialized.

This product is Eco Mark certified under the name “SEKISUIJUSHI Matakuru Recycling PP Band” (Certification No. 24112012). It has a strong performance equivalent to that of virgin materials and is compatible with major domestic packaging machines.



Used clear holders

SEKISUIJUSHI
Matakuru
Recycled
PP Band



Other Environmental Management Initiatives

Collaboration with nature conservation groups and support for their activities

Continuing to support and participate in Japan Conference for 2030 Global Biodiversity Framework

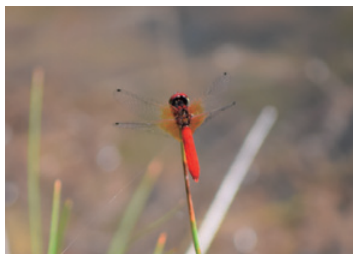
In an effort to support activities that contribute to biodiversity conservation and its sustainable use, since 2010, the Company has offered continuous aid to the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J). We continue to support the successor organization, the Japan Conference for 2030 Global Biodiversity Framework, aiming for the year 2030.



Registered in the international OECM database for the global 30by30 target

As part of domestic efforts to achieve the “30by30(*)” target, the Shiga Plant and Logistics Center were certified under the Ministry of the Environment’s Nationally Certified Sustainably Managed Natural Sites program, which began in FY 2023. These two conservation areas were recognized for the rare “oligotrophic wetlands” they preserve, their ongoing conservation efforts, and their use as venues for environmental education, including observation events. In August 2024, the sites were registered in the international “OECM” database.

(*) “30by30”: Goal to effectively conserve at least 30% of land and ocean ecosystems as healthy ecosystems by 2030.



Scarlet dwarf dragonflies (*Nannophya pygmaea*)—the smallest dragonflies in Japan—inhabit the two Nationally Certified Sustainably Managed Natural Sites



Nationally Certified Sustainably Managed Natural Site certificate



Topic

Initiatives utilizing “Nationally Certified Sustainably Managed Natural Sites” by the Ministry of the Environment



Following the certification of our “Nationally Certified Sustainably Managed Natural Sites,” we have seen an increase in opportunities to introduce our biodiversity efforts and host site visits to the certified areas. These occasions foster new connections.

Nature observation events at the Nationally Certified Sustainably Managed Natural Site

As a local collaboration initiative, nature observation events at the Logistics Center in partnership with the Higashiomi City Gamo Library have been held since 2013. The center is home to many scarlet dwarf dragonflies and rare plant species, and every year, many people participate through the library.



Nature observation event by Higashiomi City Gamo Library

FY 2024 key initiatives

Details	Remarks
Presentation of case studies at the “Environmental Conservation Staff Exchange Meeting – Field Seminar” / Hosting of site visits to a Nationally Certified Sustainably Managed Natural Site	Organizer: Lake Biwa Museum, Shiga Prefecture
Presentation of case studies at “MLGs Everyone's BIWAKO Conference / COP3 Subcommittee: Nature-Positive Management”	Secretariat: Department of Lake Biwa and the Environment, Shiga Prefecture
Presentation of case studies at “Nature-Positive Initiatives Using Nationally Certified Sustainably Managed Natural Sites”	Co-organizers: Kinki Regional Environmental Office, Ministry of the Environment Japan Association for Environment Assessment
Presentation of case studies at the “Higashiomi Regional Environmental Conservation Workshop”	Co-organizers: Higashiomi Office of Environmental Affairs, Shiga Prefecture Environmental Conservation Association of Shiga Prefecture
Presentation of case studies at the “Biodiversity Information Exchange Meeting”	Organizer: Department of Lake Biwa and the Environment, Shiga Prefecture
Hosting of site visits to Nationally Certified Sustainably Managed Natural Sites (Shiga Plant)	● Nature Conservation Bureau, Ministry of the Environment ● LACADIA University, Shiga Prefecture
In-house nature observation event at Nationally Certified Sustainably Managed Natural Sites (Shiga Plant)	Dragonfly observation event for employees and their families
Nature observation event at Nationally Certified Sustainably Managed Natural Sites (Logistics Center) (hosting external organizations)	● Higashiomi City Gamo Library (Shiga Prefecture) ● NPO GAMOUND KOUGEN CLUB

Corporate Governance

Basic policy and system

Basic policy on corporate governance

The Company recognizes that efficient management is indispensable to respond to the drastically changing business environment and that establishing corporate governance is important to improve management transparency and speed up decision-making. Based on the principles of the corporate governance code, we will strive to further improve the efficiency of the system.

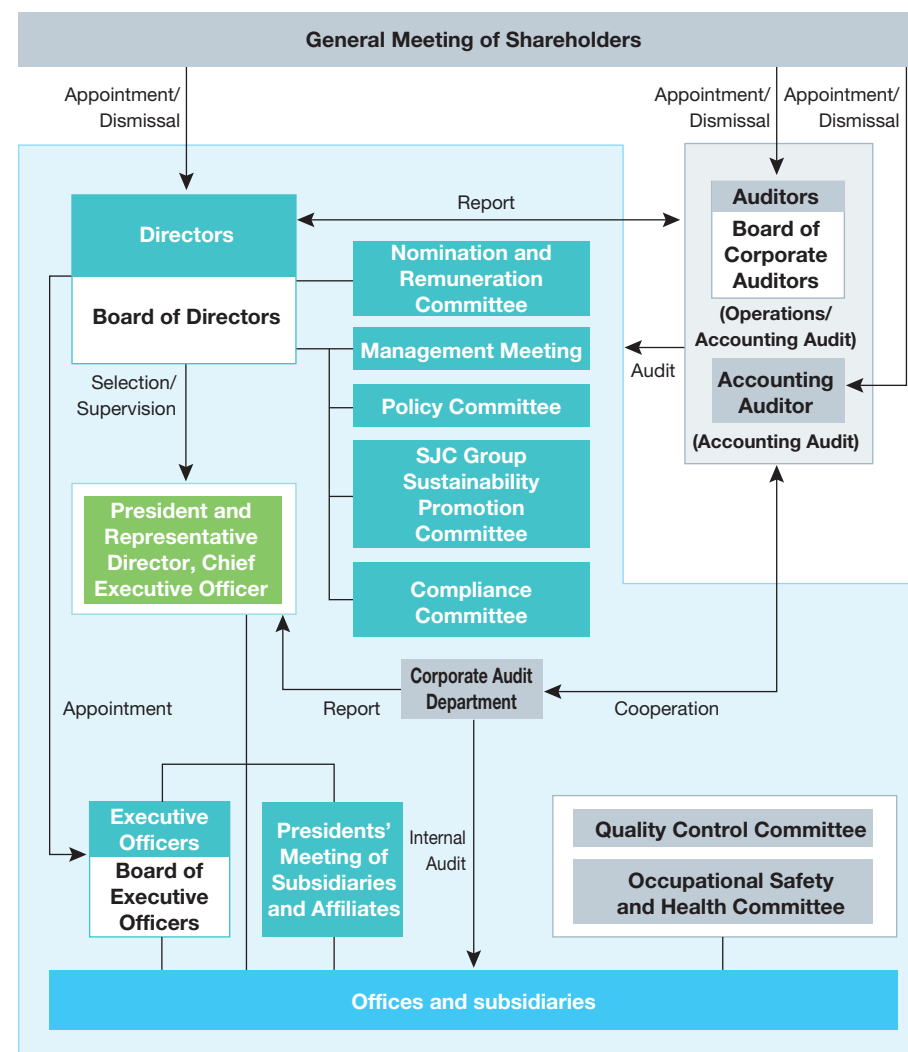
Corporate governance structure chart

The Company recognizes that an audit structure by auditors, including Outside Auditors, and supervision by the Board of Directors, including Outside Directors, are effective as management monitoring functions and has therefore adopted a corporate structure with a Board of Corporate Auditors in place.

Changes in initiatives to strengthen corporate governance

1999	Executive officer system (hiring type) introduced
2001	Reduced Director term of office from two years to one year
2007	Corporate Code of Conduct enacted
2007	Compliance Committee established
2012	New executive officer system (commission type) introduced
2019	New corporate philosophy established
2019	Nomination and Remuneration Committee established
2021	SJC Group Sustainability Promotion Committee established
2023	SJC Group Vision 2030 formulated
2023	New Corporate Code of Conduct enacted

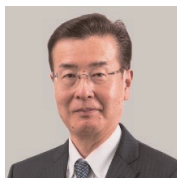
Corporate governance structure chart



The basic policy and other related matters are available on the Corporate Governance page of the Company's website. (Japanese only) [\[Link\]](#)

Officers

Directors



President and Representative Director, Chief Executive Officer Management, Corporate Headquarters

Hiroshi Baba

Career summary

Apr. 1987 Joined the Company
June 2007 Executive Officer of the Company
June 2009 Director of the Company
June 2012 Managing Executive Officer of the Company
June 2014 Senior Managing Executive Officer of the Company
June 2015 Executive Vice President and Representative Director of the Company
Apr. 2016 President and Representative Director, Chief Operating Officer of the Company
June 2020 Management, Corporate Headquarters of the Company (present position)
Apr. 2022 President and Representative Director, Chief Executive Officer of the Company (present position)



Director (Outside)
Satoko Ito

Career summary

Oct. 1989 Commenced activities as a newscaster
Apr. 2010 Visiting Professor, Graduate Institute for Entrepreneurial Studies
Apr. 2015 Part-time Lecturer, NIIGATA UNIVERSITY (present position)
June 2019 Director of the Company (present position)
June 2020 Corporate Auditor, MITANI SANGYO CO., LTD. (present position)
Director, The Juroku Bank, Ltd.
Oct. 2021 Director, Juroku Financial Group, Inc. (present position)
Apr. 2025 Representative Director, Ito Satoko Office (present position)
May 2025 Outside Director, IDOM Inc. (present position)



Director Executive Officer General Manager, Business Headquarters – The Growth Drivers, General Manager, Global Operations Department, Supervising Development Section of the Divisions, and Director in charge of Perovskite Solar Business of the Company

Nagaaki Miyoshi

Career summary

Apr. 1991 Joined the Company
Oct. 2015 Director and President, Sekisui Jushi Europe Holdings B.V. (present position)
Apr. 2018 Executive Officer of the Company (present position)
Apr. 2020 General Manager, Development Headquarters of the Company
Oct. 2022 Management, Business Development Department of the Company
Apr. 2023 General Manager, Business Headquarters – The Growth Drivers, General Manager, Global Operations Department of the Company (present position)
June 2023 Director of the Company (present position)
Apr. 2025 Supervising Development Section of the Divisions, and Director in charge of Perovskite Solar Business of the Company (present position)



Director (Outside)
Toshitaka Miyata

Career summary

Apr. 1975 Joined the Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)
Apr. 2005 Director-General, Kyushu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2006 Director-General, Road Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2008 Retired from Ministry of Land, Infrastructure, Transport and Tourism
Oct. 2010 Advisor, Metropolitan Expressway Company Limited
Oct. 2013 Representative Director and Senior Executive Officer, Metropolitan Expressway Company Limited
June 2016 Representative Director and President, Metropolitan Expressway Company Limited
May 2022 Chairman, Tokyo Metropolitan Road Council (present position)
June 2022 Chairman, Highway Industry Development Organization (present position)
June 2022 Director of the Company (present position)
June 2024 Outside Director, Yamau Holdings Corporation



Director (Outside)
Keiko Akaho

Career summary

Apr. 1986 Joined The Nihon Kogyo Shimbun, Ltd.
Apr. 2009 Kobe Branch Manager, The Nihon Kogyo Shimbun, Ltd.
Apr. 2011 General Manager of Industry Department No. 1, Headquarters Editorial Board, The Nihon Kogyo Shimbun, Ltd.
Apr. 2016 Chief of Osaka Branch Editorial Board, The Nihon Kogyo Shimbun, Ltd.
Apr. 2023 Management Support Specialist, Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (present position)
Apr. 2023 Economic journalist (present position)
June 2024 Director of the Company (present position)



Director Executive Officer General Manager, Business Headquarters – Private Sectors

Shuichiro Takabayashi

Career summary

Apr. 1988 Joined the Company
Apr. 2007 General Manager, Human Resources Department of the Company
Apr. 2014 Executive Officer of the Company (present position)
Apr. 2018 Deputy General Manager, Business Headquarters – Private Sectors of the Company
Apr. 2020 General Manager, Business Headquarters – Private Sectors, and General Manager, Exterior Materials & Building Materials Division of the Company
June 2022 President and Representative Director, Sekisui Jushi Plametal Corporation (present position)
Apr. 2024 General Manager, Business Headquarters – Private Sectors of the Company (present position)
June 2024 Director of the Company (present position)



Director (Outside)
Hiroshi Takano

Career summary

Apr. 1976 Joined Toyota Tsusho Corporation
Mar. 1999 Managing Director, Toyota Tsusho (Malaysia) Sdn. Bhd.
June 2005 Member of the Board, Toyota Tsusho Corporation President, Toyota Tsusho (Thailand) Co., Ltd.
Apr. 2006 Executive Officer, Toyota Tsusho Corporation (Position changed due to introduction of Executive Officer System)
June 2009 Managing Executive Officer, Toyota Tsusho Corporation
June 2011 Managing Director, Toyota Tsusho Corporation
June 2012 Senior Managing Director, Toyota Tsusho Corporation
June 2013 President and CEO, Toyota Logistics Service Co., Ltd.
June 2018 Director of the Company (present position)



Director Managing Executive Officer In charge of Finance and Investor Relations, General Manager, Corporate Headquarters – Management Strategy & Planning, General Manager, Legal & Public Relations Department

Tomoyuki Kikuchi

Career summary

Apr. 1990 Joined the Company
Apr. 2014 Executive Officer of the Company
Apr. 2021 Management, Corporate Administration of the Company
June 2021 Director of the Company
Apr. 2023 General Manager, Business Headquarters – Private Sectors of the Company
June 2023 Director, NIION KOGYO CO., LTD. (present position)
Oct. 2023 In charge of Finance and Investor Relations, and General Manager, Business Headquarters – Private Sectors of the Company
Apr. 2024 Managing Executive Officer of the Company (present position)
In charge of Finance and Investor Relations, and Management, Corporate Headquarters – Management Strategy & Planning of the Company (present position)
Apr. 2025 General Manager of Legal & Public Relations Department (present position)

Officers

Auditors



Full-time Auditor

Akihito Tada

Career summary

Apr. 1987 Joined the Company
 Apr. 2007 General Manager, Business Support Department of the Company
 Oct. 2010 General Manager, Human Resources Department of the Company
 Oct. 2013 General Manager, Lifestyle and Agribusiness Division, Industrial and Lifestyle Business Headquarters of the Company
 Oct. 2017 Manager, Responsible for Corporate Audit Department of the Company
 July 2018 General Manager, Corporate Audit Department of the Company
 June 2019 Corporate Auditor, NIHON KOGYO CO., LTD.
 June 2021 Full-time Auditor of the Company (present position)



Full-time Auditor

Katsuyoshi Sasaki

Career summary

Apr. 1991 Joined the Company
 Apr. 2016 Executive Officer of the Company
 June 2017 Plant Manager, Shiga Plant of the Company
 June 2019 Director of the Company
 Apr. 2021 Managing Executive Officer of the Company
 Oct. 2021 Management of the Technology, Development, and Production Departments, and General Manager, Technology Center of the Company
 June 2023 Sustainability Manager, Manager for Safety, Quality, and Environment, and Purchasing Manager of the Company
 Apr. 2024 Sustainability Manager of the Company
 June 2024 Corporate Auditor, NIHON KOGYO CO., LTD. (present position)
 June 2024 Full-time Auditor of the Company (present position)



Auditor (Outside)

Akira Tsujiuchi

Career summary

Feb. 1978 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
 Mar. 1982 Registered as a certified public accountant
 June 1998 Partner, Deloitte Touche Tohmatsu LLC
 June 2019 Retired from Deloitte Touche Tohmatsu LLC
 July 2019 Head of Tsujiuchi Accounting Office (present position)
 Jan. 2020 Director, Gakujo Co., Ltd. (present position)
 June 2020 Auditor of the Company (present position)
 June 2021 Corporate Auditor, GS Yuasa Corporation (present position)

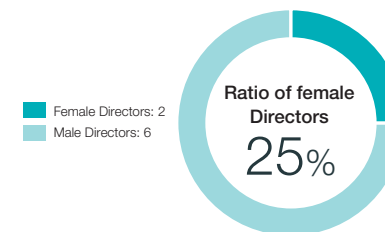
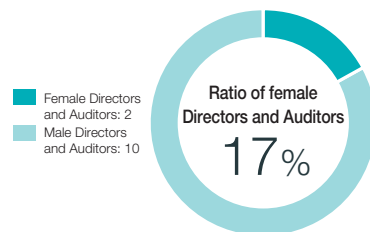
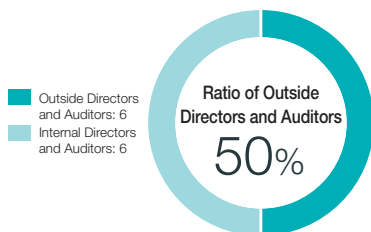


Auditor (Outside)

Kenzaburo Yazawa

Career summary

Apr. 1991 Commissioned as a Public prosecutor
 Jan. 2019 Prosecutor, Supreme Public Prosecutors Office (in charge of Inspection and Public Security)
 July 2019 Chief Prosecutor, Gifu District Public Prosecutors Office
 Apr. 2021 Deputy Prosecutor, Osaka District Public Prosecutors Office
 June 2022 Deputy Prosecutor, Osaka High Public Prosecutors Office
 Jan. 2023 Resigned as prosecutor
 Apr. 2023 Registered as an attorney (Osaka Bar Association)
 Apr. 2023 Of Counsel, Umeda Law Office (present position)
 Apr. 2024 Visiting Professor, Kansai University (present position)
 June 2024 Auditor of the Company (present position)



Skills Matrix for Directors and Auditors

In order to carry out the basic policies, objectives, and key actions in the SJC Group Vision 2030 and Medium-term Management Plan 2027, we have defined the knowledge, experience, and skills particularly expected of officers based on maximizing the value of human capital, expanding through growth strategies,

promoting sustainability management, and engaging in management with an awareness of capital costs and stock price.

The table below shows the knowledge, experience, and skills particularly expected of officers, however it does not contain all the knowledge possessed by each officer.

Name	Gender	Position	Board of Directors meetings (Attendance in FY 2024)	Board of Corporate Auditors meetings (Attendance in FY 2024)	Knowledge, experience, and skills particularly expected								
					Management	Maximizing the value of human capital	Expanding through growth strategies			Promoting sustainability management		Engaging in management with an awareness of capital costs and stock price	
					Corporate management	Personnel, labor, and human resources development	IT, digital technology, and innovation	Business strategy, sales, and marketing	Global operations	Environment and society	Compliance and risk management / Safety, quality, and production	Finance and accounting / Capital allocation	IR (PR) and branding
Hiroshi Baba	Male	President and Representative Director	14/14	—	●	●		●	●	●	●		●
Toshitaka Miyata	Male	Director (Outside)	14/14	—	●	●					●		
Hiroshi Takano	Male	Director (Outside)	14/14	—	●			●	●				
Satoko Ito	Female	Director (Outside)	13/14	—		●		●		●			●
Keiko Akaho	Female	Director (Outside)	11/11	—						●			●
Tomoyuki Kikuchi	Male	Director	14/14	—	●	●	●			●	●	●	●
Nagaaki Miyoshi	Male	Director	14/14	—	●		●	●	●				
Shuichiro Takabayashi	Male	Director	11/11	—	●	●		●					
Akihito Tada	Male	Full-time Auditor	14/14	16/16		●					●	●	
Katsuyoshi Sasaki	Male	Full-time Auditor	11/11	12/12						●	●		
Akira Tsujiuchi	Male	Auditor (Outside)	13/14	16/16							●	●	
Kenzaburo Yazawa	Male	Auditor (Outside)	11/11	12/12		●					●		

Effectiveness of the Board of Directors / Nomination and Remuneration Committee

Effectiveness of the Board of Directors

Recognizing the importance of enhancing board effectiveness to realize the SJC Group Vision 2030 and improve sustainable corporate value, we are implementing improvement measures based on evaluations of effectiveness in a phased manner.

FY 2024 key initiatives

Category	Initiatives
Overall effectiveness	Discussions on improving effectiveness of the Board of Directors
	Effectiveness evaluation survey
Board operations	Advance briefings on key agenda items
	Advance provision of video briefings
Information provision to outside officers	Roundtable discussions with executive officers
	Plant visits
	Provision of basic data on management resources

In FY 2025, we will build on the previous year's survey results to further strengthen coordination between the Board of Directors and the executive side, and enhance board operations to support the achievement of medium- to long-term goals and corporate value enhancement.



Visit to Ishikawa Plant

Nomination and Remuneration Committee

In order to strengthen corporate governance of the Company and further improve the objectivity of management, we have established the Nomination and Remuneration Committee as an advisory body to the Board of Directors. Chaired by an independent Outside Director to enhance transparency and objectivity, the Nomination and Remuneration Committee thoroughly evaluates and reports to the Board of Directors on personnel matters and remuneration of Directors in response to inquiries from the Board of Directors.

[Committee Chairperson] Toshitaka Miyata (Independent Outside Director)

[Committee Members] Hiroshi Baba (President and Representative Director, CEO), Hiroshi Takano (Independent Outside Director), Satoko Ito (Independent Outside Director), Keiko Akaho (Independent Outside Director)

Details of discussion at the Nomination and Remuneration Committee

As of June 25, 2025

Matters related to personnel affairs	Matters related to remuneration
1 Director personnel affairs policy	1 Director remuneration policy
2 Appointment/dismissal of Directors	2 Remuneration system for Directors
3 Selection/dismissal of the Representative Director and Directors with management positions	3 Remuneration of individual Directors
4 Appointment/dismissal of Executive Officers	4 Remuneration system for Executive Officers
	5 Remuneration of individual Executive Officers

Remuneration for Officers (Policy and Amount) / Status of Reducing Cross-Shareholdings

Officer remuneration

Policy for determining Director remuneration

To establish a remuneration system that is linked to shareholder returns and serves as an incentive to continuously enhance corporate value, a discussion was held at the Nomination and Remuneration Committee Meeting to draft a policy for determining the details of remuneration and other compensation for each individual Director (the “Determination Policy”), and the Board of Directors, upon careful consideration of the Committee’s report, resolved to adopt the Determination Policy.

[Basic policy]

The Company’s remuneration system for Directors is linked to shareholder returns to serve as an incentive to sustainably enhance corporate value, and the remuneration of each Director is determined appropriately based on their position, responsibilities, and other relevant factors. The remuneration for Directors responsible for business execution consists of basic remuneration, bonuses, and restricted stock compensation, while the remuneration for Outside Directors consists of basic remuneration and restricted stock compensation, all of which is paid within the range of the total amount of remuneration approved at the General Meeting of Shareholders.

[Policy for determining the details of individual basic remuneration (monetary remuneration)]

The basic remuneration for Directors shall be determined within the remuneration limit approved at the General Meeting of Shareholders, based on monthly remuneration per their position and responsibilities, and shall be revisited as necessary in consideration of business performance, the level of other companies, social conditions, and other factors.

[Policy for determining the details and calculation method of the amount/number of shares of performance-linked remuneration]

Performance-linked remuneration consists of short-term performance-linked remuneration and medium-term performance-linked remuneration.

For short-term performance-linked remuneration, a bonus is paid as monetary remuneration at a certain time each year. Among the Directors responsible for business execution, in order to maximize the incentive for improving corporate value through achievement of performance targets for each fiscal year, the amount to be paid is decided with overall consideration for operating profit and other important performance indicators of the Company and the Group, as well as other factors such as the conditions of the departments which each Director is responsible for.

Medium-term performance-linked remuneration is paid as share awards at a certain time each year. The number of shares is decided according to factors including medium-term growth in corporate value and shareholder value for the Directors responsible for business execution, and ordinary shares of the Company are provided with restrictions on their transfer during the term of office.

Officer remuneration, etc.

(FY 2024)

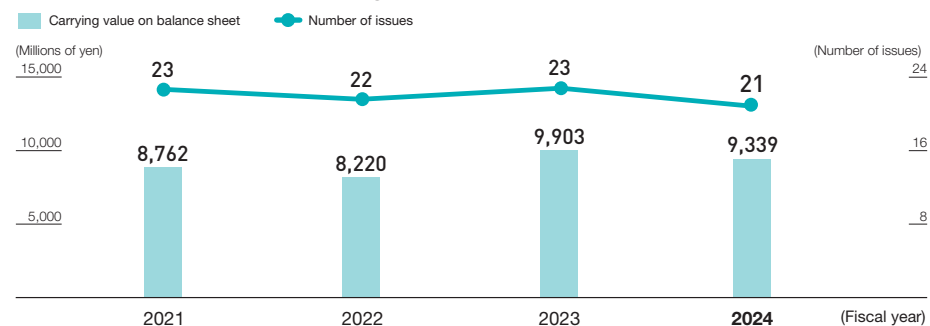
Classification	Total amount of remuneration	Total amount of remuneration by type			Number of eligible officers
		Basic remuneration	Bonus	Restricted stock compensation	
Directors	205 million yen	119 million yen	63 million yen	22 million yen	10
Auditors	48 million yen	48 million yen	—	—	7
Total (outside officers)	254 million yen (66 million yen)	168 million yen (63 million yen)	63 million yen (—)	22 million yen (2 million yen)	17 (8)

* Total amount of remuneration does not include employee salary, etc., of Directors who concurrently serve as employees.

Status of Reducing Cross-Shareholdings

To ensure sustainable growth into the future, the Company recognizes that cooperative relationships with various companies are indispensable in many areas, including production, development, and sales. To this end, we will pursue a policy of holding shares in business partners only when the Company deems it beneficial and essential for creating new business fields and establishing and strengthening business relationships. The rationale for holding these assets is closely evaluated and reviewed regularly, considering the purposes for which they are held, the benefits and risks associated with holding these assets, and the cost of capital. In FY 2024, the Company sold three listed stocks (including partial sales) for a total sale value of 390 million yen. As a result, as of March 31, 2025, the number of listed stocks held by the Company for purposes other than pure investment stands at 21, and the amount recorded on the balance sheet is 9,339 million yen.

Status of cross-shareholdings (listed stocks)

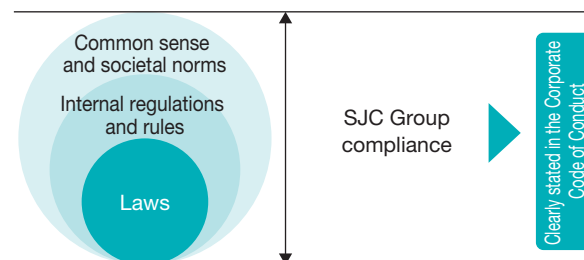


Ensuring Compliance and Respecting Human Rights

Compliance

The SJC Group has established the SJC Group Corporate Code of Conduct, which sets forth how we should act as corporate members, and the compliance principles outlined therein are shared by all officers and employees.

Compliance is understood broadly to mean not only observing laws and internal rules, but also acting in good faith based on corporate ethics, and every employee endeavors to put it into action in his or her daily work.

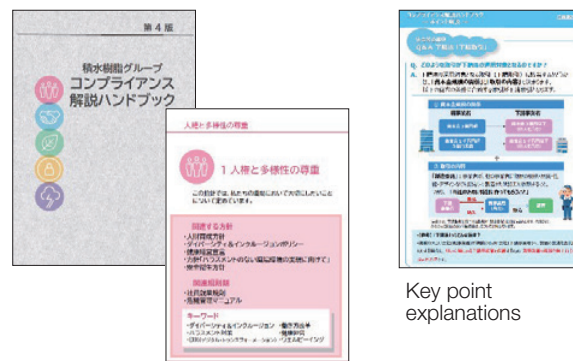


Educational activities

Educational activities utilizing an explanatory handbook

The Compliance Explanatory Handbook, which provides an explanation of the Corporate Code of Conduct, is distributed to all officers and employees of the Group to raise awareness. In June 2023, we renovated the previous Compliance Explanatory Handbook, revising it to increase the explanation pages and improve readability.

As material to supplement this handbook, we regularly post Key Point Explanations on the company intranet, which are used for educational activities in each workplace.



Compliance Explanatory Handbook

Internal reporting system

We have introduced an internal reporting system for quickly identifying and rapidly correcting any improper, illegal, or immoral acts. This system can be used by all Group officers and employees by selecting either the company contact or the external contact (attorney).

In November 2022, we established an external consultation contact specifically for reporting problems of workplace harassment, and have constructed a system where professionals provide consultations to address harassment.

Regular compliance reports

In order to prevent or rapidly identify compliance

problems, and to study and carry out company-wide measures, we have constructed a system wherein persons responsible for compliance assigned in each department regularly report the status of activities and issues to the Compliance Committee.

This enables company-wide sharing of positive examples implemented by individual departments, as well as near-miss incidents which occurred during the fiscal year, and helps to improve compliance awareness throughout the Group.

Respect for human rights

The SJC Group Corporate Code of Conduct sets forth respect for the human rights of all people both in Japan and overseas, acting equally and fairly, realizing working styles that respect the diversity and individuality of employees, and securing safe and comfortable workplace environments.

In order to realize workplace environments in which diverse human resources respect each other's diverse values and where there is no discrimination or prejudice based on birth, nationality, race, creed, gender, disability, or sexual minority (LGBT) status, we conduct training on human rights issues through lectures, e-learning, and other methods, including onboarding programs for new graduates and mid-career hires, and engage in awareness-raising activities.

Enhancing Product Quality and Safety Management

Quality control system

It is the basic policy of the SJC Group to provide quality which meets customer trust and expectations, and we have constructed a quality management system based on ISO 9001. We carry out complete management at all stages from design and development to production, and are working to continually improve our quality control activities. At each production site, monthly quality meetings are held to monitor the progress of quality targets, key implementation items, and promotional plans set annually, aiming to enhance quality and produce products that meet customer expectations. The Shiga Plant where our design and development sites are located includes a performance verification testing track, and is equipped with a driving tester, falling weight tester, acoustic measurement test building, and other facilities that enable full-scale evaluations of actual products. During product development, in addition to verification by simulations, this test equipment is used to conduct verification tests of the final safety, reliability, and durability of actual products, and to evaluate and improve product quality so that our customers can be confident when using our products.

When information about complaints from customers



Performance verification using actual vehicle collision tests

is received by sales departments, the quality control departments, manufacturing departments, and engineering departments cooperate to investigate and respond not only to that complaint but also similar cases, and implement measures to prevent recurrence. Reports are made to the Board of Directors every six months, and are utilized to discuss and improve the quality control system.

Enhancing safety management

Under the policy of Human Resources First, we are promoting activities to improve workplace and working environments where all employees can work in physical and mental comfort, while raising awareness of “safety first.” The entire SJC Group is working to eliminate occupational accidents through safety and health activities.

We are working to develop persons who never experience occupational accidents by making 4RKYT an established custom that is applied to improve sensitivity to hazards at production sites, and by having each individual carry out hazard prediction. We carry out safety training using our safety dojo, and conduct follow-ups through regular interviews to ensure that less-experienced workers do not encounter unsafe work or worrying circumstances.

In light of workforce fluidity and the growing proportion of older workers, we commissioned a safety assessment by an external organization. In terms of health, workplace patrols are conducted by an industrial physician, and patrols for the use of and management of protective equipment are

conducted by a specialist agency. While obtaining external opinions including health consultations with public health nurses, we are improving the workplace and working environments and carrying out health management.

Topic

Safety assessment by the Japan Industrial Safety & Health Association

In March 2025, a certified safety manager conducted a safety assessment at the Shiga Plant.

The assessment focused on responding to workforce diversification, multi-skilling, and age-friendly measures, providing expert insights to support future improvements in workplace safety. Based on the results, we are working to improve workplace safety and plan to conduct similar assessments at other plants in FY 2025.



Safety inspection conducted by a safety manager

Financial Targets (Consolidated)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Net sales (millions of yen)	68,052	70,123	67,826	68,840	67,043	67,727	64,735	65,903	65,897	62,790	74,231
Operating profit (millions of yen)	9,152	9,664	9,906	10,345	10,082	10,353	10,669	10,883	9,007	6,298	5,011
Ordinary profit (millions of yen)	9,456	9,878	10,198	10,786	10,647	10,860	11,259	11,397	9,501	6,969	5,447
Profit attributable to owners of parent (millions of yen)	6,209	6,328	6,576	7,217	7,055	7,167	7,546	7,662	6,653	4,671	3,544
EBITDA (millions of yen)	10,613	10,916	10,951	11,390	11,124	11,483	11,808	12,005	10,204	7,551	8,552
Comprehensive income (millions of yen)	9,807	4,307	8,045	8,257	6,153	6,688	9,956	6,514	7,422	6,370	4,954
Net assets (millions of yen)	80,530	83,262	89,208	95,606	99,761	101,793	108,711	108,387	111,589	98,829	97,441
Total assets (millions of yen)	112,444	111,727	119,175	125,664	129,351	129,997	138,555	135,606	139,366	135,018	139,345
Net assets per share (yen)	1,785.63	1,843.67	1,984.03	2,125.71	2,216.41	2,316.27	2,494.52	2,604.27	2,735.54	2,968.51	3,090.55
Earnings per share (yen)	139.76	142.45	148.04	162.46	158.82	162.62	174.13	184.23	163.75	131.20	112.06
Dividends (yen)	33	36	38	44	48	50	56	62	63	65	70
Dividend payout ratio (%)	23.6	25.3	25.7	27.1	30.2	30.7	32.2	33.7	38.5	49.5	62.5
Equity ratio (%)	70.6	73.3	74.0	75.1	76.1	77.3	77.4	78.8	78.9	72.0	68.7
Return on equity (%)	8.3	7.9	7.7	7.9	7.3	7.2	7.3	7.2	6.1	4.5	3.7
Price-earnings ratio	11.5	10.6	12.5	14.2	12.3	12.2	12.0	9.6	12.7	18.2	17.1
Cash flows from operating activities (millions of yen)	7,092	9,286	8,198	7,813	8,448	9,622	9,286	8,792	4,946	1,104	6,211
Cash flows from investing activities (millions of yen)	[5,999]	267	25	[873]	[3,130]	[3,878]	[538]	[2,322]	[3,170]	[6,934]	[3,397]
Cash flows from financing activities (millions of yen)	[1,352]	[1,973]	[2,260]	[2,164]	[2,195]	[4,695]	[3,377]	[6,870]	[4,233]	[24,409]	[2,382]

Note: For FY 2024, provisional accounting procedures related to business combinations have been finalized, and figures for FY 2023 have been adjusted to reflect the finalized content of the provisional accounting procedures.

Non-financial Targets

Environment-related items

	Target scope	FY 2021	FY 2022	FY 2023	FY 2024
CO ₂ emissions (thousands t-CO ₂)	SJC Group	29.0	25.5	24.2	28.0
	Domestic	22.5	19.7	18.5	18.0
	Overseas	6.5	5.8	5.7	10.0 ^(*)
CO ₂ emissions per unit (t-CO ₂ /million yen)	SJC Group	0.48	0.43	0.43	0.43
Energy consumption (thousands GJ)	SJC Group	521	492	458	571
	Domestic	405	387	356	347
	Overseas	116	105	102	224 ^(*)
Energy consumption per unit (GJ/million yen)	SJC Group	8.59	8.30	8.24	8.67 ^(*)
Water consumption (thousands t)	Domestic	965	986	1,083	1,034
Water consumption per unit (t/million yen)	Domestic	17.1	17.8	20.9	18.8
Chemical substance releases (t)	Domestic	12.0	11.2	13.2	14.2
Chemical substance transfers (t)	Domestic	9.8	8.0	10.6	10.2
Chemical substance releases and transfers per unit (kg/million yen)	Domestic	0.39	0.35	0.46	0.44
Waste generated (t)	SJC Group	2,775	2,895	3,113	3,364
	Domestic	2,560	2,707	2,961	2,835
	Overseas	215	188	152	529 ^(*)
Waste generated per unit (kg/million yen)	SJC Group	45.76	48.82	56.04	51.08

(*) The figures have increased due to the inclusion of the WEMAS Group starting in FY 2024.

Society-related items

	Target scope	FY 2021	FY 2022	FY 2023	FY 2024
Number of employees	SJC Group	1,295	1,282	1,514	1,609
	Non-consolidated	439	444	481	773
	Group	856	838	1,033	836
Ratio of female employees (%)	Domestic	1,064	1,056	1,158	1,222
	Overseas	231	226	356	387
	Non-consolidated	14.1	15.8	17.1	20.6
Number of recent graduates hired	Domestic	19	13	17	27
	Non-consolidated	10	8	11	21
	Group	9	5	6	6
Number of mid-career hires	Domestic	27	64	81	90
	Non-consolidated	0	27	36	54
	Group	27	37	45	36
Number of employees with disabilities	Non-consolidated	15	14	16	24
Ratio of employees with disabilities (%) ^(*)	Non-consolidated	3.4	3.2	3.3	2.9
Average employee age	Non-consolidated	44.1	44.9	45.2	44.4
Paid leave taking rate (%)	Non-consolidated	43.8	49.2	57.2	64.2
Overtime working hours (average hours per person per month)	Non-consolidated	11 hours 40 minutes	12 hours 50 minutes	13 hours 40 minutes	11 hours 20 minutes

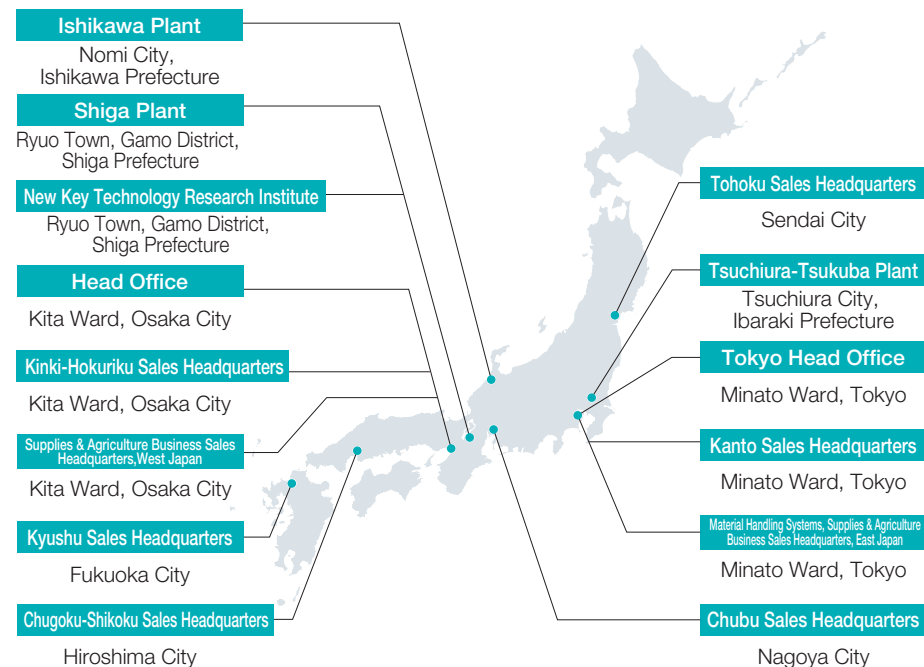
(*) Calculated based on the statutory employment rate system under the Act to Facilitate the Employment of Persons with Disabilities.

Company Information (As of March 31, 2025)

Company overview

Company name	Sekisui Jushi Corporation
Established	November 26, 1954
Share capital	12,334 million yen
Consolidated number of employees	1,609
Exchange where listed	Tokyo Stock Exchange Prime Market
Securities code	4212
Consolidated subsidiaries	25
Affiliated companies accounted for by the equity-method	2

Site information

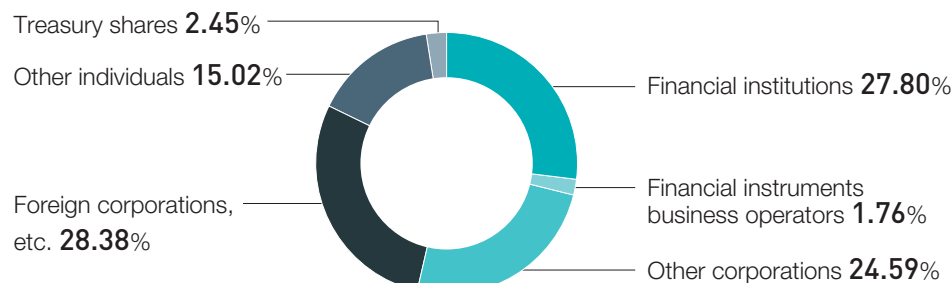


Stock Information (As of March 31, 2025)

Overview of shares

Total number of authorized shares	128,380,000
Total number of issued shares	31,813,598
Number of shareholders	5,281

Share distribution by shareholder



Major shareholders

Shareholder name	Shares owned (thousands shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	4,502	14.51
Custody Bank of Japan, Ltd. (trust account)	1,706	5.50
Sekisui Chemical Co., Ltd.	1,533	4.94
NIPPON ACTIVE VALUE FUND PLC	1,500	4.83
Sekisui House, Ltd.	991	3.19
The Dai-ichi Life Insurance Company, Limited	865	2.79
Sekisui Kasei Co., Ltd.	816	2.63
STATE STREET BANK AND TRUST COMPANY 505001	798	2.57
Jueikai Shareholding Association	733	2.36
MUFG Bank, Ltd.	560	1.81

Main Group Company Information (As of March 31, 2025)

Domestic group companies

Fukui Prefecture

EXTILE CO., LTD.

Manufacture and sales of exterior products

Shiga Prefecture

SPACIO. Co., Ltd.

Manufacture and sales of ready-to-assemble system pipes and related materials

Ohmi Tec Corporation

Manufacture, processing, and sales of road traffic safety equipment

Sekisui Jushi Logistics Co., Ltd.

General logistics operations for the SJC Group

Osaka City

Sekisui Jushi Trading Co., Ltd.

Engaged in sales of SJC Group products, manufacturing and sales of housing and office service products, and general insurance agency business

Yamaguchi Prefecture

Sanei Polymer Corporation

Manufacture and sales of package strapping bands

Mie Prefecture

Tokai Sekisui Jushi Corporation*

Manufacture, processing, and sales of road signs

* Company name was changed from SJC Kotobuki Co., Ltd. on July 1, 2024.

Hokkaido

RIKEN KOGYO Inc.

R&D, manufacture and sales, etc. of snow and wind protection measures products

Nagano Prefecture

Sekisui Jushi Plametal Corporation

Manufacture and sales of metal-resin composite materials

Gunma Prefecture

Kanto Sekisui Jushi Corporation

Manufacture, processing, and sales of road signs, protective fences, and other road traffic safety equipment

Miyagi Prefecture

Tohoku Sekisui Jushi Corporation

Manufacture, processing, and sales of road materials

Tokyo

NIPPON LINER CO., LTD

Traffic safety-related construction, development and sales of traffic safety products

Sekisui Jushi CAP-AI System Co., Ltd.

Manufacture, processing, and sales of digital picking systems

Overseas group companies

Germany

WEMAS Absperntechnik GmbH

Manufacture and sales of road safety products

The Netherlands

Sekisui Jushi Europe Holdings B.V.

Holding company in Europe

Sekisui Jushi Strapping B.V.

Manufacture and sales of package strapping bands

Jislon (Europe) B.V.

Sales of traffic safety materials

Jiangsu Province, China

Wuxi Sekisui Jushi Strapping Co., Ltd.

Manufacture and sales of package strapping bands

The Philippines

Summit Strapping Corporation

Manufacture and sales of package strapping bands

Thailand

Sekisui Jushi (Thailand) Co., Ltd.

Manufacture, processing, and sales of products related to automobile components, sales of traffic safety products

Company History

Nov. 1954	Under the trade name Adoheya Shiko Corporation, founded the main branch at 1 Soze-cho, Kita-ku, Osaka, and founded the head office and Osaka Plant at 1-116 Ikue-cho, Asahi-ku, Osaka. With share capital of 4 million yen, began manufacture and sales of Adoheya envelopes utilizing a special adhesive.
Dec. 1954	Changed the trade name to Adoheya Kako Corporation.
Nov. 1961	Founded Adoheya Sansho Corporation (now Sekisui Jushi Trading Co., Ltd.).
May 1962	Opened the Hirakata Plant.
May 1963	Changed the trade name to Sekisui Adoheya Kogyo Corporation.
May 1968	Opened the Tsuchiura Plant.
Apr. 1970	Founded Adoheya Service Corporation (now Sekisui Jushi Trading Co., Ltd.).
June 1970	Changed the trade name to Sekisui Jushi Corporation.
Oct. 1970	In order to change the share par value, conducted an absorption-type merger with Sekisui Jushi Corporation (former trade name: Nisshin Steel Co., Ltd.) located at 1-116 Ikue-cho, Asahi-ku, Osaka.
Oct. 1970	Founded Tohoku Jislon Corporation (now Tohoku Sekisui Jushi Corporation).
Apr. 1971	Listed on the Second Section of the Osaka Stock Exchange.
May 1971	Opened the Shiga Plant.
Apr. 1972	Opened the Ishikawa Plant.
Oct. 1973	Listed on the Second Section of the Tokyo Stock Exchange.
Jan. 1974	Founded Sekisui Jushi B.V. (now Sekisui Jushi Europe Holdings B.V.).
Nov. 1978	Transferred the Osaka Plant and absorbed it into the Hirakata Plant, and established the Development Department at the same site.
Jan. 1982	Adopted a Business Headquarters system.
Sept. 1986	Moved to the First Section of the Tokyo Stock Exchange and Osaka Stock Exchange.
June 1987	Opened the Ryuo Plant.
Feb. 1989	Acquires shares in Kotobuki Sangyo Co., Ltd. (now Tokai Sekisui Jushi Corporation).
Oct. 1989	Adopted a sales core branch system, and established sales offices under the Sales Headquarters.
Apr. 1990	Adopted a division business department system (sub-department system).
May 1990	Opened the Tsukuba Plant.
Oct. 1990	Opened the R&D Plaza new research and development center and the Hiroshima Tojo Plant (now the Hiroshima Tojo Plant under the Tsuchiura-Tsukuba Plant).
Oct. 1990	Founded CAP-AI System Co., Ltd. (now Sekisui Jushi CAP-AI System Co., Ltd.).
Apr. 1991	Opened the Design Plaza (design office).
Jan. 1994	Opened the Tokyo Head Office.
Feb. 1994	Acquired shares in Polycolor Kogyo Co., Ltd. (now Sekisui Jushi Plametal Corporation).
July 1995	Opened the Yukiguni Product Institute.
Aug. 1995	Acquired shares in Road Enterprise Co., Ltd.
Apr. 1996	Merged the Shiga Plant and Ryuo Plant and changed the name to the Shiga-Ryuo Plant. Merged the Tsuchiura Plant and Tsukuba Plant and changed the name to the Tsuchiura-Tsukuba Plant.

Oct. 1996	Founded Sekisui Jushi Philippines Corporation (now Summit Strapping Corporation).
Oct. 1997	Founded SPACIO. Co., Ltd.
Feb. 1999	Founded Kanto Sekisui Jushi Corporation.
June 1999	Adopted an internal company system and introduced an executive officer system.
Apr. 2002	Abolished the internal company system and adopted a Business Headquarters system.
June 2002	Founded Wuxi Sekisui Jushi Strapping Co., Ltd.
June 2004	Changed the name of the Shiga-Ryuo Plant to the Shiga Plant.
Sept. 2004	Closed the Hirakata Plant.
Dec. 2004	Acquired shares in Sanei Polymer Corporation
Oct. 2006	Sekisui Jushi Plametal Corporation opened the Kanto Plant.
Apr. 2007	Closed the Yukiguni Product Institute.
Oct. 2007	Moved the Business Headquarters to Tokyo.
Jan. 2009	Made Sanei Polymer Corporation a wholly-owned subsidiary.
Jan. 2011	Made Sekisui Jushi B.V. into a Europe holding company, and changed the trade name to Sekisui Jushi Europe Holdings B.V. Established Sekisui Jushi Strapping B.V. and Jislon (Europe) B.V. under Sekisui Jushi Europe Holdings B.V.
June 2011	Acquired shares in Daiply Systec (Thailand) Co., Ltd. (now Sekisui Jushi (Thailand) Co., Ltd.).
June 2012	Introduced a new executive officer system.
June 2012	Sekisui Jushi Europe Holdings B.V. acquired shares in Beamex B.V.
Oct. 2012	Jislon (Europe) B.V. merged with Beamex B.V.
Mar. 2015	Acquired shares in NIPPON LINER CO., LTD.
Mar. 2017	Made SPACIO. Co., Ltd. a wholly-owned subsidiary.
May 2018	Reorganized the Hiroshima Tojo Plant to form the Hiroshima Tojo Plant under the Tsuchiura-Tsukuba Plant.
May 2018	Made Sekisui Jushi CAP-AI System Co., Ltd. a wholly-owned subsidiary (including indirect ownership).
Nov. 2019	Formulated a new Group corporate philosophy to mark the 65th anniversary of our founding.
Apr. 2022	Moved to the Tokyo Stock Exchange Prime Market.
Mar. 2023	Sold shares in Road Enterprise Co., Ltd.
Dec. 2023	Acquired shares in EXTILE CO., LTD.
Jan. 2024	Acquired shares in WEMAS TopCo GmbH.
Nov. 2024	Merged Shiga Sekisui Jushi Corporation, Hokuriku Sekisui Jushi Co., Ltd., Tsuchiura-Tsukuba Sekisui Jushi Corporation and Hiroshima Sekisui Jushi Co., Ltd.
Dec. 2024	Acquired shares in RIKEN KOGYO Inc.

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Department Responsible for Publication

Legal & Public Relations Department