Medium-Term Management Plan 2024-2026

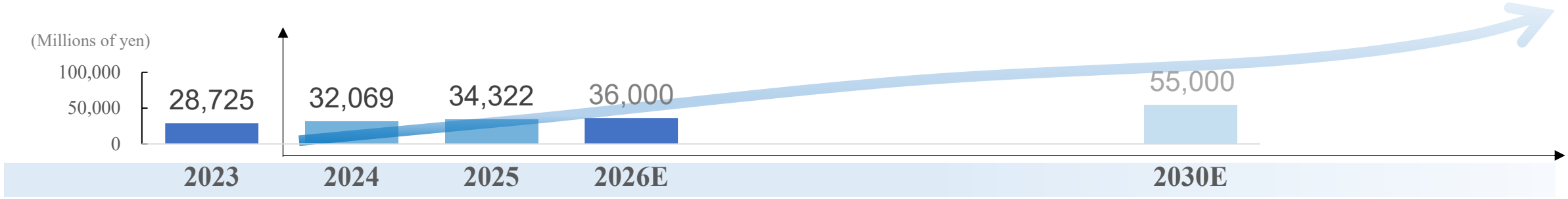
Progress Update

SEIBU GIKEN

Positioning of This Mid-Term Management Plan

Building a foundation for sustainable growth for the next 3 years as the first phase toward the realization of 2030 Vision

Continue to be the innovation leader in air processing technology to realize a climate-neutral future



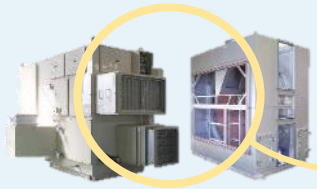
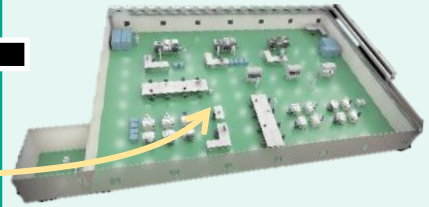
FY2023 results

	Phase 1	Phase 2	Phase 3
	Build a foundation for growth	Stabilize growth business	Realize our vision
	Mid-Term Management Plan 2024-2026	**Mid-Term Management Plan 2027-2029**	**Mid-Term Management Plan 2030-2032**
	• Expand market share in core businesses • Scale up growth business • Strengthen group governance	• Ensure stable profitability from growth business • Reap the return of investment	• Ensure sustainable management aligned with growth industries • Maintain the consolidated operating profit over JPY9 bn
Operating profit margin	15.0%	12%	17% or more
EBITDA margin	18.1%	15%	21% or more
ROE	15.4%	13%	18% or more

(Revised February 14, 2025)

Growth Strategy

Aiming at sustainable profit growth by gaining market share in our core businesses in Europe and North America and by expanding total engineering business

Growth Driver	**Core Business : Selling module/equipment** Module/equipment contributing to the optimal manufacturing environment and reduction of environmental impact for customers 	**Growth Business : Total engineering**  Proposal, design, fabrication, construction, etc. of systems for optimal space creation
Target	Energy device	Battery (EV batteries, Stationary storage batteries, next generation batteries) Other than batteries (Lithium-ion capacitors, perovskite solar cells)	Semiconductor, Semiconductor Materials
Priorities	**Core Business**	● Gain market share of desiccant dehumidifier in areas where investment is thriving (Japan, U.S. & Europe) ● Improve competitiveness by increasing production capacity with capital investment in target region ● Approach to emerging markets such as Southeast Asia and India ● Expand overseas service business by stimulating demand for rotor replacement
	Growth Business	● Expand total engineering business in overseas (U.S. & Korea) ● Establish a future stable earnings base by initiating service and maintenance business

Financial KPI of This Mid-Term Management Plan

・In 2025, profits exceeded the forecast due to steady sales growth, a better-than-anticipated gross profit margin, and the fact that some initially projected expenses (human capital investments) were not fully incurred (expected to be recorded in 2026).

・In 2026, while gross profit is expected to increase due to sales growth, the gross profit margin is expected to decrease amid a challenging business environment. Furthermore, the operating profit margin is expected to decrease due to increased investments in human capital and IT for growth.

	FY2024 Actual	FY2025 Actual	FY2026 Forecast	FY2026 Target (Revised 2025)
Net sales (Million of yen)	32,069	34,322	36,050	36,000
Operating profit margin (%)	12.6	13.2	11.2	12
EBITDA margin (%)	15.6	16.1	14.6	15
ROE (%)	11.8	11.1	11.8	13

Business Environment Surrounding Our Growth Areas

	Market Outlook	Trends
EV battery		Global EV demand slowdown leads to investment stagnation, but Japan's current investments are proceeding as planned
EV battery (next-generation battery)		Development of solid-state batteries through public-private partnerships is accelerating in various countries
Storage battery for stationary applications		Increase in demand for self-consumption and as a supply-demand adjustment resource.
Energy devices other than batteries		Lithium-ion capacitor : Increase in demand for data centers and semiconductor factories. Perovskite solar cells : In Japan, a development and investment plan supported by the government was announced as a pillar of renewable energy
Semiconductor Semiconductor Materials		The expansion of data center investment, driven by the proliferation of generative AI, is powerfully boosting demand.

Medium-Term Management Plan 2024-2026 Progress

(2025 actual results and other updates are underlined)

1. Core Business: Desiccant Dehumidifier

Steadily received orders of EV battery-related projects in Japan

Order received for Perovskite Solar Cell factory project

Order received for desiccant dehumidifiers for a perovskite solar cell factory in Japan. (**Approx. JPY 400 mn**)

Increased production capacity

■ **Strengthened overseas assembly factories**

・U.S. factory started operation in Feb. 2024; expanded Poland factory to start operation in Mar. 2024

■ **Construction of a new dehumidifying rotor factory in Japan**

・Construction started in Oct. 2024

・Completion in October 2025

・Scheduled to begin operations in the latter half of 2026

■ **Construction of a new factory in China**

(to increase in-house production rates through in-house sheet metal processing)

・Construction started in Oct. 2025, with completion scheduled for Oct. 2026

Efforts in dehumidification rotors

■ **Market penetration of high-performance dehumidification rotors**

■ **Cost reduction through simplification of the design and structure of existing dehumidification rotors**

■ **Preparing for Dehumidifier Rotor Replacement Demand (China, Europe)**

2. Core Business: VOC Concentrator

VOC Concentration cassettes for semiconductor foundries (VOC removal) orders continue to be strong

Promoted VOC concentration rotor replacement

■ **Number of replacements: Year-on-year: 111.3%**

Increased production capacity

■ **Construction of a new factory in China (same as on the left)**

(to increase in-house production rates through in-house sheet metal processing)

Development of new applications

■ **Exhaust treatment of tire manufacturing process**

■ **Treatment of new hardly dissolving solvent of semiconductor manufacturing process**

■ **Significant expansion of ship coating**

Efforts in VOC concentration rotor

■ Reduce costs through design and simplified structure of VOC concentration rotors

Medium-Term Management Plan 2024-2026 Progress

(2025 actual results and other updates are underlined)

3. Growth Business: Engineering Business

Expansion of total engineering in Japan

- **Order received for factory architectural design, facility design, construction management work*, air-conditioning equipment works, dry room works, charging and discharging device (aging process)* for a Hybrid Super Capacitor* factory for Japanese Capacitor manufacturer.（Approx. JPY 4.83 bn）**
- **Order received for inert gas environment enclosure construction work for a lithium-ion battery factory for major Japanese automaker（Approx. JPY 820 mn）**

Global expansion of total engineering

- Order received for solvent recovery equipment* for a new Indian plant for leading Indian automotive battery manufacturer.（Approx. JPY 1.06 bn）

- Established a capital alliance with KUMYOUNG ENG Co., Ltd., a Korean company with a solid track record in the construction of machinery and equipment in North America and Europe and set up a joint venture

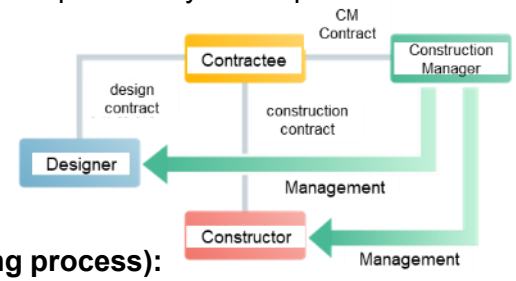
⇒Striving to expand the engineering business through synergy with KUMYOUNG ENG Co., Ltd., which has strengths in construction works of dry rooms and clean rooms overseas

Future Initiatives

- Focus on acquiring solvent recovery equipment projects in Europe and other regions
- Re-allocate human resources within the Group to growth businesses

Hybrid Super Capacitor:
Hybrid Super Capacitors (HSC) are high-performance energy storage devices that combine electric double layer capacitors (EDLC) for the positive electrode and lithium-ion batteries for the negative electrode. HSC is expected to find applications in various fields where high energy density and high output density are required.

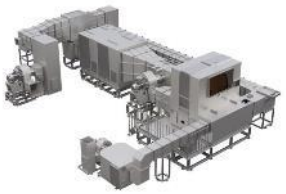
Construction Management:
A construction manager acts in the contractee's interest, managing a construction project from start to finish to achieve the project's goals and requirements.



charging and discharging device (aging process):
Among the manufacturing processes of energy devices such as lithium-ion batteries and capacitors, this device is used in the aging process to evaluate performance by performing charging and discharging. This new product stabilizes the physical characteristics of the product by evenly applying overheated air to the product as a heat load, and checks for defective parts.

Inert gas environment enclosure:
Enclosure to ensure product quality and safety from unwanted reactions such as oxidation and hydrolysis by locally sealing manufacturing equipment by replacing air containing reactive gases such as oxygen with inert gases such as nitrogen.

Solvent Recovery Equipment:
It is a device that adsorbs organic solvents inside the honeycomb, cools and condenses them, and recovers them as a liquid. Our unique circulation system allows for greater energy savings than conventional collection methods. In recent years, it has been attracting attention for its use in recovering organic solvents used in the electrode manufacturing process of lithium-ion batteries and adopted as a device capable of reducing environmental impact.



Participation in the cross-industry project “Swiftfab” for battery manufacturing equipment, involving nine BASC* member companies

*BASC：Battery Association for Supply Chain. Seibu Giken joined in 2023 and is working toward the development of the battery supply chain.

Nine BASC member companies, including ours, aim to establish new standards for battery manufacturing facilities.

The Purpose of “Swiftfab”

This project is positioned as part of efforts to advance the implementation of the Ministry of Economy, Trade and Industry's battery industry strategy and strengthen the stable domestic supply system for batteries. It aims to establish a cross-industry battery manufacturing platform through participation by BASC member companies.

Contents of “Swiftfab”

Develop and deploy integrated battery manufacturing lines combining buildings, equipment, and production systems, providing a framework enabling the establishment of high-quality manufacturing bases in an overwhelmingly short timeframe and at low cost.

Features of “Swiftfab”

Nine BASC member companies from diverse fields involved in battery manufacturing have joined forces, pooling their respective strengths. This marks the world's first initiative where the industry collaborates to build a foundation for collective optimization, transcending the limitations of “individual corporate efforts.” Within this framework, BASC participates as a neutral driving force, coordinating the development of shared intellectual property, technical standardization, and international expansion strategies. The outcomes of this project will be made available to BASC member companies going forward, with plans to expand it as a “collaborative industrial infrastructure.”

The Role of Seibu Giken
Leveraging our expertise in controlling and maintaining air quality in manufacturing environments cultivated over many years, along with our energy control know-how, we are responsible for developing and supplying battery manufacturing environments.

Participation in the cross-industry project “Swiftfab” for battery manufacturing equipment, involving nine BASC* member companies

*BASC：Battery Association for Supply Chain. Seibu Giken joined in 2023 and is working toward the development of the battery supply chain.

Project Name	Swiftfab
Project operator	SwiftfabEnergySystems Co., Ltd.（Tentative name）
Date of Establishment	April 2026 (planned)
Location	Minato City, Tokyo (planned)
Co-investor	BASC Member Companies: 9
Business Activities	Development, design, sales, and operational support for storage battery manufacturing equipment and line
Intended Applications	Automotive and Stationary Lithium-Ion Batteries / Next-Generation Battery Manufacturing
For inquiries	Swiftfab Preparatory Office press@swiftfab.co.jp

Keisuke Kita* of our company is scheduled to be appointed as the representative of SwiftfabEnergySystems Co., Ltd. (tentative name).

*Senior Executive Officer, Chief Strategy Officer, Solution Division Seibu Giken Co., Ltd.
Representative Director Seibu Giken DR Engineering Co., Ltd.

Efforts in new product “C-SAVE Green” (launching in 2024)

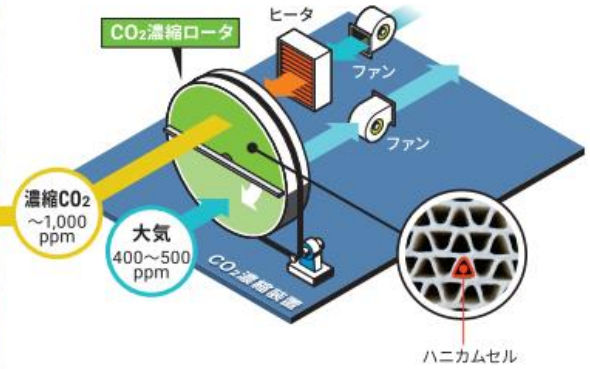
Atmospheric carbon dioxide (CO2) concentration and supplying equipment for greenhouse

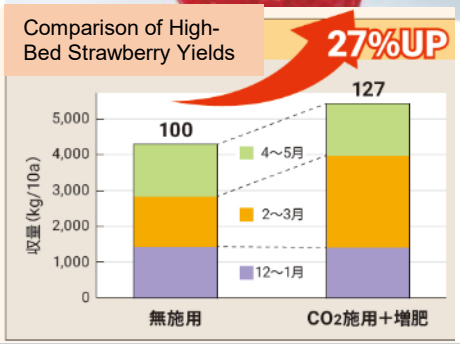
C-SAVE Green®

第50回（令和6年度）発明大賞 東京都知事賞 受賞

Benefits

- **Increase in yield -** Verified by test with strawberry cultivation in elevated beds
- **Reduce environmental impact -** Supply safe and clean CO_2 at normal temperatures without using fossil fuels
- **Easy to handle -** No fuel supply or gas replacement required as capturing CO_2 from the atmosphere. Easy installation.





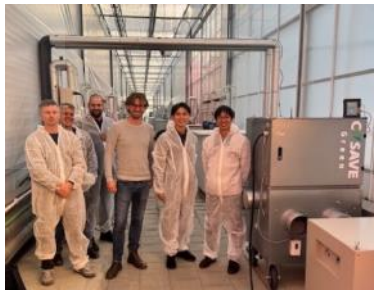
Received the Tokyo Governor's Award at the 50th Invention Awards

The 50th Invention Awards (2025), co-hosted by the Japan Institute of Invention and Innovation and the Nikkan Kogyo Shimbun, recognized our company with the Tokyo Governor's Award.

Initiatives during the Medium-Term Management Plan 2024-2026

- Initiatives for Mass Production
- Initiatives for Cost Reduction
- Efforts in Overseas Expansion

  Field trials commence at Wageningen University & Research (WUR) in the Netherlands



New business targeting agriculture (greenhouse)

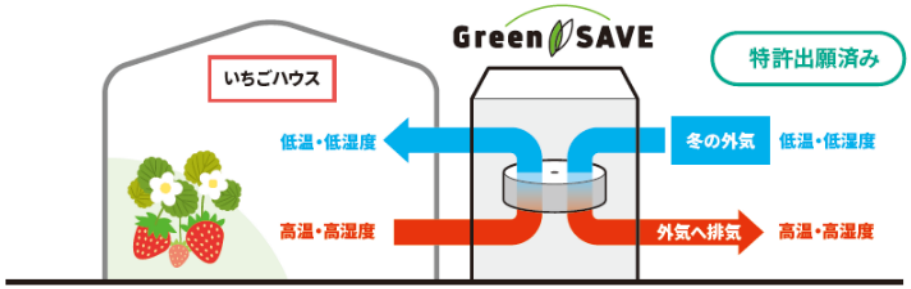
Promoting C-SAVE Green® and energy-saving ventilator (Green Save), aim at generating JPY 1 bn in 2027

R&D: Technological development to reduce CO_2

Green SAVE

Achieve closed-greenhouse* operation from autumn to spring with a total heat exchange rotor

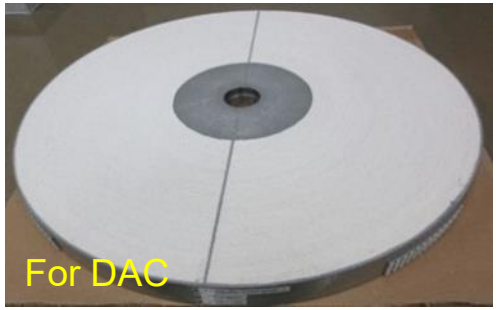
*Greenhouse in a closed state



Initiatives during the Medium-Term Management Plan 2024-2026

- Field trial in strawberry greenhouse
- Patent registrations: 1, Patent applications: 3

Development of CO2 Adsorption Rotors



Initiatives during the Medium-Term Management Plan 2024-2026

- Joint research with universities
- Adsorbs and desorbs CO_2 with low energy consumption
- Improved endurance
- Expansion into DAC (Direct Air Capture) and air conditioning applications

Cash Allocation (2024-2026)

・Priorities are placed on investment to increase production capacity, improve productivity, and expand business areas for future growth
・Shareholder returns are principally based on dividends, and share buybacks are implemented in line with profit growth and capital efficiency

Capital Allocation Plan (3 years: FY2024-FY2026)

Operating Cash Flow
JPY 13.0 bn

Investing Cash Flow
JPY 6.0 bn or more

Increase production capacity
・Construction of a new dehumidifying rotor factory in Japan (approx. JPY 0.5 bn as additional costs)

Improve productivity
・Construction of a new sheet metal factory in China (approx. JPY 2.0 bn)
・Consistent improvement of productivity (approx. JPY 2.0 bn)

Invest to expand business domains
・Investment to expand engineering business, etc. (approx. JPY 1.0 bn or more, including alliances and M&As)

Shareholder Returns
JPY 6.0 bn or more

- Target dividend payout ratio: 40% or higher
- Share buybacks:
  - Execute share buybacks in a flexible manner, taking into account capital efficiency, financial results, and capital conditions
  - JPY 2.0 bn planned during the current Medium-Term Management Plan period