

Summary of Financial Results of Fiscal Year 2019 Ended March 31, 2020

April 27, 2020

Company Name:	SEKISUI CHEMICAL CO., LTD.
Stock Listings:	Tokyo Stock Exchange
Code Number:	4204
URL:	https://www.sekisuicheimical.com
Representative Director:	Mr. Keita Kato, President
Inquiries:	Mr. Futoshi Kamiwaki, Senior Managing Executive Officer
TEL:	+81-3-6748-6467
Scheduled General Meeting of Shareholders:	June 23, 2020
Scheduled date for payment of dividends:	June 24, 2020
Scheduled date for submission of financial statement:	June 23, 2020
Earnings supplementary explanatory documents:	Yes
Earnings results briefing:	Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Fiscal 2019 (April 1, 2019 to March 31, 2020)

(1) Consolidated Business Results (% change from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2019	1,129,254	-1.2	87,768	-8.3	86,996	-6.6	58,931	-10.8
FY2018	1,142,713	3.2	95,686	-3.6	93,146	-0.8	66,093	4.2

(Note) Comprehensive income March 31, 2020: 36,420 million yen (-34.6%), March 31, 2019: 55,648 million yen (-24.7%)

	Net Income Attributable to Owners of the Parent per Share	Net Income Attributable to Owners of the Parent per Share (Diluted)	Net Income to Equity Ratio	Ordinary Income to Total Assets Ratio	Operating Income Ratio
	yen	yen	%	%	%
FY2019	128.25	128.23	9.7	8.2	7.8
FY2018	141.74	141.64	11.1	9.2	8.4

(Note) Equity in earnings of affiliated companies March 31, 2020: 2,893 million yen, March 31, 2019: 2,450 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2019	1,102,352	634,275	55.3	1,333.88
FY2018	1,023,706	632,746	59.3	1,307.75

(Note) Shareholders' Equity: March 31, 2020: 609,309 million yen, March 31, 2019: 607,123 million yen

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	End of Year Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2019	92,647	-100,562	15,450	74,721
FY2018	85,213	-62,553	-31,539	68,613

2. Dividend Status

(Date of Record)	Dividend Per Share					Total Dividend Payment (full year)	Dividend Payout Ratio (consolidated)	Dividend to equity ratio (consolidated)
	At the end of 1Q	At the end of 2Q	At the end of 3Q	Year-end	Full year			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2018	-	21.00	-	23.00	44.00	20,483	31.0	3.4
FY2019	-	23.00	-	23.00	46.00	21,099	35.9	3.5
FY2020 (outlook)	-	23.00	-	24.00	47.00		49.4	

3. Consolidated Outlook for Fiscal 2020 (April 1, 2020 to March 31, 2021)

(% change from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income Attributable to Owners of the Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Mid-term	505,600	-9.1	14,700	-64.6	15,400	-63.4	6,900	-76.7	15.11
Full Year	1,107,400	-1.9	70,000	-20.2	69,000	-20.7	43,500	-26.2	95.23

4. Other

(1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting): No

(2) Changes to the accounting policy, changes or restatements of the accounting estimates

a) Changes caused by revisions to accounting principles: Yes

b) Changes other than a): No

c) Amendments to accounting estimates: No

d) Restatements: No

Note: For further details please refer to "(5) Items Concerning the Information in the quarterly Consolidated Financial Statements (Notes)" (Changes in accounting policy) on page 16.

(3) Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock)	FY2019	484,507,285 shares
	FY2018	492,507,285 shares
b) Treasury stock at the end of term	FY2019	27,712,523 shares
	FY2018	28,256,058 shares
c) Average outstanding shares in the period	FY2019	459,494,651 shares
	FY2018	466,299,392 shares

(Reference information) Non-consolidated financial results for the Fiscal 2019 (April 1, 2019 to March 31, 2020)

(1) Non-Consolidated Business Results (% change from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2019	354,633	-1.5	19,634	-6.1	42,995	1.4	33,484	-12.9
FY2018	359,993	0.9	20,901	-16.3	42,395	-1.8	38,454	1.7

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
FY2019	72.82	72.80
FY2018	82.41	82.35

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2019	646,079	299,612	46.4	655.27
FY2018	593,435	307,021	51.7	660.50

(Note) Shareholders' Equity : March 31, 2020: 299,548 million yen, March 31, 2019: 306,864 million yen

Note: Execution chart for audit procedures

The Financial Instruments and Exchange Law does not require this brief announcement of the most recent financial statements to be subject to audit review.

Note: Remarks on appropriate use of forecasted results of operation and other special matters

The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of the report and on certain assumptions that the Company considers reasonable. Forward-looking statements in no capacity represent a guarantee that the Company will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts.

1. Business Results

(1) Analysis of Business Results

1) Overview of Fiscal 2019

a. Group Overview

Net Sales: 1,129.2 billion yen (-1.2%), Operating Income: 87.7 billion yen (-8.3%),

Ordinary Income: 86.9 billion yen (-6.6%), Net Income Attributable to Owners of the Parent: 58.9 billion yen (-10.8%)

In fiscal 2019, sales and income in each stage decreased due to impact from the spread of COVID-19, such as lower operation rates of customers in the Mobility domain and delayed delivery of houses and refurbishing, although the whole supply chain worked on cost innovation and fixed cost reduction to address the downturn in global automobile market conditions and the consumption tax rate hike.

The Urban Infrastructure and Environmental Products Company steadily increased sales of high prioritized products that contribute toward resolving social issues, setting a record high income as a Company.

b. Overview by Business Segments

[Housing Company]

Net Sales: 512.9 billion yen (+1.2%), Operating Income: 37.7 billion yen (-3.1%)

In fiscal 2019, while there was a reduction in demand for rebuilding and apartment buildings due to the consumption tax rate hike, operating income increased by leveling out and improving the profit structure of Housing Renovation. However, operating income decreased in the fourth quarter of fiscal 2019 because net sales were lower than expected due to a delay of delivery caused by the spread of COVID-19.

Regarding the Housing business, efforts were made to expand sales of smart houses centered on the new products Smart Power Station Urban and New Smart Power Station together with promoting the nationwide introduction of experience-based showrooms. In addition, efforts were made to secure orders for housing from first-time buyers centered on ready-built houses through the expansion of land stock for sale.

In the Housing Renovation business, efforts were made to expand sales of strategic products such as energy self-sufficiency proposals centered on storage batteries. The introduction of the showrooms FamiS Museum and FamiS Gallery was also undertaken. In addition, the SMARTHEIM DENKI power trading service was launched.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 237.3 billion yen (-0.8%), Operating Income: 15.4 billion yen (+3.1%)

In fiscal 2019, sales of general products struggled due to a delay of construction and suspension of capital investment due to COVID-19, in addition to a decrease in construction of houses caused by the consumption tax rate hike. However, sales of high prioritized products expanded smoothly,

maintaining net sales at essentially the same level as the previous year. Operating income set a record high in fiscal 2019 as a Company due to the promotion of structural reforms and the improvement in product mix.

In Piping and Infrastructure, in addition to general products, sales of industrial piping materials struggled due to a decrease in IT investment, but sales for nonresidential facilities and public infrastructure were higher than the previous year and steady sales expansion of piping materials (AC drain, Eslo Hyper), which contribute to labor saving and reduction in construction period, and materials for the sewer pipe renewal (SPR) method.

Regarding Building and Living Environment, while there was an impact from low demand for apartment buildings, sales were essentially at the same level as the previous year due to the expansion of sales of rainwater high flowrate drainage system in response to torrential rain and the nursing care and independence support equipment Wells.

In Advanced Materials, the new adoption of synthetic lumber for railway sleepers steadily expanded overseas, and thermo plastic sheets saw steady sales for medical use, but net sales in this field were lower than the previous year due to a sharp decline in overseas demand for aircrafts.

[High Performance Plastics Company]

Net Sales: 322.4 billion yen (-5.5%), Operating Income: 37.1 billion yen (-17.1%)

In fiscal 2019, income and profits decreased due to lower operation rates of customers caused by the COVID-19 pandemic although supply chain-wide cost innovation and spread improvement after a decline in raw material prices were promoted in the wake of a prolonged downturn in global market conditions mainly surrounding the automobile industry.

In Electronics, net sales were lower than the previous year due to the deterioration of market conditions for mobile devices such as smartphones and tablets. However, expansion in sales made steady progress for non-liquid-crystal-related products such as heat release products and joint parts related to 5G.

In Automobiles and Transportation, net sales were lower than the previous year due to a prolonged downturn in global market conditions, such as a delay in the recovery of Europe's automobile market conditions, deceleration of the China market, and stagnation in automobile sales in the U.S. market, as well as much lower operation rates of customers caused by COVID-19 in the fourth quarter of fiscal 2019.

To accelerate business expansion in the area of mobility materials, a stock purchase agreement was signed in June to acquire all outstanding stock in AIM Aerospace Group, which came under consolidation as SEKISUI AEROSPACE CORPORATION at the end of the third quarter of fiscal 2019.

In Building and Infrastructure, sales expansion of fire protection materials and noncombustible materials is making steady progress, and net sales were higher than the previous year.

In the Industry domain, sales of general products such as tapes struggled due to impact from the consumption tax rate hike and a decrease in demand caused by COVID-19, and net sales were lower than the previous year.

* To accelerate growth, from fiscal 2019, the Medical Business has been removed from the High Performance Plastics Company to form the fourth business segment. Comparisons with the previous year are carried out by comparing the actual results of the previous year excluding the Medical Business.

[Medical Business]

Net Sales: 72.5 billion yen (+2.6%), Operating Income: 9.2 billion yen (-4.4%)

In fiscal 2019, income increased mainly in the diagnostics business, due to sales expansion in Europe and China, while operating income decreased because sales were lower than planned due to a decline in outpatient tests for lifestyle related diseases caused by the spread of COVID-19 while growth investment is made to strengthen the business foundation and development system.

2) Forecast for Fiscal 2020

a. Group Forecast

Net Sales: 1,107.4 billion yen (-1.9%), Operating Income: 70.0 billion yen (-20.2%),

Ordinary Income: 69.0 billion yen (-20.7%), Net Income Attributable to Owners of the Parent: 43.5 billion yen (-26.2%)

Market conditions in fiscal 2020 are expected to gradually recover beginning from the second quarter of fiscal 2020, while economic activities in Japan and overseas are subject to significant constraints in the first quarter of fiscal 2020 due to COVID-19, and return to normal in the second half of the fiscal year.

While steadily capturing postponed demand by keeping our supply chain running in anticipation of a recovery in demand in and after the second half of the fiscal year, we will continue to invest for growth. Meanwhile, we will accelerate the supply chain-wide cost innovation, business structural reforms, and reduction in fixed costs excluding growth investment.

b. Forecast by Business Segments

[Housing Company]

Net Sales: 505.5 billion yen (-1.4%), Operating Income: 32.0 billion yen (-15.3%)

In fiscal 2020, net sales is expected to be at essentially the same level as the previous year, but operating income is expected to decrease due to a significant impact from COVID-19 on orders particularly in the first quarter of the fiscal year in addition to a decline in demand in the market

as a reaction to the consumption tax rate hike. Toward a recovery period after the convergence of effects of COVID-19, we will increase our stock of land and ready-built houses as well as enhance product development specifically for first-time buyers.

In addition, through the reorganization of manufacturing companies, we will further improve our prominence in the field of industrialized housing, further raise productivity, and strengthen cost competitiveness, as well as leveling out.

Regarding the Housing business, while continuously making effort to promote smart houses and resilience so that they appeal to customers, we will attract customers and increase orders by expanding online marketing in addition to strengthening structure, such as sales representatives and model houses.

In the Housing Renovation business, while continuously making energy self-sufficiency proposals centered on storage batteries more actively, we will expand sales of high prioritized products by strengthening the points of contact with our customers mainly through periodic diagnosis.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 228.4 billion yen (-3.8%), Operating Income: 14.0 billion yen (-9.6%)

In fiscal 2020, net sales and operating income are expected to decrease due to unavoidable impact from COVID-19 in the first half of the fiscal year. While working on further structural reforms to strengthen business base, we will take new measures for growth as productivity reforms, such as streamlining overall operations by DX and promoting automated production.

In Piping and Infrastructure, while continuously expanding sales mainly of products which contribute to resolving social issues such as a shortage of workers and aging infrastructure as well as new products (AC drain, Eslo-Hyper, and SPR), we will address the business environment worsened by a decline in commencements of new construction and suspension of capital investment, by strengthening earning power and thoroughly promoting productivity improvement activities.

Regarding the Building and Living Environment domain, we will further expand sales of products responding to serious disasters including torrential rain and products for nursing care as well as strengthen earning power.

In Advanced Materials, we will accelerate the adoption of synthetic lumber for railway sleepers and the discovery of new uses of thermo plastic sheets, in addition to strengthening business base.

[High Performance Plastics Company]

Net Sales: 315.0 billion yen (-2.3%), Operating Income: 27.6 billion yen (-25.7%)

In the first half of fiscal 2020, net sales and operating income are expected to decrease due to significant impact from COVID-19.

In Electronics, we will accelerate the sales expansion of non-liquid-crystal-related products

including products for semiconductors and the launch of new products in anticipation of the convergence of effects of COVID-19 in the East Asian market.

In Mobility, profits will greatly decrease due to significant impact from COVID-19. However, while continuously increasing global sales such as by expanding the application scope of interlayer films for laminated glass in high-performance products and generating effects of new lines built in European plants, we will accelerate the introduction of our products such as heat release products into the car electronics field. In addition, we will strengthen SEKISUI AEROSPACE CORPORATION's earning power in view of the situation of the airline industry in the United States.

In Building and Infrastructure, while accelerating the expansion of the fire protection material business centered on the promotion of the expansion of non-combustible urethane business in synergy with SEKISUI SOFLANWIZ CO., LTD., we will expand sales of chlorinated polyvinyl chloride (CPVC) resin and heat insulating materials.

[Medical Business]

Net Sales: 74.1 billion yen (+2.1%), Operating Income: 9.3 billion yen (+1.0%)

Although a decline in outpatient tests for lifestyle related diseases caused by the spread of COVID-19 will greatly affect the business results for the first half of the fiscal year, we will continuously strengthen the business base and development structure toward a recovery in and after the second half of the fiscal year, and income and profits are expected to increase.

(2) Dividends for Fiscal 2019 and Fiscal 2020

Increasing corporate value and actively returning profits to shareholders are fundamental management objectives at SEKISUI CHEMICAL.

As far as the Company's profit distribution policy to shareholders is concerned, SEKISUI CHEMICAL seeks to secure a DOE of around 3% while targeting a dividend payout ratio of 30% on a consolidated basis, and implements stable dividend measures in line with its performance.

We also plan to return profits to our shareholders even more proactively in our Medium-term Management Plan starting in 2020.

The Company will continue to pay dividends twice a year on the basis of the end of the second quarter and the end of the fiscal year as before.

In consideration of SEKISUI CHEMICAL's ongoing solid performance, the target payout ratio, and other factors, SEKISUI CHEMICAL plans to provide a fiscal year-end dividend of ¥23 per share, the same amount as the most recent forecast, and pay a full fiscal year dividend of ¥46 per share.

	Dividend per Share (yen)		
	End of the 1H	Fiscal Year-End	Total
Current forecast	—	23.00	46.00
Fiscal 2019 results	23.00	—	—
Fiscal 2018 results	21.00	23.00	44.00

In fiscal 2020, SEKISUI CHEMICAL plans to provide a first half period-end dividend of ¥23 per share and a fiscal year-end dividend of ¥24 for a full fiscal year dividend distribution of ¥47 per share.

III. Consolidated Financial Statement (Fiscal Year 2019)

(1) Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2018 (As of March 31, 2019)	End Fiscal Year 2019 (As of March 31, 2020)
(Assets)		
Current assets		
Cash and deposits	69,882	76,819
Notes receivable, trade	44,624	39,436
Accounts receivable, trade	142,349	134,688
Marketable securities	0	0
Merchandise and finished goods	66,516	73,744
Land for sale	38,266	50,580
Work in process	53,207	56,554
Raw materials and supplies	34,198	36,311
Advance payments	1,950	2,631
Prepaid expenses	4,323	5,237
Short-term loans receivable	2,095	1,466
Other current assets	14,015	15,789
Allowance for doubtful accounts	-1,394	-1,377
Total current assets	470,037	491,883
Non-current assets		
Property, plant and equipment, net		
Buildings and structures	101,189	104,206
Machinery, equipment and vehicles	82,923	84,284
Land	78,266	79,708
Leased assets	10,357	18,520
Construction in progress	25,400	38,905
Other	11,318	11,624
Total property, plant and equipment, net	309,455	337,250
Intangible assets		
Goodwill	16,953	57,346
Software	9,612	9,571
Leased assets	175	135
Other	24,034	34,015
Total intangible assets	50,775	101,069
Investments and other assets		
Investments in securities	163,334	140,862
Long-term loans receivable	2,281	1,379
Long-term prepaid expenses	1,487	1,394
Asset for retirement benefits	202	125
Deferred tax assets	12,797	16,536
Other	15,535	13,884
Allowance for doubtful accounts	-2,200	-2,034
Total investments and other assets	193,438	172,148
Total non-current assets	553,669	610,468
Total assets	1,023,706	1,102,352

(Millions of Yen)

	End Fiscal Year 2018 (As of March 31, 2019)	End Fiscal Year 2019 (As of March 31, 2020)
(Liabilities)		
Current liabilities		
Notes payable, trade	4,268	3,002
Electronically recorded obligations	27,626	26,859
Accounts payable, trade	98,546	101,914
Short-term debt and current portion of long-term debt	7,685	8,446
Commercial paper	17,000	28,000
Current portion of bonds	16	19
Lease obligations	3,607	4,694
Accrued expenses	41,400	41,097
Accrued income taxes and other taxes	10,968	11,855
Allowance for bonuses to employees	17,918	18,162
Allowance for bonuses to directors and audit and supervisory board members	272	275
Provision for compensation for completed constructions	1,311	1,382
Provision for stock-based compensation	133	166
Advances received	43,069	42,180
Other	37,356	46,155
Total current liabilities	311,180	334,212
Long-term liabilities		
Bonds	10,019	40,000
Long-term debt less current portion	8,603	22,368
Lease obligations	6,916	14,137
Deferred tax liabilities	3,860	4,291
Liability for retirement benefits	44,585	47,170
Provision for stock-based compensation	395	479
Other	5,398	5,416
Total long-term liabilities	79,779	133,864
Total liabilities	390,960	468,076
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,221	109,273
Retained earnings	408,008	433,017
Treasury stock, at cost	-44,337	-44,139
Total shareholders' equity	572,894	598,153
Accumulated other comprehensive income:		
Unrealized holding gain on securities	36,828	27,463
Deferred loss on hedges	-32	-16
Unrealized gain on land revaluation	321	321
Translation adjustments	2,123	-8,193
Retirement benefit adjustments	-5,011	-8,419
Total accumulated other comprehensive income	34,229	11,155
Stock acquisition rights	156	64
Non-controlling interests	25,465	24,901
Total net assets	632,746	634,275
Total liabilities and net assets	1,023,706	1,102,352

(2) Consolidated Statements of Income and Statement of Comprehensive Income
(Consolidated Statements of Income)

(Millions of Yen)

	Fiscal Year 2018 (From April 1, 2018 to March 31, 2019)	Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)
Net sales	1,142,713	1,129,254
Cost of sales	774,647	766,551
Gross profit	368,065	362,702
Selling, general and administrative expenses	272,378	274,933
Operating Income	95,686	87,768
Non-operating income		
Interest income	1,072	957
Dividends income	4,444	4,363
Equity in earnings of affiliates	2,450	2,893
Foreign exchange gain, net	1,018	178
Miscellaneous income	2,958	3,417
Total non-operating income	11,944	11,809
Non-operating expenses		
Interest expenses	480	695
Sales discounts	411	399
Miscellaneous expenses	13,593	11,487
Total non-operating expenses	14,485	12,581
Ordinary income	93,146	86,996
Extraordinary income		
Gain on sales of investments in securities	3,411	6,929
Total extraordinary income	3,411	6,929
Extraordinary loss		
Loss on impairment of fixed assets and goodwill	1,274	4,443
Loss on devaluation of investments in securities	-	2,897
Loss on sales of investments in securities	-	290
Loss on sales or disposal of property, plant and equipment	1,373	2,713
Total extraordinary loss	2,648	10,344
Income before income taxes	93,908	83,581
Income taxes		
Current	22,261	22,659
Deferred	3,167	-39
Total income taxes	25,428	22,619
Net income	68,480	60,962
Net income attributable to:		
Non-controlling interests	2,386	2,030
Owners of the parent	66,093	58,931

(Consolidated Statement of Comprehensive Income)

	(Millions of Yen)	
	Fiscal Year 2018 (From April 1, 2018 to March 31, 2019)	Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)
Net income	68,480	60,962
Other comprehensive loss		
Unrealized holding loss on securities	-9,052	-9,448
Deferred gain on hedges	16	31
Translation adjustments	-923	-11,771
Retirement benefit adjustments	-2,277	-3,297
Comprehensive loss of affiliates accounted for by the equity method attributable to the Company	-595	-54
Total other comprehensive loss	-12,832	-24,541
Comprehensive income	55,648	36,420
Comprehensive income attributable to:		
Owners of the parent	53,230	35,857
Non-controlling interests	2,417	562

Fiscal 2019 (April 1, 2019 to March 31, 2020)

(Millions of Yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2019	100,002	109,221	408,008	-44,337	572,894
Changes					
Cash dividends			-21,261		-21,261
Net income attributable to owners of the parent			58,931		58,931
Increase in retained earnings resulting from inclusion of subsidiaries in consolidation			45		45
Increase in retained earnings resulting from exclusion of subsidiaries in consolidation			23		23
Retirement of treasury stock		-12,729		12,729	-
Purchase of treasury stock				-13,291	-13,291
Disposal of treasury stock		46		760	806
Transfer from retained earnings to capital surplus		12,729	-12,729		-
Change in shareholders' equity due to transactions with non-controlling interests		5			5
Net changes of items other than shareholders' equity					-
Total changes of items during the year	-	52	25,008	198	25,259
Balance at March 31, 2020	100,002	109,273	433,017	-44,139	598,153

	Accumulated other comprehensive income (loss)						Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Unrealized gain on land revaluation	Translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income (loss)			
Balance at April 1, 2019	36,828	-32	321	2,123	-5,011	34,229	156	25,465	632,746
Changes									
Cash dividends									-21,261
Net income attributable to owners of the parent									58,931
Increase in retained earnings resulting from inclusion of subsidiaries in consolidation									45
Increase in retained earnings resulting from exclusion of subsidiaries in consolidation									23
Retirement of treasury stock									-
Purchase of treasury stock									-13,291
Disposal of treasury stock									806
Transfer from retained earnings to capital surplus									-
Change in shareholders' equity due to transactions with non-controlling interests									5
Net changes of items other than shareholders' equity	-9,365	15	-	-10,316	-3,407	-23,073	-92	-564	-23,730
Total changes of items during the year	-9,365	15	-	-10,316	-3,407	-23,073	-92	-564	1,528
Balance at March 31, 2020	27,463	-16	321	-8,193	-8,419	11,155	64	24,901	634,275

(4) Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Fiscal Year 2018 (From April 1, 2018 to March 31, 2019)	Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)
Operating activities:		
Income before income taxes	93,908	83,581
Adjustments for:		
Depreciation and amortization	38,789	42,209
Amortization of goodwill	2,848	3,253
Loss on impairment of fixed assets and goodwill	1,274	4,443
Loss on disposal of property, plant and equipment	1,323	2,664
Loss on sales of property, plant and equipment, net	50	49
Decrease in liability for retirement benefits	-1,942	-1,056
Gain on sales of investments in securities	-3,411	-6,639
Loss on devaluation of investments in securities	-	2,897
Interest and dividends income	-5,517	-5,320
Interest expenses	892	1,094
Equity in earnings of affiliates	-2,450	-2,893
Increase (decrease) in notes and accounts receivable	-2,752	9,644
Increase in inventories	-21,288	-24,309
Decrease in notes and accounts payable	-2,360	-737
Increase (decrease) in advances received	4,271	-1,004
Decrease (increase) in deposits received	-3,475	570
Other	1,549	1,237
Subtotal	101,709	109,685
Interest and dividends received	6,308	6,167
Interest paid	-879	-1,133
Income taxes paid	-21,925	-22,071
Net cash provided by operating activities	85,213	92,647
Investing activities:		
Purchases of property, plant and equipment	-60,082	-52,683
Proceeds from sales of property, plant and equipment	712	1,336
Payments into time deposits	-1,239	-5,637
Proceeds from withdrawal of time deposits	1,456	4,722
Purchases of investments in securities	-2,920	-1,034
Proceeds from sales or redemption of investments in securities	5,745	14,417
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	-	-54,377
Acquisition of investments in subsidiaries	-1,908	-45
Purchases of intangible assets	-6,111	-4,544
Decrease (increase) in short-term loans receivable	3,545	-5,277
Other	-1,752	2,560
Net cash used in investing activities	-62,553	-100,562
Financing activities:		
Decrease in short-term debt, net	-1,310	-318
Repayments of lease obligations	-3,858	-5,073
Increase in commercial paper	10,000	11,000
Proceeds from long-term debt	2,426	17,165
Repayment of long-term debt	-3,812	-2,182
Proceeds from issuance of bonds	-	30,000
Redemption of bonds	-16	-19
Cash dividends paid	-19,706	-21,286
Cash dividends paid to non-controlling interests	-909	-1,114
Purchase of treasury stock	-14,571	-13,291
Other	220	572
Net cash used in (provided by) financing activities	-31,539	15,450
Effect of exchange rate change on cash and cash equivalents	365	-3,072
Net decrease (increase) in cash and cash equivalents	-8,514	4,462
Cash and cash equivalents at beginning of term	76,723	68,613
Increase in cash and cash equivalents from newly consolidated subsidiaries	403	1,646
Cash and cash equivalents at end of term	68,613	74,721

(5) Items Concerning the Information in the quarterly Consolidated Financial Statements (Notes)

(Notes regarding the premise of a going concern)

No significant changes during the term under review.

(Changes in accounting policy)

Adopted IFRS No. 16 “Leases”

Effective from the fiscal year under review, overseas subsidiaries that are applying International Financial Reporting Standards (IFRS) have adopted IFRS No. 16 “Leases” issued on January 13, 2016. Due to the application of IFRS No. 16 “Leases,” lessees, in principle, recognize and record all leases as assets and liabilities on the balance sheet. The impact of the application of IFRS No. 16 “Leases” on the Company’s consolidated financial statements is immaterial.

(Notes to the Consolidated Financial Statements)

I. Fiscal year 2018 (April 1, 2018 to March 31, 2019)

a. Loss on impairment of fixed assets and goodwill

The Group reported a loss on impairment of fixed assets in the current consolidated fiscal year associated with the following assets.

Item	Type	Location
Business assets	Property, plant and equipment	Nara City, Japan

The Group combines assets based on the minimum unit generating cash flows in a manner generally independent of cash flows provided by other assets or asset groups.

(Idle assets are treated as individual properties.)

Meanwhile, the Group deemed that the future use of certain buildings & structures could not be reasonably expected due to restricting of the production system in the injection molding business. As a result, the book value of these buildings & structures was lowered to the recoverable amount (¥806 million) and recorded as an impairment loss. While the recoverable value was measured at value in use, the Group recorded a loss on impairment in the full amount since future cash flows from these properties were no longer probable.

II. Fiscal year 2019 (April 1, 2019 to March 31, 2020)

a. Loss on impairment of fixed assets and goodwill

The Group reported a loss on impairment of fixed assets in the current consolidated fiscal year associated with the following assets.

Item	Type	Location
Other	Intangible assets	Chiba city, Japan
Business assets	Buildings and structures	Asaka city, Japan

The Group combines assets based on the minimum unit generating cash flows in a manner generally independent of cash flows provided by other assets or asset groups. (Idle assets are treated as individual properties.)

Meanwhile, the Group deemed that profits from goodwill reported when the nursing care business was acquired could not be reasonably expected as anticipated in the business plan considered at the time of share acquisition. As a result, the book value of this goodwill was lowered to the recoverable amount (1,905 million yen) and recorded as an impairment loss under extraordinary loss. While the recoverable value was measured at value in use, the Group recorded an impairment loss using the full amount of goodwill balance since estimated future cash flow amounts were no longer certain.

In addition, a decision has been made to change the purpose of owning certain buildings and structures from facilities for welfare to assets for business. As a result, the book value of these buildings and structures was lowered to the recoverable amount (1,736 million yen) and recorded as an impairment loss under extraordinary loss. The recoverable value was measured at value in use.

(Segment Information)**I. Segment Information****a) Overview of the Reportable Segments**

The reportable segments of the Companies are determined on the basis that separate financial information of such segments is available and examined periodically by the Board of Directors of the Company to make decisions regarding the allocation of management resources and assess the business performances of such segments. The Companies have divided the business operations into the four segments of Housing, Urban Infrastructure and Environmental Products (UIEP), High Performance Plastics (HPP) and Medical based on manufacturing methods, products, sales channels, and other business similarities. Each business segment formulates comprehensive strategies and develops business activities for its products in Japan and overseas.

The Housing business comprises manufacturing, construction, sales, refurbishing, and other operations related to unit housing, real estate, and residential service business.

The UIEP business comprises manufacturing, sales, and construction operations related to PVC pipes and joints, polyethylene pipes and joints, pipe and drain renewal materials and construction methods, reinforced plastic pipe, construction materials, and FFU.

The HPP business comprises manufacturing and sales of interlayer films for laminated glass, polyolefin foam, tape, LCD fine particles and photosensitive materials, functional resin for infrastructure, diagnostic drugs and other products.

The Medical business comprises manufacturing and sales of diagnostic reagents, analyzers, pharmaceutical ingredients and intermediates

b) Calculation methods used for sales, income, assets and the other items on each reportable segment

The accounting methods for the reportable segments are presented principally in accordance with “Important fundamental matters for preparing consolidated financial statements”

The amounts of segment income (loss) are calculated based on the same method as the calculation of operating income in the consolidated statement of income for the years ended March 31, 2020. The figures of intersegment sales and transfers are presented based on the current market price at the time of these transactions.

(Information on changes for reporting segment)

Effective from the fiscal year under review, the main portion of the Life Science field previously included in the High Performance Plastics segment is being presented as the Medical Business segment in an effort to accelerate the pace its growth as a new divisional company candidate.

c) Information as to sales, income (loss), assets and other items on each reportable segment

Fiscal 2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable Segment					Other (Note)	Consolidated
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Sales:							
(1) Sales to third parties	506,614	226,112	333,413	70,721	1,136,861	5,851	1,142,713
(2) Intersegment sales or transfers	114	13,080	7,876	0	21,072	243	21,316
Net sales	506,729	239,193	341,290	70,721	1,157,934	6,095	1,164,029
Segment income (loss)	39,002	15,007	44,855	9,623	108,489	-11,099	97,389
Segment Assets	315,154	216,653	343,755	116,652	992,215	16,758	1,008,973
Other items:							
Depreciation and amortization	9,351	6,983	16,139	3,064	35,539	2,271	37,811
Investment in affiliates accounted for by the equity	8,848	-	2,684	-	11,532	-	11,532
Increase in property, plant and equipment, and intangible assets	17,759	13,870	32,905	4,375	68,910	3,718	72,629

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

Fiscal 2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reporting Segment					Other (Note)	Consolidated
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Sales:							
(1) Sales to third parties	512,836	223,707	315,294	72,587	1,124,425	4,828	1,129,254
(2) Intersegment sales or transfers	101	13,672	7,126	0	20,901	141	21,043
Net sales	512,937	237,380	322,421	72,588	1,145,327	4,970	1,150,297
Segment income (loss)	37,792	15,480	37,169	9,204	99,646	-9,721	89,924
Segment Assets	331,761	216,898	373,054	120,420	1,042,133	21,820	1,063,954
Other items:							
Depreciation and amortization	9,447	7,823	17,933	3,709	38,913	2,018	40,931
Investment in affiliates accounted for by the equity	9,985	-	2,750	-	12,735	-	12,735
Increase in property, plant and equipment, and intangible assets	14,955	15,340	29,425	7,669	67,390	4,909	72,300

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

d) Information on the difference between the total amount of the reportable segments in the above tables and the corresponding amount reported in the consolidated financial statements

Fiscal 2018 (April 1, 2018 to March 31, 2019)

Net Sales	(Millions of Yen)
Total of reportable segments	1,157,934
Other net Sales	6,095
Eliminations	-21,316
Net Sales	1,142,713

Income	(Millions of Yen)
Total of reportable segments	108,489
Other loss	-11,099
Eliminations	-134
Corporate expenses (Note)	-1,568
Operating Income	95,686

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment.

Assets	(Millions of Yen)
Total of reportable segments	992,215
Assets classified as "other"	16,758
Eliminations	-337,151
Corporate assets (Note)	351,883
Total Assets	1,023,706

Note: Corporate assets are assets not attributable to the reportable segments. The main items were cash and deposits, long-term investments (investments in securities), assets related to administrative operations and deferred tax assets, etc. of the Company.

(Millions of Yen)

Other item	Reporting Segment	Others	Adjusted amount (Note)	Consolidated
Depreciation and amortization	35,539	2,271	978	38,789
Investments in affiliates accounted for by the equity method	11,532	-	32,996	44,529
Increase in property, plant and equipment, and intangible assets	68,910	3,718	966	73,595

Note: Adjustment represents the amounts of investments in affiliates accounted for by the equity method, which are not attributable to the reportable segments.

Fiscal 2019 (April 1, 2019 to March 31, 2020)

Net Sales	(Millions of Yen)
Total of reportable segments	1,145,327
Other net Sales	4,970
Eliminations	-21,043
Net Sales	1,129,254

Income	(Millions of Yen)
Total of reportable segments	99,646
Other net Sales	-9,721
Eliminations	637
Corporate expenses (Note)	-2,793
Operating Income	87,768

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment

Assets	(Millions of Yen)
Total of reportable segments	1,042,133
Assets classified as "Other"	21,820
Eliminations	-306,643
Corporate assets	345,040
Total Assets	1,102,352

Note: Corporate assets are assets not attributable to the reportable segments. The main items were cash and deposits, long-term investments (investments in securities), assets related to administrative operations and deferred tax assets, etc. of the Company.

(Millions of Yen)

Other item	Reporting Segment	Others	Adjusted amount (Note)	Consolidated
Depreciation and amortization	38,913	2,018	1,277	42,209
Investments in affiliates accounted for by the equity method	12,735	-	32,813	45,549
Increase in property, plant and equipment, and intangible assets	67,390	4,909	2,081	74,381

Note: Adjustment represents the amounts of investments in affiliates accounted for by the equity method, which are not attributable to the reportable segments.

II. Related information

Fiscal 2018 (April 1, 2018 to March 31, 2019)

a. Product and service information

This information is presented in the segment data and is therefore omitted here.

b. Geographical information

1.Net Sales

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Net Sales	852,543	82,898	63,044	129,873	14,352	1,142,713

Note 1: Net sales are classified by country or region based on client location.

2.Property, plant and equipment, net

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Property, plant and equipment, net	219,367	21,598	29,797	32,182	6,509	309,455

c. Loss on impairment of fixed assets and goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Loss on impairment of fixed assets and goodwill	-	19	109	148	-	997	1,274

d. Amortization and balance of goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Amortization of goodwill	127	216	672	1,803	29	-	2,848
Balance at March 31, 2019	2,033	53	4,778	10,024	63	-	16,953

Fiscal 2019 (April 1, 2019 to March 31, 2020)

a. Product and service information

This information is presented in the segment data and is therefore omitted here.

b. Geographical information

1.Net Sales

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Net Sales	854,600	81,312	57,508	121,161	14,672	1,129,254

Note 1: Net sales are classified by country or region based on client location.

2.Property, plant and equipment, net

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Property, plant and equipment, net	232,322	30,184	35,576	33,727	5,439	337,250

c. Loss on impairment of fixed assets and goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Loss on impairment of fixed assets and goodwill	1,905	474	327	-	-	1,736	4,443

d. Amortization and balance of goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Amortization of goodwill	127	53	1,250	1,792	29	-	3,253
Balance at March 31, 2020	-	-	49,227	8,085	34	-	57,346

(Per share data)	(Yen)	
	FY2018	FY2019
Net assets per share	1,307.75	1,333.88
Net income per share	141.74	128.25
Net income per share (diluted)	141.64	128.23

Note 1. Computation of net income per share and net income per share (diluted) is based on the following.

	FY2018	FY2019
Net income per share		
Net income amount attributable to owners of the parent (Millions of yen)	66,093	58,931
Amount not belonging to the general shareholders (Millions of yen)	-	-
Net income amount attributable to parent company shareholders of common stock (Millions of yen)	66,093	58,931
Average number of shares outstanding during the current term (Thousands)	466,299	459,494
Net income per share (diluted)		
Increase in common shares (Thousands)	321	92
(Number with stock acquisition rights (Thousands))	321	92
Summary of potentially dilutive shares not included in the calculation of net income per share (diluted), due to not having dilutive effect	Stock acquisition rights	Stock acquisition rights
	-	-
	Number of stock acquisition rights	Number of stock acquisition rights
	-	-

Note 2. Computation of net income per share is based on the following.

	FY2018	FY2019
Total net assets (Millions of yen)	632,746	634,275
Deduction from total assets:	25,622	24,965
Stock acquisition rights (Millions of yen)	156	64
Non-controlling interests (Millions of yen)	25,465	24,901
Total net assets attributable to common shareholders	607,123	609,309
Number of shares of common stock used in the calculation of net assets per share (Thousands)	464,251	456,794

Note 3. The Company's own shares held in the BIP trust and the ESOP trust recorded as treasury stock under shareholder's equity are included in treasury stock to be deducted from the weighted-average number of shares of common stock during the year in computing net income attributable to owners of the parent per share and from the number of shares of common stock at year-end in computing net assets per share.

The number s of shares of treasury stock deducted from the weighted-average number of share in computing net income attributable to owners of the parent per share were 581 thousand and 553 thousand shares for the years ended March 31, 2020 and 2019, respectively, and the numbers of shares of treasury stock deducted from the number of shares outstanding at year-end in computing net assets per share were 916 thousand and 516 thousand shares as of March 31, 2020 and 2019 respectively.

(Significant subsequent events)

No significant subsequent events.