

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2024**  
**<Under Japanese GAAP>**

April 26, 2024

Company Name: SEKISUI CHEMICAL CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4204 URL: <https://www.sekisuichechemical.com>  
 Representative: Mr. Keita Kato, President  
 Inquiries: Mr. Futoshi Kamiwaki, Senior Managing Executive Officer  
 TEL: +81-3- 6748-6467  
 Scheduled date of annual general meeting of shareholders: June 20, 2024  
 Scheduled date to commence dividend payments: June 21, 2024  
 Scheduled date to file annual securities report: June 20, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (% figures represent changes from the previous year.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	1,256,538	1.1	94,399	3.0	105,921	1.6	77,930	12.5
March 31, 2023	1,242,521	7.3	91,666	3.1	104,241	7.5	69,263	86.9
Note: Comprehensive Income	For the fiscal year ended March 31, 2024 :				135,737 million yen		(61.6%)	
	For the fiscal year ended March 31, 2023 :				84,008 million yen		(102.4%)	

Fiscal year ended	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share (Diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
March 31, 2024	183.48	-	10.4	8.3	7.5
March 31, 2023	159.19	-	10.0	8.6	7.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024 : 843 million yen  
 For the fiscal year ended March 31, 2023 : 2,254 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity to asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of March 31, 2024	1,323,243	820,925	59.9	1,880.30
As of March 31, 2023	1,228,131	732,525	57.4	1,642.67
Reference: Equity	As of March 31, 2024:	792,329 million yen	As of March 31, 2023	705,026 million yen

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	106,632	(18,515)	(53,023)	126,367
March 31, 2023	71,543	(59,430)	(62,906)	85,207

2. Dividend Status

(Date of Record)	Annual dividends per share				Total	Total cash dividends (Total)	Payout Ratio (consolidated)	Ratio of dividends to net assets (Consolidated)
	At the end of 1st Q	At the end of 2nd Q	At the end of 3rd Q	Fiscal year-end				
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
March 31, 2023	-	29.00	-	30.00	59.00	25,607	37.0	3.7
March 31, 2024	-	35.00	-	39.00	74.00	31,407	40.3	4.2
March 31, 2024 (Forecast)	-	37.00	-	38.00	75.00		40.5	

3. Consolidated Outlook for Fiscal 2025 (April 1, 2024 to March 31, 2025)

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of the parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
1st Half	634,600	3.8	42,800	4.0	44,300	-14.0	38,000	-14.5	90.18
Full Year	1,326,700	5.6	102,000	8.1	102,500	-3.2	78,000	0.1	185.10

#### 4. Notes

##### (1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

##### (2) Changes in the accounting policies, changes in accounting estimates, and restatement

- a) Changes in accounting policies due to revisions to accounting standards and other regulations: None  
b) Changes other than a): None  
c) Changes in accounting estimates: None  
d) Restatements: None

##### (3) Number of shares issued (common shares)

a) Number of shares issued at the end of the period (including treasury shares):	As of March 31, 2024	448,507,285	As of March 31, 2023	456,507,285
b) Number of treasury shares at the end of the period:	As of March 31, 2024	27,121,698	As of March 31, 2023	27,311,919
c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year):	Fiscal year ended March 31, 2024	424,727,683	Fiscal year ended March 31, 2023	435,097,378

Note: For further details, please refer to "(5) Notes to Consolidated Financial Statements" (Per share information)

#### [Reference] Overview of non-consolidated financial results

##### 1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

##### (1) Non-consolidated operating results (% figures represent changes from the previous year.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	386,059	0.9	9,552	28.9	59,321	3.6	67,971	43.5
March 31, 2023	382,513	6.5	7,413	-36.2	57,284	34.5	47,379	-15.3

Fiscal year ended	Profit per Share		Profit per Share (Diluted)	
	yen		yen	
March 31, 2024	159.95		-	
March 31, 2023	108.81		-	

##### (2) Non-consolidated financial position

	Total assets		Net assets		Equity to asset ratio		Net assets per share	
	Millions of yen		Millions of yen		%		yen	
As of March 31, 2024	736,745		378,134		51.3		896.89	
As of March 31, 2023	715,221		340,237		47.6		792.14	
Reference: Equity	As of March 31, 2024:		378,134 million yen		As of March 31, 2023		340,237 million yen	

Note: Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Note: Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements contained in this report are based on information available as of the date of this report and on certain assumptions that the Group believes are reasonable.

Forward-looking statements are not guarantees that the Group will achieve the amounts indicated. Various factors could cause actual results to differ materially from those projected.

## 1. Business Results

### (1) Analysis of Business Results

#### 1) Overview of Fiscal 2023

##### a. Group Overview

**Net Sales: 1,256.5 billion yen (+1.1%), Operating Profit: 94.3 billion yen (+3.0%), Ordinary Profit: 105.9 billion yen (+1.6%), Profit Attributable to Owners of Parent: 77.9 billion yen (+12.5%)**

In fiscal 2023, net sales reached a record high as a result of a certain recovery in automobile-related demands as well as growth of sales of high value-added products and positive effects from foreign exchange rates, despite a prolonged slump in the domestic new housing market. Operating profit increased as a result of efforts to expand sales of high value-added products, secure profit, and control fixed costs, and positive effects from foreign exchange rates. Ordinary profit reached a record high mainly due to foreign exchange gains. Profit attributable to owners of the parent reached a record high mainly due to gains on the sale of investment securities.

##### b. Overview by Business Segment

[Housing Company]

**Net Sales: 529.6 billion yen (-1.4%), Operating Profit: 27.7 billion yen (-15.5%)**

In fiscal 2023, net sales increased in the Housing Renovation business and Real Estate business, while in the Housing business, the number of houses ordered decreased year-on-year, and net sales slightly decreased year-on-year. Operating profit decreased due to factors such as rising prices for component parts, including the effects of foreign exchange rates.

As for orders received in the Housing business, the number of houses ordered decreased year-on-year due to lower purchasing intent caused by higher commodity prices and other factors. In the Housing Renovation business, orders increased year-on-year due to reinforcement of sales structures, and higher sales from renovations with a focus on insulation and others.

In terms of measures, we promoted “Smart and Resilience” in the Housing, Housing Renovation, and Town and Community Development businesses. In the Housing business, in addition to focusing on marketing activities that linked the company’s website with model houses, showrooms, factory tours, and events, we took measures to enhance product and subdivision designs. Furthermore, the measures to strengthen the profitability of the Housing business advanced, particularly by shifting personnel to growth areas such as the Housing Renovation business.

[Urban Infrastructure and Environmental Products Company]

**Net Sales: 234.7 billion yen (+0.2%), Operating Profit: 22.1 billion yen (+4.4%)**

In fiscal 2023, despite the sluggish domestic housing and non-housing construction market as well as weak demand for chlorinated polyvinyl chloride (CPVC), securing profit by improving selling prices and the sales growth of prioritized products, such as polyethylene pipes for water

supply, construction and factories, and fire protection materials, led to an increase in net sales. Operating profit reached a record high for the second consecutive fiscal year.

In the Pipe Systems field, net sales increased year-on-year as a result of establishing improved selling prices and expanding sales of prioritized products despite weaker-than-expected demand in the domestic housing and non-housing markets.

In the Buildings and Infrastructures Composite Materials field, net sales decreased year-on-year due to sluggish demand for housing products, despite expanding sales for prioritized products, such as fire protection and non-combustible materials and large high-capacity drainage systems, .

In the Infrastructure Renovation field, net sales increased year-on-year due to acquiring new overseas contracts for pipeline renewal, a recovery in demand for panel tanks, and other factors.

[High Performance Plastics Company]

**Net Sales: 412.8 billion yen (+4.2%), Operating Profit: 50.9 billion yen (+27.0%)**

In fiscal 2023, both sales and profits increased due to a recovery in automobile-related demand, foreign exchange effects, and efforts to maintain or improve selling prices, despite the impact of sluggish demand for building materials and consumer goods in Europe, the U.S., and Japan.

In the Electronics field, net sales increased year-on-year mainly due to progress in expanding non-LCD product sales under market conditions that saw a certain recovery in the smartphone market while semiconductor-related demand remained sluggish.

In the Mobility field, net sales increased significantly year-on-year due to foreign exchange effects, a recovery in automobile-related demand, expanded sales of high-performance interlayer films, mainly for heads-up displays, and other factors. In addition, efforts at SEKISUI AEROSPACE to improve its productivity progressed.

In the Industrial field, net sales decreased year-on-year due to continued sluggish demand for building materials and consumer goods in Europe, the U.S., and Japan.

[Medical Business]

**Net Sales: 92.6 billion yen (+3.3%), Operating Profit: 10.9 billion yen (-12.5%)**

In fiscal 2023, net sales increased year-on-year due to steadily capturing higher domestic demand for diagnostics primarily of infectious diseases, steady sales of new active pharmaceutical ingredients in the Pharmaceuticals and Fine Chemicals business, a focus on sales expansion of blood coagulation equipment and diagnostic reagents in China, as well as foreign exchange effects. Operating profit decreased due to the large impact of a decline in COVID-19 test kit sales in the U.S., and other factors.

## 2) Forecast for Fiscal 2024

### a. Group Forecast

**Net Sales: 1,326.7 billion yen (+5.6%), Operating Profit: 102.0 billion yen (+8.1%), Ordinary Profit: 102.5 billion yen (-3.2%), Profit Attributable to Owners of Parent: 78.0 billion yen (+0.1%)**

In fiscal 2024, market conditions are expected to gradually recover. We will continue to expand sales of high-value-added businesses and products that contribute to resolving social issues, maintain margins, and steadily implement business structure reforms to improve profitability in the Housing business. Through such measures, we strive for higher sales and profit in all segments, a new record high for companywide net sales, and record high operating profit and profit attributable to owners of parent.

In addition, we will accelerate investments in long-term growth, including commercializing perovskite solar cells and biorefineries, promoting DX, and reinforcing research and development, and human capital investments such as wage increases.

[Housing Company]

**Net Sales: 536.0 billion yen (+1.2%), Operating Profit: 30.0 billion yen (+8.2%)**

In fiscal 2024, we project higher sales and profit as a result of increased sales in the Housing Renovation, Real Estate, and Town and Community Development businesses and cost reductions in the Housing business.

In the Housing business, net sales is expected to remain at the same level as fiscal 2023, despite some impact from a decline in the number of houses ordered. We will continue to strengthen the profitability by shifting personnel to growth areas such as the Housing Renovation business, and taking other measures. We will also increase the number of houses ordered and unit prices by promoting product development and sales strategies that cater to the needs of each area.

In the Housing Renovation business, we will increase sales personnel and expand sales from renovations with a focus on insulation. We will also make efforts to capture the general renovation demand from customers other than SEKISUI HEIM owners.

In the Real Estate business, we will focus on expanding the rental business by increasing the number of residential units under management, and the distribution business, such as agency business and purchase and resale business.

In the Town and Community Development business, we will increase sales by launching a new project.

[Urban Infrastructure and Environmental Products Company]

**Net sales: 245.4 billion yen (+4.5%), Operating profit: 24.0 billion yen (+8.5%)**

In fiscal 2024, we expect the domestic residential and non-residential construction markets to remain weak in the first half of the year, with a gradual recovery in the second half. We pursue higher sales and profits by focusing on expanding sales of prioritized products and sales overseas.

We will also improve selling prices in line with overall cost increases related to the business, including rising prices for various raw materials, transportation costs and wage increases.

In the Pipe Systems field, we will continue to expand sales of prioritized products that contribute to resolving social issues, such as labor shortages and aging infrastructure. In addition, we will capture demand for capital investment for semiconductor plants, which is expected to recover in the second half of the year, and focus on expanding the sales area for chlorinated polyvinyl chloride (CPVC) resin.

In the Buildings and Infrastructures Composite Materials field, we will expand the fire protection materials business with a focus on noncombustible urethane products and expand sales of large high-capacity drainage systems and nursing care products. We will also accelerate the overseas adoption of synthetic lumber (FFU) for railway sleepers and early realization of stable production at our plant in Europe.

In the Infrastructure Renovation field, we will take action to expand overseas orders for pipeline renewal and to reinforce sales of high-performance panel tanks.

[High Performance Plastics Company]

**Net sales: 452.5 billion yen (+9.6%), Operating profit: 56.7 billion yen (+11.3%)**

In fiscal 2024, we expect higher sales and profits from a significant increase in sales volumes due to the expected recovery in the Mobility field and in electronics-related demand particularly in semiconductors, as well as the foreign exchange effects, despite the impact of higher labor costs and rising raw material costs.

In the Electronics field, we expect similar market conditions for smartphones to fiscal 2023, while the semiconductor-related demand to gradually recover. We will seek to expand sales by accelerating expansion of sales of non-LCD products including substrate and semiconductor-related products.

In the Mobility field, we expect the automobile-related demand to remain strong and expand sales of high-performance interlayer films with a focus on head-up displays. We also anticipate some recovery in aircraft demand and aim to increase sales.

In the Industrial field, a market recovery in the second half of the year is expected despite continued sluggish demand for building materials and consumer goods in Europe, the U.S., and Japan. We will expand sales of construction labor-saving and environmentally friendly products, such as foam materials and long craft tapes, which have been designated as growth sectors, and continue to improve selling prices to achieve higher sales.

[Medical Business]

**Net sales: 103.8 billion yen (+12.1%), Operating profit: 12.6 billion yen (+15.0%)**

In fiscal 2024, we will steadily capture the diagnostics demand in the domestic and overseas market, and focus on obtaining new orders in the Pharmaceuticals & Fine Chemicals business. We project drastically higher sales and record high profits by focusing on sales expansion of blood

coagulation equipment and diagnostic reagents in Japan and China, as well as influenza and COVID-19 combo test kits which is to be a new product in the U.S.

**(2) Basic Policy on Distribution of Profits and Dividends for Fiscal 2023 and Fiscal 2024**

SEKISUI CHEMICAL positions increasing corporate value and actively returning profits to shareholders as priority management objectives. With regard to shareholder returns, we expressed the following policy in May 2023, reinforcing and clarifying our commitment.

- Dividend payout ratio: 40% or higher
- DOE: 3% or higher
- Total payout ratio: If the D/E ratio is no higher than 0.5, 50% or higher  
Additional return shall be made appropriately, taking into account the investment progress of medium-term plan, cash position and share prices
- Cancellation of treasury shares: Cancel newly acquired shares to the extent that total treasury shares do not exceed 5% of outstanding shares.

The record dates for payment of dividends will remain the last day of the first half and the last day of the fiscal year, and the policy of paying dividends twice annually will continue

In consideration of the above policies, SEKISUI CHEMICAL plans to pay a fiscal year-end dividend of 39 yen, an upward revision of 3 yen from the previous forecast announced on October 30, 2023. As a result, the total annual dividend per share for the fiscal year ended in March 31, 2024 will be 74 yen, an increase of 15 yen.

	Annual Dividend per share (yen)		
	End of 1H	Fiscal Year-End	Total
Previous forecast (announced on October 30, 2023)	—	36.00	71.00
Current forecast	—	39.00	74.00
Fiscal 2023 results	35.00	—	—
Fiscal 2022 results	29.00	30.00	59.00

In fiscal 2024, SEKISUI CHEMICAL plans to pay a first half period-end dividend of 37 yen per share and a fiscal year-end dividend of 38 yen for a full fiscal year dividend distribution of 75 yen per share.

## 5. Consolidated Financial Statements and Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	101,080	138,572
Notes receivable - trade	38,400	43,109
Accounts receivable - trade	153,380	168,864
Contract assets	752	1,486
Merchandise and finished goods	104,091	112,748
Land for sale in lots	64,154	67,693
Work in process	62,604	61,087
Raw materials and supplies	55,950	56,704
Advance payments to suppliers	4,055	4,122
Prepaid expenses	8,414	5,793
Short-term loans receivable	114	1,115
Other	29,616	25,044
Allowance for doubtful accounts	(965)	(776)
<b>Total current assets</b>	<b>621,650</b>	<b>685,564</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	120,761	123,499
Machinery, equipment and vehicles, net	109,933	114,194
Land	83,828	85,931
Leased assets, net	19,961	21,750
Construction in progress	31,338	33,599
Other, net	11,558	13,510
<b>Total property, plant and equipment</b>	<b>377,381</b>	<b>392,485</b>
<b>Intangible assets</b>		
Goodwill	11,028	8,636
Software	15,614	17,410
Leased assets	117	107
Other	24,242	32,944
<b>Total intangible assets</b>	<b>51,003</b>	<b>59,097</b>
<b>Investments and other assets</b>		
Investment securities	137,314	127,421
Long-term loans receivable	1,163	1,097
Long-term prepaid expenses	1,970	2,130
Retirement benefit asset	15,284	35,368
Deferred tax assets	10,034	4,223
Other	14,483	17,136
Allowance for doubtful accounts	(2,154)	(1,280)
<b>Total investments and other assets</b>	<b>178,096</b>	<b>186,096</b>
<b>Total non-current assets</b>	<b>606,481</b>	<b>637,679</b>
<b>Total assets</b>	<b>1,228,131</b>	<b>1,323,243</b>



(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	759	578
Electronically recorded obligations - operating	28,777	15,567
Accounts payable - trade	107,067	107,713
Short-term borrowings	3,569	11,569
Current portion of bonds payable	—	30
Lease liabilities	5,156	5,433
Accrued expenses	41,177	43,107
Income taxes payable	11,817	25,086
Provision for bonuses	19,198	19,628
Provision for bonuses for directors (and other officers)	354	474
Provision for warranties for completed construction	3,105	2,445
Provision for share awards	115	112
Advances received	53,514	57,436
Other	53,364	55,414
<b>Total current liabilities</b>	<b>327,978</b>	<b>344,597</b>
<b>Non-current liabilities</b>		
Bonds payable	40,030	40,000
Long-term borrowings	56,187	46,270
Lease liabilities	15,515	17,421
Deferred tax liabilities	4,046	4,757
Retirement benefit liability	42,731	41,344
Provision for share awards	900	1,083
Other	8,216	6,843
<b>Total non-current liabilities</b>	<b>167,627</b>	<b>157,720</b>
<b>Total liabilities</b>	<b>495,606</b>	<b>502,318</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	100,002	100,002
Capital surplus	108,583	108,621
Retained earnings	468,094	501,945
Treasury shares	(46,637)	(48,679)
<b>Total shareholders' equity</b>	<b>630,041</b>	<b>661,889</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	37,836	51,197
Deferred gains or losses on hedges	(24)	(15)
Revaluation reserve for land	321	320
Foreign currency translation adjustment	39,253	67,826
Remeasurements of defined benefit plans	(2,402)	11,111
<b>Total accumulated other comprehensive income</b>	<b>74,984</b>	<b>130,440</b>
<b>Non-controlling interests</b>	<b>27,498</b>	<b>28,595</b>
<b>Total net assets</b>	<b>732,525</b>	<b>820,925</b>
<b>Total liabilities and net assets</b>	<b>1,228,131</b>	<b>1,323,243</b>

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	1,242,521	1,256,538
Cost of sales	865,281	864,343
Gross profit	377,240	392,195
Selling, general and administrative expenses	285,574	297,795
Operating profit	91,666	94,399
Non-operating income		
Interest income	1,211	1,854
Dividend income	3,677	3,603
Share of profit of entities accounted for using equity method	2,254	843
Foreign exchange gains	5,195	6,958
Miscellaneous income	4,576	3,472
Total non-operating income	16,915	16,733
Non-operating expenses		
Interest expenses	871	1,103
Miscellaneous expenses	3,468	4,108
Total non-operating expenses	4,339	5,211
Ordinary profit	104,241	105,921
Extraordinary income		
Gain on sale of investment securities	319	13,701
Gain on sale of shares of subsidiaries and associates	870	540
Total extraordinary income	1,189	14,242
Extraordinary losses		
Impairment losses	468	4,128
Loss on valuation of investment securities	—	2,453
Loss on valuation of shares of subsidiaries and associates	1,319	330
Amortisation of goodwill	1,974	—
Loss on sale and retirement of non-current assets	2,174	1,773
Total extraordinary losses	5,937	8,684
Profit before income taxes	99,494	111,479
Income taxes - current	27,325	38,399
Income taxes - deferred	1,401	(5,974)
Total income taxes	28,726	32,424
Profit	70,767	79,054
Profit attributable to non-controlling interests	1,504	1,123
Profit attributable to owners of parent	69,263	77,930

## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	70,767	79,054
Other comprehensive income		
Valuation difference on available-for-sale securities	4,097	14,365
Deferred gains or losses on hedges	7	0
Foreign currency translation adjustment	14,177	29,811
Remeasurements of defined benefit plans, net of tax	(5,108)	13,596
Share of other comprehensive income of entities accounted for using equity method	66	(1,089)
Total other comprehensive income	13,241	56,683
Comprehensive income	84,008	135,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	82,021	133,386
Comprehensive income attributable to non-controlling interests	1,987	2,351

## (3) Consolidated Statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,002	109,042	447,958	(44,592)	612,409
Changes during period					
Dividends of surplus			(23,816)		(23,816)
Profit attributable to owners of parent			69,263		69,263
Increase and decrease in retained earnings resulting from exclusion of subsidiaries in consolidation			(152)		(152)
Cancellation of treasury shares		(25,258)		25,258	—
Purchase of treasury shares				(27,454)	(27,454)
Disposal of treasury shares		99		150	250
Transfer from retained earnings to capital surplus		25,158	(25,158)		—
Change in ownership interest of parent due to transactions with non-controlling interests		(459)			(459)
Net changes in items other than shareholders' equity					—
Total changes during period	—	(459)	20,135	(2,044)	17,631
Balance at end of period	100,002	108,583	468,094	(46,637)	630,041

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	33,726	(18)	322	25,507	2,687	62,226	28,116	702,753
Changes during period								
Dividends of surplus								(23,816)
Profit attributable to owners of parent								69,263
Increase and decrease in retained earnings resulting from exclusion of subsidiaries in consolidation								(152)
Cancellation of treasury shares								—
Purchase of treasury shares								(27,454)
Disposal of treasury shares								250
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								(459)
Net changes in items other than shareholders' equity	4,109	(6)	(0)	13,746	(5,090)	12,758	(618)	12,139
Total changes during period	4,109	(6)	(0)	13,746	(5,090)	12,758	(618)	29,771
Balance at end of period	37,836	(24)	321	39,253	(2,402)	74,984	27,498	732,525

## Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,002	108,583	468,094	(46,637)	630,041
Changes during period					
Dividends of surplus			(27,845)		(27,845)
Profit attributable to owners of parent			77,930		77,930
Increase and decrease in retained earnings resulting from exclusion of subsidiaries in consolidation					—
Change in scope of equity method			(2,377)	34	(2,343)
Changes resulting from merger of consolidated subsidiaries and unconsolidated subsidiaries			78		78
Cancellation of treasury shares		(13,935)		13,935	—
Purchase of treasury shares				(16,173)	(16,173)
Disposal of treasury shares		0		161	161
Transfer from retained earnings to capital surplus		13,935	(13,935)		—
Change in ownership interest of parent due to transactions with non-controlling interests		38			38
Net changes in items other than shareholders' equity					—
Total changes during period	—	38	33,851	(2,042)	31,847
Balance at end of period	100,002	108,621	501,945	(48,679)	661,889

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	37,836	(24)	321	39,253	(2,402)	74,984	27,498	732,525
Changes during period								
Dividends of surplus								(27,845)
Profit attributable to owners of parent								77,930
Increase and decrease in retained earnings resulting from exclusion of subsidiaries in consolidation								—
Change in scope of equity method								(2,343)
Changes resulting from merger of consolidated subsidiaries and unconsolidated subsidiaries								78
Cancellation of treasury shares								—
Purchase of treasury shares								(16,173)
Disposal of treasury shares								161
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								38
Net changes in items other than shareholders' equity	13,361	8	(1)	28,572	13,514	55,455	1,097	56,552
Total changes during period	13,361	8	(1)	28,572	13,514	55,455	1,097	88,400
Balance at end of period	51,197	(15)	320	67,826	11,111	130,440	28,595	820,925

## (4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	99,494	111,479
Depreciation	48,995	51,195
Amortization of goodwill	3,411	1,477
Impairment losses	468	4,128
Loss on retirement of non-current assets	2,088	1,717
Loss (gain) on sales of non-current assets	86	56
Increase or decrease in retirement benefit asset and liability	352	(1,764)
Loss (gain) on sale of investment securities	(319)	(13,701)
Loss (gain) on sale of shares of subsidiaries and associates	(870)	(540)
Loss (gain) on valuation of investment securities	—	2,453
Loss on valuation of shares of subsidiaries and associates	1,319	330
Interest and dividend income	(4,888)	(5,458)
Interest expenses	871	1,103
Share of loss (profit) of entities accounted for using equity method	(2,254)	(843)
Decrease (increase) in accounts receivable - trade, and contract assets	(1,547)	(11,355)
Decrease (increase) in inventories	(36,718)	(2,338)
Increase (decrease) in trade payables	(5,114)	(17,858)
Increase (decrease) in advances received	5,389	3,723
Increase (decrease) in deposits received	7,512	(2,655)
Other, net	(13,581)	(2,205)
Subtotal	104,695	118,939
Interest and dividends received	5,618	6,249
Interest paid	(872)	(1,292)
Income taxes refund	—	10,453
Income taxes paid	(37,897)	(27,717)
Net cash provided by (used in) operating activities	71,543	106,632
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(44,674)	(46,070)
Proceeds from sale of property, plant and equipment	1,605	885
Payments into time deposits	(22,453)	(13,777)
Proceeds from withdrawal of time deposits	17,390	18,614
Purchase of investment securities	(3,156)	(1,018)
Proceeds from sale and redemption of investment securities	816	22,073
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,256)	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,784	314
Payments for acquisition of businesses	—	(790)
Proceeds from sale of shares of subsidiaries and associates	—	16,739
Purchase of intangible assets	(11,733)	(14,385)
Proceeds from sale of intangible assets	1,091	8
Decrease (increase) in short-term loans receivable	24	(917)
Other, net	129	(191)
Net cash provided by (used in) investing activities	(59,430)	(18,515)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,199)	407
Repayments of lease liabilities	(5,692)	(5,701)
Proceeds from long-term borrowings	502	5
Repayments of long-term borrowings	(2,276)	(2,543)
Dividends paid	(23,816)	(27,830)
Dividends paid to non-controlling interests	(1,283)	(1,263)
Purchase of treasury shares	(27,410)	(16,173)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,868)	(3)
Other, net	138	81
Net cash provided by (used in) financing activities	(62,906)	(53,023)
Effect of exchange rate change on cash and cash equivalents	2,262	6,058
Net increase (decrease) in cash and cash equivalents	(48,531)	41,151
Cash and cash equivalents at beginning of period	133,739	85,207
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	8
Cash and cash equivalents at end of period	85,207	126,367

## (5) Notes to Consolidated Financial Statements

(Notes regarding the premise of a going concern)

Not applicable.

## (Notes to Consolidated Statement of Income)

## I. Fiscal 2022 (from April 1, 2022 to March 31, 2023)

Impairment losses

Not applicable.

## II. Fiscal 2023 (from April 1, 2023 to March 31, 2024)

Impairment losses

The Group reported Impairment losses in the fiscal year ended March 31, 2024 mainly for the following assets:

Item	Type	Location
Lithium-ion battery business	Machinery, equipment and vehicles, Buildings and structures, etc.	Tokoname city, Japan

The Group classifies assets or groups of assets by cash generating unit, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of other assets or groups of assets (for unemployed capital, by each property).

The group has written down the full carrying amount of Machinery, equipment and vehicles, Buildings and structures, etc. invested in the Lithium-ion battery business, from which the recoverability of future cash flows has become unexpected. As a result, the Group recorded a reduction in the amount as impairment losses under extraordinary losses in the amount of 3,707 million yen.

The breakdown is Machinery, equipment and vehicles of 1,728 million yen, Buildings and structures of 1,543 million yen, and others of 435 million yen.

(Segment Information, etc.)

## I Segment Information

### a. Overview of the Reportable Segments

The reportable segments of the Group 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 Group 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 and sales of prefabricated modular houses, refurbishing, and other operations related to real estate, residential service and town and community development.

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 pipes, chlorinated PVC resin compound, construction materials, and FFU.

The HPP business comprises manufacturing and sales of interlayer films for laminated glass, polyolefin foam, tape, LCD microparticles, photosensitive materials and other products.

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

### b. Calculation methods used for sales, profit or loss, assets and the other items on each reportable segment

The accounting methods for the reportable segments are based on the amounts in accordance with the accounting standards adopted for the preparation of consolidated financial statements. Profit of the reportable segments are figures based on operating profit. Intersegment sales and transfers are presented based on the current market prices.



c. Information on the amounts of net sales, and profit or loss, assets and other items for each reportable segment and information on disaggregation of revenue

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments					Other (Notes 1,2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Net Sales							
Japan	535,427	179,576	107,663	42,619	865,287	2,168	867,456
North America	—	3,102	97,439	23,060	123,601	—	123,601
Europe	—	5,126	71,772	9,126	86,026	—	86,026
China	—	5,954	63,143	11,815	80,913	1,443	82,356
Asia	1,640	25,339	41,811	1,963	70,755	42	70,798
Others	—	2,205	8,982	1,094	12,282	—	12,282
Net sales to external customers	537,067	221,305	390,812	89,680	1,238,866	3,654	1,242,521
Intersegment sales or transfers	303	12,990	5,576	—	18,870	3,733	22,603
Total	537,371	234,296	396,389	89,680	1,257,737	7,388	1,265,125
Segment profit (loss)	32,831	21,192	40,091	12,511	106,626	(10,894)	95,731
Segment assets	376,083	238,851	436,805	138,900	1,190,640	32,230	1,222,871
Other items:							
Depreciation and amortization	11,067	8,438	20,966	4,935	45,407	2,487	47,894
Investment in entities accounted for by the equity method	9,824	—	3,037	—	12,861	—	12,861
Increase in property, plant and equipment, and intangible assets	10,043	9,035	18,021	11,456	48,555	4,417	52,973

Note 1: Net sales in “Housing” include 42,925 million yen that does not correspond to revenue from contracts with customers under “Japan.”

Net sales in “Other” include 891 million yen that does not correspond to revenue from contracts with customers under “Japan.”

Note 2: “Other” represents segments other than the reportable segments and includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the reportable segments.

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments					Other (Notes 1,2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Net Sales							
Japan	528,041	182,499	110,946	45,876	867,364	2,416	869,781
North America	—	2,800	101,150	21,527	125,478	—	125,478
Europe	—	5,432	76,102	8,797	90,332	—	90,332
China	—	5,594	68,146	13,443	87,184	2,171	89,355
Asia	1,374	22,693	44,936	2,207	71,212	69	71,282
Others	—	2,928	6,612	768	10,308	—	10,308
Net sales to external customers	529,416	221,949	407,894	92,620	1,251,880	4,657	1,256,538
Intersegment sales or transfers	277	12,838	5,002	—	18,118	2,595	20,714
Total	529,693	234,787	412,897	92,620	1,269,999	7,252	1,277,252
Segment profit (loss)	27,729	22,129	50,931	10,952	111,743	(10,821)	100,921
Segment Assets	374,477	261,935	479,355	149,002	1,264,771	30,498	1,295,269
Other items:							
Depreciation and amortization	11,605	8,663	22,119	5,623	48,011	2,082	50,094
Investment in entities accounted for by the equity method	10,373	—	3,207	—	13,580	—	13,580
Increase in property, plant and equipment, and intangible assets	10,192	10,090	22,918	7,082	50,283	2,708	52,992

Note 1: Net sales in “Housing” include 43,731 million yen that does not correspond to revenue from contracts with customers under “Japan.”

Net sales in “Other” include 908 million yen that does not correspond to revenue from contracts with customers under “Japan.”

Note 2: “Other” represents segments other than the reportable segments and includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the reportable segments.

- d. Differences between the total amount of reportable segments and the amount in consolidated financial statements and descriptions on such differences (matters on difference adjustments)

(Millions of yen)

Net Sales	Fiscal 2022	Fiscal 2023
Reportable segment total	1,257,737	1,269,999
Net Sales in “other”	7,388	7,252
Intersegment eliminations	(22,603)	(20,714)
Net sales in consolidated statement of income	1,242,521	1,256,538

(Millions of yen)

Profit	Fiscal 2022	Fiscal 2023
Reportable segment total	106,626	111,743
Profit in “other”	(10,894)	(10,821)
Intersegment eliminations	417	288
Corporate expenses (Note)	(4,483)	(6,810)
Operating profit in consolidated statement of income	91,666	94,399

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

(Millions of yen)

Assets	Fiscal 2022	Fiscal 2023
Reportable segment total	1,190,640	1,264,771
Assets in “other”	32,230	30,498
Intersegment eliminations	(365,970)	(404,595)
Corporate assets (Note)	371,230	432,569
Total assets in the consolidated balance sheet	1,228,131	1,323,243

Note: Corporate assets are mainly assets that are not attributable to each reportable segment and are associated with the administrative department.

(Millions of yen)

Other items	Reportable Segment total		Other		Adjustments (Note)		Carrying amount in consolidated financial statements	
	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023
Depreciation and amortization	45,407	48,011	2,487	2,082	1,099	1,101	48,995	51,195
Investment in entities accounted for by the equity method	12,861	13,580	—	—	31,004	10,060	43,866	23,640
Increase in property, plant and equipment, and intangible assets	48,555	50,283	4,417	2,708	6,376	11,281	59,349	64,274

Note: Adjustments in investments in entities accounted for by the equity method are such investments not attributable to each reportable segment.

## II Related Information

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

## a. Information by product and service

The information is omitted because the same information is disclosed in “Segment information.”

## b. Information by geographic area

## 1. Net Sales

The information is omitted because the same information is disclosed in “Segment information.”

## 2. Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	China	Asia	Others	Total
247,741	42,372	52,009	11,998	21,465	1,796	377,381

Note: Property, plant and equipment of the Europe segment includes that of Netherland of 42,720 million yen which constitutes more than 10% of the property, plant and equipment in the Consolidated Balance Sheets.

## c. Information on impairment losses of non-current assets

(Millions of yen)

	Housing	UIEP	HPP	Medical	Other	Corporate and elimination	Total
Impairment losses	66	47	165	97	91	—	468

## d. Information on goodwill

(Millions of yen)

	Housing	UIEP	HPP	Medical	Other	Corporate and elimination	Total
Amortization during the period	117	209	596	2,488	—	—	3,411
Balance as of March 31, 2023	1,288	157	4,109	5,473	—	—	11,028

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

a. Information by product and service

The information is omitted because the same information is disclosed in “Segment information”.

b. Information by geographic area

1. Net Sales

The information is omitted because the same information is disclosed in “Segment information.”

2. Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	China	Asia	Others	Total
245,662	52,245	57,767	12,291	22,531	1,986	392,485

Note 1: Property, plant and equipment of the North America segment includes that of the United States of 44,205 million yen which constitutes more than 10% of the property, plant and equipment in the Consolidated Balance Sheets.

Note 2: Property, plant and equipment of the Europe segment includes that of Netherland of 47,403 million yen which constitutes more than 10% of the property, plant and equipment in the Consolidated Balance Sheets.

c. Information on impairment losses of non-current assets

(Millions of yen)

	Housing	UIEP	HPP	Medical	Other	Corporate and elimination	Total
Impairment losses	167	188	64	—	3,707	—	4,128

d. Information on goodwill

(Millions of yen)

	Housing	UIEP	HPP	Medical	Other	Corporate and elimination	Total
Amortization during the period	378	157	603	338	—	—	1,477
Balance as of March 31, 2024	991	—	3,790	3,854	—	—	8,636

(Per share information)

Fiscal 2022 (from April 1, 2022 to March 31, 2023)	Fiscal 2023 (from April 1, 2023 to March 31, 2024)
Net assets per share  1,642.67 yen	Net assets per share  1,880.30 yen
Profit per share  159.19 yen	Profit per share  183.48 yen

Note 1. Diluted profit per share is not stated because there were no diluted shares.

2. The basis for calculating profit per share is as shown below.

	Fiscal 2022 (from April 1, 2022 to March 31, 2023)	Fiscal 2023 (from April 1, 2023 to March 31, 2024)
Profit per share		
Profit attributable to owners of parent (millions of yen)	69,263	77,930
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	69,263	77,930
Average number of outstanding common shares during the period (thousands of shares)	435,097	424,727

3. The basis for calculating net assets per share is as shown below.

	Fiscal 2022 (as of March 31, 2023)	Fiscal 2023 (as of March 31, 2024)
Total amount of net assets (millions of yen)	732,525	820,925
Amount deducted from the total amount of net assets (millions of yen)	27,498	28,595
(of which, non-controlling interests) (millions of yen)	(27,498)	(28,595)
Net assets relating to common shares at year-end (millions of yen)	705,026	792,329
Number of common shares at yearend used for the calculation of net assets per share (thousands of shares)	429,195	421,385

4. The Company's shares remaining in the BIP trust and the ESOP trust and recorded as treasury shares under shareholders' equity are included in treasury shares to be deducted from the average number of shares during the period for the calculation of basic earnings per share and are included in treasury shares to be deducted from the total number of shares issued and outstanding at year-end for the calculation of net assets per share. The average number of treasury shares during the period deducted for the calculation of profit per share was 957 thousand shares in Fiscal year ended March 31, 2024 and 852 thousand shares in Fiscal year ended March 31, 2023, and the number of treasury shares at year-end deducted for the calculation of net assets per share was 932 thousand shares as of March 31, 2024 and 1,022 thousand shares as of March 31, 2023.

(Significant subsequent events)

Not applicable.