



SEKISUI CHEMICAL CO., LTD.

Presentation of Financial Results  
for FY2019 and the Management Plan

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President

April 27, 2020

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# Approach Toward FY2020 Plans Based on the Impact of COVID-19

- Minimize the impact through self-help efforts; maintain and strengthen systems to secure a V-shaped recovery from the 2H

## FY2020 Plan Assumptions

- Current conditions (mid Apr.) to continue to June; despite a gradual recovery thereafter, significant impact on the 1H
- Decreases in automobile and smartphone production, diagnostic agents for lifestyle-related illnesses, visitors to housing exhibitions, housing starts, and delays in construction as a result of COVID-19
- Results may change depending on when COVID-19 dissipates

## Impact on FY2019 Results

- Decreases in net sales and operating income of ¥20.7 billion and ¥9.2 billion, respectively, compared with plans (Jan.)

(Billions of yen)	Impact on Operating Income	Main Details
HPP	-4.4	Mobility field supply chain suspension, etc.
Housing	-2.7	Postponement of handover due to delays in housing materials delivery, etc.
UIEP	-1.5	Delays in construction in Japan, decrease in aircraft production in North America
Medical	-1.3	Product shipment delay, decrease in diagnostic agents for lifestyle-related illnesses

\* Name changed from the "Automobiles and Transportation Field" to the "Mobility Field."

## FY2020 Plan

- Net sales and operating income projected to decrease ¥79.2 billion and ¥28.0 billion, respectively compared with initial plans

(Billions of yen)	Impact on Operating Income	Main Details
HPP	-16.2	Mobility field supply chain suspension, etc.
Housing	-8.5	Decrease in orders due to a drop in visitors, event suspension, etc. → Decrease in sales
UIEP	-2.0	Decrease in demand, etc. due to a downturn in housing starts and decrease in aircraft production in North America
Medical	-1.7	Decrease in diagnostic agents for lifestyle-related illnesses

	FY2020 Initial Plan* (Billions of yen)		YoY Difference	
	Net Sales	Operating Income	Net Sales	Operating Income
HPP	351.0	43.8	+28.6	+6.6
Housing	538.0	40.5	+25.1	+2.7
UIEP	236.5	16.0	-0.9	+0.5
Medical	76.7	11.0	+4.1	+1.8
Other	4.5	-10.1	-0.5	-0.4
Eliminations or Unallocatable Accounts	-20.1	-3.1	+0.9	-0.8
<b>Total</b>	<b>1,186.6</b>	<b>98.0</b>	<b>+57.3</b>	<b>+10.2</b>

\* Plan excluding the impact of COVID-19

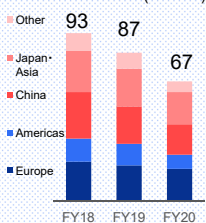
# Outlook for Market Conditions

- Despite major restrictions on global economic activity in the 1Q, assuming a gradual recovery from the 2Q and a return to normal conditions in the 2H

## Number of Automobiles Manufactured (YoY)

Downturn in production/consumption due to COVID-19 in the 1H of FY2020; projecting a recovery toward the 2H

[Number of Automobiles Manufactured] (Millions)



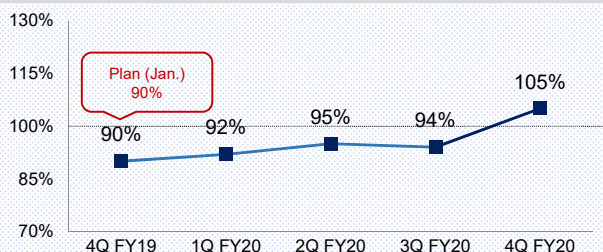
[By Region (YoY)]

	19 4Q	20 1Q	20 2Q	20 3Q	20 4Q
Europe	85%	56%	91%	100%	122%
Americas	87%	27%	37%	100%	112%
China	64%	55%	75%	90%	108%
Japan-Asia	89%	57%	79%	103%	97%
Global	83%	47%	69%	98%	110%

Plan (Jan.) 87%

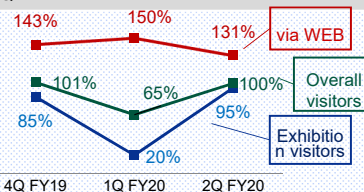
## Smartphone Shipments (YoY)

Despite a downturn mainly in production due to COVID-19 in the 1H of FY2020, projecting a gradual recovery due to an increase in 5G-related demand



## Housing-Visitors (YoY)

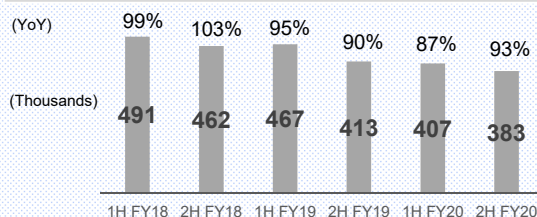
Despite a substantial decline in the 1Q, expecting a return to normal conditions in the 2Q



## New Housing Starts

Forecasting a substantial decline in housing starts due to a deterioration in consumer sentiment

\* 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



## Domestic Naphtha Price Assumptions



# Results for FY2019

Forex Rate	FY2018		FY2019	
	1H	2H	1H	2H
Assumption	¥109/US\$ ¥132/€	¥112/US\$ ¥128/€	¥109/US\$ ¥124/€	¥108/US\$ ¥120/€
Results (Avg. rate for each term)	¥110/US\$ ¥130/€	¥112/US\$ ¥127/€	¥109/US\$ ¥121/€	¥109/US\$ ¥120/€

## Overview of FY2019 Results

- Substantial drop in sales due to COVID-19 from Feb.; decrease at each level of profit; fell short of plans
- Dividend in line with plans; dividend per share of ¥46, up ¥2 (tenth consecutive FY of dividend increase)

(Billions of yen)	FY2018	FY2019	Difference	FY2019 Plan (Jan.)	Difference
Net Sales	1,142.7	1,129.3	-13.5	1,150.0	-20.7
Operating Income	95.7	87.8	-7.9	97.0	-9.2
Ordinary Income	93.1	87.0	-6.2	97.0	-10.0
Net Income Attributable to Owners of the Parent	66.1	58.9	-7.2	67.0	-8.1
Dividend per Share (Yen)	44	46	+2	46	0

## FY2019 Results: Net Sales and Operating Income by Divisional Company

- Substantial decline in HPP Company profit due to the impact of COVID-19 and market conditions; secured an increase in UIEP Company profit; Housing Company and Medical Business profits in line with the previous year

- HPP: Substantial decline in profit due to COVID-19 (downturn/suspension in operations) in addition to a prolonged slump in the automobile market
- Housing: Results held to previous year's levels due to COVID-19 (postponement of period-end handover due to delays in housing materials delivery)
- UIEP: Secured an increase in profit due to high-value-added product growth (prioritized products in Japan)
- Other: Adopted a selection and concentration approach toward R&D themes

(Billions of yen)	FY2018		FY2019		Difference		FY2019 Plan (Jan.)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	341.3	44.9	322.4	37.2	-18.9	-7.7	328.0	41.6	-5.6	-4.4
Housing	506.7	39.0	512.9	37.8	+6.2	-1.2	522.0	40.5	-9.1	-2.7
UIEP	239.2	15.0	237.4	15.5	-1.8	+0.5	242.0	17.0	-4.6	-1.5
Medical	70.7	9.6	72.6	9.2	+1.9	-0.4	72.5	10.5	+0.1	-1.3
Other	6.1	-11.1	5.0	-9.7	-1.1	+1.4	5.5	-9.9	-0.5	+0.2
Eliminations or Unallocatable Accounts	-21.3	-1.7	-21.0	-2.2	+0.3	-0.5	-20.0	-2.7	-1.0	+0.5
Total	1,142.7	95.7	1,129.3	87.8	-13.5	-7.9	1,150.0	97.0	-20.7	-9.2

\*HPP: High Performance Plastics Company, Housing: Housing Company, UIEP: Urban Infrastructure & Environmental Products Company  
 \*The Medical Business separated from the HPP Company from FY2019.

## 1H & 2H FY2019 Results: Net Sales and Operating Income by Divisional Company

- Despite securing operating income in the 1H at the same level as the previous year on a Group-wide basis, substantial decreases in HPP and Housing Company profits in the 2H due to COVID-19

(Billions of yen)	1H FY2018		1H FY2019		Difference		2H FY2018		2H FY2019		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	171.3	23.1	160.4	19.7	-10.8	-3.3	170.0	21.8	162.0	17.4	-8.1	-4.4
Housing	246.9	17.2	256.9	18.6	+10.1	+1.4	259.9	21.8	256.0	19.2	-3.9	-2.6
UIEP	111.0	4.3	113.2	5.4	+2.2	+1.1	128.2	10.7	124.1	10.0	-4.1	-0.6
Medical	34.2	4.4	34.3	4.4	0	0	36.5	5.2	38.3	4.8	+1.8	-0.4
Other	2.7	-5.7	2.4	-5.3	-0.3	+0.3	3.4	-5.4	2.6	-4.4	-0.8	+1.0
Eliminations or Unallocatable Accounts	-11.1	-1.2	-10.7	-1.4	+0.4	-0.2	-10.2	-0.5	-10.3	-0.8	-0.1	-0.3
Total	554.9	42.2	556.5	41.5	+1.6	-0.7	587.8	53.5	572.7	46.3	-15.1	-7.3

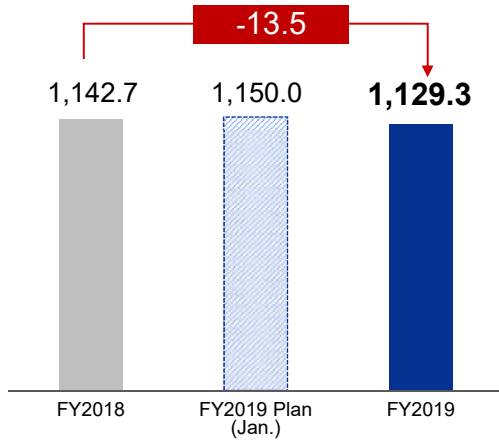
\*HPP: High Performance Plastics Company, Housing: Housing Company, UIEP: Urban Infrastructure & Environmental Products Company  
 \*The Medical Business separated from the HPP Company from FY2019.

# FY2019 Results: Analysis of Net Sales and Operating Income

- Decreases in sales volumes and the product mix in the HPP Company; despite soft raw material prices, substantial decline in profit due to the negative impact of foreign exchange, newly consolidated companies, and COVID-19
- Undertook steps to control Group-wide fixed costs

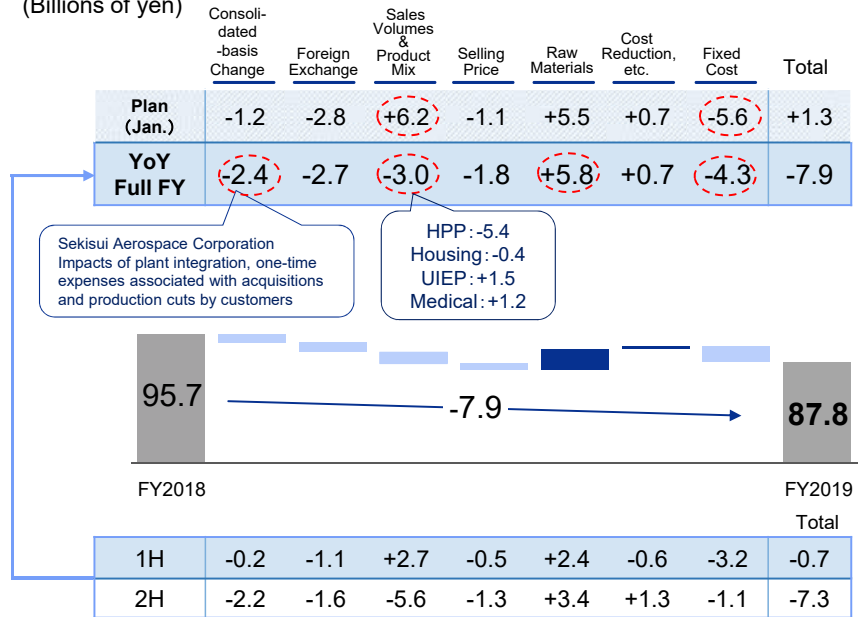
## Net Sales

(Billions of yen)



## Analysis of Operating Income

(Billions of yen)



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# FY2020 Plan

Forex Rate	FY2019		FY2020	
	1H	2H	1H	2H
Assumption	¥109/US\$ ¥124/€	¥108/US\$ ¥120/€	¥110/US\$ ¥120/€	¥110/US\$ ¥120/€
Results (Avg. rate for each term)	¥109/US\$ ¥121/€	¥109/US\$ ¥120/€	-	-

## FY2020 Plan

- Projecting a decrease in sales and downturn at each level of profit due to COVID-19
- Plans to increase dividends to ¥47 per share, up ¥1 (eleventh consecutive FY of dividend increase)
- Set a limit for the acquisition of treasury stock (maximum: 8 million shares/ ¥16 billion)
- Undertake the retirement of treasury stock (8 million shares)

(Billions of yen)	FY2019	FY2020 (Plan)	Difference
Net Sales	1,129.3	1,107.4	-21.9
Operating Income	87.8	70.0	-17.8
Ordinary Income	87.0	69.0	-18.0
Net Income Attributable to Owners of the Parent	58.9	43.5	-15.4
Dividend per Share (Yen)	46	47	+1

## FY2020 Plan: Net Sales and Operating Income by Divisional Company

- Decreases mainly in HPP and Housing Company profits due to COVID-19; impact on the UIEP Company and Medical Business expected to be relatively minor

(Billions of yen)	FY2019		FY2020 (Plan)		Difference		Impact of COVID-19 (vs. Initial Plan*)	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	322.4	37.2	315.0	27.6	-7.4	-9.5	-36.0	-16.2
Housing	512.9	37.8	505.5	32.0	-7.4	-5.8	-32.5	-8.5
UIEP	237.4	15.5	228.4	14.0	-9.0	-1.5	-8.1	-2.0
Medical	72.6	9.2	74.1	9.3	+1.5	+0.1	-2.6	-1.7
Other	5.0	-9.7	4.5	-10.0	-0.5	-0.3	0	+0.2
Eliminations or Unallocatable Accounts	-21.0	-2.2	-20.1	-2.9	+1.0	-0.7	0	+0.1
Total	1,129.3	87.8	1,107.4	70.0	-21.8	-17.8	-79.2	-28.0

\* Plan excluding the impact of COVID-19

## 1H FY2020 Plan: Net Sales and Operating Income by Divisional Company

- While projecting major restrictions on global economic activity mainly in the 1Q and a substantial decrease in profit in the 1H, work to maintain the supply chain in preparation for a recovery in the 2H

- HPP: Supply chain suspension to largely impact the Mobility field; substantial decrease in profit
- Housing: Substantial downturn in profit due to the decrease in orders as a result of a drop in visitors and restrictions on sales activities from Feb.
- UIEP: Decrease in demand in line with a decline in housing starts; expected to feel the effects of a downturn in aircraft production

(Billions of yen)	1H FY2019		1H FY2020 (Plan)		Difference		Impact of COVID-19 (vs. Initial Plan*)	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	160.4	19.7	137.0	3.7	-23.5	-16.0	-35.5	-15.9
Housing	256.9	18.6	241.0	12.8	-15.9	-5.8	-21.0	-5.8
UIEP	113.2	5.4	102.9	2.5	-10.3	-2.9	-5.7	-1.6
Medical	34.3	4.4	32.9	2.4	-1.4	-2.0	-2.6	-1.7
Other	2.4	-5.3	1.8	-5.2	-0.6	+0.1	0	+0.2
Eliminations or Unallocatable Accounts	-10.7	-1.4	-10.0	-1.5	+0.7	-0.1	0	+0.1
Total	556.5	41.5	505.6	14.7	-51.0	-26.8	-64.8	-24.7

\* Plan excluding the impact of COVID-19

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

### Anticipating the effects of COVID-19 to dissipate; projecting a substantial increase in profit in the 2H

- HPP: Projecting a V-shaped recovery through the normalization of supply in the Mobility field
- Housing: Despite the residual effects of the decrease in orders in the 1H, projecting a recovery in 2H profit to roughly the same level as the previous year
- UIEP: Despite an ongoing harsh market environment including the decline in housing starts, plans to secure an increase in profit on the back of high-value-added product sales growth

(Billions of yen)	2H FY2019		2H FY2020 (Plan)		Difference		Impact of COVID-19 (vs. Initial Plan*)	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	162.0	17.4	178.0	23.9	+16.0	+6.5	-0.5	-0.3
Housing	256.0	19.2	264.5	19.2	+8.5	0.0	-11.5	-2.7
UIEP	124.1	10.0	125.5	11.5	+1.4	+1.5	-2.4	-0.4
Medical	38.3	4.8	41.2	6.9	+2.9	+2.1	0	0
Other	2.6	-4.4	2.7	-4.8	+0.1	-0.4	0	0
Eliminations or Unallocatable Accounts	-10.3	-0.8	-10.1	-1.4	+0.2	-0.6	0	0
Total	572.7	46.3	601.8	55.3	+29.1	+9.0	-14.4	-3.4

\* Plan excluding the impact of COVID-19

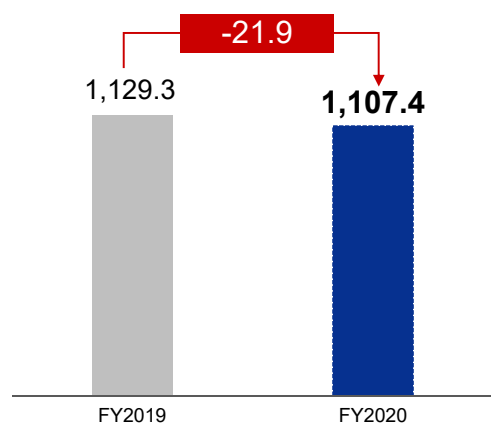
## FY2020 Plan : Analysis of Net Sales and Operating Income

1H significantly impacted by COVID-19, substantial decreases in sales volumes and the product mix; projecting a V-shaped recovery mainly in the HPP Company in the 2H

Decrease in the cost of sales (cost reduction) through structural reforms, promote measures aimed at cutting back fixed costs

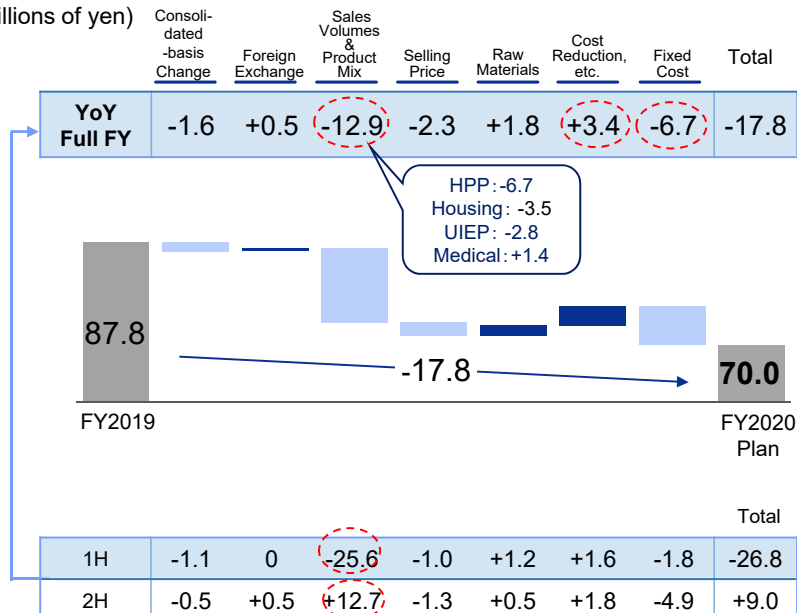
### Net Sales

(Billions of yen)



### Analysis of Operating Income

(Billions of yen)

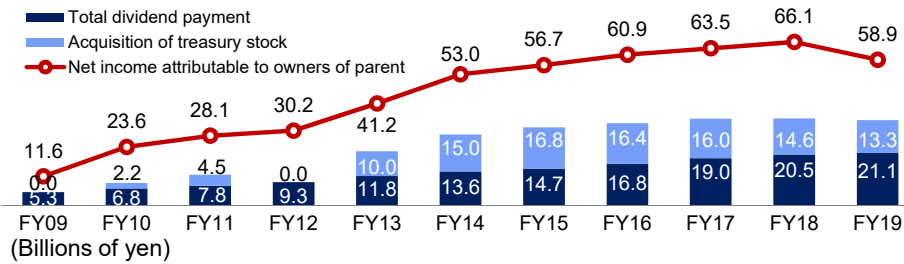




# Returns to Shareholders

## Strengthen and clarify commitment toward returns to shareholders from FY2020

### Returns to Shareholders Track Record



	Previous Medium-term Plan	From FY2020
Dividends payout ratio	30% target	35% or higher
DOE	Around 3%	3% or higher
Total return ratio	-	50% or higher if the D/E ratio is less than 0.5
Retirement of Treasury Stock	-	Retire newly acquired treasury stock to a level equivalent to less than 5% of the total number of shares issued and outstanding

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020(Plan)
Net income attributable to owners of the parent per share (yen)	22.1	44.9	54.0	58.5	80.1	104.7	115.1	126.1	133.8	141.7	128.3	95.2
Cash dividends per share (yen)	10	13	15	18	23	27	30	35	40	44	46	47
Dividends payout ratio	45.2%	28.9%	27.8%	30.8%	28.7%	25.8%	26.1%	27.7%	29.9%	31.0%	35.9%	49.4%
Acquisition of treasury stock (billions of yen)	0	2.2	4.5	0.0	10.0	15.0	16.8	16.4	16.0	14.6	13.3	Maximum: ¥16 billion/ 8 million shares
Total return ratio*	45.2%	38.2%	43.7%	30.8%	52.9%	54.0%	55.5%	54.5%	55.1%	53.0%	58.4%	85.6%
DOE*	1.6%	2.0%	2.3%	2.4%	2.7%	2.8%	2.8%	3.1%	3.3%	3.4%	3.5%	3.5%
Retirement of Treasury Stock (thousand of shares)	-	-	-	7,000	-	12,000	10,000	-	10,000	8,000	8,000	8,000

\*Total return ratio=(Amount of treasury stock acquired + Total dividends)/Net income attributable to owners of parent  
 \*DOE=Total dividend payment (full year)/Average equity



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# Positioning of FY2020

## Put in place the necessary structure and systems to capture pent-up demand after COVID-19 dissipates during FY2020, the first FY of the new Medium-term Plan

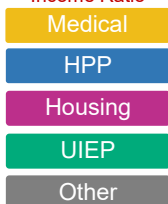
### Operating Income Performance

Medical Business included in the HPP Company prior to FY2017

(Billions of yen)

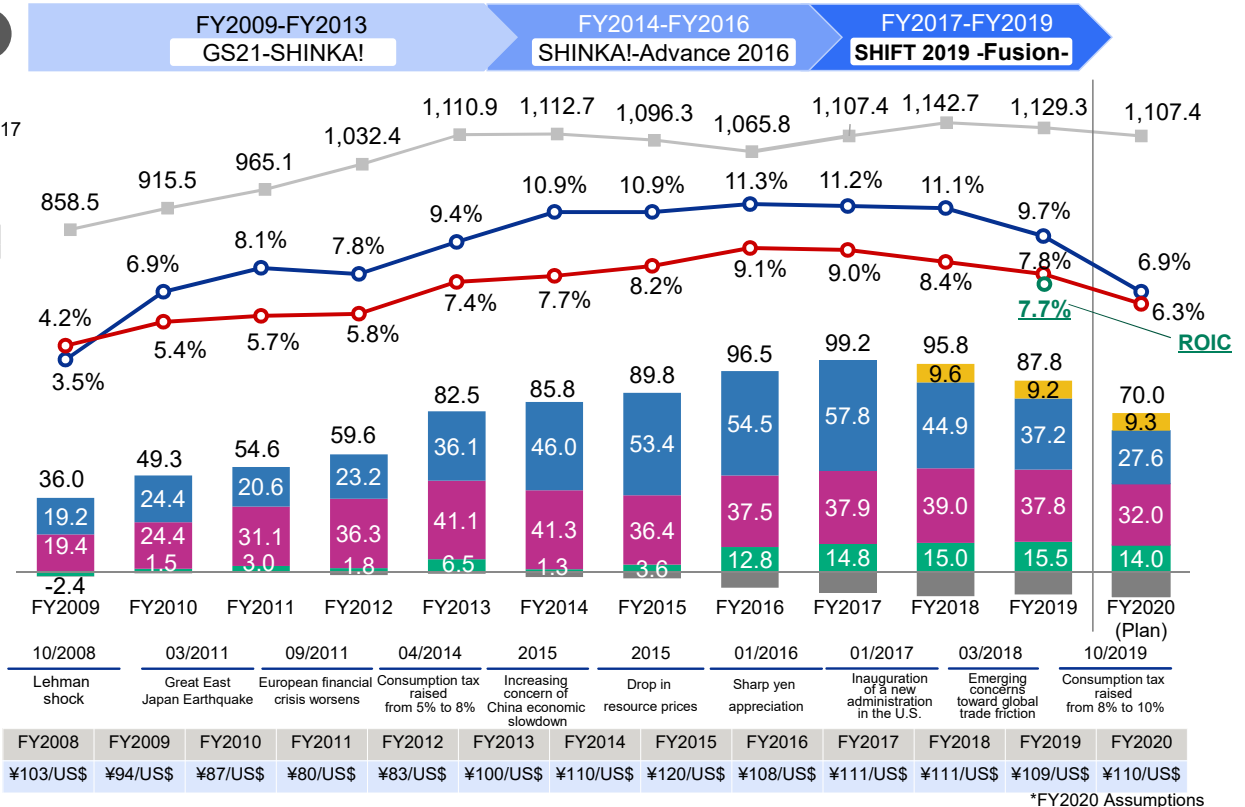
Net Sales

ROE  
Operating Income Ratio



External Environment

Forex Rate\* (Avg. rate for each term)



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## Consolidated Companies

### Number of Consolidated Companies

	Mar. 31, 2019	Mar. 31, 2020	Difference
Consolidated Subsidiaries	153	163	Increased: 15 Subsidiaries* <sup>1</sup> Decreased: 5 Subsidiaries* <sup>2</sup>
Affiliates (Equity Method)	8	8	Increased: 0 Affiliates Decreased: 0 Affiliates

\*1: Sekisui Town Management Co., Ltd., SEKISUI SEIKEI IZUMO CO., LTD., SEKISUI YOUNGBO HPP (WUXI) CO., LTD., Sekisui Aerospace Corporation, etc.

\*2: PT Cayman Limited, Sekisui Engineering Co., Ltd., Sekisui Chemical Singapore (Pte.) Ltd., KYUSHU SEKISUI KOHAN CO., LTD., etc. (including subsidiary reorganization)

### Impact of Change in the Number of Consolidated Companies

	FY2019 (YoY)	Difference
Net Sales	+2.3 bil. yen	Sekisui Aerospace Corporation, etc.* <sup>3</sup>
Operating Income	-2.4 bil. yen	

\*3: Newly consolidated from 4Q FY2019

## Summary of Profit and Loss

(Billions of yen)	FY2018	FY2019	Difference
Net Sales	1,142.7	1,129.3	-13.5
Gross Profit	368.1	362.7	-5.4
Gross Profit Margin	32.2%	32.1%	-0.1%
Selling, Gen. and Admin. Expenses	272.4	274.9	+2.6
Operating Income	95.7	87.8	-7.9
Equity in Earnings of Affiliates	2.5	2.9	+0.4
Other Non-operating Income and Expenses	-5.0	-3.7	+1.3
Ordinary Income	93.1	87.0	-6.2
Extraordinary Income	3.4	6.9	+3.5
Extraordinary Loss	2.6	10.3	+7.7
Income before Income Taxes	93.9	83.6	-10.3
Corporate Income Tax, etc.	25.4	22.6	-2.8
Net Income Attributable to Non-controlling Interests	2.4	2.0	-0.4
Net Income Attributable to Owners of the Parent	66.1	58.9	-7.2
Foreign Exchange (Avg. rate)			
1US\$	111 yen	109 yen	
1€	128 yen	121 yen	

## Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2019	Mar. 31, 2020	Difference
Cash and Deposits	69.9	76.8	+6.9
Account Receivable on Sales	187.0	174.1	-12.8
Inventories	192.2	217.2	+25.0
Other Current Assets	21.0	23.7	+2.8
Tangible Non-current Assets	309.5	337.3	+27.8
Intangible Non-current Assets	50.8	101.1	+50.3
Investments in Securities	163.3	140.9	-22.5
Investments & Other Assets	30.1	31.3	+1.2
Total Assets	1,023.7	1,102.4	+78.6

Inventories (B/S item)	Mar. 31, 2020	Difference
Ready-built housing (products)	17.0	+5.3
Prepared land for subdivision housing	50.6	+12.3
Land under preparation (work in process)	15.1	-1.9
Housing under construction (work in process)	27.1	+3.6
Components, other (raw materials)	3.8	+0.4
Housing Total	113.6	+19.8
Non-residential total (products, other)	103.6	+5.2
Inventories Total	217.2	+25.0

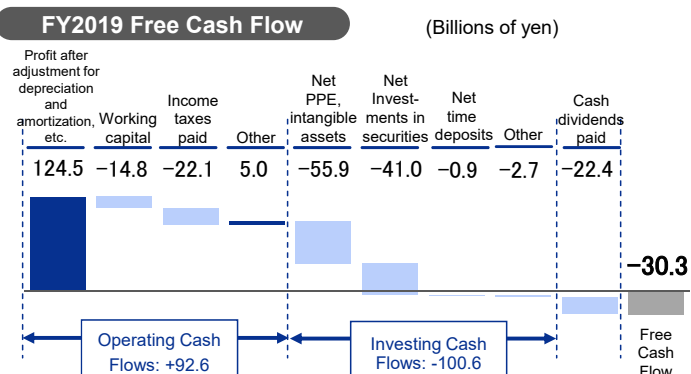
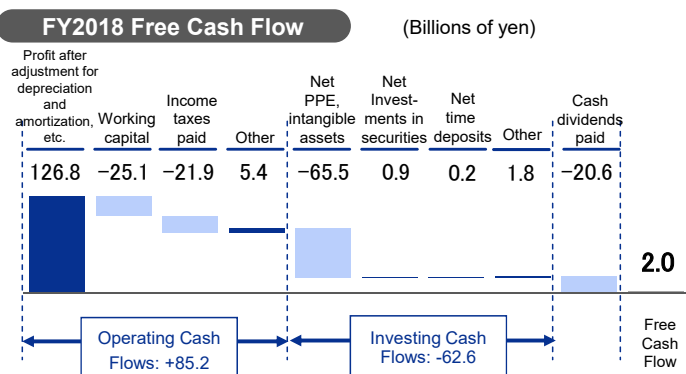
Capital investment: +70.2
Depreciation and amortization: -35.6
Consolidation: +8.2
Sekisui Aerospace Corporation: +55.3
Sales: -12.4
At fair value: -7.0
Loss on impairment: -2.9
Influence of Change of Consolidated Subsidiaries
▶ +71.3
Foreign exchange
▶ -15.8
Actual basis: +23.1

## Balance Sheets (Liabilities & Net Assets)

(Billions of yen)	Mar. 31, 2019	Mar. 31, 2020	Difference	
Non-interest-bearing Liabilities	337.1	350.4	+13.3	Bonds +30.0
Interest-bearing Liabilities	53.8	117.7	+63.8	
(Net interest-bearing Liabilities)	(-16.0)	(40.8)	(+56.9)	
Total Liabilities	391.0	468.1	+77.1	
Capital Stock etc.	209.2	209.3	+0.1	
Retained Earnings	408.0	433.0	+25.0	Net income 58.9
Treasury Stock	-44.3	-44.1	+0.2	Dividends paid -21.3
Unrealized Holding Gain on Securities	36.8	27.5	-9.4	Retirement of treasury stock -12.7
Non-controlling Interests	25.5	24.9	-0.6	
Other Net Assets	-2.4	-16.2	-13.8	Purchases of treasury stock -13.3
Total Net Assets	632.7	634.3	+1.5	Retirement of treasury stock +12.7
Total Liabilities, Net Assets	1,023.7	1,102.4	+78.6	Translation adjustments -10.3
ROE	11.1%	9.7%	-1.4%	
Equity to Total Assets (%)	59.3%	55.3%	-4.0%	
D/E Ratio (Net)	-	0.07	-	

## Consolidated Cash Flows

(Billions of yen)	FY2018	FY2019
Operating Cash Flows	85.2	92.6
Investing Cash Flows	-62.6	-100.6
Financing Cash Flows	-31.5	15.5
Net Increase in Cash and Cash Equivalents	-8.5	4.5
Cash and Cash Equivalents at the End of Term	68.6	74.7
Free Cash Flow = Operating Cash Flows + Investing Cash Flows - Dividends Paid	2.0	-30.3



## Depreciation and Amortization, Capital Expenditures, EBITDA

(Billions of yen)	Depreciation* <sup>1</sup>			Goodwill and Other Amortization* <sup>2</sup>			Capital Expenditures			EBITDA* <sup>3</sup>		
	FY2018	FY2019	Difference	FY2018	FY2019	Difference	FY2018	FY2019	Difference	FY2018	FY2019	Difference
Housing	9.4	9.4	+0.1	0.1	0.1	0	17.8	15.0	-2.8	48.5	47.4	-1.1
UIEP	6.9	7.8	+0.9	0.3	0.1	-0.2	13.9	13.6	-0.3	22.2	23.4	+1.1
HPP	15.4	16.6	+1.2	1.7	2.6	+0.9	32.9	26.7	-6.2	61.9	56.3	-5.6
Medical	2.8	3.4	+0.6	2.1	2.1	0	4.4	4.6	+0.2	14.5	14.7	+0.2
Other	2.0	2.0	0	0	0	0	3.7	4.9	+1.2	-9.1	-7.7	+1.4
Eliminations or Unallocatable Accounts	1.0	1.3	+0.3	-	-	-	1.0	2.0	+1.0	-0.7	-0.9	-0.2
<b>Total</b>	<b>37.4</b>	<b>40.6</b>	<b>+3.1</b>	<b>4.2</b>	<b>4.9</b>	<b>+0.7</b>	<b>73.6</b>	<b>66.8</b>	<b>-6.8</b>	<b>137.3</b>	<b>133.2</b>	<b>-4.1</b>

\*1 Depreciation does not include amortization of M&A industrial property rights

\*2 Goodwill and Other Amortization = Goodwill amortization + Amortization of M&A industrial property rights

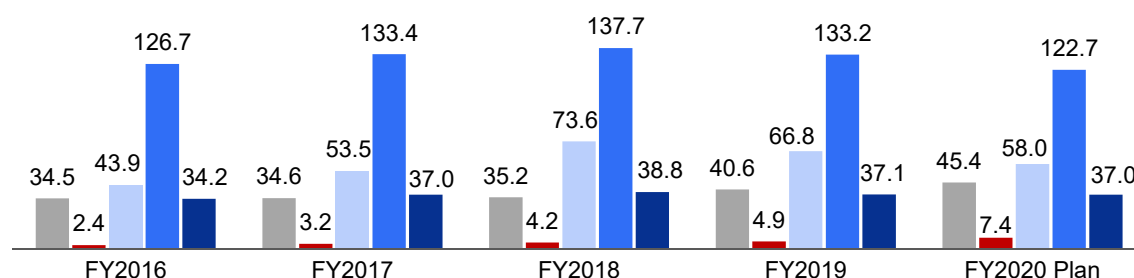
\*3 EBITDA = Operating Income + Depreciation + Goodwill and other amortization

## Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen)	FY2019	FY2020 (Plan)	Difference
Depreciation	40.6	45.4	+4.8
Goodwill and Other Amortization	4.9	7.4	+2.5
Capital Expenditures	66.8	58.0	-8.8
EBITDA	133.2	122.7	-10.5
Research and Development Expenditure	37.1	37.0	-0.1

### Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen) ■ Depreciation ■ Goodwill and Other Amortization ■ Capital Expenditures ■ EBITDA ■ Research and Development



## Overview of FY2020 Plan and Returns to Shareholders

(Billions of yen)	FY2019	FY2020 (Plan)	Difference
Net Sales	1,129.3	1,107.4	-21.9
Operating Income	87.8	70.0	-17.8
Ordinary Income	87.0	69.0	-18.0
Net Income Attributable to Owners of the Parent	58.9	43.5	-15.4
Dividend per Share (Yen)	46	47	+1
Dividend Payout Ratio	35.9%	49.4%	+13.5%
Acquisition of Treasury Stock (Thousands of Shares)	8,000	8,000	0
Total Return Ratio*	58.4%	85.6%	+27.2%
DOE*	3.5%	3.5%	0
Retirement of Treasury Stock (Thousands of Shares)	8,000	8,000	0

\*Total return ratio=(Amount of treasury stock acquired + Total dividends)/Net income attributable to owners of parent

\*DOE=Total dividend payment (full year)/Average equity

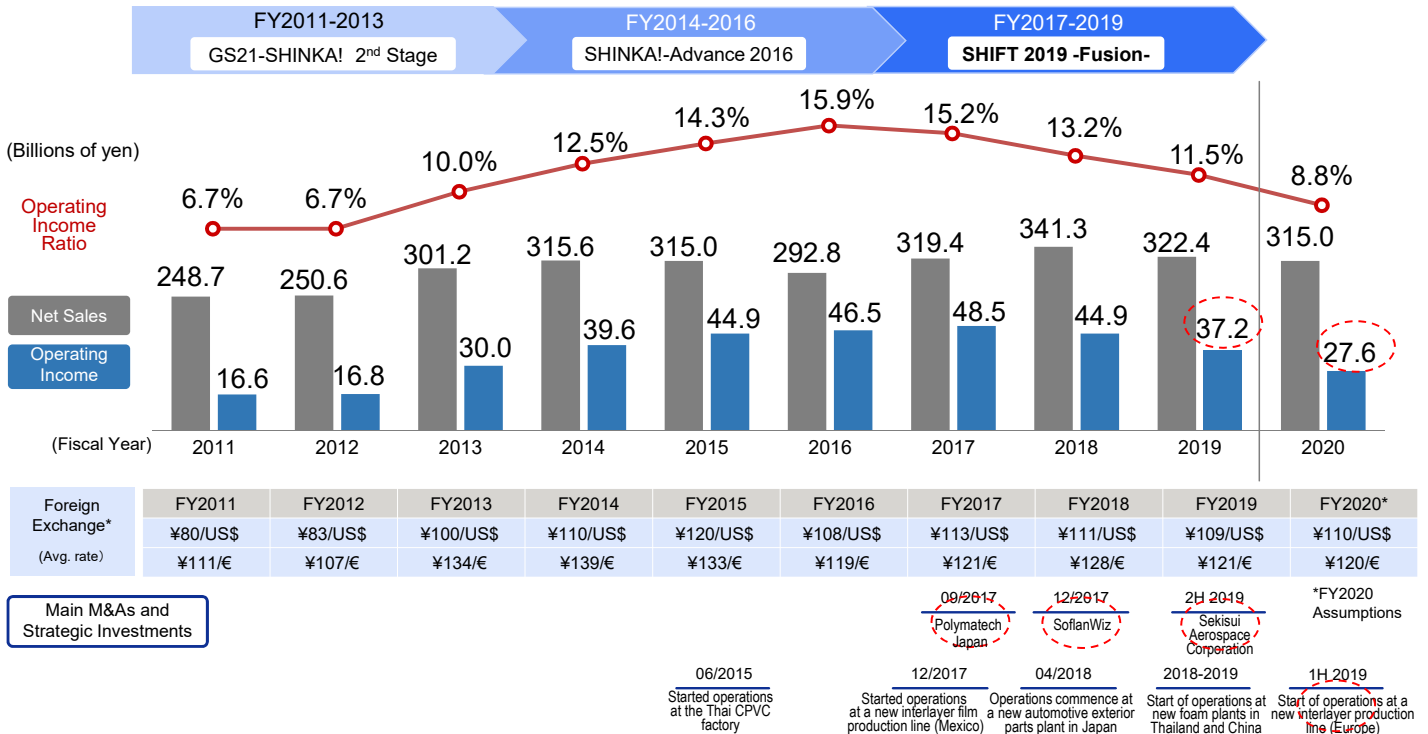
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## Performance Trends

HPP Company

- FY2019: Substantial decrease in profit due to the deterioration in global market conditions and COVID-19; progress in investments aimed at securing growth
- FY2020: Despite a substantial decrease in profit in the 1H, projecting a return to increased profit in the 2H; expecting a recovery in automobile market conditions in the 2H

### Performance Trends

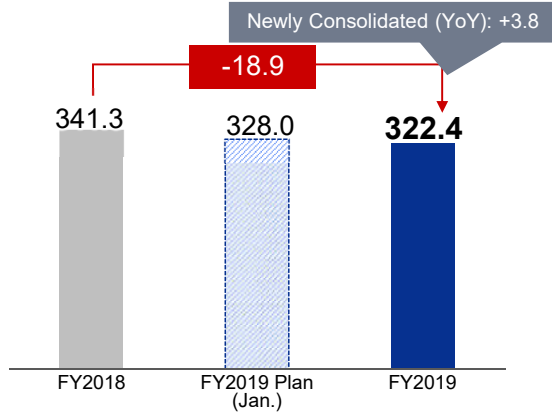


# FY2019 Results: Analysis of Net Sales and Operating Income

- 4Q impacted by COVID-19, fell substantially short of sales volume and product mix plans mainly in the Mobility field; the Electronics as well as Building and Infrastructure fields performed relatively well
- Controlled fixed costs excluding growth investments through emergency measures

## Net Sales (Billions of yen)

- Sales decreased ¥15.6 billion on an actual basis excluding the impact of newly consolidated companies and foreign exchange

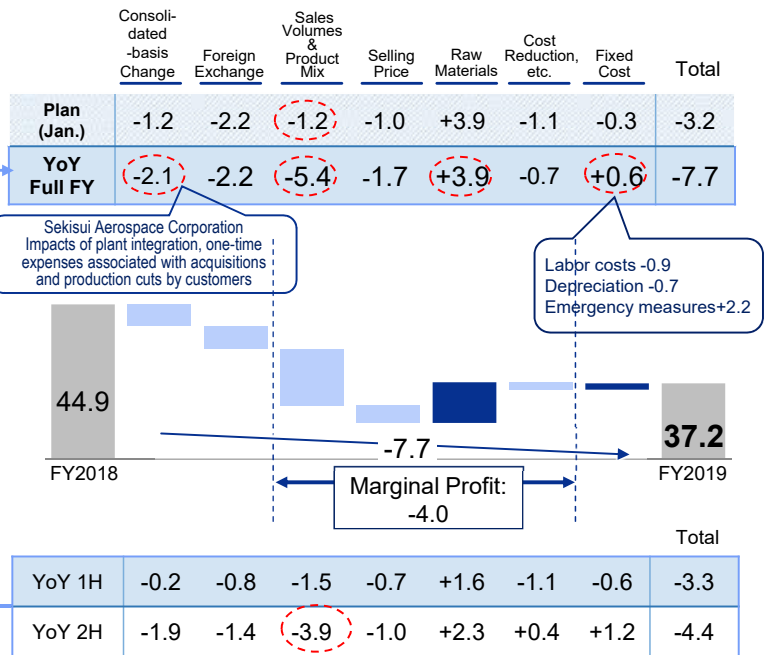


## Impact of COVID-19 (vs. Plan (Jan.))

Operating income -4.4

- Impact: Mobility -3.1, Products for industrial application -0.7, Electronics/Building and Infrastructure -0.6
- Decrease in the number of automobiles manufactured (4Q expectation: 87% → Actual: 83%\*) due to a downturn in/suspension of operations by glass and automobile manufacturers \* YoY
- Sudden drop on domestic consumption from the end of Feb. to Mar.

## Analysis of Operating Income (Billions of yen)

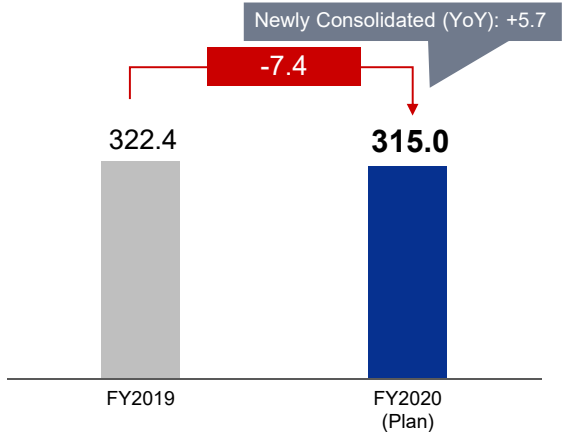


# FY2020 Plan: Analysis of Net Sales and Operating Income

- Substantial decrease in sales volume and the product mix in the 1H mainly in the Mobility field; based on the assumption that the impact of COVID-19 will dissipate in the 2H, return to a substantial increase in sales volumes and the product mix mainly in the Electronics and Mobility fields
- Strengthen cost innovation initiatives, implement business structural reforms in advance

## Net Sales (Billions of yen)

- Decrease in sales of ¥21.0 billion on an actual basis excluding the impact of newly consolidated companies and foreign exchange

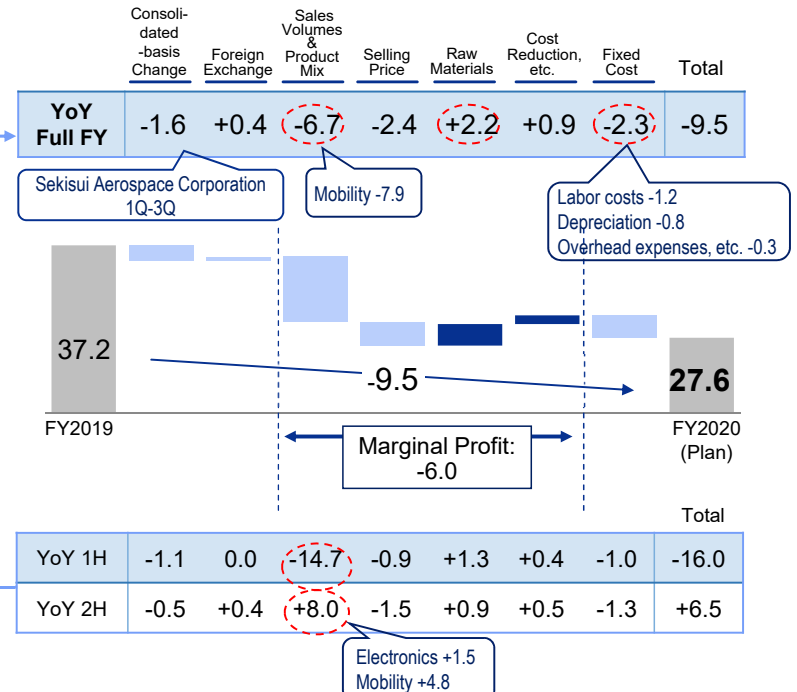


## Impact of COVID-19 (vs. Initial plan)

Operating income -16.2 (1H: -15.9; 2H: -0.3)

- Impact: Mobility -14.0, Industrial Sector -1.5
- Decrease in the number of automobiles manufactured (1Q: 47%; 2Q: Expecting 69%\*) due to a downturn in/suspension of operations by customer glass and automobile manufacturers \* YoY

## Analysis of Operating Income (Billions of yen)



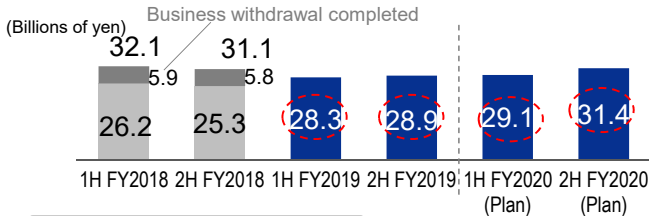


- Firm Electronics field, continued robust conditions in the Building and Infrastructure field
- While COVID-19 projected to significantly impact the Mobility field in the 1H, expecting a recovery in the 2H

## Net Sales in the Three Strategic Fields

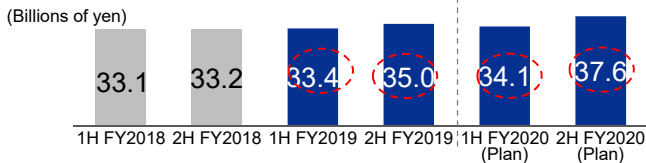
### Electronics

- While results projected to remain unchanged in the 1H YoY, expecting a recovery due to such factors as an increase in 5G-related demand in the 2H
- Promote the diversification of income sources through sales expansion in the Non-LCD field (Semiconductor/5G and other)



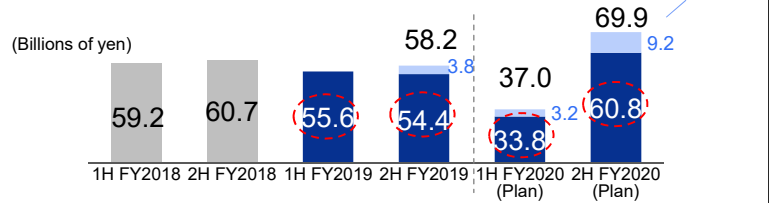
### Building and Infrastructure

- CPVC: Increase market share in India, continue to improve profitability
- Fire-resistant materials, thermal insulation/noncombustible materials: Continue to focus on expanding sales



### Mobility

- Harsh market conditions expected mainly in Europe, the U.S., and China in the 1H; projecting a global recovery to some extent in the 2H
- Operations at a new interlayer film production line in Europe to gradually commence from 1Q FY2020
- Continued growth of products for HUDs; work to expand points of high-performance interlayer film application
- Focus on improving Sekisui Aerospace Corporation earnings



### Cost Innovations

- Implement each initiative in advance, swiftly push forward efforts to rebuild the earnings structure

- Control and reduce fixed costs (+2.0)
- Increase sales and operating efficiency
- Cutback overhead expenses
- Work to reform the supply chain (+3.0)
- Work to reform purchasing and distribution
- Improve productivity
- Reduce distribution costs
- Reform the business structure (+1.0)
- Thoroughly review underperforming business
- Reorganize and optimize bases

\* Planned amount of YoY improvement in FY2020

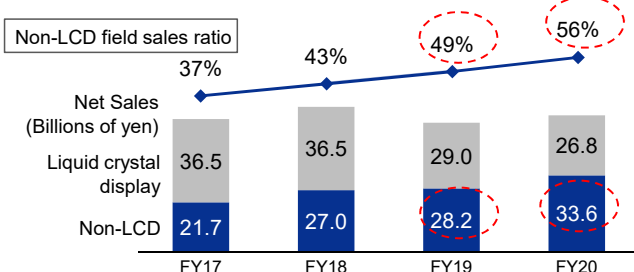
- Steady expansion in the Non-LCD field as well as thermal insulation/noncombustible materials; target a return to high-performance interlayer film growth in the 2H

## Key Measures in the Three Strategic Fields

### Electronics

#### [Focus on the non-LCD field]

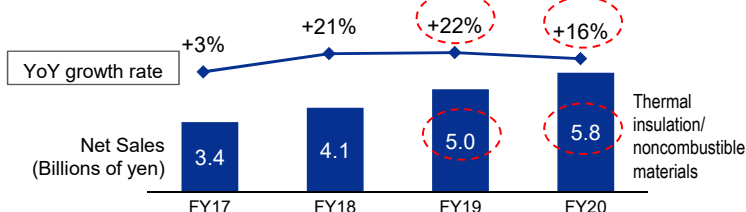
- Focus on expanding sales in the Non-liquid field (Semiconductor/5G and other)



### Building and Infrastructure

#### [Expand sales of thermal insulation/noncombustible materials]

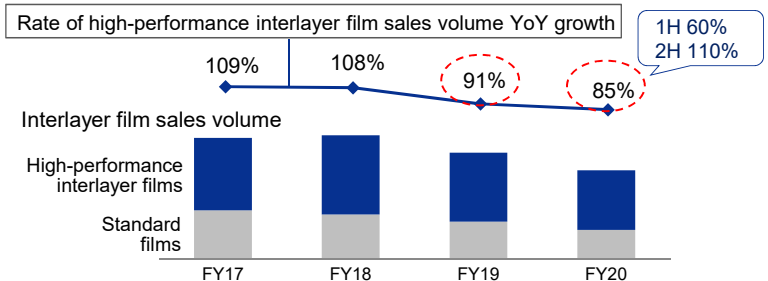
- Continued growth mainly in non-flammable urethane and thermal insulation materials



### Mobility

#### [High-performance interlayer film sales growth]

- Work toward serving once again as a driver of growth by expanding sales of products for HUDs and increasing points of application



### Next-generation Growth Domains

- Focus on nurturing next-generation growth domain business and products in each of the three strategic fields

Electronics	Mobility	Building and Infrastructure
<ul style="list-style-type: none"> <li>• Next-generation displays</li> <li>• 5G and IoT infrastructure</li> <li>• Materials for wearable devices</li> </ul>	<ul style="list-style-type: none"> <li>• Next-generation automobiles (LIB, automatic driving)</li> <li>• CFRPs for aircrafts</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and construction saving materials</li> <li>• Piezoelectric sensors</li> </ul>

## Performance Trends

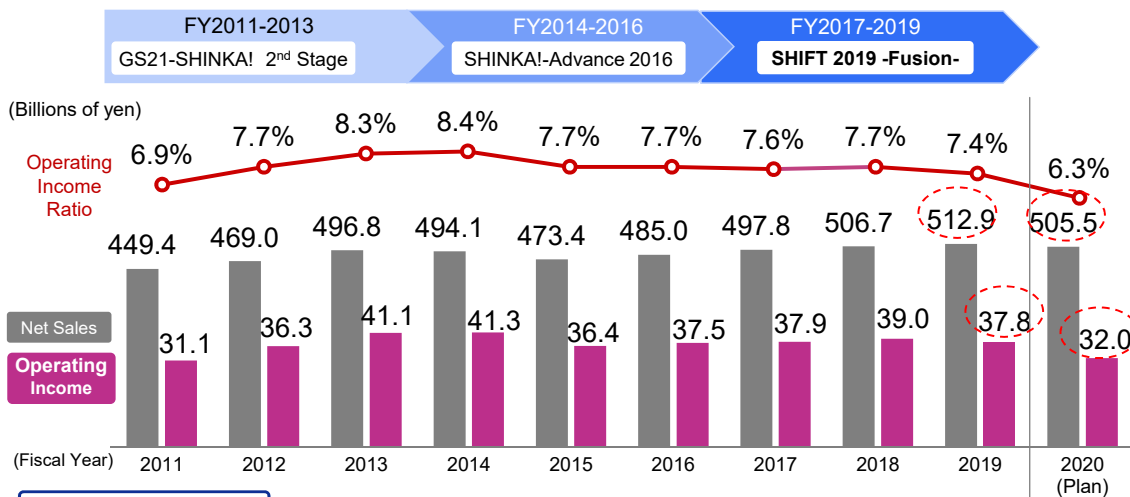
Housing Company

### FY2019: First decrease in profit in 4 FYs, mainly due to COVID-19

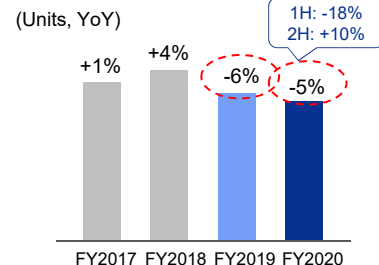
- Despite holding the impact of the consumption tax hike to a minimum, fell short of plans in all businesses due to COVID-19 from the 4Q ⇒ In the Housing and Housing Renovation businesses, delays in housing materials delivery, etc.

### FY2020: Orders to struggle in the 1H, projecting a decrease in full FY profit; however, targeting a recovery to the same level as the previous FY in the 2H

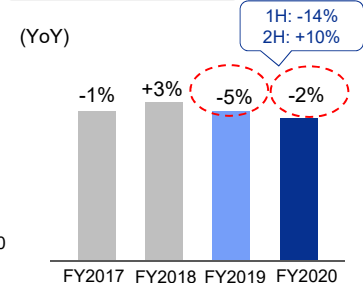
#### Performance Trends



#### New Housing Orders



#### Renovation Orders



#### External Environment

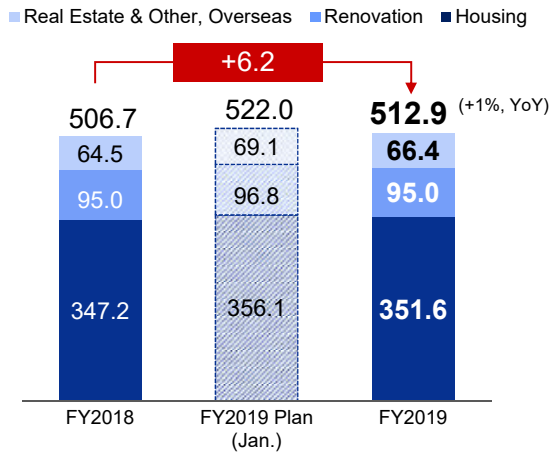
03/2011	12/2012	04/2014	09/2014	02/2016	04/2016	10/2019	From 02/2020
Great East Japan Earthquake	New government administration	Consumption tax raised from 5% to 8%	FIT problem	Introduction of a negative interest rate policy	Kumamoto Earthquake	Consumption tax raised from 8% to 10%	Spread of COVID-19

# FY2019 Results: Analysis of Net Sales and Operating Income

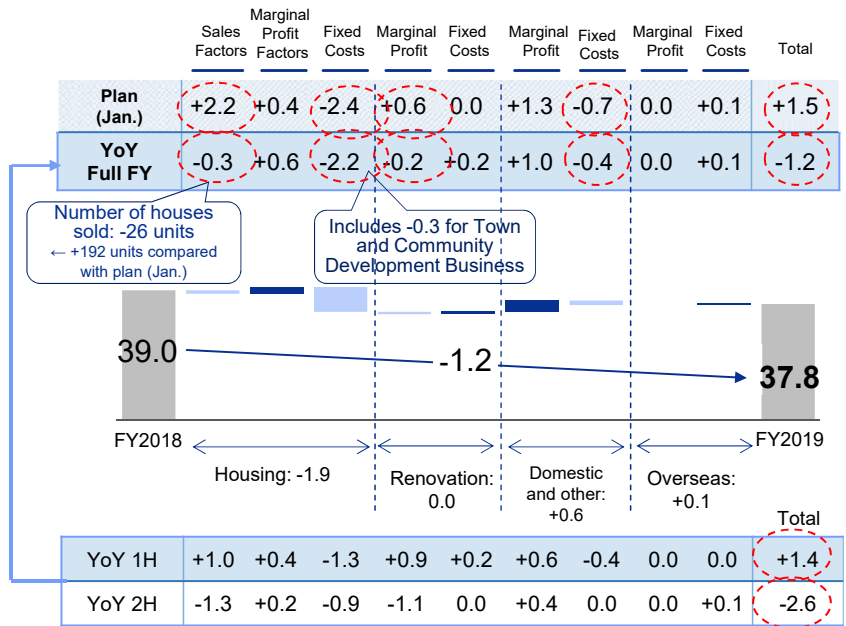
## Sales fell short of plans due to COVID-19; despite controlling costs, decrease in operating income

- Housing: Unable to bring forward work due to the sudden decrease in order opportunities and difficulties in procuring materials; substantial decrease in the number of houses sold
- Renovation: Decrease in sales due to disasters (including large-scale typhoons in October), difficulties in procuring materials at the end of the term, and slowdown in orders
- Other: Despite firm conditions in mainstay real estate leasing activities, challenges with respect to the speed of other business growth

### Net Sales (Billions of yen)



### Analysis of Operating Income (Billions of yen)



#### Impact of COVID-19 (vs. Plan (Jan.))

Operating income: -¥2.7 billion

- Housing: Marginal profit -¥2.3 billion (decrease in the number of houses sold by 218 units)
- Renovation: Marginal profit -¥0.8 billion
- Other: Marginal profit -¥0.3 billion
- Decrease in fixed costs: +¥0.7 billion

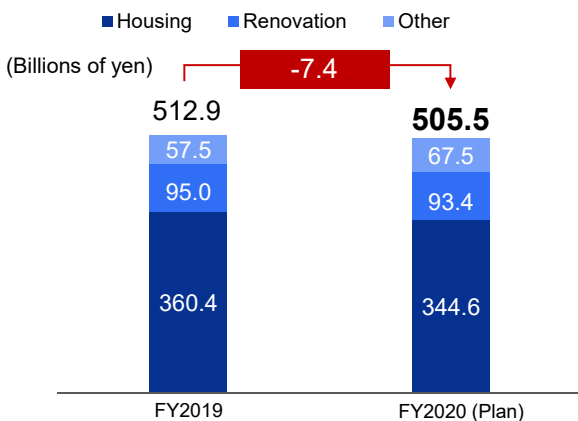
# FY2020 Plan: Analysis of Net Sales and Operating Income

## Unable to avoid a decrease in profit in the 1H due to a substantial decline in orders mainly in the 1Q as a result of COVID-19

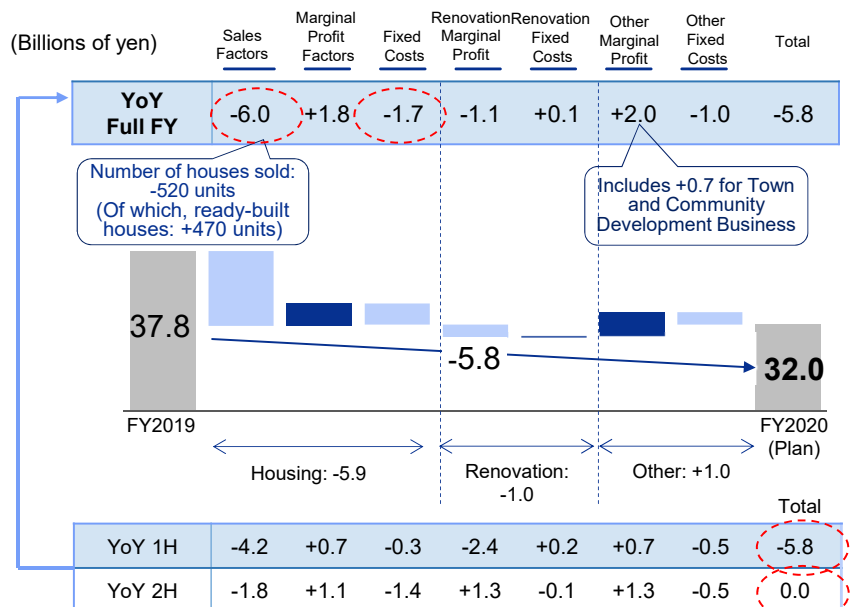
## Targeting the same level of profit as the previous year in the 2H through leveling effects (production optimization, ready-built houses, etc.)

- Housing: Plan to decrease marginal profit due to a large decrease in the number of houses sold in the 1H; continue to implement forward-looking investments to secure a recovery in demand
  - Renovation: Plan to increase profit in the 2H by expanding sales of key products and leveling sales
  - Other: Plan to increase profit through full-scale operations in the Town and Community Development Business from the 4Q
- \* Portfolio change from FY2020 Other (Real Estate, Town and Community Development, Overseas, Residential)

### Net Sales



### Analysis of Operating Income



#### Impact of COVID-19 (vs. Initial plan)

Operating income: -¥8.5 billion

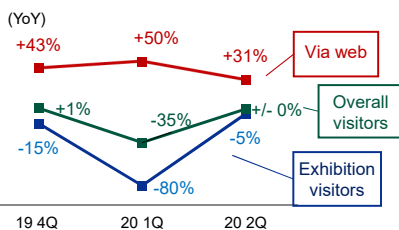
- Housing: Marginal profit -¥8.3 billion (decrease in the number of houses sold by approx. 800 units)
- Renovation: Marginal profit -¥2.7 billion
- Other: Marginal profit +/-¥0.0 billion
- Decrease in fixed costs: +¥2.3 billion

Continue to strengthen sales force as well as product and land strategies to meet demand after COVID-19 dissipates

## Customer and Order Trends

### (1) Visitor Results/Outlook

- Forecast return to normal in the 2Q
- Strengthen customers via the web; offset decrease model home gallery visits



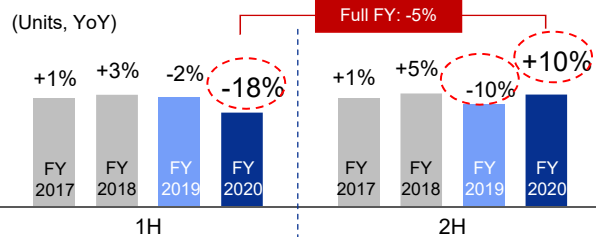
### (2) Order Results/Plans by Application

- Steady increase in built-for-sale housing and ready-built houses
- Substantial decrease in rebuilding and apartment buildings

Detached Houses	(YoY)		(1Q)
	2H FY2019	1H FY2020	
Rebuilding	-24%	-29%	-44%
New construction	-2%	-19%	-35%
Associated with Company-owned land	+1%	+2%	-10%
Of which, ready-built houses	+23%	+33%	+7%
Apartment buildings	-23%	-40%	-50%
Total	-10%	-18%	-35%

## Order Results and Plan

- Difficult 1H FY2020; 2H to recover to FY2018 levels



## FY2020 Initiatives Aimed at Securing Orders

- Attracting Customers/Sales Force
- Product Strategies
- Land Strategies

- Enhance web marketing (Attracting customers/built-for-sale housing branding)
- Increase number of model home galleries and sales force
- Increase number of experience-based showrooms (AR/VR) (FY2019-end: 23 locations → FY2020-end: 32 locations)

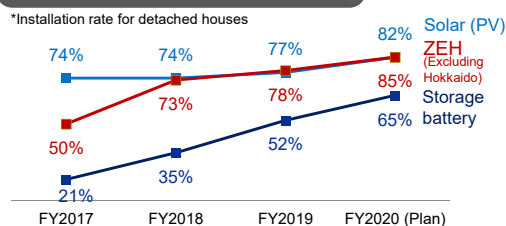
- Continue to enhance products mainly for smart houses and first-time buyers

Target customers	Product	Initiative
Rebuilding	Parfait Series	Enhance resilience (Apr.)
Target customers	Smart Power Station Series	Enhance smart houses (Oct.)
First time buyer	Smart Power Station Urban	Undertake full-scale acceptance of orders for ready-built houses

- Secure sufficient land inventory (FY2019-end: +9%, YoY)
- Enhance ready-built house inventory (FY2019-end: +51%, YoY)

- Improve contract efficiency by utilizing experience-based showrooms
- Strengthen the Smart House No. 1 strategy
- Expand sales of Company-owned land for built-for-sale housing sales and ready-built houses

### Smart House-related Indicators\*



# Business for Heim owners (Renovation, Real Estate), Town and Community Development

- Despite a decrease in orders in the 1Q due to COVID-19, steadily secure a recovery in demand from the 2Q

## Business for Heim owners (1) Renovation

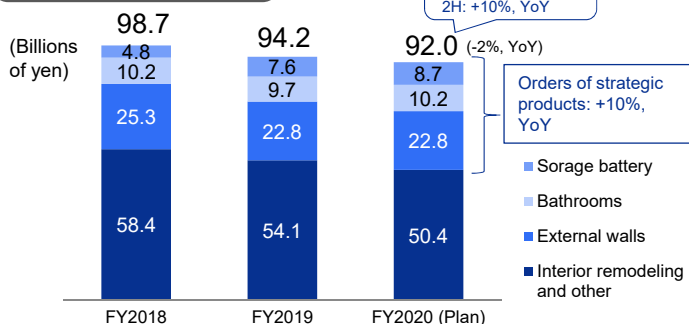
- Sales Structure
- Products
- Improve Productivity Increase CS

- Increase diagnostic efficiency and enhance proposal capabilities through Museum
  - Promote a shift to dedicated periodic diagnostics
  - Expand Fami-S Museum throughout Japan (FY2019-end: 7 locations → FY2020-end: 18 locations)

- Focus on Smart House-related and proposal-based products
  - Enhance proposals for storage batteries of post-FIT homes
  - Extensive proposals for new bathroom products

- Promote leveling of construction/sales by strengthening management of back orders

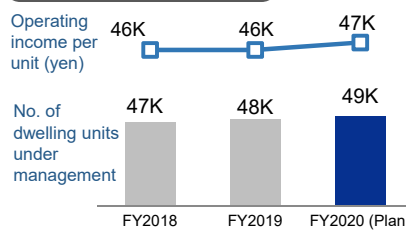
### Orders by Products



## Business for Heim owners (2) Real Estate

- Realize renovation collaboration effects
  - Strengthen inclusion of Heim properties that are not currently managed
  - Increase resources for brokerage/second-hand housing purchase resale

### Rental Management Indicator

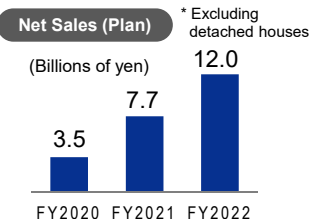


### No. of Brokerage/Second-hand housing purchase resale contracts



## Town and Community Development

- Commenced sales of 212 HEIM SUITE (Asaka Condominium) units; plan to sell 100 units in FY2020.
- Complete preparation of 4 projects by FY2022



## Overseas/Residential

- Overseas: Expand orders by strengthening the sales structure (personnel, model home galleries)
- Residential: Improve profitability by reforming the organizational structure and introducing digital technology

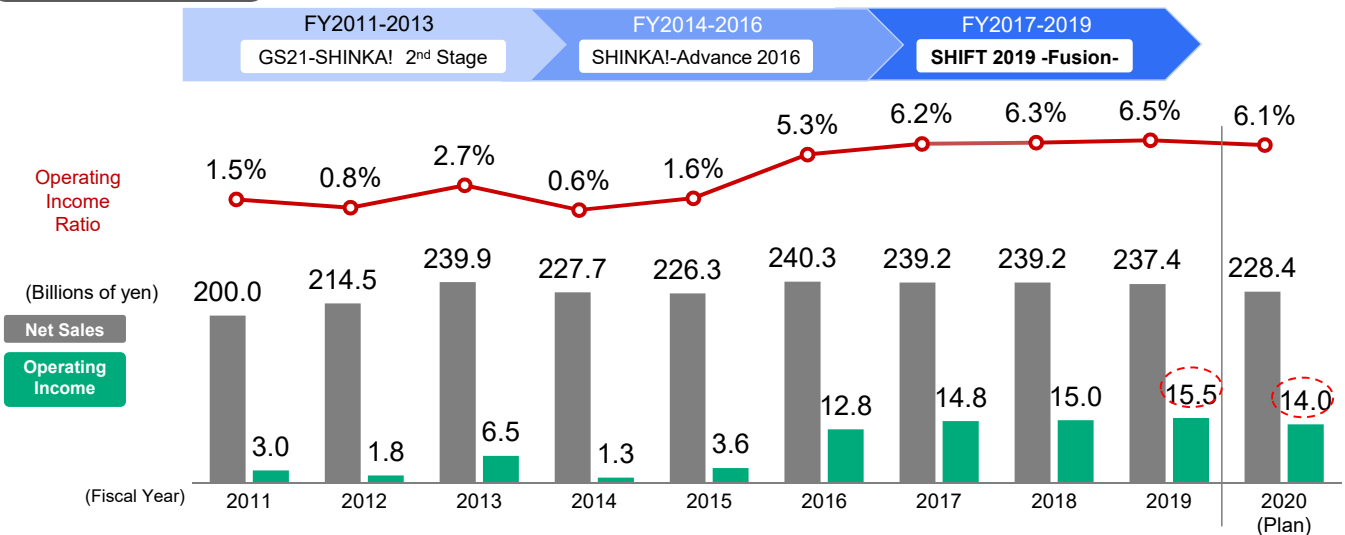
## Performance Trends

UIEP Company

- FY2019: While operating income fell short of plans, record high profit for a fourth consecutive FY
- FY2020: Despite a decrease in profit due to COVID-19, impact minimized mainly by expanding sales of prioritized products\* and overseas business

\* Prioritized products: High-value-added products with the potential for market growth and substitutability

### Performance Trends



### External Environment

- 03/2011: Great East Japan Earthquake
- 12/2012: New government administration
- 04/2014: Consumption tax raised from 5% to 8%
- 10/2019: Consumption tax raised from 8% to 10%
- 07-08/2021: Tokyo Olympic Games

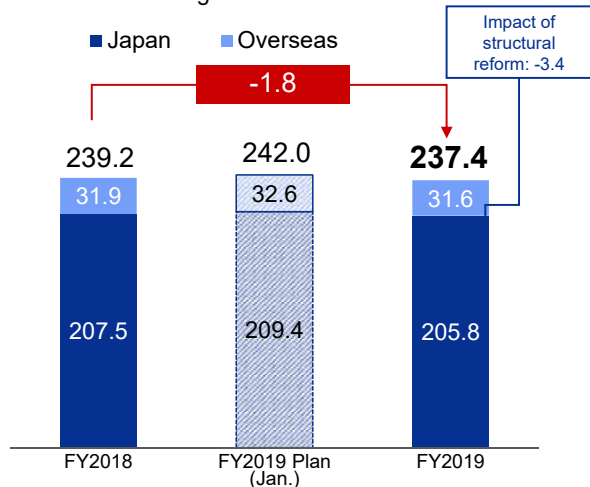
# FY2019 Results: Analysis of Net Sales and Operating Income

Despite domestic struggles with general products and a sluggish overseas business, profits increased through expansion of prioritized products

- Japan: Despite struggles with general products due to decreased housing starts in the 2H, steady expansion of prioritized products (prioritized product net sales: +10%\*)
- Overseas: Despite steady sales of FFU products (railway sleepers), sluggish sales of industrial piping materials and aircraft sheets (overseas net sales: -1%\*) \*YoY

## Net Sales (Billions of yen)

- Increase of ¥1.6 billion in net sales on an actual basis excluding structural reforms



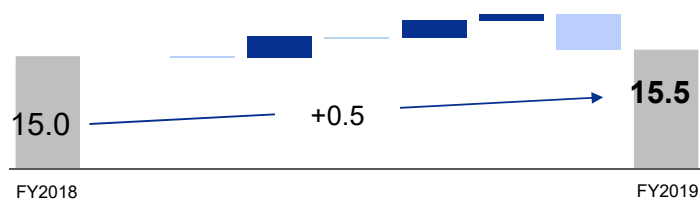
Impact of COVID-19 (vs. Plan (Jan.))

Net sales: ~~¥4.6 billion~~  
Operating income: ~~¥1.5 billion~~

- Stagnant/delayed construction (domestic), decreased production of aircrafts (sheets)

## 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 (Jan.)	0.0	-0.2	+2.9	-0.1	+1.1	+0.5	-2.3	+2.0
YoY Full FY	0.0	-0.1	+1.5	-0.1	+1.1	+0.4	-2.2	+0.5



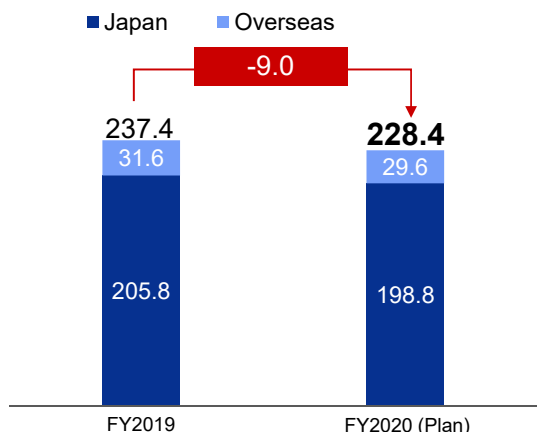
	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
YoY 1H	0.0	-0.1	+1.7	+0.2	+0.4	+0.2	-1.3	+1.1
YoY 2H	0.0	0.0	-0.2	-0.3	+0.7	+0.2	-0.9	-0.6

# FY2020 Plan: Analysis of Net Sales and Operating Income

Although decreased profit due to COVID-19 is unavoidable in the 1H, projecting a return to increased profit in the 2H through increased sales of prioritized products and overseas business expansion

- Japan: Continued expansion of prioritized products and release of new products
- Japan: Accelerate production reorganization and structural reform for unprofitable businesses; secure spread for general product margins and control fixed costs
- Overseas: Increase applications for sheets, accelerate the development of customers for FFU (railway sleepers)

## Net Sales (Billions of yen)



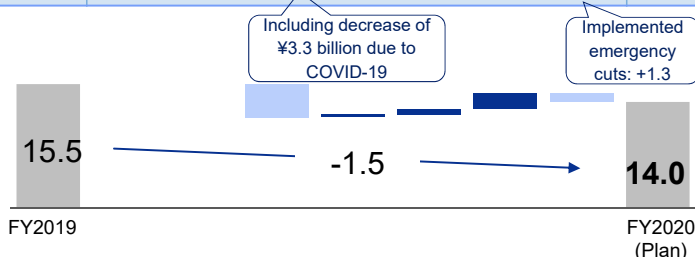
Impact of COVID-19 (vs. Initial plan)

Net sales: ~~¥8.1 billion~~  
Operating income: ~~¥2.0 billion~~

- Japan: Decrease in housing starts; drop in public orders due to sluggish government activities
- Overseas: Decrease in demand due to downturns in aircraft production and capital investment
- As countermeasures, focus on controlling fixed costs and securing margins

## 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
YoY Full FY	0.0	0.0	-2.8	+0.2	+0.5	+1.3	-0.7	-1.5



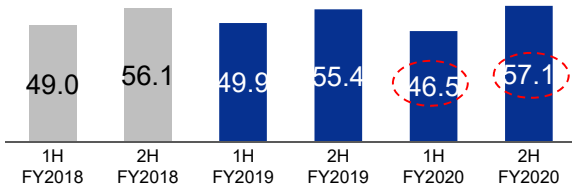
	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
YoY 1H	0.0	0.0	-4.0	0.0	+0.3	+0.6	+0.2	-2.9
YoY 2H	0.0	0.0	+1.2	+0.2	+0.2	+0.7	-0.9	+1.4

■ Although decreased sales are unavoidable in the 1H, bottoming out of the market environment factored into the 2Q with increases in sales forecast from the 2H

## Net Sales in the Three Strategic Fields

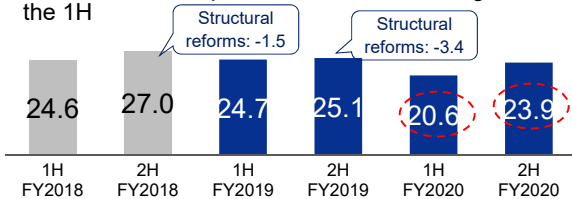
### Piping and Infrastructure (Billions of yen)

- Factored in the impact of decreases in housing starts and capital investment in the 1H. Capture construction demand amid postponement of the Tokyo Olympics
- Continue expansion in the 2H based mainly on prioritized products



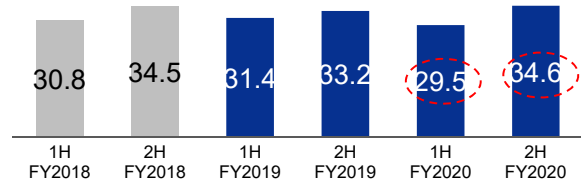
### Building and Living Environment (Billions of yen)

- Through structural reforms, increased profit margin despite decreasing sales trends
- Factored in the impact of decreased housing starts in the 1H



### Advanced Materials (Billions of yen)

- Increase applications for sheets (medical use, etc.), develop overseas customers for FFU (railway sleepers)
- Factored in a drop demand for aircraft in the 1H. Recovery forecast from the 2H



## Structural Reforms

- Reduce fixed costs by a total of more than ¥5 billion from FY2020 to FY2022

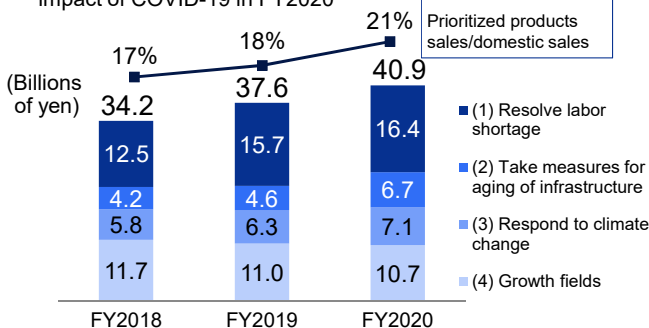
Main Measures	Implementation Period		
	FY2019	FY2020	Up to FY2022
Promote automation and streamline production	[Timeline bar]		
Use DX to increase efficiency of all operations	[Timeline bar]		
Identify unprofitable fields	[Timeline bar]		

# Growth Strategy (Prioritized Products, Overseas)

## Expansion in Prioritized Products

### Prioritized Product Sales

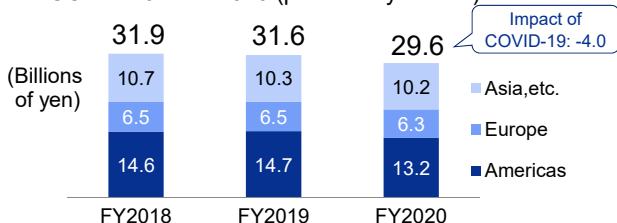
- Forecast an expansion in prioritized products despite the impact of COVID-19 in FY2020



## Expansion of Overseas Business

### Sales by Overseas Area

- Continue to expand in preparation for the demand recovery period despite the impact of COVID-19 in FY2020 (particularly sheets)



## Product Example

(1) ESLO HYPER AWP	(2) SPR-SE	(3) High Flowrate Drainage System	(4) SEW
Earthquake-resistant high-performance polyethylene pipe for high-rise construction; flexible and lightweight for easy construction	Rehabilitation of aged sewage pipes; <b>renew sewers</b> without digging up roads	Siphon-type rainwater drainage system; <b>secures the drainage amount to handle heavy rainfall</b> without increasing pipe diameter	Use for construction of shields for digging tunnels, etc.; <b>eliminates the need to open the retaining wall</b> via machinery/human power.

## Strategy by Overseas Region

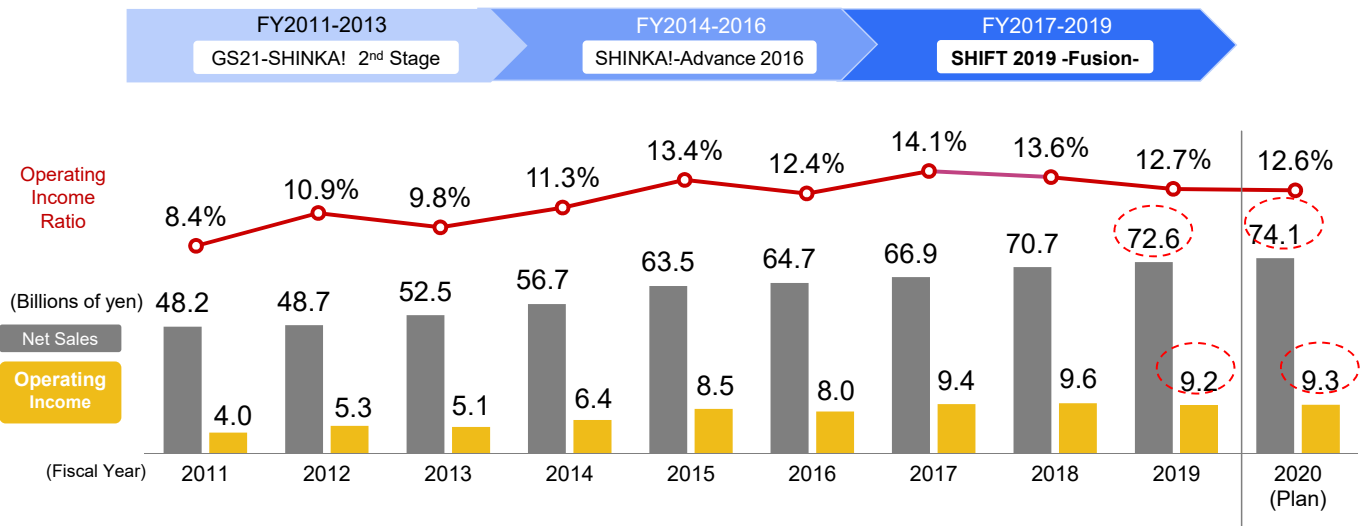
Businesses/ Products	Strategies	Europe	Americas	Asia
Sheets	Expand business in aviation and medical fields (Europe) Augment processing partners (Americas)	✓	✓	
Advanced materials (FFU)	Establish production bases in Europe (start construction of new plants) Expand customers in Europe/U.S.	✓	✓	
Pipeline renewal	Strengthen business infrastructure (Asia/Australia) Augment partner corporations (Europe/Americas) and expand sales of new products	✓	✓	✓
Plant and industrial piping	Expand cooperation with Vietnam TP Corporation Develop sales channels in Asia and Europe	✓		✓
Architectural piping materials	Enter Asian market (prioritized products)			✓

### Performance Trends

Medical Business

- FY2019: Despite steady growth in Diagnostics Business overseas and an increase in sales, profit decreased for the first time in 3 years due to prior investment
- FY2020: Despite operating income forecast at the same level as last year due to the impact of COVID-19, strengthen the foundation for growth from the next fiscal year

#### Performance Trends

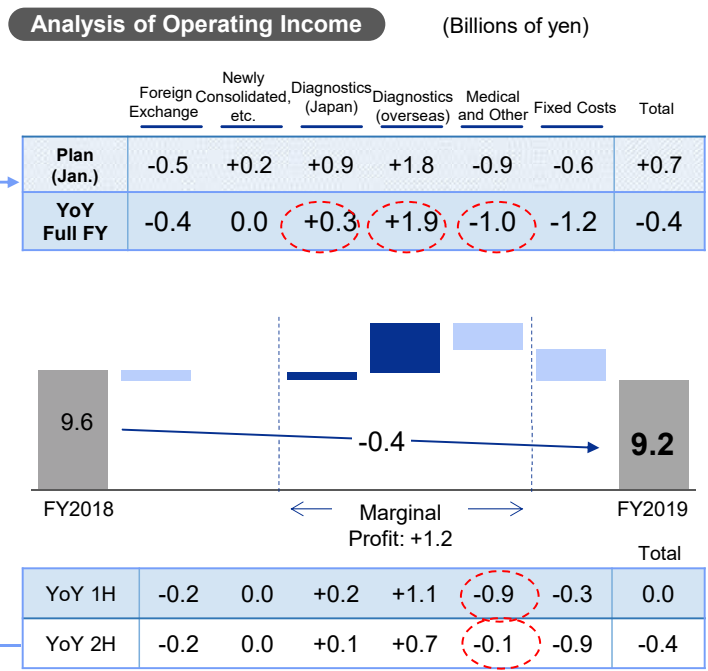
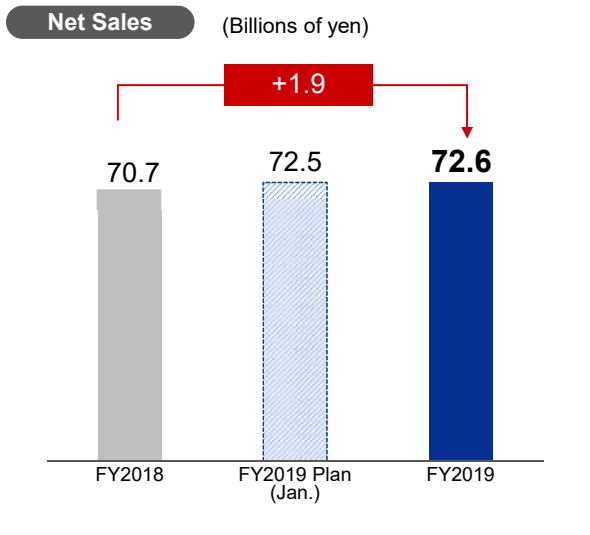


Main M&As	2008	2010	2011	2015	2017	2018
	XenoTech (U.S.)	Sekisui Medical Technology (China) Ltd.	Sekisui Diagnostics (U.S.)	EIDIA	Participated in the establishment of PeptiStar Inc.	Veredus Laboratories (Asia)



# FY2019 Results: Analysis of Net Sales and Operating Income

- Steady growth in overseas Diagnostics Business and increase in sales; slight increase in profit in the domestic Diagnostics Business; downturn in profit in the Pharmaceutical Sciences Business due to a temporary decrease in orders received as a result of customers' circumstances
- Fell short of plans due to a decrease in the number of tests for lifestyle diseases due to COVID-19



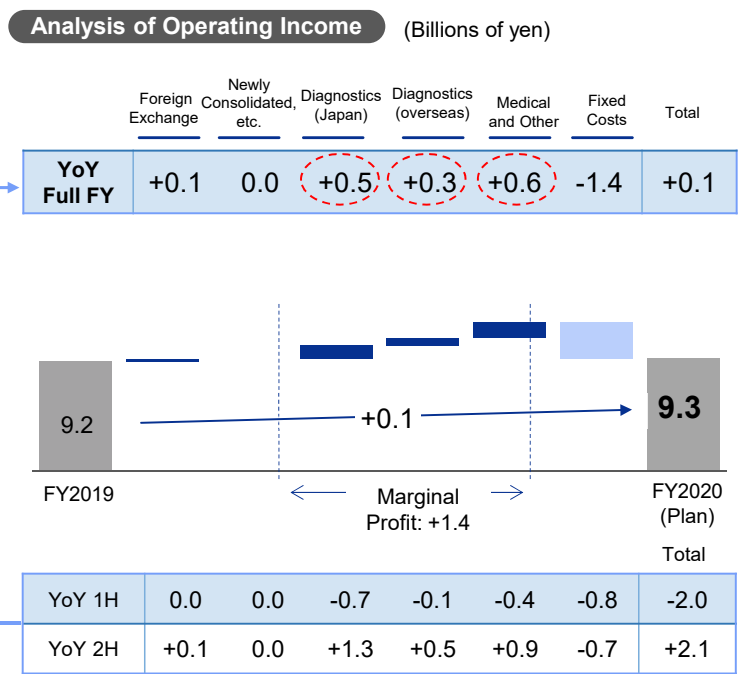
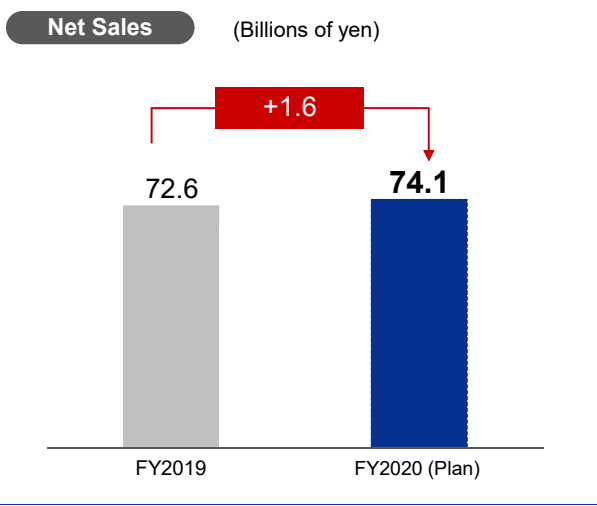
**Impact of COVID-19 (vs. Plan (Jan.))**

Operating income: -¥1.3 billion

- Delay in shipping of products globally
- Decreased demand for lifestyle disease diagnostic agents and blood-collection tubes

# FY2020 Plan: Analysis of Net Sales and Operating Income

- While a decrease in profit due to COVID-19 is unavoidable in the 1H, projecting a return to increased profit in the 2H
- Growth led by the overseas Diagnostics Business; domestic Diagnostics Business and Pharmaceutical Sciences Business to return to a growth trajectory



**Impact of COVID-19 (vs. Initial plan)**

Operating Income: -¥1.7 billion

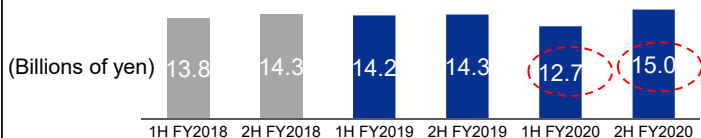
- Diagnostics: Decrease of ¥1.9 billion due to decrease in outpatient treatment involving lifestyle disease diagnostics (biochemistry, diabetes, etc.)
- Pharmaceutical sciences: Decrease of ¥400 million due to decreased production capacity caused by work restrictions in Europe and the U.S.
- Expand sales of COVID-19 diagnostic kits; control costs

■ Growth led by the overseas Diagnostics Business; strengthen emphasis on development in order to achieve continued growth from the next fiscal year.

## Trends in Net Sales by Business and Overview of Plans

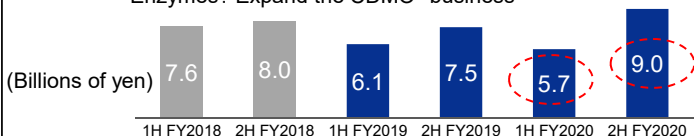
### Diagnostics (Japan)

- Strengthen sales system
- Accelerate release of new products



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

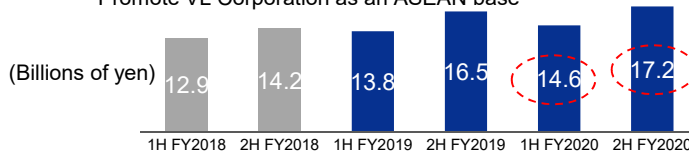
- Pharmaceutical and Fine Chemicals: Acquire orders for new pharmaceutical ingredients
- Drug Development Solutions: Strengthen partnerships between Japan and the U.S. (XenoTech)
- Enzymes: Expand the CDMO\* business



\* Acronym for Contract Development and Manufacturing Organization; a business format that provides comprehensive services that extend from the development of formulations to the manufacture and commercial production of investigational new drugs

### Diagnostics (overseas)

- U.S. and Europe: Expand alliances with major corporation, strengthen POC\*
- China: Continue to expand blood coagulants and begin operation at the new plant in Suzhou
- Promote VL Corporation as an ASEAN base

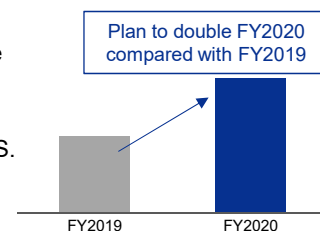


\*POC: The first letters of "Point of Care;" refers to timely onsite (clinics, etc.) diagnostics

## Priority Development Measures

- Expand the global pipeline
- Promote development of new diagnostic equipment (high-sensitive immunoassay, blood coagulants)
- Establish a molecular diagnostics (MDx) development center in the U.S. (SD Corporation)

### Number of New Products Released



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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.

# Housing Company Results and Plan

1. Main data in Housing business		FY2019			FY2018		
		1H	2H	Full FY	1H	2H	Full FY
CONSOLIDATED	Net Sales (Billions of yen)	256.9	256.0	512.9	246.9	259.9	506.7
	Housing	174.7	176.9	351.6	168.6	178.6	347.2
	Renovation	49.4	45.6	95.0	46.7	48.3	95.0
	Frontier (Domestic)	31.9	32.7	64.5	30.7	31.8	62.5
	Real estate	26.8	27.7	54.5	26.0	26.7	52.7
	Residential Services	5.0	5.0	10.0	4.7	5.1	9.8
	Overseas	1.0	0.9	1.9	0.8	1.1	2.0
OTHERS	1. Number of houses sold (Housing units)	5,425	5,485	10,910	5,380	5,560	10,940
	Detached houses	5,120	5,080	10,200	5,030	5,170	10,200
	Heim	4,050	3,980	8,030	4,080	4,200	8,280
	Two-U	1,070	1,100	2,170	950	970	1,920
	Apartment buildings	305	405	710	350	390	740
	2. Main data						
	Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	31.4	31.5	31.5	30.9	31.5	31.2
	Prices <Sales subsidiaries: Detached houses>/ Tsubo(3.3 square meters)(Thousands of yen)	859	875	868	841	852	846
	Floor space (Square meters)	120.6	118.8	119.7	121.3	122.0	121.7
	Exhibition places (Units)	447	-	446	429	-	430
	Sales staff (Number of persons)	2,636	-	2,487	2,646	-	2,515
	Rebuilding ratio (%)*	24%	23%	23%	28%	28%	28%
	Referral sales ratio (%)*	33%	34%	34%	33%	36%	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 (Plan)			FY2019			FY2018		
	1H	2H	Full FY	1H	2H	Full FY	1H	2H	Full FY
Year-start Backlog	205,400	184,000	-	219,500	217,320	-	206,900	213,900	-
Growth Rate	-6%	-15%	-	+6%	+2%	-	±0%	+3%	-
New Orders	171,443	214,983	386,426	203,590	193,472	397,062	206,423	217,375	423,798
Growth Rate	-16%	+11%	-3%	-1%	-11%	-6%	+2%	+5%	+3%
Sales of Housing/Renovation	192,843	206,783	399,626	205,770	205,392	411,162	199,423	211,775	411,198
Growth Rate	-6%	+1%	-3%	+3%	-3%	±0%	-1%	+2%	+1%
End-balance	184,000	192,200	-	217,320	205,400	-	213,900	219,500	-
Growth Rate	-15%	-6%	-	+2%	-6%	-	+3%	+6%	-

3. Housing starts (Units)	FY2019			FY2018			FY2017
	1H	2H	Full FY	1H	2H	Full FY	Full FY
Housing starts*	466,692	413,308	880,000	491,418	461,518	952,936	946,396
Privately-owned houses* (included in above)=A	152,973	125,527	278,500	146,498	141,212	287,710	282,111
Detached house sales by our company=B (Unit base)	5,120	5,080	10,200	5,030	5,170	10,200	9,880
Our share in Detached houses=B/A	3.3%	4.0%	3.7%	3.4%	3.7%	3.5%	3.5%

\* "Housing starts" and "Privately-owned houses" after 2H of FY2019 are based on forecasts.

4. The ratio of the houses equipped with smart specifications	FY2019			FY2018			FY2017
	1H	2H	Full FY	1H	2H	Full FY	Full FY
Solar power generation systems installed	77%	78%	77%	75%	73%	74%	74%
Storage battery installed	52%	57%	55%	30%	40%	35%	21%
Comfortable Air System	78%	76%	77%	76%	79%	77%	76%