SEKISUI JUSHI

SJC Group

Integrated Report '2026

SEKISUI JUSHI CORPORATION

Contents and Editorial Policy

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 2025

Note: Material matters also cover from FY 2025 onward.

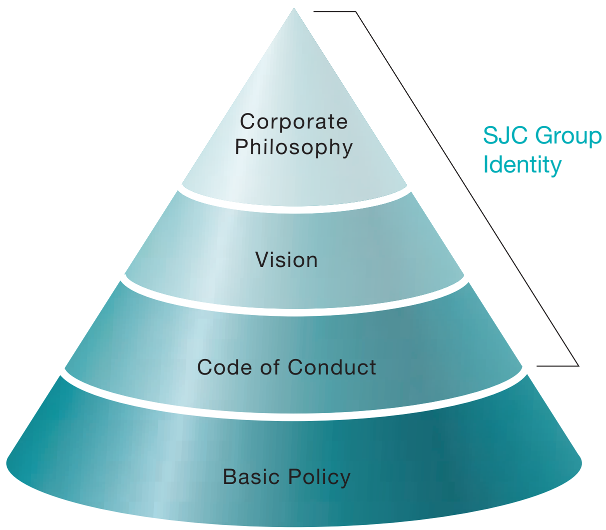
Date of Publication July 2026

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.

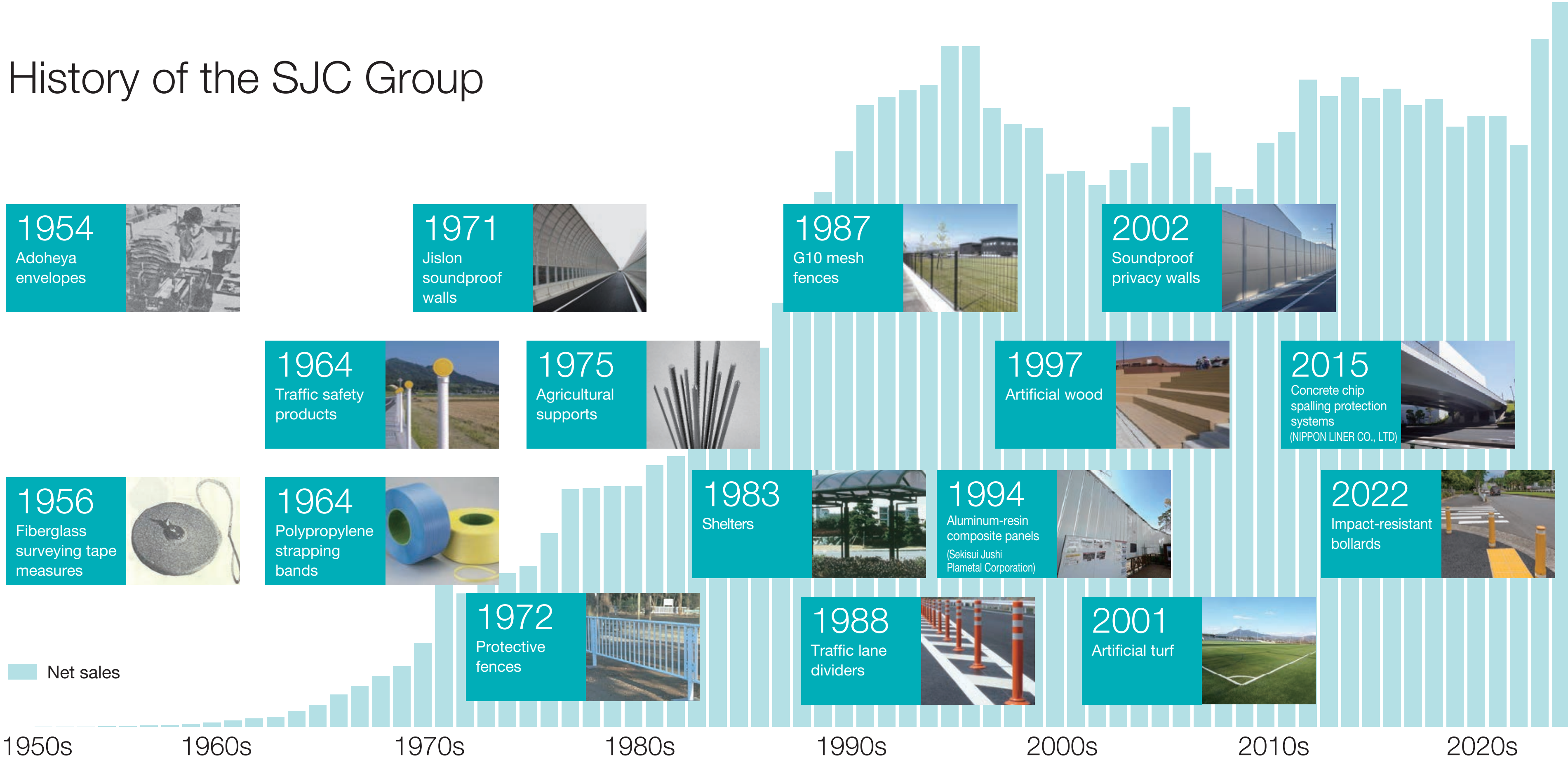
Group Slogan and Statement

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.
In the late 1980s, 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


Listed for the first time


Shiga Plant


Dream Way


WEMAS Group

- 1962: Opened Hirakata Plant (Shut down in 2004)
- 1968: Opened Tsuchiura Plant
- 1971: Opened Shiga Plant
- 1972: Opened Ishikawa Plant
- 1987: Opened the Ryuo Plant
- 1990: Opened R&D Plaza
- 1990: Opened Tsukuba Plant and Hiroshima Tojo Plant
- 1993: Established Dream Way
- 1994: Polycolor Kogyo Co., Ltd. (now Sekisui Jushi Plametal Corporation) joined the Group
- 2015: NIPPON LINER CO., LTD joined the Group
- 2023: EXTILE CO., LTD. joined the Group
- 2024: WEMAS Group joined the Group
- 2024: RIKEN KOGYO Inc. joined the Group

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.

GROUP VISION 2030
積水樹脂グループビジョン

Bringing safety and comfort to society.

SJC Group Vision 2030 P7

Input (FYE March 2026) | Business model P5 | Output | Outcome

Financial and Non-financial Capital

Financial capital
- Equity capital: 99,247 million yen
- Equity ratio: 69.6%

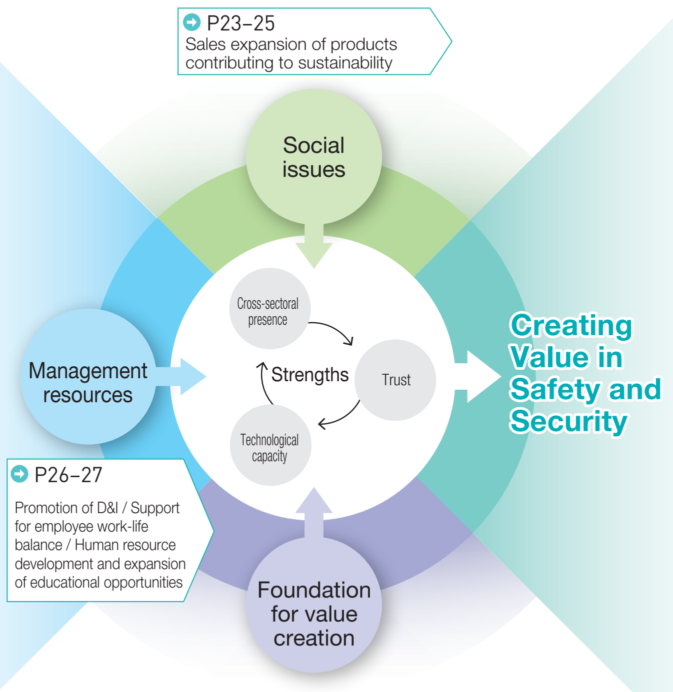
Human capital
- Consolidated number of employees: 1,621
- Ratio of international employees: 23.6%

Intellectual capital
- R&D expenses: 1,339 million yen
- Number of intellectual property rights owned: 2,334

Manufactured capital
- Capital expenditures: 2,788 million yen
- Production base system
  Shiga Plant, Tsuchiura-Tsukuba Plant, Ishikawa Plant, and other manufacturing sites of domestic and overseas group companies

Social and relationship capital
- Group companies and supply chain in Japan, Europe, Southeast Asia, and China
- Communication with stakeholders

Natural capital
- Energy consumption: 576,000 GJ



Maximizing the value of human capital | Expanding through growth strategies | Promoting sustainability management | + Engaging in management with an awareness of capital costs and share price

Businesses and Services P6

Public sector P19

Contribute to the creation of safe, secure, and beautiful roads and cities

- Urban Environment Business
- Traffic Environment-related Business
- Urban Landscaping Business
- Sports Facility Products Business
- Group Company Businesses

Private sector P20

Contribute to solving issues in residential, logistics, and agricultural fields

- Exterior Products Business
- Material Handling Systems, Supplies & Agribusiness
- Group Company Businesses

Overseas expansion P21

Support the safety, security, and comfort of people around the world, with a focus on the traffic safety, urban landscaping, and exterior products businesses

Targets for FYE March 2030 P8

Financial targets
- Net sales: 100 billion yen or more (Overseas sales ratio: 20% or more)
- Operating profit: 13 billion yen or more
- ROE: 8.0% or more
- Net sales ratio of products contributing to sustainability: 70% or more

Non-financial targets

Human capital
- Improve employee engagement
- Develop human resources
- Foster a workplace that serves as a foundation for value creation

Intellectual capital
- Create innovation and improve corporate value
- Promote DX

Manufactured capital
- Build a resilient manufacturing base
- Establish excellent production technologies

Social and relationship capital
- Cooperate with customers and suppliers
- Communicate with local communities

Natural capital
- Reduce single-use plastic usage by 25% (compared to FY 2021)
- Reduce CO_2 emissions by 46% (compared to FY 2013)
- Reduce energy consumption per unit by 2% per year
- Continue biodiversity initiatives

Medium-term Management Plan 2027 | Next Medium-term Management Plan

Return to input

Materiality P22

Business
- 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
- Decarbonization initiatives
- Contribution to building a sustainable society
- Promotion of deplasticization

S
- Promotion of diversity and inclusion
- Human resource development and expansion of educational opportunities

G
- Enhancement of governance

Business Model

Although the SJC Group is categorized as belonging to the chemical sector in the stock market, we are a manufacturer that provides finished products and solutions used in social infrastructure and living environments, not raw materials or intermediate goods. With diverse business foundations in both the public and private sectors, we use elemental technologies to create many different composites, generating added value. These products and services contribute to ensuring traffic safety and promoting national resilience, making them an indispensable part of supporting the foundations of society.
In recent years, we have redefined these businesses as businesses that resolve social issues and are promoting them as pillars of our growth strategy.

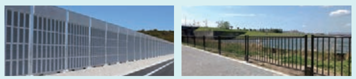
Three strengths of the SJC Group

Cross-sectoral presence
(Wide variety of solutions generated by combining technologies)

Ability to offer a wide range of solutions to meet the diverse needs of a variety of markets

Driving force behind the continuous creation of new businesses through organic connections

Technological capacity
(Wide array of elemental technologies)



Acoustic control technology

Surface treatment technology (rustproofing, weatherproofing, antifouling)

Composite extrusion technology

Technology for creating products that function dependably over the long term in harsh outdoor environments

Trust
(Proven track record and customer base)

Leveraging our track record with LED display boards and road studs in empirical experiments for automated driving

Experience, expertise, and extensive customer base serving as a springboard for creating new business opportunities

SJC Group business domains

A diversified business foundation spreading from the public sector to the private sector

Group slogan: Shaping a Safer, More Comfortable Tomorrow.

Roads

Urban areas

Residential spaces

Logistics & agriculture

Solving social issues in business domains

- National resilience
- Disaster prevention and mitigation
- Traffic safety
- Labor-saving
- Labor shortages
- Noise pollution
- Decarbonized and sustainable society

Foundation for value creation

Robust financial base and partner-attracting brand power: cornerstones that translate strengths into growth

The core of everything, the driving force: Human resources

Management resources

Overview of Our Business

Main Products in the Public Sector

Urban Environment Business


Soundproof walls


Soundproof walls

Traffic Environment-related Business

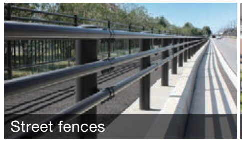

Traffic safety products


LED display boards


Road signs


Road marking materials

Urban Landscaping Business


Street fences


Shelters

Sports Facility Products Business

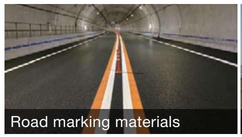

Artificial turf


Artificial turf (for field hockey)

Group Company Businesses

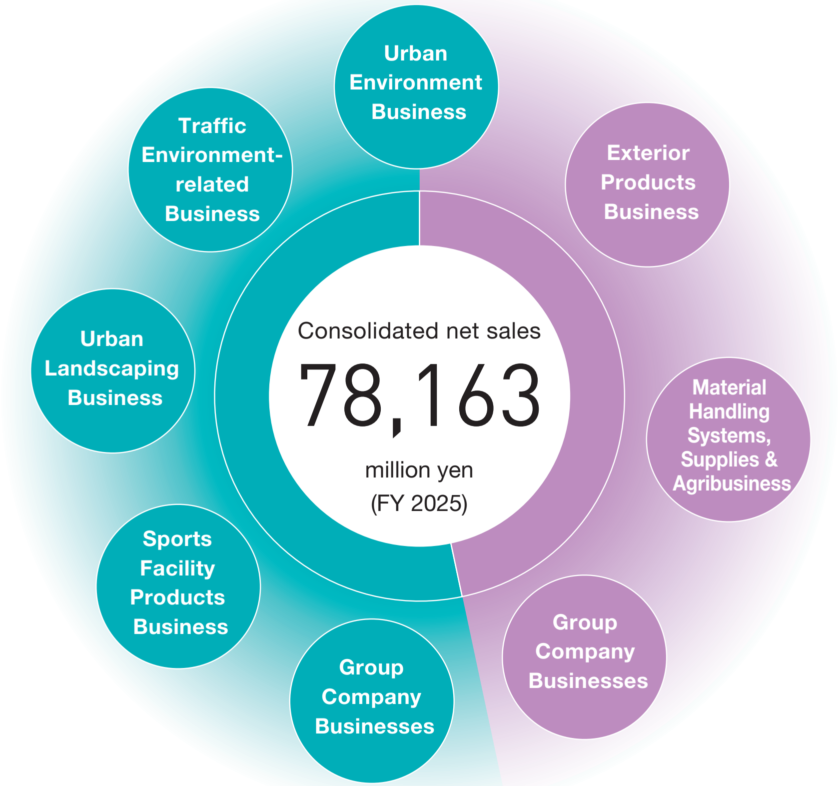

Temporary traffic safety products
WEMAS Group


Temporary traffic safety products
WEMAS Group


Road marking materials
NIPPON LINER CO., LTD


Snow and wind protection products
RIKEN KOGYO Inc.

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



Public sector

Contribute to the creation of safe, secure, and beautiful roads and cities

Net sales composition ratio 53.2%

Net sales 41,589 million yen

Private sector

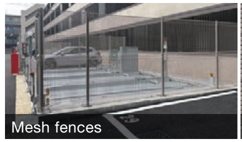
Contribute to solving issues in residential, logistics, and agricultural fields

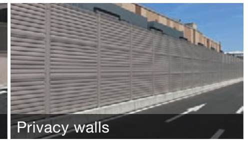
Net sales composition ratio 46.8%

Net sales 36,573 million yen

Main Products in the Private Sector

Exterior Products Business


Mesh fences


Privacy walls


Vertical lattice fences


Bicycle parking

Material Handling Systems, Supplies & Agribusiness


Package strapping bands


Stretch film wrapping machine

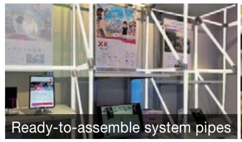

Agricultural materials


Safety fences

Group Company Businesses


Aluminum-resin composite panels
Sekisui Jushi Plametal Corporation


Metacolor building materials
Sekisui Jushi Plametal Corporation


Ready-to-assemble system pipes
SPACIO. Co., Ltd.


Digital picking systems
Sekisui Jushi CAP-AI System Co., Ltd.


Resin fences
EXTILE CO., LTD.


Package strapping bands
Sanei Polymer Corporation

SJC Group Vision 2030

Backcasting management driven by our long-term vision

After discussing the Group's new vision for its future, in April 2023, we created SJC Group Vision 2030, a long-term vision culminating in FYE March 31, 2030.

To clarify the policies and strategies for achieving this vision, we have formulated and are implementing medium-term management plans in steps.

GROUP VISION 2030
積水樹脂グループビジョン

Step 1

Launch growth strategies

Step 2
Medium-term Management Plan 2027
(FYE March 2025–FYE March 2027)

Elevate growth strategies

Step 3
Next Medium-term Management Plan
(FYE March 2028–FYE March 2030)

2023 2024 2025 2026 2027 2028 2029 2030
(FYE March every year)

What we aim to be in 2030

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

Financial targets (FYE March 2030)

Net sales:	¥100.0 billion or more
Operating profit:	¥13.0 billion or more
ROE:	8.0% or more

Basic Policies of Medium-term Management Plan 2027

Three basic policies of SJC Group Vision 2030

- Maximizing the value of human capital
- Expanding through growth strategies
- Promoting sustainability management

+

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

See our website for more information on SJC Group Vision 2030.

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

Maximizing the value of human capital

Recruit and retain talent, and maximize the value of human capital

- Revise the personnel system
  - Revamp the grading, evaluation, and remuneration systems
- Strengthen human resource development
- Reform the organizational structure
  - Create a safe and secure workplace
  - Improve employee engagement
- Implement well-being management
- Promote D&I, etc.

Expanding through growth strategies

Implement growth strategies at an early stage while preparing for the future

- Strengthen existing businesses
  - Rebuild regional strategies in key regions
- Expand overseas operations
- Enhance development and sales of products contributing to sustainability
- Develop new businesses
  - Expand solutions business
- Strengthen R&D, etc.

Promoting sustainability management

Incorporate sustainability elements into management

- Improve ratio of products contributing to sustainability to consolidated net sales
- Enhance decarbonization initiatives
- Strengthen initiatives to reduce single-use plastic usage

+

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

Improve capital efficiency

- Achieve optimal capital structure
- Change shareholder return policy
- Achieve sustainable cash allocation
- Strengthen dissemination of IR information, create constructive dialogue with shareholders and investors, etc.

Building an organization befitting a 100-year company

Build a foundation for enhanced sustainable value through human resources

- Improve the R&D environment for innovation creation
- Strengthen corporate governance
- Revamp the IoT infrastructure
- Strengthen the manufacturing infrastructure

Financial and Sustainability-Related Targets

		FY 2024 Actual	FY 2025 Actual	Medium-term Management Plan 2027 (FY 2026) Target	Reference: SJC Group Vision 2030 (FY 2029) Target
Financial targets	Consolidated net sales	¥74.2 billion	¥78.1 billion	¥84.0 billion or more	¥100.0 billion or more
	(Overseas sales portion)	(¥13.7 billion)	(¥14.4 billion)	¥13.0 billion or more	(¥20.0 billion or more)
	Consolidated operating profit	¥5.0 billion	¥5.6 billion	¥8.5 billion or more	¥13.0 billion or more
	ROE	3.7%	4.1%	7.0% or more	8.0% or more
Sustainability-related targets	Diversity among core personnel(*)	27.6%	28.2%	27% or more	30% or more
	Reduction of single-use plastic usage (compared to FYE March 2022)	5.7% reduction	9.7% reduction	15% reduction	25% reduction
	Ratio of consolidated net sales of products contributing to sustainability	57.0%	57.2%	60% or more	70% or more

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

See our website for more information on Medium-term Management Plan 2027.

Message from the President

The Next Stage of Growth, Built on Investment in Human Resources

—Transitioning to the Harvest Phase, Creating Sustainable Value—

The SJC Group has pursued initiatives centered on three key concepts: Human Resources First, Evolving Existing Businesses, and Investment for Growth, while practicing management with an awareness of capital costs and share price.

In FY 2025, we achieved record-high net sales and double-digit growth in operating profit, demonstrating the steady results of these initiatives. Going forward, we will more clearly demonstrate the results of these investments and further improve profitability and capital efficiency.

President and Representative Director,
Chief Executive Officer

馬場浩志

Creating value for society as a finished-product manufacturer

Our Group is commonly categorized as part of the chemical sector in the stock market and our company name contains the word "jushi" (plastics/resin), which gives the impression that we are a manufacturer of chemical raw materials. In fact, we are better characterized by the finished products and solutions we provide that are used in social infrastructure and living environments, rather than raw materials or intermediate goods.
We operate across a diverse range of business domains where we combine materials with our elemental technologies to create products and solutions that deliver unique added value.
In addition to our broad product lineup, the raw materials we use are not limited to resin. They consist of various other materials, including metals, with resin accounting for slightly more than one-third of the total. Another of our strengths is our business structure, which enables us to respond flexibly in procurement without being overly dependent on any particular raw material.
Our businesses consist of two segments: public sector and private sector.
In the public sector, we contribute to the development of safe, secure, and attractive roads and communities by providing products such as traffic safety products and soundproof walls, while working to address social issues such as national resilience, disaster prevention, and disaster mitigation. In the private sector, we provide products and services across a broad range of fields, including residential environments, logistics, and agriculture to meet needs such as environmental compatibility, improved workability, and labor saving.

The strengths of SJC: technological capacity, cross-sectoral presence, and trust

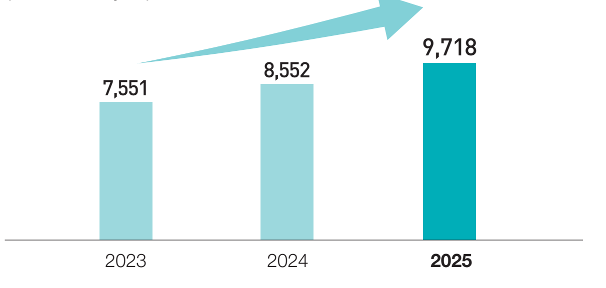
The first strength of the Group lies in the diverse elemental technologies we have cultivated over many years. Another is our ability to leverage these technologies across sectors to create new value. For example, we have applied the acoustic control technology developed for soundproof walls in the public sector to exterior products for homes, plants, and other facilities that require noise control in the private sector, creating a unique competitive advantage. By applying technologies accumulated over many years in businesses across different fields, we can create new applications and value to broaden our business portfolio and enhance the added value we provide. The track record we have built over many years, together with our experience, expertise, and extensive customer base, has earned us our customers' trust, making us their partner of choice.

Soundproof privacy walls incorporating acoustic control technology into an exterior product for plants and other facilities

Higher sales and profits in FYE March 2026—Harvesting the fruits of growth investments

In addition to growth in our existing businesses in FYE March 2026, contributions from RIKEN KOGYO Inc., which newly joined the Group, resulted in consolidated net sales of 78.1 billion yen (up 5.3% year on year) and operating profit of 5.6 billion yen (up 13.4% year on year). Net sales reached a record high for the second consecutive year, while profits also achieved double-digit growth. EBITDA (operating profit + depreciation + goodwill amortization), which we regard as an important indicator of our ability to generate cash, also increased, demonstrating the steady results of our growth investments.
Based on my belief that people are the source of corporate value, I have placed top priority on investment in human resources since assuming the position of CEO in 2022 while continuing to invest for growth in areas such as capital investment, research and development, and M&A. These are the building blocks of a foundation capable of creating sustainable value. We will ensure that these results are demonstrated even more clearly going forward.

Trend in EBITDA
(operating profit + depreciation + goodwill amortization)
(millions of yen)



Resilient sales and profit increases in FYE March 2027, even in the face of uncertainty

In FYE March 2027, we expect net sales of 84.0 billion yen and operating profit of 6.3 billion yen, representing increases in both sales and profits even incorporating the impact of the situation in the Middle East and other geopolitical risks, which we assume will persist to some extent. In particular, the procurement environment and price trends for petroleum-based raw materials and auxiliary materials remain highly uncertain and require close monitoring. Our business structure uses a wide variety of materials in addition to resin, so we are able to mitigate the impact of raw material risks to some extent even under these circumstances. We will place the highest priority on fulfilling our supply responsibilities and minimizing the impact on our business through agile measures, including expanding procurement sources, strengthening inventory management, and implementing pricing measures. Through these initiatives, we will steadily translate the results of our growth strategies into earnings.

Responding to change while evolving and deepening existing businesses

This earnings outlook is the result of our continuous efforts to strengthen the competitiveness of our businesses while responding to changes in the external environment.
With regard to the business environment in the public sector, we frankly recognize that significant growth in the domestic Japanese market is unlikely. Plans for new road construction are limited and comparable past growth in demand is unlikely due to factors such as longer construction periods resulting from work-style reforms and weather conditions.
On the other hand, traffic safety and disaster prevention and mitigation remain major social issues, and we do not expect demand in these fields to decline sharply. Building on the technologies and achievements we have cultivated over the years, we are expanding our business domains into surrounding infrastructure fields such as railways, rivers, and ports, while also addressing infrastructure maintenance and national resilience. We are creating new value in response to changes in the social environment by enhancing the added value of our products with technological advancements and by responding to the advent of autonomous driving.
In the private sector, we are susceptible to trends in building construction starts and capital investment but demand for environmental solutions, improved workability, and labor-saving measures remains strong. Against the backdrop of increasingly serious labor shortages and growing demands for greater on-site efficiency, the importance of added value in both products and construction continues to grow.
We view these changes in the business environment as opportunities and are expanding use of our technologies and products across other businesses and products, while advancing product enhancements and developing new solutions tailored to specific applications.

FYE March 2027 (projected)

(millions of yen)	FYE March 2026 Amount a	FYE March 2026 Percentage of net sales —	FYE March 2027 (projected) Amount b	FYE March 2027 (projected) Percentage of net sales —	Amount of change b-a	Percentage (b-a)/a
Net sales	78,163	100.0%	84,000	100.0%	+5,836	+7.5%
Operating profit	5,685	7.3%	6,300	7.5%	+614	+10.8%
Ordinary profit	6,261	8.0%	6,500	7.7%	+238	+3.8%
Profit attributable to owners of parent	3,975	5.1%	5,400	6.4%	+1,424	+35.8%
EBITDA*	9,718	12.4%	10,700	12.7%	+981	+10.1%

Record highs outlined in red
* EBITDA (operating profit + depreciation + goodwill amortization) is a key indicator of SJC' s ability to generate cash

SJC Group growth strategy —Two strategic pillars—

To further strengthen the SJC Group's core strengths and maximize its potential to generate future earnings, we have identified priority investment areas and are strategically building our business foundation. Our growth strategy is driven by two strategic pillars that have already seen notable progress and achievements.

Growth strategy pillar 1: Engaging in business that is rooted in technology and resolves social issues

Building on the technologies we have cultivated over many years, we have identified business domains that contribute to solving social issues and creating new value as priority areas expected to drive medium-term earnings growth. These are the five fields of noise reduction, disaster prevention and mitigation, transitioning to an automated driving society, RFID, and film-type perovskite solar cells. Although these initiatives are explained in detail elsewhere in this report, I would like to focus here on our initiatives in disaster prevention and mitigation, RFID, and film-type perovskite solar cells.

Comprehensive disaster prevention and mitigation with hardware and software

First is disaster prevention and mitigation. In recent years, social demand for disaster prevention and mitigation has continued to increase against the backdrop of increasingly frequent and severe natural disasters. With nationwide efforts

Example of IoT water level sensor installation (Neyagawa, Osaka)

underway to strengthen disaster preparedness, including moves toward establishing a Disaster Management Agency, investment in related fields is also expected to expand. One of our strengths is our ability to provide integrated hardware and software solutions by combining sensing and information linkage using IoT sensors and IoT display devices with infrastructure products such as flood barriers.
Local governments must respond swiftly and efficiently with limited personnel due to labor shortages caused by the declining birthrate and aging population, as well as the unpredictable nature of weather-related disasters. In addition to addressing these challenges, our disaster prevention DX solutions are being deployed not only in the public sector, but also in the private sector through collaborations with general insurance companies and others, thereby expanding their range of applications.

RFID: Transforming worksites through visualization

Next is our RFID radio wave control technology. RFID technology automatically reads tag information through wireless communication and is widely used to improve operational efficiency in logistics, retail, and other worksites. In this market, where many established players already operate, we differentiate our RFID business through proprietary technology. Specifically, we offer solutions that utilize a transparent radio wave absorption panel only 5 mm thick, which suppresses false recognition caused by multiple radio-wave reflections. By visualizing work processes, these solutions can be introduced into logistics centers, linen supply operations, and other worksites without affecting the working environment. We have also developed radio wave visualization technology, which makes otherwise invisible radio waves visible and further improves the efficiency of suppressing false recognition. In April 2026, we established a dedicated business organization for this field and entered the full-scale expansion phase.

Walk-through Gate System

Bus stop shelter equipped with film-type perovskite solar cells

Film-type perovskite solar cells are attracting attention as a new form of renewable energy that leverages their lightweight, flexible characteristics. Rather than participating in the manufacture of the solar cells themselves, we are involved in the base materials and structural materials. We have an extensive track record of supplying products, such as soundproof walls and fences, which are expected to incorporate film-type perovskite solar cells, so we have a competitive advantage in future market development. Building on demonstration projects at Expo 2025 and other venues, we will expand our business opportunities in line with progress toward commercialization and advance toward full-scale deployment.


Film-type perovskite solar cell bus stop shelter

Growth strategy pillar 2: M&A for acquiring technologies

SJC sees M&A as an important growth strategy for creating added value by acquiring new elemental technologies and expanding business domains. Rather than simply pursuing greater scale, we have carefully selected opportunities that emphasize compatibility and synergy with our existing technologies and products to enhance the Group's overall competitiveness.
In the traffic safety business in Europe, we have established a complementary relationship between the WEMAS Group in Germany, which continues to deliver solid business performance, and our existing base in the Netherlands, which has driven business expansion by leveraging their respective customer bases. In Japan, we are strengthening our proposal capabilities by incorporating highly specialized technologies. We will continue to promote M&A as a means of achieving technological advancement and expanding into new business areas.

Human resources are the core driver of enhanced corporate value

We have positioned maximizing the value of human capital as a basic management policy. Even our growth strategy and M&A are driven by the people who identify and acquire the necessary technologies and transform them into value. Sustainable growth cannot be achieved without the capabilities of our human resources. Based on our recognition that prioritizing short-term profits alone will not lead to future growth, we have made investment in human resources our highest management priority. Although the effects of investment in human resources are not immediately quantifiable, we regard them as forward-looking investments that enhance the quality of our business performance over the medium to long term, and we intend to continue strengthening these investments.

Enhancing our strengths by recruiting and developing human resources and transferring technology, and translating those strengths into new value and new businesses, are the seeds of our future growth. Steadily working to maximize the value of human capital, the foundation supporting these efforts, will form the basis of our sustainable growth. Even as AI and DX continue to advance, people remain the driving force behind value creation. Whatever the environment, we will continue to uphold our Human Resources First policy and remain a company where our employees take on new challenges with a positive mindset.

Maximizing the value of human capital

Based on the belief that "people are at the core of the company," we define the Company's vision and what is expected of employees and are reforming our organizational culture to maximize value while strengthening human resource development.

[Major achievements for FYE March 2026]

- Certified as a 2026 Health & Productivity Management Outstanding Organization (large enterprise category) for the third consecutive year
- Expanded training and education based on the human resource development program
- Promoted diversity and inclusion (including training for senior management)
- Continued improvement of employee working environments


Training session for young employees

Accelerating our capital policy initiatives

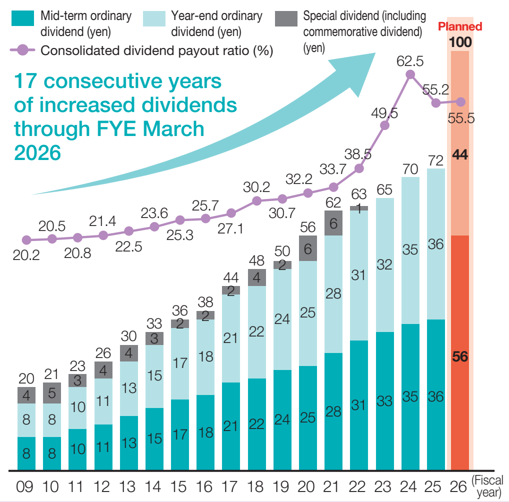
We have continuously pursued management with an awareness of capital costs and share price. In the current fiscal year, we intend to take these initiatives a step further and strengthen their execution. At present, investment in human capital and growth investments are taking precedence, so ROE remains below our target level and PBR remains below 1.0. We recognize that this may indicate our growth potential has not yet been fully reflected in our market valuation. We will improve capital efficiency by pursuing two parallel initiatives: expanding profits by steadily executing our growth strategy and optimizing our capital structure through shareholder returns and the reduction of cross-shareholdings. Our initiatives to improve capital efficiency in FYE March 2027 include significantly increasing the annual dividend (to 100 yen per share) and reducing cross-shareholdings by approximately 30% (based on market value as of March 31, 2026). At the same time, we will continue to enhance shareholder returns through flexible acquisition of treasury shares and other measures.

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

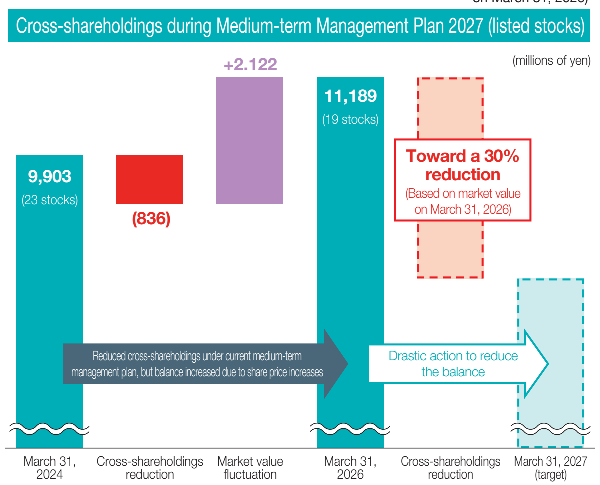
Along with expanding earnings, we remain committed to shareholder returns.
We will also establish KPIs for reducing cross-shareholdings as part of optimizing our capital structure and steadily implement these initiatives.

P37
Engaging in Management with an Awareness of Capital Costs and Share Price

Transition of dividends



Reduction of cross-shareholdings (Based on market value on March 31, 2026)



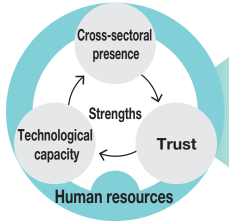
FYE March 2027: The year results become visible

Despite ongoing geopolitical risks, we believe the SJC Group has completed the rebuilding phase of its management foundation and has entered a new stage in which profit growth and improved capital efficiency can be achieved simultaneously. FYE March 2027 is an important year in which we will quantitatively demonstrate these results. We intend to present our vision for growth toward 2030 in a clear and understandable manner so that all stakeholders recognize and share in our progress. We sincerely appreciate your continued support and look forward to your continued confidence in our initiatives to enhance corporate value over the medium to long term.

Growth Strategy

Leverage and build on our strengths to create new pillars of earnings

Based on our strengths in technological capacity, we are deepening and expanding these strengths while creating new growth drivers through two strategic pillars: engaging in business that is rooted in technology and resolves social issues, and M&A for acquiring technologies.



The Two Growth Strategy Pillars

I. Engaging in business that is rooted in technology and resolves social issues

II. M&A for acquiring technologies

I. Engaging in business that is rooted in technology and resolves social issues

Noise reduction

Extensive soundproofing business to contribute to noise reduction

Using soundproofing technologies and a proven track record cultivated over 50-plus years in the road sector to propose solutions that resolve noise issues in a variety of locations

Market conditions

- Amid increasing population density, weakening of local communities, and diversification of lifestyles, measures against not only noise from roads, construction sites, and plants, but also a wide variety of noise—including from schools and commercial facilities—are increasingly important.
- Demand for new installations is expected for high-speed railways such as the Shinkansen and the Chuo Shinkansen, a new maglev line, in addition to demand for maintaining and upgrading roads.

SJC's solutions

- Soundproof wall materials (road/railway sectors)
- Soundproof privacy walls (noise measures for the private sector)

Strengths

Technological capacity	Acoustic control technologies developed over 50-plus years, such as for developing soundproof walls for expressways
Cross-sectoral presence	Meeting needs from the public sector to the private sector (housing & factory fences, etc.)
Trust	Widespread adoption throughout Japan

Outlook (key initiatives for growth)

- Special noise-absorbing installations (hanging soundproof walls) using conventional noise reduction and soundproofing technologies have been adopted along the Hokkaido Shinkansen from Shin-Hakodate-Hokuto to Sapporo (under construction); deliveries are scheduled for the next several years.
- Exterior sector: focusing on noise mitigation for data centers, an increasingly important piece of industrial infrastructure amid expanding demand for AI

Disaster prevention and mitigation

Disaster prevention and mitigation business to contribute to national resilience

Contributing to resolving the social issue of intensifying natural disasters by strengthening deployment of disaster response product groups, including compact IoT water level sensors, remote-controllable LED display boards, and height-raising flood barriers

Market conditions

- As Japan faces the heightening risk of short, extremely localized downpours and other heavy rain and flooding events due to global warming, many local governments are suffering from a chronic shortage of personnel to mitigate the risks.
- The Japanese government has set aside a budget for developing disaster prevention and mitigation infrastructure in pursuit of national resilience.

SJC's solutions

(System-based solutions)
Developing IoT sensors and devices compatible with ICOT-LINK, an online app for road and river administrators, extending to/advancing widespread disaster response systems via cloud integration

(Physical products)
Developing a variety of disaster prevention and mitigation products, including height-raising flood barriers

Strengths

Technological capacity	• Surface treatment (rustproofing, weatherproofing, antifouling) and metal fabrication and composite-forming technologies cultivated in our development of road appurtenances • Energy-saving control technologies cultivated through the development of self-illuminated products and other applications
Cross-sectoral presence	• Lineup featuring a variety of disaster prevention and mitigation products • SJC products installed on many roads/in many urban areas (ability to create solutions through combinations with IoT technology)
Trust	Widespread adoption throughout Japan

Outlook (key initiatives for growth)

- In 2023, the Ministry of Land, Infrastructure, Transport and Tourism formulated Project 2.0 of River Basin Disaster Resilience and Sustainability by All, and by 2040, rainfall is expected to increase by 1.1 times, river flow by 1.2 times, and flood occurrence frequency by two times. As river flooding due to climate change is expected to increase, the market for flood-control products will expand across both system-based solutions and physical products.

Growth Strategy

I. Engaging in business that is rooted in technology and resolves social issues

Automated driving and other next-generation transportation technologies

Vehicle-to-infrastructure business to contribute to an automated driving society

Supporting pedestrian awareness and the operation of autonomous vehicles with wireless communication between autonomous vehicles and road appurtenances including LED display boards and road studs. Contributing to the realization of an automated driving society

Market conditions

- Automated driving is a technology that not only reduces traffic accidents but also contributes to resolving social issues, including population aging, depopulation in rural areas, and labor shortages in the logistics industry, and industry and government are working together to realize it.
- In road spaces populated by a mix of autonomous vehicles and other road users (motorists, cyclists, pedestrians), significant adaptations to road infrastructure traffic safety measures will be required.

SJC's solutions

We are developing LED display boards that provide road users (motorists, cyclists, pedestrians, autonomous vehicles) with information obtained from sensors and cameras installed on roads, as well as solar-powered light-emitting devices compatible with vehicle-to-infrastructure communication, and are participating in various demonstration experiments.

Strengths

Technological capacity	• Energy-saving control technologies cultivated through the development of self-illuminated products and other applications • Expertise in vehicle-to-infrastructure communication
Cross-sectoral presence	• Lineup featuring a variety of traffic safety countermeasure products • SJC products installed on many roads/in many urban areas (ability to create solutions through combinations with sensor technology)
Trust	Widespread adoption throughout Japan

Outlook (key initiatives for growth)

- We will continue developing vehicle-to-infrastructure traffic safety products to realize an automated driving society.
- Through empirical experiments, we will establish technology and prepare for real-world implementation.

Decarbonization and recycling systems

Business supporting popularization of film-type perovskite solar cells

Supporting real-world implementation in public infrastructure with adhesion and installation technology for withstanding outdoor environments developed over many years in the field of road appurtenance products

Market conditions

- Film-type perovskite solar cells are thin, lightweight, and flexible, and should come into wider use in places and domains where conventional silicon solar cells are difficult to install.
- The Japanese Ministry of Economy, Trade and Industry provides subsidies from its Green Innovation Fund to support efforts to introduce and test film-type perovskite solar cells in public infrastructure. Support is provided for deployment in places where it is difficult to install solar cells, such as on soundproof walls along roads and on the roofs of parking areas, railway stations, airports, and port and harbor facilities.

SJC's solutions

- Supporting real-world implementation in public infrastructure with adhesion and installation technology for withstanding outdoor environments developed over many years in the field of road appurtenance products
- SEKISUI CHEMICAL CO., LTD. conducted an empirical experiment with roughly 250 m of film-type perovskite solar cells at the West Gate of the Expo 2025 venue, and SJC helped develop bus stop shelters compatible with the installation of the solar cells.

Outlook (key initiatives for growth)

- Use the thin, lightweight, and flexible properties of film-type perovskite solar cells to continue developing products compatible with the installation of the solar cells, based first and foremost on our products

Site safety and labor-saving efforts

RFID solutions business to contribute to labor-saving

Using radio wave control technology with transparent radio wave absorption panels to contribute to labor-saving at worksites in the field of RFID, which is increasingly popular in a variety of workplaces

Market conditions

- RFID systems can simultaneously read and write a multitude of data transmitted wirelessly from RFID tags. These contactless systems are coming into wider use mainly in production and logistics facilities as part of the data infrastructure that addresses labor shortages and supports supply chain visibility.
- False recognition is an issue with RFID, necessitating physical radio wave control at many sites that lack installation space.

SJC's solutions

Developing thin, transparent radio wave absorption panels

Providing new solutions with better space-saving, safety, and visibility

Strengths

Technological capacity	Radio wave control technology leveraging radio wave visualization and radio wave absorption panels
Cross-sectoral presence	Design technology adaptable to users' production floors and customization capabilities, cultivated through machine/safety fence products
Trust	Customer base cultivated through material handling systems and supplies business

Outlook (key initiatives for growth)

- Expand to the store management sector

Transparent walk-through RFID checkout

Security gates

Growth Strategy

II. M&A for acquiring technologies

Positioning of M&A in the growth strategy

- SJC sees M&A as an effective growth strategy for augmenting the Group's competitiveness and expanding business domains by acquiring new elemental technologies.
- In sectors expected to offer synergies with existing technologies and products, we focus on our potential to create new high-added-value solutions.

Synergies with M&A partners to acquire elemental technologies and create added value

WEMAS Group (Germany) (welcomed to the Group in January 2024)

Business description: Manufacture and sale of temporary traffic safety and related products in Europe

The group's strengths

The WEMAS Group holds the top market share, at more than 30% in Germany, where particularly high performance and quality standards are required for temporary traffic safety products in Europe. It has an advantage over competitors through its ability to manufacture resin products in-house on an integrated basis and rapidly supply high-quality products.

Business overview

- Temporary traffic safety products represent a core business area for the Group. We will continue to expand our share of the German market, where road budgets have been secured, and strive to expand sales into the rest of the European market.
  (Germany's 2030 Federal Transport Infrastructure Plan (BVWP 2030) includes a road investment budget of 132.8 billion euros (roughly 50% more than BVWP 2003); stable financial resources have been secured.)

Targeted synergies

- Their products do not compete with our existing location in the Netherland that deals mainly with permanent traffic safety products; we will leverage both of the customer networks to expand sales.
- We will use the SJC Group's network to promote sales of WEMAS products in Southeast Asia.


EXTILE CO., LTD. (Fukui) (welcomed to the Group in December 2023)

Business description: Manufacture and sales of exterior products

The group's strengths

Top-class domestic technological capacity with foam extrusion technology. Exterior fences made of lightweight, highly aesthetic foam resin are mainly used for detached housing.

Business overview

In FYE March 2026, sales and profits decreased due to the decline in housing starts and intensifying competition, but we aim to recover through the launch of new products.

Targeted synergies

We aim to achieve effects by combining EXTILE technologies with SJC technologies for privacy walls and mesh fences, together with comprehensive proposals involving other product groups.


RIKEN KOGYO Inc. (Hokkaido) (welcomed to the Group in December 2024)

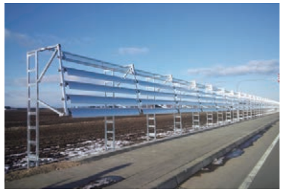
Business description: R&D, manufacture and sales, etc. of snow and wind protection measures products

The group's strengths

The advanced technological capacity and product differentiation of the snow and wind protection products of RIKEN KOGYO, which has one of the largest wind tunnel testing facilities in Japan

Business overview

- Primarily throughout Hokkaido and the Tohoku region, we are promoting project acquisition and business expansion by leveraging advanced simulation technology and design capabilities, while also focusing on expanding our business through new product development.
- As part of our overseas strategy, we will promote business expansion based on our track record with official development assistance (ODA) projects in Central Asia.



Targeted synergies

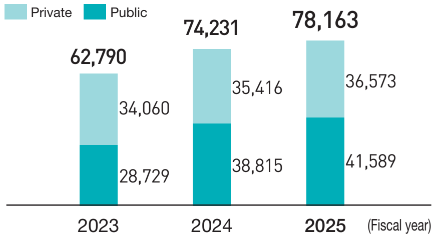
In addition to jointly developing visibility obstruction countermeasure products that combine the technologies of both RIKEN KOGYO and SJC, we are promoting initiatives to create synergies, including strengthening our technical proposal capabilities through the introduction of simplified simulation software.

Financial and Non-financial Highlights

Financial targets

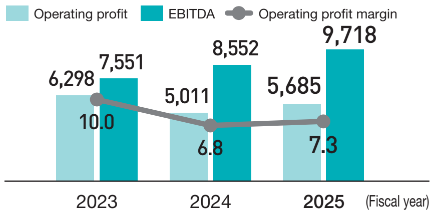
Net sales (millions of yen)

Net sales reached a record high, driven by the steady performance of existing businesses and the addition of RIKEN KOGYO Inc. to the Group.



Operating profit, EBITDA* (millions of Yen), and operating profit margin (%)

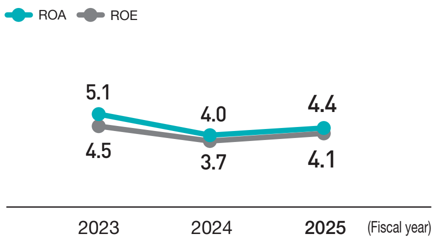
Despite continued growth investments and increased transportation costs, profit increased as higher profit margins resulting from increased net sales and cost reductions more than offset these factors.



* EBITDA: Operating profit + depreciation + goodwill amortization

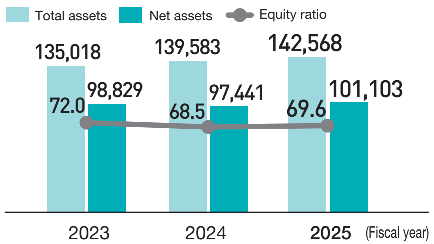
ROA and ROE (%)

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.



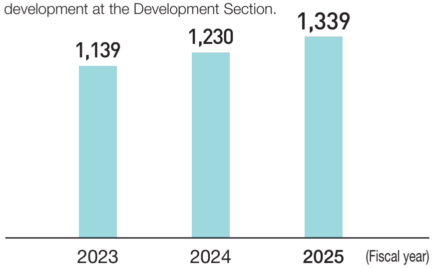
Total assets and net assets (millions of yen) and equity ratio (%)

Despite a decrease due to the acquisition of treasury shares, net assets increased due to an increase in the foreign currency translation adjustment and other factors.



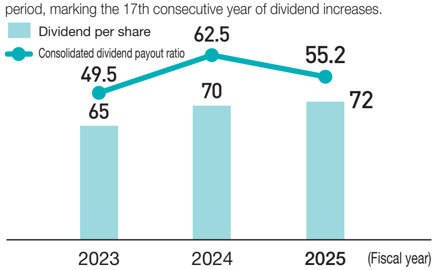
R&D expenses (millions of yen)

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.



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

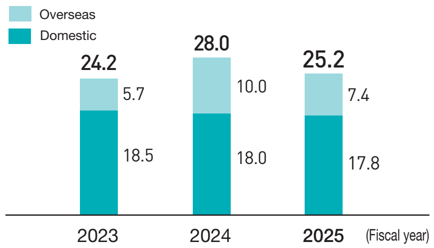
The annual dividend was increased by 2 yen to 72 yen from the previous period, marking the 17th consecutive year of dividend increases.



Non-financial targets

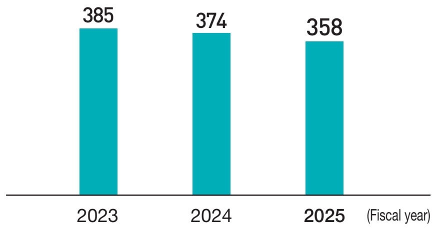
CO_2 emissions (thousands t-CO_2)

CO_2 emissions decreased due to the installation of solar panels, use of non-fossil certified electricity, and other factors.



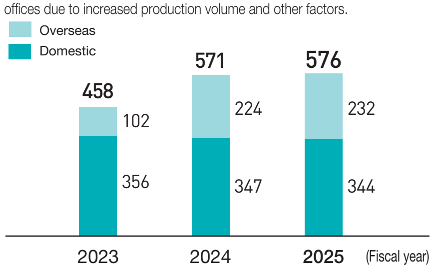
Single-use plastic usage (t) (domestic production offices)

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



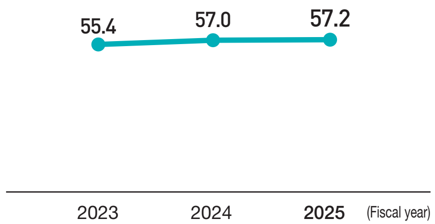
Energy consumption (thousands GJ)

We worked on the consolidation of production facilities and the introduction of energy-saving equipment, but emissions increased at overseas business offices due to increased production volume and other factors.



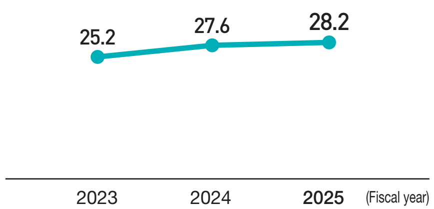
Net sales ratio of products contributing to sustainability (%)

We actively promoted product launches and sales promotion activities toward achieving the FY 2026 target net sales ratio of 60%.



Ratio of diversity among core personnel (%)

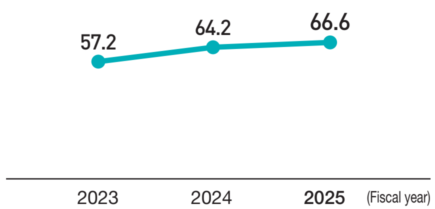
Based on the target of achieving a diversity ratio (women, non-Japanese, mid-career hires, and others) of 30% or higher among core personnel by the end of FY 2029, we are steadily working toward this goal.



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

Paid leave taking rate (%)

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



SJC Group Business Report

Business Overview of the Public Sector

◆ Business overview

Contribute to the creation of safe, secure, and beautiful roads and cities

Based on technological capabilities cultivated over many years and an extensive track record of installations, we provide a wide range of products, including soundproof walls; traffic safety products, signs, displays, protective fences, and railings on roads; and artificial turf for sports. Through our comprehensive proposal capabilities that go beyond individual products and our design capabilities tailored to installation sites, we have established stable demand and a high level of trust by meeting the diverse needs of government agencies and local governments.

- Urban Environment Business
- Traffic Environment-related Business
- Urban Landscaping Business
- Sports Facility Products Business
- Group Company Businesses

◆ Business environment

Declining new road construction, but growing replacement demand and increasing social demand for disaster prevention and mitigation measures

Japan: Although construction of new roads is on a declining trend, road and transportation infrastructure developed since the period of rapid economic growth is aging, creating continuing demand for the replacement of soundproof walls, protective fences, and other infrastructure. Alongside growing social demand for disaster prevention and mitigation and traffic safety, demand for IoT use, driven by labor-saving and efficiency improvements, is also expanding.

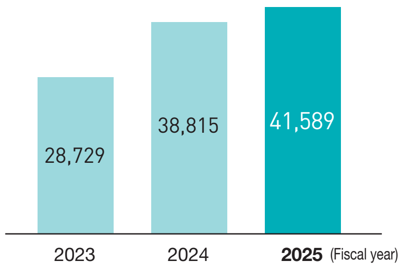
Europe: Budgets have been secured for infrastructure development, and stable demand is expected.

Key business themes

- National resilience
- Disaster prevention/ mitigation
- IoT
- Strengthening overseas business

◆ Business highlights (past three years)

Net sales (millions of yen)



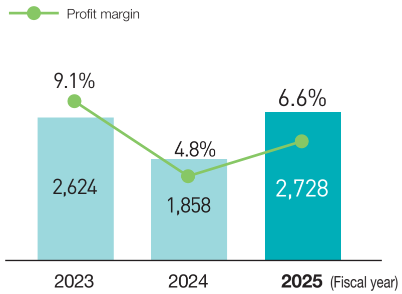
Breakdown of change
Compared to FY 2024

+2,774 compared to FY 2024

Existing business		+919
M&A companies	WEMAS Group	+462
	RIKEN KOGYO	+1,392

■ Substantial growth thanks to consolidation of RIKEN KOGYO, a manufacturer of snow and wind protection products, as a Group company in addition to robust performance by existing businesses and the WEMAS Group (Germany)

Segment profit (millions of yen)



* Segment profit without deducting company-wide expenses

Breakdown of change
Compared to FY 2024

+869 compared to FY 2024

Existing business		+213
M&A companies	WEMAS Group	+591
	RIKEN KOGYO	+64

■ In addition to increased net sales in existing businesses, created profits exceeding the impact of goodwill amortization in the two M&A companies

◆ Segment data

Public sector (millions of yen)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Net sales	30,466	32,583	31,535	32,279	33,419	32,507	31,891	28,729	38,815	41,589
Operating profit	4,116	5,081	4,926	5,039	5,879	5,802	4,792	2,624	1,858	2,728
Operating profit margin (%)	13.5	15.6	15.6	15.6	17.6	17.8	15.0	9.1	4.8	6.6
Segment assets	36,242	45,174	45,726	44,975	51,340	47,538	47,524	53,704	58,153	61,053
Depreciation and amortization	388	354	368	404	433	441	463	484	1,235	1,547
Goodwill amortization	—	—	—	—	—	—	—	—	1,256	1,366
EBITDA	4,504	5,435	5,294	5,443	6,312	6,243	5,255	3,108	4,349	5,641
Number of employees	490	493	502	512	519	520	505	674	744	741
R&D expenses	324	309	358	373	360	356	330	402	413	468

SJC Group Business Report

Business Overview of the Private Sector

◆ Business overview

Contribute to solving issues in residential, logistics, and agricultural fields

The Exterior Products Business, which offers exterior products for apartment complexes, commercial facilities, and plant perimeters, is a mainstay. We also provide bands and films for packaging and transport, automatic packaging machines, and agricultural materials for the logistics and agricultural fields. Through our product development capabilities grounded in on-site issues and customer needs, we provide high-value-added proposals, such as soundproof privacy walls, thereby establishing a business foundation that achieves both profitability and business flexibility.

- Exterior Products Business
- Material Handling Systems, Supplies & Agribusiness
- Group Company Businesses

◆ Business environment

Demand is expanding as labor-saving needs increase

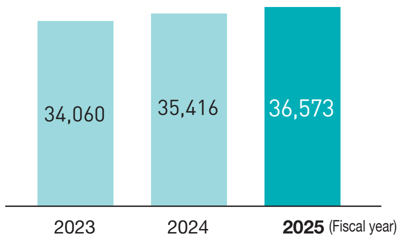
In the private sector, demand is expanding against the backdrop of growing labor-saving needs in logistics and various industries, despite being affected by trends in housing starts and capital investment. In addition, demand for high-performance products such as soundproof privacy walls is increasing, while expansion into new fields, including RFID-related businesses, is progressing. Against the backdrop of labor shortages and the aging of construction workers, demand for products with superior ease of installation is also increasing, creating a business environment characterized by diversifying applications and higher added value.

Key business themes

- Environmental friendliness
- Installation
- Labor-saving

◆ Business highlights (past three years)

Net sales (millions of yen)



Breakdown of change
Compared to FY 2024

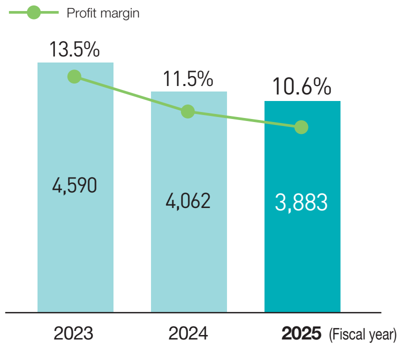
+1,157 compared to FY 2024

Existing business	+1,224
M&A company EXTILE	(66)

Net sales

- Increased substantially in existing businesses (including SJC alone and Group businesses)

Segment profit (millions of yen)



* Segment profit without deducting company-wide expenses

Breakdown of change
Compared to FY 2024

(179) compared to FY 2024

Existing business	(70)
M&A company EXTILE	(109)

Profit

- Profits decreased, as they were not enough to outrun various investments in business expansion

◆ Segment data

Private sector (millions of yen)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Net sales	37,359	36,256	35,507	35,447	31,316	33,395	34,006	34,060	35,416	36,573
Operating profit	6,473	5,955	5,704	5,868	5,418	5,671	4,843	4,590	4,062	3,883
Operating profit margin (%)	17.3	16.4	16.1	16.6	17.3	17.0	14.2	13.5	11.5	10.6
Segment assets	52,713	49,801	51,433	50,595	49,393	50,640	51,555	40,651	41,309	41,032
Depreciation and amortization	799	680	673	725	705	679	733	768	928	997
Goodwill amortization	—	—	—	—	—	—	—	—	121	121
EBITDA	7,272	6,635	6,377	6,593	6,123	6,350	5,576	5,358	5,111	5,001
Number of employees	832	847	842	764	711	700	696	756	774	785
R&D expenses	335	382	324	312	333	313	307	343	352	370

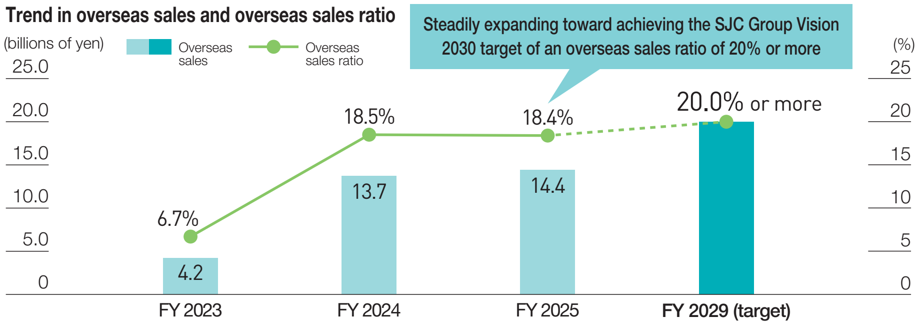
SJC Group Business Report

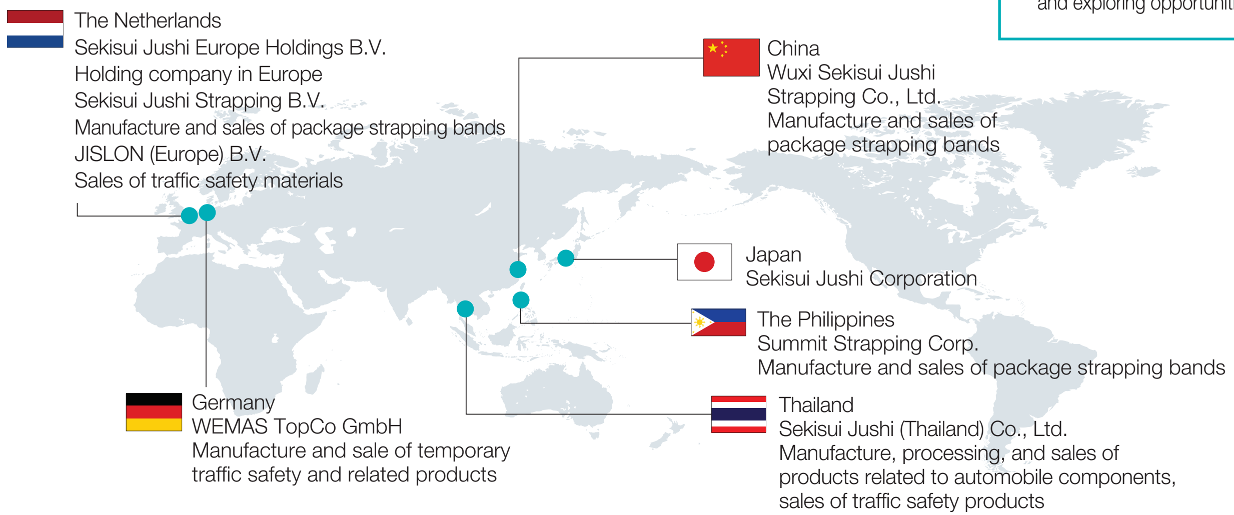
Status of Overseas Expansion

Steady progress toward achieving an overseas sales ratio of 20% in FY 2029 Further growth centered on Europe and Asia

To achieve the SJC Group Vision 2030 target of an overseas sales ratio of 20% or more (as a percentage of consolidated net sales), we are steadily expanding, with the ratio currently at 18.4%. In the European traffic safety business in particular, synergies through collaboration with the WEMAS Group, which joined the Group in 2024, are beginning to materialize, strengthening our business foundation. Going forward, we will deepen our operations in Europe while accelerating expansion into other regions to drive global growth.

Trend in overseas sales and overseas sales ratio





Our future policy and key focus areas

◆ Europe: Traffic Safety Business

In the European traffic safety business, we are strengthening our product capabilities and sales network under a business structure centered on the WEMAS Group and JISLON (Europe) B.V. Leveraging a structure that covers both temporary and permanent product categories, we are strengthening our proposal capabilities in response to market needs. Furthermore, by promoting technological development in collaboration with the SJC's development department, we will leverage Group synergies to strengthen product competitiveness and enhance added value, thereby achieving sustainable earnings growth.

◆ Southeast Asia: Traffic Safety and Exterior Products Businesses

In the Southeast Asian traffic safety business, we are focusing on strengthening our business foundation in Thailand.
In the Exterior Products Business, we are conducting demand surveys for fences in Southeast Asia, collaborating with local partners, and exploring opportunities to enter the market.

◆ Central Asia: Urban Landscaping Business

In Central Asia, we are exploring opportunities to expand our snow and wind protection products business. Leveraging RIKEN KOGYO's advanced technological capabilities in snow and wind protection fences and its wind tunnel testing facilities, together with its track record of supplying products to Kyrgyzstan through official development assistance (ODA), we are promoting a traffic safety business in Kazakhstan using solar-powered snow and wind protection fences under the Ministry of Economy, Trade and Industry's subsidy program "Global South Future-Oriented Co-Creation Project."


Project for anti-glare panel installation on national highways in Thailand

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

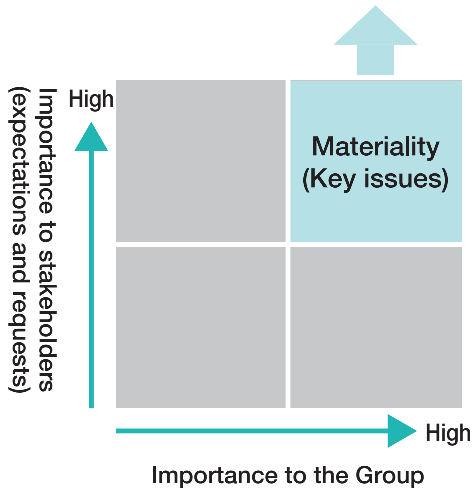
The SJC Group identified and released the following materiality in the SJC Group Vision 2030. We manage the progress toward achieving these targets and report it to the Board of Directors.
In addition, we will consider revising our targets and adding action plans in response to changes in the environment both inside and outside the company.

Materiality

Classification	Materiality
Business	● 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	● Decarbonization initiatives ● Contribution to building a sustainable society ● Promotion of deplasticization
S	● Promotion of diversity and inclusion (D&I) ● Human resource development and expansion of educational opportunities
G	● Enhancement of governance

Identification method

1. Extract material items (economic, environmental, and social) by referring to the GRI procedures, etc., indicated in the GRI standards.
2. Evaluate and score the importance from the perspectives of both importance to stakeholders and importance to the Group, as carried out by Executive Officers (including Directors concurrently serving as Executive Officers) and senior management.
3. Identify materiality through the SJC Group Sustainability Promotion Committee



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 P23, 24, 25	Consolidated net sales ratio of 70% or more
Promotion of diversity and inclusion	Promote diversity among core personnel P26, 27	Ratio of diversity (women, non-Japanese, mid-career hires, and others) among core personnel 30% or more
Support for employee work-life balance	Provide childcare and nursing care support systems Practice health and productivity management P26, 27	Become certified as a White 500 company with excellent health management
Implementation of a human resources strategy integrated with the management strategy	Human resource development and expansion of educational opportunities P26, 27	100% succession readiness rate for senior management positions
Enhancement of decarbonization initiatives	Reduce CO_2 emissions P28 Website: "Contributing to a Decarbonized Society" (Japanese only)	Reduce by 46% (compared to FY 2013)
Expansion of 3R system deployment	Reduce single-use plastic in product packaging P29	Reduce by 25% (compared to FY 2021)

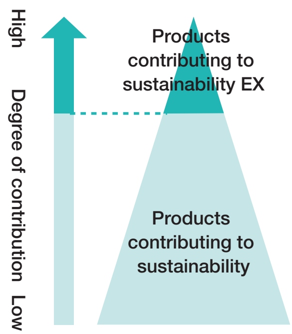
Materiality Report 1 Sales expansion of products contributing to sustainability

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	• 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	• 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	• Employing clean energy sources such as solar, wind, hydro, geothermal, pressure, etc. • Improving energy consumption efficiency during product use
(4) Deplasticization	• Utilizing biomass-derived raw materials • Significantly reducing the amount of plastic used compared to conventional products
(5) Building a sustainable society	• System to collect and recycle used products • Using recycled raw materials • Reducing the use of raw materials
(6) Biodiversity and ecosystem conservation	• Reducing pollution of marine and terrestrial environments • Contributing to the conservation of marine and natural terrestrial ecosystems

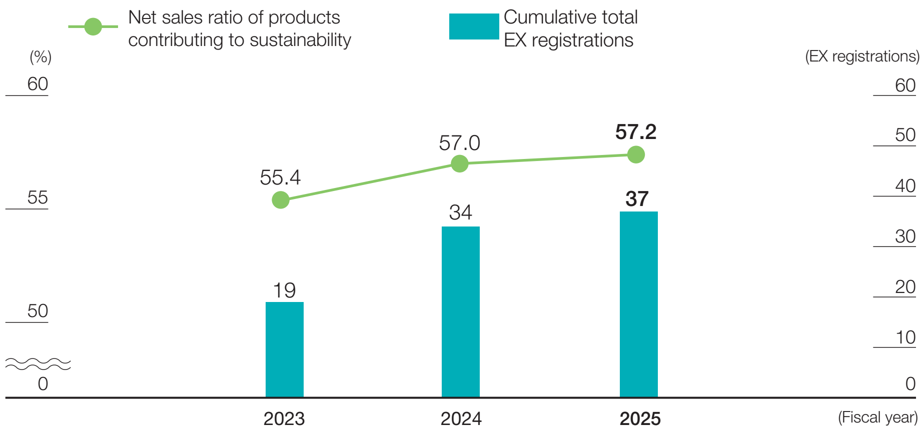
The Company has established in-house criteria for contribution areas that lead to the resolution of environmental and social issues, from product development and design to operation and disposal, and positioned products meeting these criteria as products contributing to sustainability.



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



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

Materiality Report 1 Sales expansion of products contributing to sustainability

Introduction to 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.
Among them, 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.

Areas of contribution

Disaster prevention/mitigation and national resilience

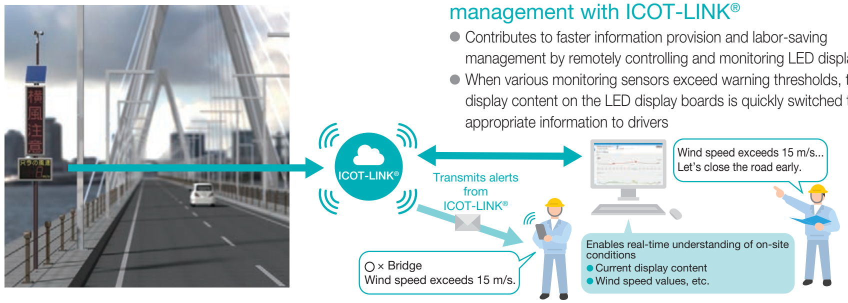
Extending ancillary infrastructure longevity and improving resilience and durability against natural disasters

Optomarker ICOT

LED display boards that support the initial response of road administrators during disasters through remote operation

Faster information provision and labor-saving management with ICOT-LINK®

- Contributes to faster information provision and labor-saving management by remotely controlling and monitoring LED display boards
- When various monitoring sensors exceed warning thresholds, the display content on the LED display boards is quickly switched to provide appropriate information to drivers

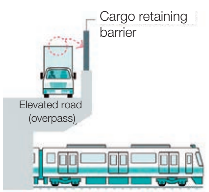


Cargo retaining barrier

Cargo retaining barrier that combines aesthetics and strength to prevent cargo from falling beneath elevated structures

Sufficient strength and structure to withstand the impact of falling cargo

- Uses transparent polycarbonate panels to ensure visibility while providing the strength to withstand the impact of falling cargo, improving durability and enabling long-term use
- Prevents cargo and small fragments from falling beneath elevated structures, reducing secondary damage to trains and vehicles
- Installation from the roadside only suppresses the need for temporary scaffolding and large-scale road closures, reducing the workload for replacement and repair work



Areas of contribution

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

Addressing traffic accidents, traffic congestion countermeasures, automated driving, barrier-free access, and anticrime measures, and improving safety in the working environment

RFID Walk-Through Gate System

Transparent radio wave absorption panels prevent RFID(*) misreading, addressing issues in the RFID field, which is becoming increasingly widespread due to labor-saving needs

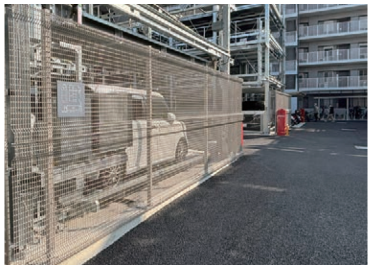
Labor-saving in working environment

- Transparent radio wave absorption panels control the radio wave environment, resolving the issue of misrecognition caused by multiple reflections in RFID while ensuring visibility for workers and providing a safer workspace
- A system product comprising a gate, antennas, and readers that can simultaneously read RFID tags on loaded cargo simply by allowing hanger racks and roll box pallets to pass through

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

Fence Masufino® for mechanical parking lots

Fences for improving safety at mechanical parking lots



Safety and labor-saving efforts

- Improved safety for mechanical parking lots 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

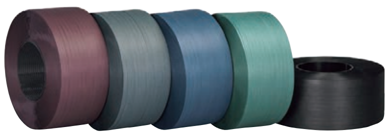
Areas of contribution

Decarbonization, reduced plastic use, and building a sustainable society

Utilization and expansion of renewable energy, reduction of plastic use, exploration and development of alternative materials, and establishment of reuse and recycling schemes

Eco Return®

Our colored recycled strapping bands are made of 100%* recycled material.



100% 再生原料※1 Recycle

Contribution to building a sustainable society

- Established a "Band-to-Band" recycling system that collects used polypropylene strapping bands, crushes and repelletizes them, and then reuses the material in new polypropylene strapping band products.

* Production also includes recycled raw materials other than used bands.

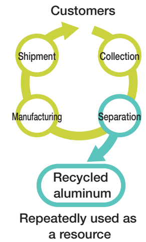
Plametal Smart Art Panel

Environmentally friendly panels that reduce CO_2 emissions throughout the product life cycle

Panel material using environmentally friendly aluminum and resin

Contribution to building a sustainable society

- Aluminum resin laminated composite panels using a resin core containing recycled and biomass-derived materials together with environmentally friendly aluminum foil
- Reduces CO_2 emissions by 30% from raw material procurement to product shipment and disposal after product use compared with our conventional product (Art Panel)

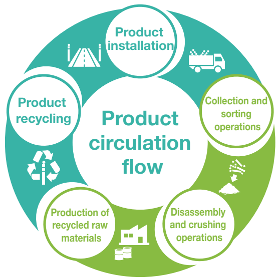


Jislon pole cones

Collection and reuse of used traffic safety products as raw materials

Contribution to building a sustainable society

- Collects products discarded after use, recycles them into resources, and reuses them in new visual guidance markers and snow poles (Wide-Area Certification System for Industrial Waste, Certification No. 145)



Areas of contribution

Biodiversity and ecosystem conservation

Prevention of marine pollution and conservation of mountain ecosystems

Spiral Green®

Protects young trees immediately after planting from browsing damage caused by wild animals such as deer

Biodiversity and ecosystem conservation

- Highly portable and easy-to-install individual seedling protection material that protects seedlings planted for reforestation from damage caused by wild animals such as deer

Materiality Report 2 Promotion of D&I / Support for employee work-life balance / Implementation of a human resources strategy integrated with the management strategy

Human Capital Management Centered on a Human Resources First Policy

Human resources strategy based on human capital

The SJC Group positions a Human Resources First policy at the core of its management and promotes a human resources strategy that views people as the source of value creation. By linking its management strategy with its human resources strategy, the Group aims to maximize the value of human capital as set forth in the Medium-term Management Plan 2027 and achieve the SJC Group Vision 2030.

The Company has established three core pillars, "acquiring human resources," "developing human resources," and "creating human resources value," and positions the period through FYE March 2027 as a "period of mindset reform," during which it will shift from conventional personnel management to a system that places greater emphasis on roles and performance. During this period, we will promote the development and acquisition of human resources who will lead transformation through the transition to a personnel system based on roles and performance, the establishment of evaluation and remuneration systems that encourage employees to take on challenges, and strategic human resource allocation, thereby accelerating business growth and enhancing corporate value.

In addition, we are enhancing our human resource development programs and improving corporate value through educational initiatives that contribute to developing human resources who will lead future management, enhancing expertise, and providing development opportunities that emphasize practical on-site experience. Furthermore, we position well-being management and diversity & inclusion (D&I) as important issues and aim to realize sustainable value creation by people and organizations through employee health support, flexible work styles, and the provision of fair and equitable opportunities.

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

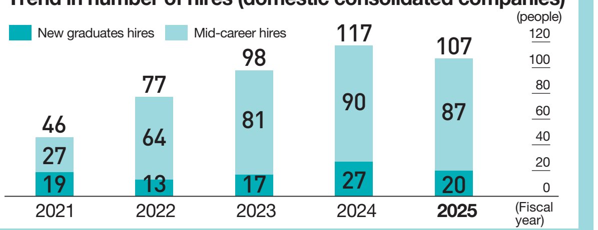
SJC is working to revise its HR system, centered on evaluation, grading, and remuneration, to improve employee job satisfaction and establish an HR system with a high degree of transparency and fairness. In 2024, the Company absorbed and merged four production function subsidiaries and reorganized its plant-based structure into an integrated operating structure. As a result, we are promoting the strategic utilization of human capital and accelerating initiatives to maximize its value.

In redesigning the HR system, we will clarify grades and roles, establish a framework for goal setting and evaluation, and build a system that appropriately reflects performance in treatment. In addition, we will review the conventional person-based allowance system and gradually transition to allowances based on job duties and roles, aiming to establish a remuneration system that appropriately reflects performance and contributions. Furthermore, by introducing an evaluation system, we will improve the transparency and efficiency of the evaluation process while promoting centralized management and visualization of employee information, enabling optimal allocation of human resources, supporting human resource development, and advancing strategic human resource management.

—Acquire human resources—

In addition to continuously hiring new graduates, we are expanding mid-career hiring to secure human resources with diverse backgrounds who will support business growth.

Trend in number of hires (domestic consolidated companies)



▶ Expansion of recruitment channels

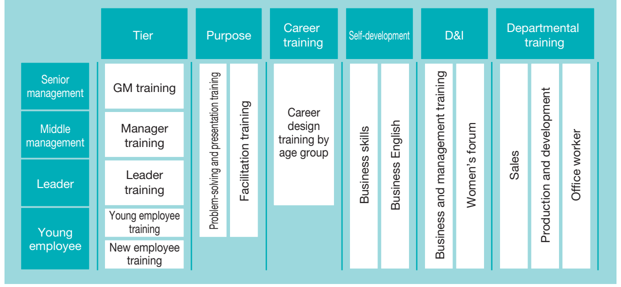
In addition to conventional recruitment methods, we will institutionalize referral recruitment to secure human resources with a high level of understanding of the Company and improve retention rates.

—Develop human resources—

To enhance the capacity of human resources underpinning the company's sustainable growth, we establish a systematic training policy directly linked to business and strengthen our abilities on the front lines.

▶ Enhancement of human resource development programs

▶ Development of global human resources



—Create human resources value—

By enabling each employee to maximize their strengths, we support self-directed career development to achieve sustainable business growth and create new value.

▶ Promotion of diversity and inclusion (D&I)

▶ Assigning and transferring human resources throughout the SJC Group

▶ Career development through the internal job posting system

Young employee training

Management training

Materiality Report 2 Promotion of D&I / Support for employee work-life balance / Implementation of a human resources strategy integrated with the management strategy

Human Capital Management Centered on a Human Resources First Policy

2. Strengthen human resource development

The SJC Group places importance on human resource development as the foundation supporting sustainable growth and is building a development framework that enhances expertise and on-site capabilities while applying the knowledge and skills acquired through training to practical work. Human resource development programs are reviewed annually to enhance their content in response to changes in the business environment and business needs, while follow-up and practical application after training help reinforce learning and generate results. In addition, departmental training and workshops aimed at solving on-site issues contribute to operational improvements and added-value creation.

Furthermore, to expand overseas operations, we promote an overseas training program to develop global-minded human resources and continuously dispatch employees to local companies in the Netherlands and Thailand.

3. Implement well-being management

Based on our Human Resources First policy, SJC promotes well-being management, believing that improving employees' physical and mental health and job satisfaction leads to sustainable corporate value creation. Through the development of a safe and secure workplace environment, we are creating an environment in which employees can maximize their abilities. Specifically, we have enhanced employee benefits, including support for obtaining qualifications, established a telework system to support balancing work with childcare and nursing care, and provided mental health and harassment training for all employees.

These initiatives have also received high external recognition, including certification as a Health & Productivity Management Outstanding Organization (large enterprise category) for the third consecutive year. Going forward, we will further enhance our health and productivity management initiatives that support sustainable growth.

4. Promote diversity and inclusion (D&I)

Based on the belief that the active participation of diverse human resources enhances corporate value, SJC treats diversity and inclusion (D&I) as an important management issue. We are working to create an organization in which every individual can fully demonstrate their abilities, regardless of gender, age, disability, or hiring category. To promote understanding of D&I, we hold seminars at each business site, training sessions for officers and managers, and networking events with internal role models, and will gradually expand these initiatives to Group companies.

We will also continue to secure diverse human resources by hiring new graduates, mid-career employees, and foreign nationals, while enhancing support for the active participation of women, people with disabilities, and senior human resources, and expanding systems that support balancing work with childcare and nursing care.

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

SJC conducts engagement surveys for employees. By sincerely listening to employees' voices, holding workshops for officers, organizing and visualizing employee needs and issues, and considering and implementing specific improvement measures, we are working to improve our organization.

Through these efforts, we are improving organizational management by making it more effective in line with actual workplace conditions.

These initiatives will continue on an ongoing basis, while gradually expanding their scope to Group companies, thereby promoting organizational culture reform and improving employee engagement throughout the Group.

We are also focusing on developing a workplace environment that considers employees' physical and mental health and safety. We are promoting heat-shielding measures and barrier-free improvements at manufacturing sites. Furthermore, in renewing work uniforms, we have incorporated employees' feedback and adopted a universal design that achieves both safety and comfort.

Through these initiatives, we will continue to build a safe and comfortable working environment and a sound organization that supports sustainable value creation.

Barrier-free improvements at plants (installation of ramps)

Heat-shielding measures at plants (heat-shielding coating applied to roofs and wall surfaces)

Materiality Report 3 Enhancement of decarbonization initiatives

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

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 (GHG) reduction targets, 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.

Risks, opportunities, and response policy

Risk

Category	Risk type	Time frame	Business impact	Severity of impact		Course of action
				+1.5°C	+4.0°C	
Policy and regulations	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 ↓	×	**Reduction of GHG emissions** ● 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
Policy and regulations	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 ↓	Small ↑	
Policy and regulations	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 ↓	Large ↓	**Early identification of the status of regulated materials and consideration of alternative materials** ● Early collection of information through enhanced cooperation with suppliers ● Development of products focused on recycling, resource conservation, and biomass feedstock
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 ↓	Medium ↓	**Strengthening the supply chain** ● Identifying risks at each production site and promoting countermeasures ● Promotion of multiple purchasing, inventory strategies, and material switchovers based on purchasing strategies

Opportunity

Category	Opportunity type	Time frame	Severity of impact +1.5°C
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 +4.0°C
Market	Increase in net sales due to a higher volume of 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.

The full disclosure based on the TCFD framework (Governance, Strategy, Risk Management, and Metrics and Targets) is available on our website (Japanese only).

Materiality Report 4 Expansion of 3R system deployment

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

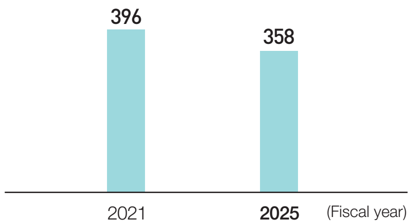
3R initiatives

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

Reducing single-use plastic usage

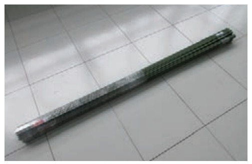
Our production departments are working to reduce usage of single-use plastic (packaging material). In FY 2025, we reduced usage by 9.7% compared to FY 2021. The initiative details are shared among production departments and implemented across departments.

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



Example of reduced packaging materials for agricultural supports

We reviewed the packaging specifications for agricultural supports sold in hardware stores and reduced the amount of single-use plastic by approximately 50% compared with the previous specifications.
With the aim of both improving unpacking ease when stocking products at hardware stores and reducing packaging materials, we began half-packaging five-support packs in FY 2024. In addition, beginning in FY 2025, we expanded the range of applicable products and are pursuing further reductions.

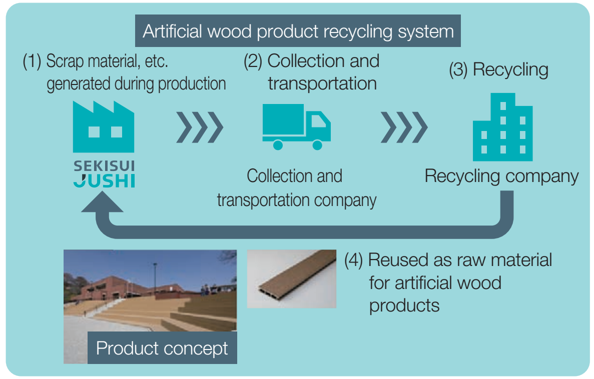


Half-packaged product

With half packaging, a safety cutter can be inserted more easily from the center, improving ease of unpacking in stores

Recycling of scrap material generated during the production process

The Company has established a recycling technology that circulates scrap material generated during the production of artificial wood products back into raw materials for artificial wood products, and in December 2025 obtained certification of its recycling business plan under the Act on Promotion of Resource Circulation for Plastics (Certification No. 8). With this certification, more than 70% of scrap material previously discarded is expected to be recycled and reused as product raw materials.



Utilizing biomass-derived raw materials

Vibraline Bio is a ribbed road marking paint in which part of the raw materials has been replaced with renewable, plant-derived biomass. By using biomass raw materials, it reduces the amount of petroleum-derived resin used and has acquired the Biomass Mark (Certification No. 240146) from the Japan Organics Recycling Association. It provides the same high level of visibility at night and in rainy conditions as conventional products and contributes to reducing accidents through the sound and vibration generated by the ribs. In addition, Ever Line Bio, a non-ribbed thermoplastic road marking paint, has also acquired the Biomass Mark (Certification No. 240145).

Vibraline Bio
(NIPPON LINER CO., LTD)

バイオマス
使用部位：塗料
No.240146

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.

Obtained certification as a Nationally Certified Sustainably Managed Natural Site under the Act on Promoting Activities to Enhance Regional Biodiversity

The Nationally Certified Sustainably Managed Natural Site program promoted by the Ministry of the Environment was enacted into law in April 2025 as the Act on Promoting Activities to Enhance Regional Biodiversity, and the certification authority was expanded to ministerial certification by the Ministry of the Environment, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land, Infrastructure, Transport and Tourism. In October 2023, the Company obtained certification as a Nationally Certified Sustainably Managed Natural Site for two sites: the Shiga Plant (Ryuo and Kagami Plants) and the Logistics Center. In September 2025, the same two sites also continued to receive certification under the new Act. Going forward, we will continue to incorporate consideration for the local natural environment and ecosystems into our business activities and contribute to biodiversity conservation and the realization of a sustainable society.

Shield sundew (Drosera peltata) (Ministry of the Environment Red List, 5th Edition: Near Threatened (NT)) inhabits the two Nationally Certified Sustainably Managed Natural Sites

Nationally Certified Sustainably Managed Natural Site certificate

Initiatives by the Biodiversity Biwako Network (BBN), a corporate collaboration

The Biodiversity Biwako Network is a voluntary organization established in 2016 by companies from different industries with operations in Shiga Prefecture for the purpose of conserving biodiversity in Shiga Prefecture. The network currently consists of four participating companies and nine corporate and municipal partners and is carrying out the Dragonfly 100 Strategy: Save the Dragonflies of Shiga! initiative, which focuses on dragonflies as environmental indicator species, through activities such as exhibitions and monitoring surveys. Since 2024, the network has also been engaged in conservation activities for the scarlet dwarf dragonfly at Kibougaoka Cultural Park in Shiga Prefecture.

Corporate collaboration survey of the habitat of the scarlet dwarf dragonfly

* Participating companies in the Biodiversity Biwako Network (in Japanese alphabetical order)
Asahi Kasei Corp., Sekisui Jushi Corporation, DAIHATSU MOTOR CO., LTD., Daifuku Co., Ltd.

Topic

Lake Biwa Museum Booklet "Dragonflies, Corporations, and Biodiversity" published

In January 2026, the Shiga Prefectural Lake Biwa Museum published the booklet Dragonflies, Corporations, and Biodiversity (128 pages), which introduces the activities of the Biodiversity Biwako Network (BBN), in which the Company participates. The Lake Biwa Museum Booklet is a publication through which the museum's curators and local researchers present the latest research findings and practical examples relating to Lake Biwa. This booklet was written primarily by participating BBN companies and introduces approximately ten years of BBN initiatives, including biodiversity conservation activities at each company's business sites, joint surveys, activity exhibitions, and environmental education activities conducted in collaboration with local organizations, including the Lake Biwa Museum.

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.

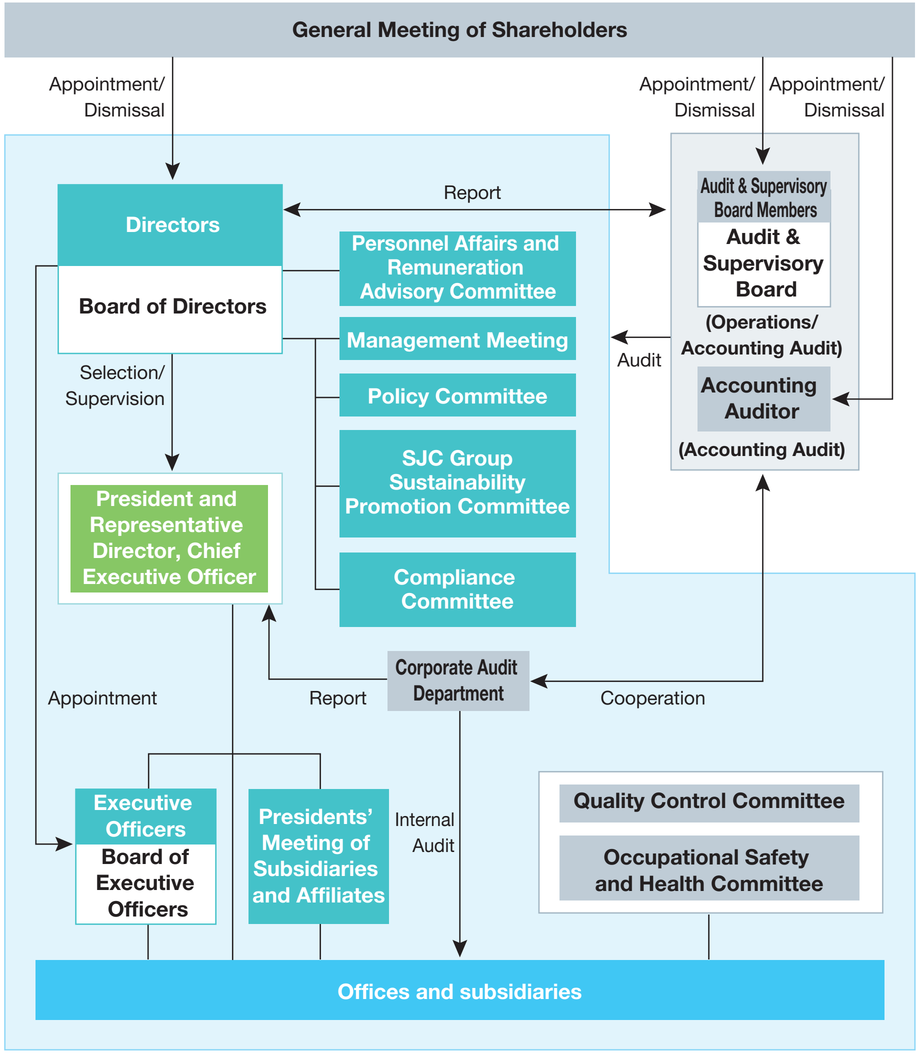
Corporate governance structure

The Company recognizes that an audit structure by Audit & Supervisory Board Members, including Outside Auditors, and supervision by the Board of Directors, are effective as management monitoring functions and has therefore adopted a corporate structure with an Audit & Supervisory Board 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	Personnel Affairs and Remuneration Advisory 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)

Officers

Directors

President and Representative Director, Chief Executive Officer
Supervising, Business 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	Supervising, Business Headquarters of the Company (present position)
Apr. 2022	President and Representative Director, Chief Executive Officer of the Company (present position) Chairman of the Board and Representative Director, Sekisui Jushi Europe Holdings B.V. (present position)
June 2026	Chairman of the Board and Representative Director, NIPPON LINER CO., LTD (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)

Director (Outside)

Satoko Ito

Career summary

Oct. 1989	Commenced activities as a newscaster
Apr. 2010	Visiting Professor, Graduate Institute for Entrepreneurial Studies, Niigata Sogo Gakuen School Corporation (present position)
Apr. 2015	Part-time Lecturer, NIIGATA UNIVERSITY
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 (Outside)

Keiko Akaho

Career summary

Apr. 1986	Joined The Nikkan Kogyo Shimbun, Ltd.
Apr. 2009	Kobe Branch Manager, The Nikkan Kogyo Shimbun, Ltd.
Apr. 2011	General Manager of Industry Department No. 1, Headquarters Editorial Board, The Nikkan Kogyo Shimbun, Ltd.
Apr. 2016	Chief of Osaka Branch Editorial Board, The Nikkan 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 (Outside)

Tsutomu Tanaka

Career summary

Apr. 1981	Joined Nichimen Co., Ltd. (currently, Sojitz Corporation) Executive Officer, Vice COO, Chemical and Functional Materials Division, Sojitz Corporation
Apr. 2011	President/CEO, Sojitz Pla-Net Corporation
Apr. 2014	Managing Executive Officer, COO, Chemical Division, Sojitz Corporation
Apr. 2018	Senior Managing Executive Officer, Executive Management of Business Group (Chemicals, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development), Sojitz Corporation
July 2020	Senior Managing Executive Officer, President & CEO for China, Sojitz Corporation
Apr. 2023	Corporate Advisor, Sojitz Corporation
June 2026	Director of the Company (present position)

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

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, NIHON KOGYO CO., LTD. (present position) Director of the Company (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 General Manager, Corporate Headquarters – Management Strategy & Planning of the Company (present position)
Apr. 2025	General Manager of Legal & Public Relations Department
Apr. 2026	Chairman of the Board and Representative Director, Sekisui Jushi Trading Co., Ltd. (present position)

Director
Managing Executive Officer
General Manager, Business Headquarters – The Growth Drivers
Deputy General Manager, Business Strategy Headquarters
Executives – Material Handling Systems, Supplies & Agriculture Business Headquarters
General Manager, R&D

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
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 of the Company (present position) General Manager, Global Operations Department of the Company
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
Apr. 2026	Managing Executive Officer, Deputy General Manager, Business Strategy Headquarters, Executives – Material Handling Systems, Supplies & Agriculture Business Headquarters, and General Manager, R&D of the Company (present position)

Director
Executive Officer
General Manager, Material Handling Systems, Supplies & Agriculture Business Headquarters
General Manager, Agriculture Business Division

Masayuki Higashinaka

Career summary

Apr. 1994	Joined the Company
Aug. 2014	Department Manager, Purchasing Department of the Company
Apr. 2018	Executive Officer of the Company (present position)
Apr. 2019	In charge of the Purchasing Department, and General Manager, Material Handling Systems, Supplies & Agriculture Business Division, Business Headquarters – Private Sectors of the Company
Apr. 2023	Deputy General Manager, Business Headquarters – Private Sectors, and General Manager, Material Handling Systems, Supplies & Agriculture Business Division of the Company
Apr. 2026	General Manager, Material Handling Systems, Supplies & Agriculture Business Headquarters, and General Manager, Agriculture Business Division of the Company (present position)
June 2026	Director of the Company (present position)

Officers

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member

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 Audit & Supervisory Board Member of the Company (present position)

Full-time Audit & Supervisory Board Member

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 Audit & Supervisory Board Member of the Company (present position)

Audit & Supervisory Board Member (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	Audit & Supervisory Board Member of the Company (present position)
June 2021	Corporate Auditor, GS Yuasa Corporation (present position)

Audit & Supervisory Board Member (Outside)

Kenzaburo Yazawa

Career summary

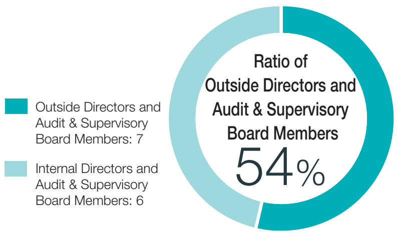
Apr. 1991	Commissioned as a Public prosecutor
Jan. 2019	Prosecutor, Supreme Public Prosecutors Office (in charge of Inspection and Public Security)
July 2019	Chief Prosecutor, Gifu District Public Prosecutors Office
Apr. 2021	Deputy Prosecutor, Osaka District Public Prosecutors Office
June 2022	Deputy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

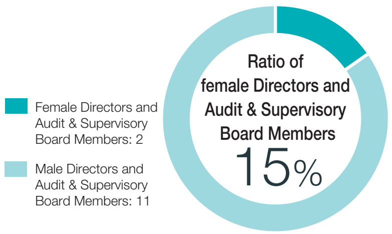
Audit & Supervisory Board Member (Outside)

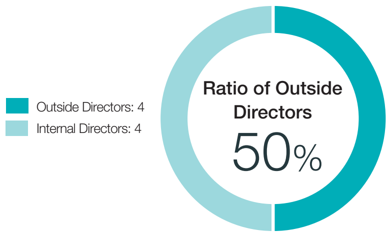
Toshihide Doi

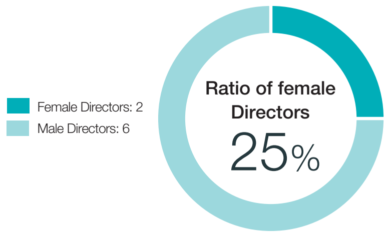
Career summary

Apr. 1986	Joined Tanabe Seiyaku Co., Ltd. (currently, Tanabe Pharma Corporation)
Mar. 2015	General Manager, Business Promotion Department, Tanabe Pharma Corporation
Apr. 2017	Head of Finance & Accounting Department, Tanabe Pharma Corporation
Apr. 2020	Head of Corporate Management Department, Tanabe Pharma Corporation
Apr. 2021	Executive Officer, Tanabe Pharma Corporation
June 2023	Full-time Audit & Supervisory Board Member, Tanabe Pharma Corporation
June 2026	Audit & Supervisory Board Member of the Company (present position)









Skills Matrix for Directors and Audit & Supervisory Board Members

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 share 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 2025)	Audit & Supervisory Board meetings (Attendance in FY 2025)	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 share 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	—	●	●					●		
Satoko Ito	Female	Director (Outside)	14/14	—		●		●		●			●
Keiko Akaho	Female	Director (Outside)	14/14	—						●			●
Tsutomu Tanaka	Male	Director (Outside)	—	—	●	●		●	●			●	
Tomoyuki Kikuchi	Male	Director	14/14	—	●	●	●			●	●	●	●
Nagaaki Miyoshi	Male	Director	14/14	—	●		●	●	●		●		
Masayuki Higashinaka	Male	Director	—	—	●			●	●	●	●		
Akihito Tada	Male	Full-time Audit & Supervisory Board Member	14/14	17/17		●					●	●	
Katsuyoshi Sasaki	Male	Full-time Audit & Supervisory Board Member	14/14	17/17						●	●		
Akira Tsujiuchi	Male	Audit & Supervisory Board Member (Outside)	14/14	17/17							●	●	
Kenzaburo Yazawa	Male	Audit & Supervisory Board Member (Outside)	14/14	17/17		●					●		
Toshihide Doi	Male	Audit & Supervisory Board Member (Outside)	—	—				●			●	●	●

Effectiveness of the Board of Directors / Personnel Affairs and Remuneration Advisory Committee

Effectiveness of the Board of Directors

Recognizing the enhancement of Board effectiveness as an important management issue to realize the SJC Group Vision 2030 and improve sustainable corporate value, we are implementing improvement measures in a phased manner based on effectiveness evaluation surveys.
In FY 2025, based on the FY 2024 effectiveness evaluation results, we worked to 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. As a result, evaluations improved in coordination, the effectiveness of the Board of Directors, advance briefings of key agenda items, and information provision to outside officers through site visits. However, challenges remained in deepening discussions on the Medium-term Management Plan and management with an awareness of the cost of capital.
In FY 2026, based on an analysis of the evaluation results, we have established the following priority items and will work to operate the Board of Directors in a manner that strengthens its deliberative function to sustain the enhancement of corporate value.

[Priority items for FY 2026]

- Expanding discussions on management with an awareness of capital costs and share price
- Discussions and deliberations in formulating the next Medium-term Management Plan
- Providing information to outside officers and deepening their understanding of the market environment and business strategies through dialogue with the executive side

Site visit by outside officers

Sekisui Jushi Plametal Corporation plant visit

Visit to the NIPPON LINER CO., LTD research facility (Technology Innovation Center)

Personnel Affairs and Remuneration Advisory Committee

In order to strengthen corporate governance of the Company and further improve the objectivity of management, we have established the Personnel Affairs and Remuneration Advisory Committee as an advisory body to the Board of Directors.
Chaired by an independent Outside Director to enhance transparency and objectivity, the Personnel Affairs and Remuneration Advisory 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), Satoko Ito (Independent Outside Director), Keiko Akaho (Independent Outside Director), Tsutomu Tanaka (Independent Outside Director)

Details of discussion at the Personnel Affairs and Remuneration Advisory Committee

As of June 25, 2026

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

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 Personnel Affairs and Remuneration Advisory 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 2025)

Classification	Total amount of remuneration	Total amount of remuneration by type			Number of eligible officers
		Basic remuneration	Bonus	Restricted stock compensation	
Directors	174 million yen	94 million yen	61 million yen	18 million yen	8
Audit & Supervisory Board Members	48 million yen	48 million yen	–	–	5
Total (outside officers)	222 million yen (66 million yen)	143 million yen (63 million yen)	61 million yen (—)	18 million yen (3 million yen)	13 (7)

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

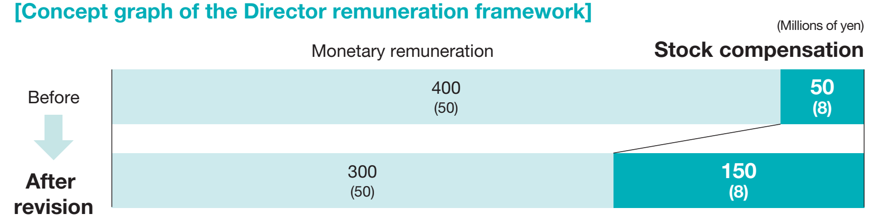
Revision of the Director remuneration system

Pursuant to a resolution at the 92nd Ordinary General Meeting of Shareholders held on June 25, 2026, we revised the Director remuneration system as follows to further strengthen the linkage between medium-term business performance and share value and Directors' stock compensation.

[Key points of the revision]

- In calculating the number of shares for restricted stock compensation granted to Directors responsible for business execution, an "additional allocation" has been established based on the level of achievement of indicators related to the degree of growth in medium-term corporate value and shareholder value.
- To accommodate the above, the stock compensation for Directors has been increased, and the monetary remuneration amount has been reduced, thereby increasing the proportion of the stock compensation while keeping the overall remuneration for Directors unchanged.

[Concept graph of the Director remuneration framework]



* Figures in parentheses indicate the portion applicable to Outside Directors.

Engaging in Management with an Awareness of Capital Costs and Share Price

Further accelerating actions to optimize our capital structure

Overview of initiatives

We are working to improve profitability and optimize our capital structure so as to achieve the ROE target of 8% set forth in the SJC Group Vision 2030 at an early stage, while keeping in sight the future goal of an ROE of 10%, a level that exceeds the cost of shareholder capital. We are also strengthening IR activities through dialogue with shareholders, investors, and other stakeholders to achieve a PBR of 1.0x or higher.

[Increase in the numerator] Execute growth strategies → Profit increase

[Reduction in the denominator] Shareholder returns, Reduction of cross-shareholdings → Optimization of equity capital

= Achieve ROE of 8% as soon as possible

Shareholder returns

Policy

Total return ratio policy

We aim to maintain a total return ratio of 100% or higher, which includes dividends of surplus and treasury share acquisition until March 31, 2027.

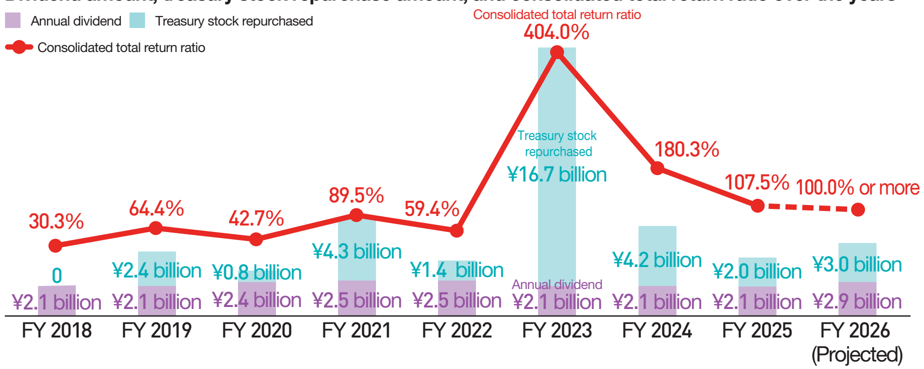
Dividend policy

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.

Actual / Projection

		FY 2024 (Actual)	FY 2025 (Actual)	FY 2026 (Projected)
Dividend per share (annual)	(yen)	70	72	100
Annual dividend	(millions of yen)	2,182	2,183	Approx. 2,900
Treasury shares repurchased	(millions of yen)	4,207	2,090	3,000
Number of treasury shares repurchased	(thousands shares)	1,800	1,000	1,000
Number of treasury shares canceled	(thousands shares)	1,500	—	1,000
Consolidated dividend payout ratio	(%)	62.5	55.2	55.5
Consolidated total return ratio	(%)	180.3	107.5	109.9

Dividend amount, treasury stock repurchase amount, and consolidated total return ratio over the years



Reduction of cross-shareholdings

Policy

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.

Reduction policy under the Medium-term Management Plan 2027

Further accelerate efforts to reduce cross-shareholdings

FY 2025 results

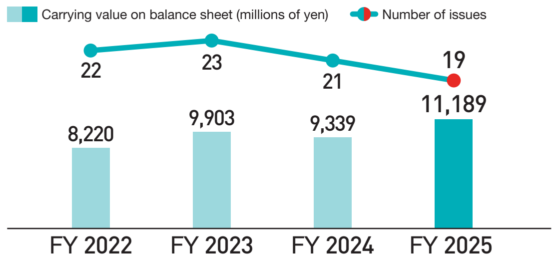
In FY 2025, the Company sold five listed stocks (including partial sales) for a total sale value of 445 million yen. As a result, as of March 31, 2026, the number of listed stocks held by the Company for purposes other than pure investment stands at 19, and the amount recorded on the balance sheet is 11,189 million yen.

Target for FY 2026

In FY 2026, we will accelerate the reduction and work toward a target of a significant reduction of approximately 30%(*).

(*) Based on market value on March 31, 2026

Status of cross-shareholdings (listed stocks)



Breakdown of change	Change in the number of issues	Change in carrying value on the balance sheet (millions of yen)
-) Sale (2 full sales, 3 partial sales)	(2)	(445)
+) Increase (market value fluctuations)	—	+2,295
	(2)	+1,849

Dialogue with shareholders and investors

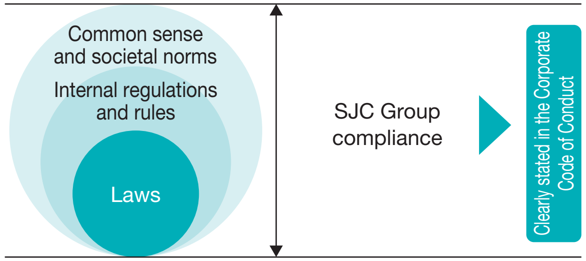
To contribute to sustainable growth and the enhancement of corporate value over the medium to long term, our Representative Director, President and CEO, the Director responsible for Finance and Investor Relations, and the IR department engage in constructive dialogue with shareholders and investors, and questions and opinions received through such dialogue are appropriately fed back to the Board of Directors and management.
In conducting such dialogue, we thoroughly manage insider information by confirming in advance with the relevant departments which information may be disclosed.

Details of dialogues with shareholders and investors are available on our website (Japanese only).

Ensuring Compliance and Respecting Human Rights

Compliance

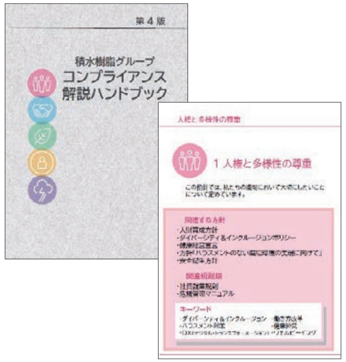
The SJC Group has established the SJC Group Corporate Code of Conduct, which sets forth how we should act as corporate members, and the compliance principles outlined therein are shared by all officers and employees.
Compliance is interpreted broadly to mean not only observing laws and internal rules, 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.
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


Key point explanations

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 or harassment consultation specialist). In addition, to prevent harassment from adversely affecting freelancers' working environment, we revised the system to include freelancers among those eligible to use the internal reporting system.

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

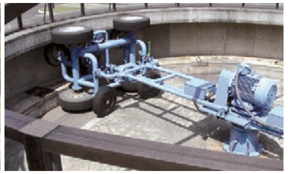
The SJC Group Corporate Code of Conduct sets forth respect for the human rights of all people both in Japan and overseas, acting equally and fairly, realizing working styles that respect the diversity and individuality of employees, and securing safe and comfortable workplace environments.
In order to 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 (LGBTQ) 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 Occupational Safety and Health Management

Quality control system

It is the basic policy of the SJC Group to provide quality that 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 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. These matters are reported to the Board of Directors every six months and are used to discuss and improve the quality control system.


Performance verification using actual vehicle collision tests


Driving tester (evaluates durability against being hit, assuming a 4-ton truck)

Enhancing occupational safety and health 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.
As part of efforts to heighten sensitivity to hazards at production offices, we are fostering people who do not engage in unsafe behavior by making 4RKYT(*) an established custom and by carrying out individual hazard prediction activities. Additionally, for inexperienced workers, we conduct regular follow-up interviews to help establish safer work practices while striving to create a workplace environment where they can work with peace of mind. Then, for older workers, we hold health classes aimed at preventing fall-related accidents, which are likely to result in serious occupational injuries.
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.

(*) 4RKYT (4-Round KYT): One of the hazard prediction training methods

Topic

Health classes were held by the Occupational Health Promotion Center (Japan Organization of Occupational Health and Safety).

Revisions to laws concerning the prevention of occupational accidents among older workers make occupational health and safety education important not only to help older workers understand their own health and physical fitness, but also to gain the understanding of those around them.
In March 2026, a physical therapist conducted a health class (fall prevention) at the Shiga Plant.


Health class led by a physical therapist

Financial Targets (Consolidated)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Net sales (millions of yen)	70,123	67,826	68,840	67,043	67,727	64,735	65,903	65,897	62,790	74,231	78,163
Operating profit (millions of yen)	9,664	9,906	10,345	10,082	10,353	10,669	10,883	9,007	6,298	5,011	5,685
Ordinary profit (millions of yen)	9,878	10,198	10,786	10,647	10,860	11,259	11,397	9,501	6,969	5,447	6,261
Profit attributable to owners of parent (millions of yen)	6,328	6,576	7,217	7,055	7,167	7,546	7,662	6,653	4,671	3,544	3,975
EBITDA (millions of yen)	10,916	10,951	11,390	11,124	11,483	11,808	12,005	10,204	7,551	8,552	9,718
Comprehensive income (millions of yen)	4,307	8,045	8,257	6,153	6,688	9,956	6,514	7,422	6,370	4,954	7,940
Net assets (millions of yen)	83,262	89,208	95,606	99,761	101,793	108,711	108,387	111,589	98,829	97,441	101,103
Total assets (millions of yen)	111,727	119,175	125,664	129,351	129,997	138,555	135,606	139,366	135,018	139,583	142,568
Net assets per share (yen)	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	3,311.88
Earnings per share (yen)	142.45	148.04	162.46	158.82	162.62	174.13	184.23	163.75	131.20	112.06	130.51
Dividends (yen)	36	38	44	48	50	56	62	63	65	70	72
Dividend payout ratio (%)	25.3	25.7	27.1	30.2	30.7	32.2	33.7	38.5	49.5	62.5	55.2
Equity ratio (%)	73.3	74.0	75.1	76.1	77.3	77.4	78.8	78.9	72.0	68.5	69.6
Return on equity (%)	7.9	7.7	7.9	7.3	7.2	7.3	7.2	6.1	4.5	3.7	4.1
Price-earnings ratio	10.6	12.5	14.2	12.3	12.2	12.0	9.6	12.7	18.2	17.1	16.2
Cash flows from operating activities (millions of yen)	9,286	8,198	7,813	8,448	9,622	9,286	8,792	4,946	1,104	6,211	7,994
Cash flows from investing activities (millions of yen)	267	25	(873)	(3,130)	(3,878)	(538)	(2,322)	(3,170)	(6,934)	(3,397)	(4,326)
Cash flows from financing activities (millions of yen)	(1,973)	(2,260)	(2,164)	(2,195)	(4,695)	(3,377)	(6,870)	(4,233)	(24,409)	(2,382)	(4,634)

Note: For FY 2024 and FY 2025, provisional accounting procedures related to business combinations have been finalized, and figures for FY 2023 and FY 2024 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	FY 2025
CO_2 emissions (thousands t-CO_2)	SJC Group	29.0	25.5	24.2	28.0	25.2
	Domestic	22.5	19.7	18.5	18.0	17.8
	Overseas	6.5	5.8	5.7	10.0 (*1)	7.4
CO_2 emissions per unit (t-CO_2/million yen)	SJC Group	0.48	0.43	0.43	0.43	0.37
Energy consumption (thousands GJ)	SJC Group	521	492	458	571	576
	Domestic	405	387	356	347	344
	Overseas	116	105	102	224 (*1)	232
Energy consumption per unit (GJ/million yen)	SJC Group	8.59	8.30	8.24	8.67 (*1)	8.35
Water consumption (thousands t)	Domestic	965	986	1,083	1,034	936
Water consumption per unit (t/million yen)	Domestic	17.1	17.8	20.9	18.8	16.2
Chemical substance releases (t)	Domestic	12.0	11.2	13.2	14.2	13.9
Chemical substance transfers (t)	Domestic	9.8	8.0	10.6	10.2	7.7
Chemical substance releases and transfers per unit (kg/million yen)	Domestic	0.39	0.35	0.46	0.44	0.37
Waste generated (t)	SJC Group	2,775	2,895	3,113	3,364	3,521
	Domestic	2,560	2,707	2,961	2,835	2,857
	Overseas	215	188	152	529 (*1)	664
Waste generated per unit (kg/million yen)	SJC Group	45.76	48.82	56.04	51.08	51.01

(*1) 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	FY 2025
Number of employees	SJC Group	1,295	1,282	1,514	1,609	1,621
	Non-consolidated	439	444	481	773	796
	Group	856	838	1,033	836	825
	Domestic	1,064	1,056	1,158	1,222	1,238
	Overseas	231	226	356	387	383
Ratio of female employees (%)	Non-consolidated	14.1	15.8	17.1	20.6	21.3
Number of new graduates hired	Domestic	19	13	17	27	20
	Non-consolidated	10	8	11	21	16
	Group	9	5	6	6	4
Number of mid-career hires	Domestic	27	64	81	90	87
	Non-consolidated	0	27	36	54	47
	Group	27	37	45	36	40
Number of employees with disabilities	Non-consolidated	15	14	16	24	23
Ratio of employees with disabilities (%)(*2)	Non-consolidated	3.4	3.2	3.3	2.9	2.7
Average employee age	Non-consolidated	44.1	44.9	45.2	44.4	44.0
Paid leave taking rate (%)	Non-consolidated	43.8	49.2	57.2	64.2	66.6
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	12 hours 20 minutes

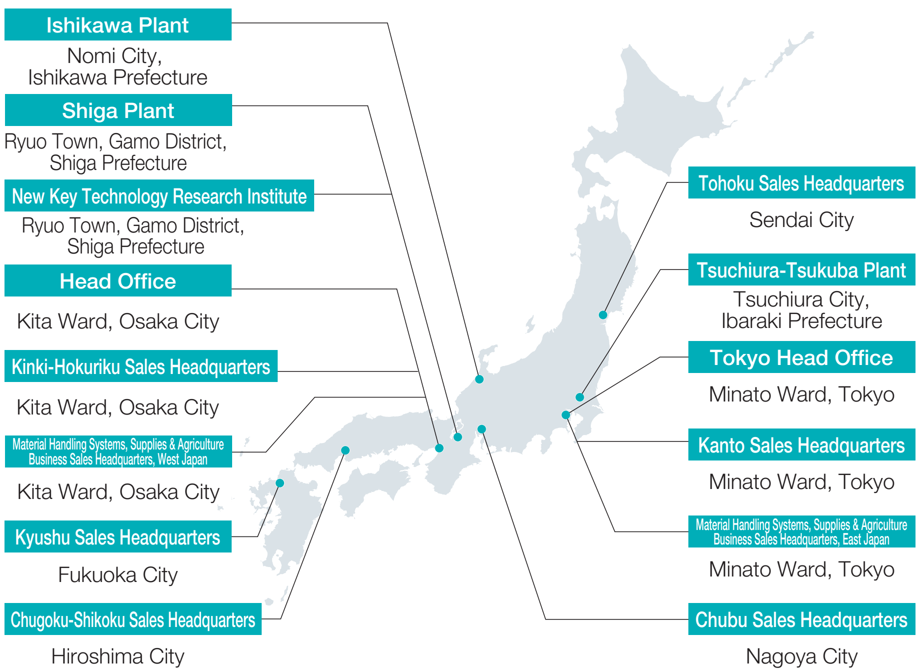
(*2) Calculated based on the statutory employment rate system under the Act to Facilitate the Employment of Persons with Disabilities.

Company Information (As of March 31, 2026)

Company overview

Company name	Sekisui Jushi Corporation
Established	November 26, 1954
Share capital	12,334 million yen
Consolidated number of employees	1,621
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

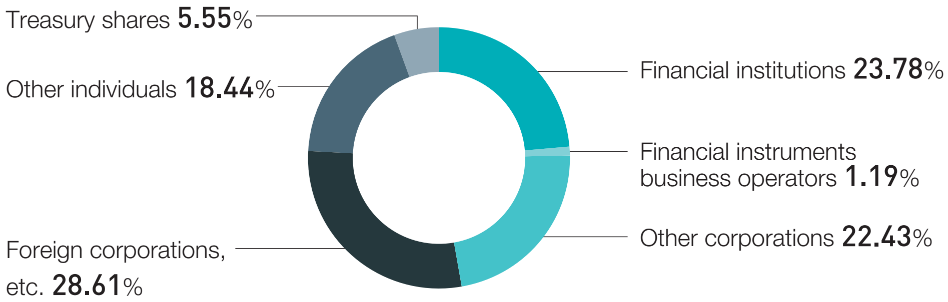


Stock Information (As of March 31, 2026)

Overview of shares

Total number of authorized shares	128,380,000
Total number of issued shares	31,813,598
Number of shareholders	6,743

Share distribution by shareholder

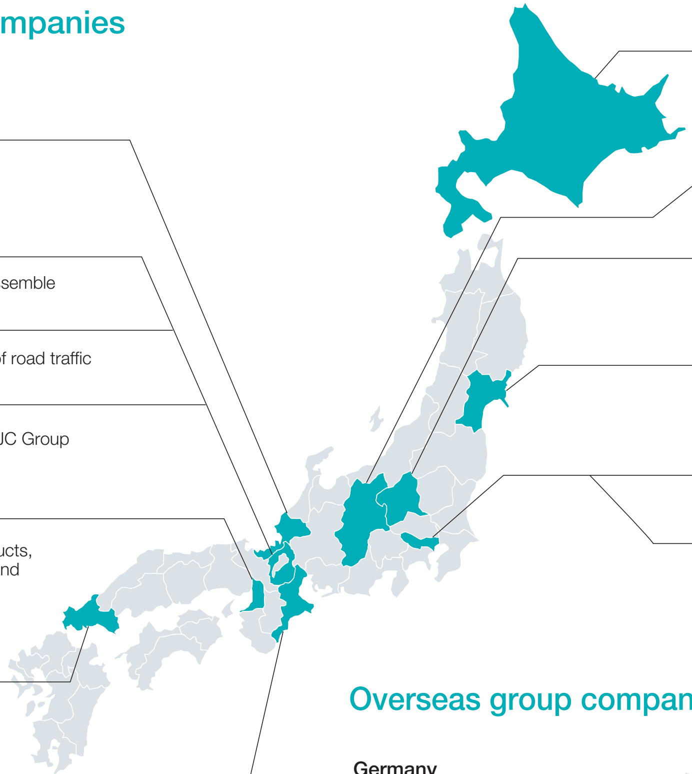


Major shareholders

Shareholder name	Shares owned (thousands shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	3,717	12.37
Custody Bank of Japan, Ltd. (trust account)	1,610	5.36
Sekisui Chemical Co., Ltd.	1,533	5.10
NIPPON ACTIVE VALUE FUND PLC	1,500	4.99
Sekisui House, Ltd.	991	3.30
The Dai-ichi Life Insurance Company, Limited	822	2.74
Sekisui Kasei Co., Ltd.	816	2.72
STATE STREET BANK AND TRUST COMPANY 505001	783	2.61
Jueikai Shareholding Association	771	2.57
HIKARI TSUSHIN INC. Limited Partnership	681	2.27

Main Group Company Information (As of March 31, 2026)

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, installation, and sales of road signs

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

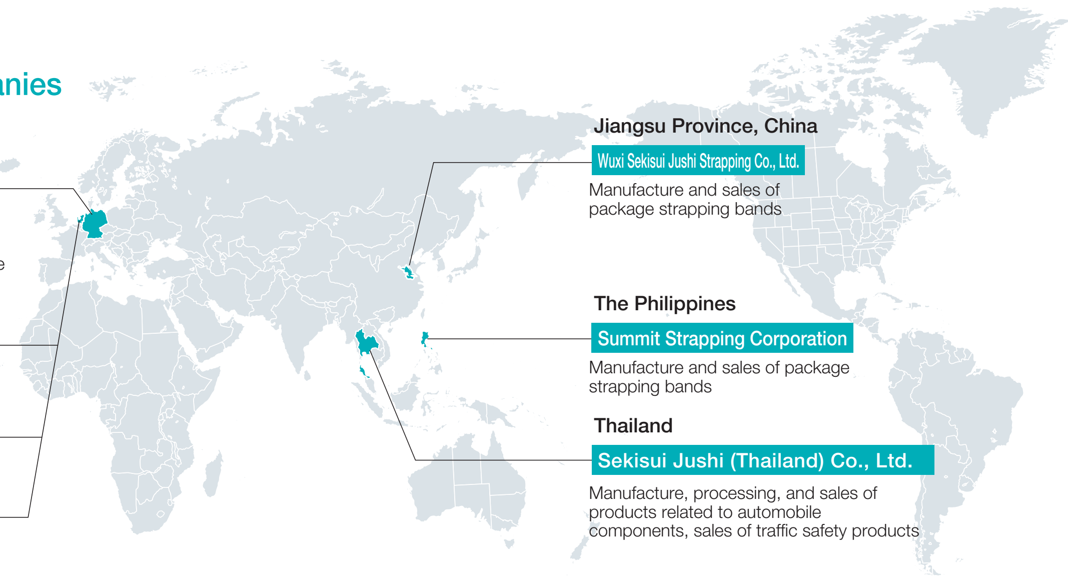
Tohoku Sekisui Jushi Corporation
Manufacture, processing, and sales of road materials

Tokyo

NIPPON LINER CO., LTD
Traffic safety-related construction, development and sales of traffic safety products

Sekisui Jushi CAP-AI System Co., Ltd.
Manufacture, installation, and sales of digital picking systems

Overseas group companies



Germany

WEMAS TopCo GmbH
Holding company of the WEMAS Group, which manufactures and sells temporary traffic safety and related products in Europe

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

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