



SEKISUI CHEMICAL CO., LTD.

Presentation of Financial Results
for the Third Quarter of Fiscal 2020, ending March 31, 2021

Futoshi Kamiwaki

Director

Senior Managing Executive Officer
Head of Business Strategy Department

January 28, 2021

Results for the 3Q and Forecasts for FY2020

Forex Rate	FY2019			FY2020			
	3Q	4Q	2H	3Q	4Q	2H	2H Plan (Oct.)
Assumptions	¥106/US\$ ¥118/€	¥109/US\$ ¥121/€	¥108/US\$ ¥120/€	¥106/US\$ ¥126/€	¥104/US\$ ¥126/€	¥105/US\$ ¥126/€	¥106/US\$ ¥126/€
Results (Avg. rate for each term)	¥109/US\$ ¥120/€	¥109/US\$ ¥120/€	¥109/US\$ ¥120/€	¥105/US\$ ¥125/€	-	-	

Overview of 3Q FY2020 Results

- Sales return to around the previous year's level in the 3Q; shift to an increase in operating income
- Both sales and operating income exceed plans
- Increases in such items as foreign exchange loss (non-operating losses); posted an impairment loss on intangible non-current assets (extraordinary loss)

(Billions of yen)	3Q FY2019	3Q FY2020	Difference
Net Sales	266.8	266.4	-0.4
Operating Income	16.7	17.5	+0.8
Ordinary Income	17.4	13.2	-4.3
Net Income Attributable to Owners of the Parent	10.5	7.6	-2.8

Reference: Results for 1H FY2020 (Retroactive Revision)

- Amortization based on provisional goodwill up to the 1H retroactively revised after determining the intangible assets of SEKISUI AEROSPACE CORPORATION, which is included in the HPP Company

(Billions of yen)	1H FY2019		1H FY2020 (After Revision)		Difference		1H FY2020 (Before Revision)	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	160.4	19.7	139.1	9.2	-21.3	-10.6	139.1	8.9
Housing	256.9	18.6	230.6	13.0	-26.3	-5.6	230.6	13.0
UIEP	113.2	5.4	96.2	2.5	-17.0	-2.9	96.2	2.5
Medical	34.3	4.4	31.9	2.5	-2.4	-1.9	31.9	2.5
Other	2.4	-5.3	1.5	-4.2	-0.9	+1.2	1.5	-4.2
Eliminations or Unallocatable Accounts	-10.7	-1.4	-9.3	-0.6	+1.5	+0.7	-9.3	-0.6
Total	556.5	41.5	490.0	22.4	-66.5	-19.1	490.0	22.1

*HPP: High Performance Plastics Company, Housing: Housing Company, UIEP: Urban Infrastructure & Environmental Products Company

Overview of 1-3Q FY2020 Results

- Decrease in sales due to the significant impact of COVID-19 in the 1H; downturn in each level of profit

(Billions of yen)	1-3Q FY2019	1-3Q FY2020	Difference
Net Sales	823.3	756.4	-66.9
Operating Income	58.2	39.9	-18.3
Ordinary Income	59.5	33.8	-25.7
Net Income Attributable to Owners of the Parent	40.1	20.7	-19.4

3Q FY2020 Results: Net Sales and Operating Income by Divisional Company

■ Exceeded plans Groupwide in the 3Q; HPP Company and Medical business shift to an increase in profit

- HPP: Recovery in market conditions in excess of expectations (mainly in the automobile field), progress in expanding sales of high-value-added products; shift to an increase in profit in excess of plans
- Housing: Operating income in excess of plans with a return to the previous year's level due to a reduction in fixed costs mainly in the Housing business
- UIEP: Decrease in profit owing to the delayed recovery in domestic non-residential demand, overseas lockdowns, and the slowdown in aircraft sheet demand
- Medical: Shift to an increase in profit as increased sales of COVID-19 diagnostic kits overseas offset delays in the recovery of outpatient tests in Japan; progress essentially in line with 3Q plans

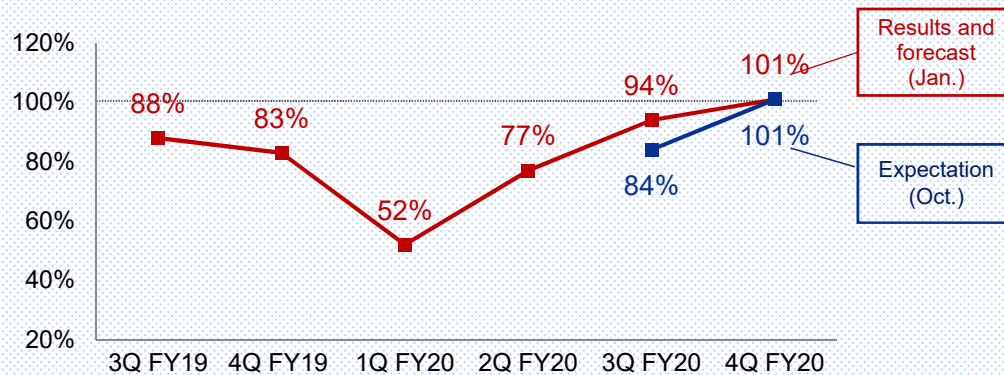
(Billions of yen)	3Q FY2019 (Oct. –Dec.)		3Q FY2020 (Oct. –Dec.)		Difference		1-3Q FY2019 (Apr.–Dec.)		1-3Q FY2020 (Apr.–Dec.)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	81.2	9.9	86.4	11.4	+5.2	+1.5	241.6	29.6	225.5	20.6	-16.1	-9.0
Housing	113.3	3.8	113.9	3.6	+0.5	-0.3	370.2	22.4	344.5	16.6	-25.8	-5.8
UIEP	58.1	3.8	50.7	3.2	-7.3	-0.7	171.3	9.3	146.9	5.7	-24.4	-3.6
Medical	18.1	2.2	19.6	2.3	+1.5	+0.1	52.3	6.6	51.5	4.9	-0.8	-1.8
Other	1.1	-2.2	0.7	-2.3	-0.4	-0.1	3.5	-7.6	2.1	-6.5	-1.3	+1.1
Eliminations or Unallocatable Accounts	-4.9	-0.8	-4.9	-0.7	+0.1	+0.1	-15.7	-2.2	-14.1	-1.3	+1.5	+0.9
Total	266.8	16.7	266.4	17.5	-0.4	+0.8	823.3	58.2	756.4	39.9	-66.9	-18.3

Outlook for Market Conditions

■ Despite a recovery in excess of expectations mainly in the automobile field in the 3Q, forecast slowdown in the 4Q as a result of further spread of the COVID-19 pandemic

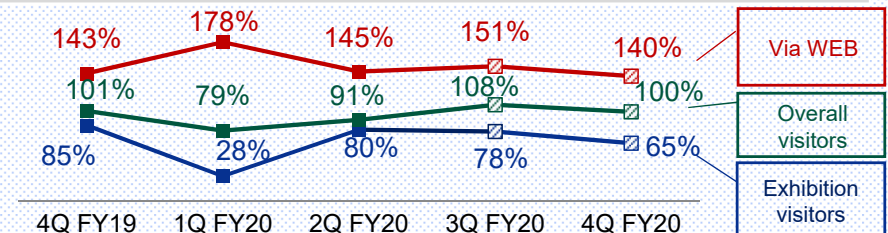
Number of Automobiles Manufactured (YoY)

Global trends exceed expectations in the 3Q; concerns surrounding increasing inventory levels in the market mainly in Europe in the 4Q



Housing - Visitors (YoY)

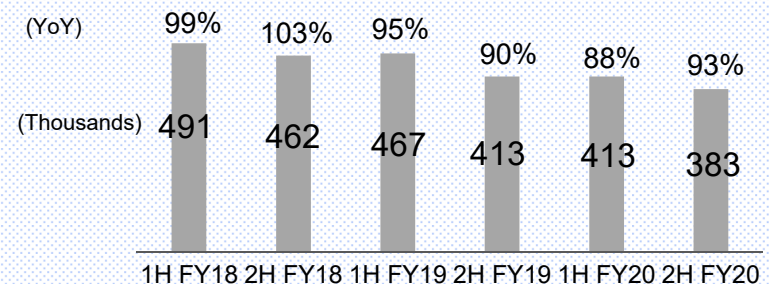
While 3Q trends in line with expectations, projecting a temporary sharp decline in the 4Q owing the government's decision to once again declare a state of emergency



New Housing Starts

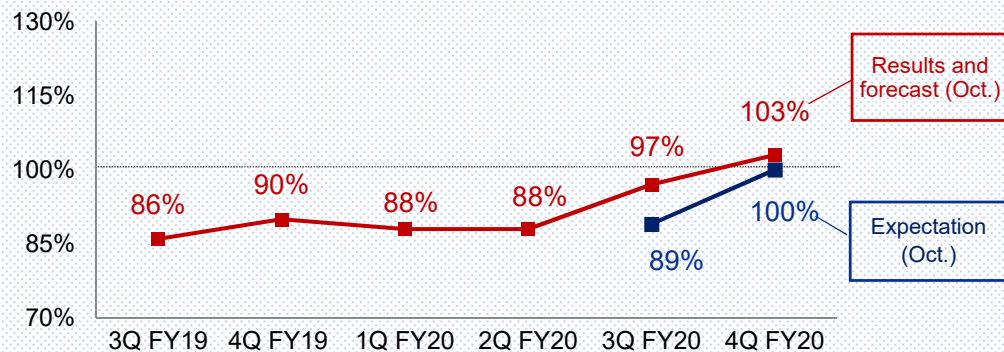
Projecting a substantial decline in construction starts, essentially in line with expectations

* Timing when demand for each of the UIEP Company's products can be expected to emerge: From four to six months after the start of residential construction

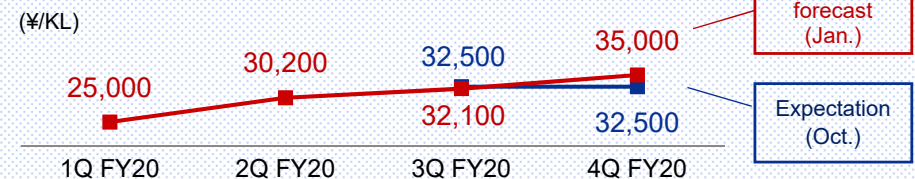


Smartphone Shipments (YoY)

Exceeded expectations in the 3Q; recovery trend projected to continue in the 4Q despite a forecast slowdown due to inventory adjustments



Domestic Naphtha Price Assumptions



2H FY2020 Forecasts: Net Sales and Operating Income by Divisional Company

- Projected to essentially achieve Groupwide operating income plan
- Upward revision in the HPP Company on the back of a recovery in market conditions and robust sales growth of high-value-added products; downward revision in the Housing and UIEP companies after factoring in the impact of the COVID-19 pandemic; Medical business in line with plans

(Billions of yen)	2H FY2019		2H FY2020 Forecasts		Difference		2H FY2020 Plan (Oct. 2020)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	162.0	17.6*	165.1	19.7	+3.1	+2.1	158.4	18.7	+6.7	+1.0
Housing	256.0	19.2	258.4	18.0	+2.4	-1.2	260.4	19.0	-2.0	-1.0
UIEP	124.1	10.0	110.0	10.0	-14.1	0	112.6	11.5	-2.6	-1.5
Medical	38.3	4.8	41.3	6.4	+3.0	+1.6	39.5	6.4	+1.8	0
Other	2.6	-4.4	2.6	-5.2	0	-0.8	2.6	-5.6	0	+0.4
Eliminations or Unallocatable Accounts	-10.3	-0.8	-10.0	-1.3	+0.3	-0.5	-10.0	-2.1	0	+0.8
Total	572.7	46.5*	567.4	47.6	-5.4	+1.1	563.5	47.9	+3.9	-0.3

*Amortization based on provisional goodwill retroactively revised (¥0.2 billion upward revision of operating income) after determining the intangible assets of SEKISUI AEROSPACE CORPORATION, which is included in the HPP Company (newly consolidated from the 4Q of FY2019)

3Q & 4Q FY2020 Forecasts: Net Sales and Operating Income by Divisional Company

- While factoring in the impact of further spread of the COVID-19 pandemic to a certain extent, expecting to secure an increase in profit in the 4Q

(Billions of yen)	3Q FY2019 Results		3Q FY2020 Results		Difference		4Q FY2019 Results		4Q FY2020 Forecasts		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	81.2	9.9	86.4	11.4	+5.2	+1.5	80.8	7.8*	78.7	8.3	-2.1	+0.6
Housing	113.3	3.8	113.9	3.6	+0.5	-0.3	142.7	15.4	144.5	14.4	+1.8	-1.0
UIEP	58.1	3.8	50.7	3.2	-7.3	-0.7	66.1	6.2	59.3	6.8	-6.8	+0.6
Medical	18.1	2.2	19.6	2.3	+1.5	+0.1	20.2	2.6	21.7	4.1	+1.4	+1.5
Other	1.1	-2.2	0.7	-2.3	-0.4	-0.1	1.5	-2.2	2.0	-2.9	+0.5	-0.7
Eliminations or Unallocatable Accounts	-4.9	-0.8	-4.9	-0.7	+0.1	+0.1	-5.4	0	-5.2	-0.6	+0.2	-0.6
Total	266.8	16.7	266.4	17.5	-0.4	+0.8	305.9	29.8*	301.0	30.1	-5.0	+0.3

*Amortization based on provisional goodwill retroactively revised (¥0.2 billion upward revision of operating income) after determining the intangible assets of SEKISUI AEROSPACE CORPORATION, which is included in the HPP Company (newly consolidated from the 4Q of FY2019)

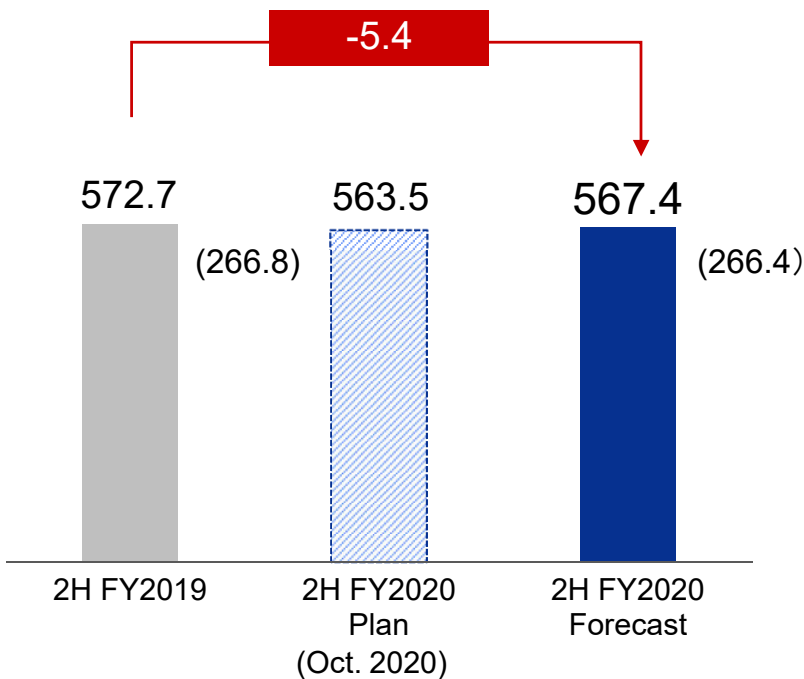
2H FY2020 Forecasts: Net Sales and Operating Income

- By taking the initiative in implementing various measures (reduce fixed costs and other cost reductions) offset decreases in sales volumes and product mix, consolidated-basis change, and impact of foreign exchange
- Offset the impact of further spread of the COVID-19 pandemic by reducing fixed costs in excess of plans; expected to essentially achieve 2H operating income plan

Net Sales

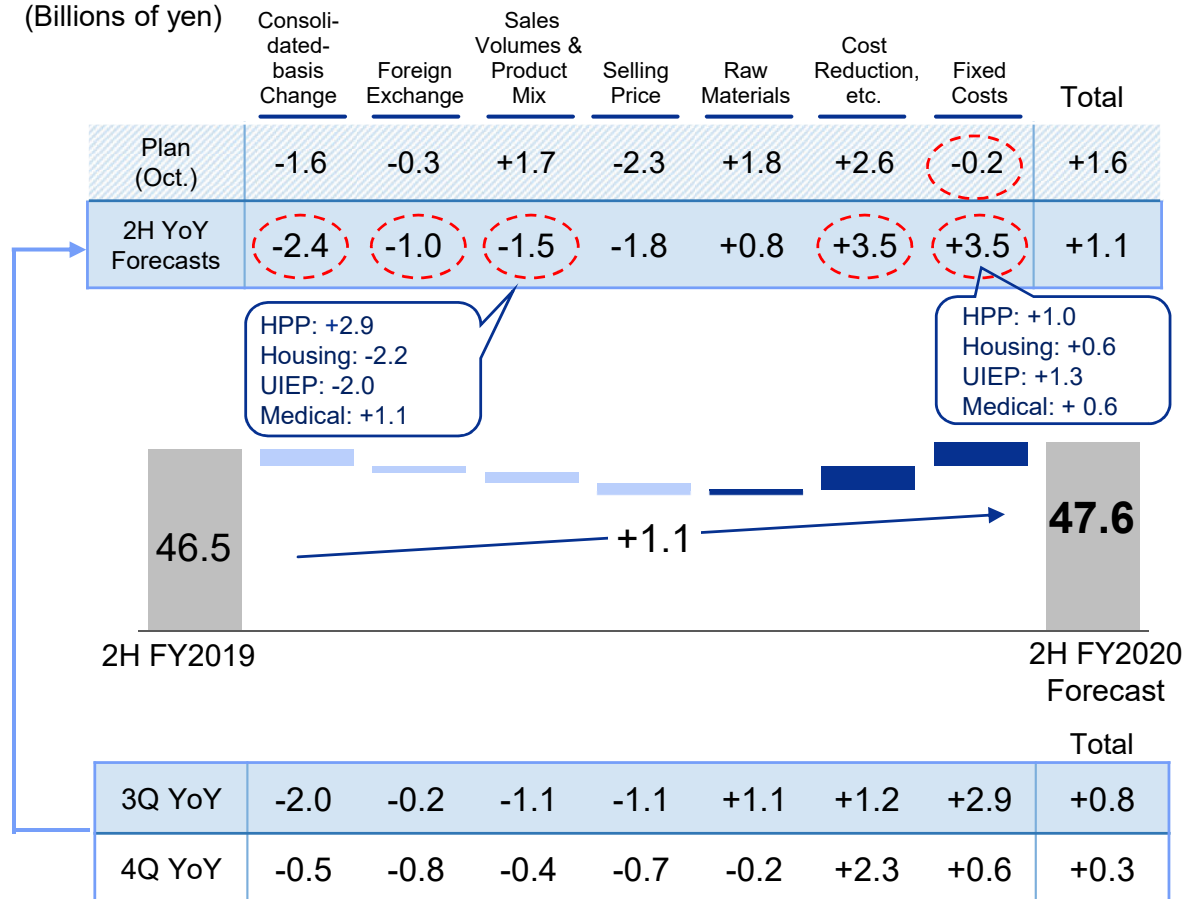
* () = 3Q Results

(Billions of yen)



Analysis of Operating Income

(Billions of yen)



FY2020 Forecasts: Net Sales and Operating Income by Divisional Company

- Projected to achieve Groupwide operating income plan
- Progress in adopting a selection and concentration approach toward R&D themes (other) as well as reducing Groupwide costs (eliminations or unallocatable accounts)

(Billions of yen)	FY2019 Results		FY2020 Forecasts		Difference		FY2020 Plan (Oct. 2020)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	322.4	37.4*	304.2	28.9	-18.2	-8.5	297.5	27.6	+6.7	+1.3
Housing	512.9	37.8	489.0	31.0	-23.9	-6.8	491.0	32.0	-2.0	-1.0
UIEP	237.4	15.5	206.2	12.5	-31.2	-3.0	208.8	14.0	-2.6	-1.5
Medical	72.6	9.2	73.2	8.9	+0.6	-0.3	71.4	8.9	+1.8	0
Other	5.0	-9.7	4.1	-9.4	-0.9	+0.3	4.1	-9.8	0	+0.4
Eliminations or Unallocatable Accounts	-21.0	-2.2	-19.3	-1.9	+1.7	+0.3	-19.3	-2.7	0	+0.8
Total	1,129.3	88.0*	1,057.4	70.0	-71.9	-18.0	1,053.6	70.0	+3.8	0

*Amortization based on provisional goodwill retroactively revised (¥0.2 billion upward revision of operating income) after determining the intangible assets of SEKISUI AEROSPACE CORPORATION, which is included in the HPP Company (newly consolidated from the 4Q of FY2019)

Overview of FY2020 Forecasts

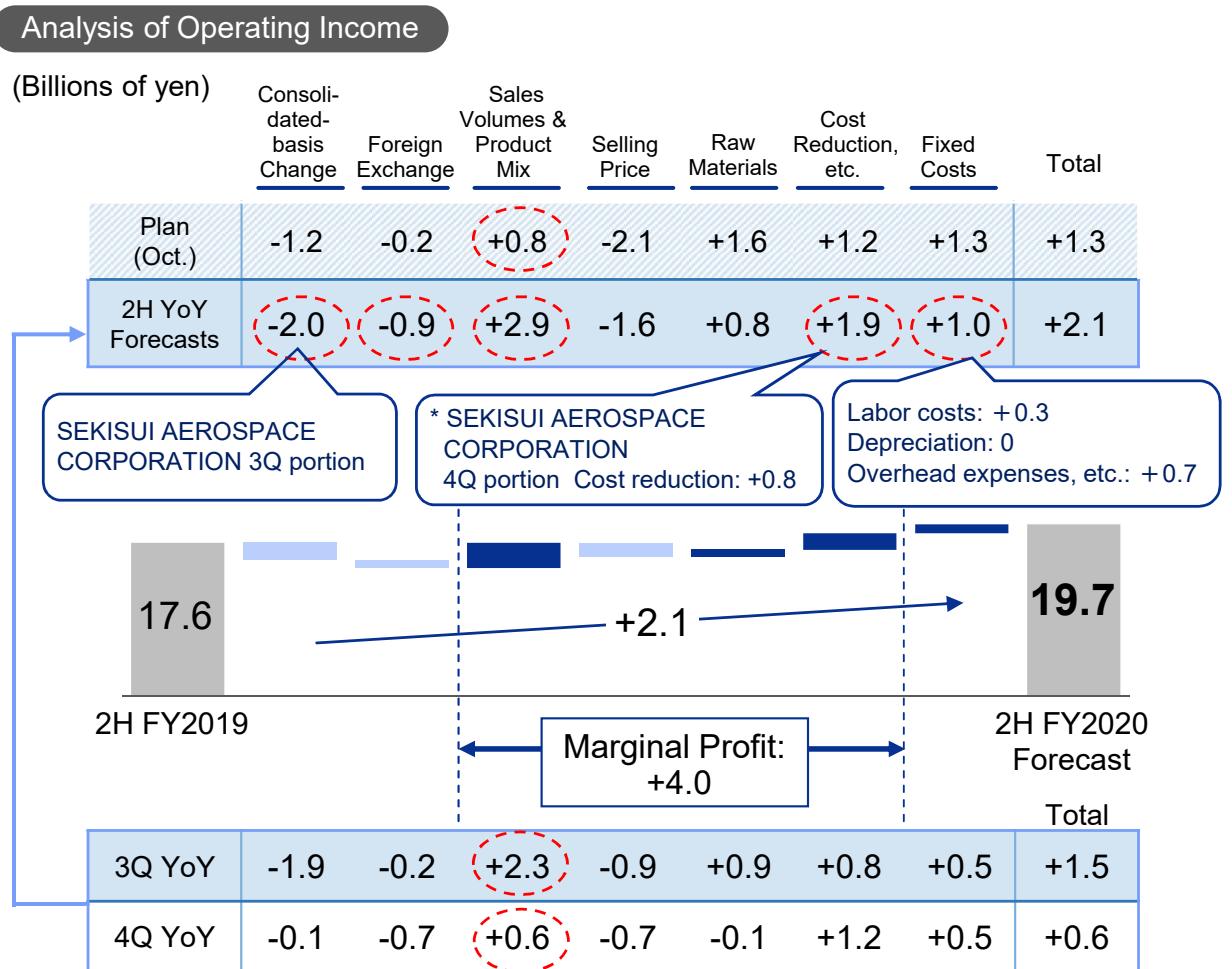
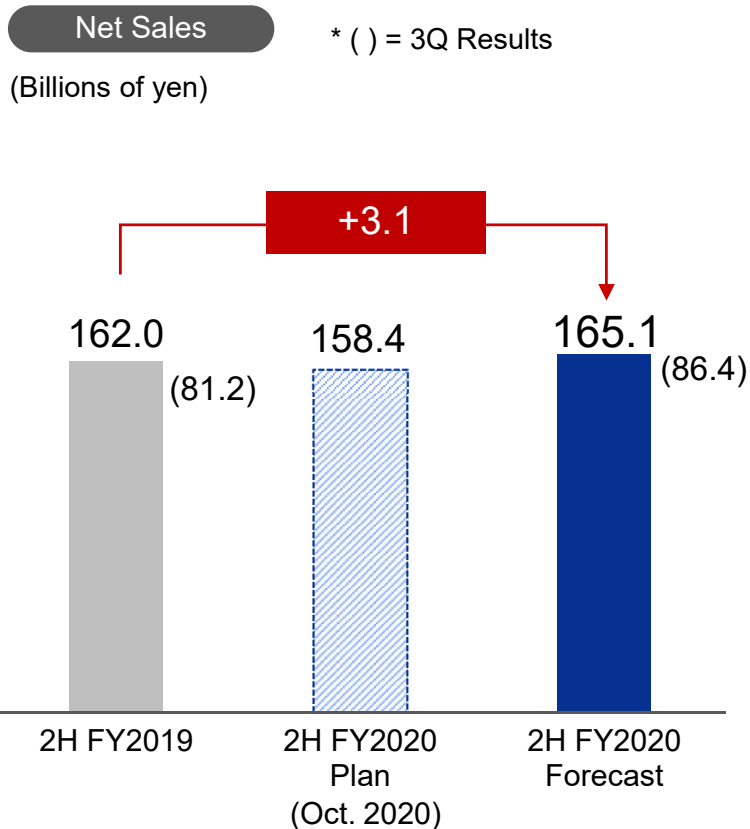
- Projected to achieve operating income and bottom line plans
- In the first year of the new Medium-term Management Plan “Drive2022,” progress in efforts to strengthen earning power as a growth platform from the next fiscal year

	FY2019	FY2020 Forecasts	Difference	FY2020 Plan (Oct. 2020)	Difference
(Billions of yen)					
Net Sales	1,129.3	1,057.4	-71.9	1,053.6	+3.8
Operating Income	88.0*	70.0	-18.0	70.0	0
Ordinary Income	87.2*	63.0	-24.2	69.0	-6.0
Net Income Attributable to Owners of the Parent	59.2*	43.5	-15.7	43.5	0

*Amortization based on provisional goodwill retroactively revised (¥0.2 billion upward revision of operating income and ordinary income, ¥0.3 billion upward revision of net income) after determining the intangible assets of SEKISUI AEROSPACE CORPORATION, which is included in the HPP Company (newly consolidated from the 4Q of FY2019)

HPP Company: 2H FY2020 Forecasts

- Recovery in market conditions exceed expectations, certain demand brought forward, and progress in expanding sales of high-value-added products in the 3Q; while factoring in the impact of further spread of the COVID-19 pandemic to a certain extent in the 4Q, upward revision of the 2H operating income plan
- Shift to a YoY increase in sales volumes and product mix; progress also in reducing fixed and other costs in line with plans



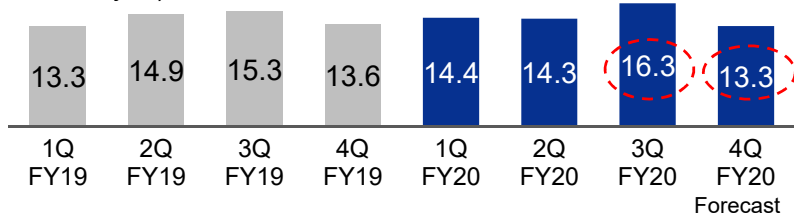
Three Strategic Fields

Achieved increases in sales and profit in each of the three fields in the 3Q; despite the negative SEKISUI AEROSPACE CORPORATION* impact, expected to exceed plans in each of the three fields in the 2H *Newly Consolidated from 4Q FY2019

Net Sales in the Three Strategic Fields and Progress in FY2020

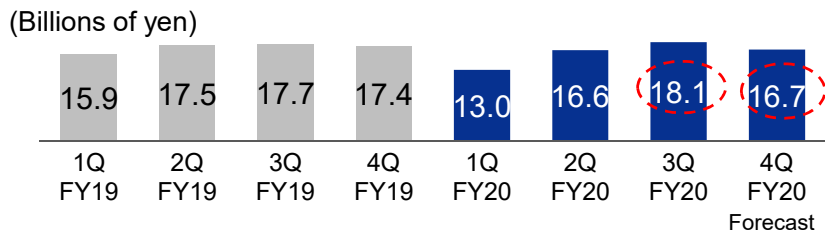
Electronics

- Sales growth and substantial increase in profit in the 3Q owing to robust sales growth of products for the Non-LCD field and the emergence of demand brought forward for certain products
- Projecting a temporary correction and inventory adjustments in the 4Q



Building and Infrastructure

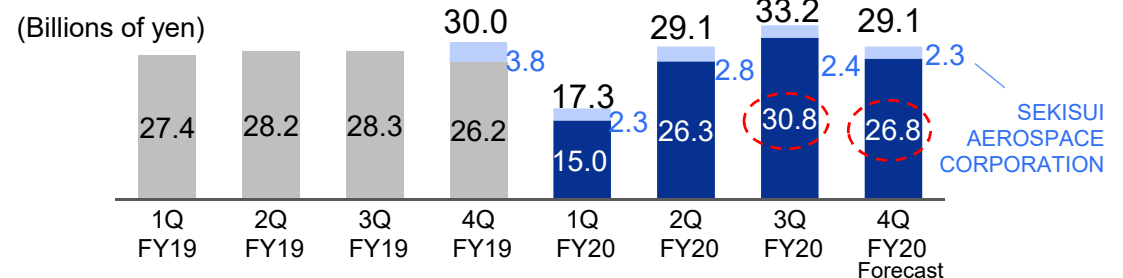
- CPVC: Steady recovery in demand mainly in India; factoring in a correction to certain demand brought forward in the 4Q
- Fire-resistant materials in Japan: Steady recovery in demand; factoring in the impact of further spread of the COVID-19 pandemic in the 4Q



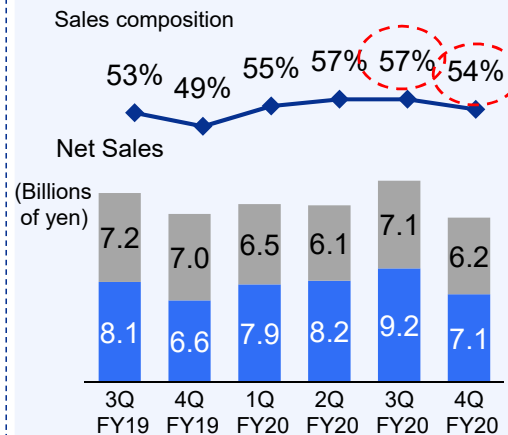
Mobility

* YoY volume basis

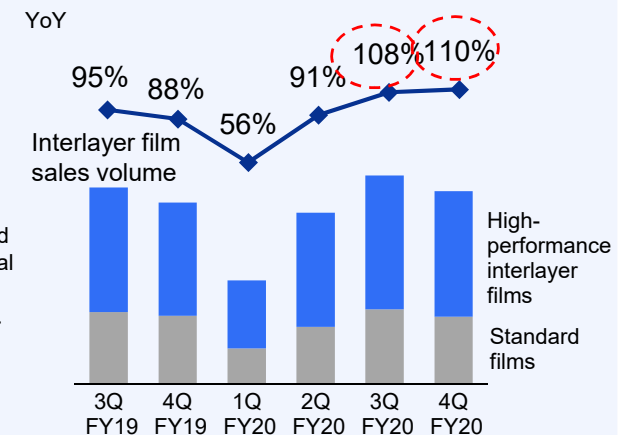
- Shift to increases in sales and profit on the back of a recovery in global automobile market conditions in excess of expectations in the 3Q
- Shift to a YoY increase in high-performance interlayer film sales; continued high growth in products for HUDs (more than 130% in the 2H*)
- Despite continued downturn in aircraft-related demand, progress in streamlining SEKISUI AEROSPACE CORPORATION ahead of schedule
- Projecting a temporary correction and inventory adjustments mainly in Europe in the 4Q



Focus on the non-LCD field



High-performance interlayer film sales growth



Housing Company: 2H FY2020 Forecasts

■ Despite progress in line with order plans in the 3Q, projecting such trends as a delay in sales owing to the impact of COVID-19 in the 4Q; downward revision of 2H operating income plan

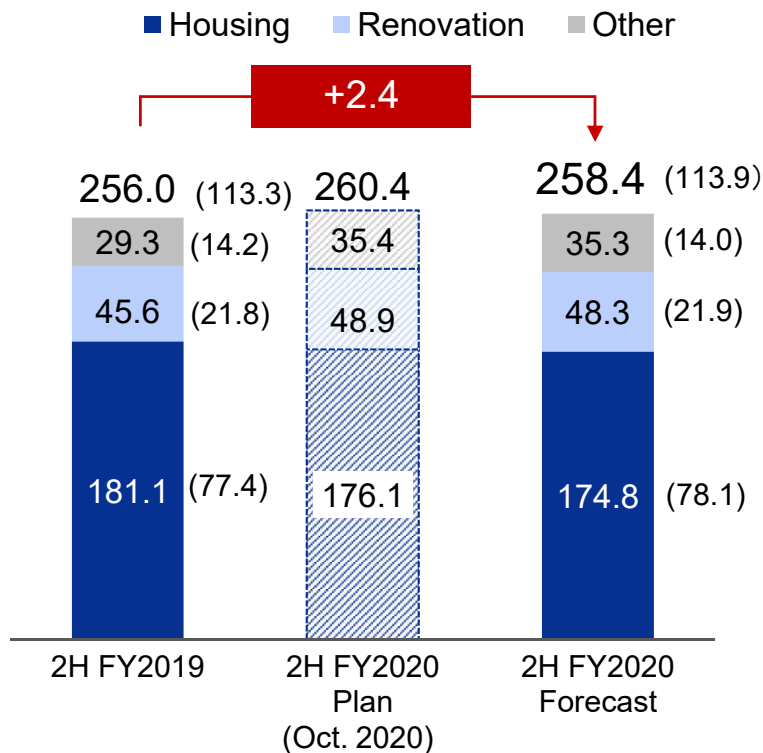
- Housing: Progress in reducing fixed costs and the leveling of sales (sales brought forward to the 3Q)
- Renovation: Despite downward revision of order plans, secure sales by promoting the release of products in the short term

Results and Plan for Orders

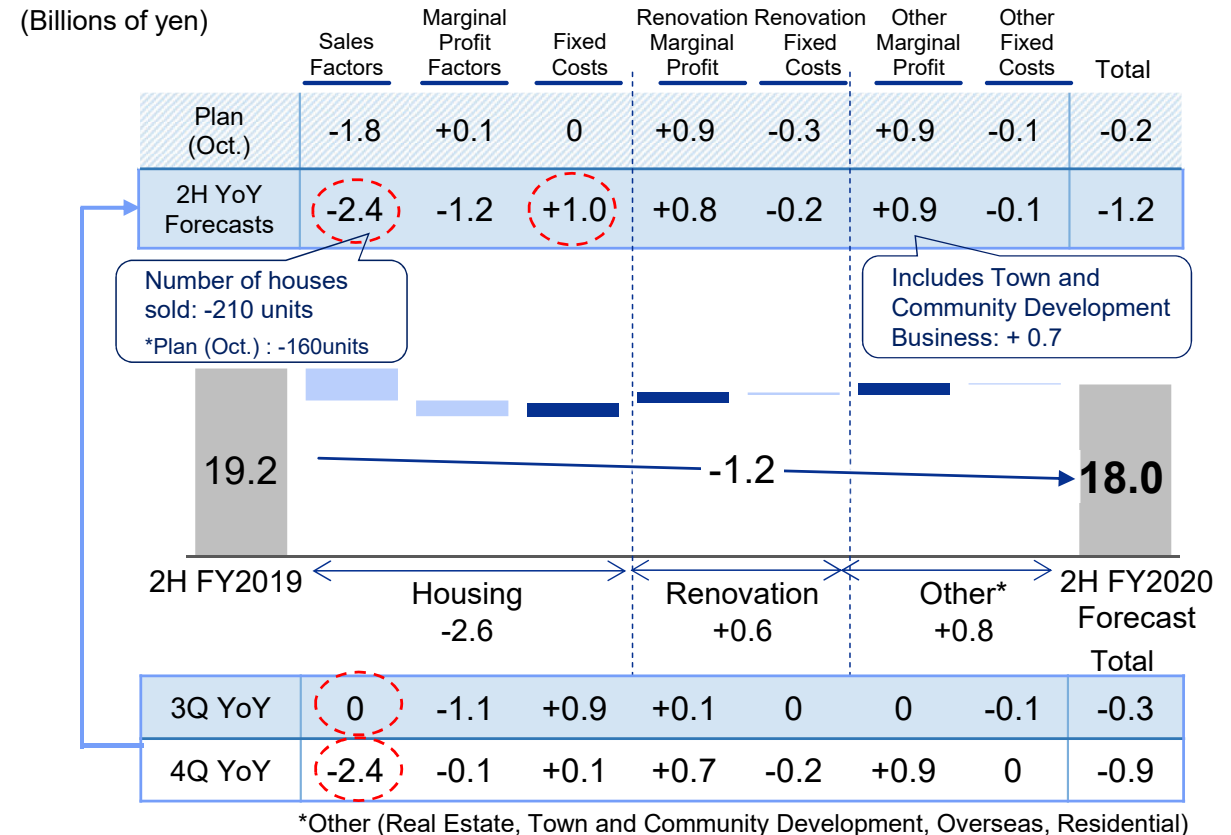
*%: YoY	3Q	Plan (Oct.)	4Q	Plan (Oct.)	2H	Plan (Oct.)
Housing Order (Units)	97%	97%	98%	103%	97%	101%
Renovation Order*1 (Amount)	100%	107%	100%	108%	100%	108%

*1 Partial change due to portfolio reclassification

Net Sales by Business * () = 3Q Results (Billions of yen)



Analysis of Operating Income (Billions of yen)



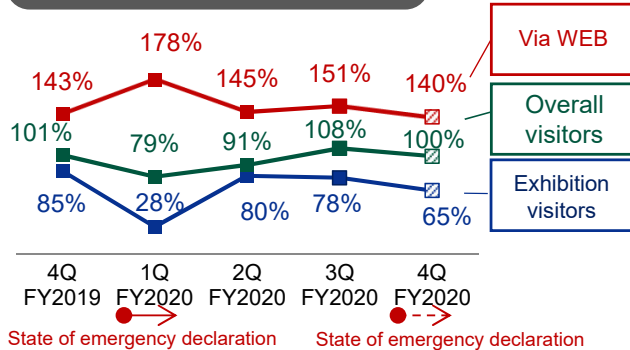
New Housing Orders

■ Achieve the revised 2H orders plan by implementing three key measures aimed at generating growth (sales force, product strategies, and land strategies)

Customer and Order Trends

*%: YoY

Visitors Results / Forecasts



Number of Orders by Type of Construction

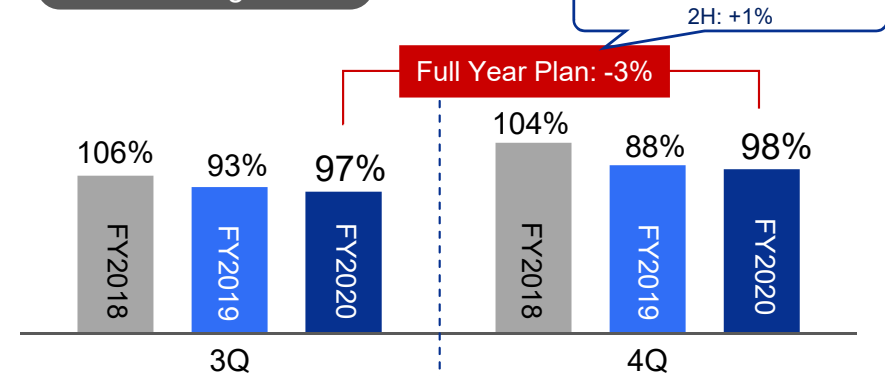
	3Q	4Q	2H
Rebuilding	85%	85%	85%
New construction*1	94%	98%	96%
Subdivision housing	118%	120%	119%
Of which, ready-built houses	127%	122%	124%
Total (Including apartment buildings)	97%	98%	97%

** Land: Client arrangement

2H Housing Order Revised Plan

*%: YoY

New Housing Orders



Measure to Acquire Orders in 2H

* YoY

Sales Force

- Strengthened digital marketing (number of WEB platforms, online negotiations)
- Increase the number of experience-based showrooms (1H FY2020-end: 27 locations → 3Q FY2020-end: 28 locations)

Product Strategies

- **Strengthened Smart House products**
 - Released GREENMODEL equipped with large-capacity solar power and storage battery as a standard feature in October

Target customers	Product	Key Features
Rebuilding	Parfait Series	Addressed "with COVID-19" needs → STAY&WORK model
	Smart Power Station	ZEH compatible → GREENMODEL
First time buyer	Smart Power Station Urban	Expanded orders for ready-built houses

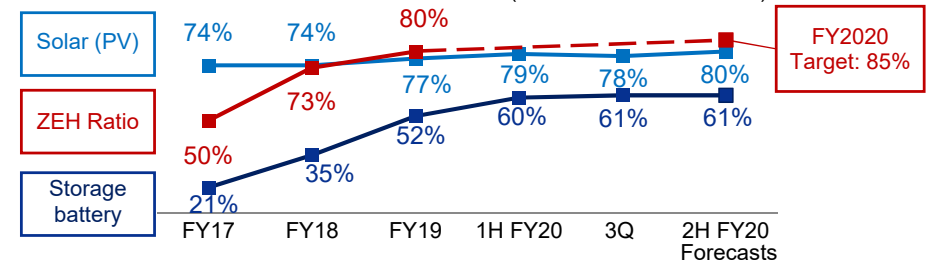
Land Strategies

- Further expanded land inventory (3Q FY2020-end number of stock of land lots currently on sales: 108%*; including ready-built houses: 150%*)

- Toward integrating online and face-to-face tools; ensure customer numbers and establish a negotiation model
 - Further strengthen experience-based showrooms (2H FY2020-end: 33 locations)
- Strengthen appeal on the back of large-capacity solar power and storage batteries
 - Promote sales of STAY&WORK model and GREENMODEL in earnest
- Strengthen sales of subdivision houses and ready-built houses; commence rollout of the town and community development model to other areas

Smart House-related Indicators*

*Detached house order installation rate (ZEH ratio of houses sold)

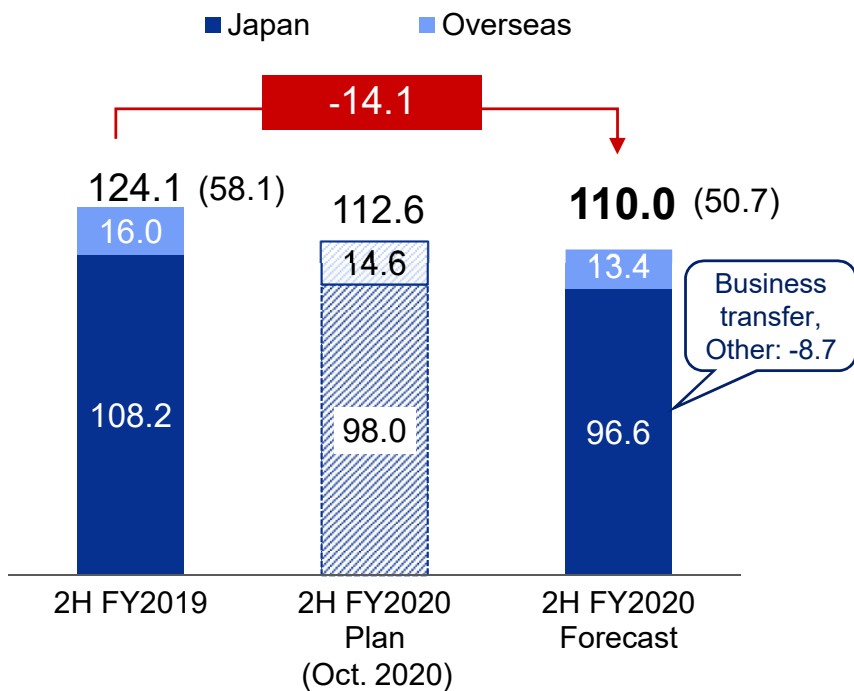


UIEP Company: 2H FY2020 Forecasts

■ Downward revision of the 2H operating income plan owing to the delayed recovery in domestic non-residential demand, overseas lockdowns, and the slowdown in aircraft sheet demand

- Japan: Despite firm trends in the housing and public sectors, delayed recovery in the non-residential sector due to the impact of COVID-19
- Overseas: Slowdown in aircraft sheet demand in excess of expectations; incidence of construction period delays due to lockdowns (FFU railway sleepers, other)

Net Sales * () = 3Q Results
(Billions of yen)



• Sales decreased ¥5.4 billion on an actual basis excluding the impact of business transfer and other

Analysis of Operating Income
(Billions of yen)

	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
Plan (Oct.)	-0.4	0	-0.5	-0.2	+0.6	+0.7	+1.3	+1.5
2H YoY Forecasts	-0.4	0	-2.0	-0.2	+0.5	+0.8	+1.3	0

Business transfer

Effects of structural reforms: +0.7

Main factors for the difference of -1.5:
Non-residential in Japan -0.5
Aircraft sheets -0.7
Delays in overseas construction periods -0.3

	3Q YoY	4Q YoY
Consolidated-basis Change	-0.1	-0.3
Foreign Exchange	0	0
Sales Volumes & Product Mix	-1.5	-0.5
Selling Price	-0.2	0
Raw Materials	+0.4	+0.1
Cost Reduction, etc.	+0.1	+0.7
Fixed Costs	+0.7	+0.6
Total	-0.7	+0.6

2H FY2019 Total: 10.0

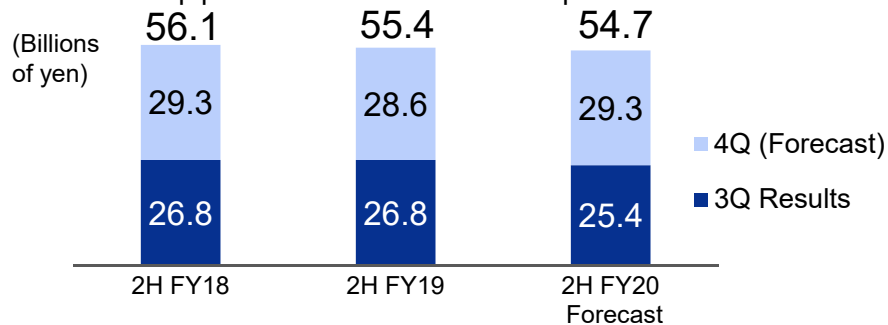
2H FY2020 Forecast Total: 10.0

- Secure sales at roughly the same level as the previous year in the Piping and Infrastructure field; substantial decrease in sales in the Advanced Materials field due to deterioration in market conditions and the further spread of the COVID-19 pandemic

Net Sales in the Three Strategic Fields

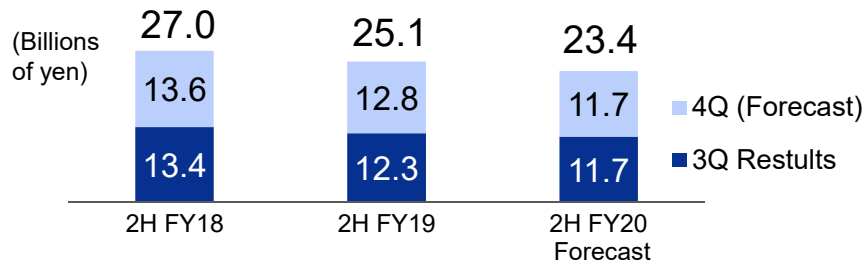
Piping and Infrastructure

- Despite firm and robust trends in the housing and public sectors, respectively, encountering difficulties owing to corrections with respect to the previous year's Olympic demand and delays in non-residential construction periods
- Plant business conditions bottoming out; incidence of delays in overseas pipeline renewal construction periods due to lockdowns



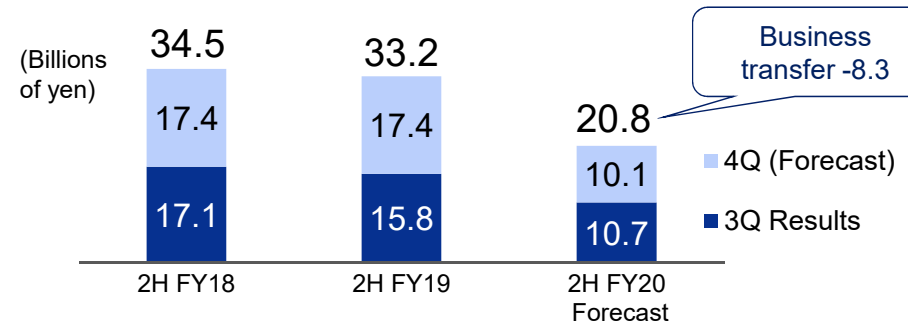
Building and Living Environment

- Despite a decrease in sales due to a downturn in construction starts in Japan, improvement in profitability by expanding sales of high-value-added products



Advanced Materials

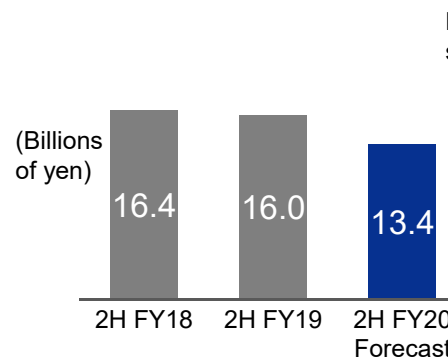
- Sheets: Continued slowdown in aircraft-related demand; progress in developing other applications
- FFU (railway sleeper application): Incidence of delays in tenders and construction periods mainly in North America; undertaking investments to expand production capacity in Europe in line with plans



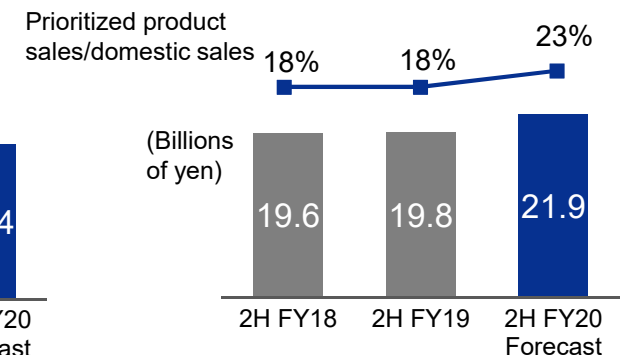
Prioritized Product Sales; Overseas Sales

- Secure a YoY increase in prioritized product sales

Overseas Sales



Prioritized Product Sales



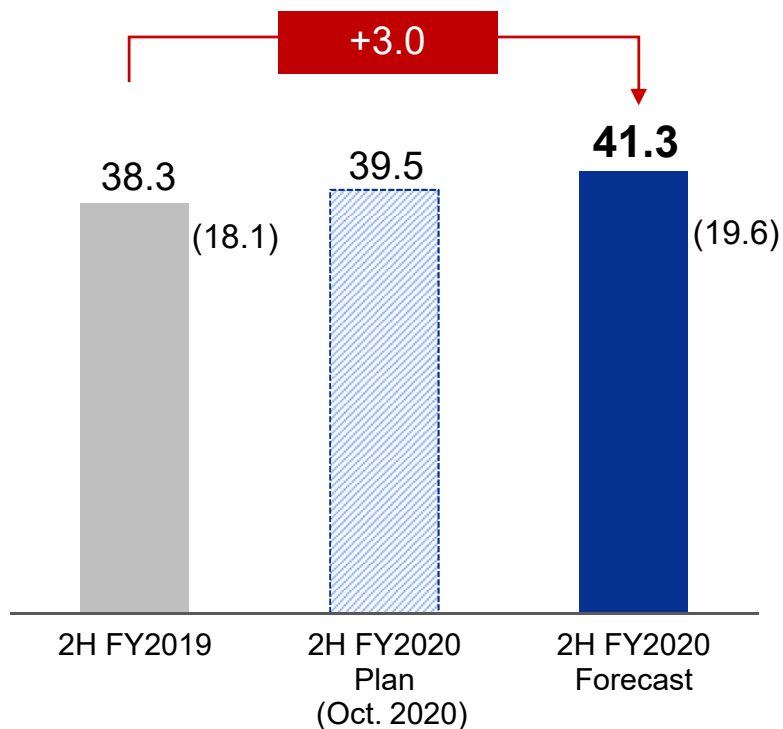
Medical Business: 2H FY2020 Forecasts

- Offset delays in the recovery of outpatient tests (Diagnostics (Japan)) through increased sales of COVID-19 diagnostic kits (Diagnostics (overseas)); also reduce fixed costs in excess of plans, projected to achieve the 2H operating income plan
- Despite falling slightly short of the Pharmaceutical Sciences business plan, projected to secure an increase in profit

Net Sales

* () = 3Q Results

(Billions of yen)

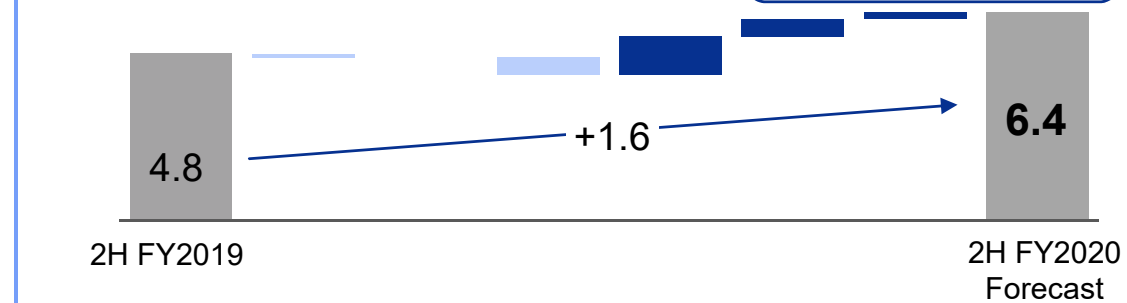


Analysis of Operating Income

(Billions of yen)

	Foreign Exchange	Newly Consolidated, etc.	Diagnostics (Japan)	Diagnostics (overseas)	Pharmaceutical Science and Other	Fixed Costs	Total
Plan (Oct.)	-0.1	0	+0.4	+0.4	+0.8	0	+1.6
2H YoY Forecasts	-0.1	0	-0.5	+1.1	+0.5	+0.6	+1.6

Labor costs: -0.6
 Depreciation: -0.3
 Overhead expenses, etc.: +1.5



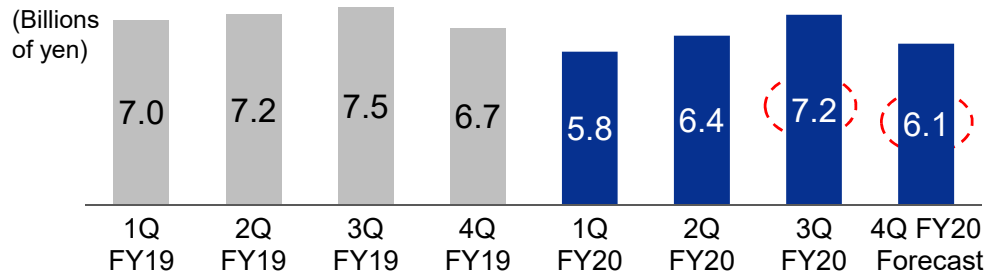
	3Q YoY	4Q YoY
Foreign Exchange	0	-0.1
Newly Consolidated, etc.	0	0
Diagnostics (Japan)	-0.3	-0.2
Diagnostics (overseas)	+0.5	+0.6
Pharmaceutical Science and Other	-0.1	+0.6
Fixed Costs	+0.1	+0.5
Total	+0.1	+1.5

Despite a decline in sales in the Diagnostics (Japan) business, sales projected to increase substantially in the Diagnostics (overseas) business while increasing in the Pharmaceutical Sciences business in the 2H

Trends in Net Sales by Business and Overview of Progress

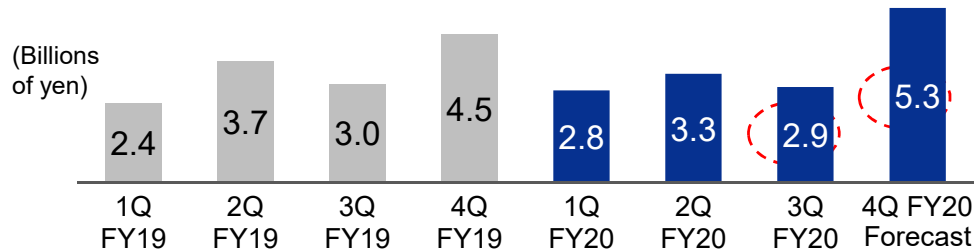
Diagnostics (Japan)

- Despite progress essentially in line with plans in the 3Q, projecting delays in the recovery of outpatient tests owing to the further spread of the COVID-19 pandemic and a decrease in influenza test kit sales in the 4Q



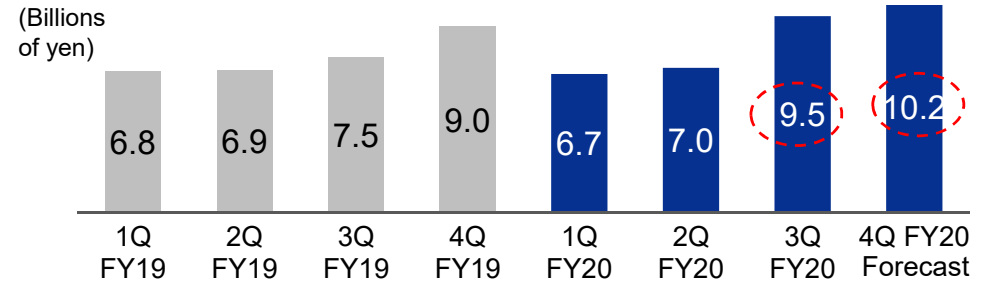
Pharmaceutical Sciences (Pharmaceutical and Fine Chemicals, Drug Development Solutions, Enzymes)

- Progress in line with plans in the Pharmaceutical and Fine Chemicals business; new pharmaceutical ingredients begin to contribute to sales and profit from the 4Q
- Drug Development business projected to fall slightly short of plans due to the impact of COVID-19 (temporary suspension of test contract activities, other)



Diagnostics (overseas)

- Results in excess of plans in the 3Q and projected to also substantially exceed plans in the 4Q owing to increased sales of COVID-19 diagnostic kits mainly in the U.S.
- Efforts to expand sales of blood coagulation equipment, reagents, and other products in China progressing in line with plans



Development, New Products, Other

- Progress in strengthening the field of child health and development

Details of New Products and New Businesses

Dec.	Launched a new diagnostics kit product through technical collaboration with the National Center for Child Health and Development
Dec.	Began newborn screening diagnostic contract services



Financial Results

for the 3Q of FY2020

Consolidated Companies

Number of Consolidated Companies

	Mar. 31, 2020	Dec. 31, 2020	Difference
Consolidated Subsidiaries	163	164	Increased: 2 Subsidiaries* ¹ Decreased: 1 Subsidiaries* ²
Affiliates (Equity Method)	8	8	Increased: 0 Subsidiaries Decreased: 0 Subsidiaries

*1 SEKISUI POLYMATECH EUROPE B.V., SEKISUI BIO REFINERY CO., LTD.

*2 SEKISUI PIPE RENEWAL B.V.

Impact of Change in the Number of Consolidated Companies

(Billions of yen)	1-3Q FY2020 (YoY)	Difference
Net Sales	+0.9	SEKISUI AEROSPACE CORPORATION* ³ SEKISUI HINOMARU CO., LTD. (partial business transfer)* ⁴ , other
Operating Income	-5.5	

*3 Newly consolidated from 4Q FY2019

*4 Partial business transfer during the 2Q of FY2020

Summary of Profit and Loss

(Billions of yen)	1-3Q FY2019	1-3Q FY2020	Difference	
Net Sales	823.3	756.4	-66.9	
Gross Profit	266.3	235.9	-30.3	
Gross Profit Margin	32.3%	31.2%	-1.1%	
Selling, Gen. and Admin. Expenses	208.1	196.1	-12.0	
Operating Income	58.2	39.9	-18.3	
Equity in Earnings of Affiliates	1.6	1.3	-0.3	
Other Non-operating Income and Expenses	-0.3	-7.3	-7.0	Foreign exchange loss: -2.9
Ordinary Income	59.5	33.8	-25.7	
Extraordinary Income	5.2	-	-5.2	
Extraordinary Loss	6.8	3.2	-3.6	SEKISUI AEROSPACE CORPORATION impairment of intangible assets: +1.7
Income before Income Taxes	58.0	30.7	-27.3	
Corporate Income Tax, etc.	16.5	8.9	-7.6	
Net Income Attributable to Non-controlling Interests	1.4	1.1	-0.3	
Net Income Attributable to Owners of the Parent	40.1	20.7	-19.4	
Foreign Exchange (Avg. rate)	1US\$	109	106	
	1€	121	122	

Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2020	Dec. 31, 2020	Difference
Cash and Deposits	76.8	85.1	+8.2
Account Receivable on Sales	174.1	162.1	-12.0
Inventories	217.2	234.1	+16.9
Other Current Assets	23.7	28.8	+5.0
Tangible Non-current Assets	337.3	348.6	+11.4
Intangible Non-current Assets	104.5	94.8	-9.7
Investments in Securities	140.9	161.5	+20.7
Investments & Other Assets	31.3	27.4	-3.9
Total Assets	1,105.8	1,142.4	+36.6

Inventories (B/S item)	Dec. 31, 2020	Difference
Ready-built housing (products)	25.3	+8.4
Prepared land for subdivision housing	54.8	+4.2
Land under preparation (work in process)	19.0	+3.9
Housing under construction (work in process)	32.5	+5.3
Components, other (raw materials)	3.9	+0.1
Housing Total	135.6	+22.0
Non-residential total (products, other)	98.6	-5.0
Inventories Total	234.1	+16.9

Capital investment: +41.6
 Depreciation and amortization: -28.6
 Consolidation: +1.0

At fair value: +19.1

Change of Consolidated Subsidiaries:
 ▶ +1.1
 Foreign exchange:
 ▶ +3.6
 Actual basis: +31.9

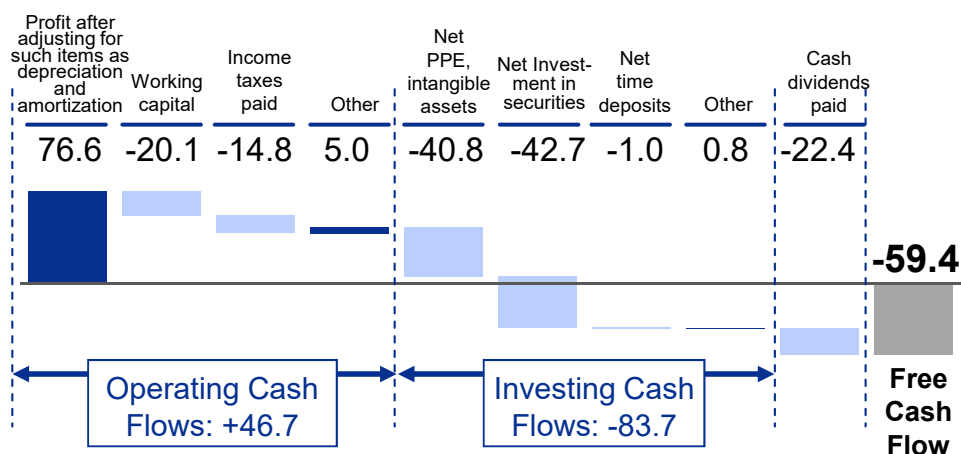
Balance Sheets (Liabilities & Net Assets)

(Billions of yen)	Mar. 31, 2020	Dec. 31, 2020	Difference	
Non-interest-bearing Liabilities	353.9	324.3	-29.6	
Interest-bearing Liabilities	117.7	175.9	+58.2	
(Net interest-bearing Liabilities)	(40.8)	(90.8)	(+50.0)	
Total Liabilities	471.6	500.2	+28.6	
Capital Stock etc.	209.3	208.9	-0.4	
Retained Earnings	433.3	420.3	-13.0	<div style="border: 1px solid red; padding: 5px;"> Net income +20.7 Dividends paid -21.0 Retirement of treasury stock -12.7 </div>
Treasury Stock	-44.1	-43.4	+0.8	
Unrealized Holding Gain on Securities	27.5	42.5	+15.0	<div style="border: 1px solid red; padding: 5px;"> Purchases of treasury stock -12.2 Retirement of treasury stock +12.7 </div>
Non-controlling Interests	24.9	26.4	+1.5	
Other Net Assets	-16.5	-12.5	+4.1	
Total Net Assets	634.2	642.2	+8.0	
Total Liabilities, Net Assets	1,105.8	1,142.4	+36.6	
Equity to Total Assets (%)	55.1%	53.9%	-1.2%	
D/E Ratio (Net)	0.07	0.15	+0.08	

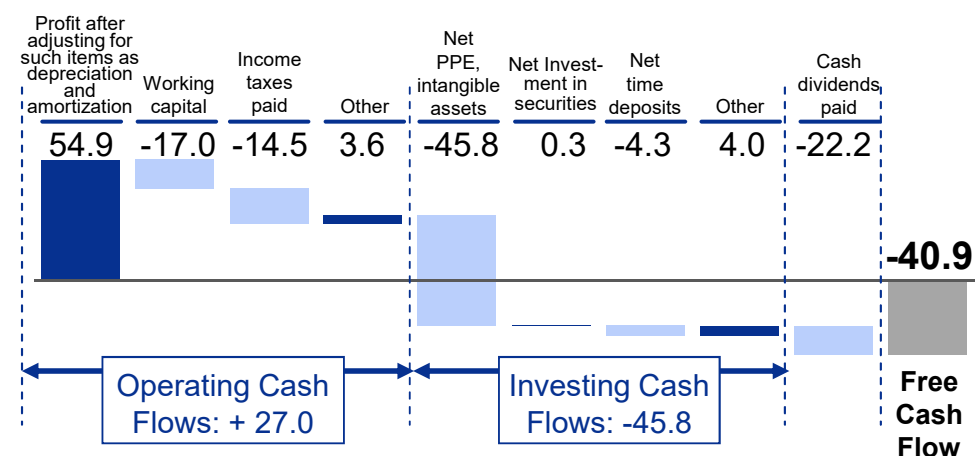
Consolidated Cash Flows

(Billions of yen)	1-3Q FY2019	1-3Q FY2020
Operating Cash Flows	46.7	27.0
Investing Cash Flows	-83.7	-45.8
Financing Cash Flows	36.8	20.9
Net Increase in Cash and Cash Equivalents	-0.9	3.8
Cash and Cash Equivalents at the End of Term	69.4	78.6
Free Cash Flow =Operating Cash Flows + Investing Cash Flows - Dividends Paid	-59.4	-40.9

1-3Q FY2019 Free Cash Flow



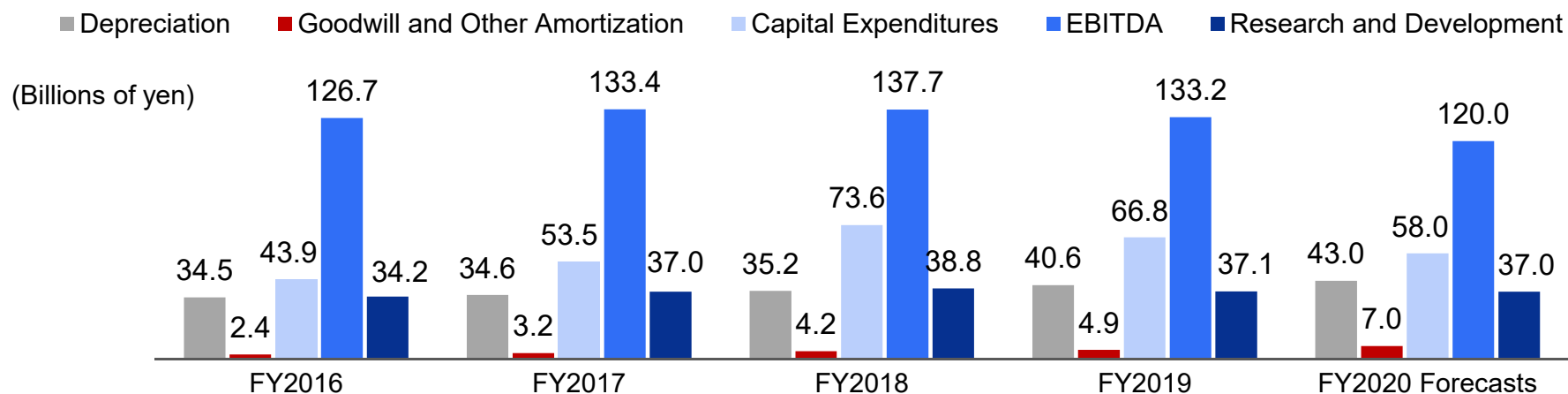
1-3Q FY2020 Free Cash Flow



Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen)	1-3Q FY2019	1-3Q FY2020	Difference	FY2019	FY2020 Forecasts	Difference
Depreciation	30.0	31.8	+1.8	40.6	43.0	+2.4
Goodwill and Other Amortization	3.0	4.8	+1.8	4.9	7.0	+2.1
Capital Expenditures	46.8	43.0	-3.8	66.8	58.0	-8.7
EBITDA	91.2	76.5	-14.7	133.2	120.0	-13.2
Research and Development Expenditure	28.0	25.9	-2.1	37.1	37.0	-0.1

Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure



*1 Depreciation does not include amortization of intangible assets as a result of M&A

*2 Goodwill and Other Amortization = Goodwill amortization + Amortization of intangible assets as a result of M&A

*3 EBITDA = Operating Income + Depreciation + Goodwill and other amortization

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Housing Company Results and Plan

1. Main data in Housing business		FY2020				FY2019				FY2018
		1H	3Q	2H (plan)	Full Year (plan)	1H	3Q	2H	Full Year	Full Year
CONSOLIDATED	Net Sales (Billions of yen)	230.6	113.9	258.4	489.0	256.9	113.3	256.0	512.9	506.7
	Housing	161.2	78.0	174.8	336.0	179.3	77.4	181.1	360.4	356.4
	Renovation	41.5	21.9	48.3	89.8	49.4	21.8	45.6	95.0	95.0
	Other	28.0	13.9	35.3	63.2	28.2	14.2	29.3	57.5	55.3
	Real estate	23.4	11.7	25.9	49.3	22.2	11.3	23.3	45.5	43.6
	Residential Services	3.7	1.9	4.0	7.7	4.0	1.9	4.0	7.9	8.0
	Town and Community Development	0.1	0.1	3.8	3.9	0.1	0.1	0.1	0.2	-
	Overseas	0.6	0.1	1.0	1.7	1.0	0.4	0.9	1.9	2.0
OTHERS	1. Number of houses sold (Housing units)	4,910	2,290	5,300	10,210	5,425	2,270	5,485	10,910	10,940
	Detached houses	4,645	2,210	5,030	9,675	5,120	2,155	5,080	10,200	10,200
	Heim	3,705	1,780	4,060	7,765	4,050	1,660	3,980	8,030	8,280
	Two-U	940	430	970	1,910	1,070	495	1,100	2,170	1,920
	Apartment buildings	265	80	270	535	305	115	405	710	740
OTHERS	2. Main data									
	Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	31.5	31.6	-	-	31.4	31.9	31.5	31.5	31.2
	Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen)	87.8	88.6	-	-	85.9	87.9	87.5	86.8	84.6
	Floor space (Square meter)	118.4	117.7	-	-	120.6	119.8	118.8	119.7	121.7
	Exhibition places (Units)	439	-	444	444	447	-	446	446	430
	Sales staff (Number of person)	2,612	2,529	2,460	2,460	2,636	2,544	2,487	2,487	2,515
	Rebuilding ratio (%)*	19%	19%	19%	19%	24%	23%	23%	23%	28%
Referral sales ratio (%)*	36%	34%	36%	36%	33%	33%	34%	34%	34%	

* Rebuilding ratio and Referral sales ratio are based on time of orders-received

Housing Company Results and Plan

2. Housing orders (Millions of yen)	FY2020				FY2019				FY2018			
	1H	3Q	2H (plan)	Full Year (plan)	1H	3Q	2H	Full Year	1H	3Q	2H	Full Year
Year-start Backlog	205,400	194,500	194,500	-	219,500	217,320	217,320	-	206,900	213,900	213,900	-
Growth Rate	-6%	-10%	-10%	-	+6%	+2%	+2%	-	±0%	+3%	+3%	-
New Orders	175,319	91,265	191,944	367,263	203,590	93,241	193,472	397,062	206,423	99,520	217,375	423,798
Growth Rate	-14%	-2%	-1%	-7%	-1%	-6%	-11%	-6%	+2%	+7%	+5%	+3%
Sales of Housing/Renovation	186,219	90,065	204,649	390,868	205,770	88,861	205,392	411,162	199,423	87,920	211,775	411,198
Growth Rate	-9%	+1%	±0%	-5%	+3%	+1%	-3%	±0%	-1%	+9%	+2%	+1%
End-balance	194,500	195,700	181,800	-	217,320	221,700	205,400	-	213,900	225,500	219,500	-
Growth Rate	-10%	-12%	-11%	-	+2%	-2%	-6%	-	+3%	+3%	+6%	-

3. Housing starts (Units)	FY2020				FY2019				FY2018
	1H	3Q	2H (plan)	Full Year (plan)	1H	3Q	2H	Full Year	
Housing starts	413,476	210,083	383,000	796,476	466,692	222,820	416,995	883,687	952,936
Privately-owned houses (included in above) =A	131,321	68,223	119,000	250,321	152,973	70,444	130,365	283,338	287,710
Detached house sales by our company=B (Unit base)	4,645	2,210	5,030	9,675	5,120	2,155	5,080	10,200	10,200
Our share in Detached houses=B/A	3.5%	3.2%	4.2%	3.9%	3.3%	3.1%	3.9%	3.6%	3.5%

**"Housing starts" and "Privately-owned houses" after 3Q of FY2020 are based on forecasts

4. The ratio of houses equipped with smart specifications	FY2020				FY2019				FY2018
	1H	3Q	2H (plan)	Full Year (plan)	1H	3Q	2H	Full Year	
Solar power generation systems installed	79%	78%	80%	80%	77%	78%	78%	77%	74%
Storage battery installed	60%	61%	61%	61%	52%	57%	57%	55%	35%
Comfortable Air System	72%	74%	74%	73%	78%	75%	76%	77%	77%



This slide presentation may contain forward-looking statements. Such forward-looking statements are based on current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements due to changes in global economic, business, competitive market and regulatory factors.

Note: In the case of numerical values denominated in billions of yen, numbers below a billion are rounded up or down to the nearest hundred million