



SEKISUI CHEMICAL CO., LTD.

Presentation of Financial Results

for the 1Q of FY2020, ending March 31, 2021

Futoshi Kamiwaki

Director

Senior Managing Executive Officer

Head of Business Strategy Department

30 July, 2020



Results for 1Q FY2020 and Forecasts for 1H FY2020

Forex Rate	1Q FY2019	2Q FY2019	1H FY2019	1Q FY2020	2Q FY2020	1H FY2020	FY2020 (Initial Plan)
Assumptions	¥110/US\$ ¥125/€	¥108/US\$ ¥122/€	¥109/US\$ ¥124/€	¥110/US\$ ¥120/€	¥107/US\$ ¥121/€	¥108/US\$ ¥120/€	¥110/US\$ ¥120/€
Results (Avg. rate for each term)	¥110/US\$ ¥124/€	¥107/US\$ ¥119/€	¥109/US\$ ¥121/€	¥108/US\$ ¥121/€	-	-	-

1Q FY2020 Results

- Substantial decreases in sales as well as each level of profit due to COVID-19
- Secured a profit at the operating and ordinary income levels; progress in excess of plans

FY2020 Plan Assumptions (Impact of COVID-19)*

- 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

* Restated in line with financial results announcement on April 27, 2020.

(Billions of yen)	1Q FY2019	1Q FY2020	Difference
Net Sales	249.7	214.8	-34.9
Operating Income	10.8	1.4	-9.5
Ordinary Income	11.4	0.8	-10.6
Net Income Attributable to Owners of the Parent	3.0	-0.5	-3.5

1Q FY2020 Results: Net Sales and Operating Income by Divisional Company

■ Despite substantial decreases in sales and profit in each segment, secured a profit at the operating income level; 1Q results generally in excess of plans

- HPP: Despite a slump in the automobile market, results slightly higher than expected; slight improvement over plans due to growth in the Electronics (non-LCD) field, soft raw material prices, and successful efforts to reduce costs
- Housing: Despite the greater than anticipated impact of COVID-19 (incl. stoppages in construction), secured a profit at the operating income level due to successful efforts to reduce costs; results essentially in line with plans
- UIEP: Despite the greater than anticipated impact of COVID-19 (stoppages in domestic construction and overseas lockdowns), 1Q results essentially in line with plans
- Other, Eliminations or Unallocatable Accounts: Improvement in operating income owing to reductions in costs

(Billions of yen)	1Q FY2019		1Q FY2020		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP*	78.6	9.0	62.0	2.4	-16.5	-6.6
Housing*	107.4	2.4	96.1	0.4	-11.3	-2.0
UIEP*	51.3	1.5	44.8	0	-6.5	-1.4
Medical	16.3	1.7	15.3	1.1	-0.9	-0.5
Other	1.2	-2.7	0.8	-2.0	-0.4	+0.7
Eliminations or Unallocatable Accounts	-5.1	-1.1	-4.4	-0.6	+0.7	+0.4
Total	249.7	10.8	214.8	1.4	-34.9	-9.5

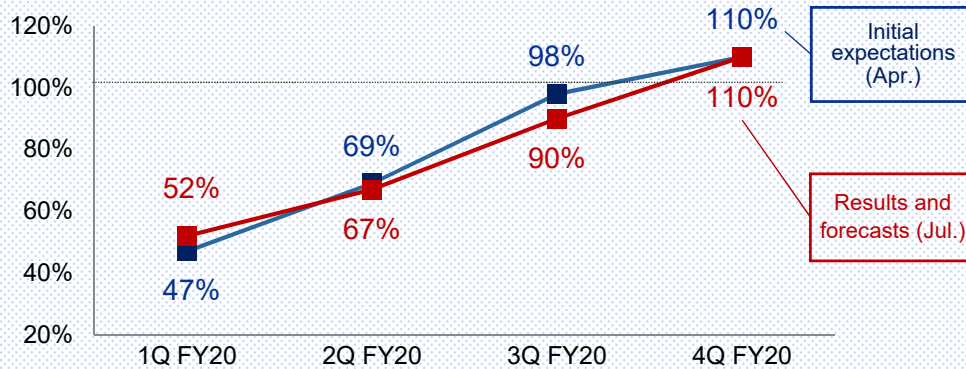
*HPP: High Performance Plastics Company, Housing: Housing Company, UIEP: Urban Infrastructure & Environmental Products Company

Outlook for Market Conditions

In overall terms, recovery from the impact of COVID-19 is expected to be slower than first assumed under the initial plan

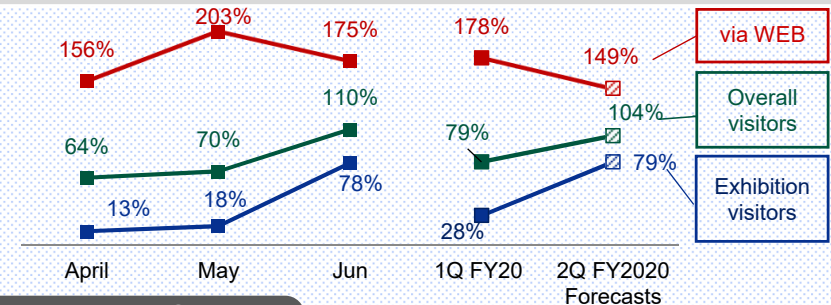
Number of Automobiles Manufactured (YoY)

While the 1Q is expected to be slightly better than expected after bottoming out in April, the pace of recovery is projected to be slow from the 2Q onwards



Housing Visitors (YoY)

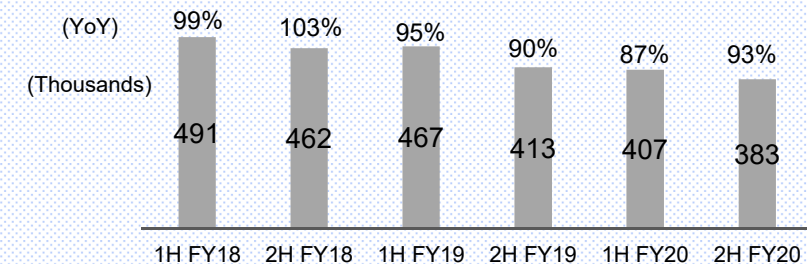
Despite a steady recovery, expected to take some time for the number of exhibition visitors to return to the previous year's level



New Housing Starts

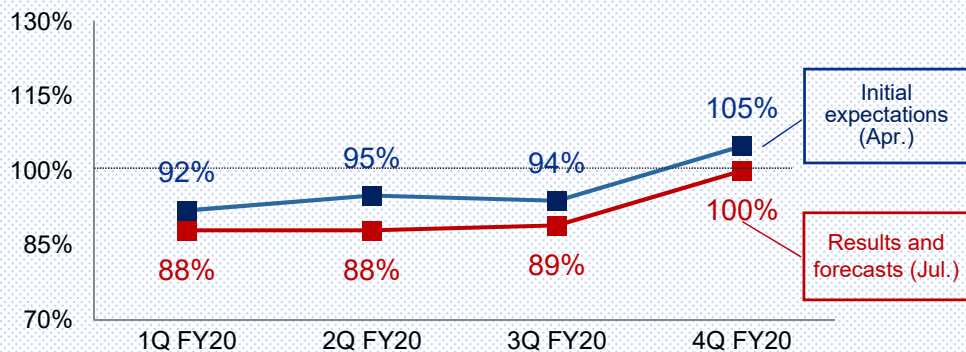
As anticipated, forecasting a substantial decline in housing starts due to a deterioration in consumer sentiment

* 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

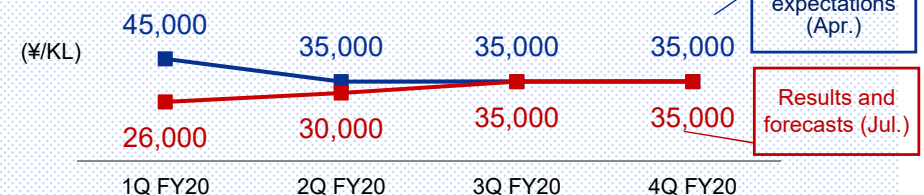


Smartphone Shipments (YoY)

Results in both the 1Q and 2Q slightly below expectations; projecting a gradual recovery due to an increase in 5G-related demand



Domestic Naphtha Price Assumptions



1H FY2020 Earnings Forecasts

- Net sales plan revised downward due to the prolonged impact of COVID-19
- Projected to secure profits at each level as planned due mainly to reductions in costs

(Billions of yen)	1H FY2019	1H FY2020 (Forecasts)	Difference	1H FY2020 Plan (Apr. 2020)
Net Sales	556.5	488.0	-68.5	505.6
Operating Income	41.5	14.7	-26.8	14.7
Ordinary Income	42.1	15.4	-26.7	15.4
Net Income Attributable to Owners of the Parent	29.6	6.9	-22.7	6.9
Dividend per Share (Yen)	23	23	0	23

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

■ The impact of COVID-19 to linger longer than anticipated; despite the downward revision of net sales plans, projected to achieve operating income plan due to cost reductions

- HPP: Despite delays in a recovery in demand in the Mobility as well as Building and Infrastructure fields, operating income plan revised upward due to growth in the Electronics (non-LCD) field and successful efforts to reduce costs
- Housing: While impacted by construction stoppages, projected to achieve operating income plan due to cost reductions
- UIEP: Operating income plan revised downward due to the greater than anticipated impact of stoppages in domestic construction and overseas lockdowns
- Medical: Operating income plan revised downward due to a greater than anticipated prolonged drop in the number of outpatient tests

(Billions of yen)	1H FY2019		1H FY2020 (Forecasts)		Difference		1H FY2020 Plan (Apr. 2020)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	160.4	19.7	133.6	5.3	-26.8	-14.4	137.0	3.7	-3.4	+1.6
Housing	256.9	18.6	235.0	12.8	-21.9	-5.8	241.0	12.8	-6.0	0
UIEP	113.2	5.4	95.8	1.5	-17.4	-3.9	102.9	2.5	-7.1	-1.0
Medical	34.3	4.4	31.9	1.6	-2.4	-2.8	32.9	2.4	-1.0	-0.8
Other	2.4	-5.3	1.8	-5.0	-0.6	+0.3	1.8	-5.2	0	+0.2
Eliminations or Unallocatable Accounts	-10.7	-1.4	-10.0	-1.5	+0.6	-0.1	-10.0	-1.5	0	0
Total	556.5	41.5	488.0	14.7	-68.5	-26.8	505.6	14.7	-17.6	0

1H FY2020 Forecasts: Net Sales and Operating Income by Divisional Company (1Q & 2Q)

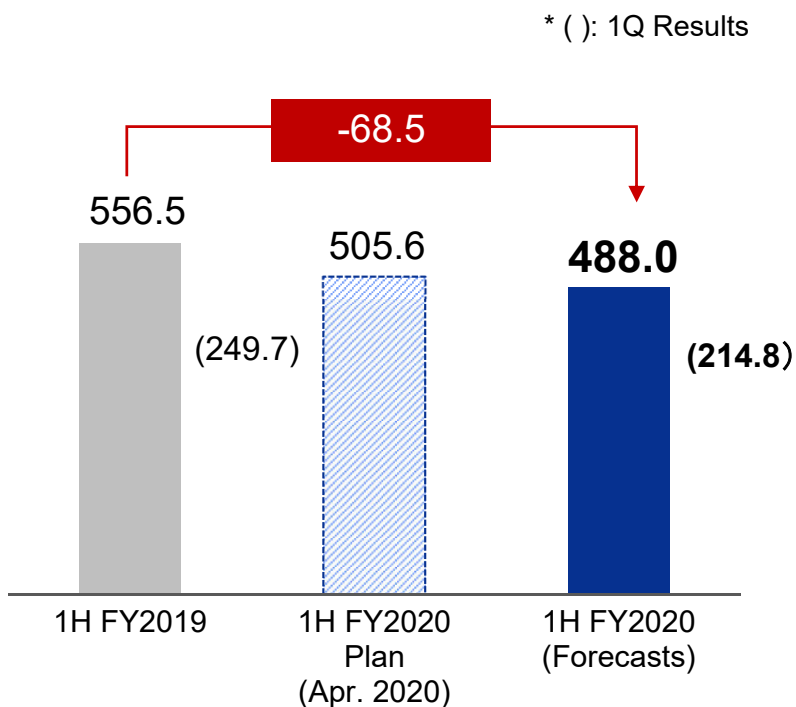
- While 1Q results were in excess of expectations, recovery in the 2Q slower than planned; 1H operating income forecast to come in according to plans

(Billions of yen)	1Q FY2019		1Q FY2020		2Q FY2019		2Q FY2020 (Forecasts)		1H FY2019		1H FY2020 (Forecasts)	
	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	78.6	9.0	62.0	2.4	81.9	10.8	71.6	2.9	160.4	19.7	133.6	5.3
Housing	107.4	2.4	96.1	0.4	149.5	16.1	138.9	12.4	256.9	18.6	235.0	12.8
UIEP	51.3	1.5	44.8	0	61.9	4.0	51.0	1.5	113.2	5.4	95.8	1.5
Medical	16.3	1.7	15.3	1.1	18.0	2.7	16.6	0.5	34.3	4.4	31.9	1.6
Other	1.2	-2.7	0.8	-2.0	1.2	-2.7	1.0	-3.0	2.4	-5.3	1.8	-5.0
Eliminations or Unallocatable Accounts	-5.1	-1.1	-4.4	-0.6	-5.6	-0.3	-5.6	-0.9	-10.7	-1.4	-10.1	-1.5
Total	249.7	10.8	214.8	1.4	306.9	30.7	273.2	13.4	556.5	41.5	488.0	14.7

1H FY2020 Forecasts: Analysis

- While the impact of COVID-19 to linger longer than anticipated and sales volumes and the product mix projected to fall short of plans, offset through reductions in fixed costs
- While also anticipating a harsh business environment in the 2H, promote reductions in fixed costs and structural reforms ahead of schedule

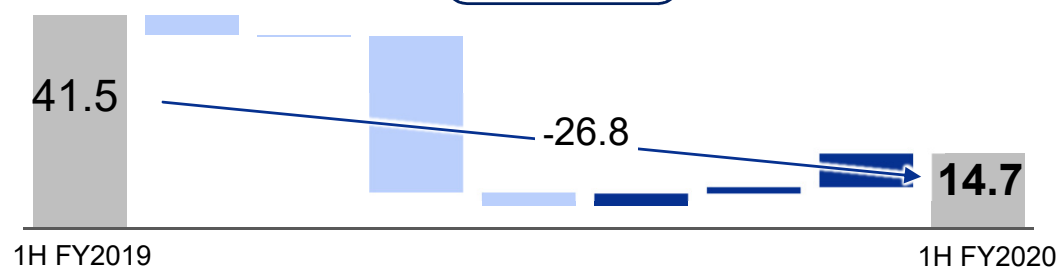
Net Sales (Billions of yen)



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 (Apr.)	-1.1	0	-25.6	-1.0	+1.2	+1.6	-1.8	-26.8
1H YoY (Forecasts)	-3.7	-0.4	-30.3	-2.6	+2.4	+1.2	+6.5	-26.8

HPP: -13.2
Housing: -7.6
UIEP: -6.0
Medical: -2.3

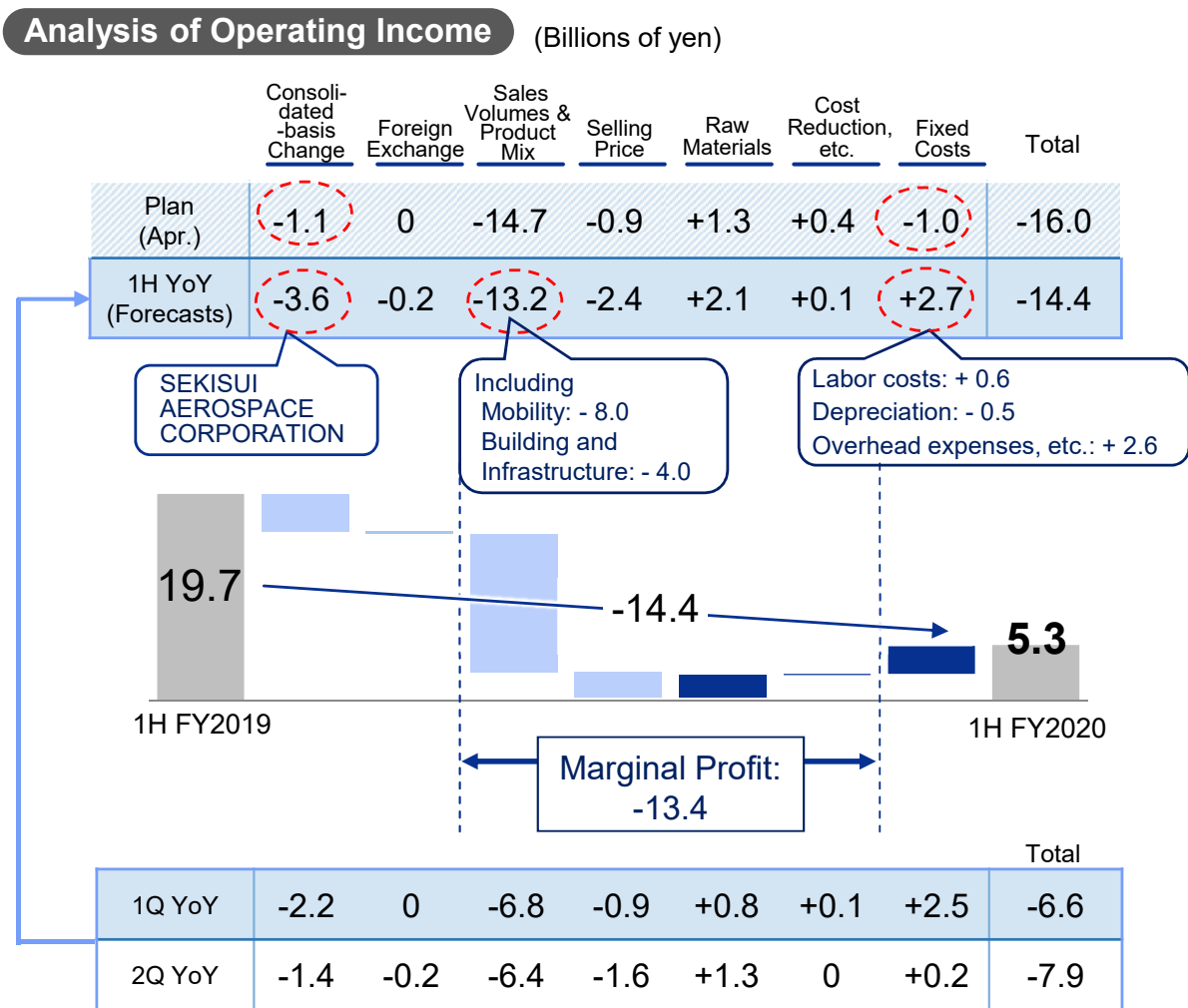
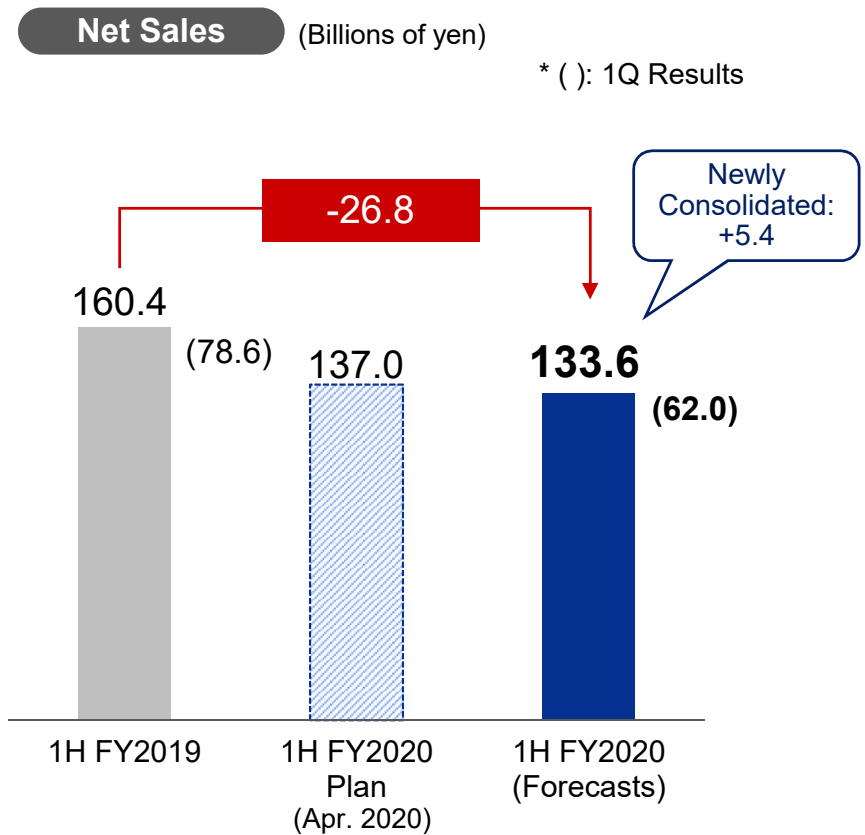


	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
1Q YoY	-2.2	-0.2	-14.5	-1.0	+1.2	+0.4	+6.9	-9.5
2Q YoY	-1.4	-0.2	-15.7	-1.7	+1.2	+0.9	-0.4	-17.3

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1H FY2020 Forecasts

- COVID-19 projected to significantly impact the Mobility as well as Building and Infrastructure fields; substantial decrease in sales volumes and the product mix
- 1H operating income plan revised upward due mainly to growth in the Electronics (non-LCD) field, soft raw material prices, and successful efforts to reduce costs



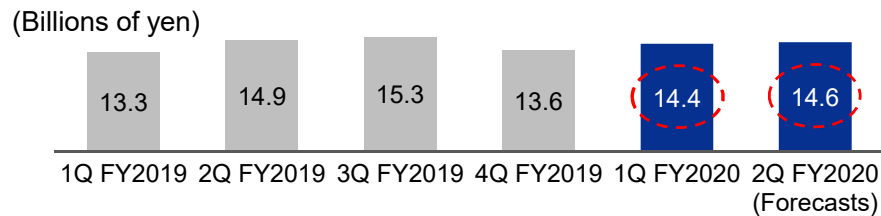
Three Strategic Fields

■ Progress in line with plans in the Electronics field; the impact of COVID-19 on the Mobility as well as Building and Infrastructure fields to linger longer than anticipated

Net Sales Trends and Progress in the Three Strategic Fields

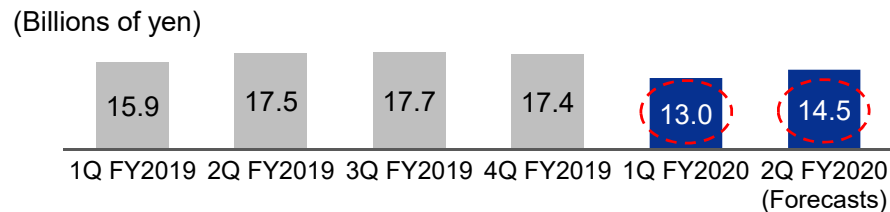
Electronics

- While smartphone-related product demand trending below expectations, steady growth in the non-LCD field and increase in 1Q sales; plans to secure 2Q sales at roughly the same level as the previous year
- Steady growth in the non-LCD field focusing mainly on semiconductor and 5G-related product demand



Building and Infrastructure

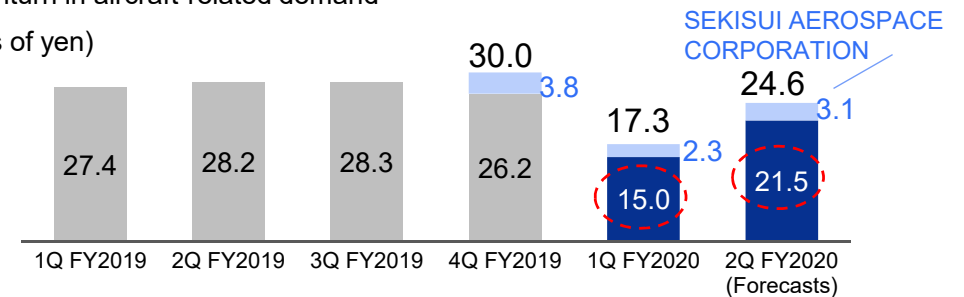
- CPVC: Sales projected to decline substantially in the 1H due to the impact of lockdowns (India) and a deterioration in construction market conditions (the Middle East and ASEAN)
- Fire-resistant and thermal insulation materials: Expected to struggle due to the impact of stoppages in domestic construction



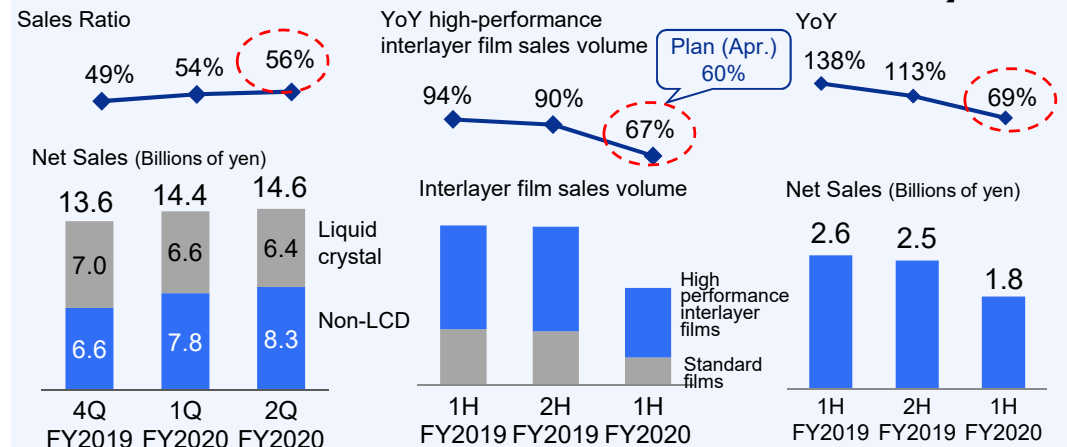
Mobility

- While market conditions in China were not as weak as anticipated and 1Q results exceeded plans, the pace of recovery is projected to be slow from the 2Q onwards
- Trends in high-performance interlayer film sales growth are exceeding plans; start of operations at a new production line in Europe postponed to the 2H
- Despite progress in streamlining SEKISUI AEROSPACE CORPORATION, downturn in aircraft-related demand

(Billions of yen)



【 Focus on the non-LCD field 】 【 High-performance interlayer film sales growth 】 【 Strengthen thermal insulation and noncombustible materials 】



1H FY2020 Forecasts

Despite the greater than anticipated impact of COVID-19 (incl. stoppages in construction), projected to achieve 1H operating income plan due to progress in reducing costs and fortifying the business structure

- Housing: Despite falling short of plans for the number of houses sold, 1Q orders exceeded plans (65%, YoY)
→ Progress in cost reduction, production optimization, and other measures aimed at fortifying the business structure
- Renovation: Despite falling short of sales plans, 1Q orders exceeded plans (63%, YoY)

Results and Plan for Orders

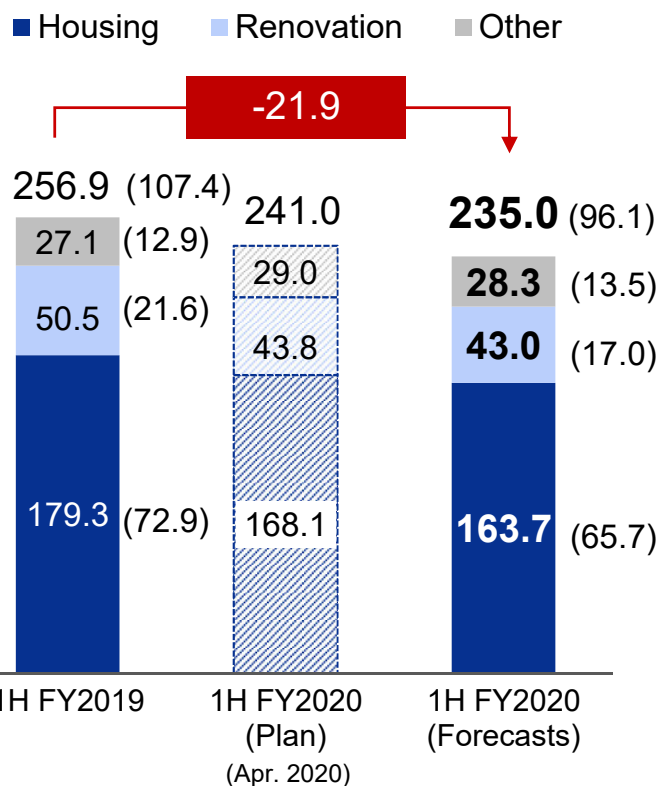
※: YoY

	1Q	Plan (Apr.)	2Q	Plan (Apr.)	1H	Plan (Apr.)
Housing Order (Units)	77%	65%	85%	96%	82%	82%
Renovation Order (Amount)	68%	63%	104%	110%	86%	86%

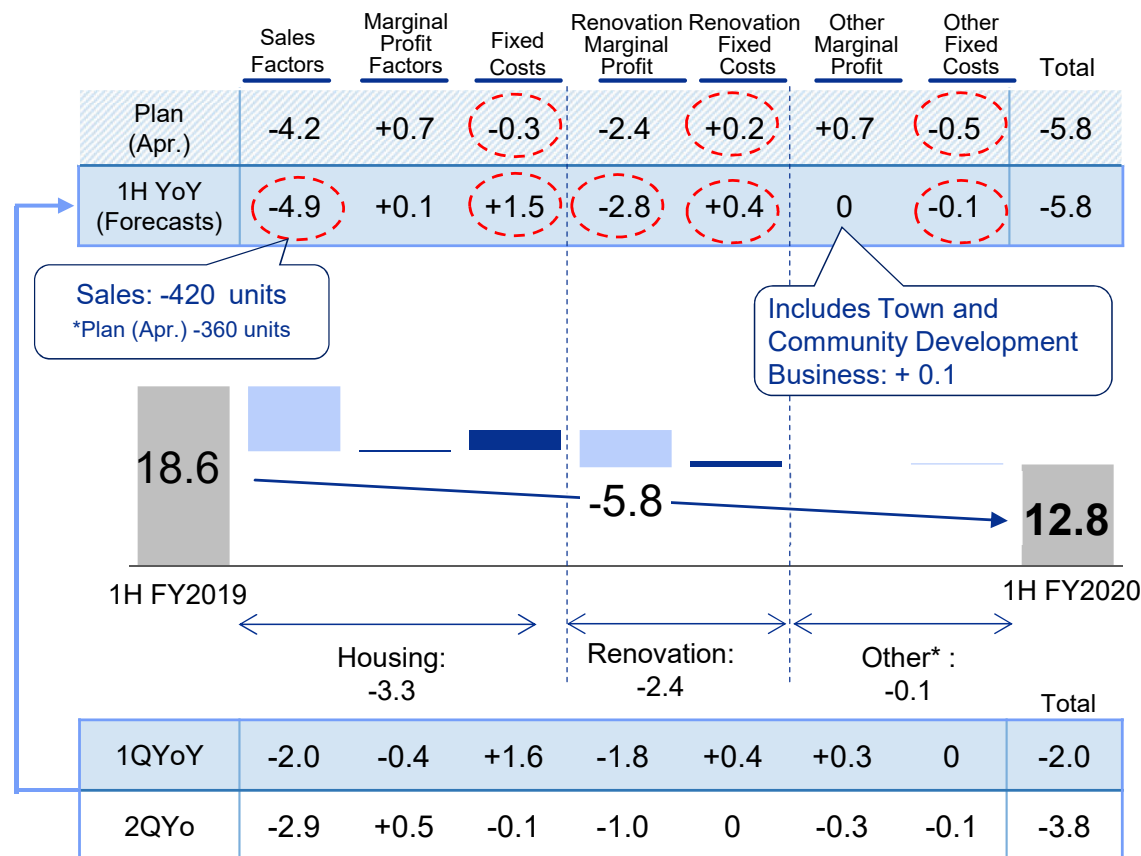
Net Sales

(Billions of yen)

* (): 1Q Results



Analysis of Operating Income



*Other (Real Estate, Town and Community Development, Overseas, Residential)

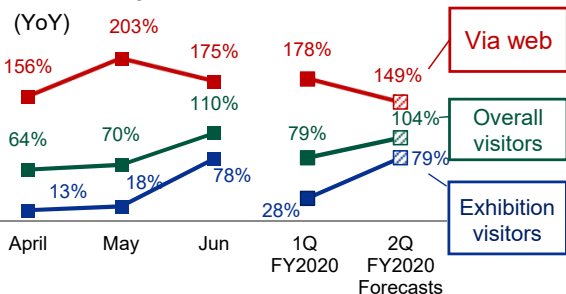
New Housing Orders

Work to achieve 1H order plans by continuing to strengthen the three growth strategies and initiatives

Customer and Order Trends *%: YoY

Visitors Results / Forecasts

- Steady recovery after bottoming out in April; 2Q projected to come in at around the same level as June



Number of Orders by Type of Construction

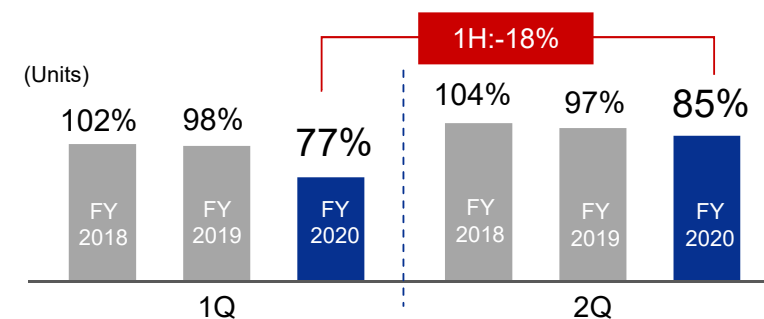
- Steady trends with a narrowing of the decline in subdivision and ready-built houses

(YoY)		1Q	(Jun.)	2Q	1H
Detached Houses	Rebuilding	62%	(74%)	68%	68%
	New construction	81%	(91%)	92%	86%
	Subdivision housing	86%	(100%)	102%	93%
	Of which, ready-built houses	94%	(110%)	106%	102%
Total (Including apartment buildings)		77%	(85%)	85%	82%

1H Housing Order Plan *%: YoY

New Housing Orders (Units, YoY)

- Despite exceeding plans in the 1Q, recovery in the 2Q slightly slower than anticipated; 1H order plan remains unchanged at 82% (initial plan: 82%)



Progress in the Three Growth Strategies and Initiatives *%: YoY

1Q

Attracting Customers/Sales Force

- Strengthened online business negotiation systems
- Increase the number of experience-based showrooms (FY2019-end: 23 locations → 1Q FY2020-end: 25 locations)

Product Strategies

- Enhanced smart houses and resilience; introduced "with COVID-19" models

Rebuilding	Parfait Series	Enhanced resilience (Apr.)
Target customers	Smart Power Station	Addressed "with COVID-19" needs (Jul.) → STAY&WORK model
First time buyer	Smart Power Station Urban	Expanded orders for ready-built houses

Land Strategies

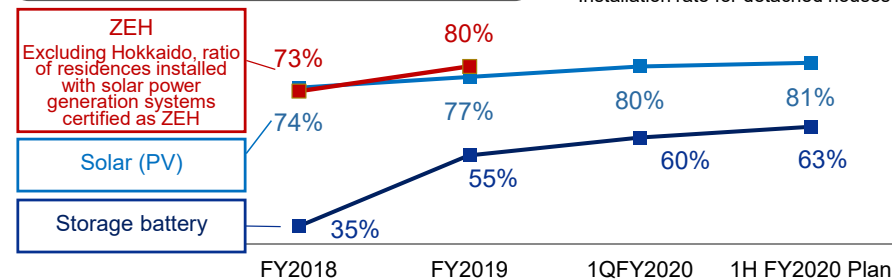
- Upgraded and expanded land inventory focusing on ready-built houses (1Q FY2020-end stock of land currently on sale: 111%; including ready-built houses: 153%)

2Q

- Order recovery focusing mainly on first buyers

- Further upgrade and expand experience-based showrooms (2Q FY2020-end: 27 locations)
- Strengthen Smart House promotions and appeal (resilience, energy storage)
- Launch "with COVID-19" promotions and appeal (address air quality and telework needs), link to renovation orders
- Expand orders for subdivision housing with Company-owned land (especially ready-built houses)

Smart House-related Indicators*



1H FY2020 Forecasts

Impact of COVID-19 (stoppages in domestic construction and overseas lockdowns) greater than expected; downward revision of 1H operating income plan

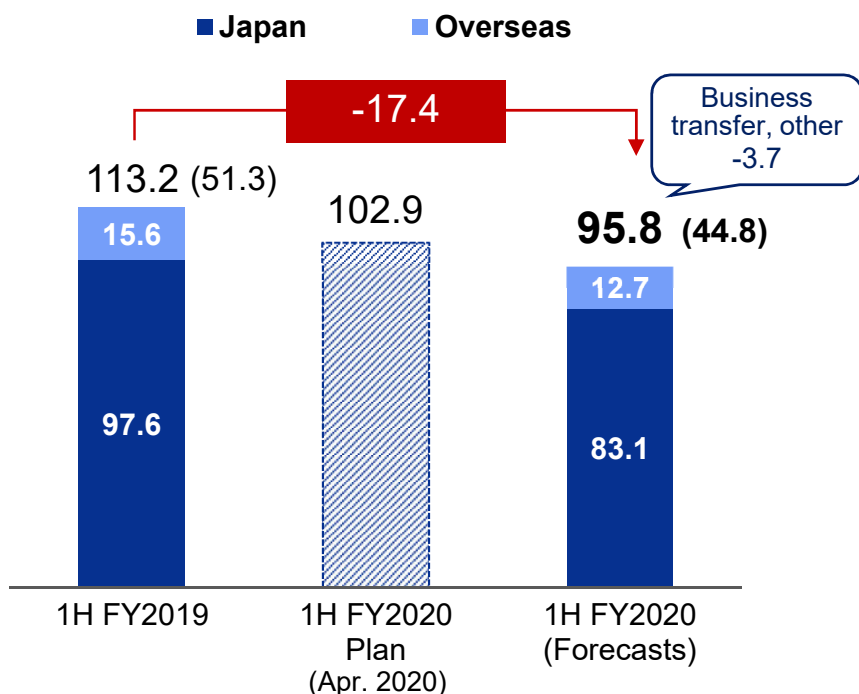
- Japan: Considerable impact from the drop in construction starts and construction stoppages that fall outside initial assumptions that underpinned plans; both prioritized* and general products struggling
- Overseas: Slowdown in aircraft sheet demand; pipeline renewal also struggling due to the considerable impact of construction stoppages attributable to lockdowns
- Progress in structural reforms in line with plans; implementing measures to reduce fixed costs

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

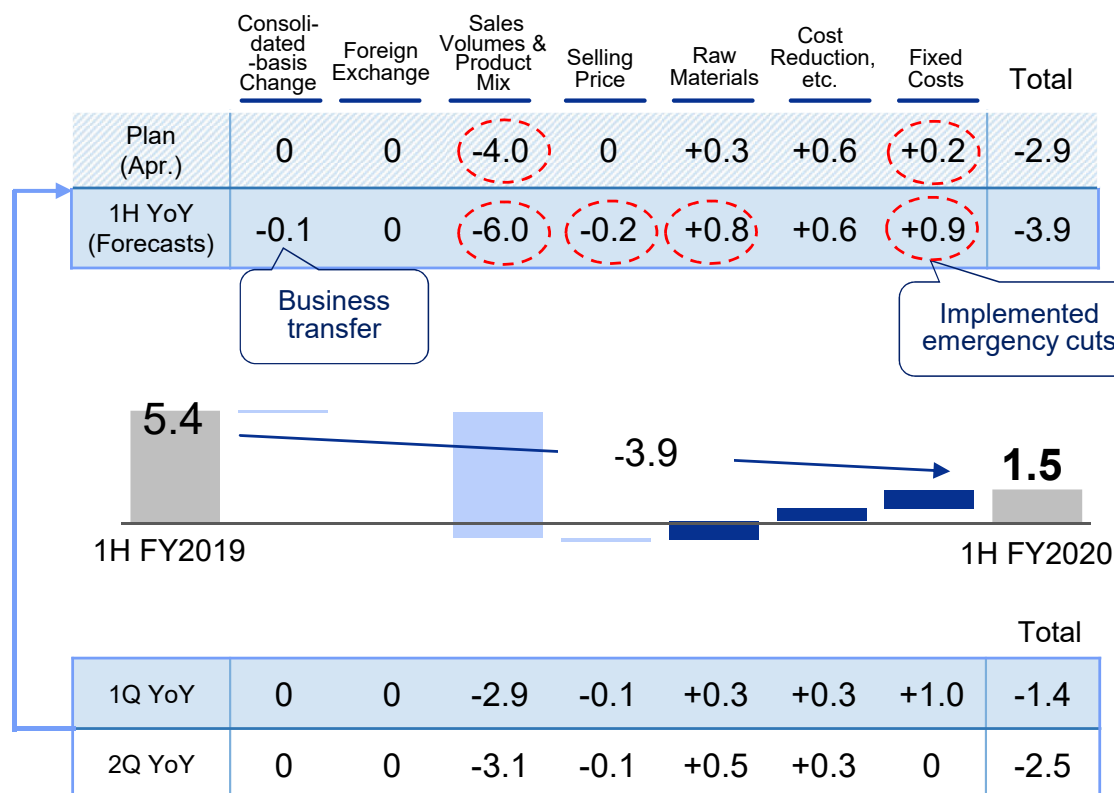
Net Sales

(Billions of yen)

* (): 1Q Results



Analysis of Operating Income



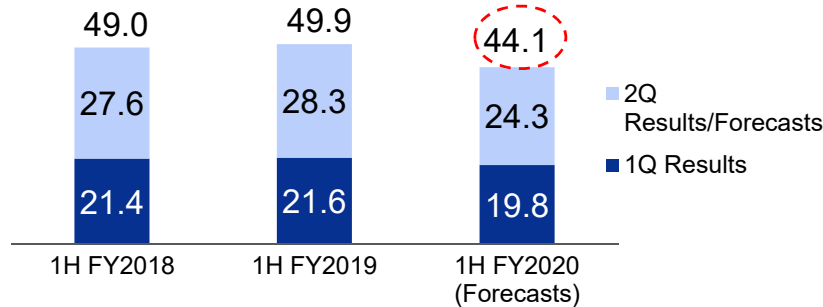
Three Strategic Fields

- Despite decreases in sales in each field, gradual trend toward a recovery expected from the 2Q on the back of a resumption of economic activity
- Considerable impact from COVID-19; decreases in both prioritized product and overseas sales; progress in structural reforms in line with plans

Net Sales in the Three Strategic Fields and Progress in 1H 2020

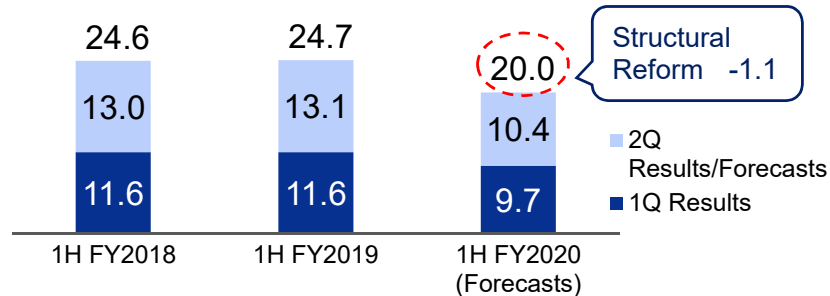
Piping and Infrastructure (Billions of yen)

- Piping materials and systems, pipeline renewal struggle owing mainly to the downturn in construction starts in Japan and the considerable impact of stoppages and postponements in domestic and overseas construction
- Firm plant business conditions mainly in semiconductor facilities in China and South Korea



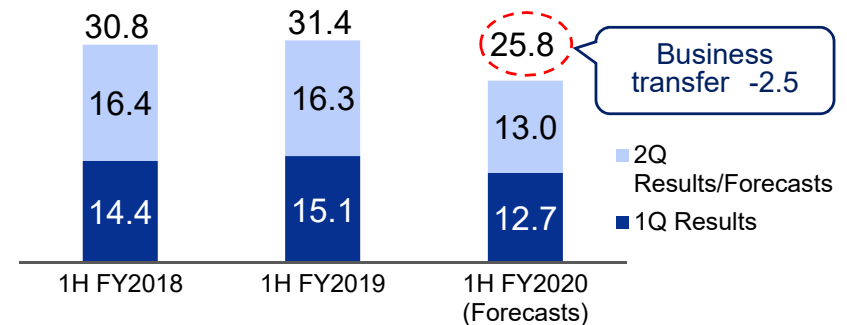
Building and Living Environment (Billions of yen)

- Despite a decrease in sales (building materials, modular bathrooms) due to structural reforms and the considerable impact of a downturn in construction starts, progress essentially in line with plans



Advanced Materials (Billions of yen)

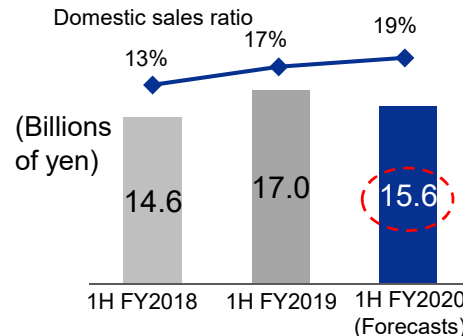
- Sheets: Slowdown in aircraft-related demand; steady medical-related growth
- FFU: Domestic civil engineering as well as overseas FFU railway sleeper applications generally firm
- Transfer of the Agri and Molded Product business of SEKISUI HINOMARU CO., LTD.



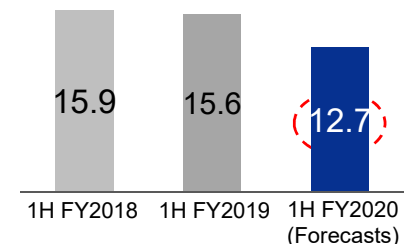
Prioritized Product Sales and Overseas Sales* (Billions of yen)

- Prioritized products impacted by construction stoppages in Japan; slowdown in overseas aircraft sheet demand

Prioritized Products Sales (Billions of yen)



Overseas Sales (Billions of yen)

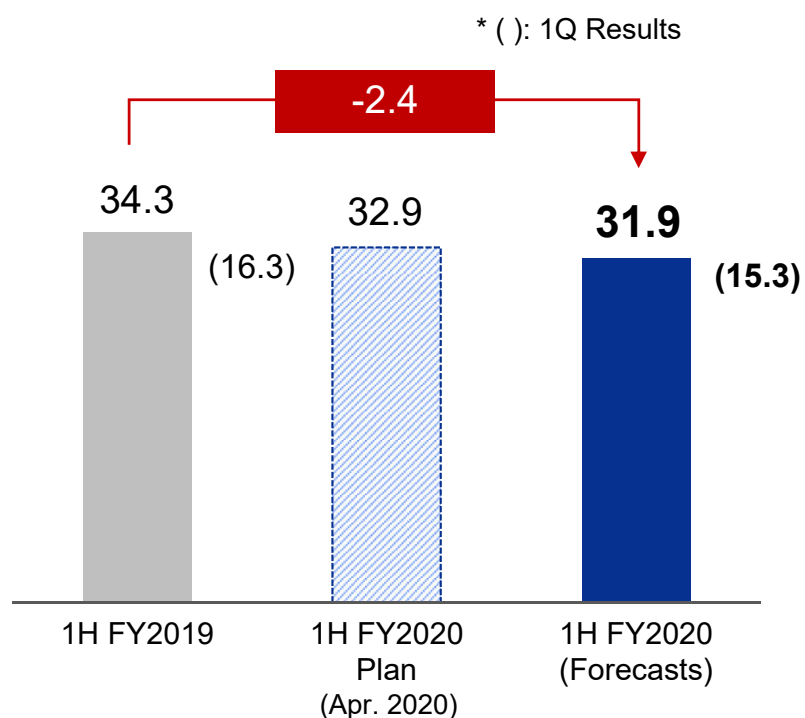


1H FY2020 Forecasts

- Greater than anticipated prolonged drop mainly in the number of outpatient tests due to COVID-19; downward revision of 1H operating income plan
- Steady progress in the Pharmaceutical Sciences business; implementing measures to curtail fixed costs

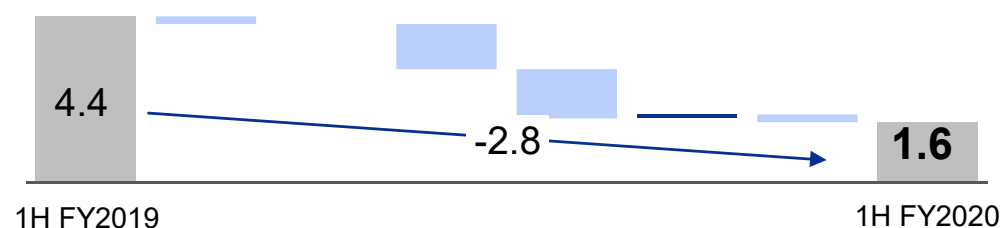
Net Sales

(Billions of yen)



Analysis of Operating Income

	Foreign Exchange	Newly Consolidated, etc.	Diagnostics (Japan)	Diagnostics (overseas)	Pharmaceutical Sciences and Other	Fixed Costs	Total
Plan (Apr.)	0	0	-0.7	-0.1	-0.4	-0.8	-2.0
1H YoY (Forecasts)	-0.2	0	-1.2	-1.3	+0.2	-0.2	-2.8



	Foreign Exchange	Newly Consolidated, etc.	Diagnostics (Japan)	Diagnostics (overseas)	Pharmaceutical Sciences and Other	Fixed Costs	Total
1Q YoY	-0.2	0	-0.6	-0.3	+0.3	+0.2	-0.5
2Q YoY	-0.1	0	-0.6	-1.0	-0.1	-0.5	-2.3

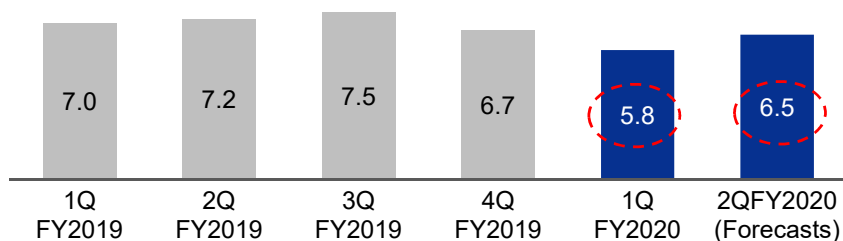
- Greater than anticipated prolonged impact of COVID-19 on the Diagnostics business; steady progress in the Pharmaceutical Sciences business

Trends in Net Sales by Business and Progress in 1H FY2020

Diagnostics (Japan)

- Greater than expected decrease in outpatient treatment involving lifestyle disease diagnostics (biochemistry, diabetes, etc.); despite substantial restrictions on marketing activities during April and May, recovery trend from June onwards

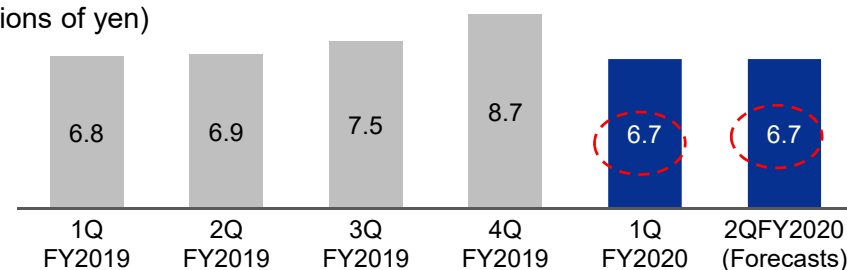
(Billions of yen)



Diagnostics (overseas)

- Temporary drop in demand due to the impact of lockdowns (including the temporary closure of clinics)
- Steady growth in sales of COVID-19 diagnostic kits (U.S., Asia)

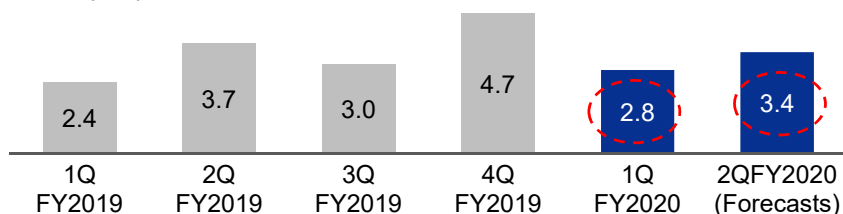
(Billions of yen)



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

- Despite the impact of lockdowns (U.S. Drug Development Solutions), progress in line with 1H plans mainly in Pharmaceuticals, Fine Chemicals, and Enzymes

(Billions of yen)



Development, New Products, Other

- Progress in the release of new products (1Q: 5 products)
 - ✓ Released diagnostic reagents for the treatment of influenza in the U.S.
- Strengthen the sales structure
 - ✓ Commenced the joint promotion of Nanopia LRG* with EA Pharma Co., Ltd.

* An in vitro diagnostic agent effective in the determination of active phase inflammatory bowel disease.



Financial Results

for 1Q FY2020

Consolidated Companies

Number of Consolidated Companies

	Mar. 31, 2020	June 30, 2020	Difference
Consolidated Subsidiaries	163	165	Increased: 2 Subsidiaries* ¹ Decreased: 0 Subsidiaries
Affiliates (Equity Method)	8	8	Increased: 0 Subsidiaries Decreased: 0 Subsidiaries

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

Impact of Change in the Number of Consolidated Companies

	1Q FY2020 (YoY)	Difference
Net Sales	+1.6 bil. yen	SEKISUI AEROSPACE CORPORATION* ³ KYUSHU SEKISUI KOHAN CO., LTD.* ⁴ , etc.
Operating Income	-2.2 bil. yen	

*3 Newly consolidated from 4Q FY2019

*4 Excluded from the scope of consolidation from 3Q FY2019

Summary of Profit and Loss

(Billions of yen)		1Q FY2019	1Q FY2020	Difference
Net Sales		249.7	214.8	-34.9
Gross Profit		80.4	66.0	-14.4
Gross Profit Margin		32.2%	30.7%	-1.5%
Selling, Gen. and Admin. Expenses		69.6	64.7	-5.0
Operating Income		10.8	1.4	-9.5
Equity in Earnings of Affiliates		0.4	0.2	-0.2
Other Non-operating Income and Expenses		0.2	-0.8	-0.9
Ordinary Income		11.4	0.8	-10.6
Extraordinary Income		-	-	-
Extraordinary Loss		5.0	0.3	-4.6
Income before Income Taxes		6.4	0.4	-6.0
Corporate Income Tax, etc.		3.0	0.8	-2.2
Net Income Attributable to Non-controlling Interests		0.4	0.2	-0.3
Net Income Attributable to Owners of the Parent		3.0	-0.5	-3.5
Foreign Exchange (Avg. rate)	1US\$	110	108	
	1€	124	118	

Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2020	June 30, 2020	Difference
Cash and Deposits	76.8	85.6	+8.8
Account Receivable on Sales	174.1	139.2	-34.9
Inventories	217.2	239.5	+22.3
Other Current Assets	23.7	24.8	+1.1
Tangible Non-current Assets	337.3	342.1	+4.9
Intangible Non-current Assets	101.1	97.4	-3.7
Investments in Securities	140.9	153.3	+12.4
Investments & Other Assets	31.3	29.1	-2.2
Total Assets	1,102.4	1,111.1	+8.7

Inventories (B/S item)	June 30, 2020	Difference
Ready-built housing (products)	23.7	+6.8
Prepared land for subdivision housing	52.9	+2.3
Land under preparation (work in process)	17.4	+2.4
Housing under construction (work in process)	31.0	+3.9
Components, other (raw materials)	4.2	+0.4
Housing Total	129.3	+15.7
Non-residential total (products, other)	110.2	+6.6
Inventories Total	239.5	+22.3

Capital investment: +12.8
 Depreciation and amortization: -9.4
 Consolidation: +1.0

At fair value: +12.2

Change of Consolidated Subsidiaries:
 ▶ +1.1
 Foreign exchange:
 ▶ +2.1
 Actual basis: +5.5

Balance Sheets (Liabilities & Net Assets)

(Billions of yen)	Mar. 31, 2020	June 30, 2020	Difference
Non-interest-bearing Liabilities	350.4	325.2	-25.2
Interest-bearing Liabilities	117.7	151.2	+33.5
(Net interest-bearing Liabilities)	(40.8)	(65.6)	(+24.7)
Total Liabilities	468.1	476.3	+8.3
Capital Stock etc.	209.3	209.2	-0.1
Retained Earnings	433.0	409.3	-23.7
Treasury Stock	-44.1	-34.1	+10.0
Unrealized Holding Gain on Securities	27.5	37.0	+9.5
Non-controlling Interests	24.9	27.7	+2.8
Other Net Assets	-16.2	-14.4	+1.8
Total Net Assets	634.3	634.7	+0.5
Total Liabilities, Net Assets	1,102.4	1,111.1	+8.7
Equity to Total Assets (%)	55.3%	54.6%	-0.6%
D/E Ratio (Net)	0.07	0.11	+0.04

Net income
-0.5

Dividends paid
-10.6

Retirement of treasury stock
-12.7

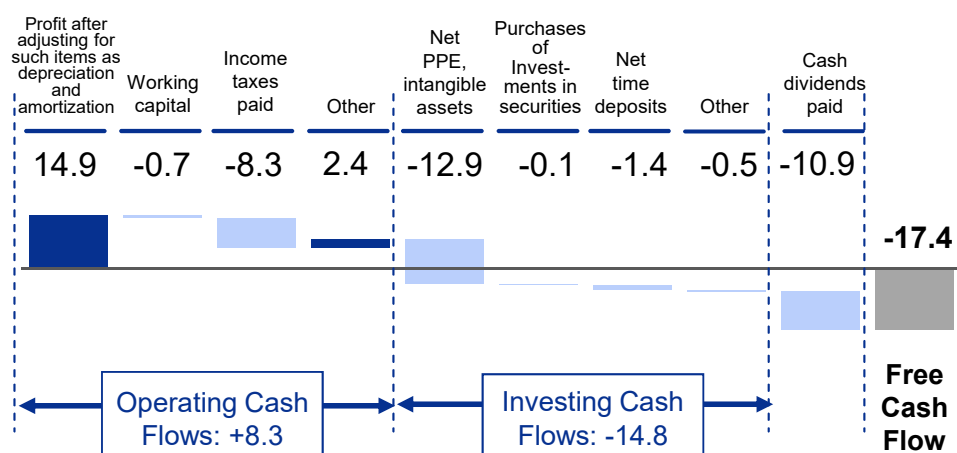
Purchases of treasury stock
-2.8

Retirement of treasury stock
+12.7

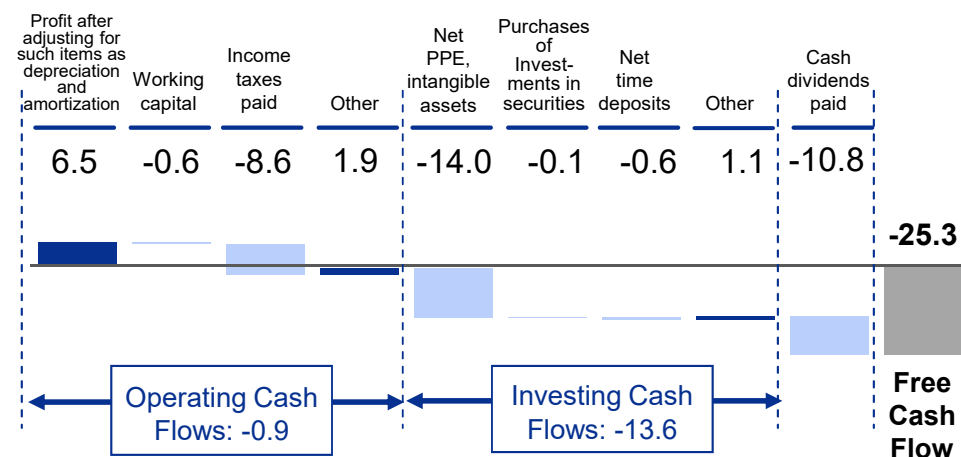
Consolidated Cash Flows

(Billions of yen)	1Q FY2019	1Q FY2020
Operating Cash Flows	8.3	-0.9
Investing Cash Flows	-14.8	-13.6
Financing Cash Flows	8.5	21.8
Net Increase in Cash and Cash Equivalents	0.8	8.0
Cash and Cash Equivalents at the End of Term	71.0	82.9
Free Cash Flow =Operating Cash Flows + Investing Cash Flows - Dividends Paid	-17.4	-25.3

1Q FY2019 Free Cash Flow



1Q FY2020 Free Cash Flow

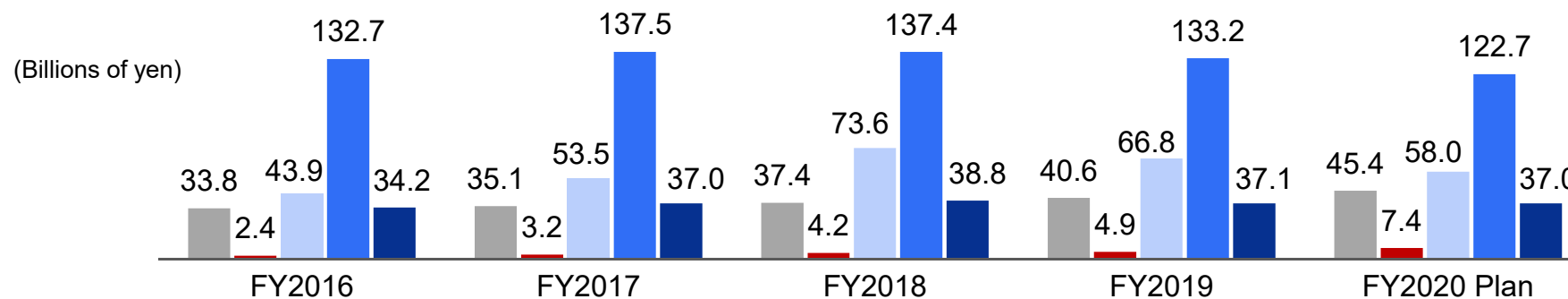


Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen)	1Q FY2019	1Q FY2020	Difference	FY2019	FY2020 (Plan)	Difference
Depreciation	9.6	10.2	+0.6	40.6	45.4	+4.8
Goodwill and Other Amortization	1.0	1.8	+0.8	4.9	7.4	+2.5
Capital Expenditures	14.5	13.4	-1.1	66.8	58.0	-8.8
EBITDA	21.5	13.4	-8.1	133.2	122.7	-10.5
Research and Development Expenditure	9.5	8.6	-0.8	37.1	37.0	-0.1

Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

■ Depreciation ■ Goodwill and Other Amortization ■ Capital Expenditures ■ EBITDA ■ Research and Development



*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



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		FY2020		FY2019			
		1Q	1H (Forecasts)	1Q	1H		2H
CONSOLIDATED	Net Sales (Billions of yen)	96.1	235.0	107.4	256.9	256.0	
	Housing	65.7	163.7	72.9	179.3	181.1	
	Renovation	17.0	43.0	21.6	50.5	46.6	
	Other	13.5	28.3	12.9	27.1	28.3	
	Real estate	11.2	23.6	10.7	22.2	23.3	
	Residential Services	1.7	3.6	1.8	4.0	4.0	
	Town and Community Development	0.1	0.1	0	0.1	0.1	
	Overseas	0.4	0.7	0.4	1.0	0.9	
CONSOLIDATED	1.Number of houses sold (Housing units)	1,945	5,040	2,200	5,425	5,485	
	Detached houses	1,870	4,790	2,100	5,120	5,080	
	Heim	1,475	3,840	1,670	4,050	3,980	
	Two-U	395	950	430	1,070	1,100	
	Apartment buildings	75	250	100	305	405	
OTHERS	2. Main data						
	Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	31.8	-	30.7	31.4	31.5	
	Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen)	88.1	-	84.0	85.9	87.5	
	Floor space (Square meter)	119.1	-	121.0	120.6	118.8	
	Exhibition places (Units)	-	444	-	447	-	
	Sales staff (Number of person)	2,677	2,614	2,694	2,636	-	
	Rebuilding ratio (%)*	19%	20%	24%	24%	23%	
	Referral sales ratio (%)*	38%	36%	34%	33%	34%	

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

Housing Company Results and Plan

2. Housing orders	FY2020		FY2019			FY2018	
	1Q	1H (Forecasts)	1Q	1H	2H	1H	2H
Year-start Backlog	205,400	-	219,500	-	217,320	206,900	213,900
Growth Rate	-6%	-	+6%	-	+2%	±0%	+3%
New Orders	70,291	170,700	92,715	203,590	193,472	206,423	217,375
Growth Rate	-24%	-16%	±0%	-1%	-11%	+2%	+5%
Sales of Housing/Renovation	75,891	191,000	84,615	205,770	205,392	199,423	211,775
Growth Rate	-10%	-7%	+18%	+3%	-3%	-1%	+2%
End-balance	199,800	185,100	227,600	217,320	205,400	213,900	219,500
Growth Rate	-12%	-15%	±0%	+2%	-6%	+3%	+6%

3. Housing starts	FY2020		FY2019		
	1Q	1H (Forecasts)	1Q	1H	2H
Housing starts	204,300	407,000	232,000	466,692	416,995
Privately-owned houses (included in above) =A	63,700	126,000	77,650	152,973	130,365
Detached house sales by our company=B (Unit base)	1,870	4,790	2,100	5,120	5,080
Our share in Detached houses=B/A	2.9%	3.8%	2.7%	3.3%	3.9%

*"Housing starts" and "Privately-owned houses" after 1Q of FY2020 are based on forecasts.

4. The ratio of the houses equipped with the high-performance specifications	FY2020		FY2019		
	1Q	1H (Forecasts)	1Q	1H	2H
Solar power generation systems installed	80%	81%	75%	77%	78%
Storage battery installed	60%	63%	48%	52%	57%
Comfortable Air System	71%	72%	79%	78%	76%