

Presentation of Financial Results and  
Progress under Management Plan  
for the Fiscal Year 2018, which ended March 31, 2019

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President

25 April, 2019

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## Results for FY2018

Forex Rate	FY2017		FY2018	
	1H	2H	1H	2H
<b>Assumption</b>	¥112/US\$ ¥123/€	¥112/US\$ ¥132/€	¥109/US\$ ¥132/€	¥112/US\$ ¥128/€
<b>Results</b> (Avg. rate for each term)	¥111/US\$ ¥126/€	¥111/US\$ ¥133/€	¥110/US\$ ¥130/€	¥112/US\$ ¥127/€

## FY2018 Results

- Despite securing an increase in sales, reported a decrease in operating income for the first time in 10 fiscal years; fell short of plans
- Slight decrease in ordinary income; fell short of plans
- Achieved a record high bottom line for a sixth consecutive fiscal period
- Increase in the period-end dividend of ¥2 per share compared with forecasts for an annual dividend of ¥44 per share

(Billions of yen)	FY2017	FY2018	Difference	FY2018 Plan (Jan. 2019)	Difference
Net Sales	1,107.4	1,142.7	+35.3	1,161.0	-18.3
Operating Income	99.2	95.7	-3.5	100.0	-4.3
Ordinary Income	93.9	93.1	-0.8	98.0	-4.8
Net Income Attributable to Owners of the Parent	63.5	66.1	+2.6	67.0	-0.9
Dividend per Share (Yen)	40*	44	+4	42	+2

\*Including 70th anniversary commemorative dividend of 1 yen per share

## FY2018 Results: Net Sales and Operating Income by Divisional Company

- Despite an increase in profit in both the Housing and UIEP companies, decrease in profit in the HPP Company due to the impact of market conditions; all companies fell short of plans
  - HPP: Decrease in profit due to the sudden deterioration in conditions mainly in the smartphone and automobile markets
  - Housing: Increases in sales and profit owing to the substantial increase in the number of houses sold
  - UIEP: Despite growth in high-value-added products (prioritized products in Japan, overseas products); general products struggled in Japan; as a result, operating income was essentially unchanged
  - Others, Eliminations or Unallocatable Accounts, and Headquarters: Actively undertook research and development investments

(Billions of yen)	FY2017		FY2018		Difference		FY2018 Plan (Jan. 2019)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP*	386.2	57.8	412.0	54.5	+25.9	-3.3	417.0	57.0	-5.0	-2.5
Housing*	497.8	37.9	506.7	39.0	+8.9	+1.1	514.0	39.5	-7.2	-0.5
UIEP*	239.2	14.8	239.2	15.0	0	+0.2	243.5	16.5	-4.3	-1.5
Others	5.9	-9.8	6.1	-11.1	+0.2	-1.3	7.0	-11.1	-0.9	0
Eliminations or Unallocatable Accounts	-21.6	-1.6	-21.3	-1.7	+0.3	-0.2	-20.5	-1.9	-0.8	+0.2
Total	1,107.4	99.2	1,142.7	95.7	+35.3	-3.5	1,161.0	100.0	-18.3	-4.3

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

# 1H & 2H FY2018 Results: Net Sales and Operating Income by Divisional Company

■ Despite a substantial decrease in profit in the 1H, achieved an increase in profit in the 2H against the backdrop of deteriorating market conditions worldwide; this was a record high for 2H profits

- HPP: Despite an increase in high-performance products sales volumes, decrease in profit in both the 1H and 2H due to compound effects of front-end fixed costs and high raw material costs
- Housing: Despite a decrease in profit owing to the impact of natural disasters in the 1H, turnaround and substantial increase in profit in the 2H; this was a record high for 2H profits
- UIEP: Despite a decrease in profit owing to the impact of natural disasters in the 1H, turnaround and increase mainly in overseas profit in the 2H; record high profit for both the 2H and full fiscal year
- Others, Eliminations or Unallocatable Accounts, and Headquarters: End of a round of development investment increase in the 2H

(Billions of yen)	1H FY2017		1H FY2018		Difference		2H FY2017		2H FY2018		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	185.5	28.8	205.5	27.5	+20.0	-1.3	200.6	29.0	206.5	27.0	+5.9	-2.0
Housing	244.4	17.8	246.9	17.2	+2.5	-0.6	253.4	20.1	259.9	21.8	+6.5	+1.7
UIEP	112.1	4.8	111.0	4.3	-1.1	-0.5	127.2	9.9	128.2	10.7	+1.0	+0.7
Others	2.7	-4.8	2.7	-5.7	0	-0.8	3.1	-4.9	3.4	-5.4	+0.3	-0.5
Eliminations or Unallocatable Accounts	-10.6	-0.6	-11.1	-1.2	-0.6	-0.6	-11.0	-0.9	-10.2	-0.5	+0.9	+0.4
<b>Total</b>	<b>534.1</b>	<b>46.0</b>	<b>554.9</b>	<b>42.2</b>	<b>+20.8</b>	<b>-3.8</b>	<b>573.3</b>	<b>53.2</b>	<b>587.8</b>	<b>53.5</b>	<b>+14.5</b>	<b>+0.3</b>

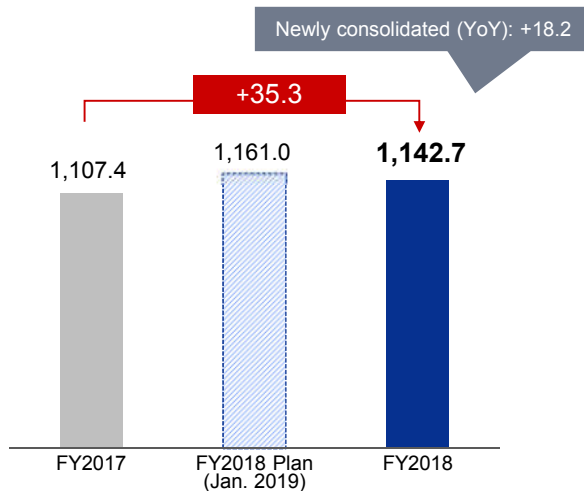
## FY2018 Results: Analysis of Net Sales and Operating Income

■ Despite a substantial increase in profit owing to increases in sales volumes and improvements in the product mix at each divisional company, fell short of plans due to the deterioration in global market conditions

■ Undertook steps to control fixed costs Group-wide

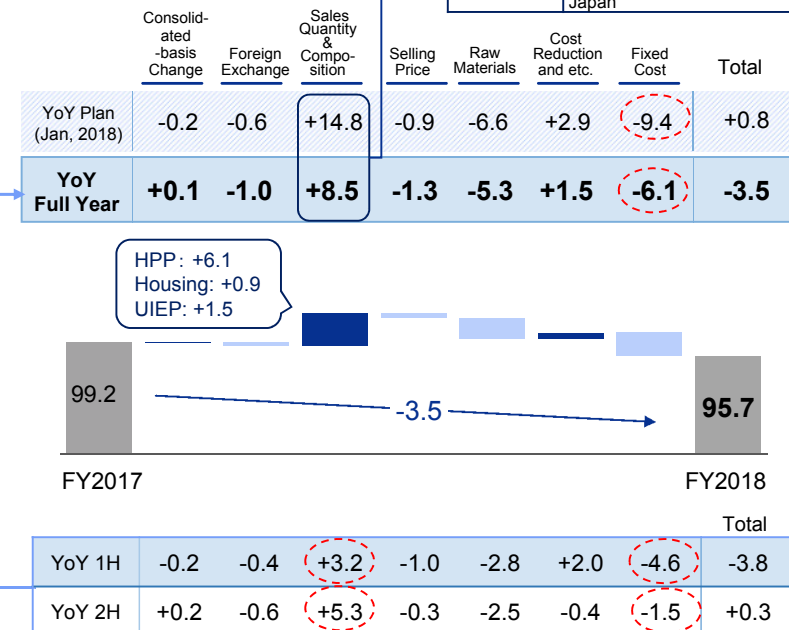
### Net Sales

(Billions of yen)



### Analysis of Operating Income

(Billions of yen)



• Increased by 17.1 billion yen on the actual basis excluding the impact of newly consolidated

## Plan for FY2019

Forex Rate	FY2018		FY2019	
	1H	2H	1H	2H
<b>Assumption</b>	¥109/US\$ ¥132/€	¥112/US\$ ¥128/€	¥110/US\$ ¥125/€	¥110/US\$ ¥125/€
<b>Results</b> (Avg. rate for each term)	¥110/US\$ ¥130/€	¥112/US\$ ¥127/€	-	-

## FY2019 Plan

- Work to secure a substantial increase in net sales; planning record highs at each level of profit
- Plans to increase dividends for a tenth consecutive fiscal year

(Billions of yen)	FY2018	FY2019 (Plan)	Difference
Net Sales	1,142.7	1,175.0	+32.3
Operating Income	95.7	103.0	+7.3
Ordinary Income	93.1	100.0	+6.9
Net Income Attributable to Owners of Parent	66.1	69.0	+2.9
Dividend per Share (Yen)	44	46	+2

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

- Plans to secure increases in sales and profit across all segments by steadily carrying out measures against the backdrop of an ongoing harsh business environment
- Bring the Medical Business under the management control of Headquarters; work to accelerate the pace of growth
- Apply a selection and concentration approach to research and development themes when engaging in Group-wide investment

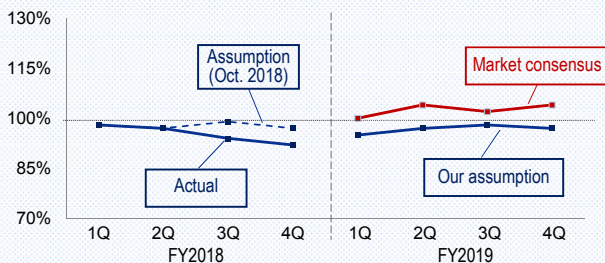
(Billions of yen)	FY2018		FY2019 (Plan)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	341.3	44.9	351.0	50.0	+9.7	+5.1
Housing	506.7	39.0	522.0	40.5	+15.3	+1.5
UIEP	239.2	15.0	244.0	17.0	+4.8	+2.0
Medical	70.7	9.6	72.5	10.0	+1.8	+0.4
Others	6.1	-11.1	6.5	-10.3	+0.4	+0.8
Eliminations or Unallocatable Accounts	-21.3	-1.7	-21.0	-4.2	+0.3	-2.5
<b>Total</b>	<b>1,142.7</b>	<b>95.7</b>	<b>1,175.0</b>	<b>103.0</b>	<b>+32.3</b>	<b>+7.3</b>

\*Separate the Medical Business from the High Performance Plastics Company from FY2019

# FY2019 Plan: Outlook for Market Conditions

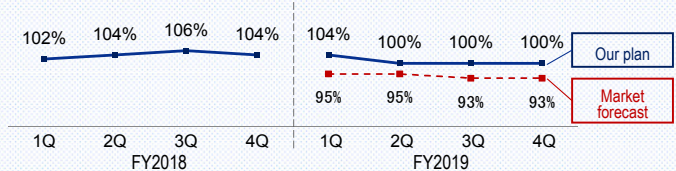
## Smartphone Shipments (YoY)

Greater than anticipated downswing in both the 3Q and 4Q of FY2018  
Harsh market conditions forecast to also continue in FY2019



## New Housing Orders Results/Plan (YoY)

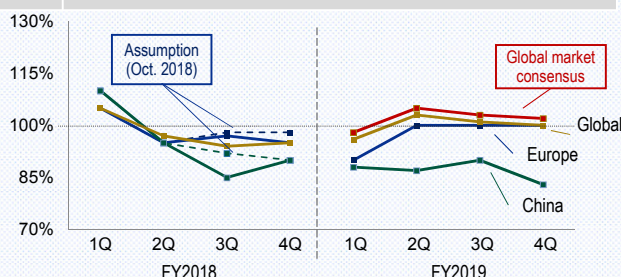
Despite the effects of various support measures, certain degree of negative correction in demand in FY2019  
Despite a downturn in rebuilding and leasing, firm first buyer demand



## Number of Automobiles Manufactured (YoY)

**Europe** Despite expectations of a resolution during the 3Q, in reality exhaust gas continuing to remain an issue over a prolonged period. Despite expectations that the difficult market environment would come to an end at the close of the 1Q of FY2019, conditions forecast to remain harsh

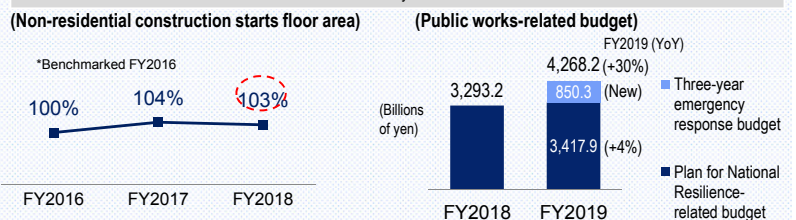
**China** Greater than anticipated substantial downswing in the 3Q of FY2018. While a certain degree of recovery is anticipated in the 2H of FY2019, forecasts warrant caution



## Construction Starts

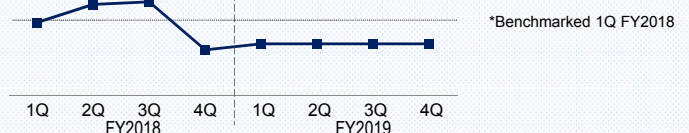
Firm non-residential construction starts mainly in metropolitan areas; increase in public sector budgets relating to the Plan for National Resilience

\* Timing when demand for each of the UIEP Company's products can be expected to emerge: From six months after the start of residential construction and from one year for the start of non-residential construction



## Domestic Naphtha Price

Assumption for FY 2018: ¥49,450 /KL, assumption for FY 2019: ¥43,000 /KL





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

- Harsh market conditions expected to continue throughout the 1H of FY 2019; plans for a slight increase in profit mainly from the Housing Company
- Certain level of improvement in market conditions in the 2H of FY 2019; plans for increases in both sales and profit across all segments due to the effects of strategic investments
- Plans for record high full fiscal year profits in the HPP and UIEP companies

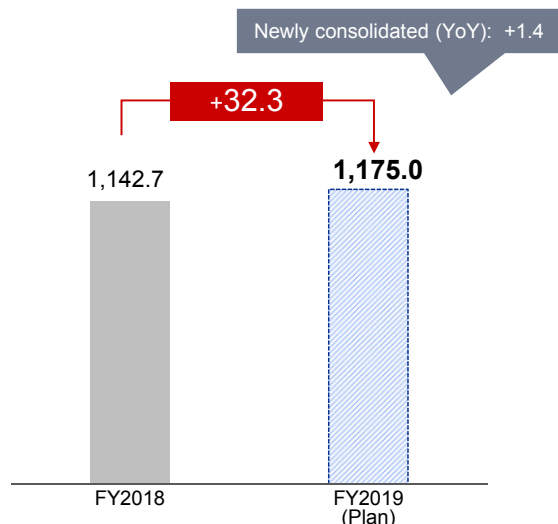
(Billions of yen)	1H FY2018		1H FY2019 (Plan)		Difference		2H FY2018		2H FY2019 (Plan)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	171.3	23.1	171.5	23.1	+0.2	0	170.0	21.8	179.5	26.9	+9.5	+5.1
Housing	246.9	17.2	257.0	18.5	+10.1	+1.3	259.9	21.8	265.0	22.0	+5.1	+0.2
UIEP	111.0	4.3	113.0	4.9	+2.0	+0.6	128.2	10.7	131.0	12.1	+2.8	+1.4
Medical	34.2	4.4	34.5	4.0	+0.3	-0.4	36.5	5.2	38.0	6.0	+1.5	+0.8
Others	2.7	-5.7	3.5	-5.3	+0.8	+0.4	3.4	-5.4	3.0	-5.0	-0.4	+0.4
Eliminations or Unallocatable Accounts	-11.1	-1.2	-10.5	-2.2	+0.6	-1.0	-10.2	-0.5	-10.5	-2.0	-0.3	-1.5
<b>Total</b>	<b>554.9</b>	<b>42.2</b>	<b>569.0</b>	<b>43.0</b>	<b>+14.1</b>	<b>+0.8</b>	<b>587.8</b>	<b>53.5</b>	<b>606.0</b>	<b>60.0</b>	<b>+18.2</b>	<b>+6.5</b>

## FY2019 Plan: Analysis of Net Sales and Operating Income

- Plans for a substantial increase in profit across all segments and a significant improvement in the product mix mainly in the 2H of FY2019
- Continued investment aimed at accelerating the pace of growth

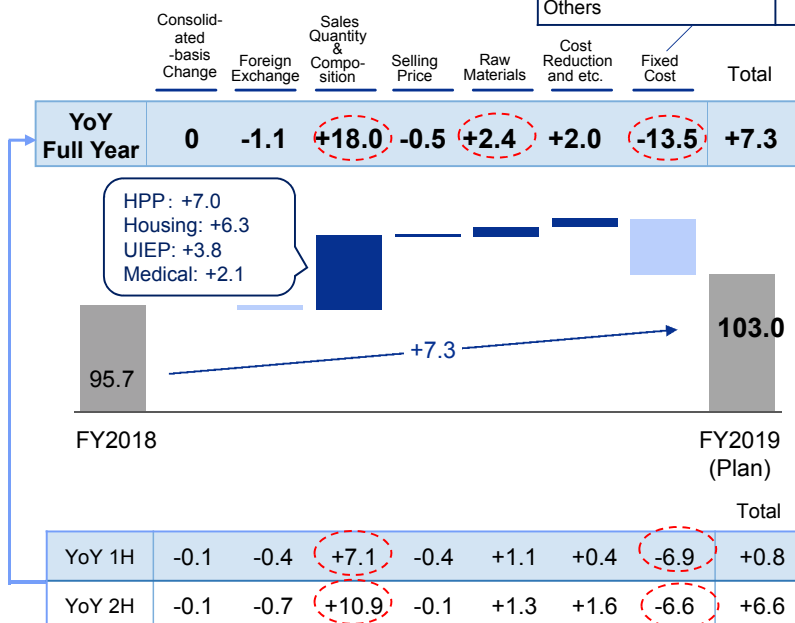
### Net Sales

(Billions of yen)



### Analysis of Operating Income

(Billions of yen)



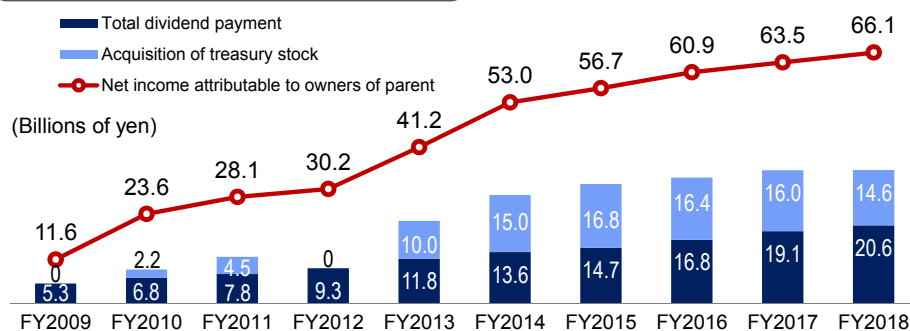
Breakdown	
Labor Cost	-9.0
Depreciation Cost	-4.0
Others	-0.5

• Increased by 30.9 billion yen on the actual basis excluding the impact of newly consolidated

# Returns to Shareholders

- Continue to stably increase dividends and implement measures designed to increase capital efficiency in FY2019

## Returns to Shareholders Track Record



## FY2019 Plan

Cash dividends per share (Yen)	46
Acquisition of treasury stock	Maximize ¥16.0 billion, 8 million shares
Treasury stock retired	8 million shares

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

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

\*\*DOE=Total dividend payment / Average shareholders' equity

# Progress under Medium-term Management Plan

## Progress under Medium-term Management Plan, *SHIFT 2019 -Fusion-*

### ■ Despite overseas sales growth, profit expected to fall short of the Medium-term Management Plan

(Billions of yen)	FY2016	FY2019 Plan	FY2019 Medium-term Plan
Net Sales	1,065.8	1,175.0	1,200.0
Operating Income	96.5	103.0	120.0
Operating Income Ratio (%)	9.1%	8.8%	10.0%
Net profit	60.9	69.0	75.0
ROE (%)	11.3%	11.0%	12.0%
Overseas Sales	245.8	305.0	300.0
Domestic Sales	821.2	870.0	900.0

#### HPP

#### Reasons for the expected shortfall

- Increase in raw material costs in excess of plans (-¥3 billion)
- Increase in profit attributable to increases in sales volumes and improvements in the product mix expected to fall short of plans due to a deterioration in conditions mainly in the smartphone and automobile markets

#### Housing

- Increase in component costs in excess of plans (-¥2 billion)
- Delays in renovation and frontier business growth (-¥5 billion)
- The number of newly built houses sold below plans (1,000 units → 700 units)

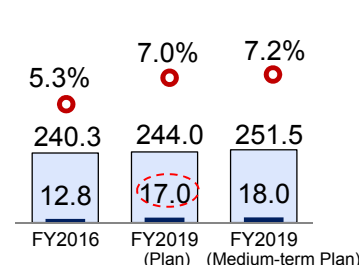
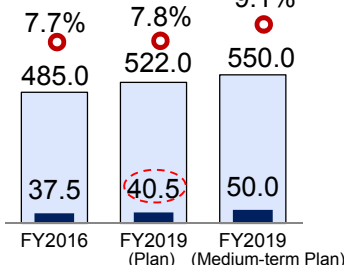
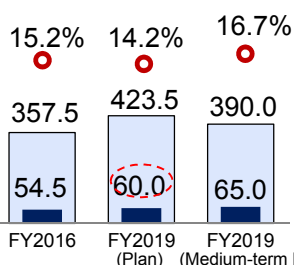
#### UIEP

- Increase in raw material costs in excess of plans
- Increase in strategic fixed costs
- Sales volumes of general products in Japan below plans

#### Operating Income Ratio

#### Net Sales (Billions of yen)

#### Operating Income (Billions of yen)



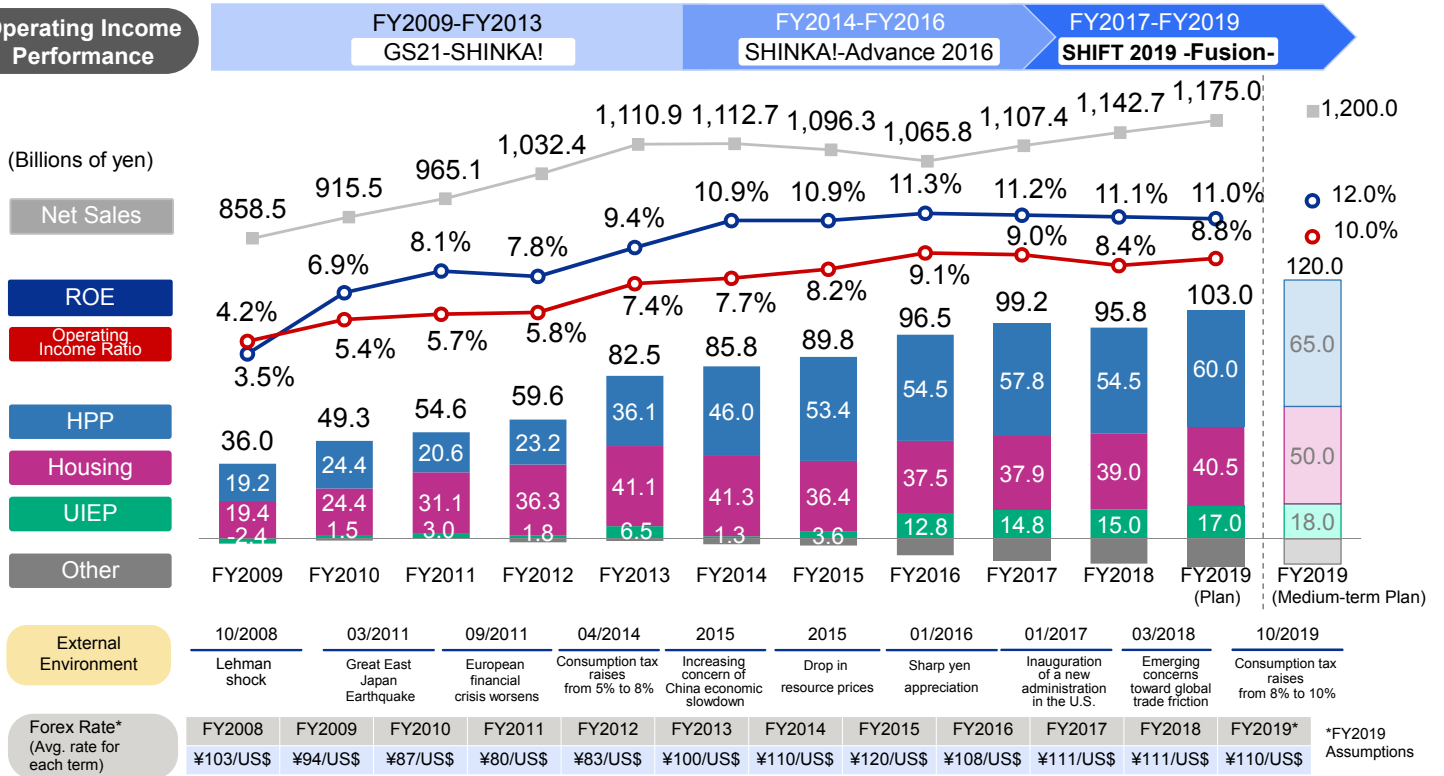
\*The Medical Business included in FY2019 HPP Company plans and the Medium-term Management Plan



# Progress under Medium-term Management Plan, *SHIFT 2019 -Fusion-*

■ Decrease in operating income for the first time in 10 fiscal years in the FY2018; profit to return to a growth trajectory in FY2019

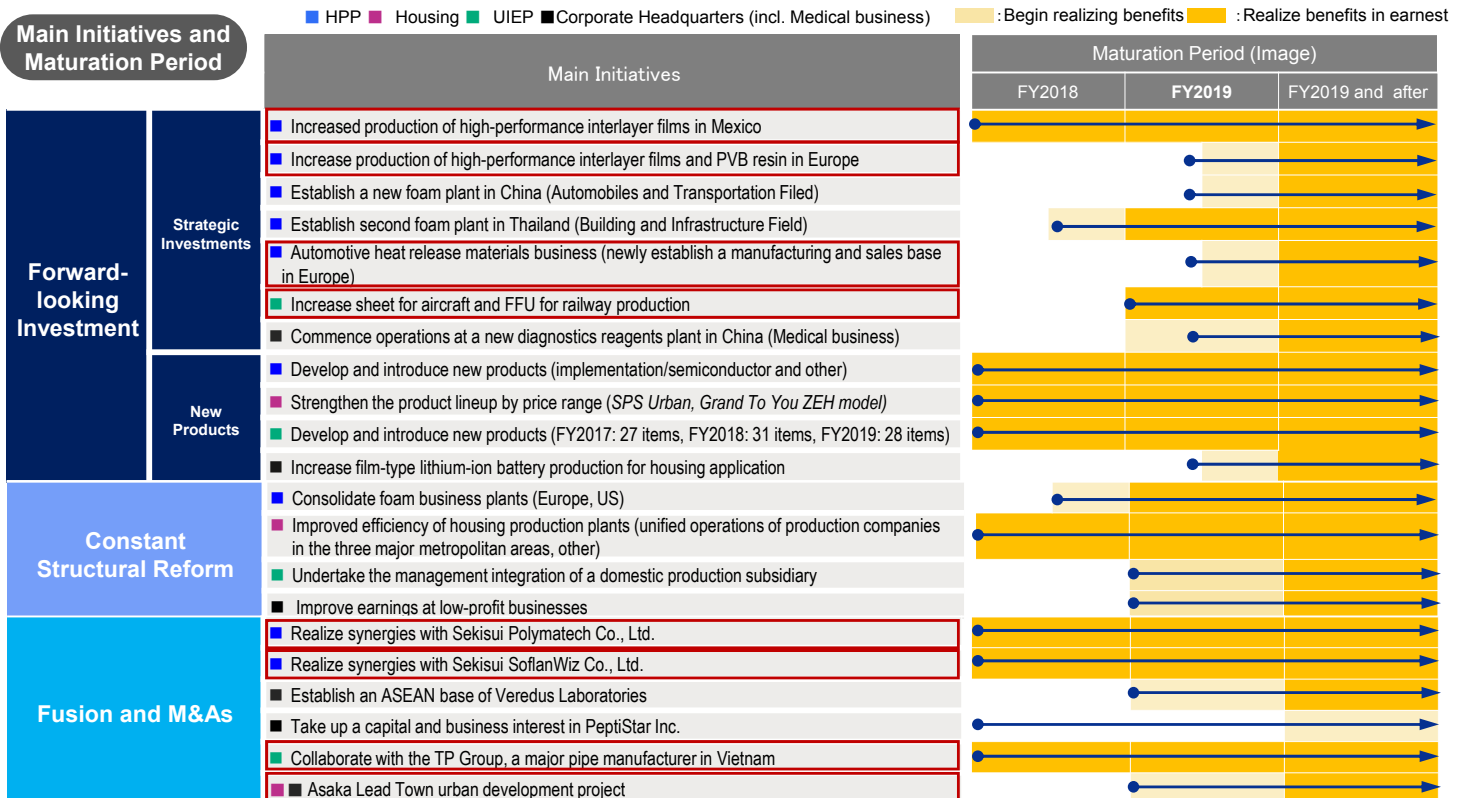
## Operating Income Performance



# Progress under Medium-term Management Plan, *SHIFT 2019 -Fusion-*

■ Steady progress in growth investments and structural reforms; implement "fusion" and M&As in order to accelerate growth

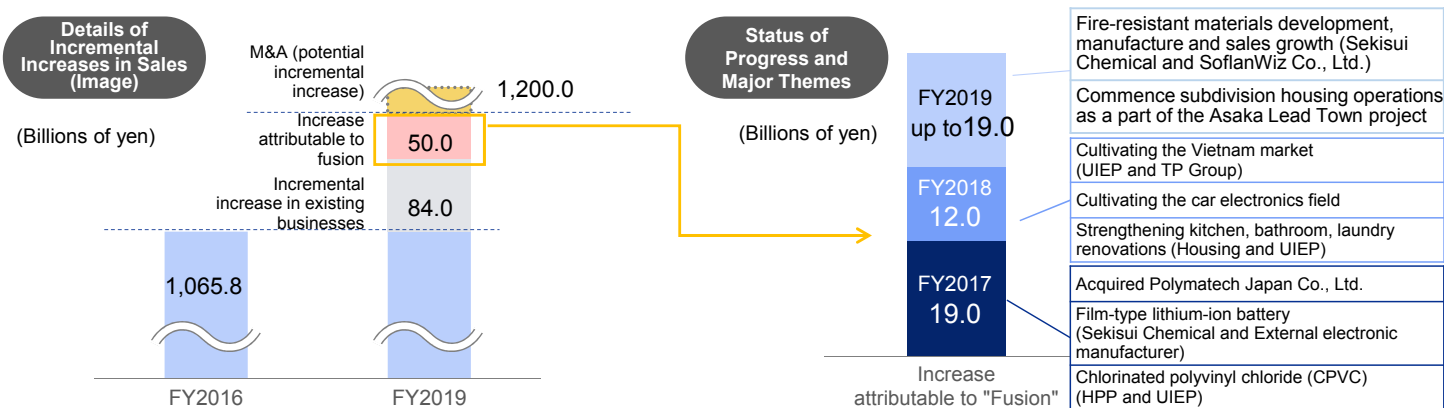
## Main Initiatives and Maturation Period



\*Items bordered in red in particular have a significant impact on earnings

# Progress under Medium-term Management Plan, *SHIFT 2019 -Fusion-*

■ Targeting a FY2017-FY2019 cumulative increase in sales of ¥50 billion (compared with FY2016) through “Fusion” measures



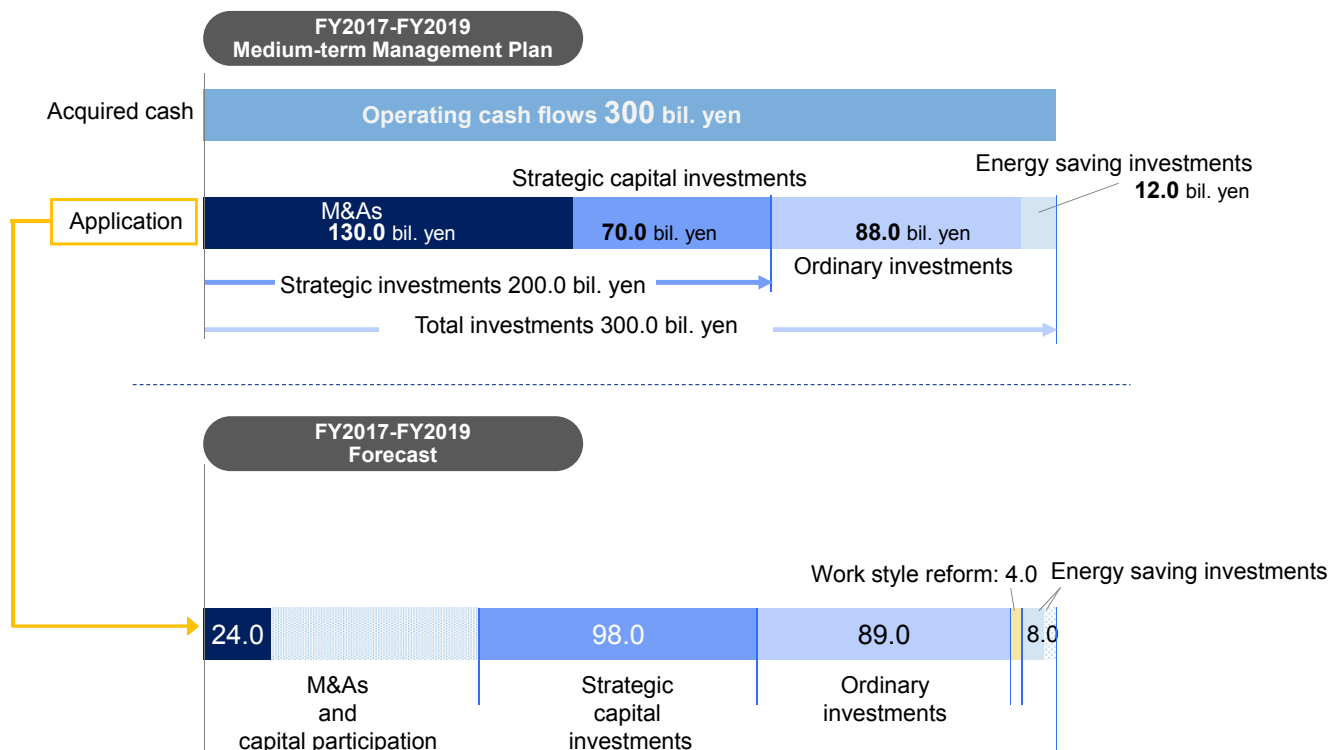
■ Steady progress overall in Development & Creation themes; Plans to commence construction of a 1/10-size BR plant in FY2019

Typical Examples of Development Themes	FY2016	FY2017	FY2018	FY2019	FY2020 and after
• <b>Film-type lithium-ion battery</b> (Housing, Corporate R&D and External electronic manufacturer)	Launch products for stationary use	Stationary use: Increase investments to expand production capacity and variation for housing			
• <b>Urban development project</b> (Housing, UIEP, HPP, and Corporate R&D)		Design completion; commence preparation of land	Commence subdivision housing activities	Push forward urban development proposals that seamlessly combine the collective strengths of our Group's technologies and products nationwide	
• <b>Next-generation solar cell</b> (Corporate R&D and advanced User Candidates)	Partial commercialization for indoor use	Indoor: Improve performance and production technologies; conduct user verification tests ⇒ Expand applications Outdoor: Promote progress in weather resistance development activities			
• <b>Carbon fiber reinforced thermal plastic</b> (UIEP and Corporate R&D)	Partial commercialization in the civil engineering field	Consider application in other areas including vehicles and vessels			
• <b>Technologies (BR) that convert waste into ethanol</b> (Corporate R&D)	Develop technologies	Verify technologies, realize business models and undertake a search for partners			Commence construction of a 1/10-size BR plant

\*Final estimated scale of around 1/10

# Progress under Medium-term Management Plan, *SHIFT 2019 -Fusion-*

■ Steady progress in strategic capital investments, ordinary investments, environmental contribution investments, and work style reform investments



## Consolidated Companies

### Number of Consolidated Companies

	Mar. 31, 2018	Mar. 31, 2019	Difference
Consolidated Subsidiaries	151	153	Increased: 2 Subsidiaries* Decreased: 0 Subsidiaries
Affiliates (Equity Method)	8	8	Increased: 0 Subsidiaries Decreased: 0 Subsidiaries

\*1: Sekisui Medical Technology (SUZHOU) Co., Ltd. and Veredus Laboratories Pte. Ltd.

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

	FY2018 (YoY)	Difference
Net Sales	+18.2 bil. yen	Sekisui Polymatech Co., Ltd.* Sekisui SoflanWiz Co., Ltd.*
Operating Income	+0.1 bil. yen	Sekisui Medical Technology (SUZHOU) Co., Ltd. Veredus Laboratories Pte. Ltd.

\*2: Newly Consolidated from 2Q FY2017

\*3: Newly Consolidated from 3Q FY2017

## Summary of Profit and Loss

(Billions of yen)	FY2017	FY2018	Difference
Net Sales	1,107.4	1,142.7	+35.3
Gross Profit	362.1	368.1	+6.0
Gross Profit Rate	32.7%	32.2%	-0.5%
Selling, Gen. and Admin. Expenses	262.9	272.4	+9.5
Operating Income	99.2	95.7	-3.5
Equity in Earnings of Affiliates	2.5	2.5	-0.1
Other Non-operating Income and Expenses	-7.8	-5.0	+2.8
Ordinary Income	93.9	93.1	-0.8
Extraordinary Income	2.5	3.4	+0.9
Extraordinary Loss	2.1	2.6	+0.6
Income before Income Taxes	94.3	93.9	-0.4
Corporate Income Tax, etc.	27.6	25.4	-2.2
Net Income Attributable to Non-controlling Interests	3.3	2.4	-0.9
Net Income Attributable to Owners of the Parent	63.5	66.1	+2.6
Foreign Exchange (Avg. rate)			
1US\$	111 yen	111 yen	
1€	130 yen	128 yen	

## Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2018	Mar. 31, 2019	Difference	
Cash and Deposits	78.0	69.9	-8.1	
Account Receivable on Sales	183.3	187.0	+3.7	
Inventories	170.5	192.2	+21.7	Increase of land for sale and increase in work in process, and etc.
Other Current Assets	27.5	21.0	-6.5	Capital investment: +67.7 Depreciation and amortization: -33.3
Tangible Non-Current Assets	279.7	309.5	+29.7	Sales of investments in securities: -6.9 At fair value: -8.6
Intangible Non-Current Assets	51.1	50.8	-0.3	
Investments in Securities	177.7	163.3	-14.4	Influence of Change of Consolidated Companies ► <b>+1.9 bil. yen</b> Foreign exchange ► <b>-1.7 bil. yen</b>
Investments & Other Assets	26.4	30.1	+3.7	
Total Assets	994.1	1,023.7	+29.6	<b>Actual basis; +29.4 bil. yen</b>

## Balance Sheets (Liabilities & Net Assets)

(Billions of yen)	Mar. 31, 2018	Mar. 31, 2019	Difference
Non-Interest-Bearing Liabilities	335.0	337.1	+2.1
Interest-Bearing Liabilities	46.3	53.8	+7.5
Net interest-bearing Liabilities	(-31.7)	(-16.0)	(+15.6)
<b>Total Liabilities</b>	<b>381.4</b>	<b>391.0</b>	<b>+9.6</b>
Capital Stock etc.	209.0	209.2	+0.2
Retained Earning	374.1	408.0	+33.9
Treasury Stock	-42.5	-44.3	-1.9
Unrealized Holding Gain on Securities	46.3	36.8	-9.5
Non-controlling Interests	24.7	25.5	+0.7
Other Net Assets	1.0	-2.4	-3.5
<b>Total Net Assets</b>	<b>612.8</b>	<b>632.7</b>	<b>+20.0</b>
<b>Total Liabilities, Net Assets</b>	<b>994.1</b>	<b>1,023.7</b>	<b>+29.6</b>
ROE	11.2%	11.1%	-0.1%
Shareholders' Equity to Total Assets (%)	59.1%	59.3%	+0.2%

Net income  
▶ **66.1 bil. yen**

Dividends paid  
▶ **-19.7 bil. yen**

Retirement of treasury stock  
▶ **-11.9 bil. yen**

Purchases of treasury stock  
▶ **-14.6 bil. yen**

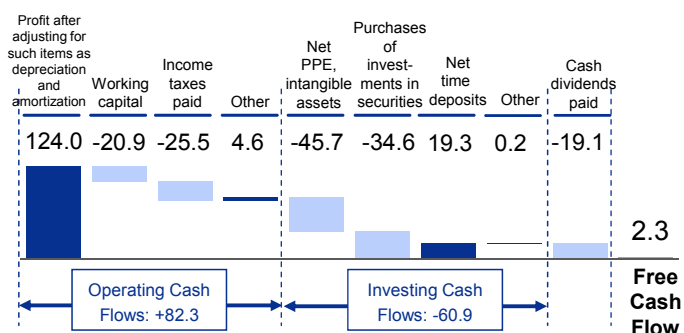
Retirement of treasury stock  
▶ **11.9 bil. yen**

## Consolidated Cash Flows

(Billions of yen)	FY2017	FY2018
Operating Cash Flows	82.3	85.2
Investing Cash Flows	-60.9	-62.6
Financing Cash Flows	-36.0	-31.5
Net Increase in Cash and Cash Equivalents	-13.8	-8.5
Cash and Cash Equivalents at the End of Term	76.7	68.6
Free Cash Flow =Operating Cash Flows + Investing Cash Flows - Dividends Paid	2.3	2.0

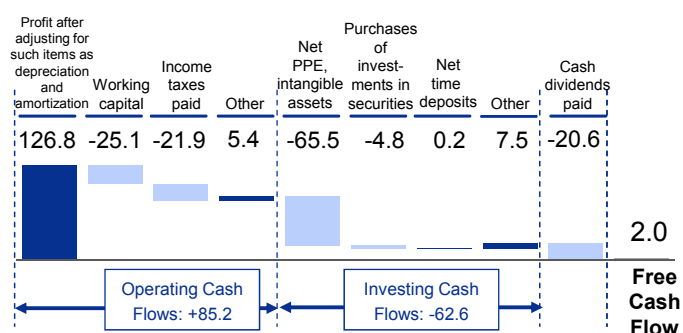
### FY2017 Free Cash Flow

(Billions of yen)



### FY2018 Free Cash Flow

(Billions of yen)



## Depreciation and Amortization, Capital Expenditures, EBITDA

(Billions of yen)	Depreciation* <sup>1</sup>			Goodwill and Other Amortization* <sup>2</sup>			Capital Expenditures			EBITDA* <sup>3</sup>		
	FY2017	FY2018	Difference	FY2017	FY2018	Difference	FY2017	FY2018	Difference	FY2017	FY2018	Difference
Housing	9.3	9.4	+0.1	0.1	0.1	0	14.4	17.8	+3.4	47.4	48.5	+1.1
UIEP	6.4	6.9	+0.6	0.3	0.3	0	9.8	13.9	+4.1	21.4	22.2	+0.8
HPP	17.3	17.9	+0.6	2.8	3.8	+1.0	25.7	37.3	+11.6	77.9	76.2	-1.7
Others	1.3	2.3	+1.0	0	0	0	2.5	3.7	+1.2	-8.4	-8.8	-0.3
Eliminations or Unallocatable Accounts	1.0	1.0	0	-	-	-	1.1	1.0	-0.1	-0.5	-0.7	-0.2
<b>Total</b>	<b>35.2</b>	<b>37.4</b>	<b>+2.2</b>	<b>3.2</b>	<b>4.2</b>	<b>+1.0</b>	<b>53.5</b>	<b>73.6</b>	<b>+20.1</b>	<b>137.7</b>	<b>137.3</b>	<b>-0.3</b>

\*1 Depreciation = Amortization of M&A industrial property rights are not included

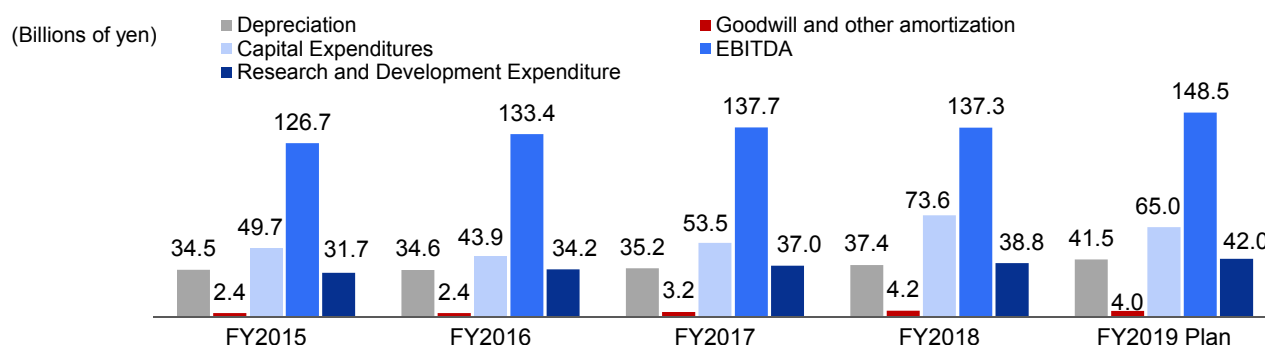
\*2 Goodwill and Other Amortization = Goodwill amortization + Amortization of M&A industrial property rights

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

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

(Billions of yen)	FY2018	FY2019 (Plan)	Difference
Depreciation	37.4	41.5	+4.2
Goodwill and Other Amortization	4.2	4.0	-0.2
Capital Expenditures	73.6	65.0	-8.6
EBITDA	137.3	148.5	+11.1
Research and Development Expenditure	38.8	42.0	+3.2

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





## FY2019 Plan

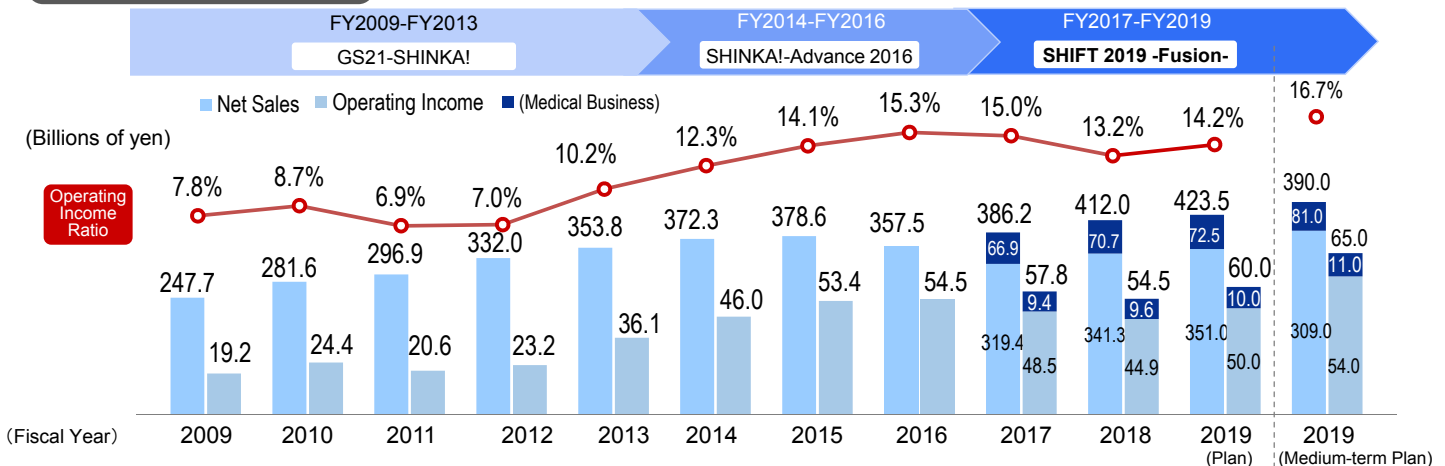
(Billions of yen)	FY2018	FY2019 (Plan)	Difference
Net Sales	1,142.7	1,175.0	+32.3
Operating Income	95.7	103.0	+7.3
Ordinary Income	93.1	100.0	+6.9
Net Income Attributable to Owners of Parent	66.1	69.0	+2.9
Dividend per Share (Yen)	44	46	+2

## Performance Trends

HPP Company

- FY2018: Despite a decrease in profit for the first time in seven fiscal years due to the sudden deterioration in smartphone and automobile market conditions as well as the high cost of raw materials, the effects of strategic investments emerged
- FY2019: Projecting a substantial upswing in profit due mainly to increases in high-performance product sales and market share, full-fledged realization of the effects of strategic investments, and soft raw material prices

### Performance Trends



Fiscal Year	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019*	*FY2019 Assumptions
Foreign Exchange Rate	¥94/US\$	¥87/US\$	¥80/US\$	¥83/US\$	¥100/US\$	¥110/US\$	¥120/US\$	¥108/US\$	¥113/US\$	¥111/US\$	¥110/US\$	
*Avg. rate for each fiscal year		¥115/€	¥111/€	¥107/€	¥134/€	¥139/€	¥133/€	¥119/€	¥121/€	¥128/€	¥125/€	
Main M&As and Strategic Investments	07/2008 XenoTech	07/2009 PVA Business of Celanese	02/2011 Sekisui Diagnostics				11/2015 EIDIA	09/2017 Polymatech Japan	12/2017 SoftlanWiz	03/2018 Veredus Laboratories		
						06/2015 Started operations at the Thai CPVC factory	12/2017 Started operations at a new interlayer film production line (Mexico)		04/2018 Operations commence at a new automotive exterior parts plant in Japan	2018-2019 Start of operations at new foam plants in Thailand and China	2H 2019 Plans to start operations at a new interlayer production line (Europe)	

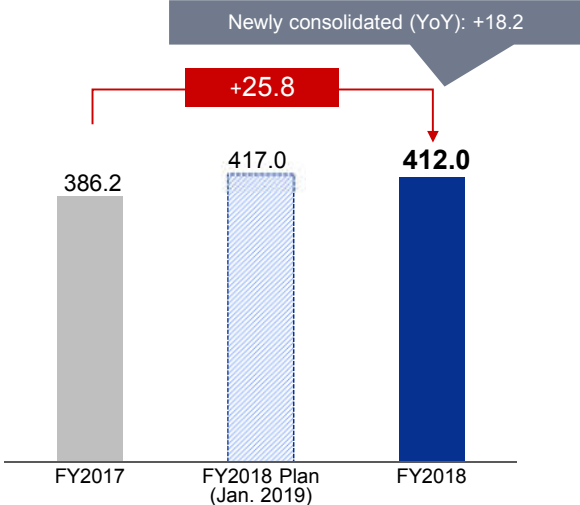
# FY2018 Results: Analysis of Net Sales and Operating Income

- During a period when fixed costs had an impact, operating income fell short of plans due to the sudden deterioration in market conditions
- Despite falling short of plans to increase sales volumes and improve the product mix, secured YoY increases in both the 1H and 2H mainly on the back of high-performance product sales growth

Electronics	-0.7
Automobiles and Transportation	-0.9
Life Science	-0.3
Other	-0.4

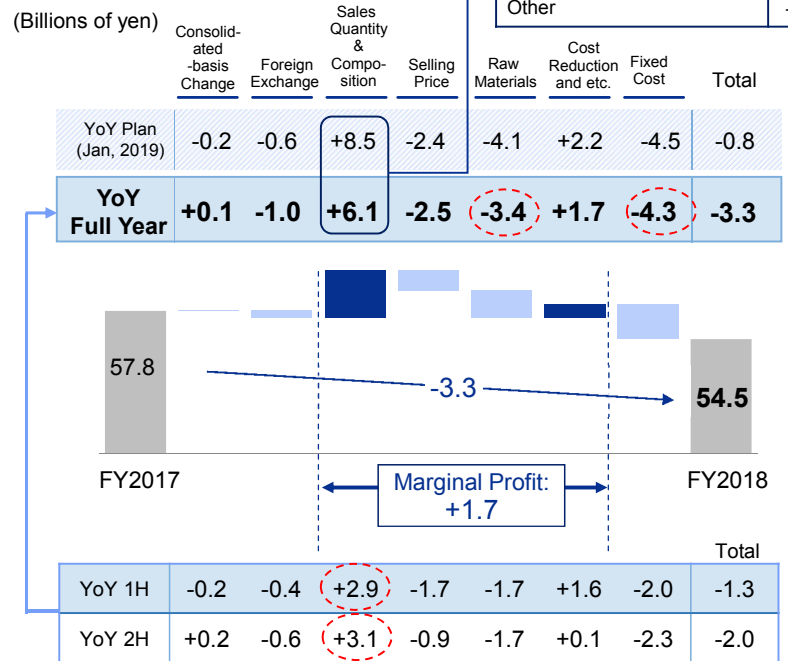
## Net Sales

(Billions of yen)



## Analysis of Operating Income

(Billions of yen)



• Increased by 7.6 billion yen on the actual basis excluding the impact of newly consolidated

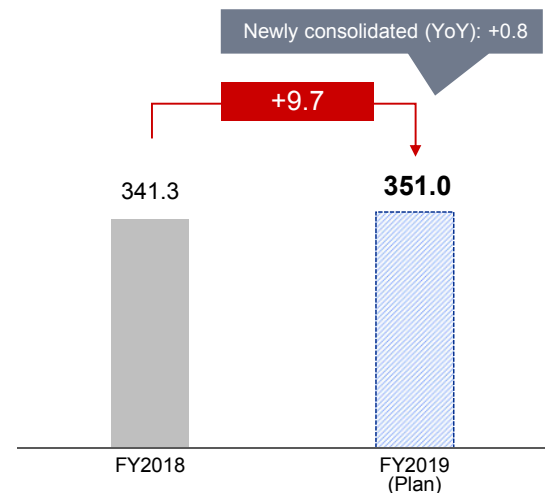
# FY2019 Plan: Analysis of Net Sales and Operating Income

- Substantial increases in sales volumes and improvements in the product mix as the effects of strategic investment emerge in earnest; market conditions not expected to recover in the 1H
- Promote measures aimed at controlling fixed costs

Electronics	+2.1
Automobiles and Transportation	+3.6
Building and Infrastructure	+1.0

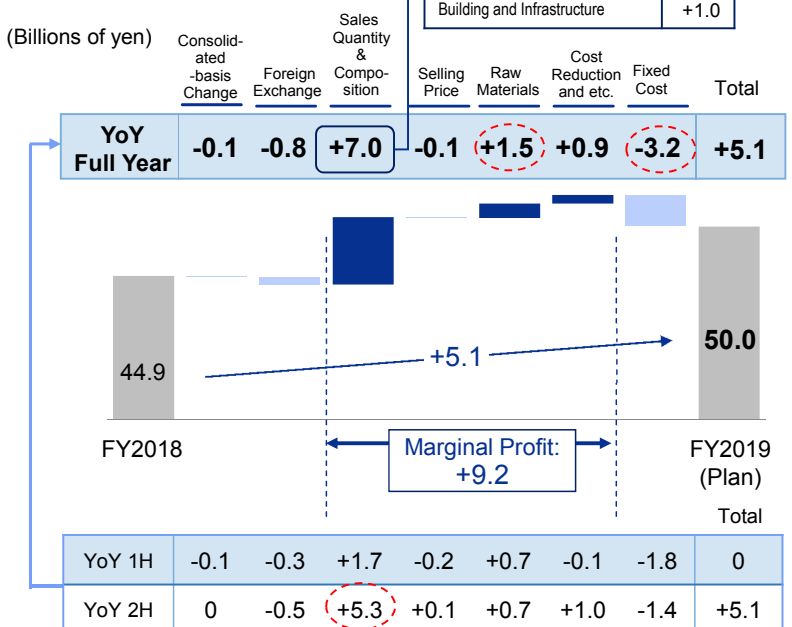
## Net Sales

(Billions of yen)



## Analysis of Operating Income

(Billions of yen)



• Increased by 8.9 billion yen on the actual basis excluding the impact of newly consolidated

- FY2018: Secured an increase in sales across all four fields against the backdrop of deteriorating market conditions
- FY2019: Excluding withdrawals across three fields, projecting an increase in sales due to high-performance product sales growth and the emergence of strategic investment effects

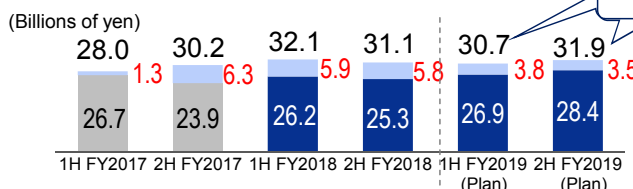
## Net Sales in the Four Strategic Fields and Key Measures

\*The increase owing to M&A is marked in red

### Electronics

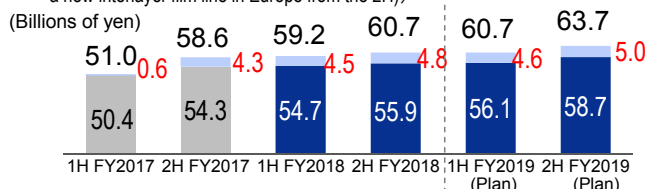
- FY2018: Despite a greater than expected slump in smartphone market conditions from the latter half of the 3Q, steady growth in the non-liquid field (implementation/semiconductor and other)
- FY2019: Focus mainly on new applications, increasing market share and expanding sales in the non-liquid field

Withdrawal from certain unprofitable products



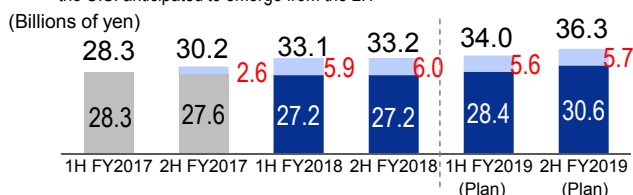
### Automobiles and Transportation

- FY2018: Despite a deterioration in market conditions in Europe and China (prolonged issues with respect to exhaust gas emission regulations in Europe and a drop in automobile sales in China), continued increase in sales volumes and high-performance product growth
- FY2019: Market conditions expected to recover from the 2H; continue to focus on further expanding sales of high-performance products; (start of operations at a new interlayer film line in Europe from the 2H))



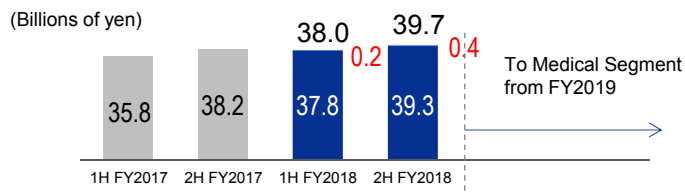
### Building and Infrastructure

- FY2018: Despite firm results in fire-resistant materials, increasingly fierce CPVC price competition (mainly in the Middle East and India)
- FY2019: Expectations of continued fire-resistant material growth (increased sales of non-flammable urethane and other products); CPVC sales expansion effects in the U.S. anticipated to emerge from the 2H



### Life Science

- FY2018: Steady growth mainly in the overseas diagnostics business; 4Q demand for influenza diagnostic reagents slightly weaker than expected



# Growth Enhancement Areas and other Areas

- Steady overall increase in sales in growth enhancement areas; advances in new product, new business and other growth strategy mechanisms

## Enhancement Area

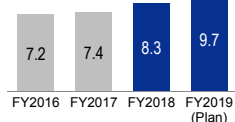
## New products\* and New businesses

### Growth Enhancement

(Billions of yen)

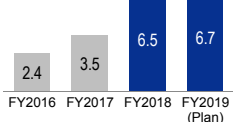
#### Electronics

- Packaging and semiconductor materials
- OLED-related materials



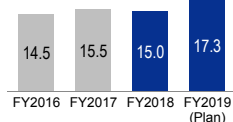
#### Automobiles and Transportation

- Interlayer films with new functions
- Automobile interior materials



#### Building and Infrastructure

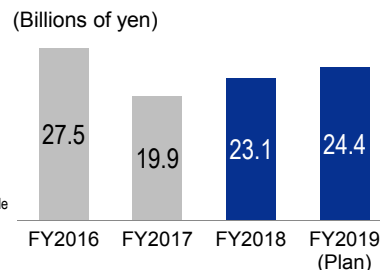
- Overseas Infrastructure materials
- High-performance PVA
- Thermal insulation, noncombustible materials



- New products: Sales turnaround, steady growth: pick up in the pace of development and market release
- New businesses: Work to expand sales of implementation/semiconductor-related materials

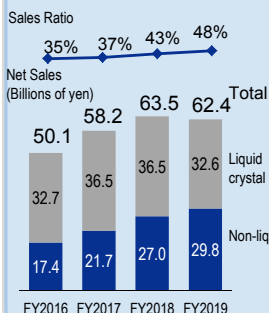
### New products Sales

\*Definition of new product: up to 5 years after being placed on the market

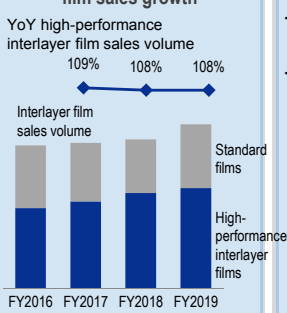


### Main Measures

#### Focus on the non-liquid field



#### High-performance interlayer film sales growth



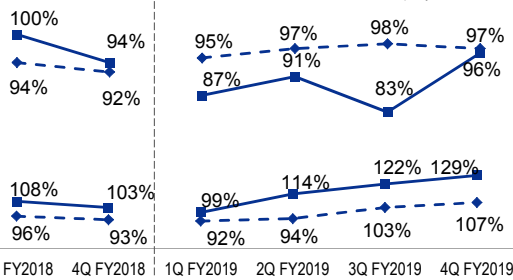
#### Strengthen thermal insulation and noncombustible materials



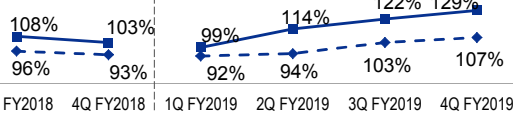
Focus on non-smartphone-related fields including semiconductors, joining parts and materials and heat release products

### Market conditions and Company-related product sales

(Smartphone market conditions and Company-related product sales)

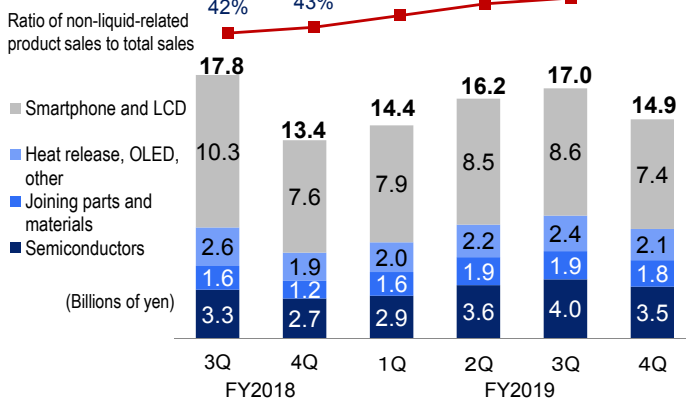


(Semiconductor market conditions and Company-related product sales)



### Breakdown of sales in the electronics field

Ratio of non-liquid-related product sales to total sales



### Examples of non-liquid-related products

**Heat resistant Selfa (semiconductor processing material)** (Conceptual image of processing flow)

Sales (YoY): 158% (FY2017), 113% (FY2018), 134% (FY2019)

**(Our strengths)**  
Heat resistance and Easy-to-peel

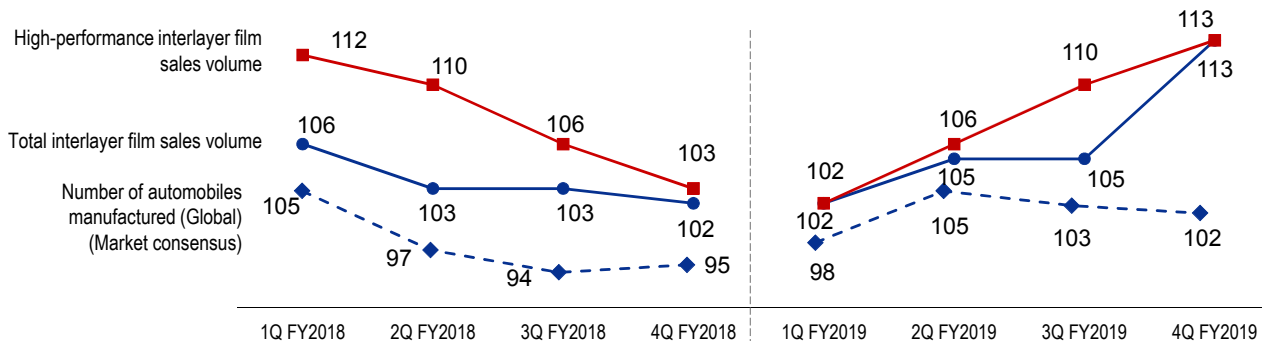
**Elastic adhesive (joining parts and materials)** (Enlarged image of cover glass)

Sales (YoY): 174% (FY2017), 206% (FY2018), 470% (FY2019)

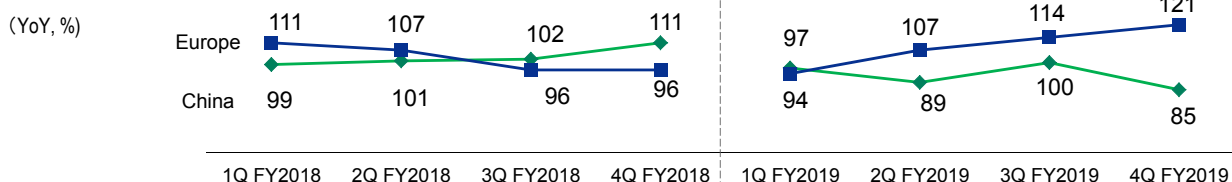
**(Our strengths)**  
Form maintenance and adhesive properties

Secure interlayer film sales that exceed global automobile market conditions; work toward stable growth  
Plan especially for further high-performance interlayer film growth on the back of increased application

### Market conditions and the Company's products sales (YoY, %)



### High-performance interlayer film sales growth trends in Europe and China



- ✓ New line expected to contribute in earnest in the 4Q of 2019 in Europe
- ✓ Forecasts regarding the China market warrant caution

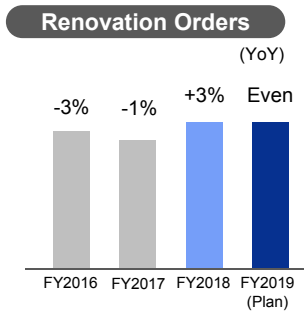
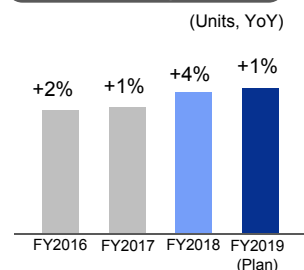
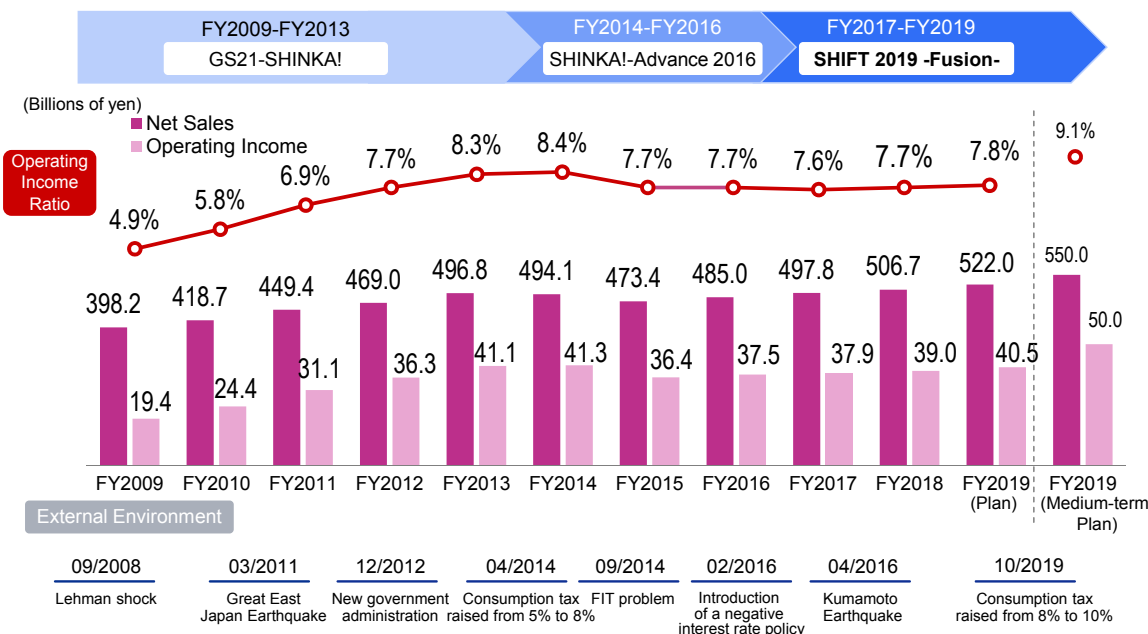
## Performance Trends

Housing Company

- In FY2018, increase in both sales and profit for a third consecutive fiscal year
  - Continued increase in new housing orders; also a positive turnaround in renovation orders YoY; secured an order balance for FY2019
- In FY2019, target an increase in both sales and profit for a fourth consecutive fiscal year by continuing to advance growth strategies and leveling out construction
  - Control costs in line with order trends (reduce costs, implement structural reform, etc.)

### Performance Trends

### New Housing Orders





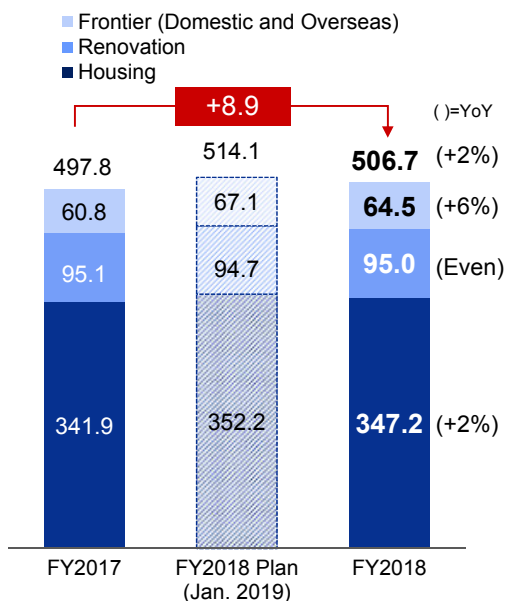
# FY2018 Results: Analysis of Net Sales and Operating Income

## While operating income increased YoY, result slightly below plans

- Housing: YoY increase in the number of houses sold despite falling short of plans due to concentration at the end of the period; progress with forward-looking investments aimed at securing orders in the next fiscal year
- Renovation: Progress in strengthening earning power by mainly increasing the efficiency of indirect functions
- Frontier: Despite firm trends in the mainstay leasing business, delays in setting up new businesses in real estate operations

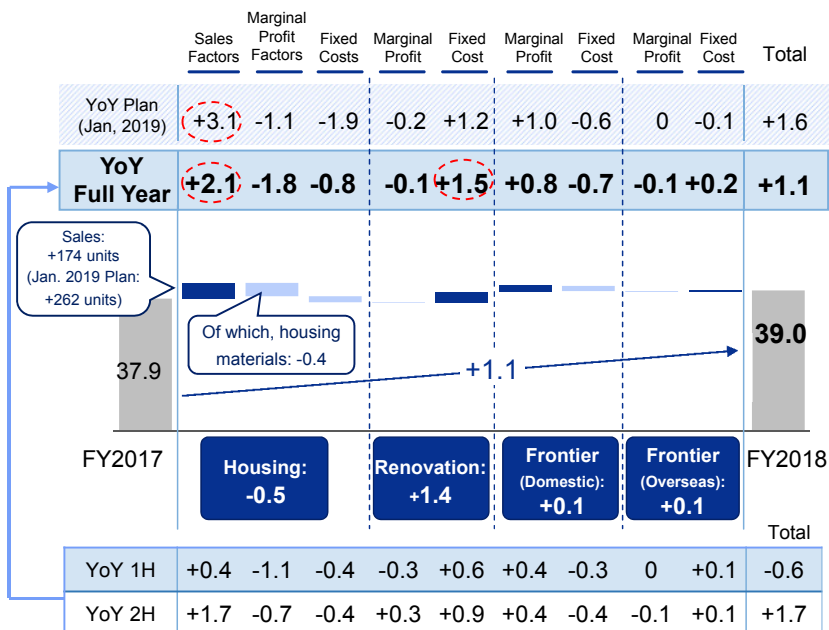
### Net Sales by Business

(Billions of yen)



### Analysis of Operating Income

(Billions of yen)



# FY2019 Plan: Analysis of Net Sales and Operating Income

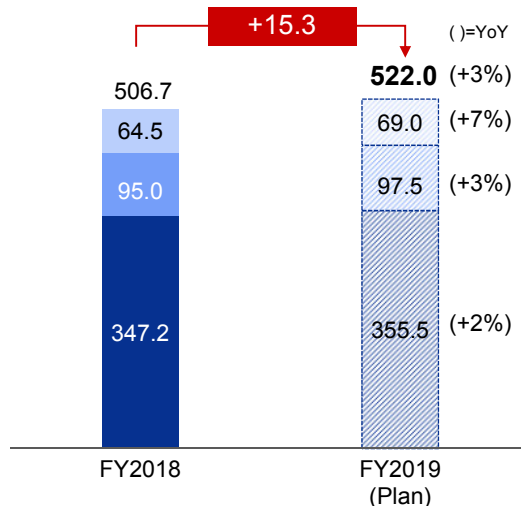
## Work toward the continued increase in both sales and profit mainly in the Housing Business; continue to promote a growth strategy

- Housing: Target a substantial increase in the number of houses sold; further reinforce measures across three key areas (sales force, products, land and subdivision housing) in a bid to increase market share
- Renovation: Return to a growth trajectory through sales growth mainly in the 1H

### Net Sales by Business

(Billions of yen)

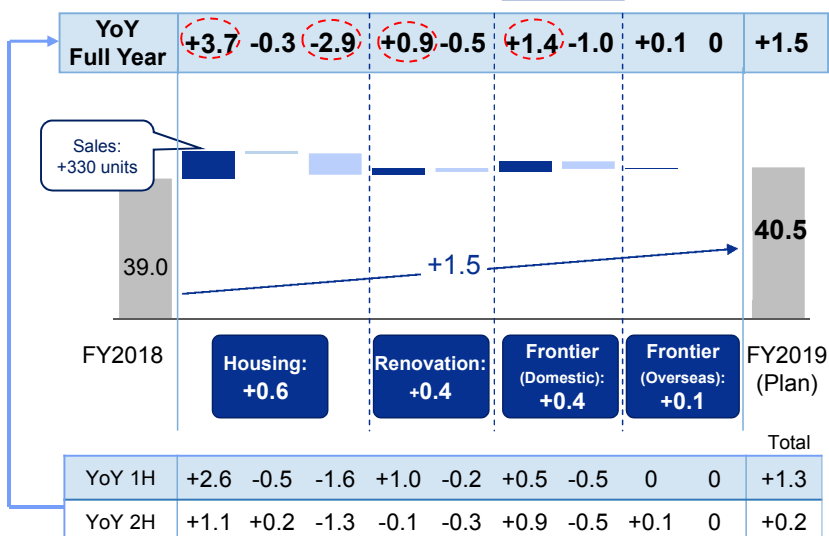
■ Frontier (Domestic and Overseas)  
■ Renovation  
■ Housing



### Analysis of Operating Income

(Billions of yen)

■ Sales Factors ■ Marginal Profit Factors ■ Fixed Costs ■ Marginal Profit ■ Fixed Cost ■ Marginal Profit ■ Fixed Cost ■ Total



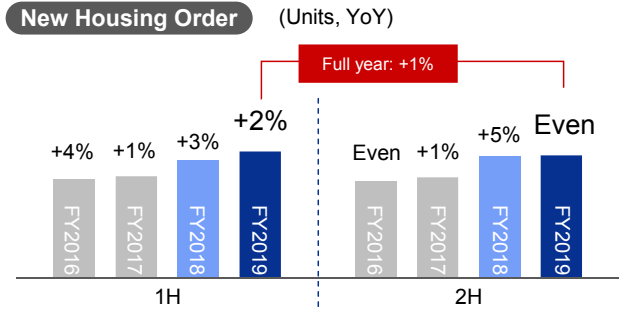
Further reinforce sales force, product as well as land and subdivision housing strategies; work toward increasing market share

## FY2019 Market Environment Outlook

- Positive effect of various support measures aimed at acquiring housing, however, certain level of negative correction in demand (FY2019 market estimate around -5% in the 1H and -7% in the 2H, YoY)
- First buyers firm thanks to the impact of support measures
- Captured visitors by increasing the sales force (personnel and model home galleries) (4Q FY2018: +6%, YoY)

Market Outlook Image (YoY)	1H FY2019	2H FY2019
Detached house (Rebuilding)	↓ (-15% to -10%)	→ (-10% to -5%)
Detached house (New construction)	→ (-10% to -5%)	→ (-5% to even)
Ready-built houses	↑ (+5% to +10%)	→ (-5% to Even)
Rental house	↓ (-15% to -10%)	↓ (-15% to -10%)

## Housing Order Plans



## FY2019 Initiatives Aimed at Securing Orders

### Sales Force

- Increase the number of model home galleries (As of FY2018-end: +3%, YoY)
- Increase the number of sales staff (As of FY2018-end: +6%, YoY)
- Roll out experience-based showrooms (AR·VR) nationwide (As of FY2018-end: 10 locations)

### Product Strategies

Price Zone	Complete a product lineup that caters to a broad spectrum of customers			Further strengthen from 2Q FY2019
	Steel Frame	Parfait Series, DESIO Series, and etc.	Smart Power Station Series	
High	Steel Frame	Smart Power Station Urban	April 2019: New release	New Product
	Wooden Frame	Grand To You V		

Products for first buyers

### Land Strategies

- Secure sufficient land (As of FY2018-end: +12%, YoY)
- Increase stock of ready-built houses (A of FY2018-end: +9%, YoY)

### Promote a Smart house no. 1 strategy

- Smart Power Station Urban equipped with a storage battery as a standard feature
- Strengthen the Smart Power Station series lineup

### Strengthen efforts targeting first buyers

- Increase sales of ready-built houses focusing on the 1H of FY2019
- Further strengthen the procurement of land

# Renovation and Frontier (Domestic), and Overseas Business

## Renovation

Products	YoY	Market Outlook	Order Plan	Mainstay products	
	1H	+3%	+4%	Extensions, Remodeling	Storage batteries (energy self-sufficiency proposals with an eye toward the end of the FIT program)
2H	-5%	-4%	Maintenance		

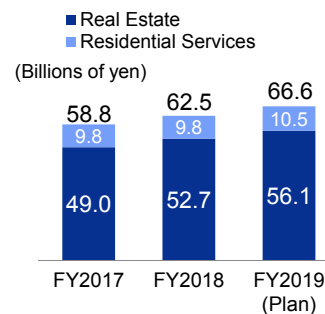
Sales Structure	Initiatives
	Increase orders per person by reinforcing points of customer contact
	Increase efficiency by separating periodic diagnosis and sales activities

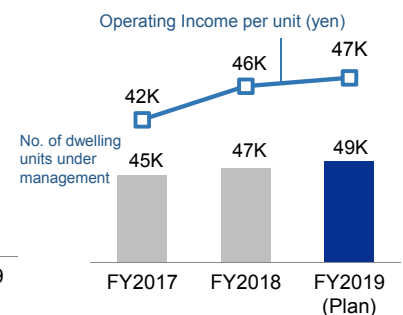
Cost Control	Initiatives
	Continue to increase the efficiency of indirect functions

## Frontier (Domestic)

### Net Sales by Business Segment



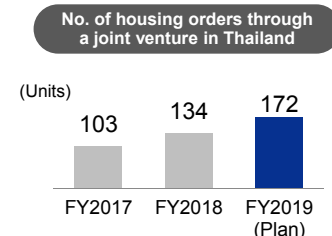
### Rental Management Indicator



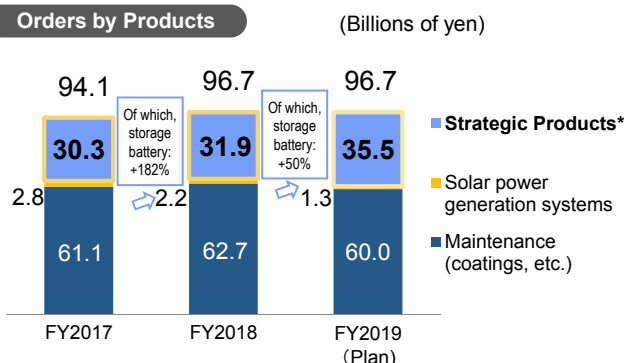
- Leasing business: Bring in Heim properties that are not currently managed (increase the coverage ratio)
- Second-hand housing business: Strengthen appraisals, procurement, sales

## Overseas

- Increase in the number of orders focusing on subdivision houses
- Strengthen the sales force (sales personnel and model house)



### Orders by Products



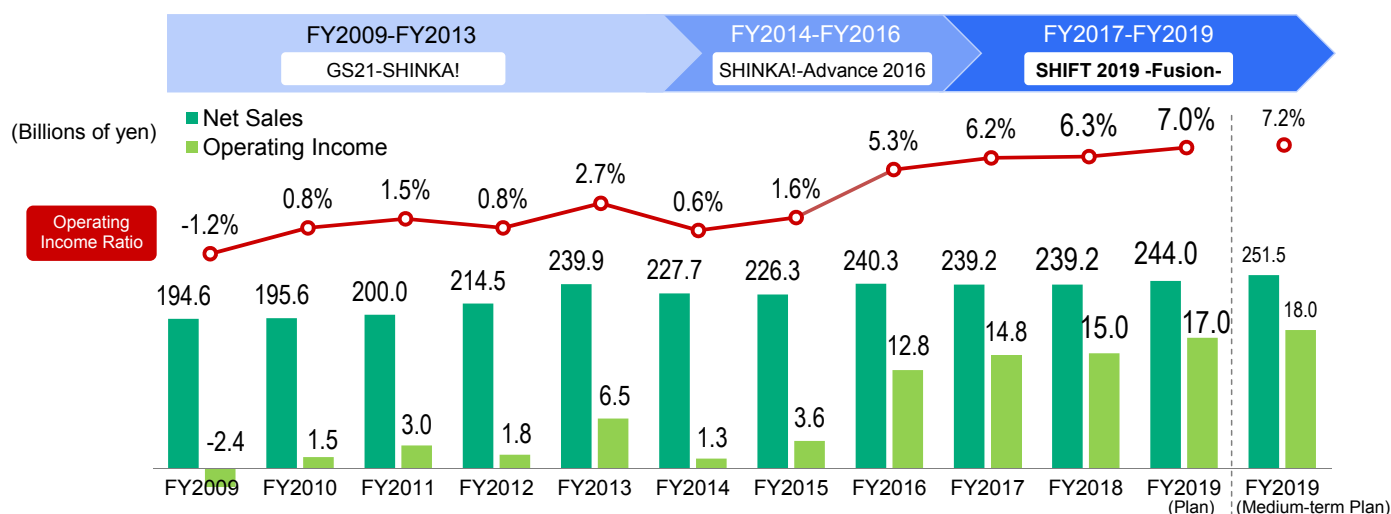
\*Strategic products: for exterior areas, new external walls, bathrooms and kitchens, storage battery, extensions/rebuilding

## Performance Trends

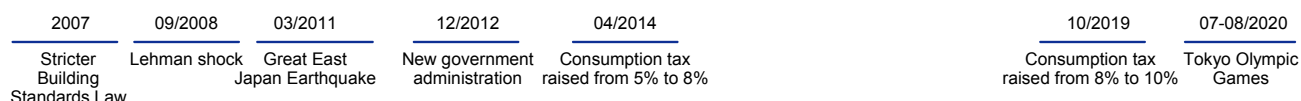
UIEP Company

- In FY2018, operating income fell short of plans; the Company still reported record high profit despite only a slight YoY increase
- In FY2019, targeting a substantial increase and fourth consecutive fiscal year of record high profit by accelerating the growth strategy

### Performance trends



### External Environment



# FY2018 Results: Analysis of Net Sales and Operating Income

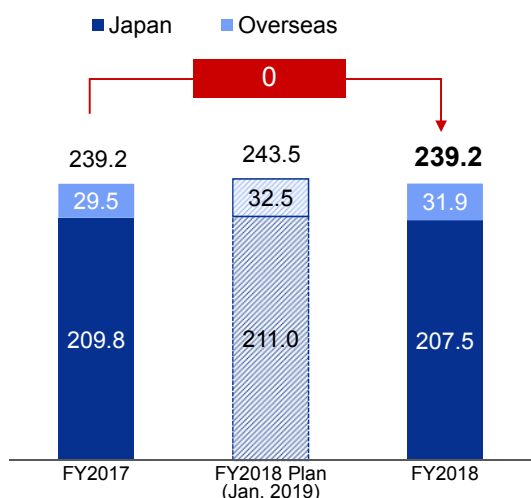
## Despite steady overseas growth, operating income fell short of plans as general products struggled in Japan

- Japan: Despite steady prioritized products growth, both the sales volumes and selling prices of general products struggled
- Japan: Sharp deceleration in industrial piping from the 4Q (impact of IT investment postponement); impact of construction work postponement
- Overseas: Steady aircraft sheet recovery; completion of investments aimed at expanding production capacity (sheets, FFU)

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

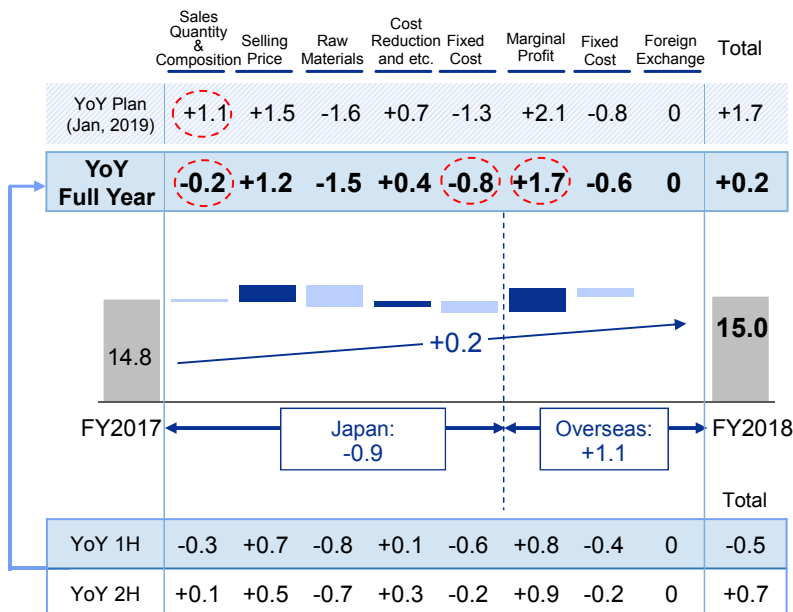
### Net Sales by Business

(Billions of yen)



### Analysis of Operating Income

(Billions of yen)



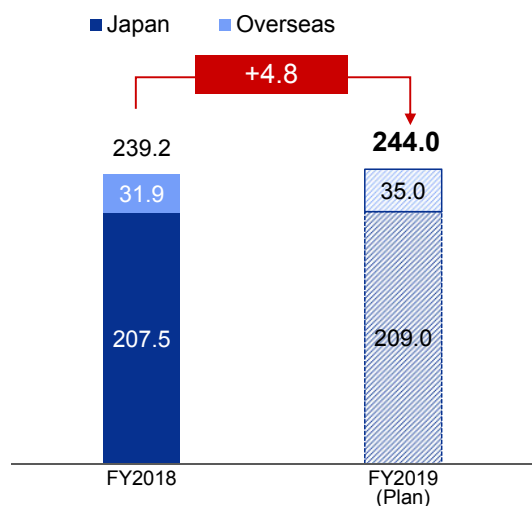
# FY2019 Plan: Analysis of Net Sales and Operating Income

## Plans for a substantial increase in profit due to continued overseas growth and efforts to accelerate the expansion of prioritized products sales in Japan

- Japan: Work to accelerate the expansion of prioritized products sales; continuously introduce new products
- Japan: Work to accelerate production reorganization and structural reform of unprofitable businesses; promote improvements in general product margins
- Overseas: Work to realize the effects of investments aimed at expanding aircraft sheet and FFU production capacity

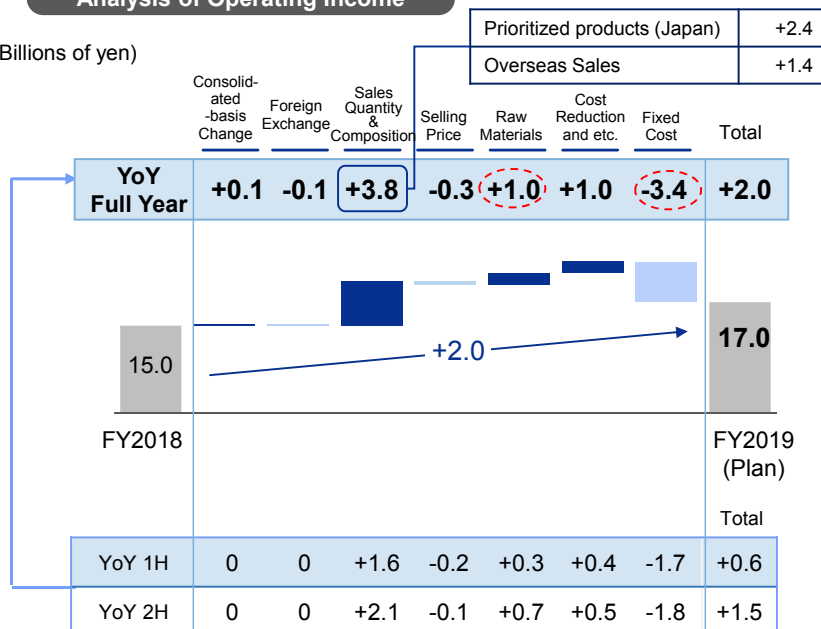
### Net Sales by Business

(Billions of yen)



### Analysis of Operating Income

(Billions of yen)



## Main Areas

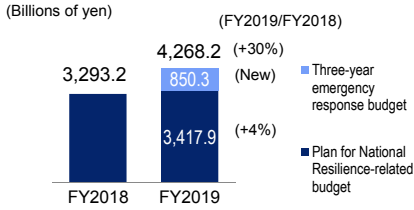
## Forecast of Market Conditions

## Main Products Sales

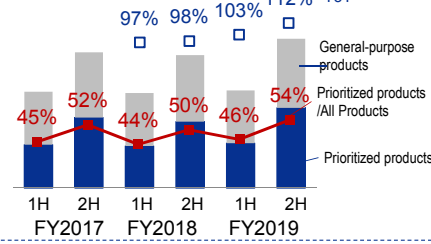
## Product Example

**Public Sector**

### (Public works-related budget)



### Public Sector Sales



### SPR-SE



Aging infrastructure measure

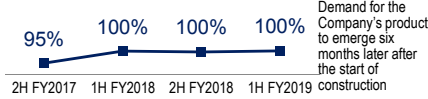
### SEW



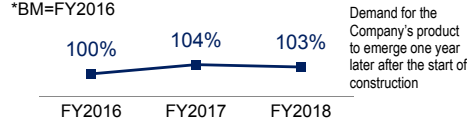
Shield work application

**Private Sector**

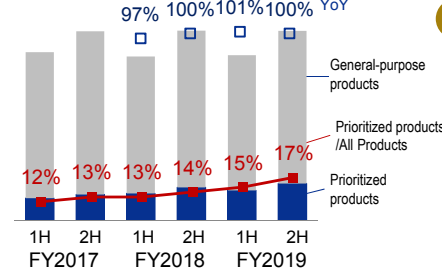
### (New housing starts) YoY



### (Floor area in non-residential construction)



### Private Sector Sales



### ESLO HYPER AWHP



High-rise construction measure

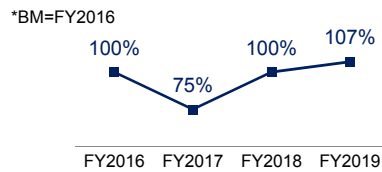
### High Flowrate Drainage System



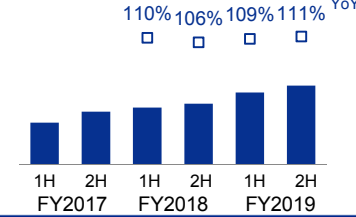
Torrential rain measure

**Overseas**

### (U.S. aircraft production index) YoY



### Overseas Sales



### Sheets for aviation



Flame retardant, excellent design

### FFU Railway Sleepers



Compliant with environmental regulations

# Three Strategic Fields

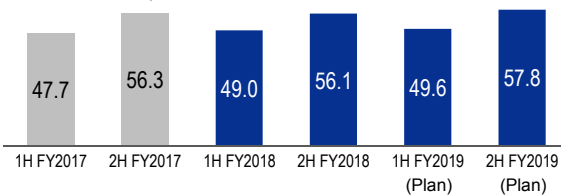
■ Plans for an increase in sales in the pipes and infrastructure as well as advanced materials fields; promote structural reforms in the building and living environment field

## Net Sales in the Three Strategic Fields and Key Measures in FY2019

### Piping and Infrastructure

(Billions of yen)

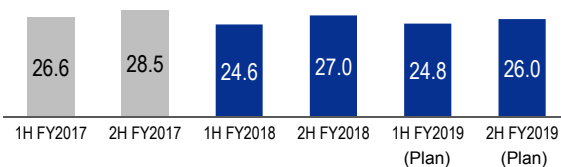
- Expansion of prioritized and new products that enable the shortening of construction work time
- Anticipating a recovery (IT) plant demand in the 2H of FY2019
- Commence steps to reorganize production taking into consideration conditions after the consumption tax rate hike



### Building and Living Environment

(Billions of yen)

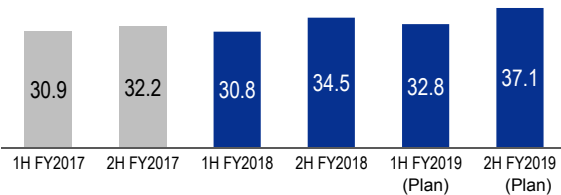
- Work to accelerate structural reforms
- Factored in a drop in demand in the 2H of FY2019 after the consumption tax rate hike



### Advanced Materials

(Billions of yen)

- Expand efforts in the aircraft, medical, railroad, and construction fields of the sheet business (work to realize the effects of investments aimed at increasing production capacity)
- Expanded overseas FFU (railway sleeper) application (expanded to 29 countries in FY2018)



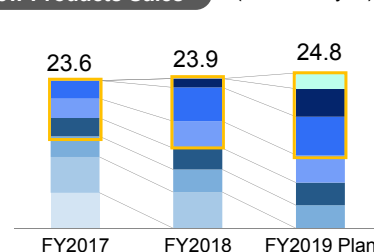
### New Product\* Growth

\*Definition of new product: up to 5 years after being placed on the market

- Contributions to profit from new products that help address social issues (climate change, the shortage of labor, etc.) materialize earlier than anticipated

### New Products Sales

(Billions of yen)

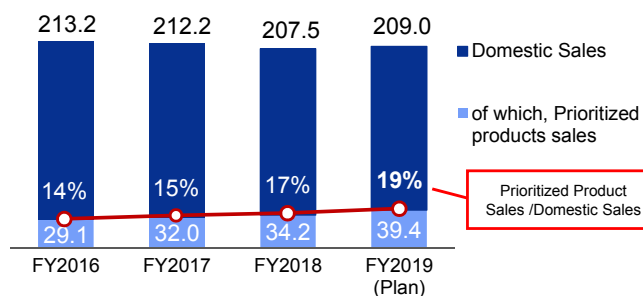


✓ Increase in contributions to profit (bordered in yellow) from new products within three years of their release

## Prioritized Products Sales

- Success with activities aimed at increasing awareness; steady expansion in prioritized products sales

(Billions of yen)



## Production Structure and Systems Reorganization centered on Core Plants

Higashinohon Sekisui Industry Co., Ltd.

### (Injection molded products)

Target : 7 Plants

Main Products: PVC pipe, Polyethylene pipe

Nishinohon Sekisui Industry Co., Ltd.

Yamanashi Sekisui Co., Ltd.

### (Extrusion products)

Target : 3 Plants

Main Products: PVC fittings, Catch basin

### • Consolidate the production of general products at core plants

- Improve productivity
- Promote investment in automation
- Reduce distribution expenses

Cost Reduction

### • Optimize the manufacture of prioritized at the appropriate plants

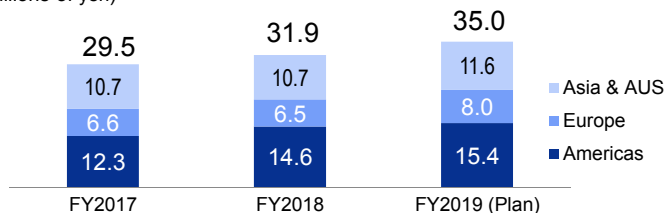
- Secure the necessary space to increase production capacity
- Promote collaboration between development and manufacturing
- Optimize distribution at the point of demand

Further expansion

## Sales by Overseas Area\*

\*Including the export of domestic products

(Billions of yen)



## Sales Strategy by Overseas Area

Products	Strategies	Europe	Americas	Asia
Pipeline Renewal	Promote platform efficiency through collaboration with partner companies	✓	✓	✓
Piping and Industrial piping	Expand business in the ASEAN region through collaboration with the TP Group (Vietnam)			✓
Sheet	Cultivate new customers in the aviation field; expand business in the medical field	✓	✓	
FFU	Expand applications; consider establishing a production base in Europe	✓	✓	✓

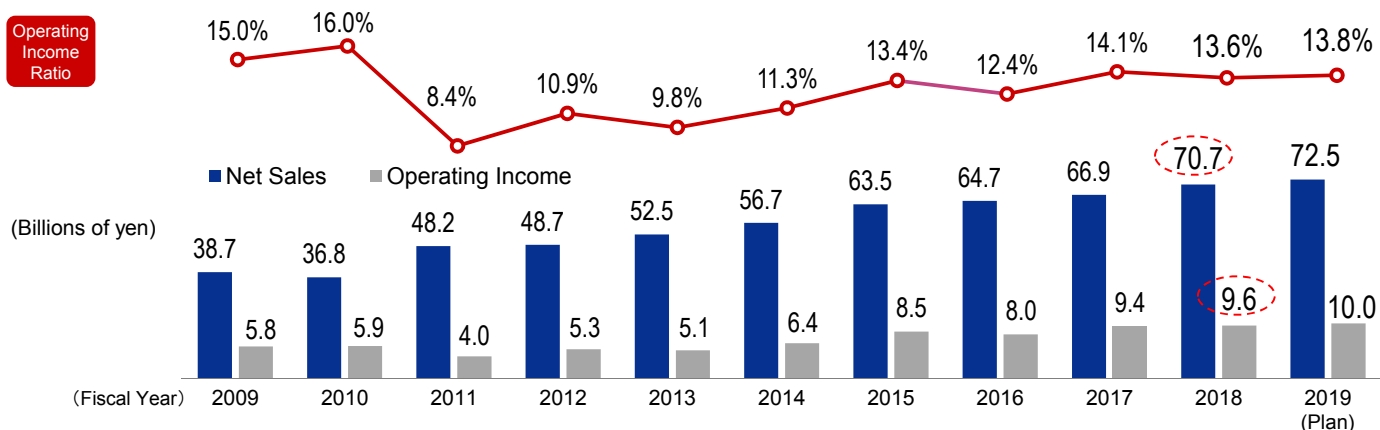


## Performance Trends

Medical Business

- Recognizing the substantial growth potential of the Medical Business, transferred control to the Company's headquarters in order to realize the long-term "new phase of growth" vision (net sales of ¥2 trillion and operating income of ¥200 billion in the 2020s)
- Working to accelerate the pace of growth as a new divisional company candidate

### Performance Trends



### Main M&As

2008	2009	2010	2011	2015	2017	2018
XenoTech (U.S.)	ADI (U.S.)	Sekisui Medical Technology (China) Ltd.	Sekisui Diagnostics (U.S.)	EIDIA	Participated in the establishment of PeptiStar Inc.	Veredus Laboratories (Asia)

## Overview of Business

### Diagnostics Business

Development, manufacture and sales of vacuum blood collection tubes and diagnostic reagents for blood coagulation, diabetes, lipids, rheumatism, and infectious diseases, etc.



Automated coagulation analyzer CP3000TM



RapidTesta™ FLU·NEXT

### Pharmaceutical Sciences Business

**Pharmaceuticals and fine chemicals business:** Contract manufacture of active pharmaceutical ingredients (APIs)/ intermediates, amino acids, etc.  
**Drug development solutions business:** Contract research including pharmacokinetic tests to support drug R&D



Active Pharmaceutical Ingredients (APIs)



Pharmacokinetic Study

## Core Strategy

### Strengthening core business

- Diagnostics (Japan): Expand the scale and fields of activity by realizing M&A effects and through other measures
- Diagnostics (overseas): Promote mainstay derivative products and expand alliances with major companies (blood coagulation and other fields)
- Pharmaceuticals and fine chemicals business: Commence operations at a new manufacturing facility at the Iwate Plant

### Expanding frontiers

- China & Asia: Commence operations at a new plant in Suzhou; cultivate the Asia market by centralizing the operations of Veredus Laboratories
- Europe and the U.S.: Expand the sales network; expand the drug development solutions business
- New businesses: Enter clinical (human) fields; specialty peptide drug substance and enzymes

### 6 Focus Areas and Main Products

Focus Areas	Clinical Chemistry/Immunology	Blood Coagulation	Diabetes
Main Products	Diagnostic reagents for cholesterol, neutral lipids, and syphilis	Instruments & diagnostic reagents for coagulation & fibrinolysis	Diagnostic reagents for HbA1c
Focus Areas	Infectious Disease POC*	Oncology	Blood Collection Tubes
Main Products	Diagnostic reagents for influenza and Adenovirus	Diagnostic reagents for liver cancer	High-speed-clotting vacuum blood collection tubes

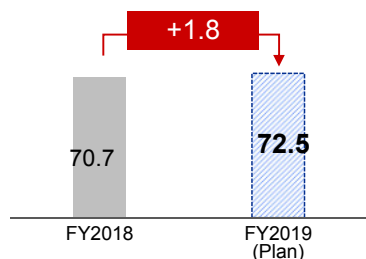
\*POC: The first letters of "Point of Care;" refers to timely onsite (clinics, etc.) diagnostics

# FY2019 Plan: Analysis of Net Sales and Operating Income

- Plan to increase profit focusing mainly on expanding the diagnostics business
- Strengthen the global development structure and systems as well as the business foundation

### Net Sales

(Billions of yen)



### Analysis of Operating Income

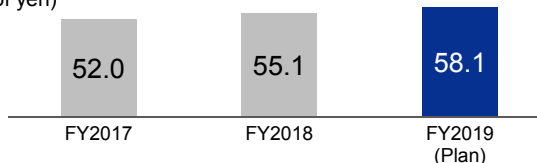
	Foreign Exchange	Marginal Profit (Diagnostics Business)	Marginal Profit (Pharmaceutical Sciences Business)	Fixed Cost	Total
YoY	-0.2	+2.8	-0.7	-1.5	+0.4
FY2018					9.6
FY2019 (Plan)					10.0

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

#### Diagnostics Business

- Strengthen the development structure and systems and expand the new product pipeline
- Europe and the U.S.: Expand POC; localize manufacture of mainstay products
- China & Asia: Strengthen the sales structure and systems; commence operations at a new plant in Suzhou; centralize the operations of Veredus Laboratories

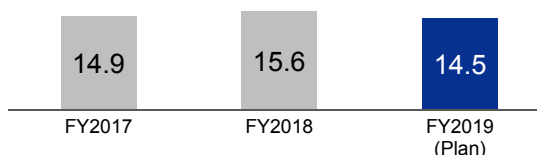
(Billions of yen)



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

- Expand orders of new drug substances
- Expand the drug development solutions business (increase the capabilities of XenoTech)

(Billions of yen)



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

	FY2018			FY2017		
	1H	2H	Annual	1H	2H	Annual
<b>CONSOLIDATED</b>						
Net Sales (Billions of yen)	246.9	259.9	506.7	244.4	253.4	497.8
Housing	168.6	178.6	347.2	167.3	174.6	341.9
Renovation	46.7	48.3	95.0	47.4	47.7	95.1
Frontier (Domestic)	30.7	31.8	62.5	28.7	30.2	58.8
Real estate	26.0	26.7	52.7	23.9	25.1	49.0
Residential Services	4.7	5.1	9.8	4.7	5.1	9.8
Overseas	0.8	1.1	2.0	1.0	0.9	1.9
<b>OTHERS</b>						
1. Number of houses sold (Housing units)	5,380	5,560	10,940	5,360	5,460	10,820
Detached houses	5,030	5,170	10,200	4,940	4,940	9,880
Heim	4,080	4,200	8,280	4,200	4,070	8,270
Two-U	950	970	1,920	740	870	1,610
Apartments buildings	350	390	740	420	520	940
2. Main data						
Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	30.9	31.5	31.2	31.0	31.1	31.1
Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen)	841	852	846	832	836	835
Floor space (Square meter)	121.3	122.0	121.7	123.0	122.8	122.9
Exhibition places (Units)	429	-	430	416	-	419
Sales staff (Number of person)	2,646	-	2,515	2,495	-	2,367
Rebuilding ratio (%)*	28%	28%	28%	28%	28%	29%
Referral sales ratio (%)*	33%	36%	34%	32%	33%	33%

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

# Housing Company Results and Plan

## 2. Housing orders

(Millions of yen)	FY2019 (Plan)			FY2018			FY2017		
	1H	2H	Annual	1H	2H	Annual	1H	2H	Annual
Year-start Backlog	219,500	220,300	-	206,900	213,900	-	206,000	207,800	-
Growth Rate	+6%	+3%	-	±0%	+3%	-	±0%	±0%	-
New Orders	208,150	213,590	421,740	206,423	217,375	423,798	202,957	207,061	410,018
Growth Rate	+1%	-2%	±0%	+2%	+5%	+3%	±0%	±0%	±0%
Sales of Housing/Renovation	207,350	212,090	419,440	199,423	211,775	411,198	201,157	207,961	409,118
Growth Rate	+4%	±0%	+2%	-1%	+2%	+1%	±0%	±0%	±0%
Balance at the end	220,300	221,800	-	213,900	219,500	-	207,800	206,900	-
Growth Rate	+3%	+1%	-	+3%	+6%	-	±0%	±0%	-

## 3. Housing starts

(Units)	FY2018			FY2017			FY2016
	1H	2H	Annual	1H	2H	Annual	Annual
Housing starts*	491,418	451,622	943,000	496,840	449,556	946,396	974,137
Privately-owned houses* (included in above) =A	146,498	149,260	296,000	148,266	133,845	282,111	291,783
Detached house sales by our company=B (Unit base)	5,030	5,170	10,200	4,940	4,940	9,880	9,560
Our share in Detached houses=B/A	3.4%	3.5%	3.4%	3.3%	3.7%	3.5%	3.3%

\*\*The housing starts\* and \*Privately-owned houses\* after 2H of FY2018 are based on forecasts.

## 4. The ratio of the houses equipped with the high-performance specifications

	FY2018			FY2017			FY2016
	1H	2H	Annual	1H	2H	Annual	Annual
Solar power generation systems installed	75%	73%	74%	75%	73%	74%	78%
Tiled exterior walls (Heim type JX)	73%	72%	73%	71%	71%	71%	67%
Storage battery installed	30%	40%	35%	21%	21%	21%	24%
Comfortable Air System	76%	79%	77%	75%	78%	76%	75%