

SEKISUI CHEMICAL CO., LTD.



For FY2022, ended March 31, 2023

Presentation of Financial Results and the FY2023 Management Plan

Keita Kato

President and CEO

April 28, 2023

Results for FY2022

Forex rate	FY2021		FY2022	
	1H	2H	1H	2H
In-house assumptions	-	-	-	¥139/US\$ ¥144/€
Results (Avg. rate for each term)	¥110/US\$ ¥131/€	¥115/US\$ ¥130/€	¥134/US\$ ¥139/€	¥137/US\$ ¥143/€

- Increases in net sales and operating profit; increase in earnings due to the impact of foreign exchange gains on ordinary profit and absence of the impairment loss that impacted the bottom line in FY2021; record-high sales; record-high ordinary profit and bottom line
- Net sales, operating profit, and the bottom line fell below forecasts (Jan.)
- Dividend in line with forecasts (Jan.); period-end and annual dividend of ¥30 and ¥59 per share, respectively; annual dividend per share up ¥10

(JPY billion)	FY2021	FY2022	Difference	FY2022 Forecasts (Jan.)	Difference
Net sales	1,157.9	1,242.5	+84.6	1,262.5	-20.0
Operating profit	88.9	91.7	+2.8	95.0	-3.3
Ordinary profit	97.0	104.2	+7.2	103.0	+1.2
Profit attributable to owners of parent	37.1	69.3	+32.2	73.0	-3.7
Dividend per share (JPY)	47	59	+10	59	0

FY2022 Results by Segment

- Increase in operating profit in all segments excluding the Housing Company; record-high UIEP and Medical operating profit
- While the Medical Business was in line with forecasts (Jan.), the HPP, Housing, and UIEP segments fell below forecasts owing to the substantial impact of a sharp decline in global demand and sluggish housing market
- Progress in controlling Groupwide fixed costs; medium- to long-term preparations progressing in line with plans

(JPY billion)	FY2021		FY2022		Difference		FY2022 Forecasts (Jan.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	358.8	42.4	404.1	44.2	+45.3	+1.9	413.7	46.0	-9.6	-1.8
Housing	515.2	35.3	537.4	32.8	+22.2	-2.5	543.0	35.5	-5.6	-2.7
UIEP	211.8	14.1	227.2	17.1	+15.4	+3.0	229.8	17.5	-2.6	-0.4
Medical	88.5	11.2	89.7	12.5	+1.2	+1.3	90.0	12.5	-0.3	0
Other	4.9	-10.3	7.4	-10.9	+2.4	-0.6	8.5	-11.1	-1.1	+0.2
Eliminations or corporate expenses	-21.3	-3.7	-23.2	-4.1	-1.9	-0.3	-22.5	-5.4	-0.7	+1.3
Total	1,157.9	88.9	1,242.5	91.7	+84.6	+2.8	1,262.5	95.0	-20.0	-3.3

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

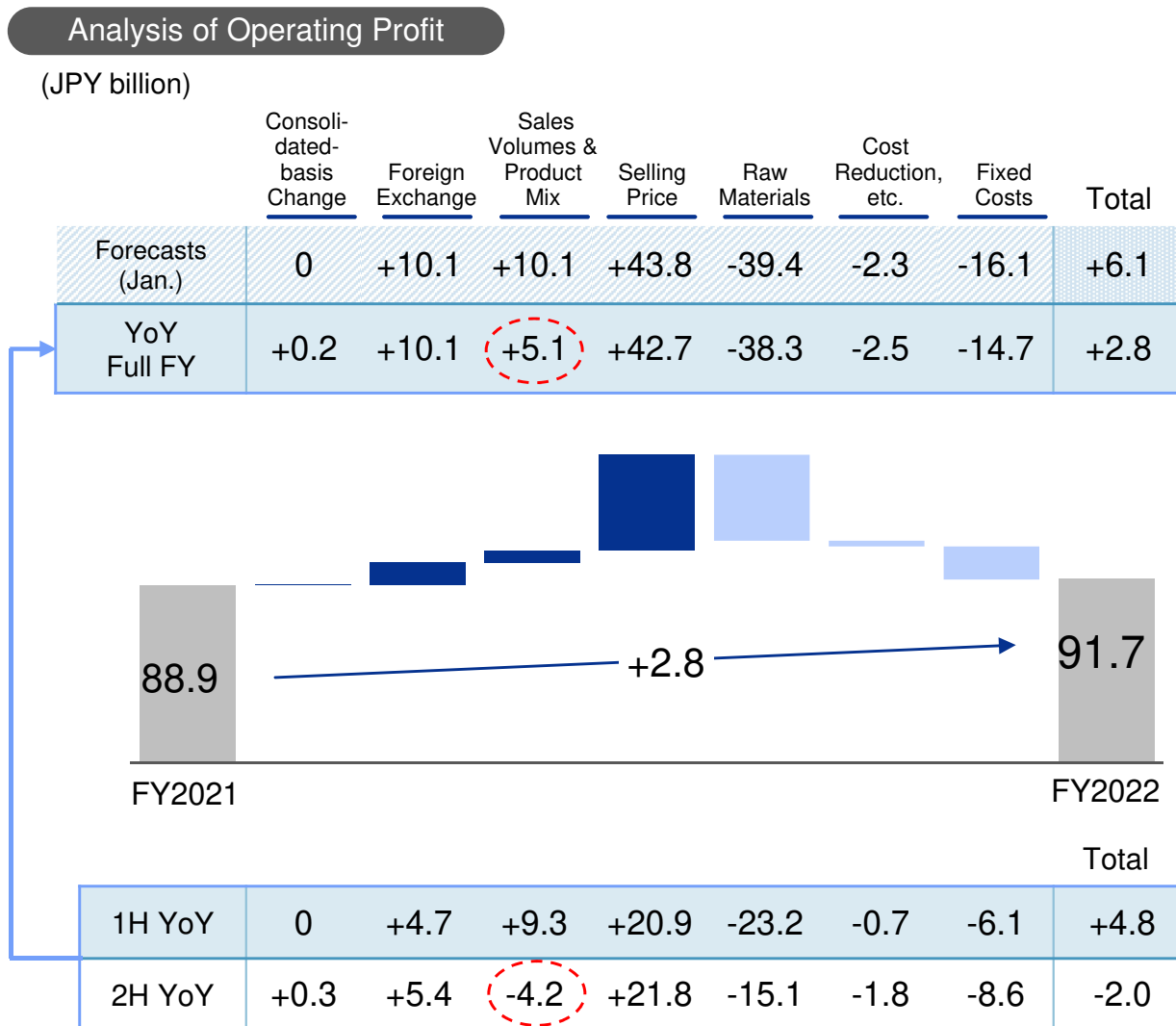
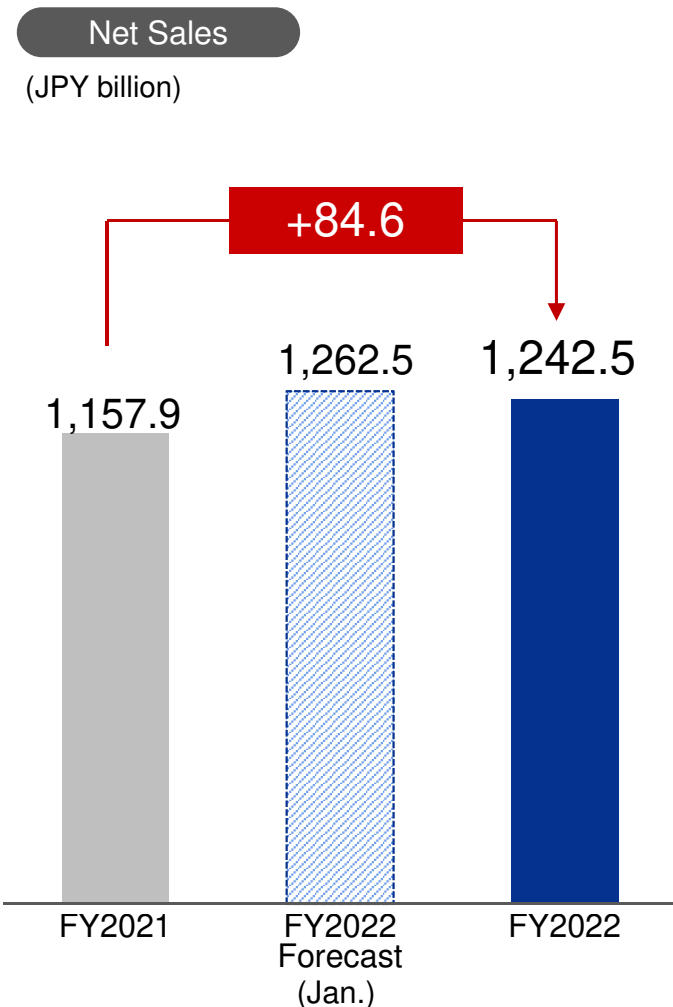
1H & 2H FY2022 Results by Segment

■ Substantial increases in 1H HPP and UIEP operating profit owing mainly to improvements in selling prices; decrease in 2H HPP and Housing operating profit owing to the deterioration in global demand and housing market conditions; increases in UIEP and Medical operating profit

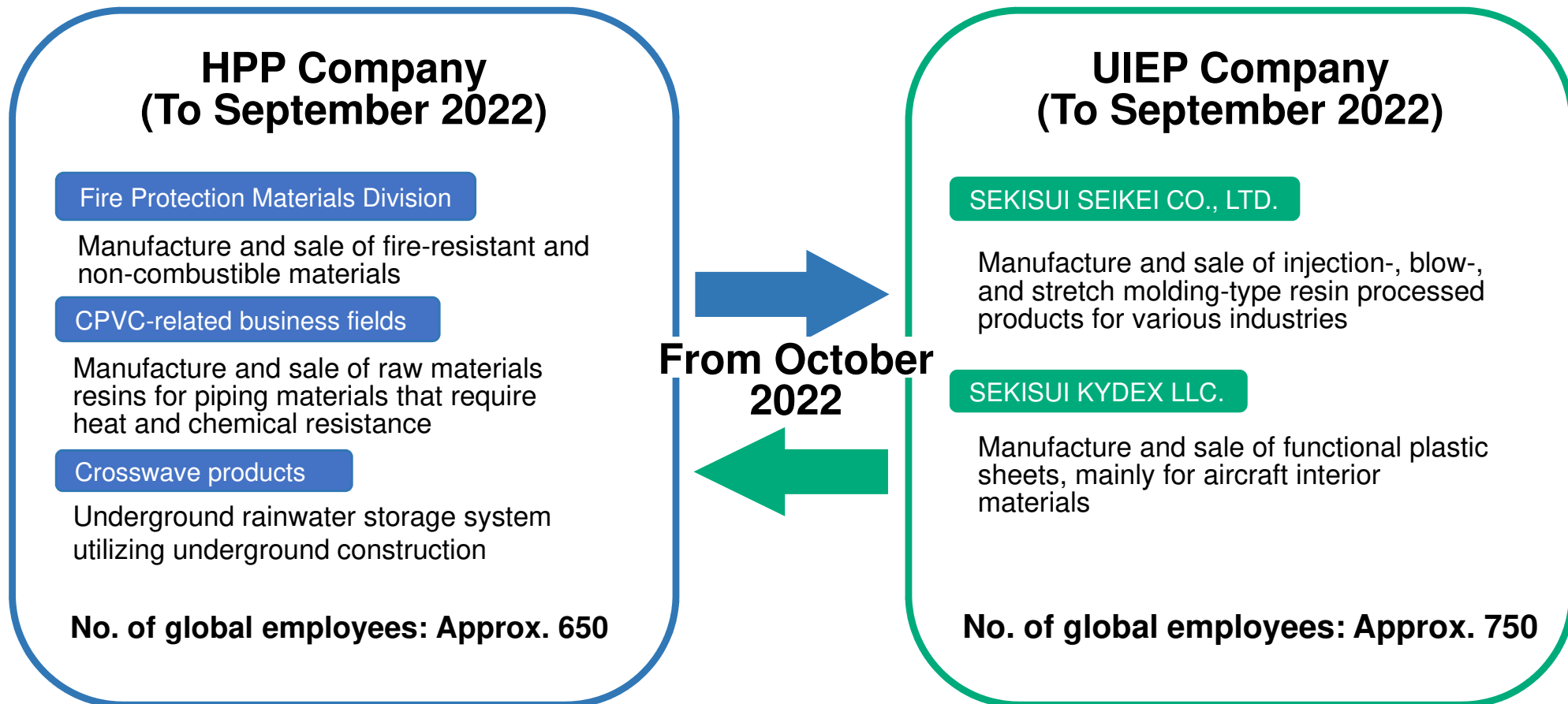
- HPP: Despite falling short of 2H forecasts (Jan.) owing to the prolonged slump in Electronics-related demand, increases in full FY sales and profit
- Housing: Despite an increase in sales owing to the increase in unit prices, recovery in renovation demand, and Town and Community Development Business growth, decrease in profit due to the surge in component costs
- UIEP: Despite stagnant construction demand, increases in both sales and profit through efforts to secure margins supported by improvements in selling prices, increased sales of prioritized products, and overseas sales growth
- Medical: Increases in sales and profit owing to the recovery in diagnostics demand in Japan and overseas and contributions from new pharmaceutical ingredients

(JPY billion)	1H FY2021		1H FY2022		Difference		2H FY2021		2H FY2022		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	170.1	19.3	205.0	21.8	+34.8	+2.5	188.7	23.0	199.1	22.4	+10.4	-0.6
Housing	249.8	14.8	260.2	14.8	+10.4	-0.1	265.4	20.5	277.2	18.1	+11.8	-2.4
UIEP	96.1	3.2	107.4	6.0	+11.3	+2.8	115.7	10.9	119.8	11.0	+4.2	+0.2
Medical	39.7	4.9	42.9	5.5	+3.2	+0.6	48.9	6.3	46.8	7.0	-2.1	+0.7
Other	1.9	-5.2	4.1	-5.4	+2.2	-0.3	3.0	-5.1	3.2	-5.5	+0.2	-0.3
Eliminations or corporate expenses	-9.6	-1.5	-11.8	-2.3	-2.2	-0.8	-11.7	-2.2	-11.4	-1.7	+0.2	+0.4
Total	547.9	35.5	607.8	40.3	+59.8	+4.8	610.0	53.4	634.8	51.3	+24.8	-2.0

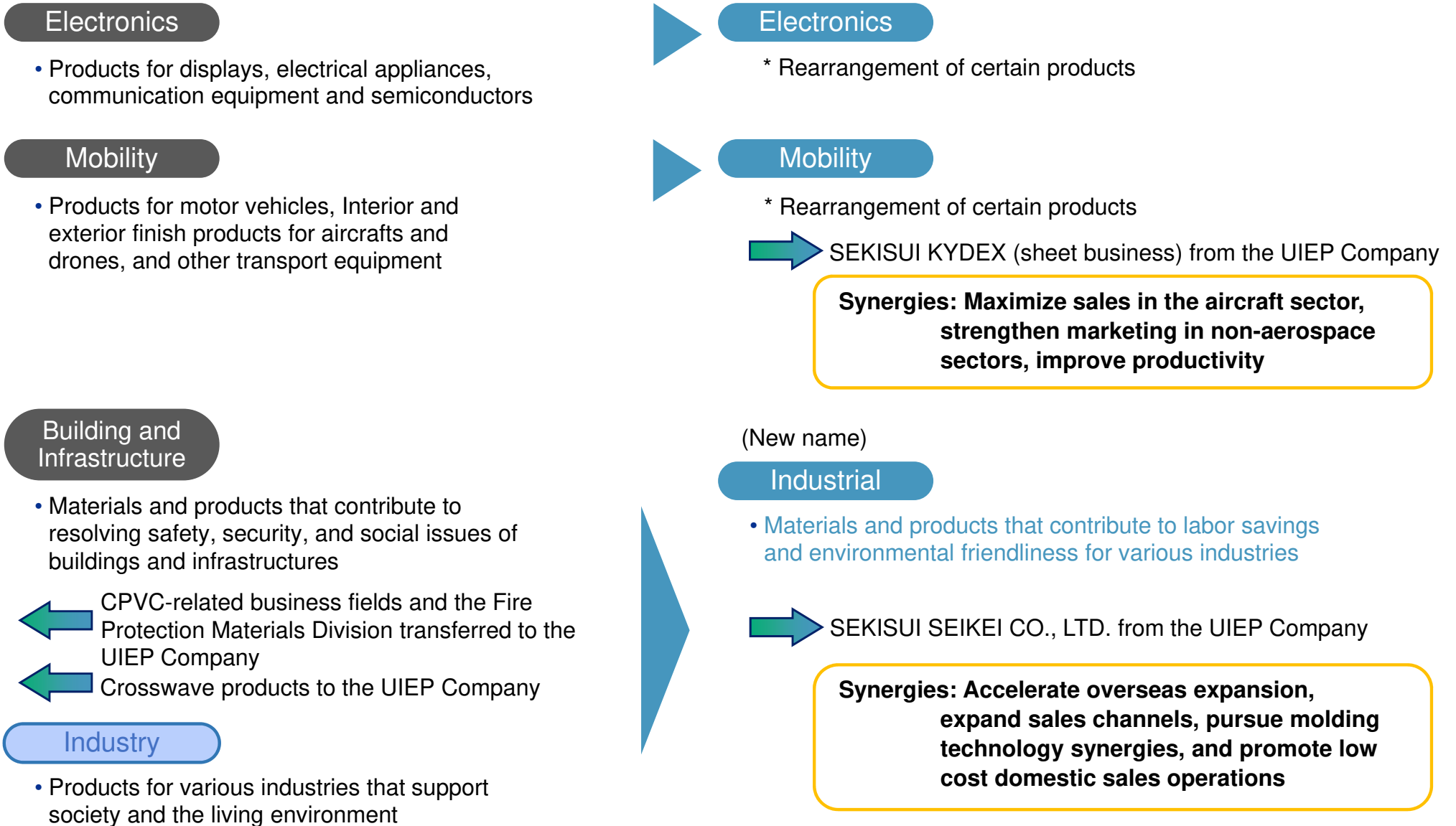
Increases in both sales and profit through improvements in selling prices and efforts to secure margins, despite the substantial impact of the drop in global demand and sluggish construction market as well as the significant decline in sales volumes and product mix compared with forecasts (Jan.); operating profit fell below forecasts (Jan.) despite efforts to control fixed costs



- <Background> As individual businesses have expanded their domains, some business activities have approached one another between the HPP and UIEP companies
- <Objective> Pursue synergies in marketing, manufacturing, technology, and all other aspects to achieve business growth and expansion as well as more efficient operations through productivity improvements and asset use



Reorganize the Three Strategic Fields of the HPP Company (* including the rearrangement of certain products within the company)



Reorganize the Three Strategic Fields of the UIEP Company (* including the rearrangement of certain products within the company)

Piping and Infrastructure

- Pipe and joint materials, measures on infrastructure aging and disaster prevention related products and technologies

➔ Pipeline renewal business and Sekisui Aqua System Co., Ltd. to the newly established Infrastructure Renovation field

Building and Living Environment

- Buildings materials for bathrooms and interior/exterior finish

Advanced Materials

- Materials for aircrafts, railways, and other transport infrastructure & containers for the medical and industrial fields

➔ SEKISUI KYDEX LLC. and SEKISUI SEIKEI CO., LTD. to the HPP Company

➔ FFU products (including synthetic sleepers) to the newly established Buildings and Infrastructure Composite Materials field

Other

➔ NIPPON INSIEK CO., LTD. (general construction consultant) to the newly established Infrastructure Renovation field

Pipe Systems

- Pipe and joint materials for buildings, factories, and social infrastructure, and products related to disaster prevention

➔ CPVC-related business fields from the HPP Company

Synergies: Expand business through integrated operation of the PVC business (raw material production to sales)

➔ Crosswave products from the HPP Company

Synergies: Enhance customer proposal capabilities in the civil engineering field through integration of stormwater control products, and put forward public and private sector complementary proposals

Building and Infrastructures Composite Materials

- Building materials for bathrooms and exterior finish, fire-resistant materials, and materials for railway infrastructure

➔ Fire Protection Materials Division from the HPP Company

Synergies: Expand sales by strengthening marketing of building materials; further strengthen and apply the fire-resistant-related technology platform

Infrastructure Renovation

- Products and technologies for infrastructure aging prevention

➔ Pipeline renewal business and Sekisui Aqua System Co., Ltd. from the Piping and Infrastructure field

Synergies: Strengthen customer proposal capabilities in the public sector and civil engineering fields

■ Post business portfolio optimization quantitative data

(JPY billion)	FY2021		FY2022		Difference		FY2022 Forecasts (Jan.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	353.7	41.2	396.4	40.1	+42.7	-1.1	405.6	42.4	-9.2	-2.3
Housing	515.2	35.3	537.4	32.8	+22.2	-2.5	543.0	35.5	-5.6	-2.7
UIEP	215.9	15.2	234.3	21.2	+18.4	+6.0	237.2	21.1	-2.9	+0.1
Medical	88.5	11.2	89.7	12.5	+1.2	+1.3	90.0	12.5	-0.3	0
Other	4.9	-10.3	7.4	-10.9	+2.4	-0.6	8.5	-11.1	-1.1	+0.2
Eliminations or corporate expenses	-20.3	-3.7	-22.6	-4.1	-2.3	-0.4	-21.8	-5.4	-0.8	+1.3
Total	1,157.9	88.9	1,242.5	91.7	+84.6	+2.8	1,262.5	95.0	-20.0	-3.3

FY2023 Plan

* Unless otherwise stated, figures in the following slides are based on the reorganization undertaken to optimize the business portfolio.

Forex rate	FY2022		FY2023	
	1H	2H	1H	2H
In-house assumptions	-	-	¥133/US\$ ¥142/€	¥133/US\$ ¥142/€
Results (Avg. rate for each term)	¥134/US\$ ¥139/€	¥137/US\$ ¥143/€	-	-

* Export data is subject to in-house assumptions regarding foreign currency exchange rates. A ¥1 depreciation in the value of the yen against the USD has the effect of increasing operating profit by approximately ¥500 million each year at the assumed in-house rate.

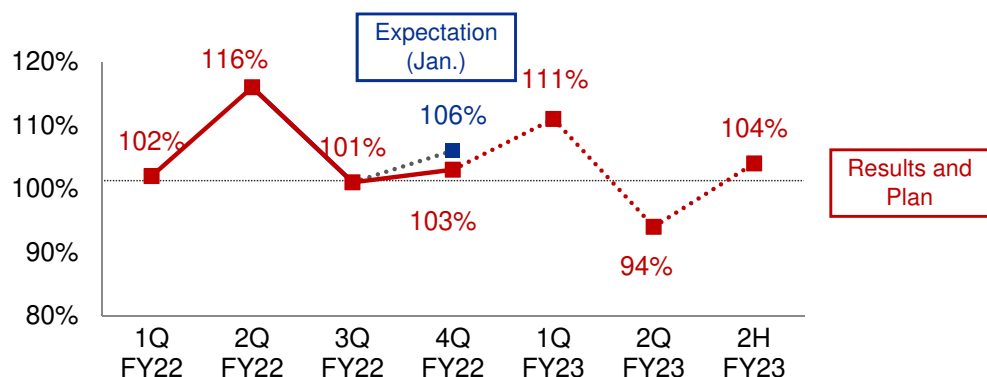
- Second consecutive year of record-high net sales; target record highs in operating profit and the bottom line
- Dividend per share of ¥66, up ¥7 (fourteenth consecutive FY of dividend growth)
- Establish a limit for the acquisition of treasury shares (maximum: 4 million shares / ¥8.0 billion); plans to cancel treasury shares (4 million shares)

(JPY billion)	FY2022	FY2023 Plan	Difference
Net sales	1,242.5	1,312.0	+69.5
Operating profit	91.7	100.0	+8.3
Ordinary profit	104.2	103.0	-1.2
Profit attributable to owners of parent	69.3	70.0	+0.7
Dividend per share (JPY)	59	66	+7

■ Projecting a partial recovery in automobile production despite the continued impact of shortages in semiconductor supply; smartphones expected to gradually recover from the 2Q, despite a YoY decline up to the 1Q; continued downward trend in raw materials

Number of Automobiles Manufactured (YoY)

4Q FY2022 substantially below expectations; projected recovery mainly in Europe and the U.S. from the 2H of FY2023



Housing - Visitors (YoY)

Exhibition visitors remain sluggish, despite a recovery in the number of visitors from the 2H of FY2022; projecting a recovery in exhibition visitors from FY2023

	1H FY22	2H FY22	1H FY23	2H FY23
Overall visitors	96%	103%[100]	103%	98%
Via WEB	91%	107%[100]	103%	100%
Exhibition visitors	98%	91%[104]	105%	104%

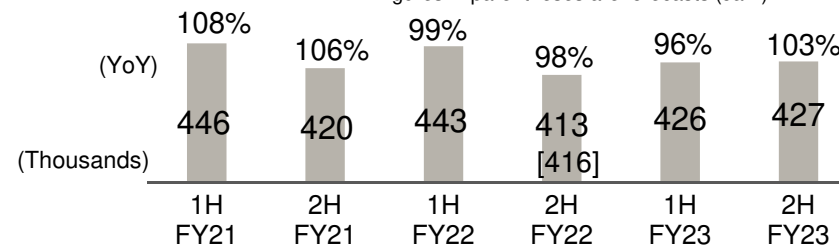
* Figures in parentheses are Forecasts (Jan.)

New Housing Starts

2H FY2022 essentially in line with expectations; projecting a gradual recovery from FY2023

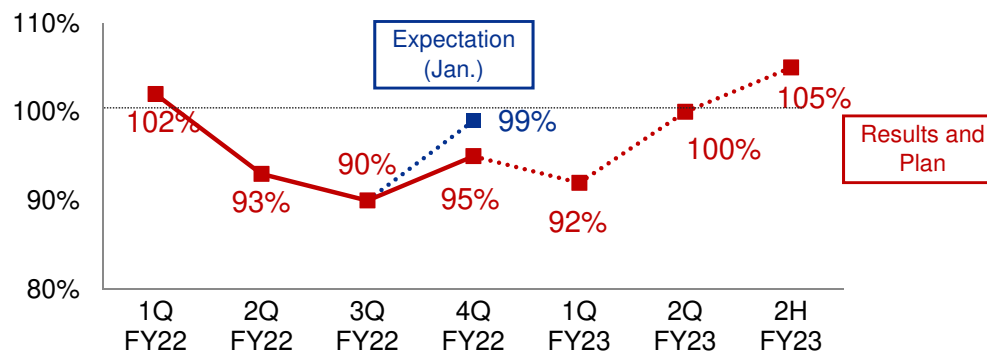
* Timing when demand for each of the UIEP Company's products can be expected to emerge: From four to six months after the start of residential construction

* Figures in parentheses are forecasts (Jan.)

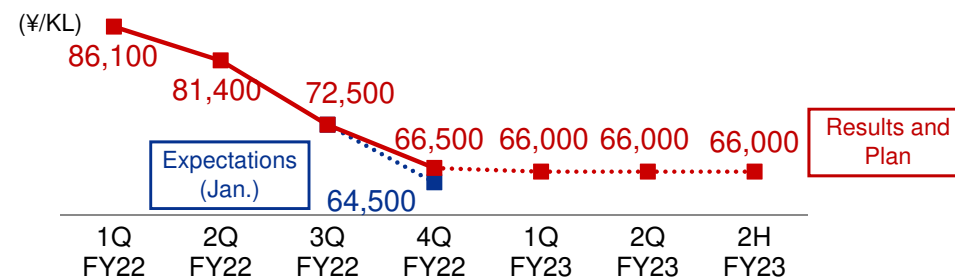


Smartphone Shipments (YoY)

4Q FY2022 substantially below expectations; gradual recovery projected from the 2Q of FY2023, despite the continued inventory adjustment phase



Domestic Naphtha Price Assumptions



FY2023 Plan by Segment

- Projecting a partial recovery in global market conditions mainly from the 2H; forecasting increases in sales and operating profit in each segment; target full FY Groupwide, UIEP, and Medical record-high operating profit
- Promote new businesses and measures to strengthen materialities

(JPY billion)	FY2022		FY2023 Plan		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	396.4	40.1	427.7	48.0	+31.3	+7.9
Housing	537.4	32.8	561.0	35.0	+23.6	+2.2
UIEP	234.3	21.2	241.6	22.2	+7.3	+1.0
Medical	89.7	12.5	95.0	13.5	+5.3	+1.0
Other	7.4	-10.9	10.1	-12.0	+2.7	-1.1
Eliminations or corporate expenses	-22.6	-4.1	-23.4	-6.7	-0.8	-2.6
Total	1,242.5	91.7	1,312.0	100.0	+69.5	+8.3

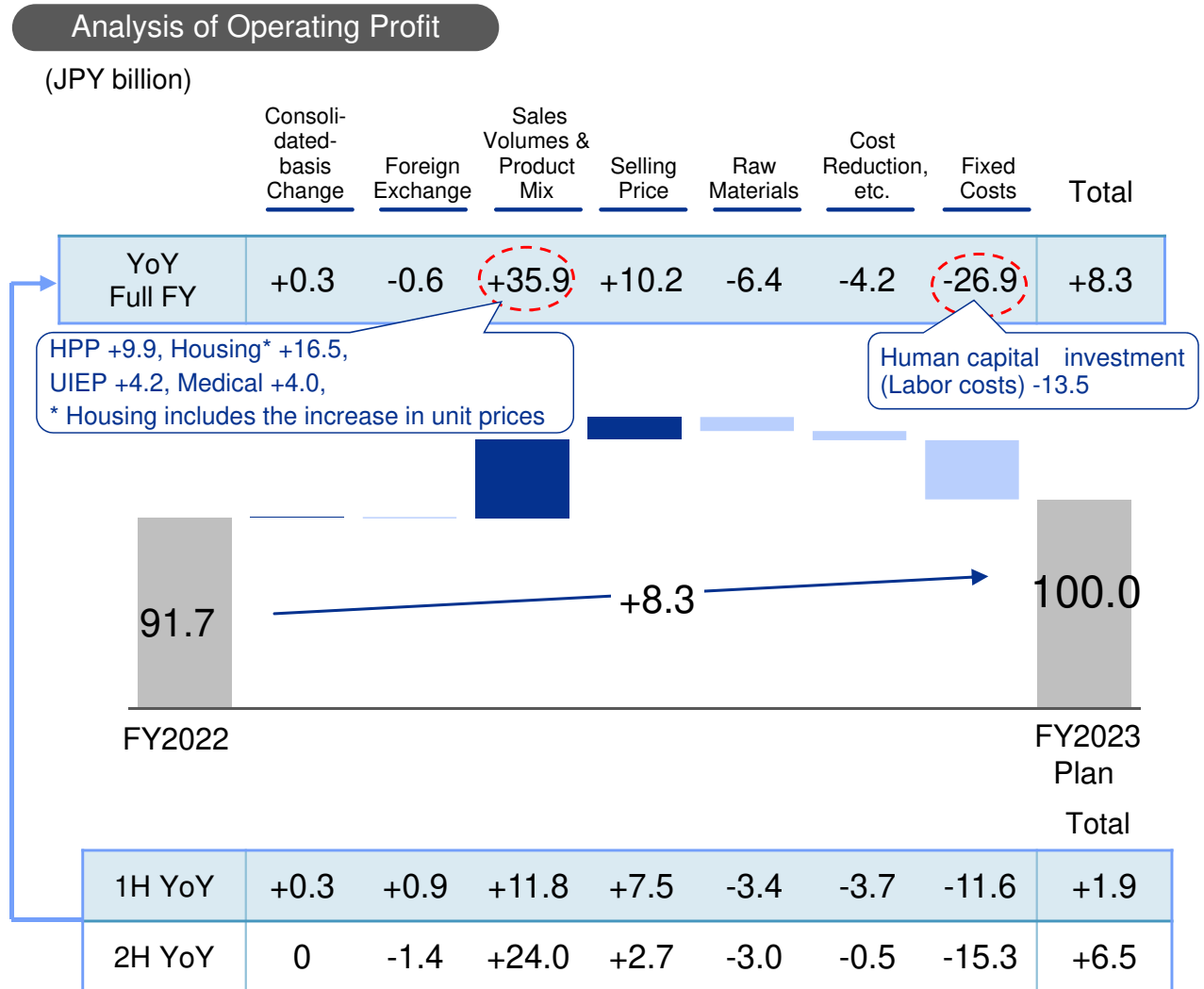
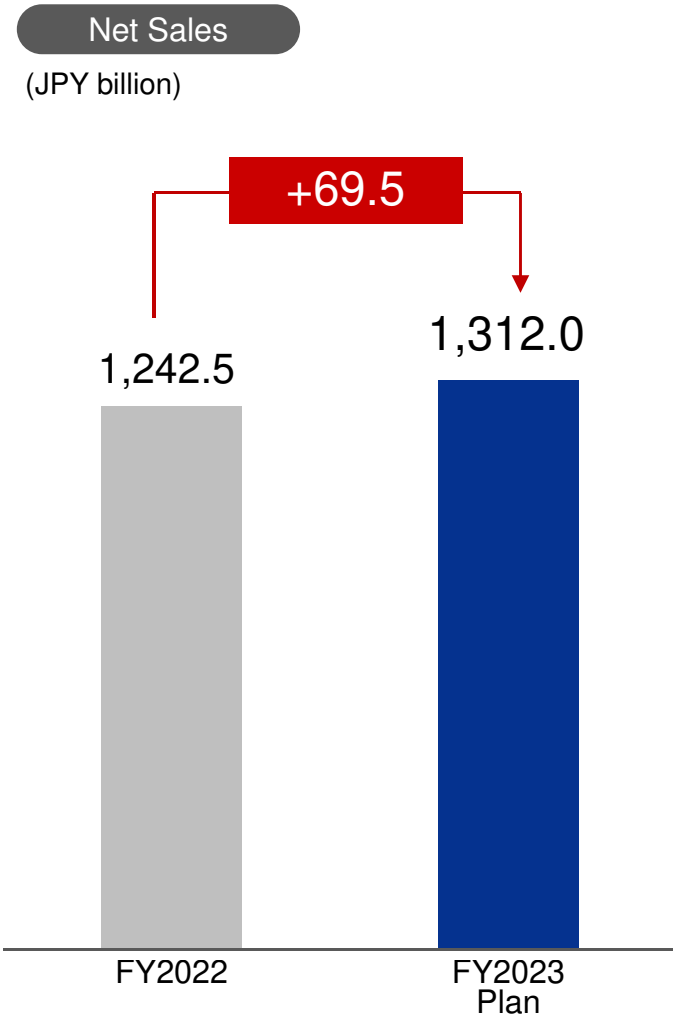
1H & 2H FY2023 Plans by Segment

■ Secure an increase in operating profit for the 1H through efforts to secure margins in each segment; projecting a recovery in global market conditions mainly from the 2H; planning substantial increases in 2H sales and operating profit

- HPP: Increase in margins owing to the continuous effects of improvements in selling prices; expecting a partial recovery in market conditions as well as a substantial increase in operating profit mainly from the 2H due to improvements in sales volumes and product mix
- Housing: While projecting a prolonged slump in market conditions and a surge in component costs, planning an increase in sales and operating profit owing to profitability improvements in the new housing construction business as well as renovation and real estate business growth
- UIEP: Projecting a partial recovery in market conditions from the 2H; focus on maintaining margins; planning an increase in sales and operating profit owing to the continued expansion of prioritized product sales and overseas sales growth
- Medical: Projecting a recovery in diagnostics demand in Japan and overseas; focus mainly on expanding new product sales overseas; target record-high operating profit for a third consecutive FY

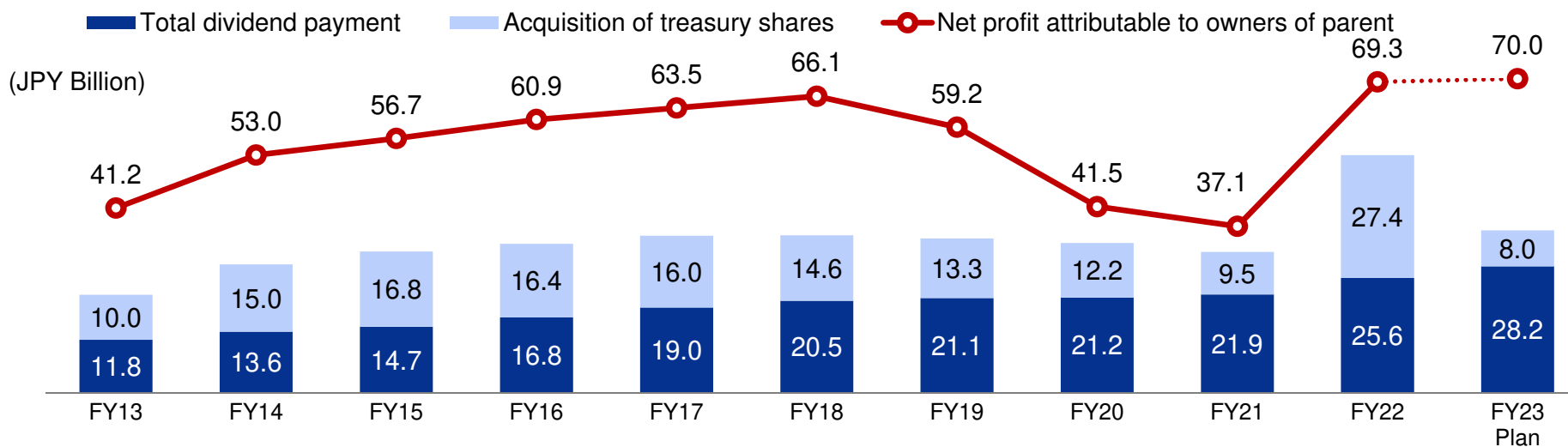
(JPY billion)	1H FY2022		1H FY2023 Plan		Difference		2H FY2022		2H FY2023 Plan		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	201.5	20.4	207.5	22.4	+6.0	+2.0	194.9	19.7	220.2	25.6	+25.3	+5.9
Housing	260.2	14.8	272.0	15.0	+11.8	+0.2	277.2	18.1	289.0	20.0	+11.8	+1.9
UIEP	110.4	7.4	111.3	7.5	+0.9	+0.1	123.9	13.8	130.3	14.7	+6.4	+0.9
Medical	42.9	5.5	45.9	6.2	+3.0	+0.7	46.8	7.0	49.1	7.3	+2.3	+0.3
Other	4.1	-5.4	4.2	-5.7	+0.1	-0.3	3.2	-5.5	5.9	-6.3	+2.7	-0.8
Eliminations or corporate expenses	-11.4	-2.3	-10.9	-3.2	+0.5	-0.9	-11.2	-1.7	-12.5	-3.5	-1.3	-1.8
Total	607.8	40.3	630.0	42.2	+22.2	+1.9	634.8	51.3	682.0	57.8	+47.2	+6.5

In addition to projecting a partial recovery from sluggish global market conditions, focus on high-performance product sales growth; plans for a substantial increase in sales volumes and product mix; focus on securing margins in the 1H; target increases in sales and operating profit, despite plans for an increase in fixed costs (expand human capital investment)



Plans for a fourteenth consecutive FY of dividend growth from FY2010. Also continue to actively provide returns to shareholders in FY2023.

Returns to Shareholders Track Record



Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Plan
Net profit attributable to owners of parent per share (JPY)	80.1	104.7	115.1	126.1	133.8	141.7	128.8	91.9	83.2	159.2	163.1
Cash dividend per share (JPY)	23	27	30	35	40	44	46	47	49	59	66
Payout ratio	28.7%	25.8%	26.1%	27.7%	29.9%	31.0%	35.7%	51.1%	58.9%	37.0	40.3
Acquisition of treasury shares (JPY billion)	10.0	15.0	16.8	16.4	16.0	14.6	13.3	12.2	9.5	27.4	8.0
Total return ratio*1	52.9%	54.0%	55.5%	54.5%	55.1%	53.0%	58.1%	80.4%	84.6%	76.5%	51.7%
DOE*2	2.7%	2.8%	2.8%	3.1%	3.3%	3.4%	3.5%	3.3%	3.3%	3.7%	3.9%
Cancellation of treasury shares (thousands of shares)	-	12,000	10,000	-	10,000	8,000	8,000	8,000	5,000	15,000	4,000

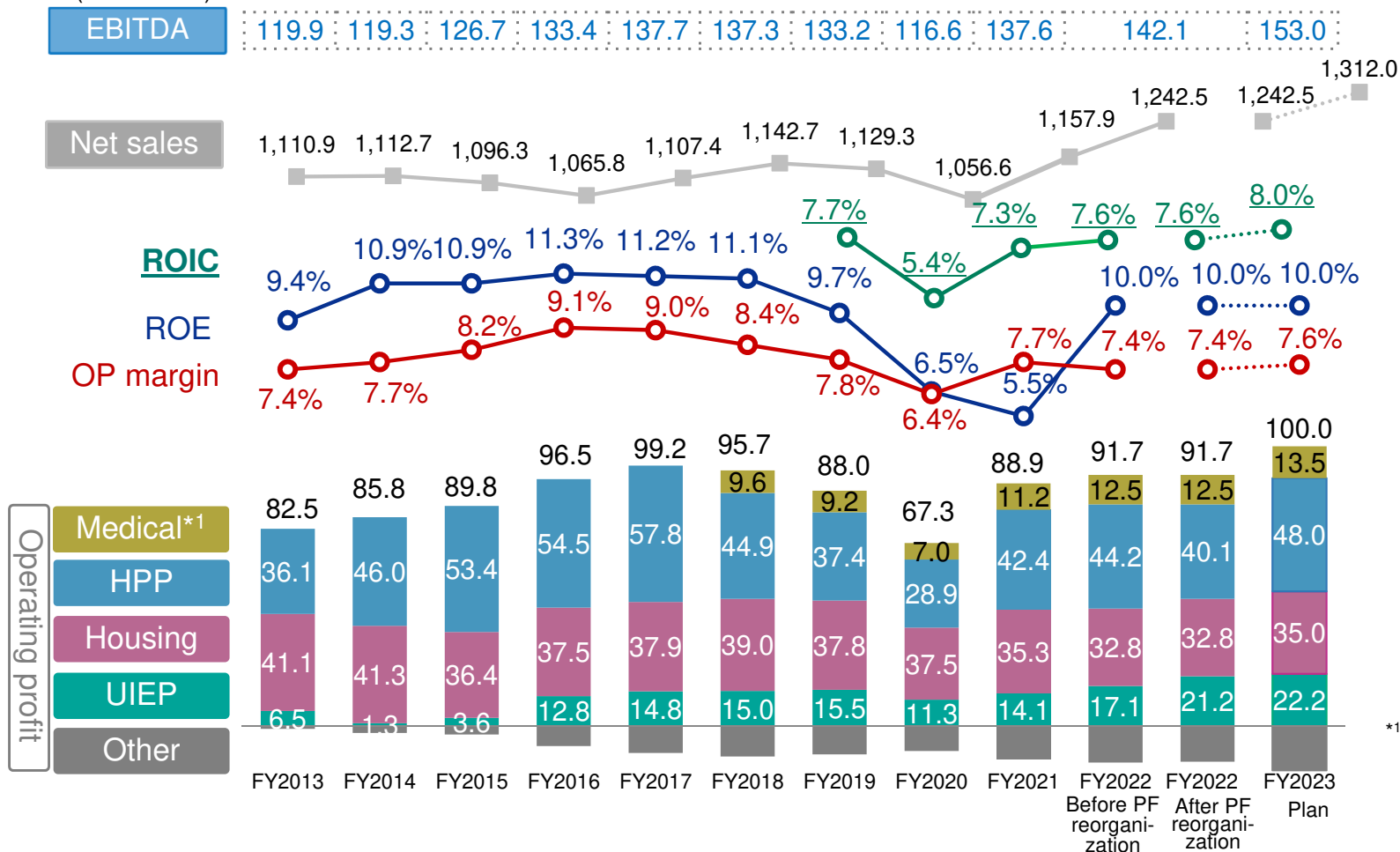
*1 Total return ratio = (Amount of treasury share acquired + Total dividends) / Net profit attributable to owners of the parent

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

Consolidated Performance

Work toward business portfolio reform, shift to further growth; target operating profit of ¥100 billion

(JPY billion)



ROIC by Segment

After PF reorganization

(%)	FY2022	FY2023
Medical	10.3	10.0
HPP	9.4	10.9
Housing	14.4	13.9
UIEP	10.0	9.8

*1 Medical Business included in the HPP Company prior to FY2017

External environment

04/2014 Consumption tax raised from 5% to 8%

03/2018 Emerging concerns toward global trade friction

10/2019 Consumption tax raised from 8% to 10%

02/2020~ Spread of COVID-19

02/2022~ Russia: Incursion into Ukraine

Forex rate*	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023**
1 USD	100 JPY	110 JPY	120 JPY	108 JPY	111 JPY	111 JPY	109 JPY	106 JPY	112 JPY	135 JPY	133 JPY

** FY2023: Assumption

*Avg. rate for each term

Financial Results FY2022

Tatsuya Nishida

Executive Officer

Head of Corporate Finance & Accounting Department

Number of Consolidated Companies

	Mar. 31, 2022	Mar. 31, 2023	Difference
Consolidated subsidiaries	155	148	Increased: 1 Subsidiary* ¹ Decreased: 8 Subsidiaries* ²
Affiliates (Equity Method)	8	7	Increased: 0 Subsidiaries Decreased: 1 Subsidiary* ¹

*1 Tochigi Sekisui Heim Co., Ltd.,

*2 Sekisui Polymatech (Shanghai) Trading Co., Ltd., PT. Sekisui Polymatech Trading Indonesia, Sekisui XenoTech, LLC., Sekisui High Performance Packaging (Langfang) Co., Ltd. Sekisui Systembath Industry (Thailand) Co., Ltd., Seiryu Maintenance Co., Ltd., Sekisui P2 Nanotech Co., Ltd., Sekisui (Qingdao) Plastic Co., Ltd.

Impact of Change in the Number of Consolidated Companies

(JPY billion)	FY2022 (YoY)	Difference
Net sales	+2.8	Sekisui XenoTech, LLC.* ³ Seiryu Maintenance Co., Ltd.* ⁴
Operating profit	+0.2	Tochigi Sekisui Heim Co., Ltd.* ⁵

*3 Excluded from the scope of consolidation from the 2Q FY2022

*4 Excluded from the scope of consolidation from the 3Q FY2022

*5 Newly consolidated from the 3Q of FY2022

Summary of Profit and Loss

(JPY billion)		FY2021	FY2022	Difference	
Net sales		1,157.9	1,242.5	+84.6	
Gross profit		356.0	377.2	+21.3	
Gross profit margin		30.7%	30.4%	-0.4%	
Selling, general and administrative expenses		267.1	285.6	+18.5	
Operating profit		88.9	91.7	+2.8	Foreign exchange gains: +5.2
Share of profit of entities accounted for using equity method		0.1	2.3	+2.1	Gain on sale of investment securities: +25.9
Other non-operating profit and expenses		8.0	10.3	+2.3	Veredus Laboratories Lump-sum amortization of goodwill +2.0 PeptiStar Inc. Loss on stock impairment: +1.3
Ordinary profit		97.0	104.2	+7.2	
Extraordinary profit		25.9	1.2	-24.7	
Extraordinary losses		53.1	5.9	-47.1	
Profit before income taxes		69.9	99.5	+29.6	SEKISUI AEROSPACE CORPORATION Impairment losses: +49.5 ▶ Goodwill: +37.4 ▶ Intangible assets: +12.1
Income taxes, etc.		31.1	28.7	-2.4	
Profit attributable to non-controlling interests		1.7	1.5	-0.2	
Profit attributable to owners of parent		37.1	69.3	+32.2	Tax-effect accounting not applied to loss on impairment of goodwill: +37.4
Foreign exchange (Avg. rate)	1 USD	112 JPY	135 JPY		
	1 EUR	131 JPY	141 JPY		

Balance Sheets (Assets)

(JPY billion)	Mar. 31, 2022	Mar. 31, 2023	Difference
Cash and deposits	144.5	101.1	-43.5
Trade receivables	186.5	192.5	+6.1
Inventories	243.8	286.8	+43.0
Other current assets	34.6	41.2	+6.7
Property, plant and equipment	365.3	377.4	+12.1
Intangible assets	46.7	51.0	+4.3
Investment securities	130.7	137.3	+6.6
Investments and other assets	46.8	40.8	-6.1
Total assets	1,198.9	1,228.1	+29.2

Inventories (B/S item)	Mar.31 2023	Difference
Ready-built housing (products)	32.7	+7.0
Prepared land for subdivision housing	64.2	+8.8
Land under preparation (work in process)	10.0	-0.5
Housing under construction (work in process)	34.6	+3.5
Components, other (raw materials)	8.0	+1.5
Housing Total	149.5	+20.3
Non-residential total (products, other)	137.3	+22.7
Inventories Total	286.8	+43.0

Purchase: +49.6
 Depreciation: -41.9
 Foreign exchange: +7.9

Foreign exchange: +21.2
 Consolidated-basis change: +7.3
 Actual basis: +0.6

Balance Sheets (Liabilities & Net Assets)

(JPY billion)	Mar. 31, 2022	Mar. 31, 2023	Difference
Non-interest-bearing liabilities	373.6	375.1	+1.5
Interest-bearing liabilities	122.6	120.5	-2.1
[Net interest-bearing liabilities]	[-22.0]	[19.4]	[+41.4]
Total liabilities	496.2	495.6	-0.6
Share capital etc.	209.0	208.6	-0.5
Retained earnings	448.0	468.1	+20.1
Treasury shares	-44.6	-46.6	-2.0
Valuation difference on available-for-sale securities	33.7	37.8	+4.1
Non-controlling interests	28.1	27.5	-0.6
Other net assets	28.5	37.1	+8.7
Total net assets	702.8	732.5	+29.8
Total liabilities and net assets	1,198.9	1,228.1	+29.2
ROIC	7.3%	7.6%	+0.3%
ROE	5.5%	10.0%	+4.5%
Equity-to-asset ratio (%)	56.3%	57.4%	+1.1%
D/E ratio (Net)	-0.03	0.03	+0.06

Net profit: +69.3

Dividends paid: -23.8

Cancellation of treasury shares: -25.3

Cancellation of treasury shares: +25.3

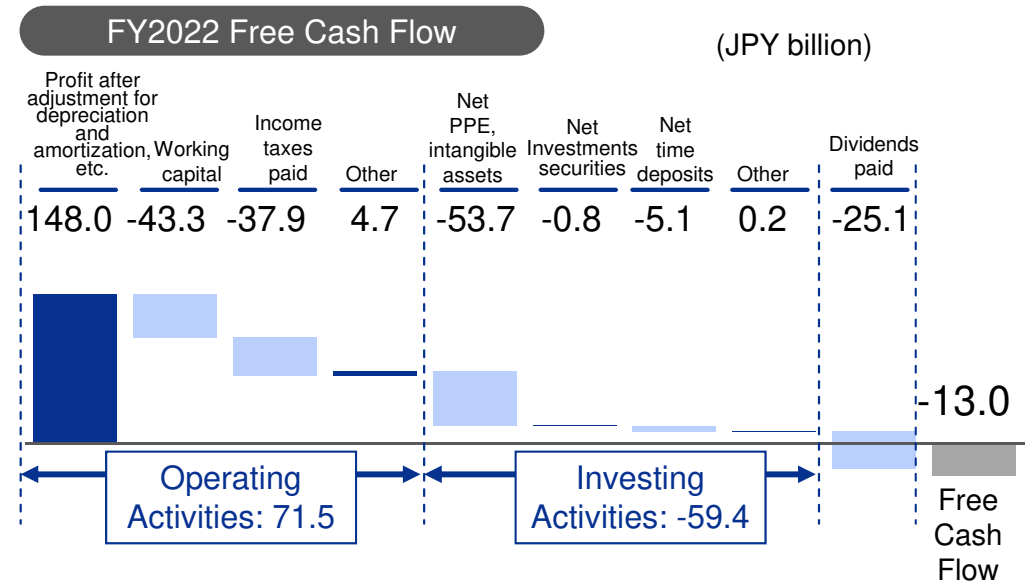
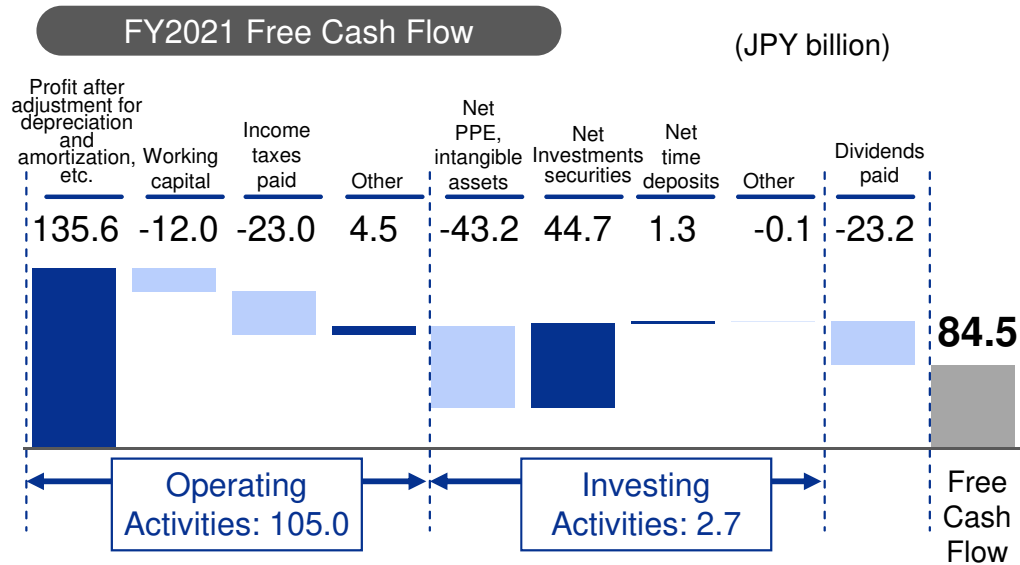
Purchases of treasury shares: -27.4

Foreign currency translation adjustment: +13.7

Remeasurements of defined benefit plans: -5.1

Consolidated Cash Flows

(JPY billion)	FY2021	FY2022
Cash flows from operating activities	105.0	+71.5
Cash flows from investing activities	2.7	-59.4
Cash flows from financing activities	-54.7	-62.9
Net increase in cash and cash equivalents	57.1	-48.5
Cash and cash equivalents at end of period	133.7	+85.2
Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid	84.5	-13.0



Depreciation, Amortization, Capital Expenditures and EBITDA

(JPY billion)	Depreciation* ¹			Goodwill and other amortization* ²			Capital expenditures			EBITDA* ³		
	FY2021	FY2022	Difference	FY2021	FY2022	Difference	FY2021	FY2022	Difference	FY2021	FY2022	Difference
Housing	9.9	11.1	+1.2	-	0.1	+0.1	13.0	10.0	-2.9	45.2	44.0	-1.2
UIEP	8.9	9.2	+0.3	-	-	-	8.7	10.4	+1.7	22.9	26.3	+3.3
HPP	17.6	19.2	+1.6	3.2	1.8	-1.4	16.5	15.7	-0.7	63.2	65.2	+2.1
Medical	4.2	4.6	+0.5	1.2	0.8	-0.4	5.5	10.1	+4.5	16.6	18.0	+1.3
Other	2.6	2.5	-0.1	0	-	-	5.9	4.4	-1.5	-7.8	-8.4	-0.6
Eliminations or Corporate expenses	1.2	1.1	-0.1	-	-	-	3.0	6.1	+3.1	-2.6	-3.0	-0.4
Total	44.3	47.7	+3.4	4.4	2.7	-1.7	52.5	56.8	+4.2	137.6	142.1	+4.5

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

*2 Goodwill and other amortization = Goodwill amortization + Amortization of M&A intangible assets

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

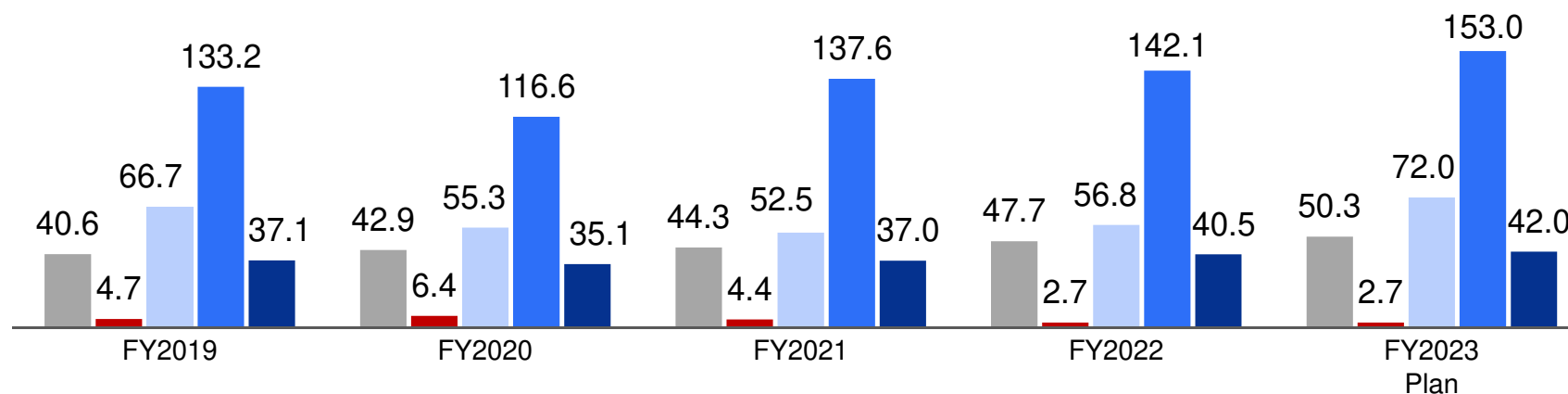
Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

(JPY billion)	FY2022	FY2023 Plan	Difference
Depreciation	47.7	50.3	+2.6
Goodwill and other amortization	2.7	2.7	0
Capital expenditures	56.8	72.0	+15.2
EBITDA	142.1	153.0	+10.9
Research and development expenditure	40.5	42.0	+1.5

Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

(JPY billion)

■ Depreciation ■ Goodwill and other amortization ■ Capital expenditures ■ EBITDA ■ Research and development



FY2023 Plan: Overview and Returns to Shareholders

	FY2022	FY2023 Plan	Difference
Net sales	1,242.5	1,312.0	+69.5
Operating profit	91.7	100.0	+8.3
Ordinary profit	104.2	103.0	-1.2
Profit attributable to owners of parent	69.3	70.0	+0.7
Dividend per share (JPY)	59	66	+7
Payout ratio	37.0%	40.3%	+3.3%
Acquisition of treasury shares (Thousands of shares)	15,000	4,000	-11,000
Total return ratio* ¹	76.5%	51.7%	▲24.8%
DOE* ²	3.7%	3.9%	+0.2%
Cancellation of treasury shares (Thousands of shares)	15,000	4,000	-11,000

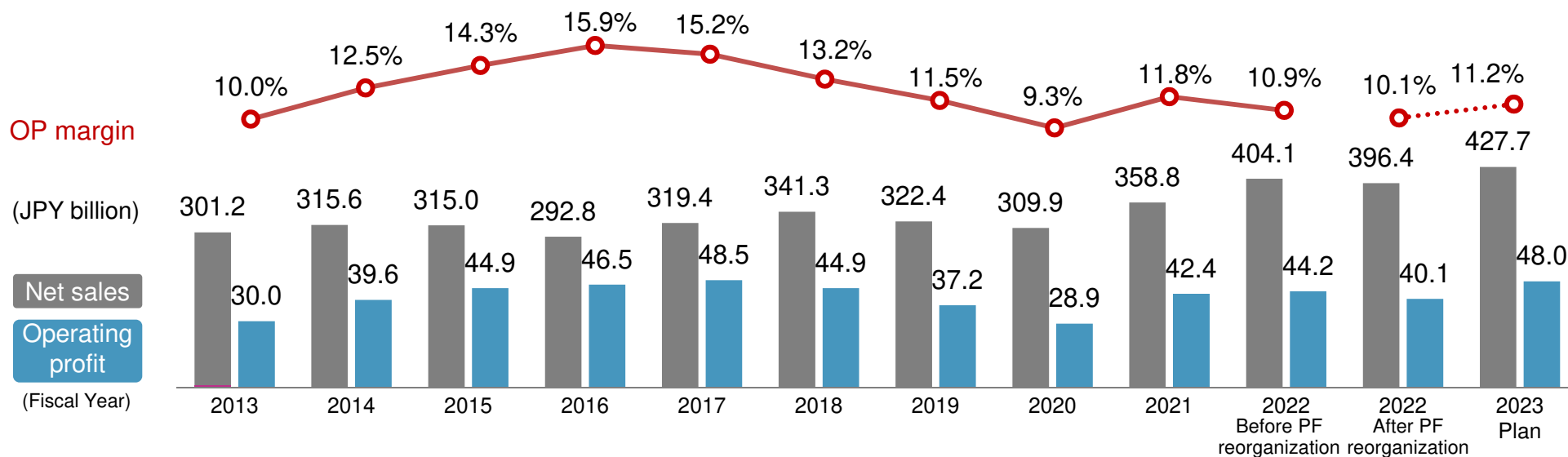
*1 Total return ratio = (Amount of treasury share acquired + Total dividends) / Net profit attributable to owners of parent

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

High Performance Plastics Company

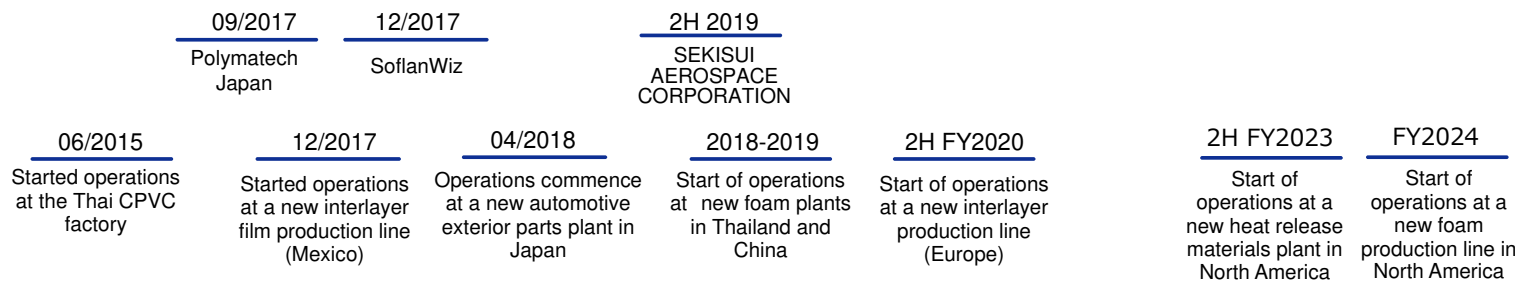
Ikusuke Shimizu
Company President

- FY2022: Increases in both sales and profit, despite falling short of forecasts (Jan.) owing to the prolonged slump in Electronics-related demand
- FY2023: Expecting a partial recovery in market conditions; forecasting a substantial increase in profit owing to improvements in selling prices and an increase in sales volumes

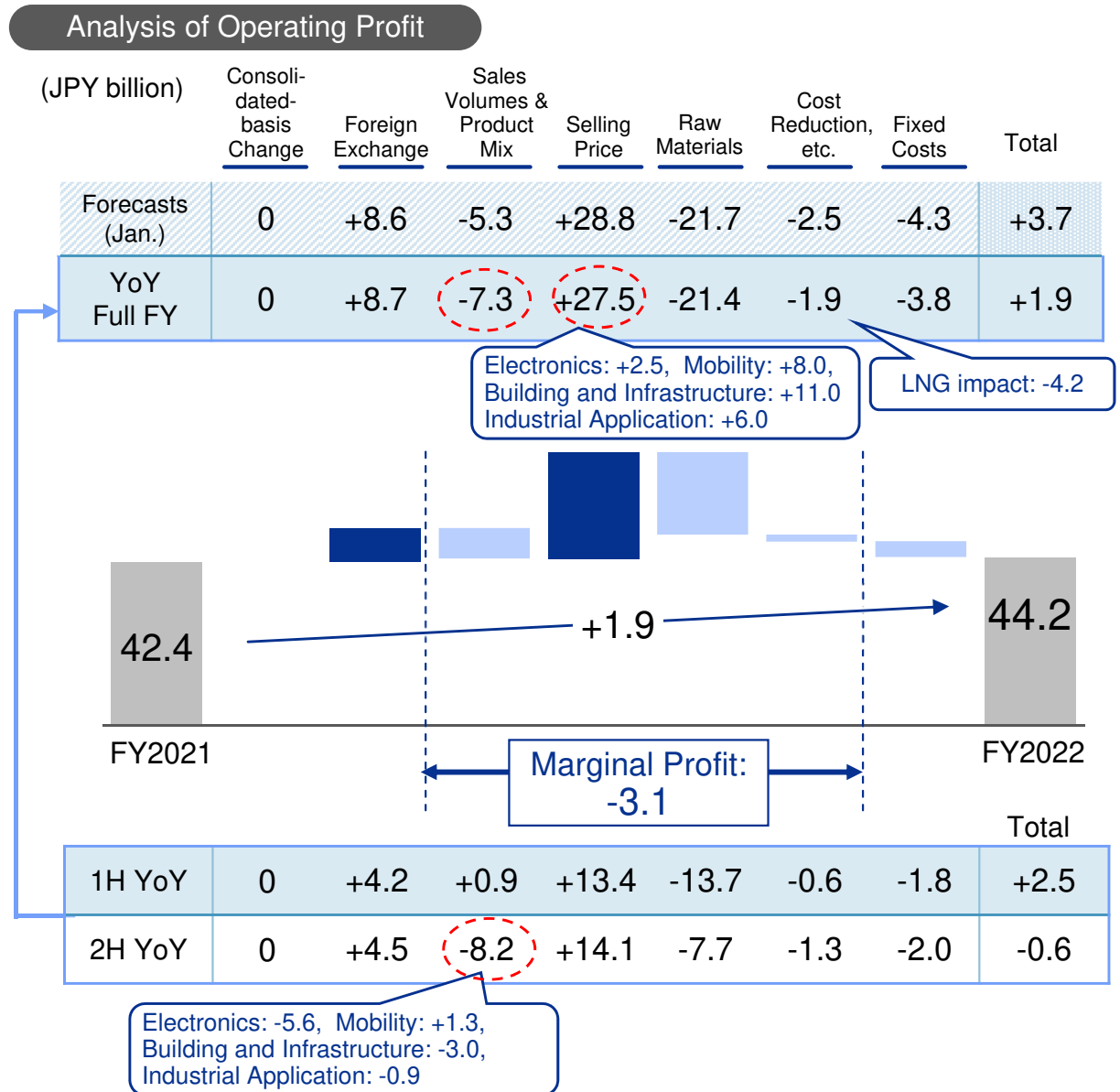
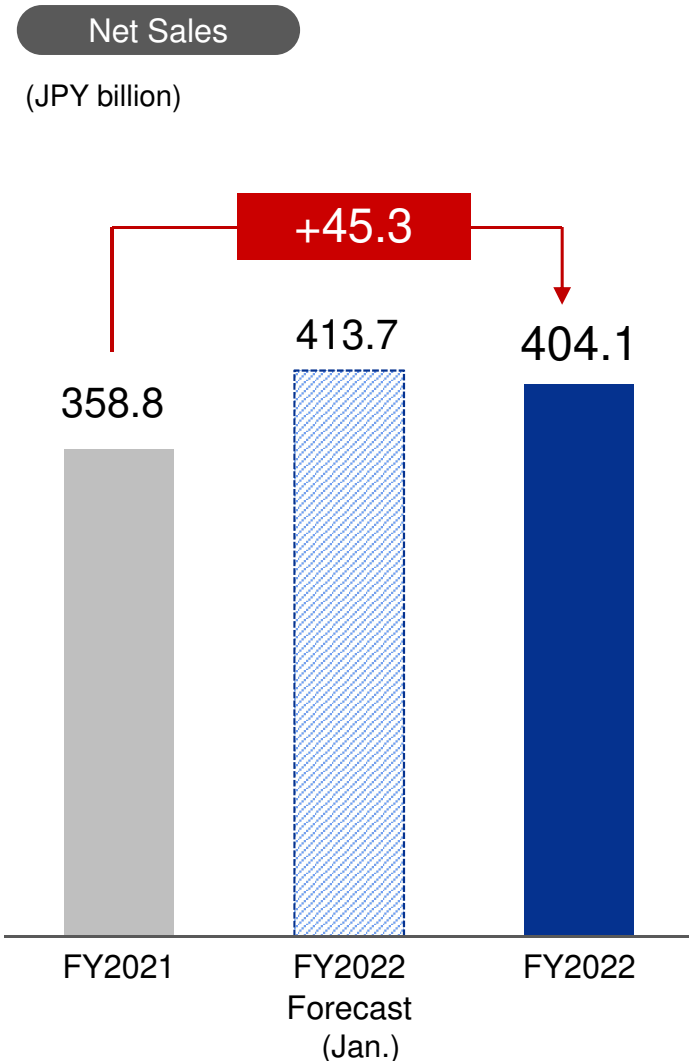


		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Forex rate	1 USD	100 JPY	110 JPY	120 JPY	108 JPY	113 JPY	111 JPY	109 JPY	106 JPY	112 JPY	135 JPY	133 JPY
	1 EUR	134 JPY	139 JPY	133 JPY	119 JPY	121 JPY	128 JPY	121 JPY	124 JPY	130 JPY	141 JPY	142 JPY

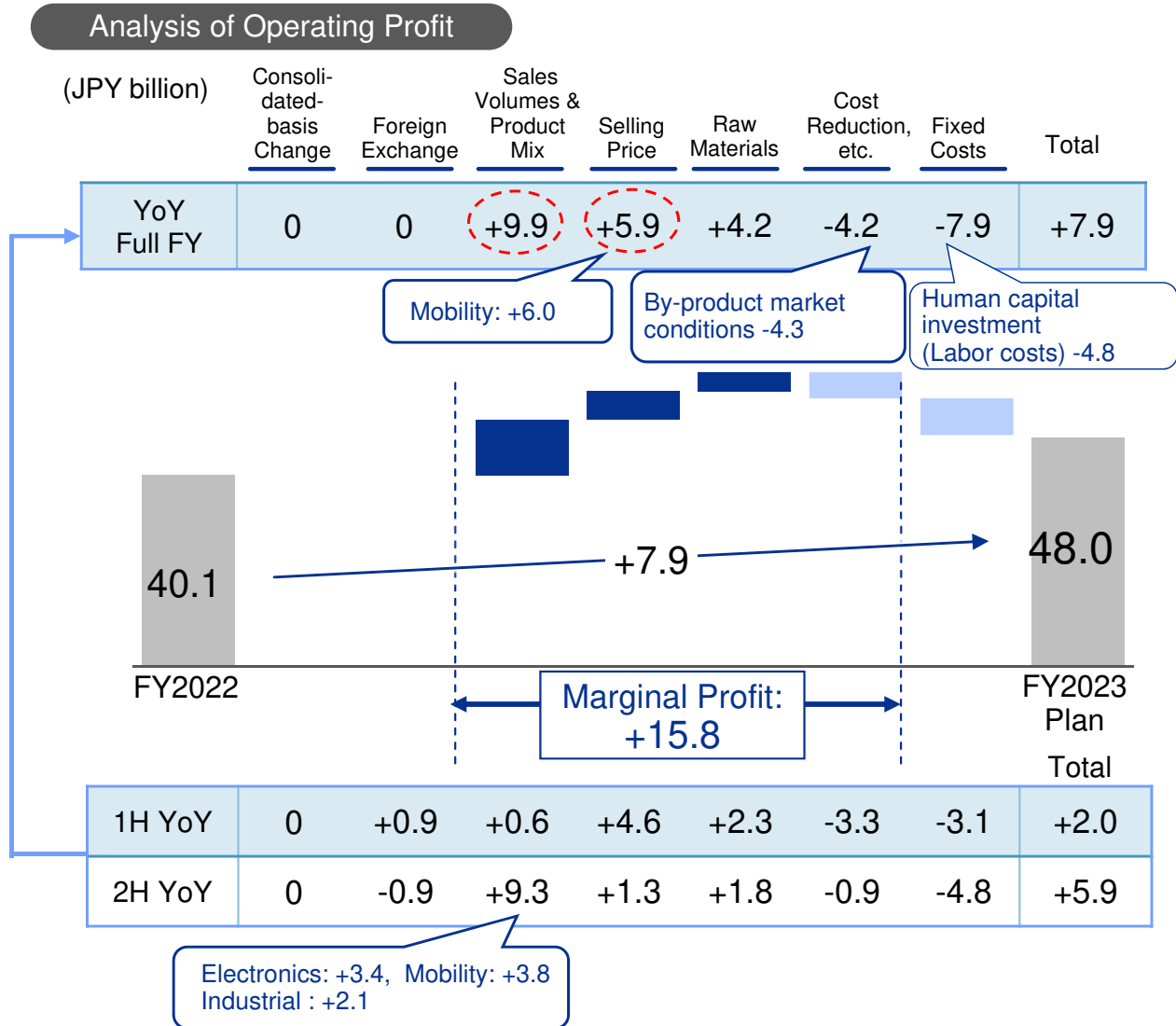
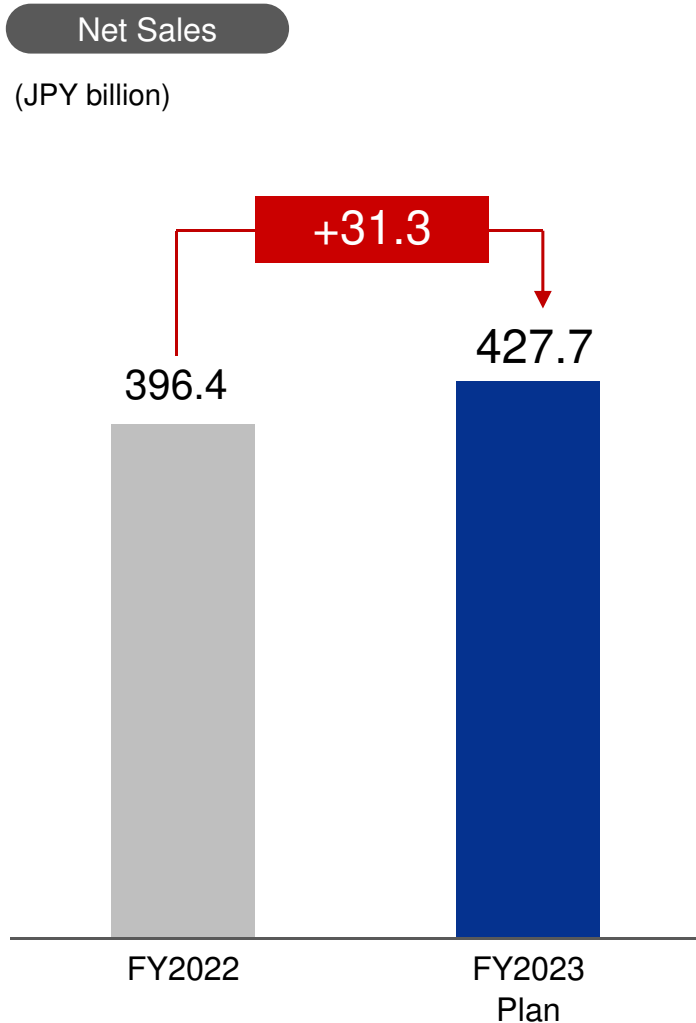
Main M&As and Strategic Investments



- Substantial decrease in sales volumes and product mix owing to the deterioration in 2H Electronics market conditions and a sluggish Mobility field, despite increases in sales and profit; results below forecasts (Jan.), despite continued efforts to secure margins



- Margin growth owing to continued improvements in selling prices; planning substantial increases in sales and profit based on expectations of a partial recovery in market conditions and an increase in sales volumes and product mix, despite higher fixed costs owing to preparation for growth and an increase in human capital investment



Three Strategic Fields and Cost Innovation

(Before Portfolio Reorganization)

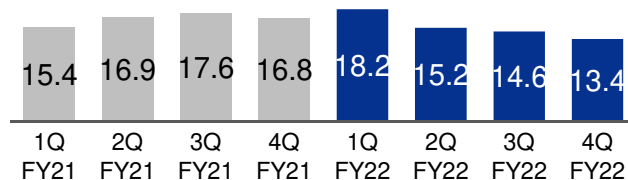
FY2022: Decreases in sales and operating profit in the Electronics field owing to the deterioration in smartphone market conditions; increases in sales and profit in the Mobility field due to an increase in sales volumes and product mix and improvements in selling prices

Net Sales Trends and Progress

Electronics

- Substantial decrease in sales owing to the sharp drop in panel demand from the 2Q of FY2022 and the impact of smartphone inventory adjustments
- Decrease in sales in the non-LCD field owing to the impact of market conditions, despite progress in capturing new opportunities

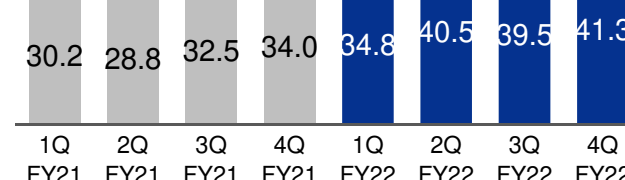
(JPY billion)



Mobility

- Automotive interlayer film: Driven by high-performance interlayer film sales growth mainly for HUDs (FY2022: 116% growth* in products for HUDs on a sales volume basis)
- Heat release materials: Steady growth in sales for EVs
- SEKISUI AEROSPACE CORPORATION: Gradual recovery in demand; progress in excess of forecasts on the back of PF reorganization and steady improvements in selling prices

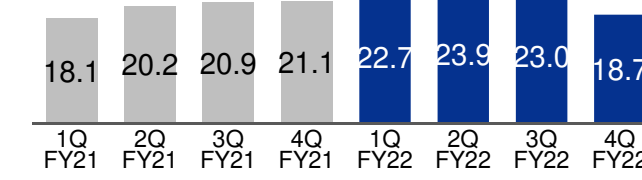
(JPY billion)



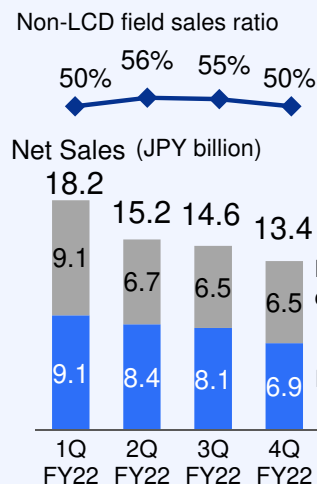
Building and Infrastructure

- CPVC: Margins in line with plans
- Thermal insulation and non-combustible materials: Continued sales growth by cultivating new opportunities
- Fire resistant materials: YoY growth, despite a slump in domestic residential and non-residential demand

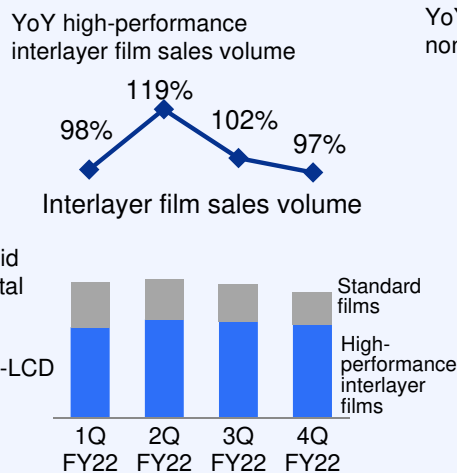
(JPY billion)



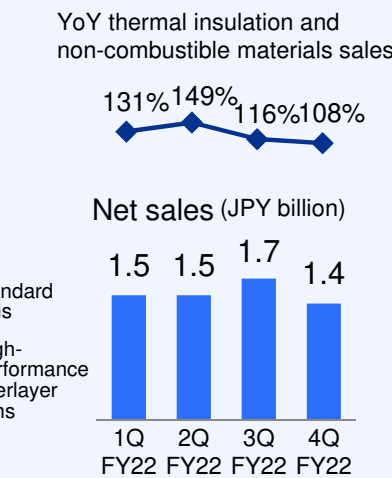
Focus on the non-LCD field



High-performance interlayer film sales growth



Strengthen thermal insulation and noncombustible materials

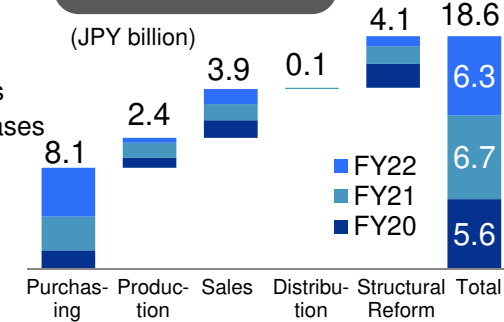


Cost Innovation

- Improve costs through innovations to the supply chain and efforts to reform the business structure
FY2022: +¥6.3 billion YoY; FY2020-FY2022 cumulative: +¥18.6 billion* (* BM: FY2019; Medium-term Plan: +¥8.0 billion cumulative)

- Reform the business structure (+¥0.8 bn YoY)
- Thoroughly review underperforming businesses
- Reorganize and optimize bases
- Work to reform the supply chain (+¥5.5 bn YoY)
- Optimize purchasing, Improve productivity, Reduce distribution costs

Cost Innovation



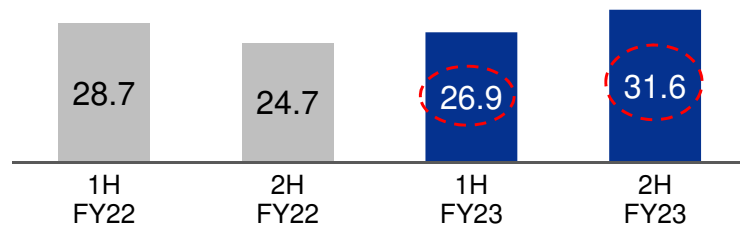
- Projecting a recovery in market conditions from the 2Q of FY2023; planning increases in sales and profit in each of the three strategic fields; Mobility field to continue driving growth owing to the expansion of high-performance product sales and continued improvements in selling prices

Net Sales Trends and Progress

Electronics

- Projecting a recovery from the 2Q, despite continued sluggish smartphone market conditions in the 1Q
- Focus on capturing new opportunities in the non-LCD field mainly for semiconductor, device exterior, and mechanism applications

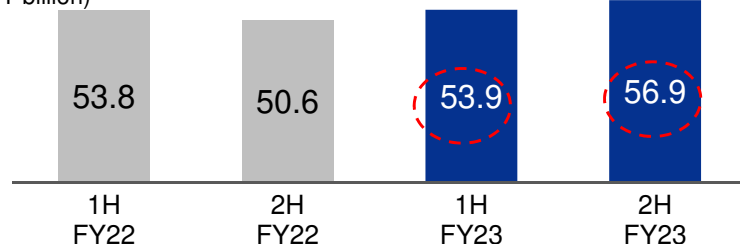
(JPY billion)



Industrial

- Projecting a gradual recovery from the 2Q, despite stagnant 1Q market conditions
- Maintain selling prices and focus on securing margins
- Promote the expansion of sales in growth domains (labor-saving and environmentally friendly products*)

(JPY billion)

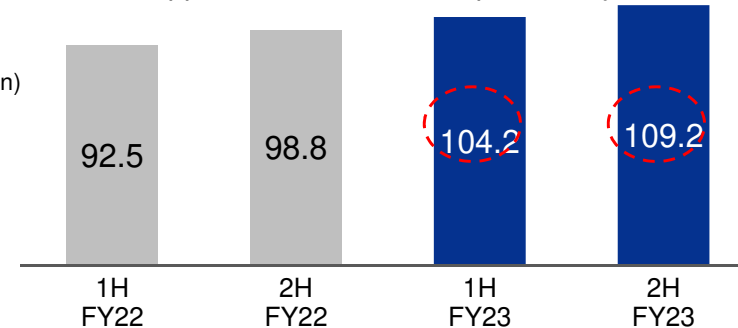


* Labor-saving and environmentally friendly products: Product lineup, including labor-saving thermal insulation materials, long craft tapes for packaging machinery, and environmental blow-molded products that drive field growth.

Mobility

- In addition to a recovery in market conditions, expecting to secure margins and expand sales of high-functional interlayer films, mainly for HUDs (interlayer films for HUDs: more than 110% YoY on a sales volume basis)
- Heat release materials: New production base in North America to go into full-scale operation in the 2H
- SEKISUI AEROSPACE CORPORATION: Continue to improve productivity and accelerate new opportunities to return to profitability in FY2024

(JPY billion)

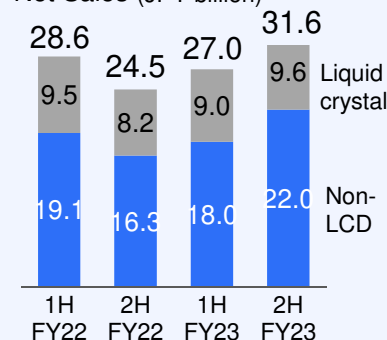


Focus on the non-LCD field

Non-LCD field sales ratio

67% 67% 67% 70%

Net Sales (JPY billion)

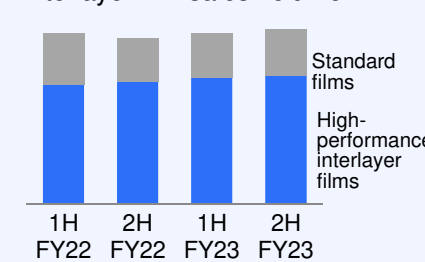


High-performance interlayer film sales growth

YoY high-performance interlayer film sales volume

109% 100% 106% 108%

Interlayer film sales volume

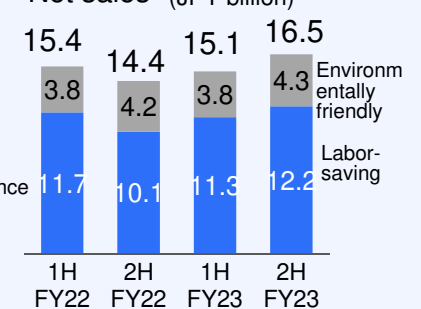


Labor-saving, environmentally friendly product sales growth

YoY growth rate

98% 115%

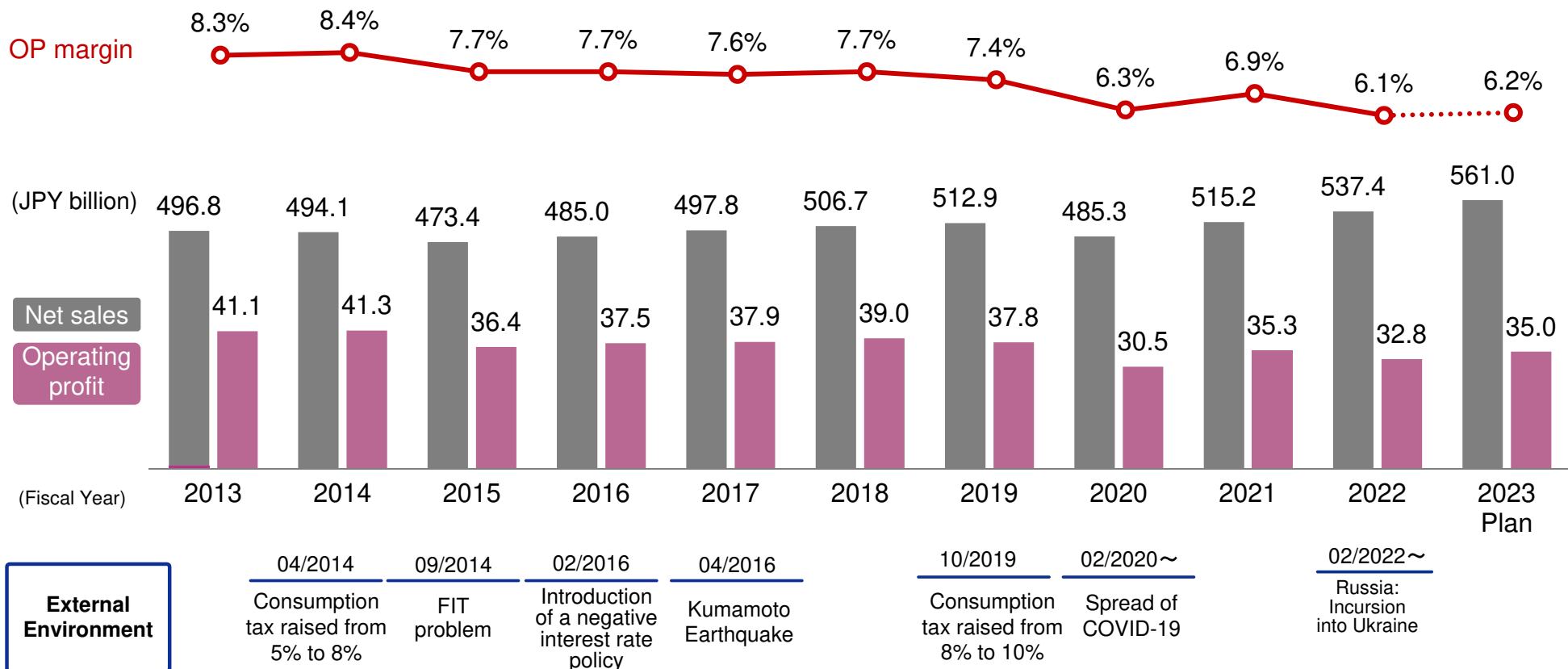
Net sales (JPY billion)



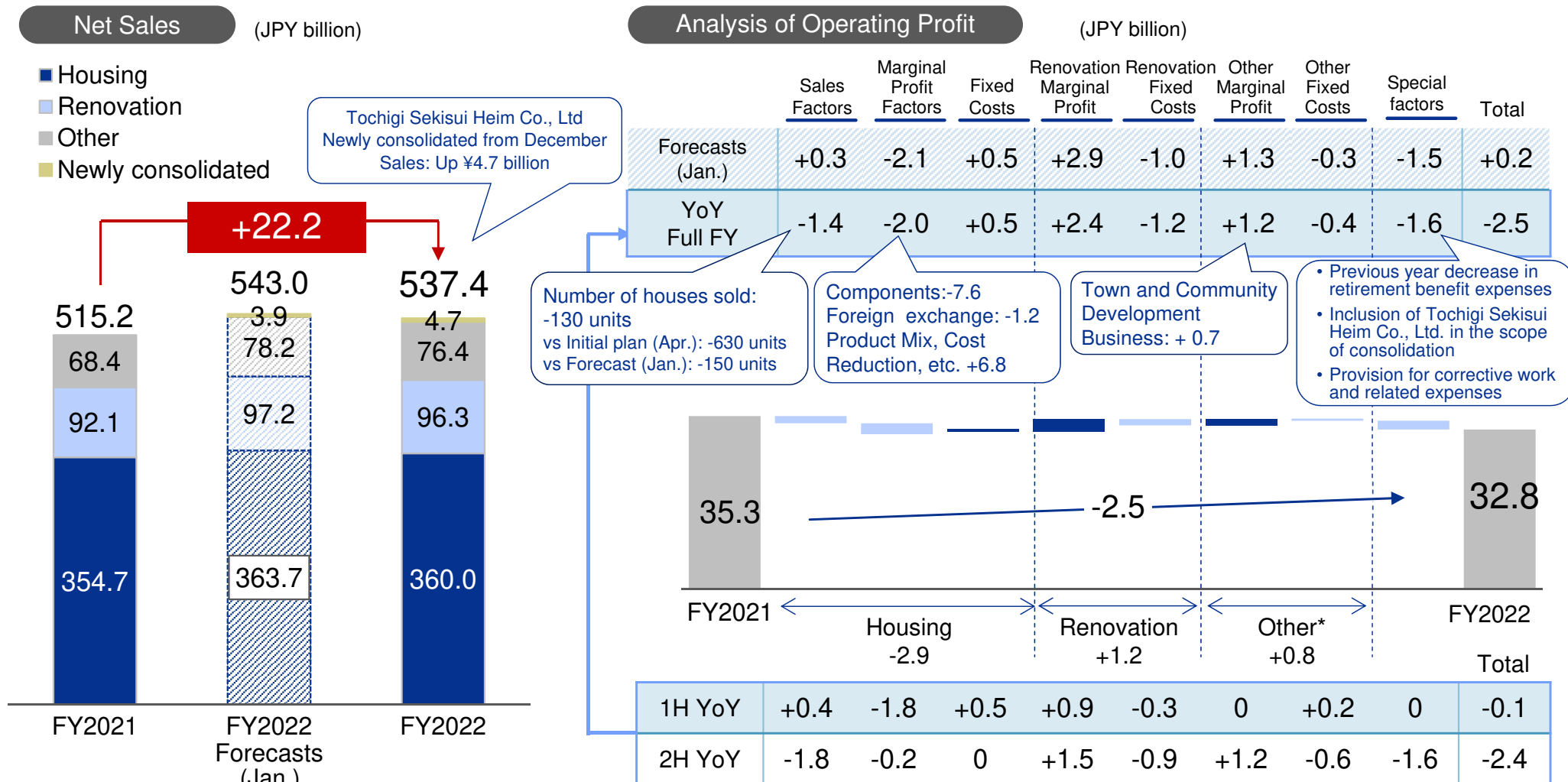
Housing Company

Toshiyuki Kamiyoshi
Company President

- FY2022: Decrease in profit due to the surge in component costs, despite an increase in sales owing to the increase in unit prices, recovery in renovation demand, and Town and Community Development Business growth; results below forecasts (Jan.) owing to the greater-than-expected slump in 4Q market conditions
- FY2023: Planning increases in sales and profit by offsetting the projected prolonged slump in market conditions attributable to inflation and the impact of component costs through improvements in profitability and growth in the renovation and real estate businesses



- Increase in sales owing to the increase in unit prices, recovery in renovation demand, and Town and Community Development Business growth; record-high Company net sales
- Decrease in operating profit owing a decline in the number of houses sold and significant impact of surging component costs; results below forecasts (Jan.)

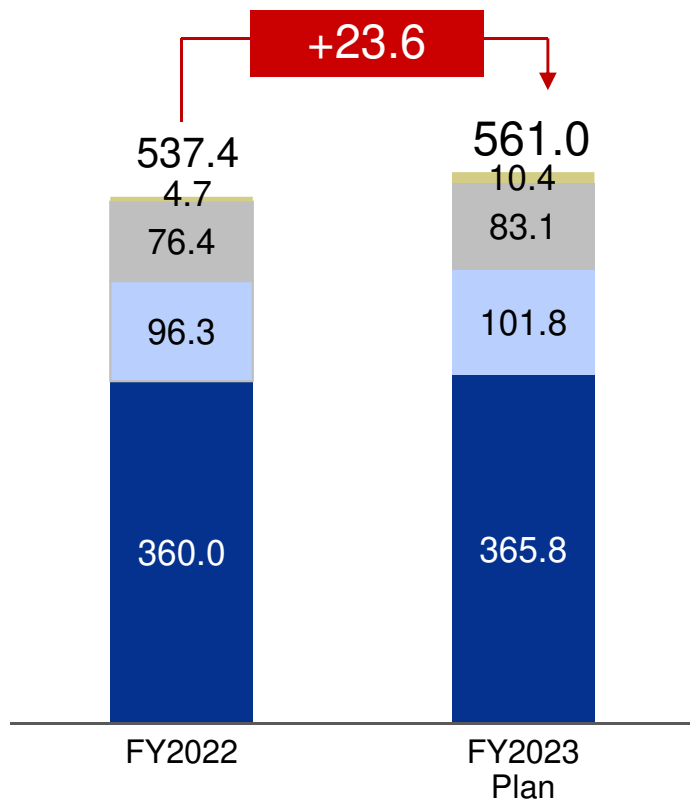


- Anticipating a slump in new housing construction market conditions and the continued impact of surging component costs; projecting an improvement over the 2H; work to offset the projected decrease in the number of houses sold through improvements in profitability on top of the increase in unit prices
- Planning an increase in sales and operating profit together with contributions from renovation and real estate business expansion

Net Sales

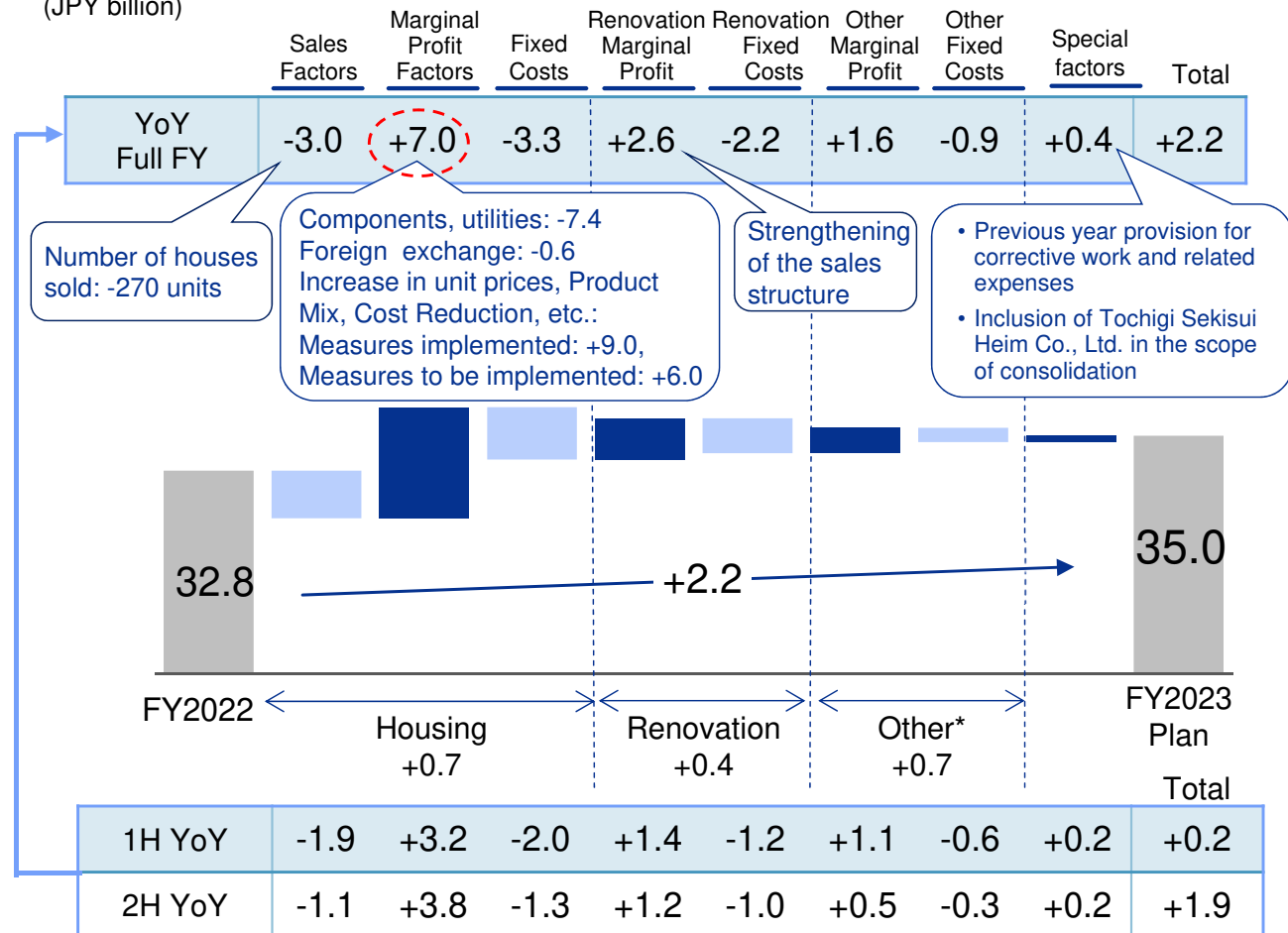
(JPY billion)

- Housing
- Renovation
- Other
- Newly consolidated



Analysis of Operating Profit

(JPY billion)

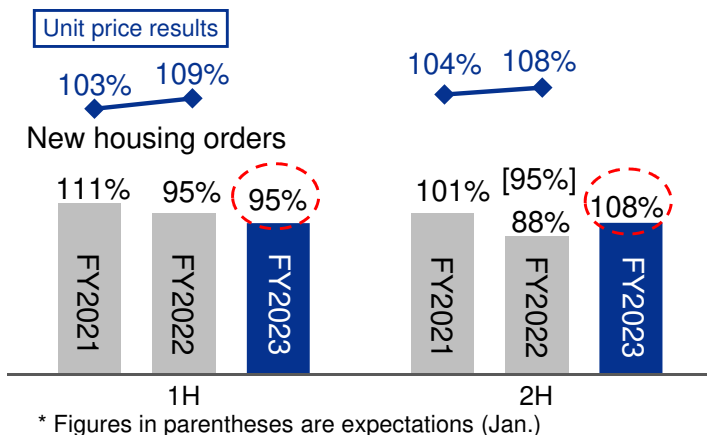


*Other (Real Estate, Town and Community Development, Overseas, Residential Services. HEIM DENKI)

Housing Business

- Downturn in consumer confidence owing to the slump in market conditions against the backdrop of high inflation; projecting a decrease in 1H orders owing to the prolonged nature of negotiations, despite an improvement in the number of visitors; anticipating a recovery in the 2H; focus on improving profitability while strengthening the subdivision and ready-built housing business as well as smart products

New Housing Orders (YoY)



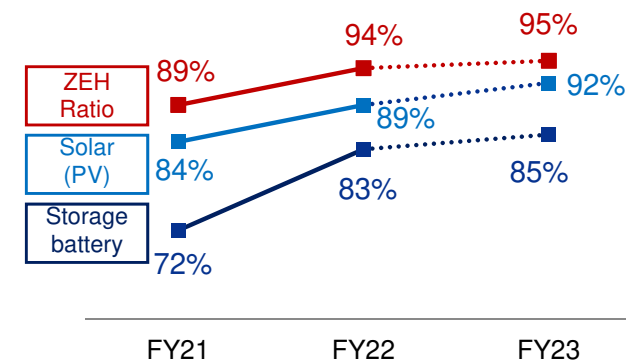
Number of Orders by Type of Construction

	FY2021	FY2022	FY2023	
Detached Houses	Rebuilding	109%	89%	100%
	New construction*1	100%	93%	101%
	Subdivision housing	112%	87%	103%
	Of which, ready-built houses	116%	92%	102%
Total (Including apartment buildings)	106%	91%	101%	

*1 Land: Client arrangement

Smart House-related Indicators*

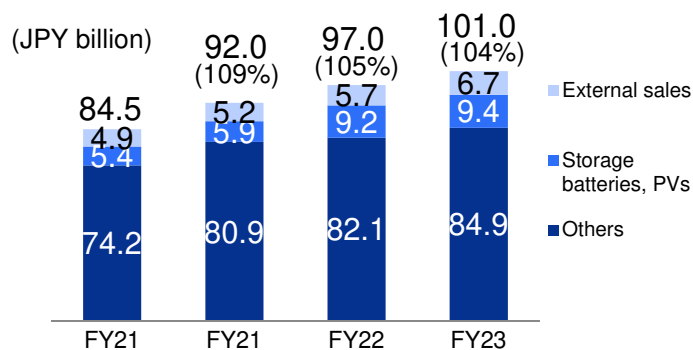
*Detached house order installation (ZEH, solar power generation system excluding Hokkaido)



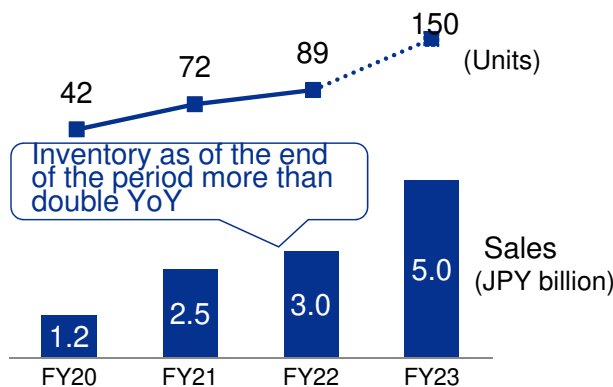
Renovation Business and Others

- Focus on strengthening internal sales and capturing external demand by upgrading the sales structure in the Renovation Business; projecting an upswing in the number of BeHeim (purchase and resale) houses sold owing to increased procurement; reinforce procurement in the Town and Community Development Business with an eye to the future

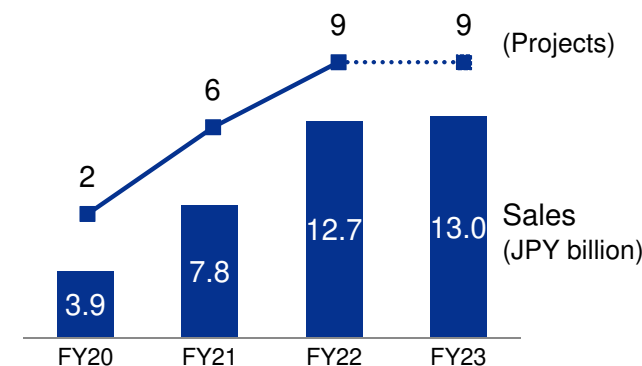
Orders by Renovation Product



Number of BeHeim Houses Sold



Town and Community Development Business Sales

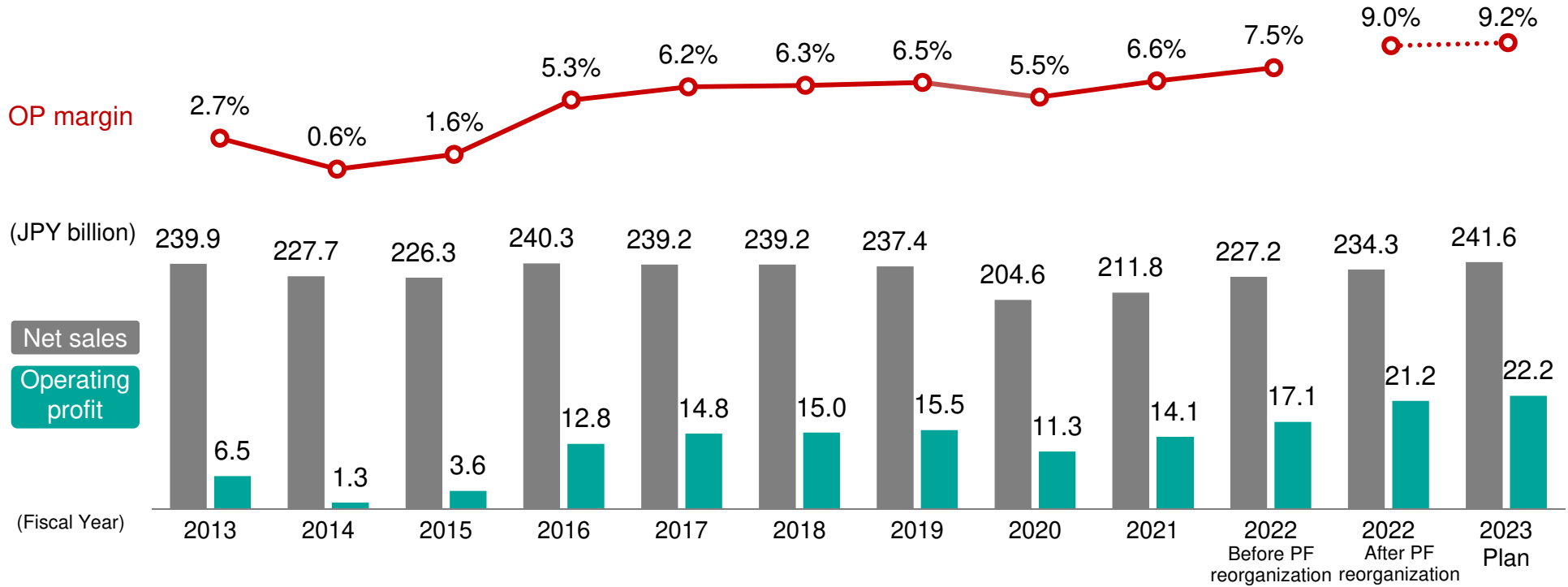


Urban Infrastructure & Environmental Products Company

Yoshiyuki Hirai
Company President

- FY2022: Increases in sales and profit owing to margins underpinned by improvements in selling prices, prioritized product sales growth, and higher overseas sales; record-high FY profit
- FY2023: Projecting a partial recovery in market conditions from the 2H; planning an increase in sales and profit by focusing on maintaining margins, and through ongoing prioritized product and overseas sales growth; target a second consecutive FY of record-high profit

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



External Environment

04/2014
Consumption tax raised from 5% to 8%

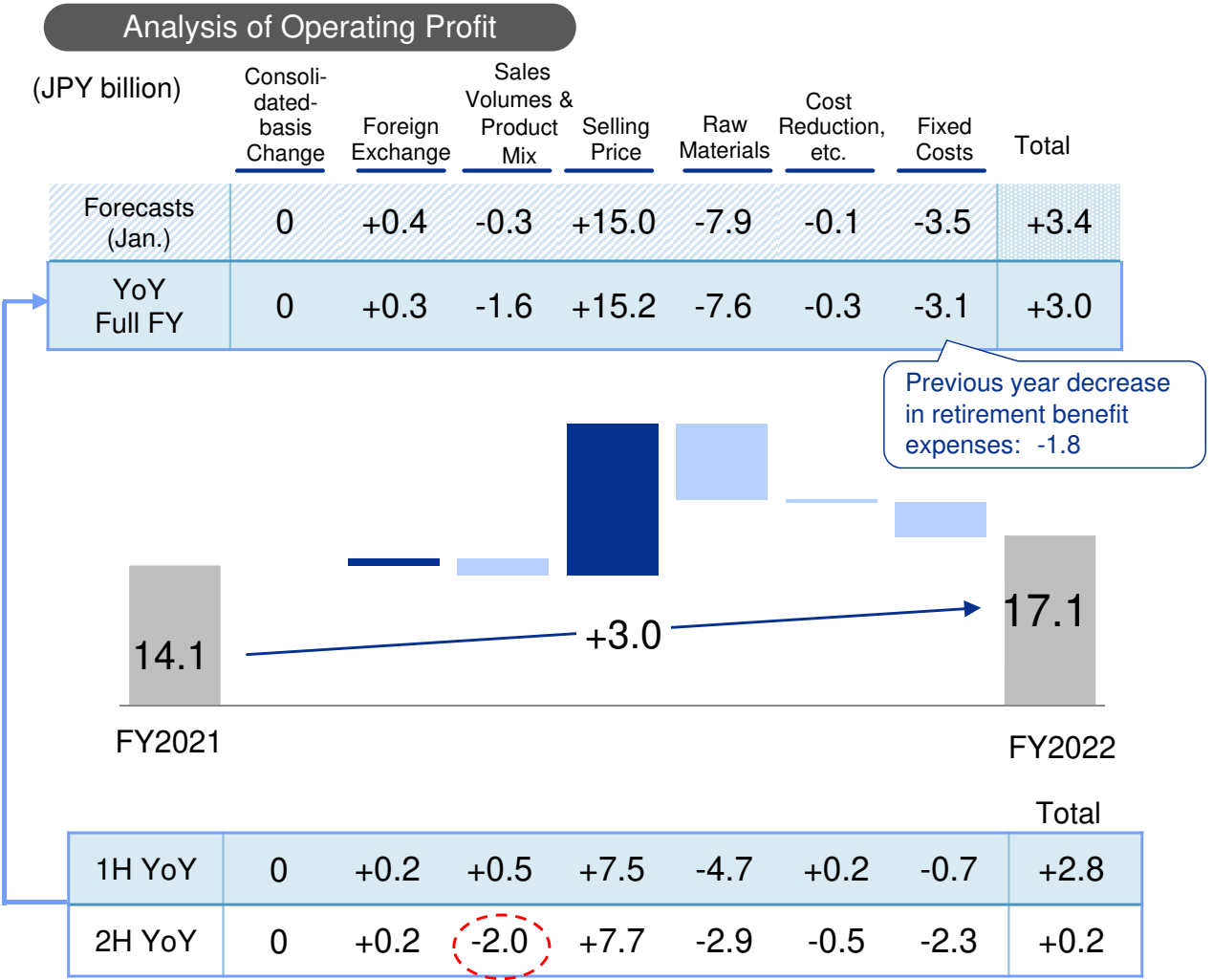
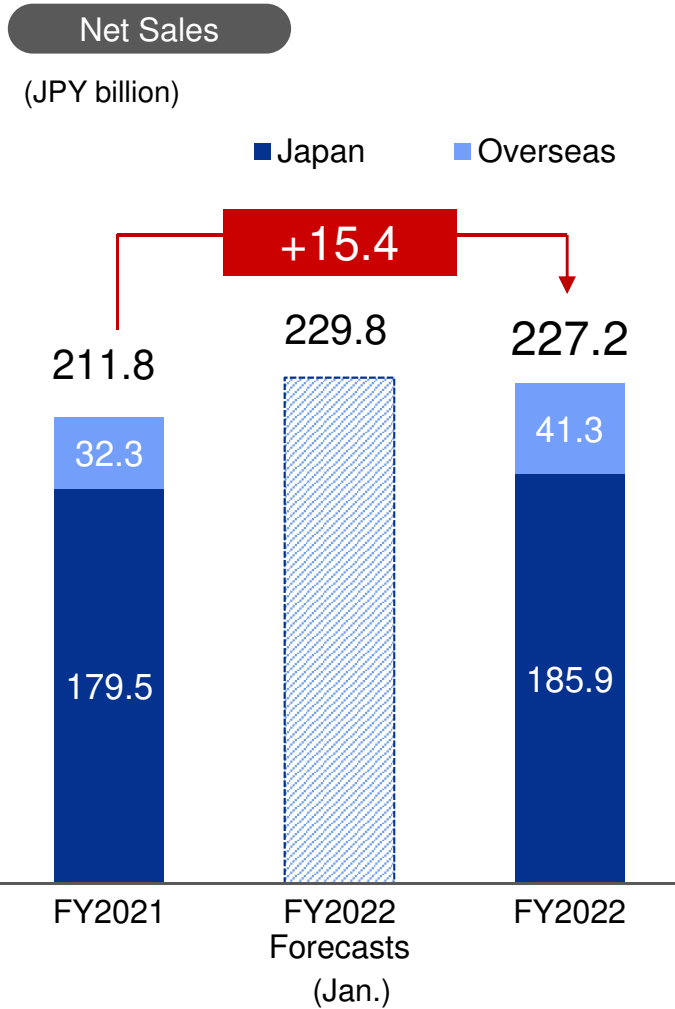
10/2019
Consumption tax raised from 8% to 10%

02/2020~
Spread of COVID-19

07-08/2021
Tokyo Olympic Games

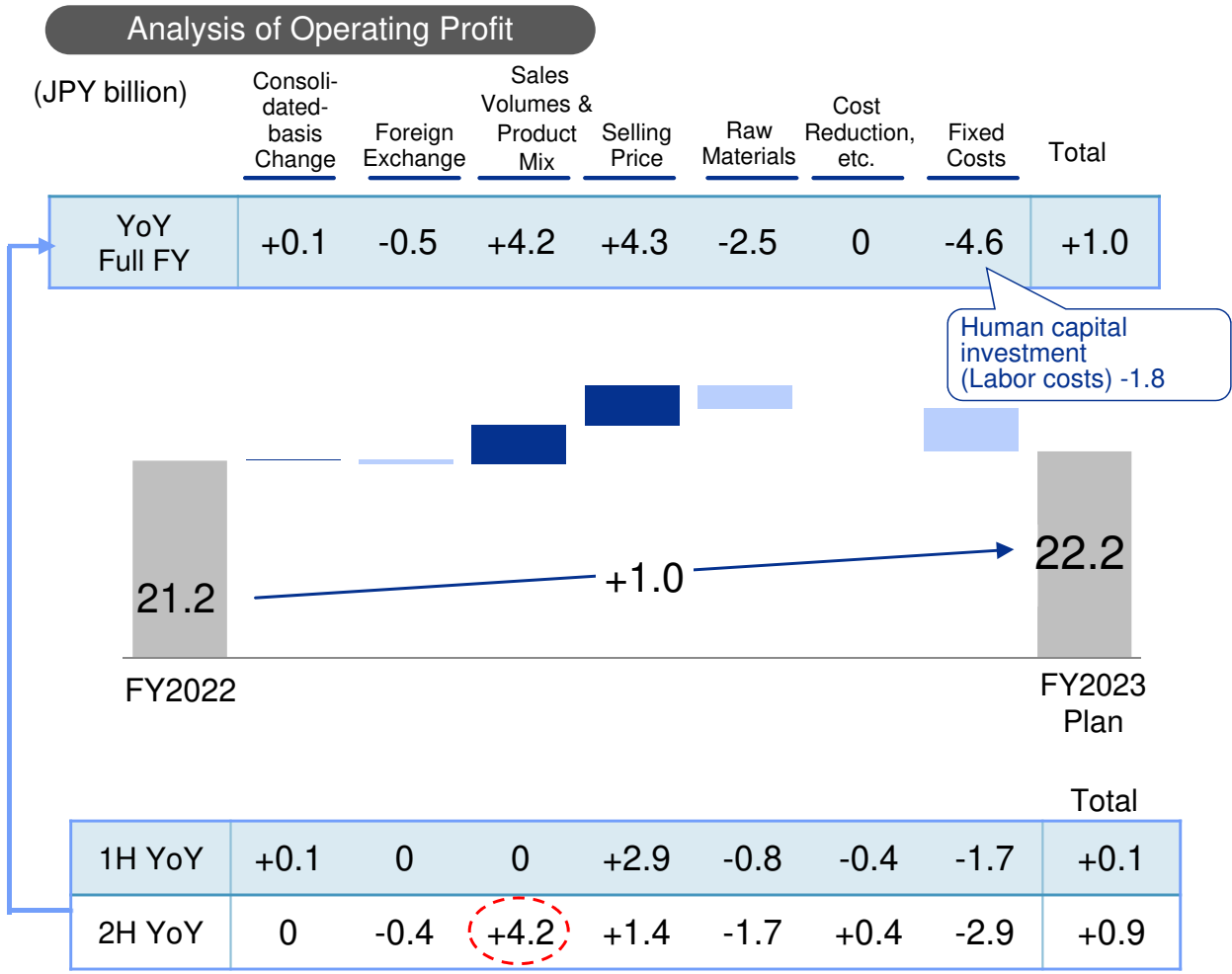
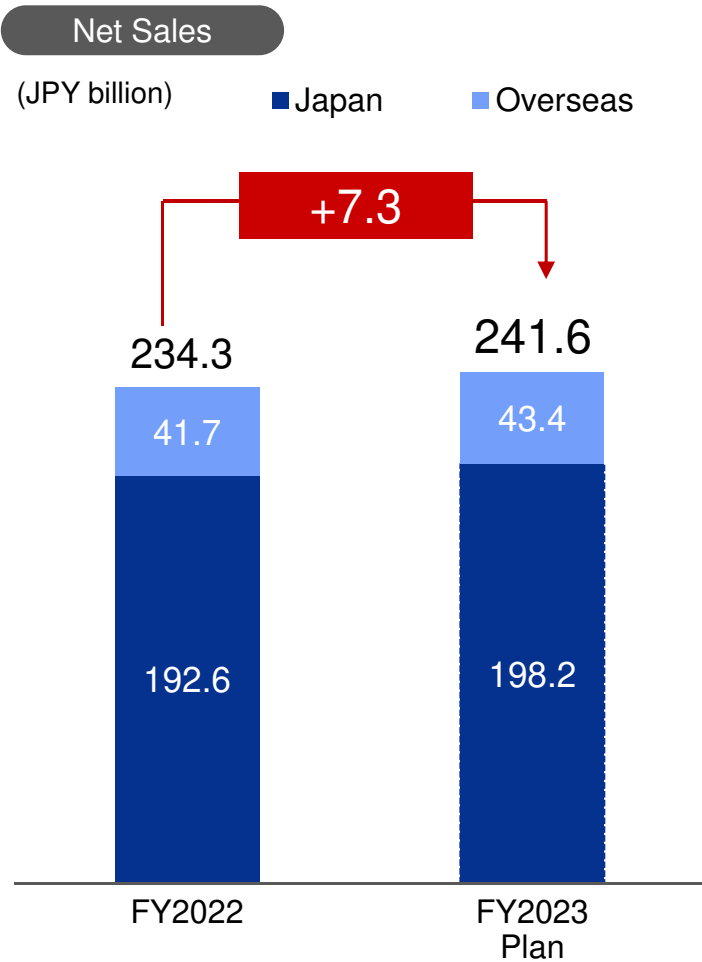
Domestic market conditions below expectations; increases in both sales and operating profit based on thoroughgoing efforts to secure margins

- Japan: Secured margins, despite residential and non-residential market conditions falling below expectations; growth in prioritized products
- Overseas: Firm trends in piping materials for plants underpinned by semiconductor-related capital investment; recovery trend in aircraft demand (U.S. sheet business)



■ Projecting a modest recovery in 2H construction market conditions, despite the continued slump in the 1H; planning an increase in sales and profit on an increase in sales volumes and product mix and thoroughgoing efforts to maintain margins

- Japan: Continue to undertake thoroughgoing efforts to maintain margins; focus on expanding sales of prioritized products centered on piping materials for plants and fire-resistant materials
- Overseas: Continue to expand sales of CPVC, piping materials for plants, and FFU sleepers; commence operations at a new FFU factory in Europe (2H)
- Common: Work to promptly realize synergies by reorganizing the business portfolio

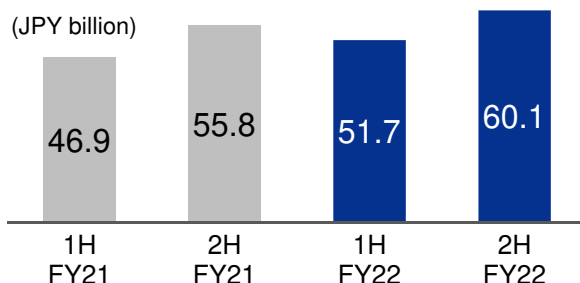


Increases in FY2022 sales and profit in each of the three strategic fields owing mainly to improvements in selling prices; certain prospect of structural reform

Net sales in the Three Strategic Fields

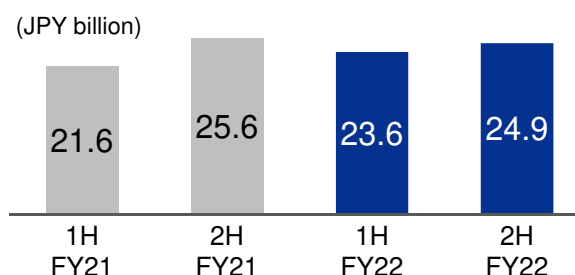
Piping and Infrastructure

- Increase in sales through thoroughgoing efforts to improve selling prices, despite residential and non-residential market conditions falling below expectations
- Firm plant demand



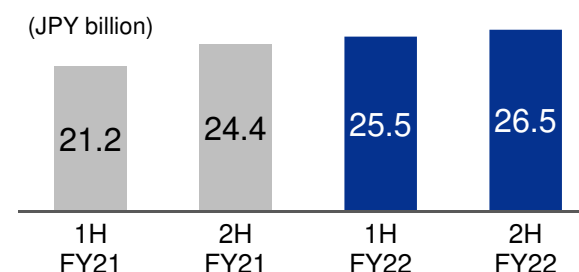
Building and Living Environment

- Increase in sales owing to firm sales growth of such prioritized products as high flowrate drainage systems
- Firm trends in nursing care bathtubs; high-performance bathtub growth



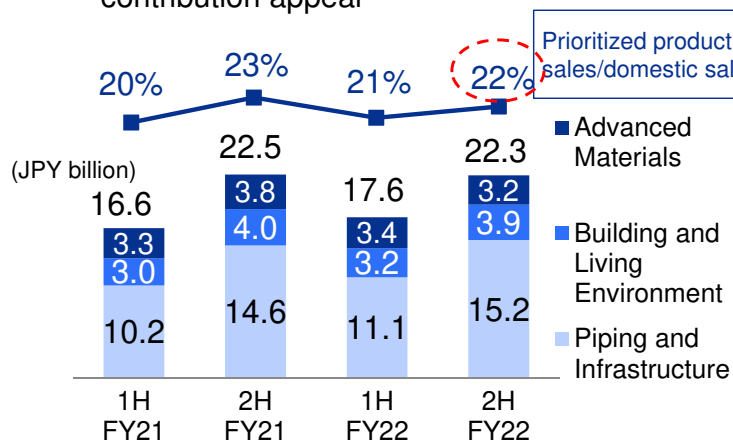
Advanced Materials

- Sheets: Recovery trend in domestic and repair aircraft-related demand
- FFU (railway sleeper application): Firm order mainly in Europe and the U.S.
- Molding: Drop in high-performance molded product demand owing to a deterioration in market conditions in the Electronics field



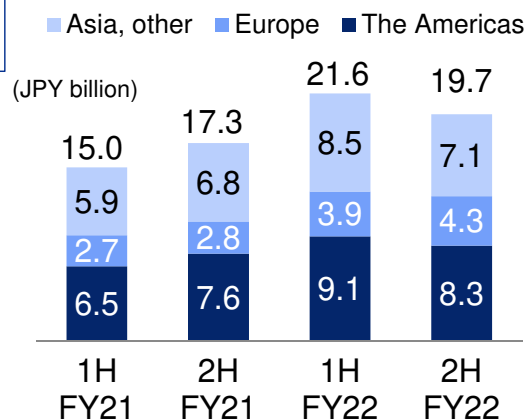
Prioritized Products Sales (Japan)

- Growing acceptance of the SDGs (easy construction, disaster prevention/mitigation) contribution appeal



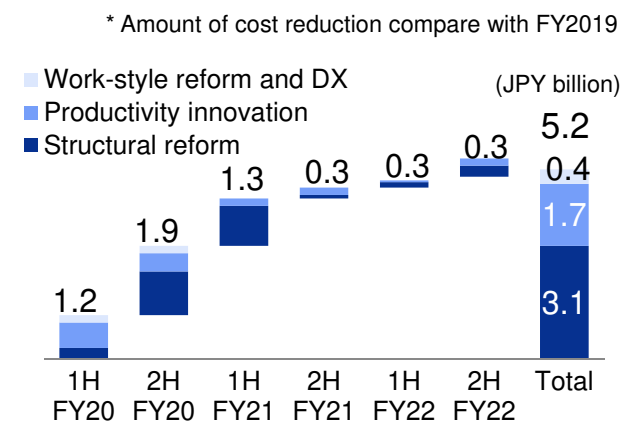
Sales by Overseas Area*

- Growth driven by the Americas (recovery in aircraft demand) and Asia (semiconductor-related equipment)



Structural Reforms and Productivity Innovation

- Total improvement in profit of ¥5.2 billion through the promotion of structural reforms and productivity innovation
- Exceeded medium-term target (¥5.0 billion)



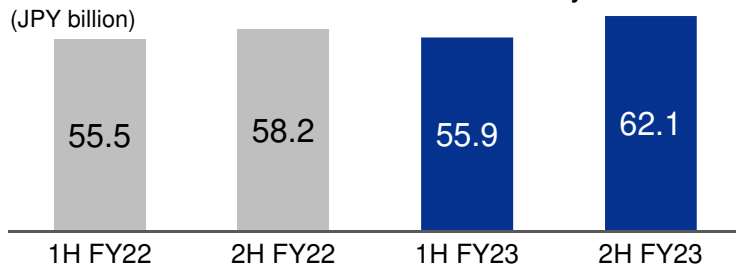
While working to maintain margins across each of the three strategic fields, projecting an increase in FY2023 sales owing to prioritized product and overseas sales growth

Net sales in the Three Strategic Fields

Pipe Systems

Pipe and joint materials for buildings, factories, and social infrastructure, and products related to disaster prevention

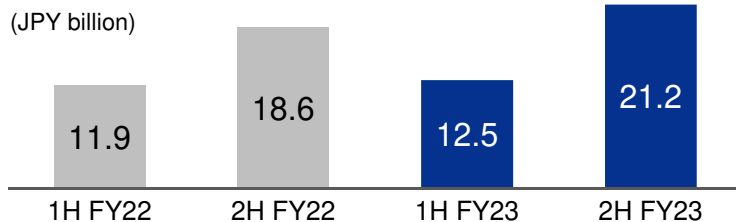
- Piping materials: Projecting a modest recovery in residential and non-residential market conditions from the 2H; continue to focus on maintaining margins
- Piping materials for plants: Focus on capturing capital investment demand in Japan and overseas
- CPVC: Continued firm demand mainly India



Infrastructure Renovation

Products and technologies for infrastructure aging prevention

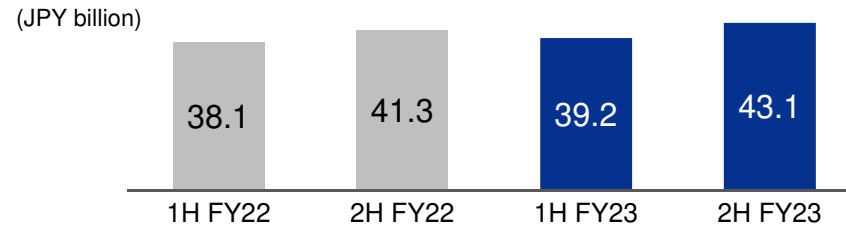
- Pipeline renewal: (Japan) Stable demand (Overseas) Promote efforts to cultivate new customers
- Sekisui Aqua System Co., Ltd.: Tank renewal, functional tank growth



Building and Infrastructures Composite Materials

Building materials for bathrooms and exterior finish, fire-resistant materials, and materials for railway infrastructure

- Thermal insulation and non-combustible materials: Modest recovery from the 2H; focus on capturing new opportunities through new products
- FFU (railway sleeper application): Forecasting growth in Europe and Australia owing to application growth

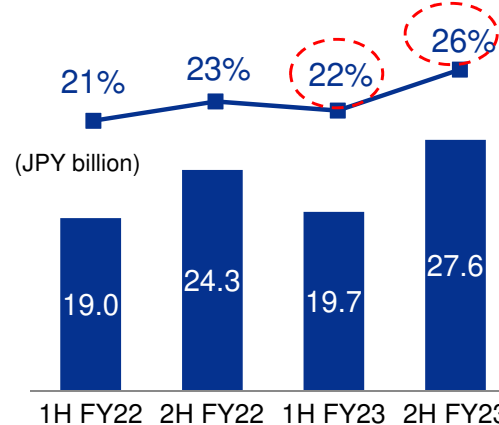


Prioritized Product and Overseas Sales Growth

Prioritized Products Sales (Japan)

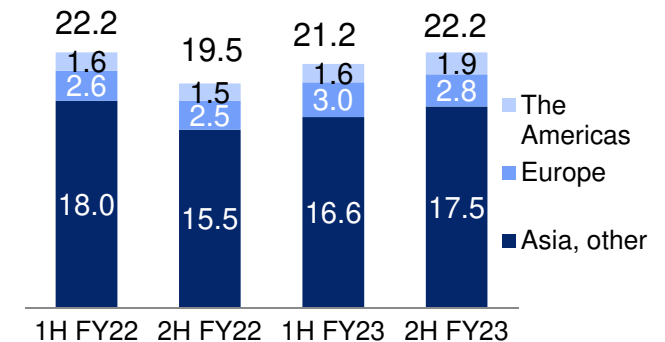
- Planning substantial growth

Prioritized product sales/domestic sales



Overseas Sales*

- Projecting growth mainly in Asia (CPVC, piping materials for plants)
- Strengthening overseas strategic marketing (JPY billion)



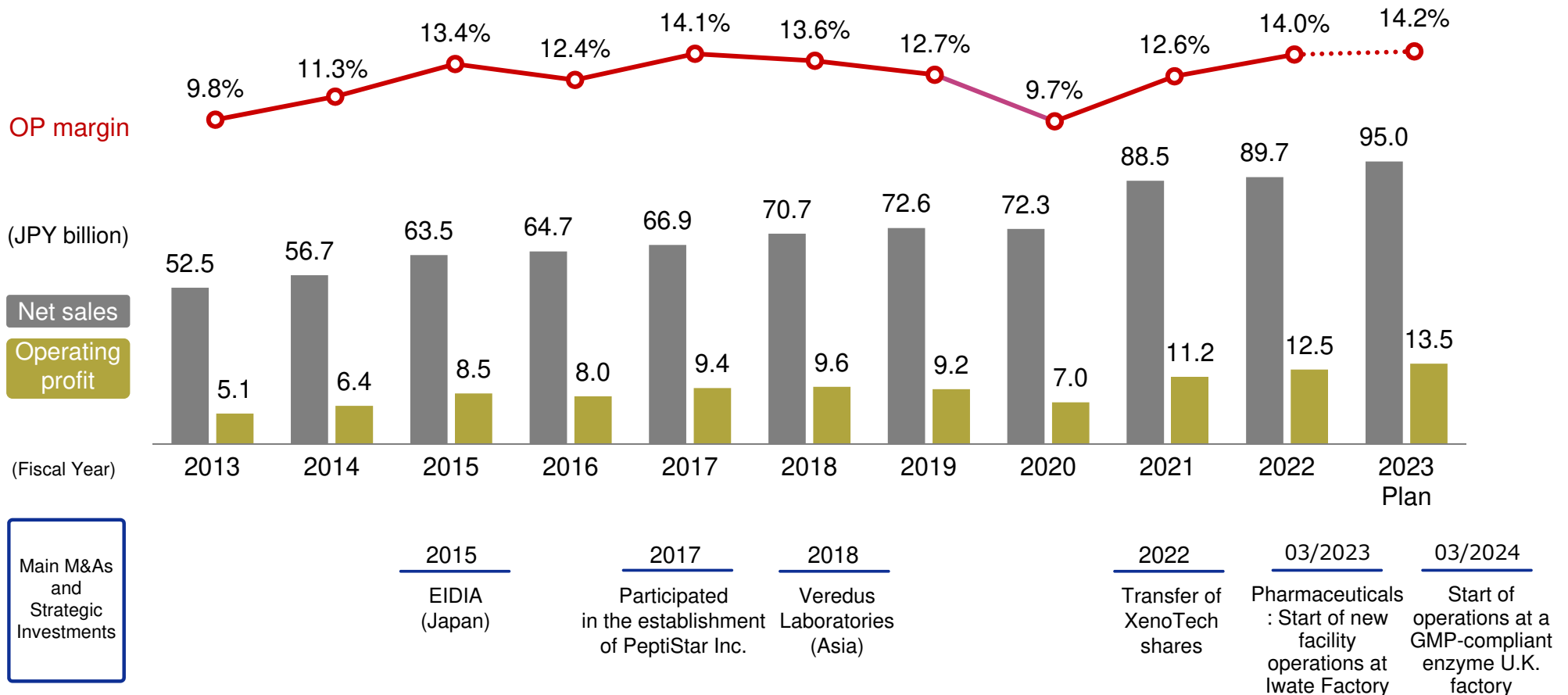
* Including the export of domestic products

Medical Business

Futoshi Kamiwaki

Director, Senior Managing Executive Officer
Head of Business Strategy Department

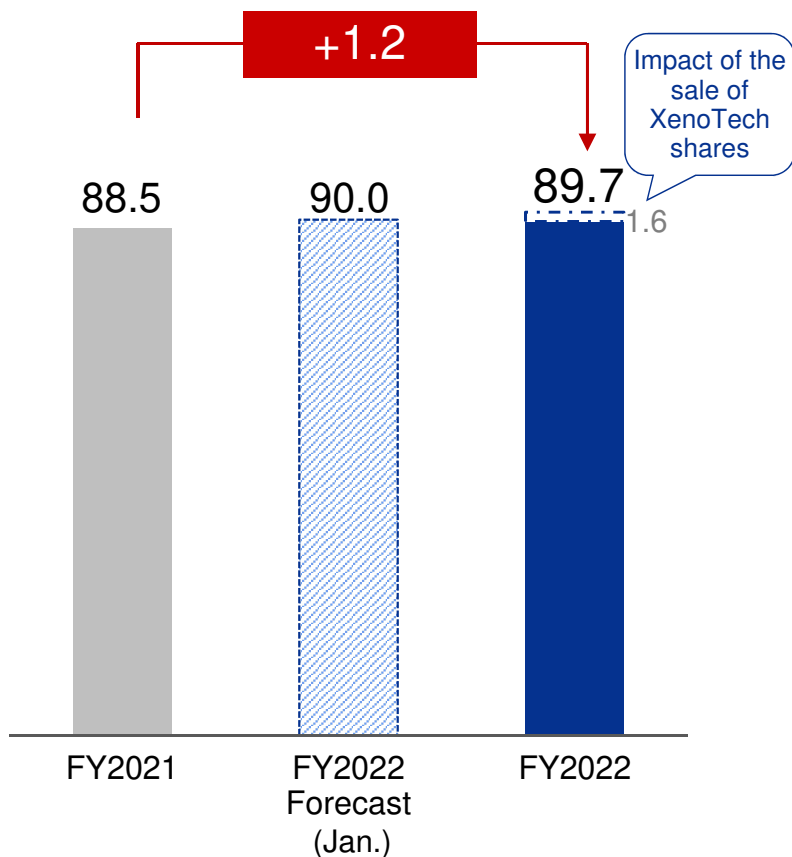
- FY2022: Increases in sales and profit owing to the recovery in diagnostics demand in Japan and overseas as well as contributions from new pharmaceutical ingredients
- FY2023: Projecting the continued recovery in diagnostics demand in Japan and overseas; focus mainly on expanding new product sales overseas, target a third consecutive FY of record-high profit



- Results in line with forecasts (Jan.) owing to the recovery in diagnostics demand in Japan and overseas as well as contributions from increased influenza testing demand mainly in the U.S. and new pharmaceutical ingredients
- Start of new facility operations at Iwate Factory in the Pharmaceutical Sciences Business (March 2023)

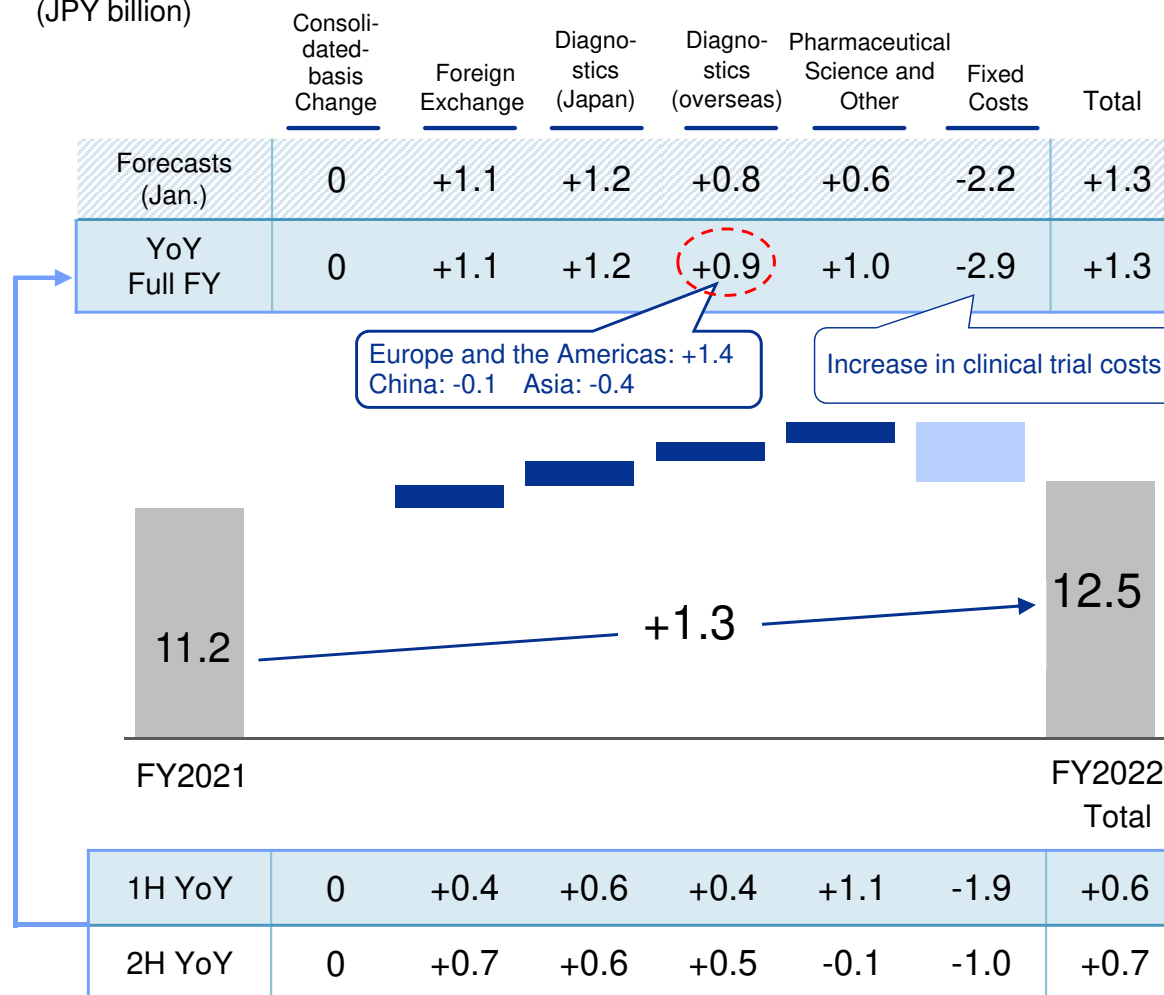
Net Sales

(JPY billion)



Analysis of Operating Profit

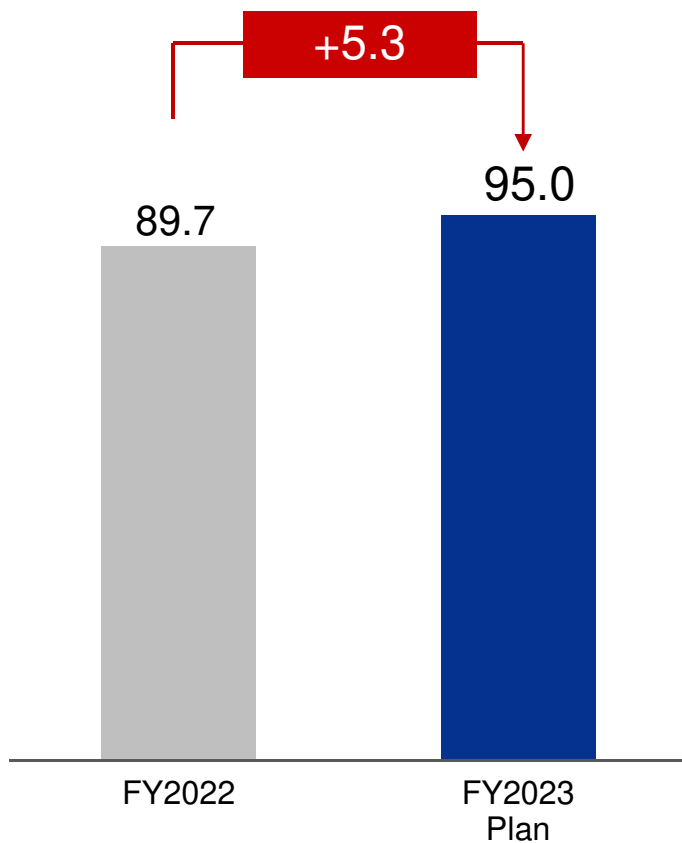
(JPY billion)



- Increases in sales and profit driven by continued recovery in diagnostics demand in Japan and overseas, blood coagulation reagent sales growth in China, and contributions from the Overseas Diagnostics Business, including new product sales growth in the U.S.; target continued record-high profit

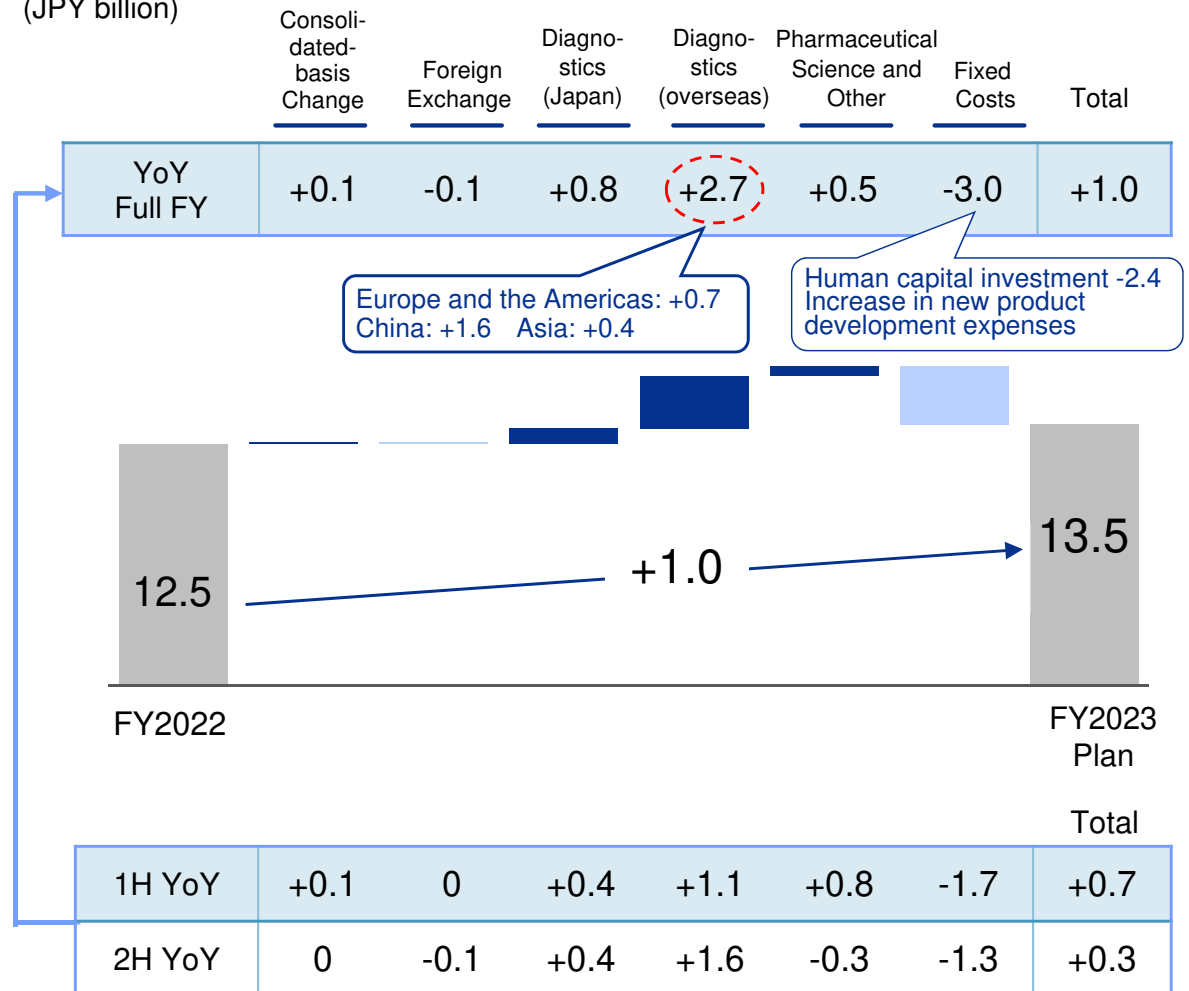
Net Sales

(JPY billion)



Analysis of Operating Profit

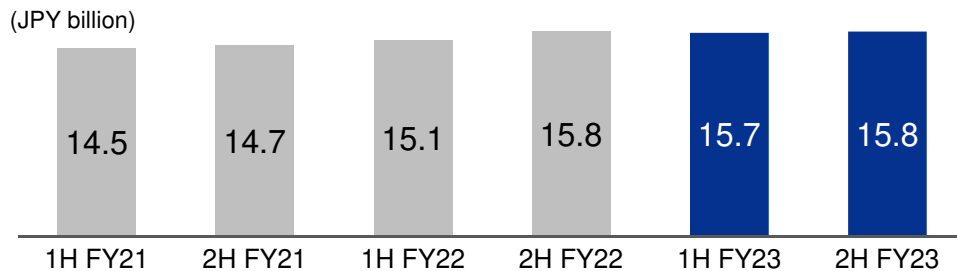
(JPY billion)



Net sales by Business and Overview of Progress

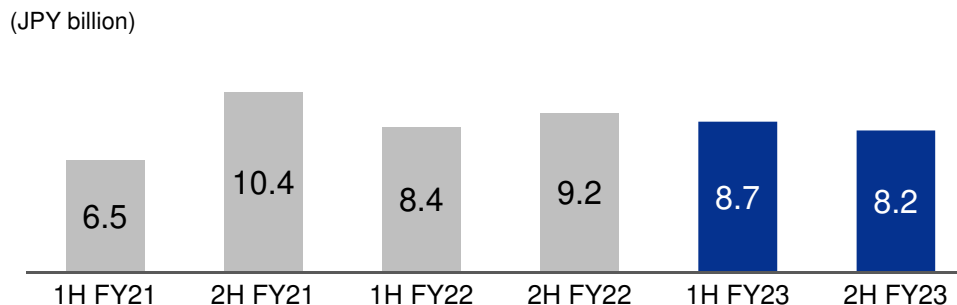
Diagnostics (Japan)

- FY2022: Increase in outpatient test demand, firm trends in COVID-19 diagnostics kits
- FY2023: Expand mainly in the clinical chemistry and immunology domain



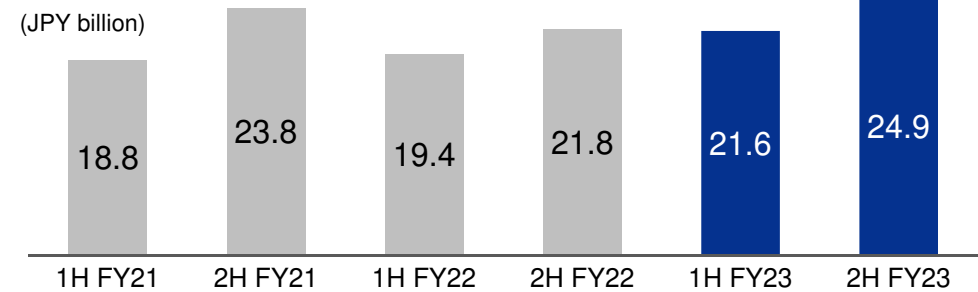
Pharmaceutical Sciences (Pharmaceutical and Fine Chemicals, Drug Development Solutions, Enzymes)

- FY2022: Contributions to revenue and earnings from new pharmaceutical ingredients; transfer of XenoTech shares
- FY2023: Focus on capturing new orders



Diagnostics (overseas)

- FY2022: Blood coagulation reagent sales growth, despite the impact of lockdowns in China, increase in influenza testing demand in the U.S.; difficult conditions in Asia
- FY2023: Focus on blood coagulation testing equipment and reagent sales growth in China as well as new products sales growth in the U.S.

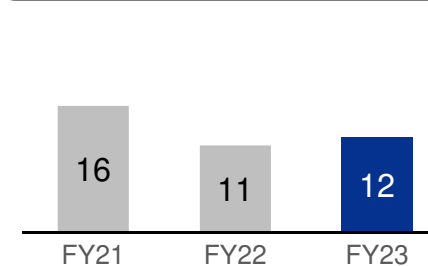


Development and Sales of New Products

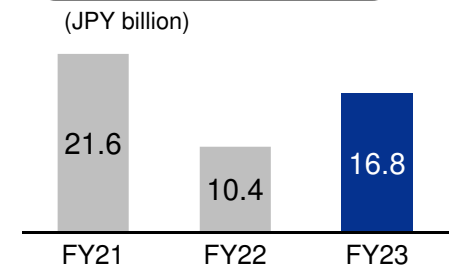
- Accelerate gene testing development in the U.S.
- Scheduled completion of a GMP*-compliant enzyme factory in the U.K. in the Pharmaceutical Science Business (March 2024)
- Expand newborn screening tests (also commence testing in Tokyo)

* Good Manufacturing Practice: Pharmaceutical manufacturing and quality assurance standards

Number of New Products Released



New Product Sales



This slide presentation contains forward-looking statements. These statements are based on current expectations and beliefs. However, actual results may differ from those expressed or implied due to a number of factors and uncertainties such as changes in the global economy and our business, competition in the market, and regulatory issues.

Note: Figures denominated in units of 100 million JPY are rounded off to the nearest hundred million.

Housing Company Results and Plan

* Including Tochigi Sekisui Heim Co., Ltd. newly consolidated in December

1. Main data in Housing business

		FY2022			FY2021		
		1H	2H	Full Year	1H	2H	Full Year
CONSOLIDATED	Net sales (JPY billion)	260.2	277.2	537.4	249.8	265.4	515.2
	Housing	177.2	186.4	363.6	171.6	183.1	354.7
	Renovation	47.0	50.3	97.3	45.9	46.2	92.1
	Other	36.0	40.5	76.4	32.4	36.1	68.4
	Real estate	25.8	26.7	52.5	24.7	25.8	50.5
	Residential Services	3.7	3.9	7.6	3.8	4.1	7.9
	Town and Community Development	4.8	7.9	12.7	2.8	5.1	7.8
	Overseas	0.8	0.9	1.6	0.6	0.6	1.2
OTHERS	1. Number of houses sold (Housing units)	5,190	5,160	10,350	5,040	5,370	10,410
	Detached houses	4,925	4,775	9,700	4,830	5,060	9,890
	Housing/Rebuilding	4,185	4,115	8,300	4,075	4,330	8,405
	Ready-built houses	740	660	1,400	755	730	1,485
	Apartment buildings, other	265	385	650	210	310	520
	2. Main data						
	Prices per unit (JPY million) in the detached houses	32.9	33.6	33.2	31.6	32.1	31.8
	Prices per tsubo** (JPY thousand) in the detached houses **Tsubo=3.3 Square meter	932	96.5	94.8	895	907	901
	Floor space (Square meter) in the detached houses	116.4	114.9	115.7	116.4	116.8	116.6
	Exhibition places (Units)	431	-	430	435	-	430
Sales staff (Number of person)	2,439	-	2,275	2,533	-	2,354	

Housing Company Results and Plan

2. Housing orders		FY2023 Plan			FY2022			FY2021		
		1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year
(Millions of yen)										
New construction ・ Renovation	Year-start Backlog	164,300	163,000	-	185,000	186,900	-	184,800	192,500	-
	Growth Rate	-11%	-13%	-	±0%	-3%	-	-10%	-1%	-
	New Orders	209,295	219,789	429,216	203,360	194,835	398,196	200,607	198,850	399,457
	Growth Rate	+3%	+13%	+8%	+1%	-2%	±0%	+14%	+4%	+9%
	Sales of Housing/Renovation	210,595	222,289	432,616	201,460	217,435	418,896	192,907	206,350	399,257
	Growth Rate	+5%	+2%	+3%	+4%	+5%	+5%	+4%	+3%	+3%
	End-balance	163,000	160,500	-	186,900	164,300	-	192,500	185,000	-
	Growth Rate	-13%	-2%	-	-3%	-11%	-	-1%	±0%	-

3. Housing starts		FY2022			FY2021			FY2020
		1H	2H	Full Year	1H	2H	Full Year	Full Year
(Units)								
Housing starts		442,894	413,106	856,000	445,674	420,235	865,909	812,164
Privately-owned houses + Houses for sale starts (included in above) =A		206,691	188,709	395,400	220,321	205,082	425,403	392,448
Detached house sales by our company=B (Unit base)		4,925	4,775	9,700	4,830	5,060	9,890	9,555
Our share in Detached houses=B/A		2.4%	2.5%	2.5%	2.2%	2.5%	2.3%	2.4%

* Of which “Housing starts”, “Privately-owned houses” and “Houses for sale starts” after 2H of FY2022 are based on forecasts

4. The ratio of houses equipped with smart specifications		FY2022			FY2021			FY2020
		1H	2H	Full Year	1H	2H	Full Year	Full Year
Solar power generation systems installed		88%	90%	89%	83%	84%	84%	80%
Storage battery installed		81%	85%	83%	69%	74%	72%	62%
Comfortable Air System		71%	72%	71%	72%	72%	72%	73%

SEKISUI