

SEKISUI CHEMICAL CO., LTD.



FY2023, ending March 31, 2024

Presentation of Financial Results for 3Q

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Representative Director
Senior Managing Executive Officer

January 30, 2024

Results for 3Q and Forecasts for FY2023

Forex Rate	FY2022			FY2023			
	3Q	4Q	2H	3Q	4Q	2H	2H Plan (Oct.)
In-house assumptions	-	-	-	¥145/US\$ ¥158/€	¥144/US\$ ¥158/€	¥146/US\$ ¥159/€	¥145/US\$ ¥158/€
Results (Avg. rate for each term) *	¥142/US\$ ¥144/€	¥132/US\$ ¥142/€	¥137/US\$ ¥143/€	¥148/US\$ ¥159/€	-	-	

* 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.

Overview of FY2023 3Q and 1Q-3Q Results

- Increases in net sales and profit (operating profit, ordinary profit, and the bottom line) in the 3Q
- Net sales and operating profit slightly above plans (Oct.) in 3Q
- Increases in net sales, operating profit and the bottom line for the cumulative 3Q period
- 3Q cumulative net sales, operating profit, and bottom line hit record highs

(JPY billion)	★: Record high			★: Record high		
	3Q FY2022 (Oct. –Dec.)	3Q FY2023 (Oct. –Dec.)	Difference	1Q-3Q FY2022 (Apr. –Dec.)	1Q-3Q FY2023 (Apr. –Dec.)	Difference
Net sales	304.5	★ 312.6	+8.2	912.2	★ 923.9	+11.7
Operating profit	22.1	★ 24.7	+2.6	62.5	★ 65.8	+3.4
Ordinary profit	19.5	21.3	+1.8	73.4	72.8	-0.6
Profit attributable to owners of parent	13.7	14.0	+0.3	52.8	★ 58.4	+5.6

■ Despite some improvement in global market conditions in 3Q, recovery was slower than expected, mainly in Europe, the U.S., and Japan. Net sales and operating profit increased Group-wide by securing margins and controlling fixed costs

- HPP*: Although the recovery in market conditions in Europe, the U.S. and Japan was slower than expected, the robust Mobility field made up for the drop in the HPP market. Significant increase in net sales and operating profit, slightly exceeding plan
- Housing*: Both net sales and operating profit slightly higher than planned due to levelling out efforts, controlling fixed costs, and a strong Renovation Business, but remained at the same level as the previous year
- UIEP*: Despite sluggish housing market conditions and delays to non-residential properties in Japan, net sales and operating profit increased as planned by maintaining margins and thoroughly controlling fixed costs
- Medical: Demand for infectious disease testing in Japan increased and demand for new pharmaceutical ingredients remained strong. However, operating profit decreased and although net sales increased, fell short of plan due to delays in expanding sales of blood coagulation reagents in Japan and new products in the U.S.
- Other: Progress essentially in line with plan (Oct.); Breakdown: LB* down ¥0.6 billion, BR* down ¥0.5 billion, R&D and other down ¥1.8 billion

■ Substantial increases in operating profit in HPP for the 1Q-3Q period

★: Record high

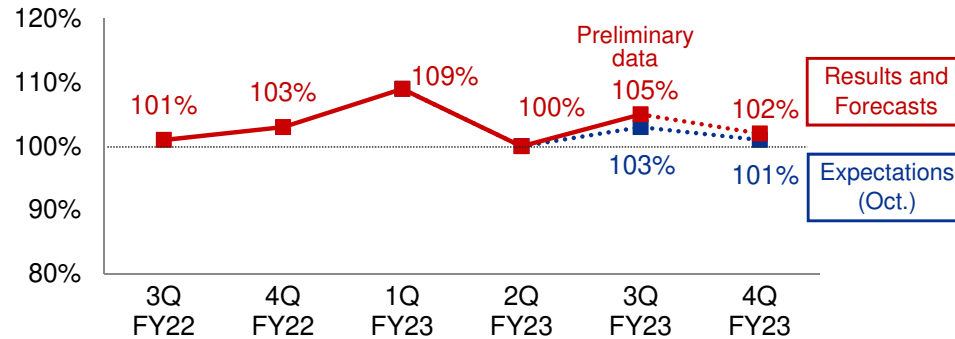
★: Record high

(JPY billion)	3Q FY2022 (Oct. –Dec.)		3Q FY2023 (Oct. –Dec.)		Difference		1Q-3Q FY2022 (Apr. –Dec.)		1Q-3Q FY2023 (Apr. –Dec.)		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	97.9	10.5	106.0	14.6	+8.1	+4.1	299.4	30.9	★306.3	37.6	+6.8	+6.6
Housing	129.0	6.7	126.7	6.5	-2.3	-0.2	389.2	21.4	★391.5	19.4	+2.4	-2.0
UIEP	59.2	5.9	59.8	★5.9	+0.6	0	169.6	13.3	169.5	★13.9	-0.2	+0.6
Medical	22.4	3.4	23.7	2.9	+1.2	-0.5	65.3	8.8	★67.4	8.0	+2.0	-0.8
Other	1.5	-2.8	1.3	-2.9	-0.2	-0.1	5.6	-8.3	4.5	-8.0	-1.1	+0.3
Eliminations or corporate expenses	-5.7	-1.4	-4.9	-2.3	+0.7	-0.8	-16.9	-3.7	-15.2	-5.1	+1.7	-1.4
Total	304.5	22.1	★312.6	★24.7	+8.2	+2.6	912.2	62.5	★923.9	★65.8	+11.7	+3.4

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

Number of Automobiles Manufactured (YoY)

3Q was slightly higher than expected (Oct.). Expected to continue growing year-on-year in 4Q



Housing and Visitors (YoY)

Sluggish recovery in exhibition visitors with overall visitors expected to continue to be lower than previous year

	1H FY23	3Q FY23	4Q FY23	2H FY23
Overall visitors	97%	97% [96%]	97% [98%]	97% [97%]
Via WEB	108%	113% [99%]	103% [103%]	107% [102%]
Exhibition visitors	90%	82% [97%]	94% [101%]	88% [99%]

*Figures in parentheses: Forecasts (Oct.)

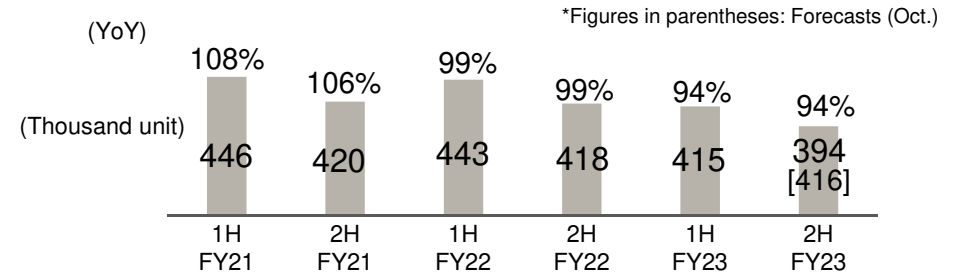
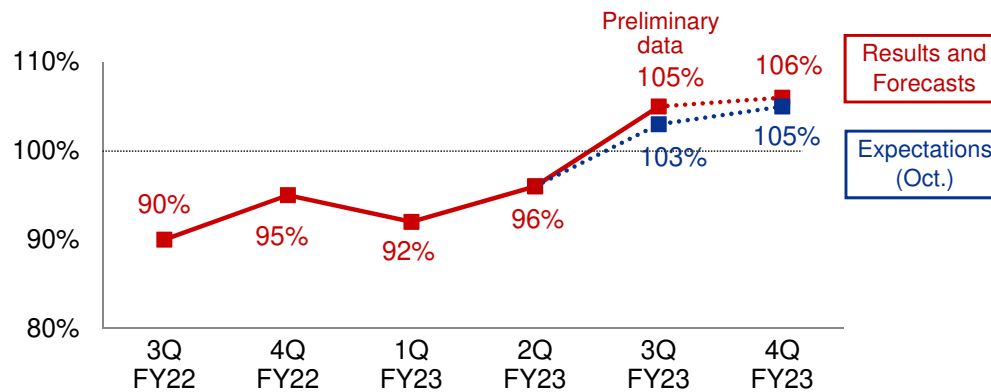
New Housing Starts

Demand remains sluggish, much lower than expected

* 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)

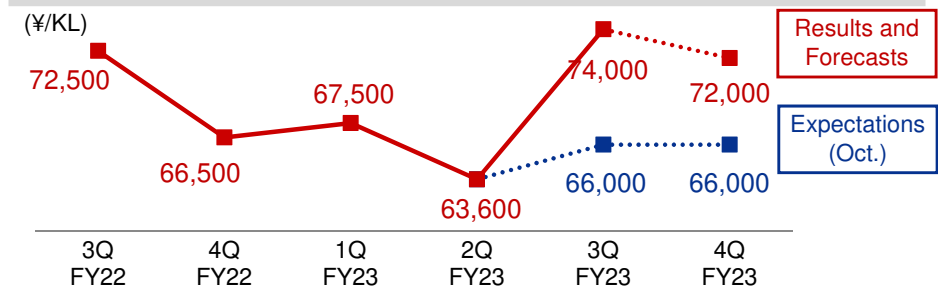
3Q was slightly higher than expected (Oct.). Expected to continue recovery trend in 4Q



*Figures in parentheses: Forecasts (Oct.)

Domestic Naphtha Price Assumptions

3Q prices remained higher than expected (Oct.). Expected to remain at a similar level in 4Q



2H FY2023 Forecasts by Segment

- 2H net sales and operating profit will increase in all segments except Housing. Net sales and operating profit are expected to increase Group-wide
- Net sales and operating profit forecasts revised downward (operating profit down ¥5 billion)

• Other forecast breakdown: LB down ¥1.2 billion, BR down ¥1.1 billion, R&D and other down ¥4.1 billion

★: Record high

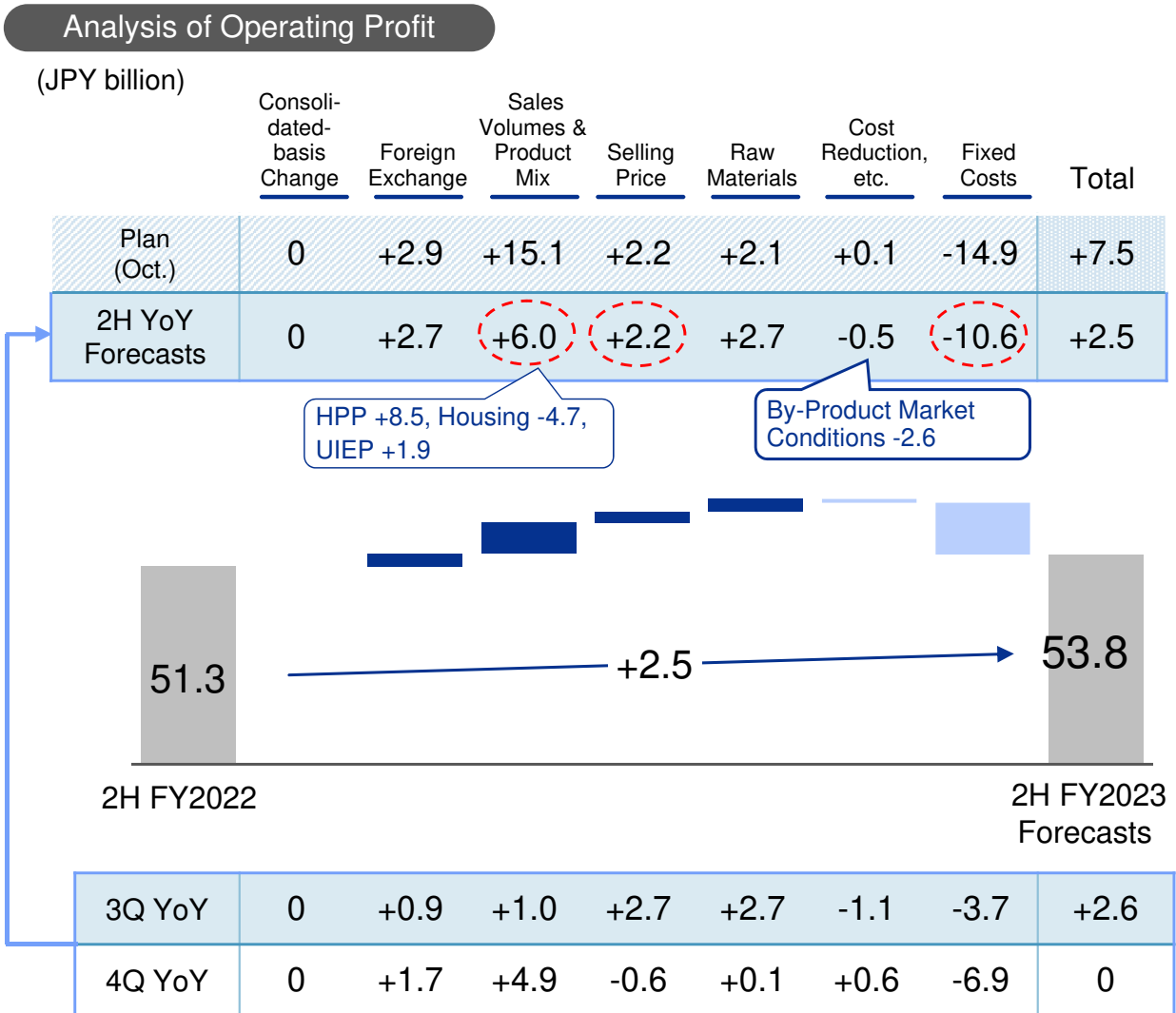
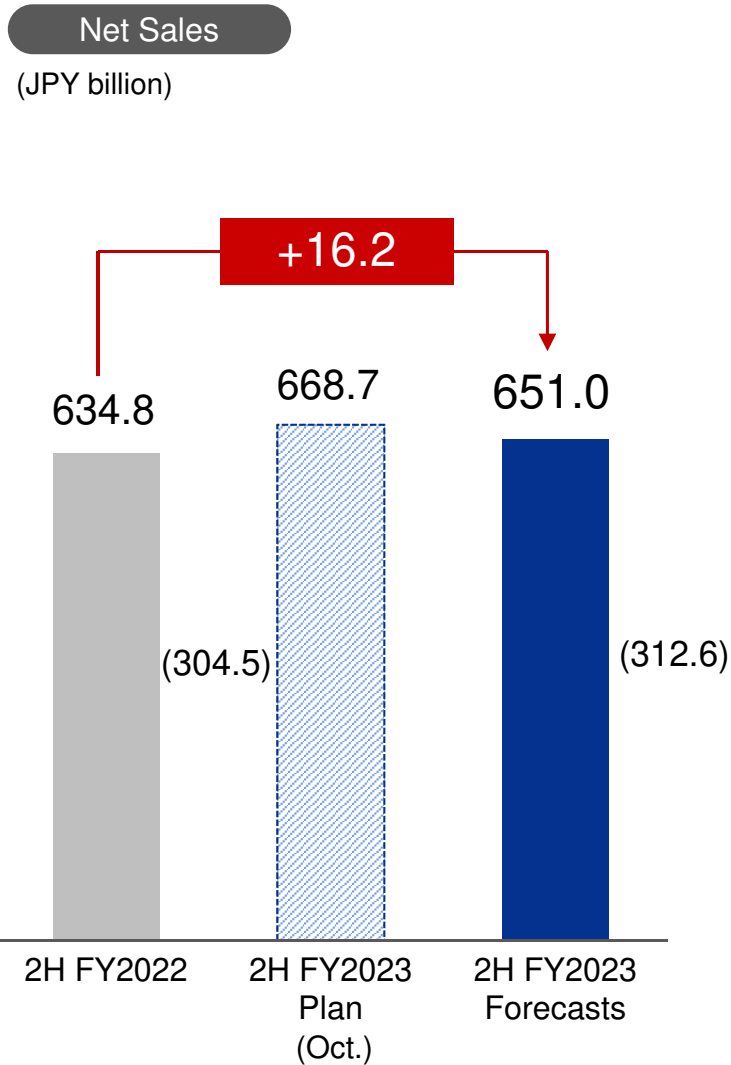
(JPY billion)	2H FY2022		2H FY2023 Forecasts		Difference		2H FY2023 Plan (Oct.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	194.9	19.7	★215.2	★28.5	+20.3	+8.9	219.4	28.5	-4.2	0
Housing	277.2	18.1	263.5	14.0	-13.7	-4.0	274.2	16.5	-10.7	-2.5
UIEP	123.9	13.8	127.6	★15.1	+3.7	+1.4	128.1	15.1	-0.4	0
Medical	46.8	7.0	50.4	★7.5	+3.6	+0.4	52.3	8.4	-1.8	-0.9
Other	3.2	-5.5	4.7	-6.4	+1.5	-0.9	5.8	-5.9	-1.1	-0.5
Eliminations or corporate expenses	-11.2	-1.7	-10.5	-4.9	+0.8	-3.2	-11.0	-3.8	+0.6	-1.1
Total	634.8	51.3	★651.0	★53.8	+16.2	+2.5	668.7	58.8	-17.7	-5.0

2H FY2023 Forecasts by Segment (3Q & 4Q)

- The impact of decreased demand in the Housing Business in 4Q will continue to be offset by all other segments but mainly on HPP, with Group-wide net sales increasing and operating profit at the same level as the previous year

(JPY billion)	★: Record high						★: Record high					
	3Q FY2022		3Q FY2023		Difference		4Q FY2022		4Q FY2023 Forecasts		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	97.9	10.5	106.0	14.6	+8.1	+4.1	97.0	9.2	★109.2	13.9	+12.3	+4.8
Housing	129.0	6.7	126.7	6.5	-2.3	-0.2	148.2	11.4	136.8	7.6	-11.5	-3.8
UIEP	59.2	5.9	59.8	★5.9	+0.6	0	64.7	7.9	67.8	9.3	+3.2	+1.4
Medical	22.4	3.4	23.7	2.9	+1.2	-0.5	24.4	3.7	★26.7	★4.6	+2.4	+0.9
Other	1.5	-2.8	1.3	-2.9	-0.2	-0.1	1.8	-2.6	3.4	-3.5	+1.6	-0.9
Eliminations or corporate expenses	-5.7	-1.4	-4.9	-2.3	+0.7	-0.8	-5.8	-0.3	-5.6	-2.7	+0.1	-2.4
Total	304.5	22.1	★312.6	★24.7	+8.2	+2.6	330.3	29.2	★338.4	29.2	+8.1	0

■ Although market conditions have shown some improvement, recovery has been slower than expected. Despite an increase in net sales and operating profit aided by the effects of maintaining margins, controlling fixed costs, and foreign exchange gains, Group-wide the forecast is to be lower than planned (Oct.)



FY2023 Forecasts by Segment

- Secured increases in net sales and operating profit in all segments except Housing. Net sales and operating profit are expected to increase Group-wide
- HPP and UIEP are expected to achieve record high annual profits in line with plans (Oct.). Medical segment also expected to reach record high annual profit
- Net sales and operating profit forecasts revised downward (operating profit down ¥5 billion)
- Active preparation investments (PV projects, etc.) and ESG-related investments (digital transformation, human capital, etc.)

★: Record high

(JPY billion)	FY2022		FY2023 Forecasts		Difference		FY2023 Forecasts (Oct.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	396.4	40.1	★415.5	★51.5	+19.1	+11.4	419.7	51.5	-4.2	0
Housing	537.4	32.8	528.3	27.0	-9.1	-5.8	539.0	29.5	-10.7	-2.5
UIEP	234.3	21.2	237.3	★23.2	+3.0	+2.0	237.7	23.2	-0.4	0
Medical	89.7	12.5	★94.1	★12.6	+4.4	+0.1	95.9	13.5	-1.8	-0.9
Other	7.4	-10.9	7.9	-11.5	+0.5	-0.6	9.0	-11.0	-1.1	-0.5
Eliminations or corporate expenses	-22.6	-4.1	-20.8	-7.8	+1.8	-3.7	-21.4	-6.7	+0.6	-1.1
Total	1,242.5	91.7	★1,262.3	95.0	+19.8	+3.3	1,280.0	100.0	-17.7	-5.0

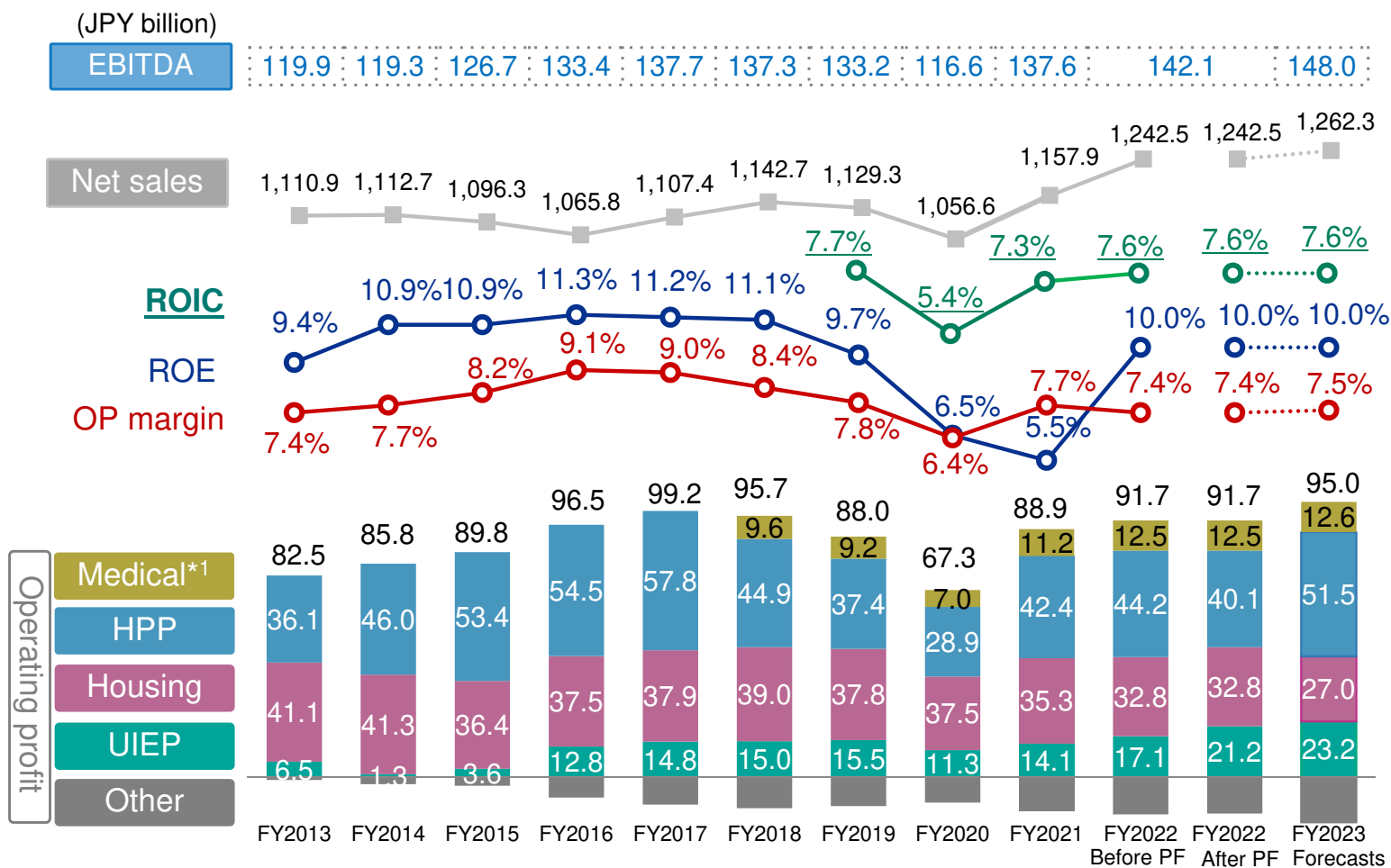
- Increased net sales. Operating profit and final profit expected to increase
- Although net sales and operating profit will be short of plan (Oct.), ordinary profit and the bottom line expected to be in line with plan (Oct.)
- The bottom line expected to reach a new record high
- Dividend as planned (Oct.) with period-end and annual dividend of ¥36 and ¥71 (up ¥12) per share, respectively

★: Record high

(JPY Billion)	FY2022	FY2023 Forecasts	Difference	FY2022 Plan (Oct.)	Difference
Net sales	1,242.5	★1,262.3	+19.8	1,280.0	-17.7
Operating profit	91.7	95.0	+3.3	100.0	-5.0
Ordinary profit	104.2	103.0	-1.2	103.0	0
Profit attributable to owners of parent	69.3	★75.0	+5.7	75.0	0
Annual dividend per share (JPY)	59	★71	+12	71	0

Consolidated Performance

Continue to strengthen business foundation (earning power), accelerating growth shift



ROIC by Segment

After PF reorganization

(%)	FY2022	FY2023
Medical	10.3	9.6
HPP	9.4	11.4
Housing	14.4	11.2
UIEP	10.0	10.2

*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	144 JPY

** FY2023: Assumption

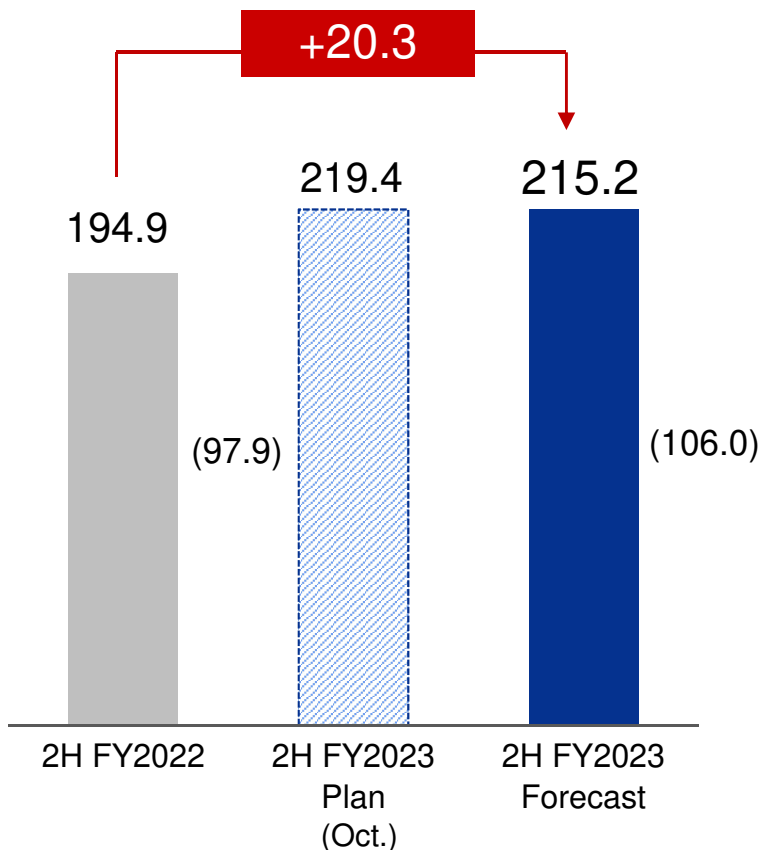
*Avg. rate for each term

Although the recovery in market conditions in the Electronics field, and mainly in Europe, the US, and Japan, was below expectations, the robust Mobility field will make up for the drop in the HPP market, resulting in a significant increase in sales volumes & product mix. Fixed costs will also be contained with net sales and operating profit expected to increase as planned (Oct.). 2H operating profit is expected to reach a new record high

Net Sales

(JPY billion)

* (): 3Q Results



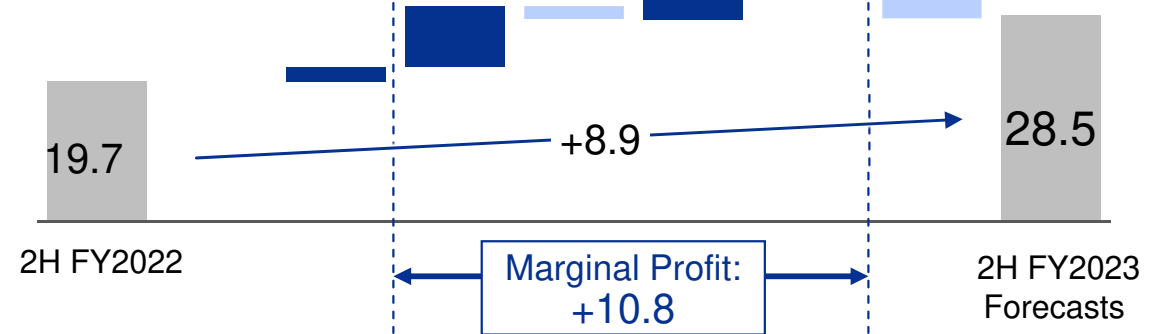
Analysis of Operating Profit

(JPY billion)

	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
Plan (Oct.)	0	+2.4	+8.6	-1.2	+5.0	-0.3	-5.6	+8.9
2H YoY Forecasts	0	+2.1	+8.5	-1.8	+4.8	-0.7	-4.0	+8.9

Electronics: +2.3, Mobility: +6.1
Industrial: +0.1

By-Product Market Conditions -2.6,
Cost Reduction, etc. +1.9



3Q YoY	0	+1.0	+3.4	-0.9	+2.9	-1.0	-1.3	+4.1
4Q YoY	0	+1.1	+5.0	-0.9	+2.0	+0.2	-2.6	+4.8

Net Sales Trends and KPIs in the Three Strategic Fields

Growth driving

Growth potential

11 businesses clarified as strengthening the current PF in the Drive 2.0 Medium-term Management Plan.

Electronics

Electronics
(semiconductor and display materials)

- 3Q: Sales below plan (Oct.) due to sluggish demand for LCDs (large panels) and delayed recovery in semiconductor market conditions
- 4Q: Anticipated gradual recovery in market conditions for non-LCDs with continued sales growth in high-performance products such as binder resins for MLCCs and bio-based adhesive tapes

Mobility

Mobility
(high-performance interlayer film, release materials, etc.)

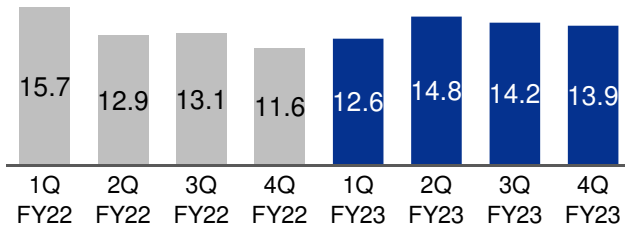
- 3Q: Sales of interlayer films for HUDs exceeded plan (Oct.) (3Q: 139% in products for HUDs on a sales volume basis)
- 4Q: Continued steady sales growth of products for HUDs
- SEKISUI AEROSPACE CORPORATION: Expected to be slightly below plan (Oct.) due to impact of decreased demand

Industrial

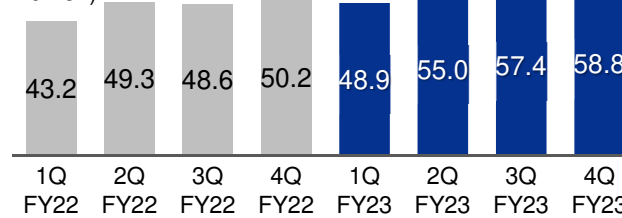
Molding products, sensing

- 3Q: Sales decreased mainly due to continued sluggish demand for construction and consumer goods in Europe, the U.S., and Japan
- 4Q: Partial recovery in market conditions expected. Strengthen the expansion of sales of labor-saving and environmentally friendly products

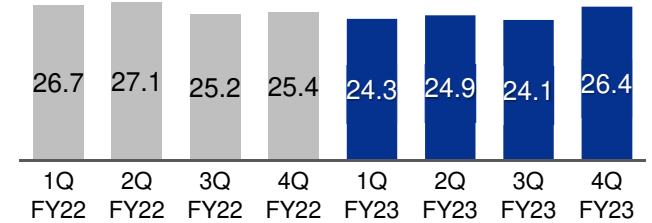
(JPY billion)



(JPY billion)



(JPY billion)

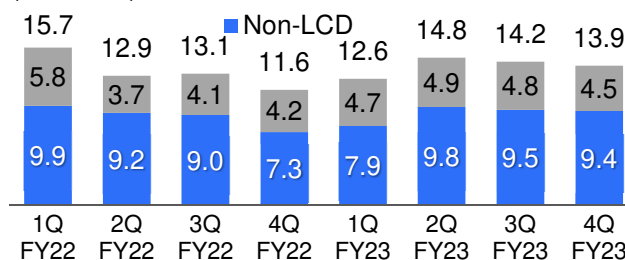


Focus on the non-LCD field

Non-LCD field sales ratio

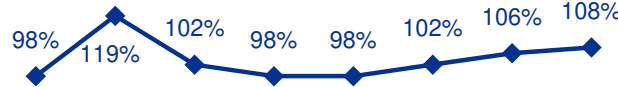


Net Sales
(JPY billion)

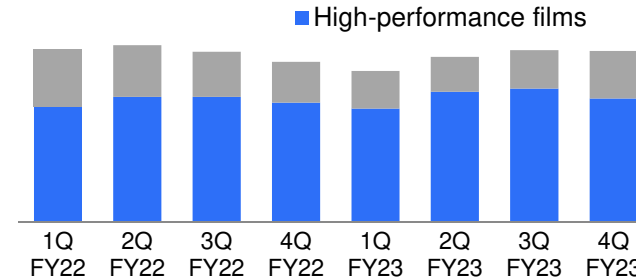


High-performance interlayer film sales growth

YoY high-performance interlayer film sales volume

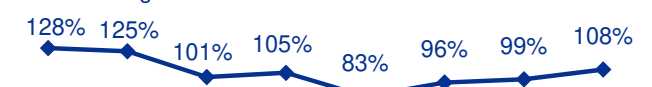


Interlayer film sales volume

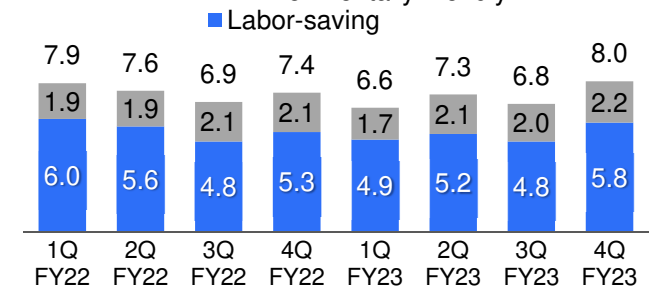


Labor-saving, environmentally friendly product sales growth

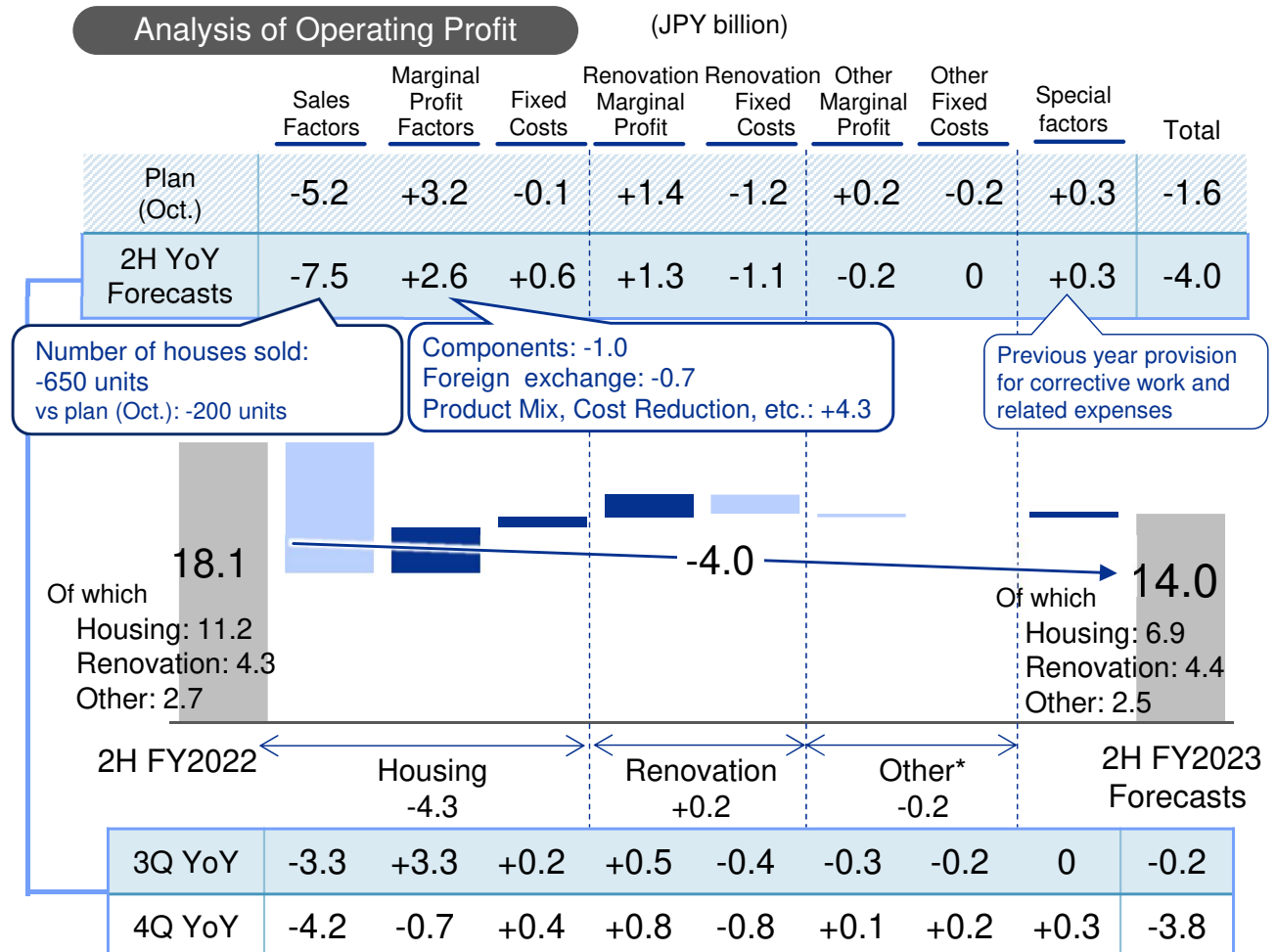
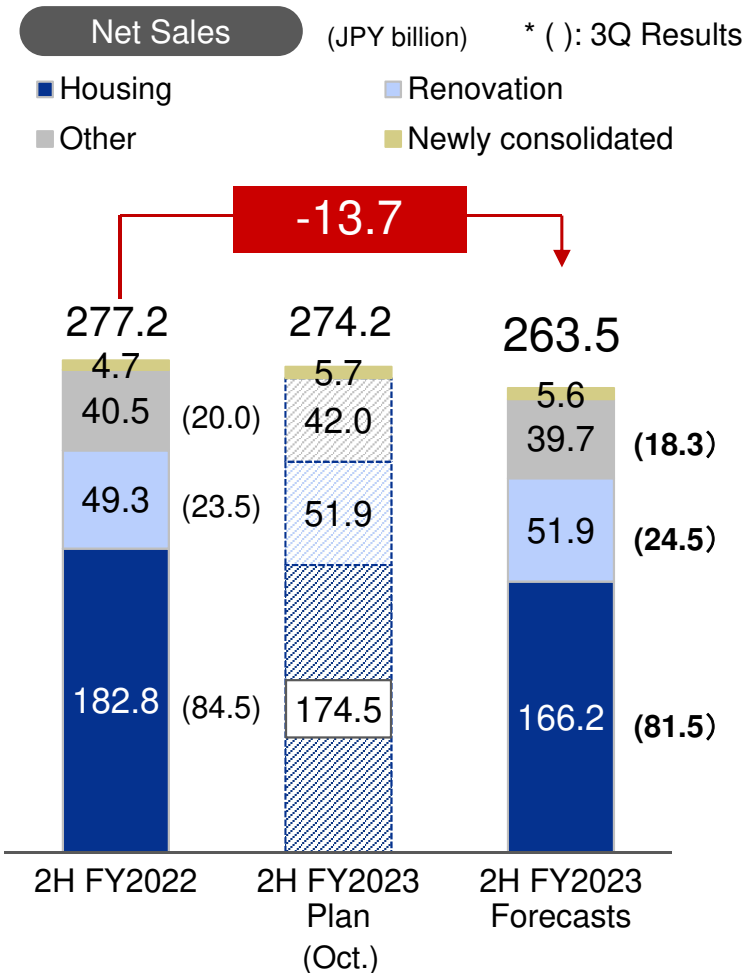
YoY growth rate



Net sales
(JPY billion)



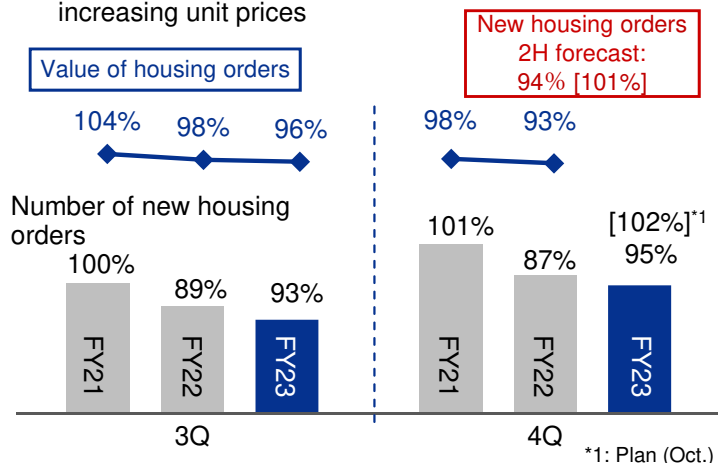
- In 3Q, both net sales and operating profit slightly higher than planned due to levelling out, controlling fixed costs, and a strong Renovation Business, but remaining at the same level as the previous year. New housing orders received lower than previous year due to the prolonged slump in market conditions
- Although operating profit is expected to fall short of the plan (Oct.) due to the substantial impact of a decline in the number of houses sold in 4Q, orders are expected to recover moderately. In the Renovation Business, orders continue to increase through a strengthened personnel structure. Focus on reducing fixed costs
- Promote measures to strengthen profitability



Housing Business

New Housing Orders (YoY)

- 2H order plan revised downward due to continued slump in market conditions
- Impact of less housing orders covered by increasing unit prices



Number of Orders by Type of Construction

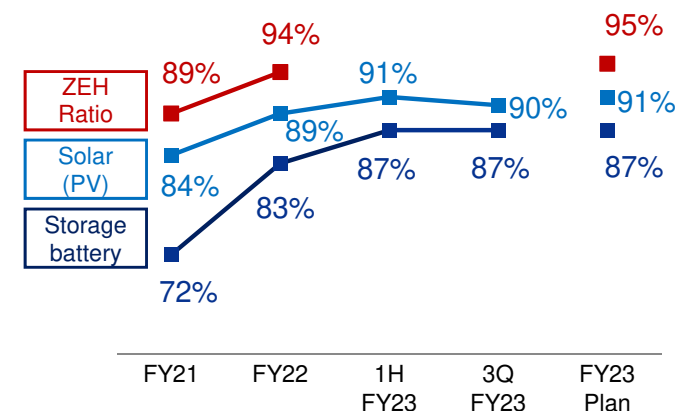
- Recovery trend on total orders
- Continue to strengthen product rollout by area

FY23		3Q	4Q	2H
Detached Houses	Rebuilding	90%	116%	104%
	New construction*2	96%	85%	90%
	Subdivision housing	91%	98%	94%
	Of which, Ready-built houses	90%	99%	95%
Apartment buildings		88%	95%	92%
Total		93%	95%	94%

*2: Land: Client arrangement

Smart House-related Indicators*3

- Steady progress in each of the indicators; contributions also from efforts to increase unit prices

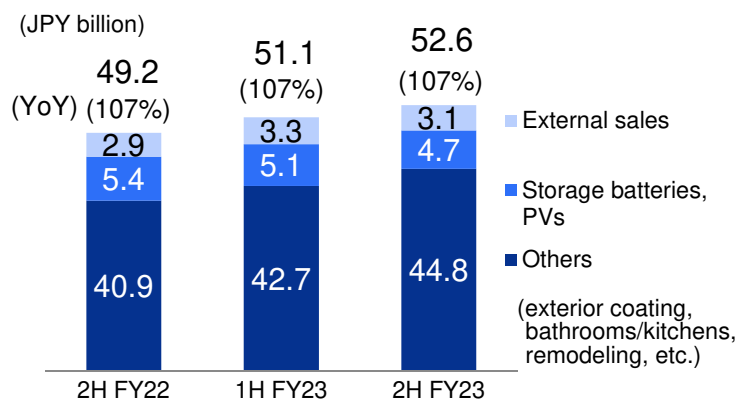


*3 Detached house order installation (ZEH, solar power generation system excluding Hokkaido)

Renovation Business

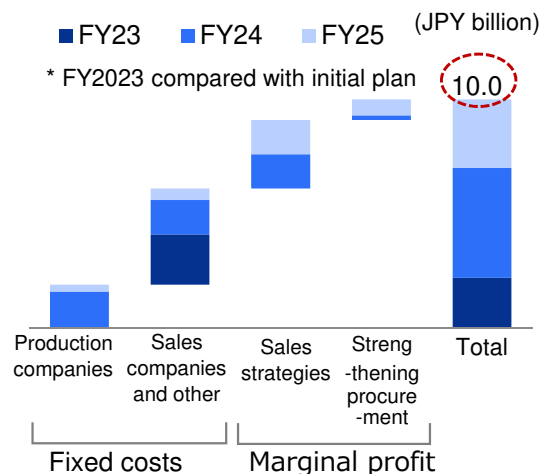
Orders by Renovation Product

- Steady increase in orders by strengthening sales system



Measures Aimed at Strengthening Profitability to Ensure Sustainable Growth

Effects of Measure Aimed at Strengthening Profitability Targets (Housing business)



Strengthen Housing Business profitability further ahead of schedule

1. Reform the cost structure
 - 1) Strengthen productivity
 - Optimize the production structure for wooden-frame products (4Q)
 - Integrate operations of production companies (Hokkaido) (4Q)
 - 2) Strengthen shift of indirect human resources to growth domains such as Stock Businesses
2. Roll out product strategy by area
 - Optimize 3-story homes for urban areas
 - Strengthen sales expansion of single-story homes and apartment buildings in suburban areas (4Q onwards)

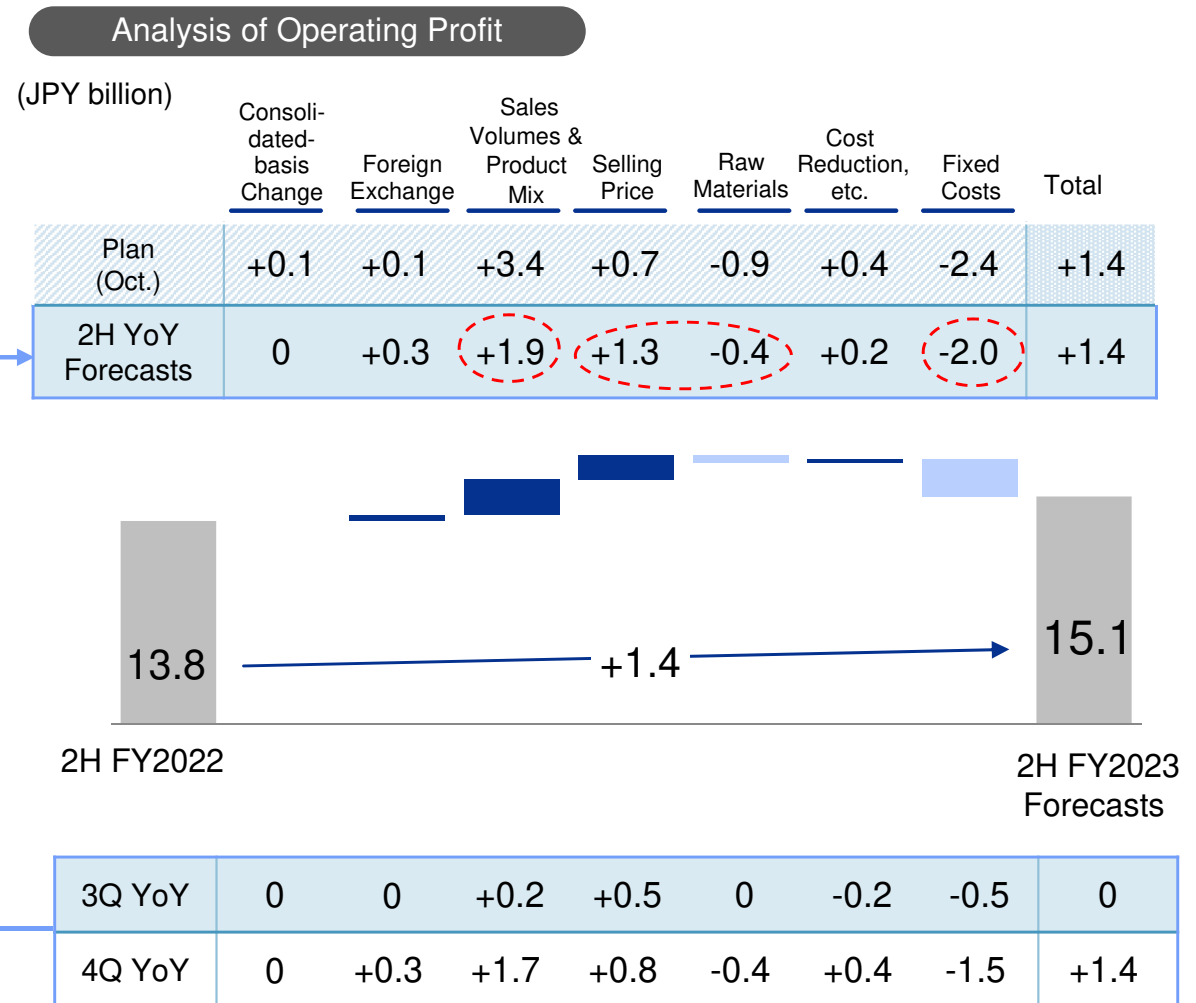
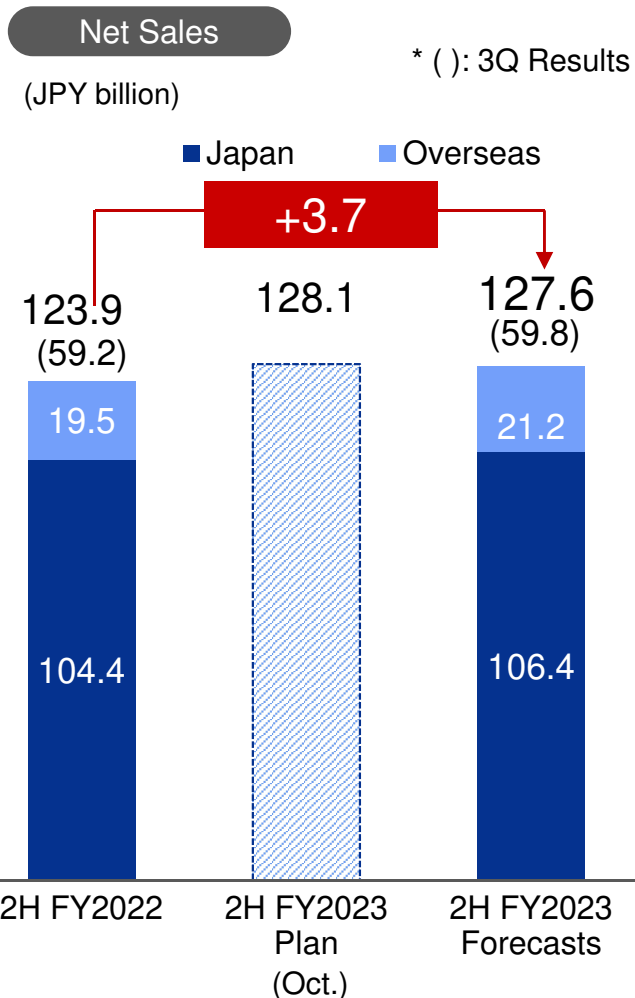
Accelerate growth in the Stock as well as Town and Community Development businesses

- Increase orders by strengthening sales structure (shift personnel)

Despite sluggish housing market conditions and delays to non-residential properties in Japan, net sales and operating profits are expected to increase as planned by maintaining margins and thoroughly controlling fixed costs. Operating profit in 2H is projected to reach a new record high

- Japan: Secure margins; Focus on expanding sales of prioritize products*
- Overseas: Deteriorating market conditions in India for chlorinated polyvinyl chloride (CPVC). Progress in acquiring new FFU and pipeline renewal orders.

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



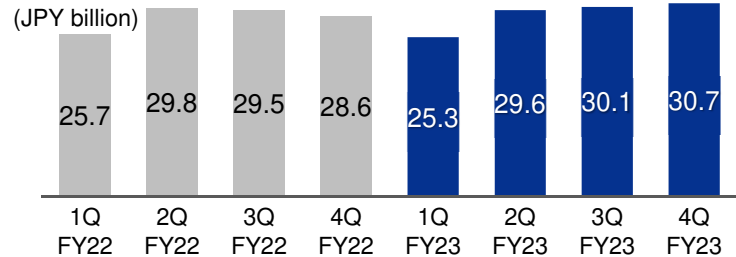
Net sales in the Three Strategic Fields and KPI's

Pipe Systems

Construction and industrial piping

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

- Continued sluggish housing market conditions in Japan and delays to non-residential properties due to labor shortages, etc.
- Show results from succession of ShinEtsu Polymer's piping materials business
- Piping materials for plants: Focus on steadily capturing capital investment demand in Japan
- Focus on expanding sales of prioritized products and securing margins

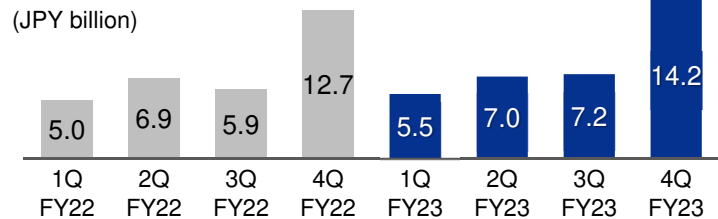


Infrastructure Renovation

Pipe renewal

Products and technologies for infrastructure aging prevention

- Pipeline renewal: Continued stable trends in demand. Promote efforts to cultivate new customers overseas
- Aim to increase orders in the Water Treatment field



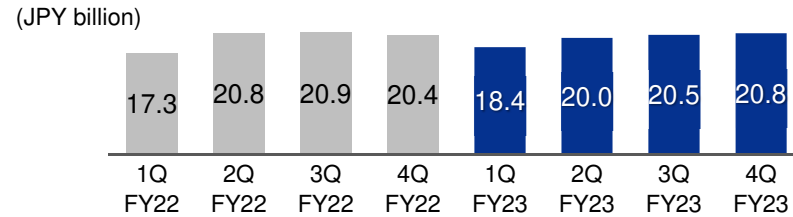
Building and Infrastructures Composite Materials

Fire resistant and non-flammable materials

Performance materials (railroad sleepers, etc.)

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

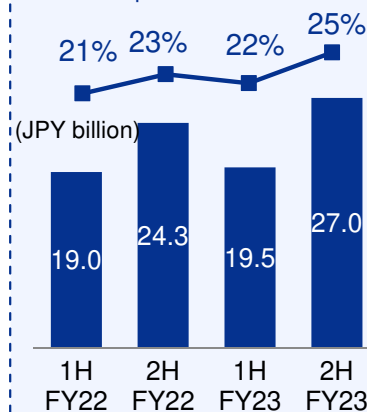
- FFU (railway sleeper application): European plant begins operation. Aim to expand adoption overseas. Civil engineering applications in Japan remain steady
- Fire-resistant and non-combustible materials: Sales expansion of new products progressing steadily, expand sales area



Prioritized Products Sales (Japan)

- Outlook for substantial 2H growth
- Strong sales of PE pipes for water supply, fire hydrants, and plants

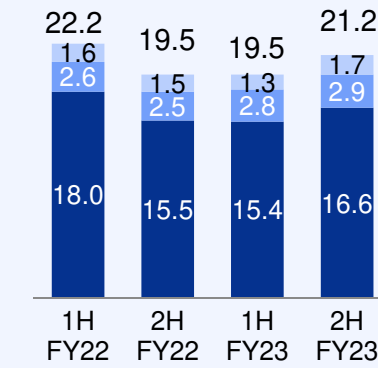
Prioritized product sales/domestic sales



Overseas Sales* by Region

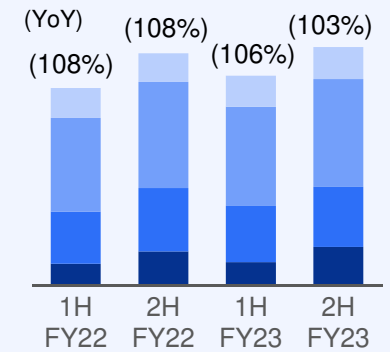
- Fall in CPVC demand (India)
- Growth in plant, pipe renewal, and performance materials

Legend: Asia, other; Europe; North America



Growth Driving Business Sales

- Pipe renewal
- Fire resistant and non-flammable materials
- Construction and industrial piping
- Performance materials (railroad sleepers, etc.)

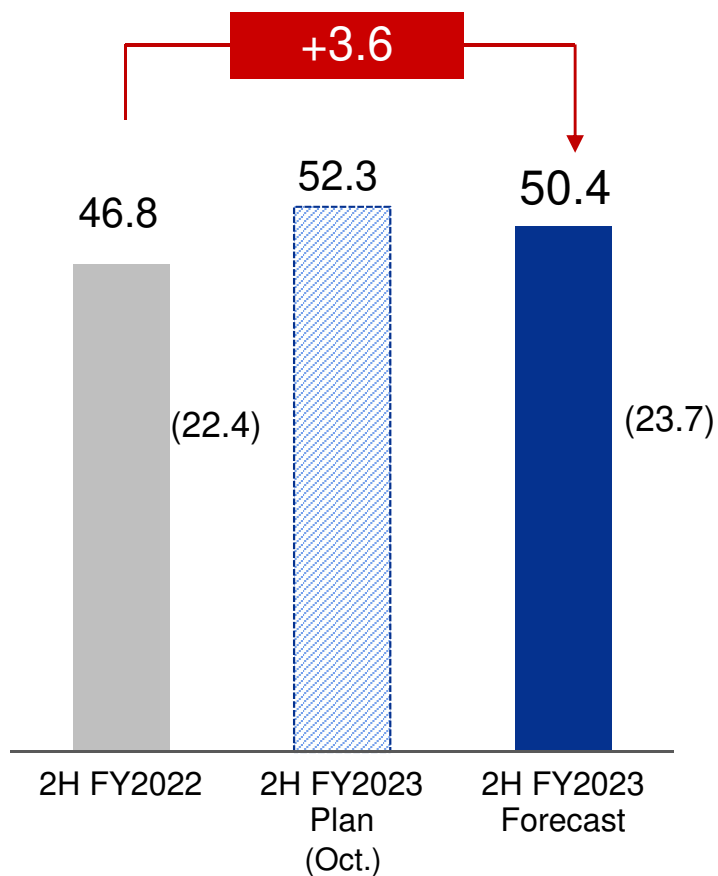


Although demand for infectious disease testing in Japan is increasing and demand for new pharmaceutical ingredients remains strong, net sales and profit are expected to fall short of plan (Oct.) due to delays in expanding sales of blood coagulation reagents in Japan and new products in the U.S. Expected to increase operating profits to reach new record highs through rigorous control of fixed costs

Net Sales

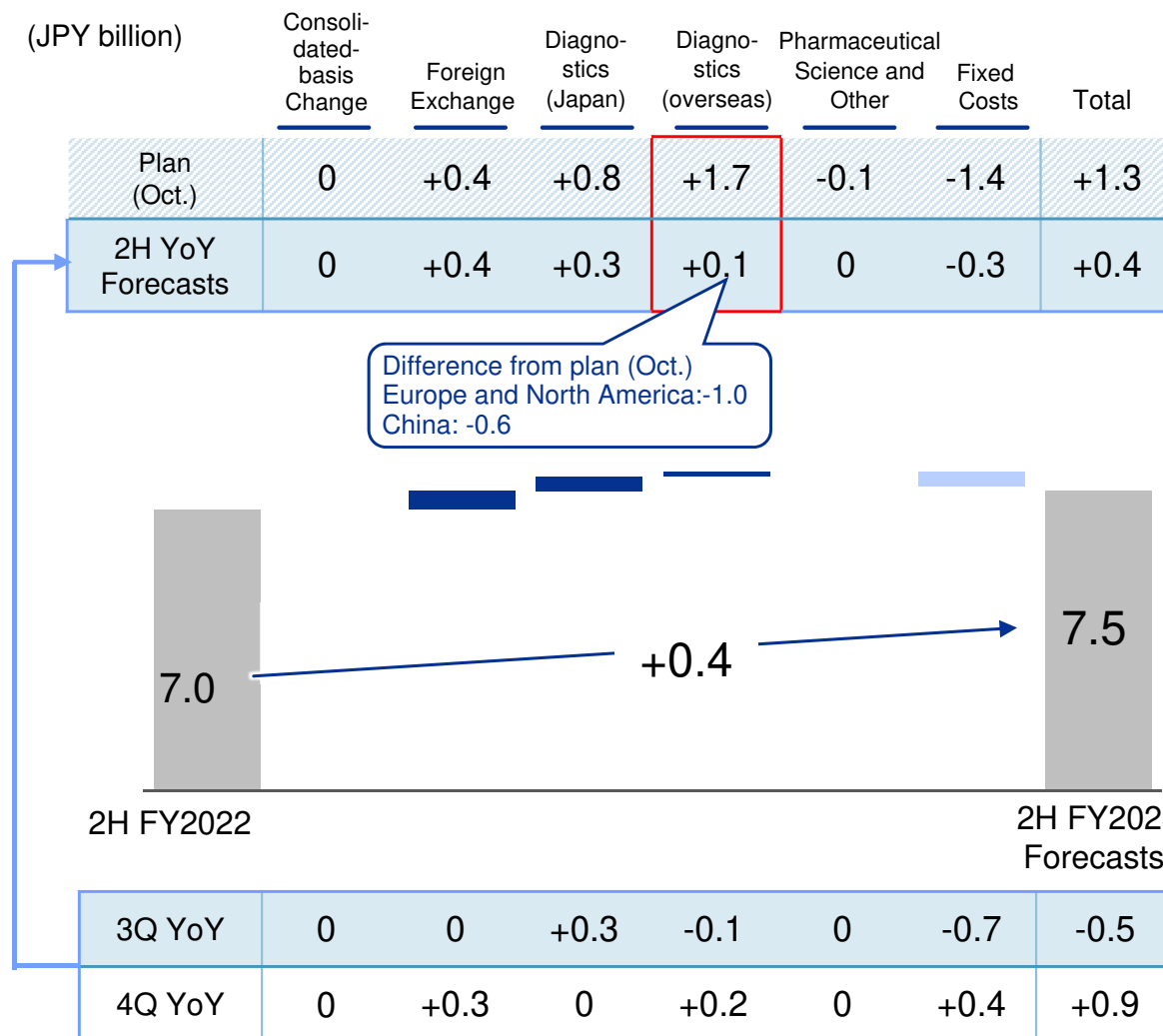
(JPY billion)

* (): 3Q Results



Analysis of Operating Profit

(JPY billion)

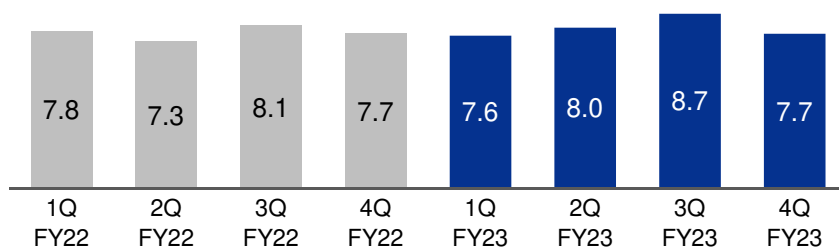


Net sales by Business and Overview of Progress

Diagnostics (Japan)

- 3Q: Despite difficult sales for blood coagulation reagents, demand for infectious disease testing remains strong
- 4Q: Focus on expanding sales of blood coagulation devices and reagents

(JPY billion)

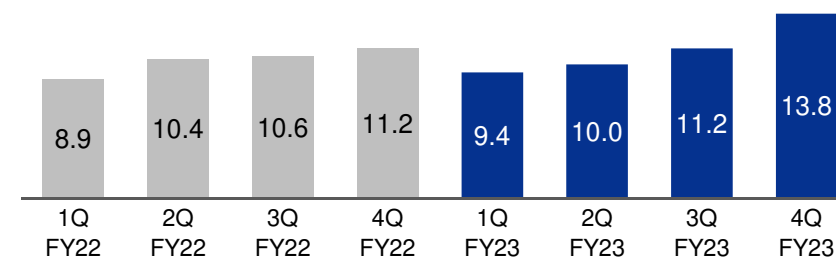


Diagnostics (overseas)

Overseas testing system

- 3Q: Blood coagulation reagents remain strong in China despite delays in sales expansion of new products in the U.S.
- 4Q: Focus on expanding sales of new products in the U.S. and blood coagulation testing devices and reagents in China

(JPY billion)

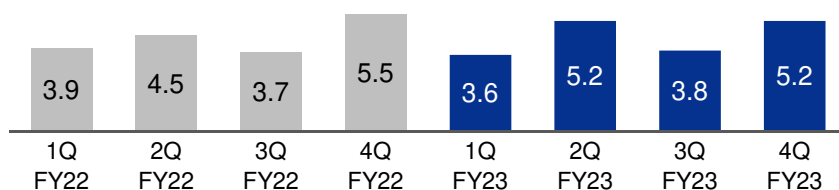


Pharmaceutical Sciences (Pharmaceutical and Fine Chemicals, Drug Development Solutions, Enzymes)

Pharmaceutical science (CDMO)

- 3Q: Firm trends in new pharmaceutical ingredients and drug development solutions
- 4Q: Continue to focus on capturing new orders (pharmaceutical and fine chemicals, drug development solutions, enzymes)

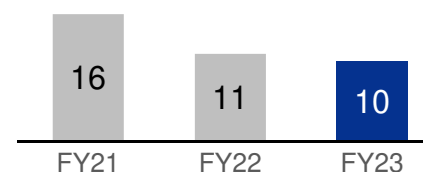
(JPY billion)



Examples of New Product Development

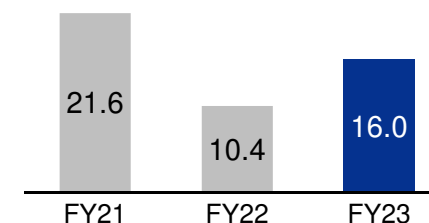
- Progress in development of influenza/COVID-19 diagnostics kits in the U.S. (scheduled launch 1H FY24)
- China: Promote shift to domestic production (blood coagulation devices)

Number of New Products Released



New Product Sales

(JPY billion)



Financial Results

3Q FY2023

Number of Consolidated Companies

	Mar. 31, 2023	Dec. 31, 2023	Difference
Consolidated subsidiaries	148	144	Increased: 0 Subsidiaries Decreased: 4 Subsidiaries ^{*1}
Affiliates (Equity Method)	7	6	Increased: 0 Subsidiaries Decreased: 1 Subsidiary ^{*2}

^{*1} Sekisui (Shanghai) Environmental Technology Co., Ltd. , Sanin Sekisui Shoji Co., Ltd., PT HD Limited, Rehabilitation Research Laboratory Co., Ltd.

^{*2} Sekisui Jushi Corporation

Impact of Change in the Number of Consolidated Companies

(JPY billion)	1Q-3Q FY2023 (YoY)	Difference
Net sales	+3.3	Sekisui XenoTech, LLC. ^{*3} Seiryu Maintenance Co., Ltd. ^{*4}
Operating profit	+0.2	Tochigi Sekisui Heim Co., Ltd. ^{*5} Sanin Sekisui Shoji Co., Ltd. ^{*6}

^{*3} Excluded from scope of consolidation from 2Q FY2022

^{*4} Excluded from scope of consolidation from 3Q FY2022

^{*5} Newly consolidated from 3Q FY2022

^{*6} Excluded from scope of consolidation from 2Q FY2023

Summary of Profit and Loss

(JPY billion)	1Q-3Q FY2022	1Q-3Q FY2023	Difference	
Net sales	912.2	923.9	+11.7	
Gross profit	276.8	288.0	+11.2	
Gross profit margin	30.3%	31.2%	+0.8%	
Selling, general and administrative expenses	214.4	222.2	+7.8	Foreign exchange gains: +5.3
Operating profit	62.5	65.8	+3.4	Foreign exchange gains: +2.9
Share of profit of entities accounted for using equity method	1.1	0	-1.1	
Other non-operating profit and expenses	9.9	7.0	-2.9	Gain on sale of investment securities: +14.2
Ordinary profit	73.4	72.8	-0.6	
Extraordinary profit	1.2	14.2	+13.1	
Extraordinary losses	1.5	1.2	-0.3	
Profit before income taxes	73.1	85.9	+12.7	
Income taxes, etc.	19.2	26.3	+7.1	
Profit attributable to non-controlling interests	1.1	1.1	0	
Profit attributable to owners of parent	52.8	58.4	+5.6	

Foreign exchange (Avg. rate)	1 USD	137 JPY	143 JPY
	1 EUR	141 JPY	155 JPY

Balance Sheets (Assets)

(JPY billion)	Mar. 31, 2023	Dec. 31, 2023	Difference
Cash and deposits	101.1	111.2	+10.1
Trade receivables	192.5	199.6	+7.1
Inventories	286.8	302.3	+15.5
Other current assets	41.2	34.0	-7.3
Property, plant and equipment	377.4	388.2	+10.8
Intangible assets	51.0	57.1	+6.1
Investment securities	137.3	113.7	-23.7
Investments and other assets	40.8	46.4	+5.6
Total assets	1,228.1	1,252.5	+24.3

Inventories (B/S item)	Dec.31 2023	Difference
Ready-built housing (products)	38.5	+5.8
Prepared land for subdivision housing	65.1	+1.0
Land under preparation (work in process)	11.7	+1.7
Housing under construction (work in process)	36.5	+1.8
Components, other (raw materials)	6.9	-1.1
Housing Total	158.7	+9.2
Non-residential total (products, other)	143.7	+6.4
Inventories Total	302.3	+15.5

Purchase: +37.6
 Depreciation: -33.1
 Foreign exchange: +9.2

Sale: -41.7
 Market value: +18.5

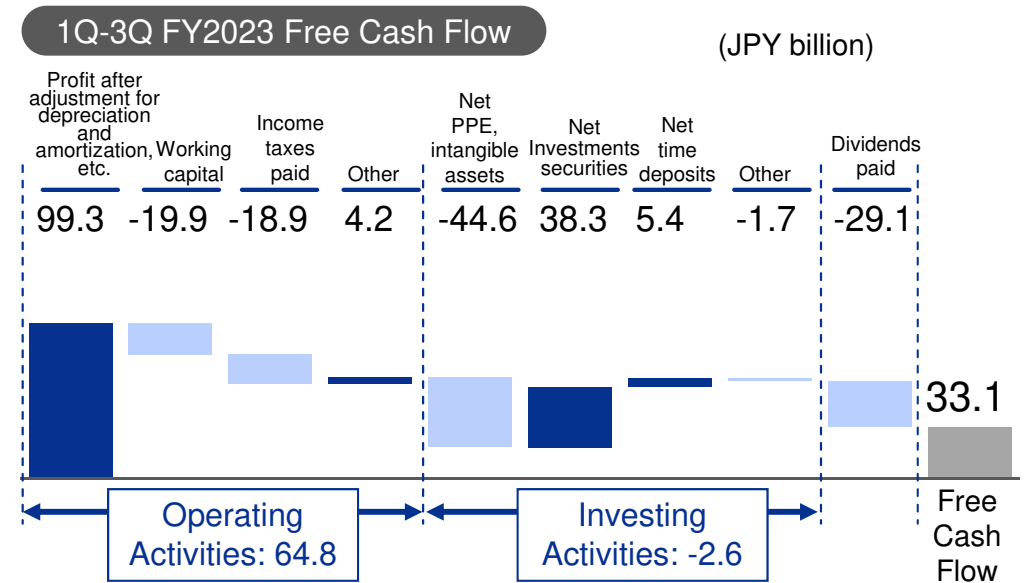
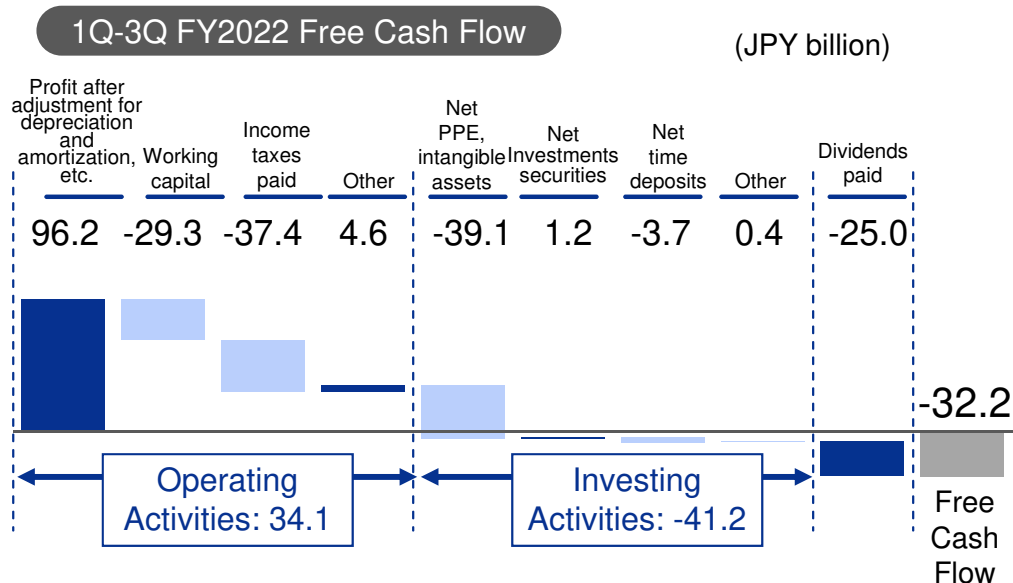
Foreign exchange: +24.2
 Consolidated-basis change: -0.7
 Actual basis: +0.8

Balance Sheets (Liabilities & Net Assets)

(JPY billion)	Mar. 31, 2023	Dec. 31, 2023	Difference	
Non-interest-bearing liabilities	375.1	367.1	-8.1	
Interest-bearing liabilities	120.5	120.7	+0.2	
[Net interest-bearing liabilities]	[19.4]	[9.5]	[-9.9]	
Total liabilities	495.6	487.8	-7.9	
Share capital etc.	208.6	208.6	0	
Retained earnings	468.1	482.4	+14.4	<div style="border: 1px solid red; padding: 5px;"> Net profit: +58.4 Dividends paid: -27.8 Cancellation of treasury shares: -13.9 </div>
Treasury shares	-46.6	-48.7	-2.0	
Valuation difference on available-for-sale securities	37.8	40.3	+2.5	
Non-controlling interests	27.5	28.2	+0.7	<div style="border: 1px solid red; padding: 5px;"> Cancellation of treasury shares: +13.9 Purchases of treasury shares: -16.2 </div>
Other net assets	37.1	53.8	+16.7	
Total net assets	732.5	764.7	+32.2	<div style="border: 1px solid red; padding: 5px;"> Foreign currency translation adjustment: +16.6 </div>
Total liabilities and net assets	1,228.1	1,252.5	+24.3	
Equity-to-asset ratio (%)	57.4%	58.8%	+1.4%	
D/E ratio (Net)	0.03	0.01	-0.01	

Consolidated Cash Flows

(JPY billion)	1Q-3Q FY2022	1Q-3Q FY2023
Cash flows from operating activities	34.1	64.8
Cash flows from investing activities	-41.2	-2.6
Cash flows from financing activities	-47.5	-50.9
Net increase in cash and cash equivalents	-53.3	14.9
Cash and cash equivalents at end of period	80.4	100.1
Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid	-32.2	33.1



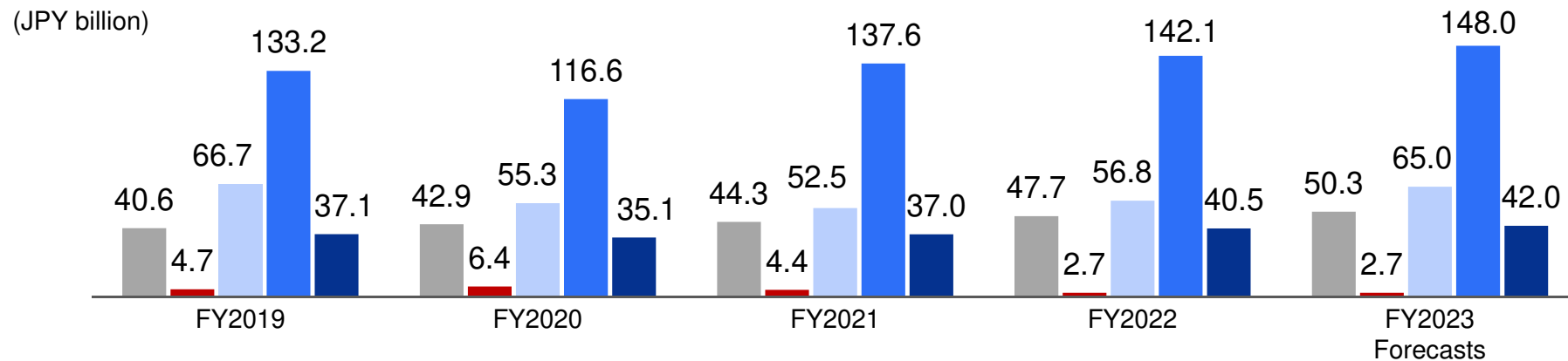
Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

(JPY billion)	1Q-3Q			FY2023		
	FY2022	FY2023	Difference	FY2022	FY2023 Forecasts	Difference
Depreciation* ¹	35.6	36.9	+1.3	47.7	50.3	+2.6
Goodwill and other amortization* ²	1.9	2.0	+0.1	2.7	2.7	0
Capital expenditures	42.2	43.3	+1.1	56.8	65.0	+8.2
EBITDA* ³	99.9	104.7	+4.8	142.1	★148.0	+5.9
Research and development expenditure	30.3	30.9	+0.6	40.5	42.0	+1.5

★: Record high

Depreciation, 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 intangible assets

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

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

Housing Company Results and Plan

1. Main data in Housing business		FY2023				FY2022				FY2021
		1H	3Q	2H Plan	Annual Plan	1H	3Q	2H	Annual	
CONSOLIDATED	Net sales (JPY billion)	264.8	126.7	263.5	528.3	260.2	129.0	277.2	537.4	515.2
	Housing	175.3	83.2	170.3	345.6	177.2	85.2	186.4	363.6	354.7
	Renovation	50.9	25.2	53.5	104.4	47.0	23.7	50.3	97.3	92.1
	Other	38.6	18.3	39.7	78.3	36.0	20.0	40.5	76.4	68.4
	Real estate	27.3	13.6	28.7	56.0	25.8	12.7	26.7	52.5	50.5
	Residential Services	3.6	1.9	3.9	7.5	3.7	1.8	3.9	7.6	7.9
	Town and Community Development	6.1	2.1	6.1	12.2	4.8	4.5	7.9	12.7	7.8
	Overseas	0.6	0.4	0.8	1.4	0.8	0.5	0.9	1.6	1.2
OTHERS	1. Number of houses sold (Housing units)	4,675	2,150	4,600	9,275	5,190	2,355	5,160	10,350	10,410
	Detached houses	4,400	2,035	4,220	8,620	4,925	2,255	4,775	9,700	9,890
	Housing/Rebuilding	3,745	1,750	3,510	7,255	4,185	1,970	4,115	8,300	8,405
	Ready-built houses	655	285	710	1,365	740	285	660	1,400	1,485
	Apartment buildings, other	275	115	380	655	265	100	385	650	520
	2. Main data									
	Prices per unit (JPY million) in the detached houses	34.8	35.9	-	-	32.9	33.9	33.6	33.2	31.8
	Prices per tsubo* (JPY thousand) in the detached houses *Tsubo=3.3 Square meter	1,010	1,038	-	-	932	964	965	948	901
	Floor space (Square meter) in the detached houses	113.7	114.2	-	-	116.4	116.1	114.9	115.7	116.6
	Exhibition places (Units)	430	-	-	414	431	-	-	430	430
Sales staff (Number of person)	2,451	2,355	-	2,260	2,439	2,358	-	2,275	2,354	

Housing Company Results and Plan

2. Housing orders		FY2023				FY2022				FY2021			
		1H	3Q	2H Forecasts	Annual Forecasts	1H	3Q	2H	Annual	1H	3Q	2H	Annual
(Millions of yen)													
New construction · Renovation	Year-start Backlog	164,300	147,200	147,200	-	185,000	186,900	186,900	-	184,800	192,500	192,500	-
	Growth Rate	-11%	-21%	-21%	-	±0%	-3%	-3%	-	-10%	-1%	-1%	-
	New Orders	191,755	94,486	199,308	391,063	203,360	93,539	194,835	398,196	200,607	94,491	198,850	399,457
	Growth Rate	-6%	+1%	+2%	-2%	+1%	-1%	-2%	±0%	+14%	+4%	+4%	+9%
	Sales of Housing/Renovation	208,855	100,486	207,508	416,363	201,460	99,539	217,435	418,896	192,907	93,491	206,350	399,257
	Growth Rate	+4%	+1%	-5%	-1%	+4%	+7%	+5%	+5%	+4%	+4%	+3%	+3%
	End-balance	147,200	141,200	139,000	-	186,900	180,900	164,300	-	192,500	193,500	185,000	-
	Growth Rate	-21%	-22%	-15%	-	-3%	-7%	-11%	-	-1%	-1%	±0%	-

3. Housing starts		FY2023				FY2022				FY2021
		1H	3Q	2H Forecasts	Annual Forecasts	1H	3Q	2H	Annual	
(Units)										
Housing starts		415,307	201,900	393,700	809,000	442,894	216,211	417,934	860,828	865,909
Privately-owned houses + Houses for sale starts (included in above) =A		188,227	87,600	176,400	364,600	206,691	99,922	185,762	392,453	425,403
Detached house sales by our company=B (Unit base)		4,400	2,035	4,220	8,620	4,925	2,255	4,775	9,700	9,890
Our share in Detached houses=B/A		2.3%	2.3%	2.4%	2.4%	2.4%	2.3%	2.6%	2.5%	2.3%

* Of which "Housing starts", "Privately-owned houses" and "Houses for sale starts" after 3Q of FY2023 are based on forecasts

4. The ratio of houses equipped with smart specifications		FY2023				FY2022				FY2021
		1H	3Q	2H Forecasts	Annual Forecasts	1H	3Q	2H	Annual	
Solar power generation systems installed		91%	90%	91%	91%	88%	89%	90%	89%	84%
Storage battery installed		87%	87%	87%	87%	81%	83%	85%	83%	72%
Comfortable Air System		70%	71%	70%	70%	71%	71%	72%	71%	72%

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.

SEKISUI