



SEKISUI CHEMICAL CO., LTD.

Presentation of Financial Results  
for FY2021 and the Management Plan

**Keita Kato**  
President

April 27, 2022

# Results for FY2021

Forex Rate	FY2020		FY2021	
	1H	2H	1H	2H
Assumptions	-	-	-	¥112/US\$ ¥129/€
Results (Avg. rate for each term)	¥107/US\$ ¥121/€	¥105US\$ ¥126/€	¥110/US\$ ¥131/€	¥115/US\$ ¥130/€

# Overview of FY2021 Results

- Increases in net sales and operating profit essentially in line with forecasts (Jan.); record high ordinary profit
- Despite a downturn in profit owing to impairment losses incurred by SEKISUI AEROSPACE CORPORATION, bottom line exceeded forecasts (Jan.)
- Dividend in line with plans; dividend per share of ¥49, up ¥2 (twelfth consecutive FY of dividend increase)

(Billions of yen)	FY2020	FY2021	Difference	FY2021 Forecasts (Jan.)	Difference
	Net sales	1,056.6	1,157.9	+101.4	1,164.1
Operating profit	67.3	88.9	+21.6	90.0	-1.1
Ordinary profit	62.6	97.0	+34.4	94.0	+3.0
Profit attributable to owners of the parent	41.5	37.1	-4.5	34.0	+3.1
Dividend per share (Yen)	47	49	+2	49	0

# FY2021 Results: Net Sales and Operating Profit by Divisional Company

- Increases in net sales and profit in each segment; substantial profit growth in the HPP and Medical segments
- Despite exceeding forecasts (Jan.) in the HPP, Medical, and Other segments, the Housing and UIEP segments fell slightly short of operating profit plans

(Billions of yen)	FY2020		FY2021		Difference		FY2021 Forecasts (Jan. 2022)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	309.9	28.9	358.8	42.4	+48.9	+13.4	356.7	42.0	+2.1	+0.4
Housing	485.3	30.5	515.2	35.3	+29.9	+4.8	519.0	37.0	-3.8	-1.7
UIEP	204.6	11.3	211.8	14.1	+7.2	+2.8	213.0	15.0	-1.2	-0.9
Medical	72.3	7.0	88.5	11.2	+16.2	+4.2	88.7	11.0	-0.2	+0.2
Other	3.6	-8.7	4.9	-10.3	+1.3	-1.6	5.5	-11.0	-0.6	+0.7
Eliminations or Corporate expenses	-19.1	-1.7	-21.3	-3.7	-2.2	-2.0	-18.8	-4.0	-2.5	+0.3
<b>Total</b>	<b>1,056.6</b>	<b>67.3</b>	<b>1,157.9</b>	<b>88.9</b>	<b>+101.4</b>	<b>+21.6</b>	<b>1,164.1</b>	<b>90.0</b>	<b>-6.2</b>	<b>-1.1</b>

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

# 1H & 2H FY2021 Results: Net Sales and Operating Profit by Divisional Company

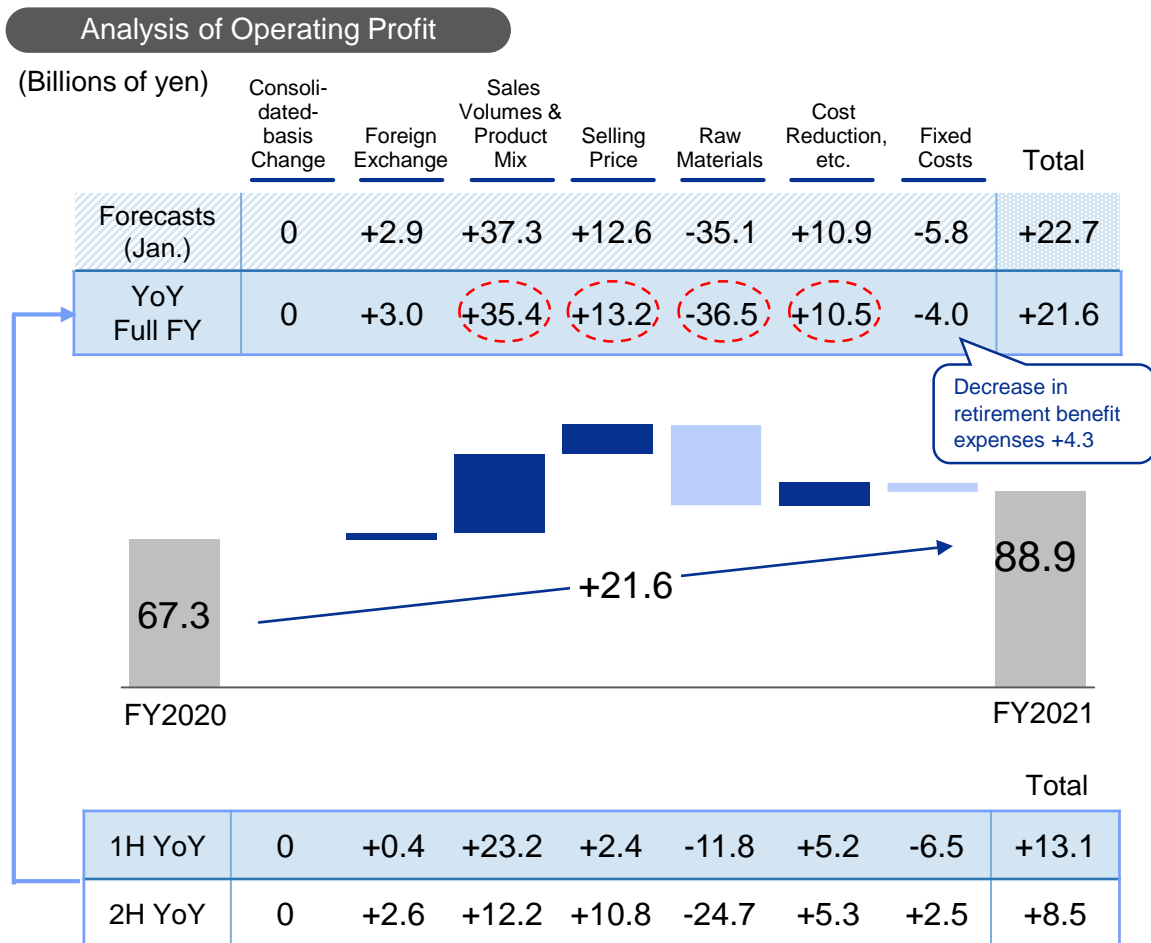
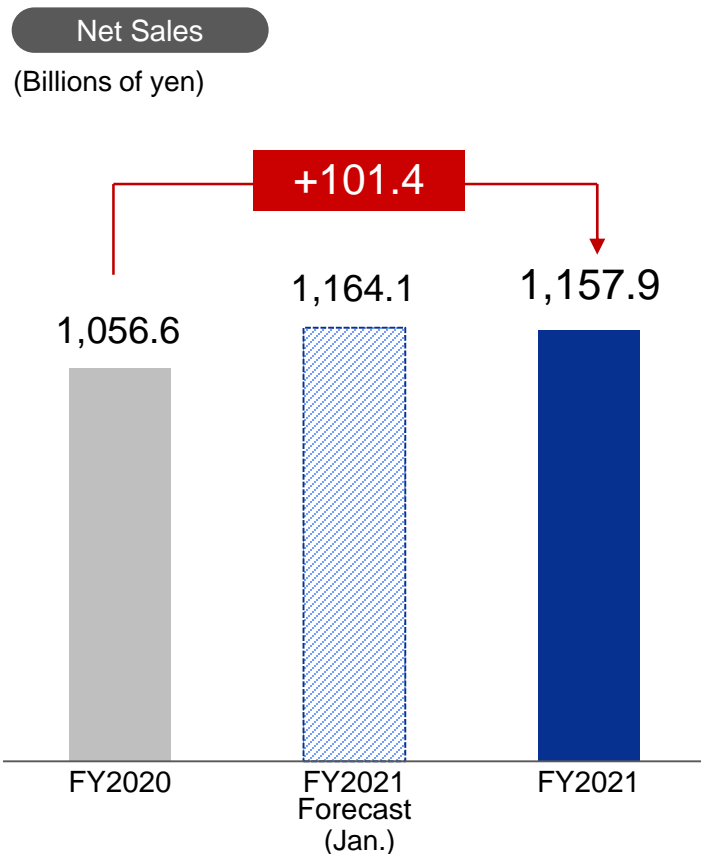
■ Increases in profit in each segment in both the 1H and 2H; profit on a Group-wide basis and in each segment exceeded FY2019 levels in the 2H

- HPP: Despite a delay in the recovery from the downturn in automobile production due to high raw material costs and shortages in the supply of semiconductors, substantial increase in profit driven by activities in the three strategic fields
- Housing: Upswing in profit with increases in the number of houses sold, recovery in the renovation business, and the product mix together with cost reductions, etc. offsetting the prolonged impact of COVID-19 and the further surge in component costs
- UIEP: Soaring raw material prices offset by improvements in selling prices and efforts to control fixed costs; secured increases in net sales and profit by expanding sales of prioritized products and focusing on overseas sales growth
- Medical: Recovery in diagnostics demand both in Japan and overseas, contributions also from an increase in COVID-19 diagnostics demand in the U.S.; steady growth in the Pharmaceutical Sciences Business and record high profit

(Billions of yen)	1H FY2020		1H FY2021		Difference		2H FY2020		2H FY2021		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	139.1	9.2	170.1	19.3	+31.0	+10.2	170.8	19.8	188.7	23.0	+17.9	+3.2
Housing	230.6	13.0	249.8	14.8	+19.2	+1.8	254.6	17.5	265.4	20.5	+10.8	+3.0
UIEP	96.2	2.5	96.1	3.2	-0.1	+0.7	108.4	8.7	115.7	10.9	+7.3	+2.1
Medical	31.9	2.5	39.7	4.9	+7.8	+2.4	40.4	4.5	48.9	6.3	+8.4	+1.8
Other	1.5	-4.2	1.9	-5.2	+0.4	-1.0	2.1	-4.6	3.0	-5.1	+0.9	-0.6
Eliminations or Corporate expenses	-9.3	-0.6	-9.6	-1.5	-0.4	-0.9	-9.9	-1.1	-11.7	-2.2	-1.8	-1.1
Total	490.0	22.4	547.9	35.5	+57.9	+13.1	566.5	44.9	610.0	53.4	+43.5	+8.5

# FY2021 Results: Analysis

- Minimize the effect of soaring raw material prices and the impact of prolonged shortages in semiconductor supply through improvements in selling prices and cost reductions, etc.; substantial increase in profit with contributions also from the impact of foreign exchange; essentially achieved operating profit forecasts (Jan.) on a Group-wide basis



# FY2022 Plan

Forex Rate	FY2021		FY2022	
	1H	2H	1H	2H
Assumptions	-	-	¥115/US\$ ¥131/€	¥115/US\$ ¥131/€
Results (Avg. rate for each term)	¥110/US\$ ¥131/€	¥115/US\$ ¥130/€	-	-

# Overview of FY2022 Plan

- Target record-highs in net sales as well as each level of profit
- Dividend per share of ¥53, up ¥4 (thirteenth consecutive FY of dividend increase)
- Establish a limit for the acquisition of treasury shares (maximum: 8 million shares / ¥16 billion)

(Billions of yen)	FY2021	FY2022 Plan	Difference
Net sales	1,157.9	1,241.6	+83.7
Operating profit	88.9	100.0	+11.1
Ordinary profit	97.0	100.0	+3.0
Profit attributable to owners of the parent	37.1	66.5	+29.4
Dividend per share (Yen)	49	53	+4

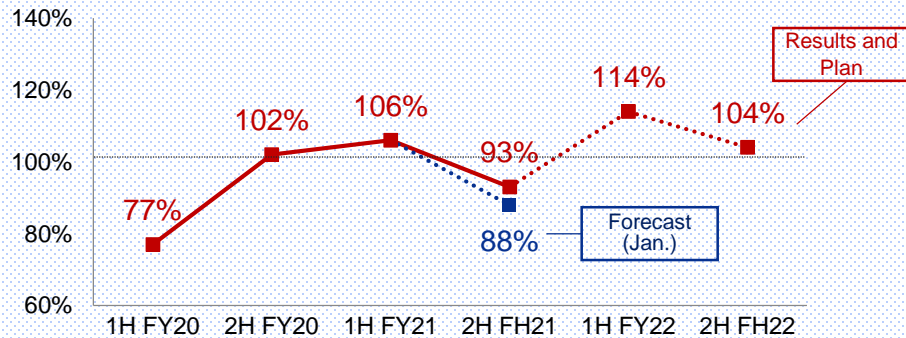


# Market Assumptions

- Projecting a certain degree of recovery in automobile production; firm trends in smartphones; raw material prices forecast to rise further
- Negligible direct impact attributable to Russia incursion into Ukraine (FY2021: Sales to Russia less than 0.05% of Group-wide sales); however, the Company's business and future plans may be affected in the event of a continued surge in fuel prices and a substantial drop in automobile production in Europe.

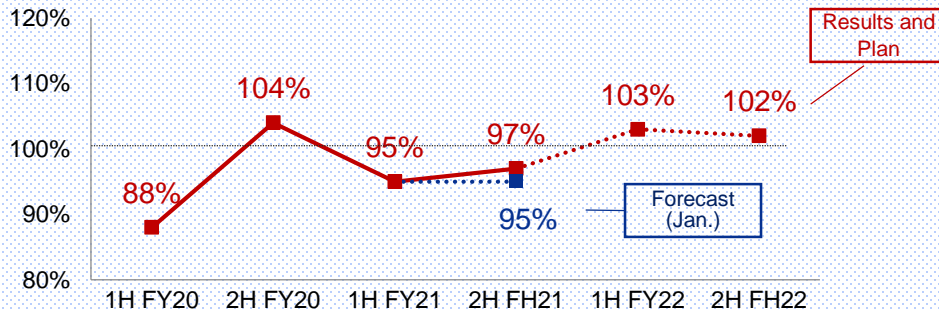
## Number of Automobiles Manufactured (YoY)

Despite the prolonged impact of shortages in the supply of semiconductors, projecting a certain degree of recovery in FY2022; risk of a downturn in automobile production due to shortages in the procurement of components in Europe



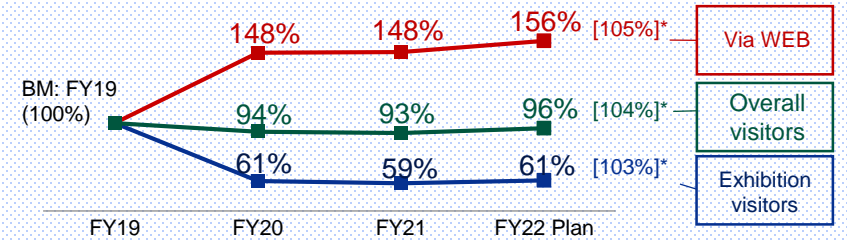
## Smartphone Shipments (YoY)

Despite the impact of shortages in the supply of semiconductors in FY2021, firm trends forecast in FY2022



## Housing · Visitors (FY19YoY)

Continue to focus on WEB visitors and secure the total number of visitors in FY2022

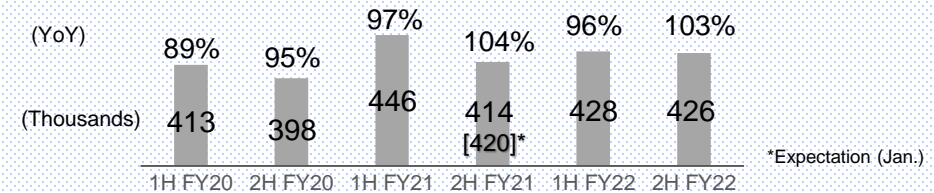


\* Figures in parentheses are percentages compared with FY21

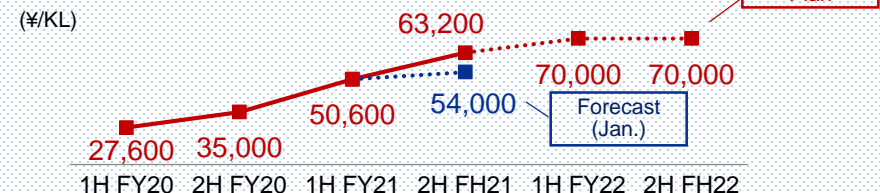
## New Housing Starts

Despite the impact of corrections following the earlier rush prior to the termination of housing loan tax measures in the 2H of FY2021, projecting a modest recovery in FY2022

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



## Domestic Naphtha Price Assumptions



# FY2022 Plan: Net Sales and Operating Profit by Divisional Company

■ Despite anticipating an uncertain and harsh business environment, including trends in raw materials, continued profit growth projected in all segments on the back of successful efforts to secure margins and high-performance product expansion

- HPP: The impact of soaring raw material and energy prices offset by improvements in selling prices as well as sales volumes and product mix; projecting substantial increases in sales and profit in line with the Medium-term Plan
- Housing: Despite the growing impact of a further surge in component costs, projecting an increase in profit owing to efforts aimed strengthening cost reduction, increases in the number of houses sold and unit prices, and growth in the renovation as well as Town and Community Development businesses
- UIEP: Offset the further surge in raw materials prices through improvement in selling prices while focusing on expanding sales of overseas as well as prioritized products; target a substantial increase (record high) in profit
- Medical: Continued recovery in diagnostics demand in both Japan and overseas; continue to target record high profit in line with the Medium-term Plan
- Other, Eliminations or Corporate expenses : Operations commence at a Biorefinery Business demonstration plant; strengthen DX, other, and materiality measures

(Billions of yen)	FY2021		FY2022 Plan		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	358.8	42.4	388.6	48.0	+29.8	+5.6
Housing	515.2	35.3	548.0	38.0	+32.8	+2.7
UIEP	211.8	14.1	230.4	18.0	+18.6	+3.9
Medical	88.5	11.2	87.0	12.5	-1.5	+1.3
Other	4.9	-10.3	8.7	-11.3	+3.8	-1.0
Eliminations or Corporate expenses	-21.3	-3.7	-21.1	-5.2	+0.2	-1.5
<b>Total</b>	<b>1,157.9</b>	<b>88.9</b>	<b>1,241.6</b>	<b>100.0</b>	<b>+83.7</b>	<b>+11.1</b>

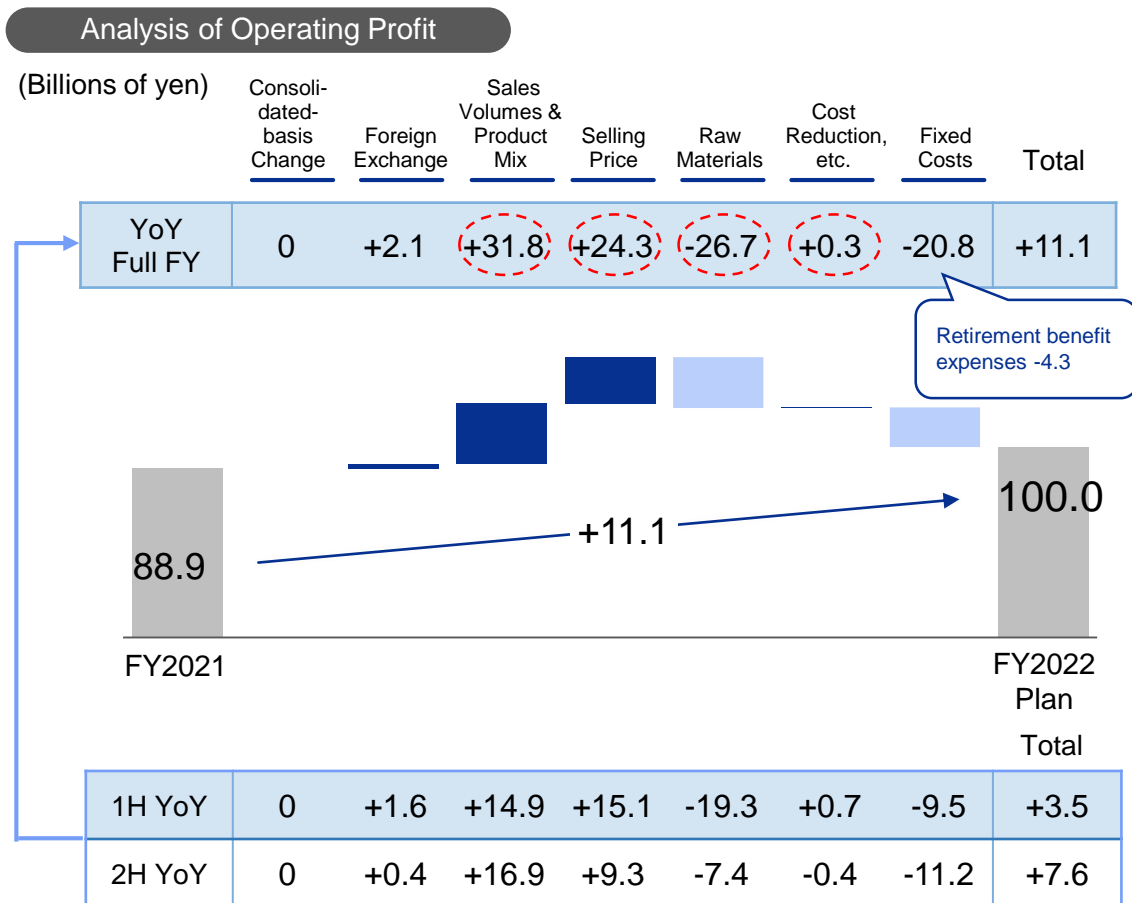
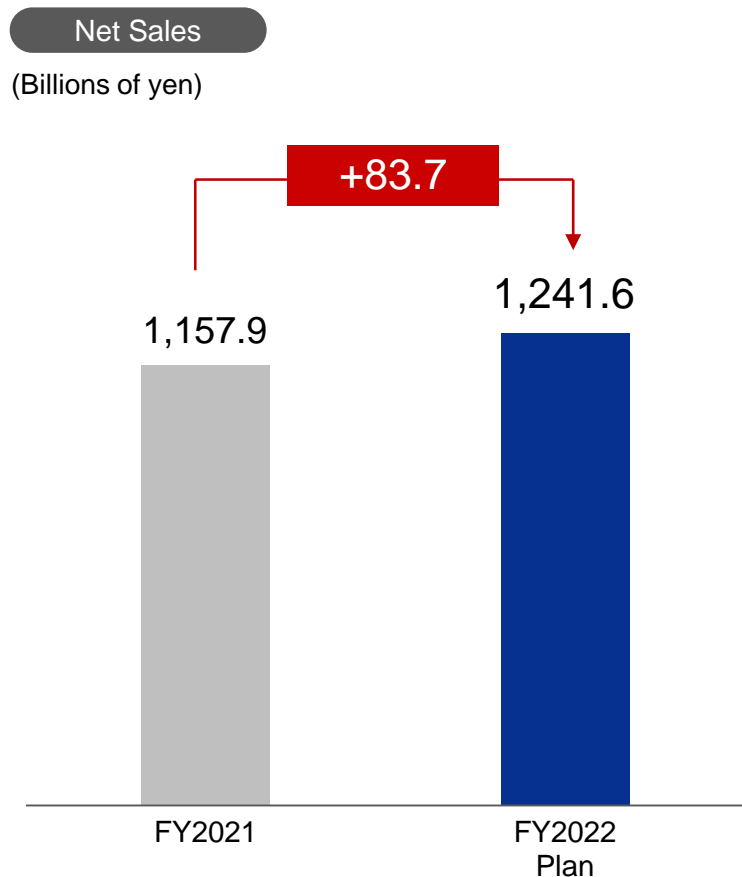
# 1H & 2H FY2022: Net Sales and Operating Profit by Divisional Company

- Projecting increases in sales and profit in both the 1H and 2H; forecasts of a certain degree of recovery in market conditions

(Billions of yen)	1H FY2021		1H FY2022 Plan		Difference		2H FY2021		2H FY2022 Plan		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	170.1	19.3	190.7	21.5	+20.6	+2.2	188.7	23.0	197.9	26.5	+9.2	+3.5
Housing	249.8	14.8	263.0	15.0	+13.2	+0.2	265.4	20.5	285.0	23.0	+19.6	+2.5
UIEP	96.1	3.2	105.1	5.0	+9.0	+1.8	115.7	10.9	125.3	13.0	+9.6	+2.1
Medical	39.7	4.9	41.9	6.0	+2.2	+1.1	48.9	6.3	45.1	6.5	-3.8	+0.2
Other	1.9	-5.2	4.2	-6.0	+2.3	-0.8	3.0	-5.1	4.5	-5.3	+1.5	-0.2
Eliminations or Corporate expenses	-9.6	-1.5	-10.7	-2.5	-1.1	-1.0	-11.7	-2.2	-10.4	-2.7	+1.3	-0.5
Total	547.9	35.5	594.2	39.0	+46.3	+3.5	610.0	53.4	647.4	61.0	+37.4	+7.6

# FY2022 Plan: Analysis

- While raw material prices are expected to remain high, secure margins by thoroughly implementing improvements in selling prices; in addition to projecting a certain degree of recovery in market conditions, sales and profit are expected to increase on the back of efforts to promote the shift to high-performance products and substantial increases in sales volumes and the product mix; shift toward growth and strengthen preparations toward the next medium term

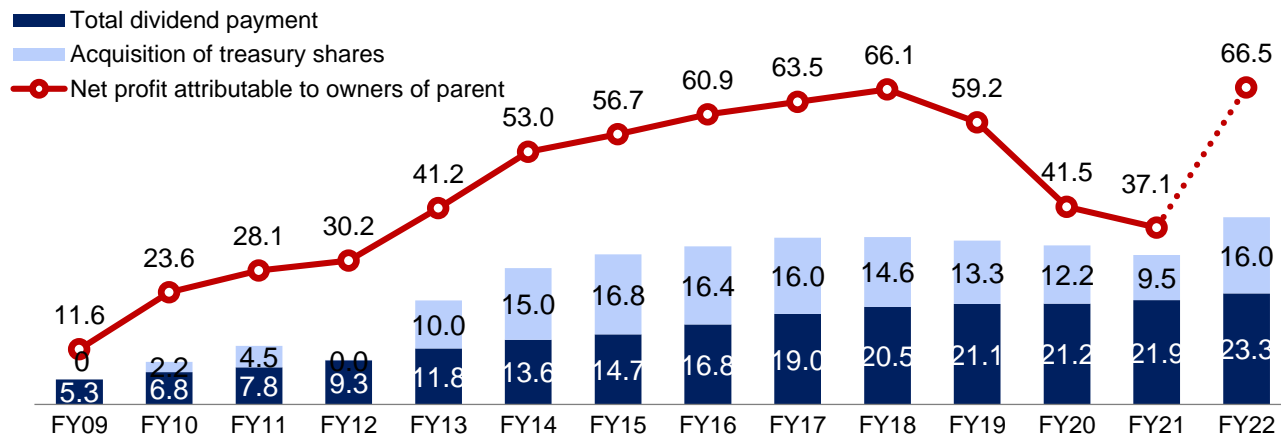


# Returns to Shareholders

Also continue to actively provide returns to shareholders in FY2022

## Returns to Shareholders Track Record

(Billions of yen)



	Previous Medium-term Plan	FY2020-2022
Payout ratio	30% target	35% or higher
DOE	Around 3%	3% or higher
Total return ratio	-	50% or higher if the D/E ratio is less than 0.5
Cancellation of treasury shares	-	Retire newly acquired treasury shares to a level equivalent to less than 5% of the total number of shares issued and outstanding

Fiscal year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (Plan)
Net profit attributable to owners of the parent per share (yen)	22.1	44.9	54.0	58.5	80.1	104.7	115.1	126.1	133.8	141.7	128.8	91.9	83.2	149.8
Cash dividend per share (yen)	10	13	15	18	23	27	30	35	40	44	46	47	49	53
Payout ratio	45.2%	28.9%	27.8%	30.8%	28.7%	25.8%	26.1%	27.7%	29.9%	31.0%	35.7%	51.1%	58.9%	35.4%
Acquisition of treasury shares (billions of yen)	0	2.2	4.5	0	10.0	15.0	16.8	16.4	16.0	14.6	13.3	12.2	9.5	16.0
Total return ratio*	45.2%	38.2%	43.7%	30.8%	52.9%	54.0%	55.5%	54.5%	55.1%	53.0%	58.1%	80.4%	84.6%	59.1%
DOE*	1.6%	2.0%	2.3%	2.4%	2.7%	2.8%	2.8%	3.1%	3.3%	3.4%	3.5%	3.3%	3.3%	3.4%
Cancellation of treasury shares (thousands of shares)	-	-	-	7,000	-	12,000	10,000	-	10,000	8,000	8,000	8,000	5,000	8,000

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

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



Progress under the Medium-term  
Management Plan

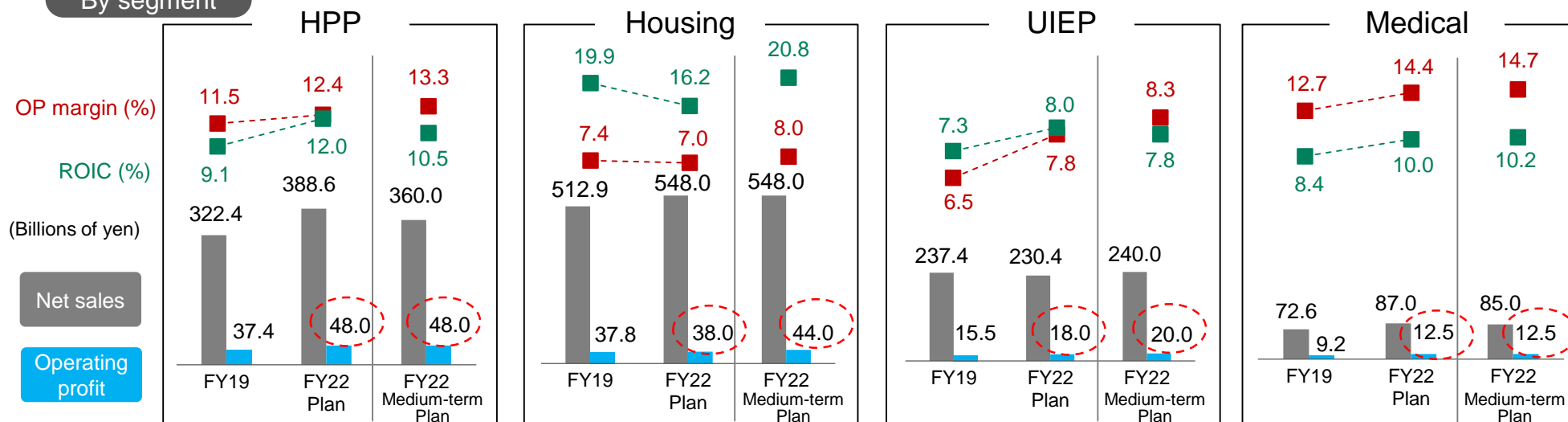
**Drive 2022**

# Drive 2022 Progress: Numerical Targets

	FY2019 Results	FY2022 Plan	Medium-term Plan (FY2022 Targets*)	Difference
Net sales	¥1,129.3 bn.	¥1,241.6 bn.	¥1,220.0 bn.	+¥21.6 bn.
Operating profit (OPM)	¥88.0 bn. (7.8%)	¥100.0 bn. (8.1%)	¥110.0 bn. (9.0%)	-¥10.0 bn. (-0.9%)
Net profit	¥59.2 bn.	¥66.5 bn.	¥70.0 bn.	-¥3.5 bn.
ROIC	7.7%	8.6%	8.6%	0%
ROE	9.7%	9.7%	10.6%	-0.9%
Overseas sales (ratio)	¥274.7 bn. (24%)	¥350.0 bn. (28%)	¥320.0 bn. (26%)	+¥30.0 bn.
EBITDA	¥133.2 bn.	¥150.0 bn.	¥170.0 bn.	-¥20.0 bn.

\* Excluding new M&As, etc.

## By segment



Decrease in aircraft demand owing to COVID-19; promote efforts aimed at strengthening profitability

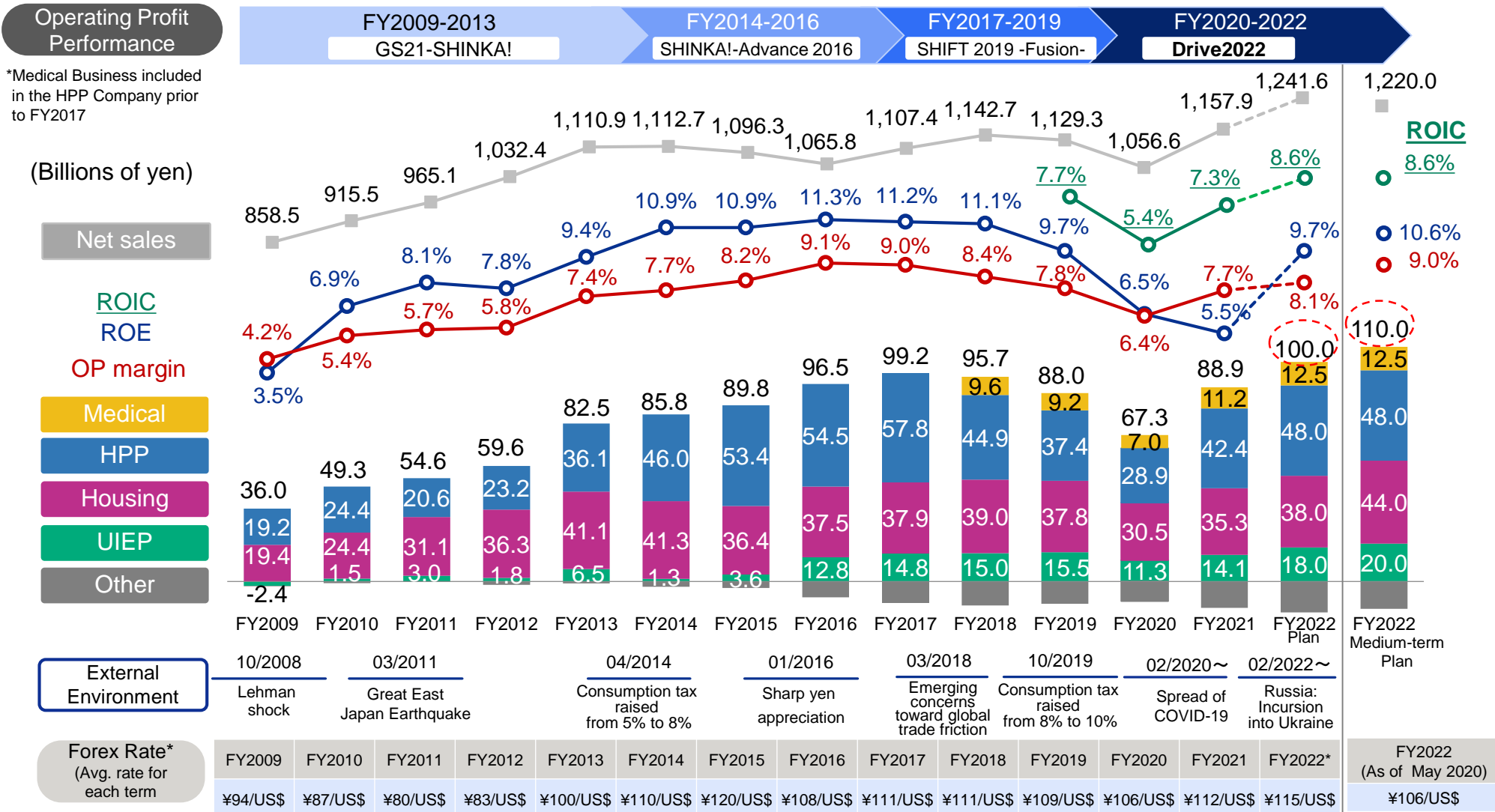
Prolonged impact of COVID-19; growing impact of soaring component costs

Drop in demand (aircraft, non-residential) owing to the prolonged impact of COVID-19

Delays in development owing to COVID-19; increase in diagnostic kits and efforts to control fixed costs

# Drive 2022 Progress

Despite falling slightly short of the Medium-term Plan, shift steadily to a growth trajectory in FY2022 and target operating profit of ¥100 billion



\*FY2022:Assumption



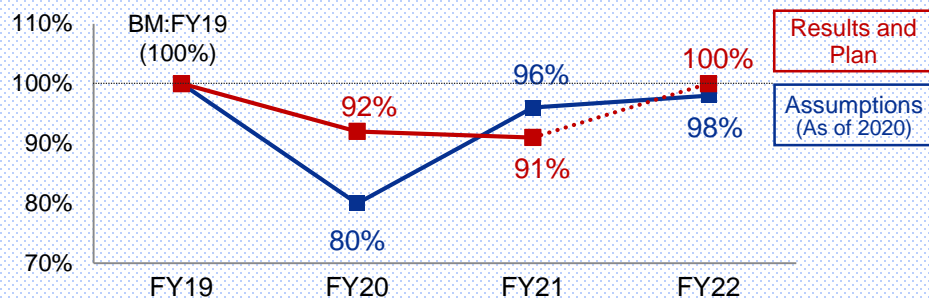
# Drive 2022 Progress: Difference from Market Assumptions

## COVID-19

Prolonged impact of COVID-19 to linger through to FY2022; gradual recovery from the 2Q of FY2020 with the effects projected to dissipate in the 2H under the Medium-term Plan (FY2020: state of emergency declared in the 1Q)

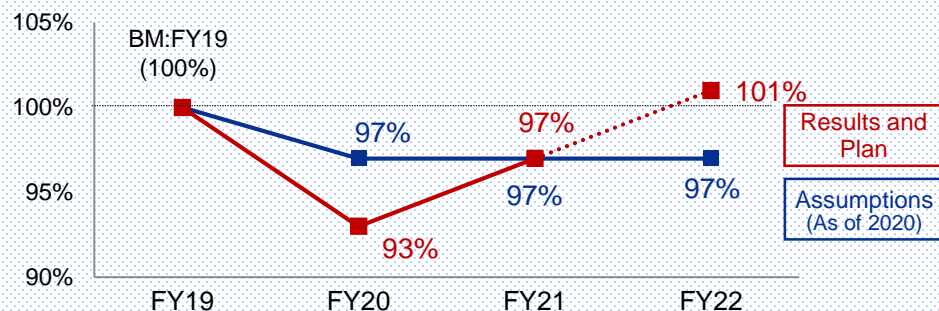
## Number of Automobiles Manufactured (YoY)

The impact of shortages in the supply of semiconductors expected to subside with market conditions forecast to recover to levels assumed under the Medium-term Plan in FY2022; incidence of geopolitical risks



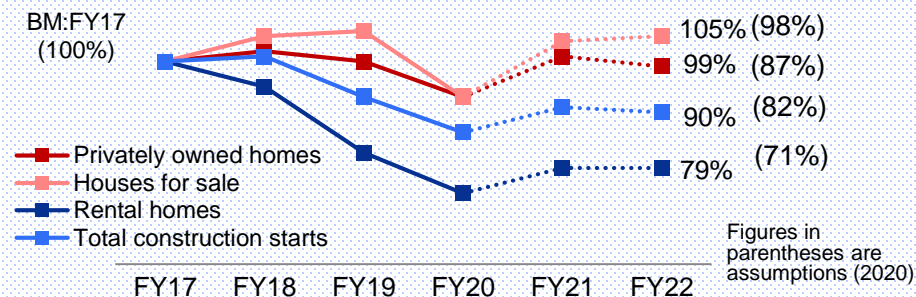
## Smartphone Shipments (YoY)

Despite expectations that trends will exceed assumptions under the Medium-term Plan in FY2022, incidence of geopolitical risks



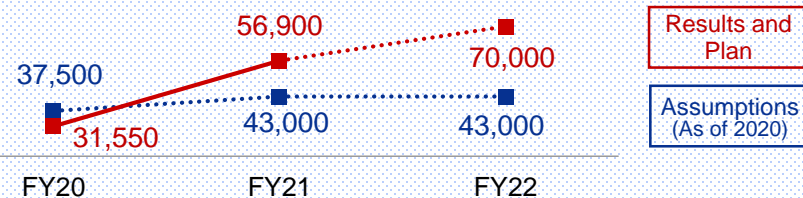
## New Housing Starts (By Type)

Houses for sale focusing mainly on first buyers expected to exceed assumptions under the Medium-term Plan

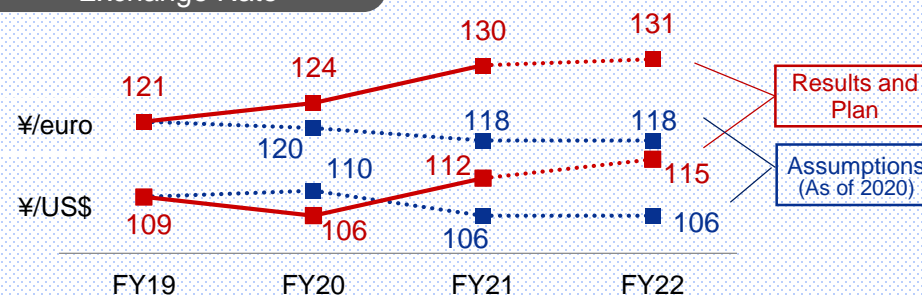


## Construction Starts

Surge substantially exceeding assumptions under the Medium-term Plan



## Exchange Rate

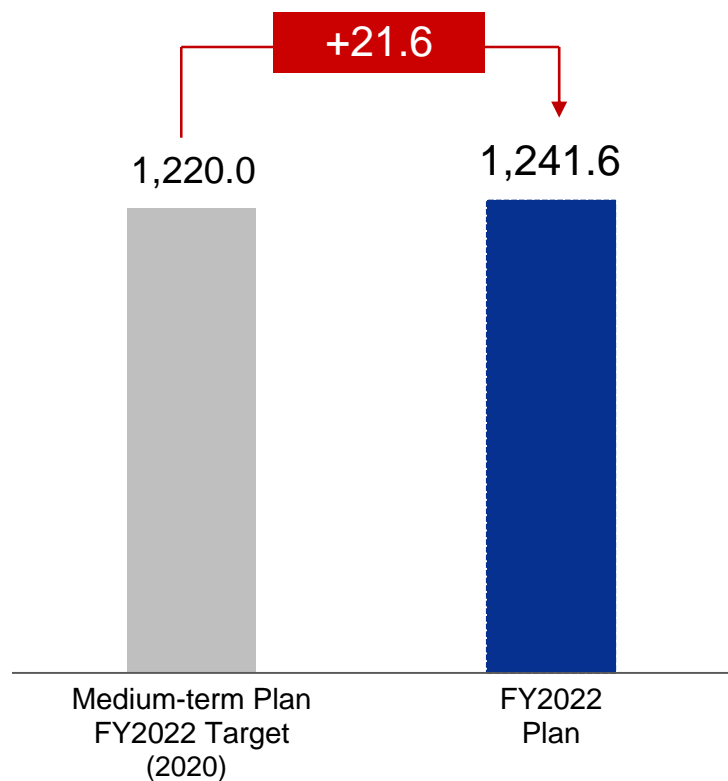


# Drive 2022 Progress: Difference from the Medium-term Plan

- The higher-than-expected surge in raw material prices offset by improvements in selling prices as well as cost reductions, etc.; despite efforts to control fixed costs, substantial impact from the drop in demand attributable to the prolonged effects of COVID-19; expected to fall below the Medium-term Plan owing mainly to the failure to achieve sales volumes and product mix

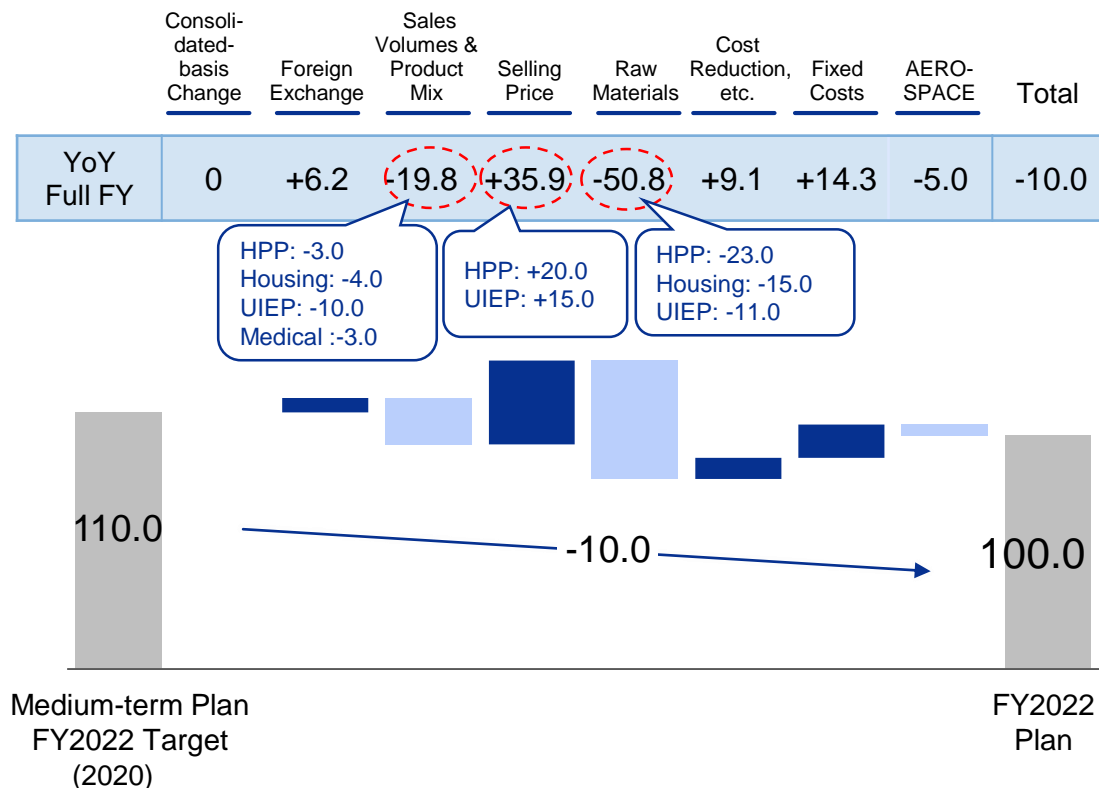
## Net sales

(Billions of yen)



## Analysis of Operating Profit

(Billions of yen)



# Preparations Toward Realizing the Long-term Vision: Strategic Areas MAP

- Formulate a strategic areas MAP as a compass for realizing the Long-term Vision, Vision 2030
- Expand enhancement areas based on the strategic areas MAP and work toward creating a composite strategy between each domain in innovation areas

Domain	Residential	Advanced Lifeline	Innovative Mobility	Life Science
Strategy	Toward a comprehensive Housing construction and Real estate business centered on production technologies	Toward growth businesses that build a sustainable social infrastructure globally	Toward high-value-added businesses that evolve lifestyles	Toward a new pillar of business that supports a healthy, longevity society on a global scale
Enhancement Areas	<ul style="list-style-type: none"> <li>• SEKISUI HEIM (Detached houses, Housing renovation)</li> <li>• Real estate (brokerage services, management, . BeHeim)</li> <li>• Total lifestyle proposals One-stop proposal for living</li> </ul>	<ul style="list-style-type: none"> <li>• Disaster aggravation / Anti-aging measures</li> <li>• New materials / Sensing</li> <li>• Water use / Recycling system</li> </ul>	<ul style="list-style-type: none"> <li>• High-performance interlayer films / Smart materials</li> <li>• Semiconductor components</li> <li>• Lightweight high-strength materials</li> <li>• Next-generation communication components</li> </ul>	<ul style="list-style-type: none"> <li>• Pharmaceutical CDMO</li> <li>• POCT</li> <li>• Diagnostic systems</li> <li>• Pharmaceutical new modalities</li> <li>• Cell culture</li> </ul>
	<ul style="list-style-type: none"> <li>• Overseas (New markets)</li> </ul>	<ul style="list-style-type: none"> <li>• Smart city strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Town and Community Development</li> <li>• i-Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Sensing devices</li> </ul>
Innovation Areas	<ul style="list-style-type: none"> <li>• Digital utilization (housing that employs digital technology)</li> </ul>	<ul style="list-style-type: none"> <li>• Health care</li> </ul>	<ul style="list-style-type: none"> <li>• Data utilization</li> </ul>	<ul style="list-style-type: none"> <li>• Digital health / medical devices</li> </ul>
	Expand innovative Products to enhance sustainability (BR and perovskite solar cells)			Utilize digital technology (MI*)

\* Materials informatics



Financial Results  
FY2021

Tatsuya Nishida

Executive Officer  
Head of Corporate Finance &  
Accounting Department

# Consolidated Companies

## Number of Consolidated Companies

	Mar. 31, 2021	Mar. 31, 2022	Difference
Consolidated subsidiaries	161	155	Increased: 0 Subsidiaries Decreased: 6 Subsidiaries* <sup>1</sup>
Affiliates (Equity Method)	8	8	Increased: 0 Subsidiaries Decreased: 0 Subsidiaries

\*<sup>1</sup> Muhan Co., Ltd., SEKISUI SYSTEMBATH (SHENYANG) CO.,LTD., SEKISUI CHEMICAL (THAILAND) CO., LTD., SEKISUI REFRESH CO., LTD., SEKISUI POLYMATECH (THAILAND) CO., LTD., Ainet Co., Ltd.

## Impact of Change in the Number of Consolidated Companies

(Billions of yen)	FY2021 (YoY)	Difference
Net sales	-6.2	Kyushu Sekisui Shoji Infratec Co., Ltd.* <sup>2</sup> , Partial business transfer* <sup>3</sup> , PT.SEKISUI TECHNO MOLDING INDONESIA* <sup>4</sup> , and other
Operating profit	0	

\*<sup>2</sup> Change in company name from SEKISUI HINOMARU CO., LTD. in April 2021

\*<sup>3</sup> Partial business transfer during the 2Q of FY2020

\*<sup>4</sup> Excluded from the scope of consolidation from the 4Q of FY2020

# Summary of Profit and Loss

(Billions of yen)		FY2020	FY2021	Difference	
Net sales		1,056.6	1,157.9	+101.4	
Gross profit		330.4	356.0	+25.6	
Gross profit margin		31.3%	30.7%	-0.5%	
Selling, general and administrative expenses		263.1	267.1	+4.0	
Operating profit		67.3	88.9	+21.6	
Share of profit of entities accounted for using equity method		2.8	0.1	-2.6	
Other non-operating profit and expenses		-7.4	8.0	+15.4	Foreign exchange gain: +4.3
Ordinary profit		62.6	97.0	+34.4	Gain on sale of shares: +25.9
Extraordinary income		5.4	25.9	+20.5	
Extraordinary losses		4.9	53.1	+48.2	SEKISUI AEROSPACE CORPORATION Loss on impairment: +49.5 ▶ Goodwill: +37.4 ▶ Intangible assets: +12.1
Profit before income taxes		63.2	69.9	+6.7	
Income taxes, etc.		19.9	31.1	+11.2	
Profit attributable to non-controlling interests		1.7	1.7	0	
Profit attributable to owners of parent		41.5	37.1	-4.5	Tax-effect accounting not applied to loss on impairment of goodwill: +37.4
Foreign exchange (Avg. rate)	1US\$	106 yen	112 yen		
	1€	124 yen	131 yen		

# Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2021	Mar. 31, 2022	Difference																												
Cash and deposits	87.5	144.5	+57.1																												
Trade receivables	170.6	186.5	+15.8																												
Inventories	222.9	243.8	+20.9	<table border="1"> <thead> <tr> <th>Inventories (B/S item)</th> <th>Mar.31, 2022</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Ready-built housing (products)</td> <td>25.8</td> <td>-1.6</td> </tr> <tr> <td>Prepared land for subdivision housing</td> <td>55.4</td> <td>-3.4</td> </tr> <tr> <td>Land under preparation (work in process)</td> <td>10.5</td> <td>-3.9</td> </tr> <tr> <td>Housing under construction (work in process)</td> <td>31.1</td> <td>+7.8</td> </tr> <tr> <td>Components, other (raw materials)</td> <td>6.5</td> <td>+2.9</td> </tr> <tr> <td>Housing Total</td> <td>129.2</td> <td>+1.8</td> </tr> <tr> <td>Non-residential total (products, other)</td> <td>114.6</td> <td>+19.1</td> </tr> <tr> <td>Inventories Total</td> <td>243.8</td> <td>+20.9</td> </tr> </tbody> </table>	Inventories (B/S item)	Mar.31, 2022	Difference	Ready-built housing (products)	25.8	-1.6	Prepared land for subdivision housing	55.4	-3.4	Land under preparation (work in process)	10.5	-3.9	Housing under construction (work in process)	31.1	+7.8	Components, other (raw materials)	6.5	+2.9	Housing Total	129.2	+1.8	Non-residential total (products, other)	114.6	+19.1	Inventories Total	243.8	+20.9
Inventories (B/S item)	Mar.31, 2022	Difference																													
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Inventories Total	243.8	+20.9																													
Other current assets	24.6	34.6	+10.0																												
Property, plant and equipment	351.4	365.3	+13.9	<table border="1"> <tbody> <tr> <td>Purchase +49.2</td> </tr> <tr> <td>Depreciation -39.6</td> </tr> <tr> <td>Foreign exchange +8.8</td> </tr> </tbody> </table>	Purchase +49.2	Depreciation -39.6	Foreign exchange +8.8																								
Purchase +49.2																															
Depreciation -39.6																															
Foreign exchange +8.8																															
Intangible assets	97.6	46.7	-50.9	<table border="1"> <tbody> <tr> <td>SEKISUI AEROSPACE CORPORATION</td> </tr> <tr> <td>Impairment losses: -49.5</td> </tr> </tbody> </table>	SEKISUI AEROSPACE CORPORATION	Impairment losses: -49.5																									
SEKISUI AEROSPACE CORPORATION																															
Impairment losses: -49.5																															
Investment securities	174.7	130.7	-44.0	<table border="1"> <tbody> <tr> <td>Sales of shares: -46.0</td> </tr> </tbody> </table>	Sales of shares: -46.0																										
Sales of shares: -46.0																															
Investments and other assets	20.9	46.8	+26.0																												
Total assets	1,150.1	1,198.9	+48.8	<table border="1"> <tbody> <tr> <td>Foreign exchange: +27.6</td> </tr> <tr> <td>▶ Actual basis: +21.2</td> </tr> </tbody> </table>	Foreign exchange: +27.6	▶ Actual basis: +21.2																									
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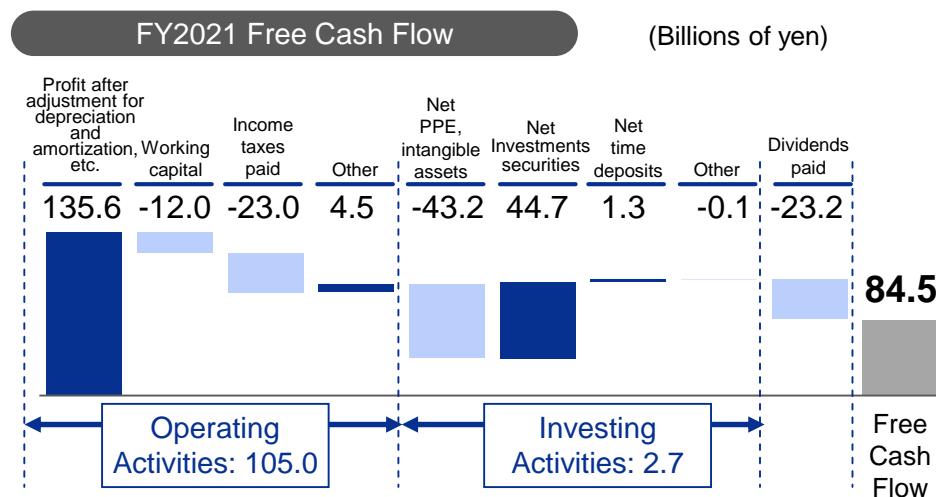
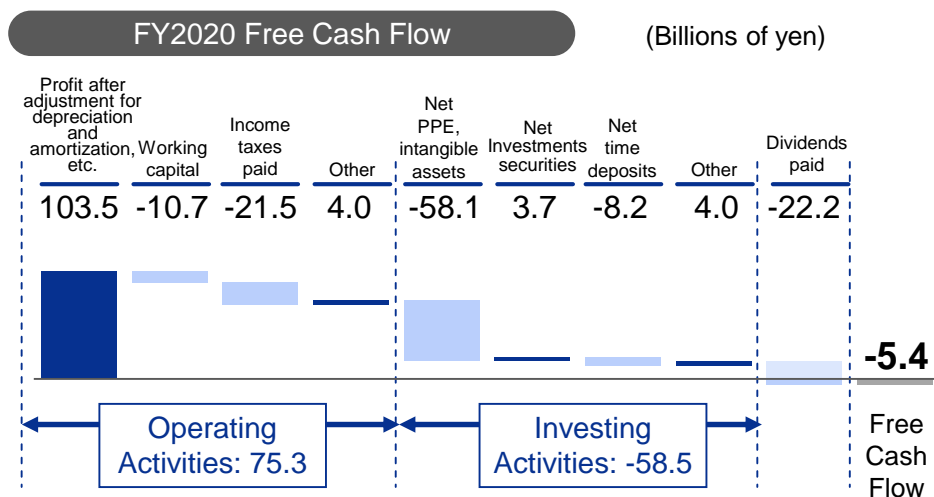
# Balance Sheets (Liabilities & Net Assets)

(Billions of yen)	Mar. 31, 2021	Mar. 31, 2022	Difference	
Non-interest-bearing liabilities	317.6	373.6	+56.0	
Interest-bearing liabilities	138.2	122.6	-15.6	
(Net interest-bearing liabilities)	(50.7)	(-22.0)	(-72.7)	
Total liabilities	455.8	496.2	+40.4	
Share capital etc.	209.0	209.0	0	
Retained earnings	441.1	448.0	+6.9	Net income +37.1
Treasury shares	-43.4	-44.6	-1.2	Dividends paid -21.5
Valuation difference on available-for-sale securities	50.8	33.7	-17.1	Cancellation of treasury shares -8.1
Non-controlling interests	27.3	28.1	+0.8	Cancellation of treasury shares +8.1
Other net assets	9.6	28.5	+18.9	Purchases of treasury shares -9.5
Total net assets	694.4	702.8	+8.4	Sales of shares -18.1
Total liabilities and net assets	1,150.1	1,198.9	+48.8	Shares at fair value +2.4
ROIC	5.4%	7.3%	+1.9%	
ROE	6.5%	5.5%	-1.0%	
Equity to total assets (%)	58.0%	56.3%	-1.7%	
D/E ratio (Net)	0.08	-0.03	-0.11	Foreign currency translation adjustment +18.9



# Consolidated Cash Flows

(Billions of yen)	FY2020	FY2021
Cash flows from operating activities	75.3	105.0
Cash flows from investing activities	-58.5	2.7
Cash flows from financing activities	-19.2	-54.7
Net increase in cash and cash equivalents	1.8	57.1
Cash and cash equivalents at end of period	76.6	133.7
Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid	-5.4	84.5



# Depreciation, Amortization, Capital Expenditures and EBITDA

(Billions of yen)	Depreciation* <sup>1</sup>			Goodwill and other amortization* <sup>2</sup>			Capital expenditures			EBITDA* <sup>3</sup>		
	FY2020	FY2021	Difference	FY2020	FY2021	Difference	FY2020	FY2021	Difference	FY2020	FY2021	Difference
Housing	9.7	9.9	+0.2	0	0	0	13.8	13.0	-0.8	40.2	45.2	+5.0
UIEP	8.7	8.9	+0.2	0	0	0	14.1	8.7	-5.3	19.9	22.9	+3.0
HPP	17.7	17.6	0	4.5	3.2	-1.3	16.5	16.5	0	51.1	63.2	+12.1
Medical	3.8	4.2	+0.4	1.9	1.2	-0.6	4.6	5.5	+0.9	12.7	16.6	+3.9
Other	2.2	2.6	+0.4	0	0	0	4.6	5.9	+1.3	-6.5	-7.8	-1.2
Eliminations or Corporate expenses	0.9	1.2	+0.2	-	-	-	1.8	3.0	+1.1	-0.8	-2.6	-1.8
<b>Total</b>	<b>42.9</b>	<b>44.3</b>	<b>+1.4</b>	<b>6.4</b>	<b>4.4</b>	<b>-2.0</b>	<b>55.3</b>	<b>52.5</b>	<b>-2.8</b>	<b>116.6</b>	<b>137.6</b>	<b>+20.9</b>

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

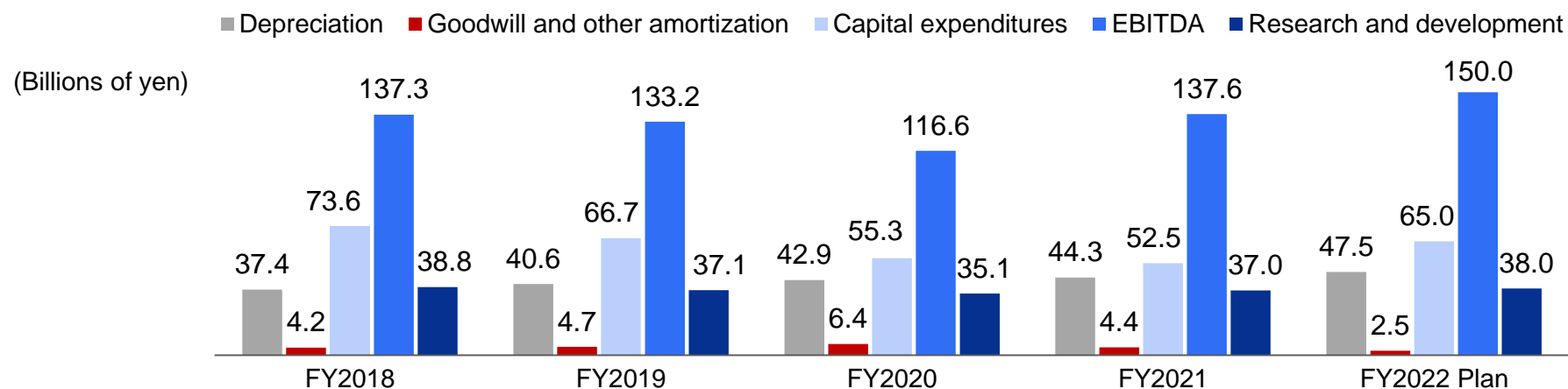
\*2 Goodwill and other amortization = Goodwill amortization + Amortization of M&A intangible assets

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

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

(Billions of yen)	FY2021	FY2022 Plan	Difference
Depreciation	44.3	47.5	+3.2
Goodwill and other amortization	4.4	2.5	-1.9
Capital expenditures	52.5	65.0	+12.5
EBITDA	137.6	150.0	+12.4
Research and development expenditure	37.0	38.0	+1.0

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



# Overview of FY2022 Plan and Returns to Shareholders

(Billions of yen)	FY2021	FY2022 (Plan)	Difference
Net sales	1,157.9	1,241.6	+83.7
Operating profit	88.9	100.0	+11.1
Ordinary profit	97.0	100.0	+3.0
Profit attributable to owners of the parent	37.1	66.5	+29.4
Dividend per share (Yen)	49	53	+4
Payout ratio	58.9%	35.4%	-23.5%
Acquisition of treasury shares (Thousands of shares)	5,000	8,000	+3,000
Total return ratio*	84.6%	59.1%	-25.5%
DOE*	3.3%	3.4%	+0.1%
Cancellation of treasury shares (Thousands of shares)	5,000	8,000	+3,000

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

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



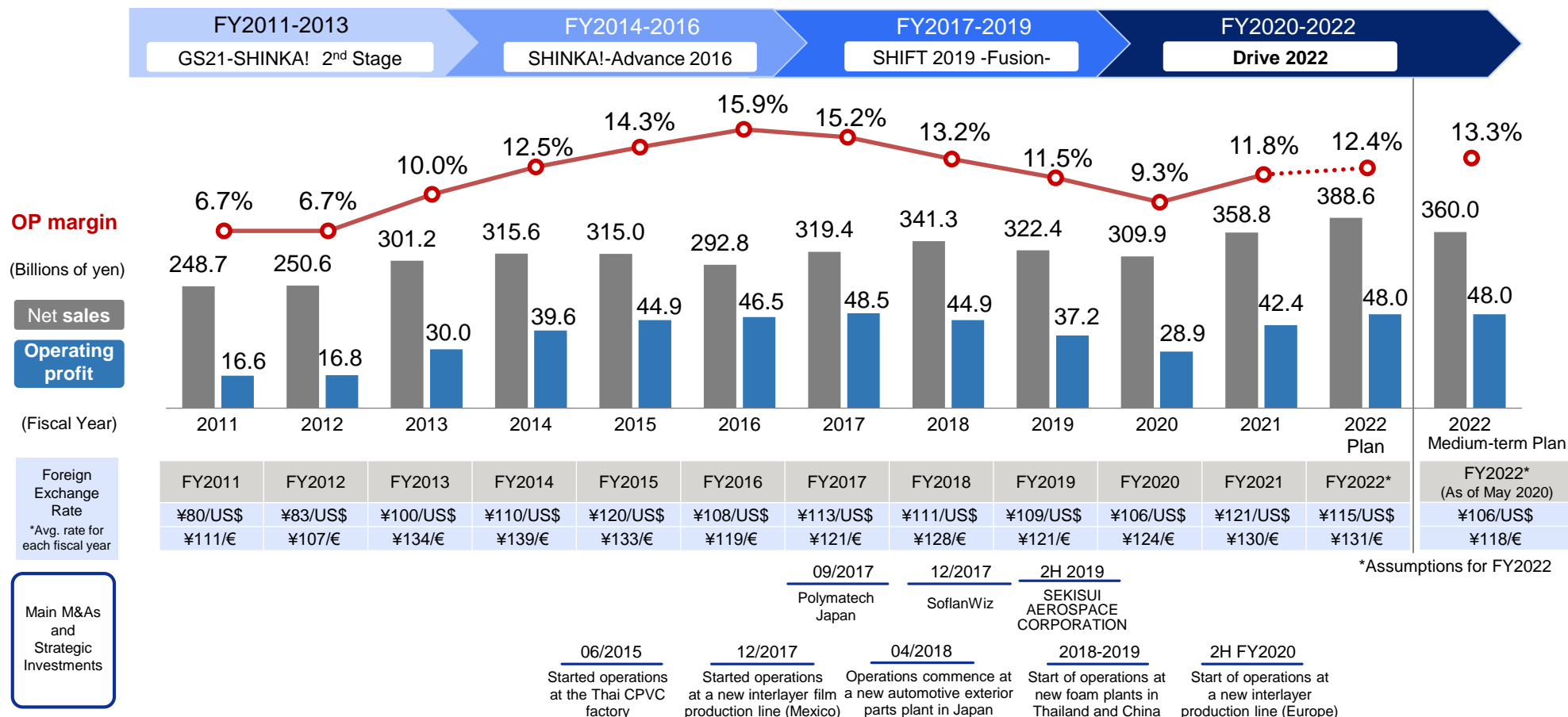
High Performance Plastics  
Company

Ikusuke Shimizu

Company President

- FY2021: Amid the prolonged harsh business environment owing to such factors as high raw material costs and the impact of the shortage in semiconductor supply, return to a growth trajectory owing to expansion in three strategic fields and ongoing efforts to strengthen profitability
- FY2022: Despite an uncertain business environment, operating profit projected to come in in line with the Medium-term Plan on the back of successful efforts to secure margins and improve sales volumes and the product mix

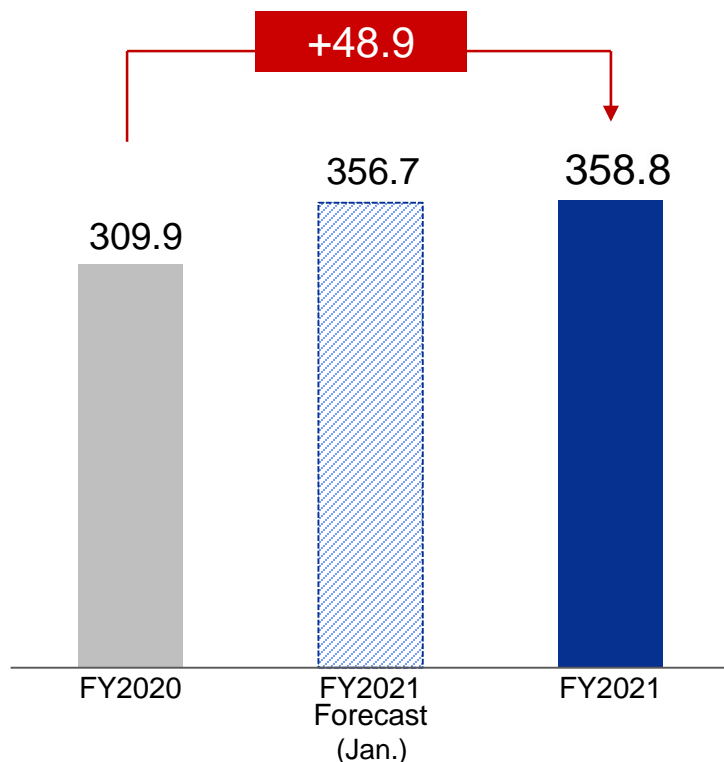
## Performance Trends



- Despite the negative impacts of high raw material costs, a decrease in automobile production owing to shortages in the supply of semiconductors, and shortages in containers, substantial increase in profit driven by the three strategic fields
- Impact of the further ongoing surge in raw material costs offset mainly by improvements in selling prices and reductions in costs; results generally in line with forecasts (Jan.) in the 2H

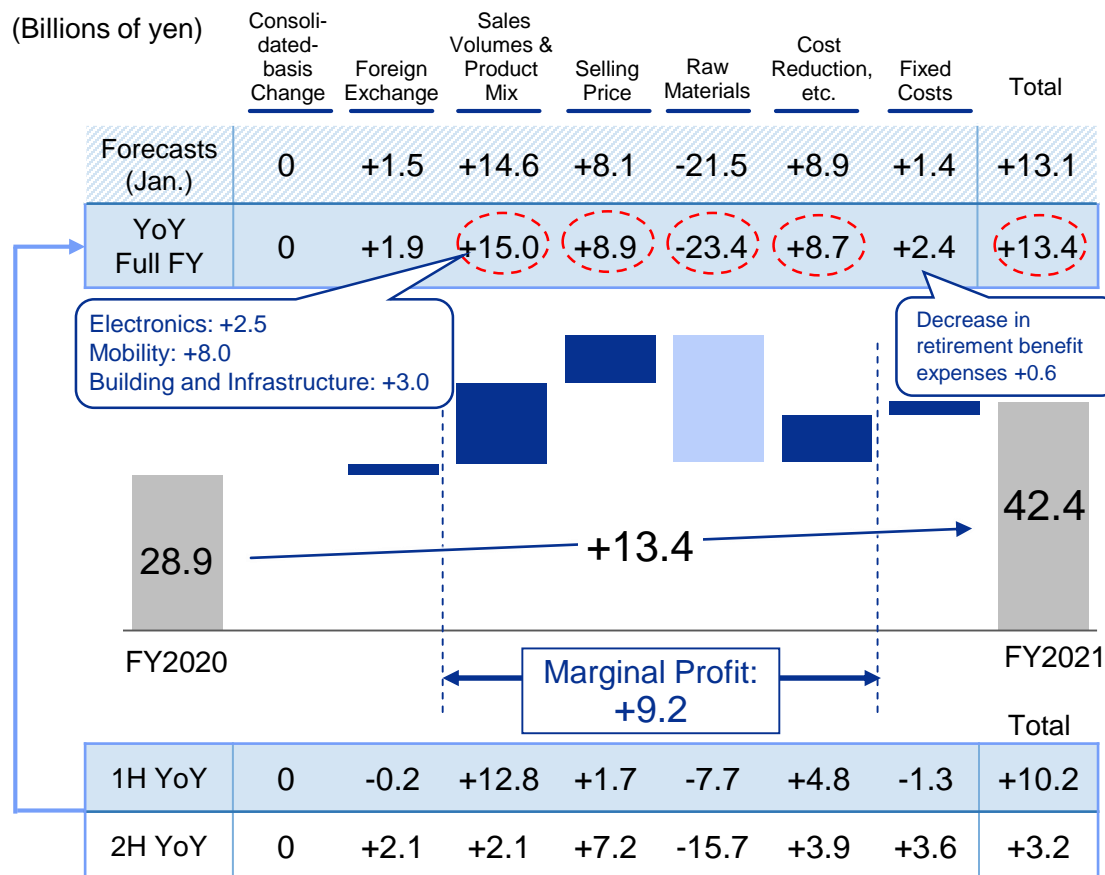
## Net sales

(Billions of yen)

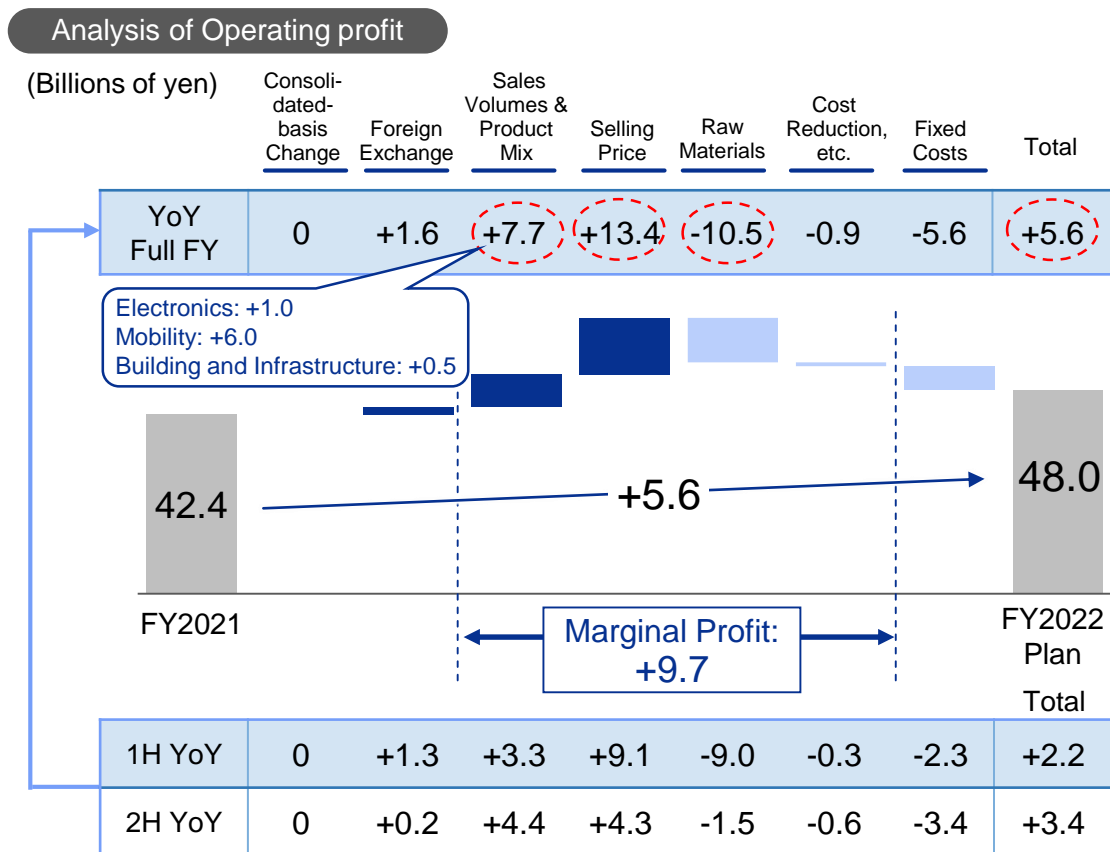
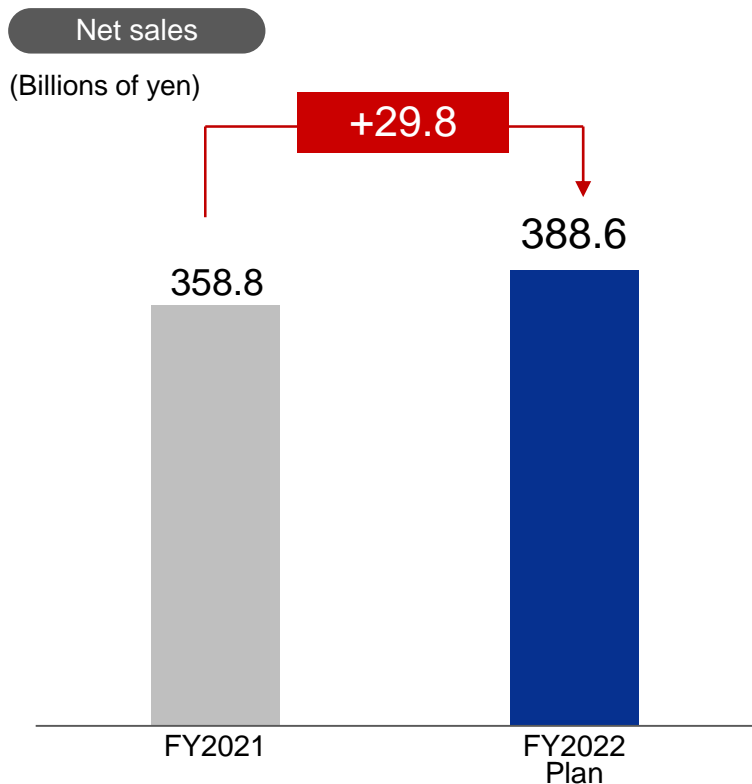


## Analysis of Operating profit

(Billions of yen)



- Despite high raw material costs and ongoing uncertainty surrounding the business environment, projecting a certain degree of recovery in automobile market conditions owing to improvements in the supply of semiconductors
- Offset the impacts of soaring raw material costs and the shortage of containers through improvements in selling prices as well as sales volumes and product mix; plans for substantial increases in sales and profit
- Strengthen preparations including growth investments as a means to realize the next Medium-term Plan





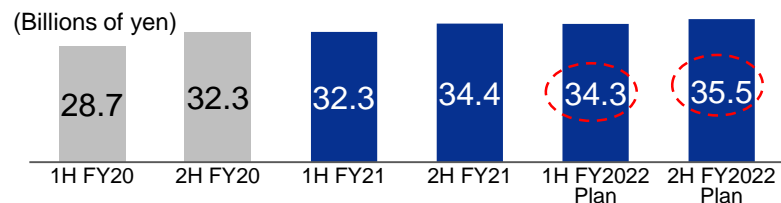
# Three Strategic Fields and Cost Innovation

- FY2021: Increases in sales and profit in each of the three strategic fields
- FY2022: Increase in sales in each of the three strategic fields owing to a certain degree of recovery in automobile and smartphone market conditions, improvements in selling prices, and the shift to high-performance products; sales projected to exceed the Medium-term Plan

## Net sales in the Three Strategic Fields

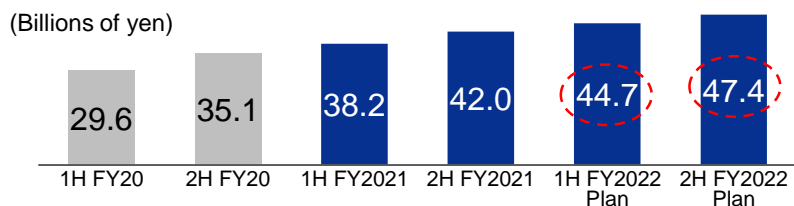
### Electronics

- FY2021: Increase in sales owing to robust sales growth of both liquid crystal and Non-LCD field products
- FY2022: Firm smartphone market conditions; growth in the products targeting the Non-LCD field focusing mainly in semiconductor-related products, continued increase in sales across all fields



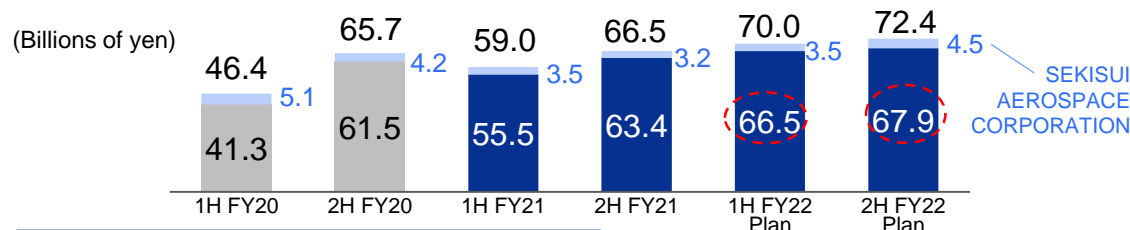
### Building and Infrastructure

- FY2021: Robust CPVC demand, price increases also take hold
- FY2022: Firm conditions overseas, continued recovery also in construction market conditions in Japan; contribution also from improvements in selling prices, plans for a substantial increase in sales



### Mobility

- FY2021: Despite a prolonged decrease in automobile production, secured an increase in sales on the back of high-performance interlayer film growth
- FY2022: Continued growth in high-performance interlayer films (projecting 115% growth of products for HUDs); despite plans for an increase in sales on the back of improvements in selling prices, risks associated with an uncertain business environment
- SEKISUI AEROSPACE CORPORATION: Despite the prolonged slump in aircraft demand, incremental increase growth in new fields and the incidence of synergy effects



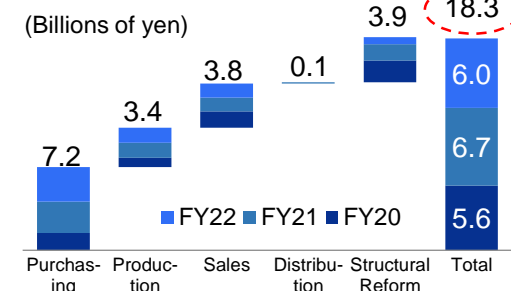
## Cost Innovation

- Further accelerate reforms to the supply chain and business structure; achieve the Medium-term Plan in advance (FY22 cumulative: ¥8.0 billion\*1)
- Projecting an improvement in profits: FY22 ¥6.0 billion\*2

- Reform the business structure (+¥0.6 bn YoY)
- Work to reform the supply chain (+¥5.4 bn YoY)
- ✓ Thoroughly review underperforming businesses
- ✓ Reorganize and optimize bases
- ✓ Optimize purchasing
- ✓ Improve productivity
- ✓ Reduce distribution costs

\*1 FY2020-FY2022 cumulative total (BM: FY2019)  
\*2 Amount of improvement compared with FY2021

### Breakdown of Cost Innovation

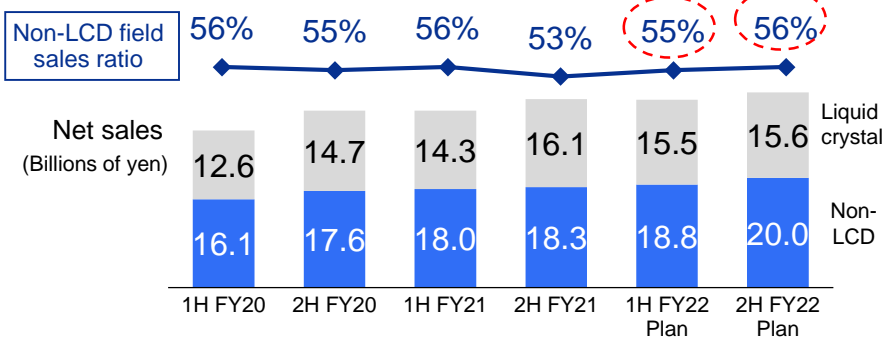


- Strengthen measures aimed at securing continuous growth in each of the three fields; also focus on fostering next growth domains

## Progress of Growth Measures in the Three Fields

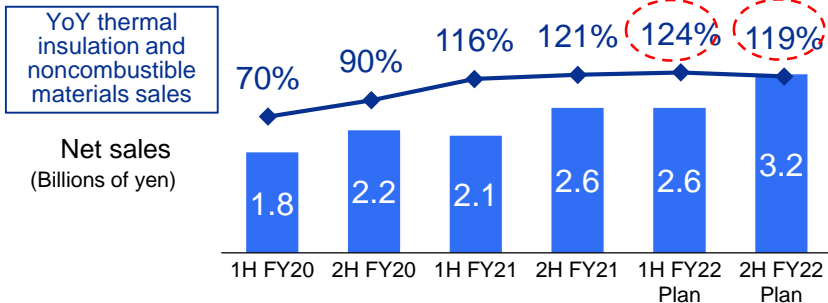
### Electronics ~ Focus on the Non-LCD field

- Robust trends in semiconductor-related components as well as binder resins for MLCCs, increase in sales of products targeting the Non-LCD field; firm trends mainly in products for small- and medium-sized panels in the liquid crystal field



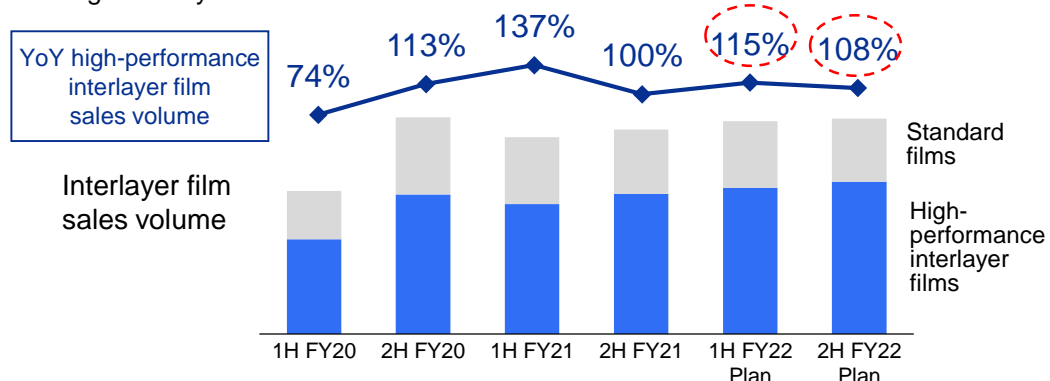
### Building and Infrastructure ~ Thermal insulation and noncombustible material sales growth

- Progress in cultivating new customers for both non-flammable urethane and thermal insulation materials as market conditions recover



### Mobility ~ High-performance interlayer film sales growth

- Continued high sales growth of products for HUDs (FY2021: more than 120% YoY); focusing on heat and sound insulation as well as other combined functions and high design interlayer films for EVs



## Next-generation Growth Domains

Electronics	Mobility	Building and Infrastructure
<ul style="list-style-type: none"> <li>Products for next-generation displays</li> <li>Next-generation communications</li> </ul>	<ul style="list-style-type: none"> <li>Next-generation mobility                             <ul style="list-style-type: none"> <li>Lightweight, high-strength resin materials</li> <li>Combined function interlayer films</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Next-generation health care and protective materials                             <ul style="list-style-type: none"> <li>Resin with kneading function</li> <li>Sensing devices</li> </ul> </li> </ul>





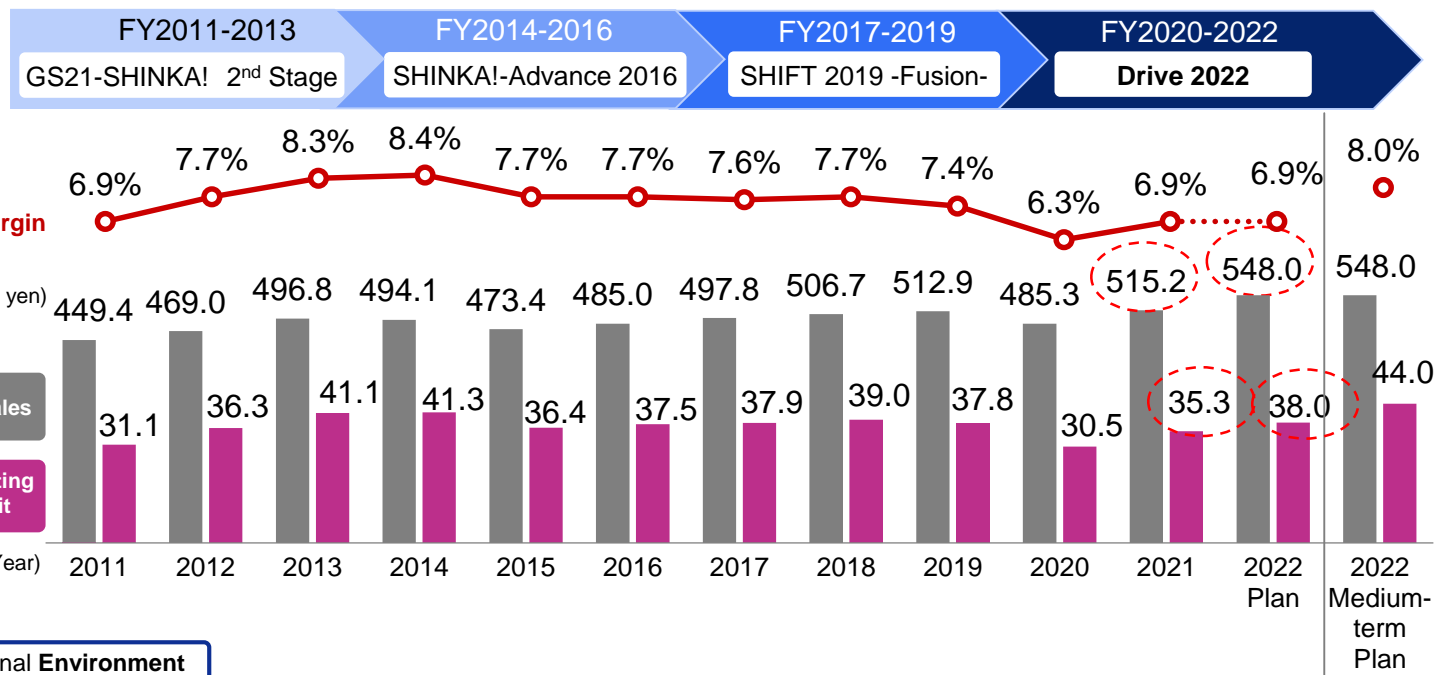
Housing Company

Toshiyuki Kamiyoshi

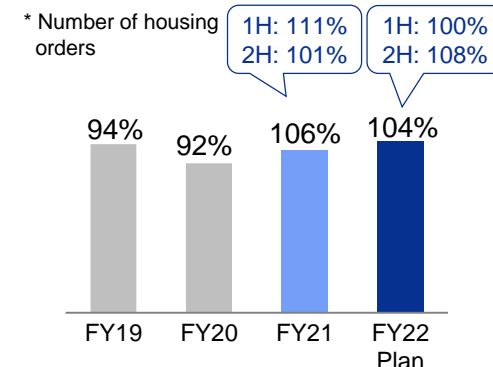
Company President

- **FY2021:** Despite the prolonged impact of COVID-19, set a record high in net sales; despite the growing impact of soaring component costs, upswing in profit owing to an increase in the number of houses sold and successful efforts to reduce costs; fell short of forecasts (Jan.) owing to delays in component delivery and the impact of disasters
- **FY2022:** Despite the growing impact of soaring component costs, projecting a recovery in operating profit to the same level as FY2019 due to efforts aimed at strengthening subdivision and ready-built house activities as well as reducing costs

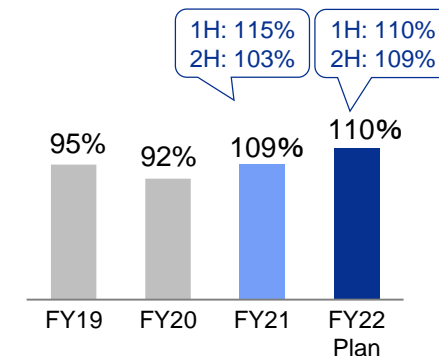
## Performance Trends



## New Housing Orders (YoY\*)



## Renovation Orders (YoY)

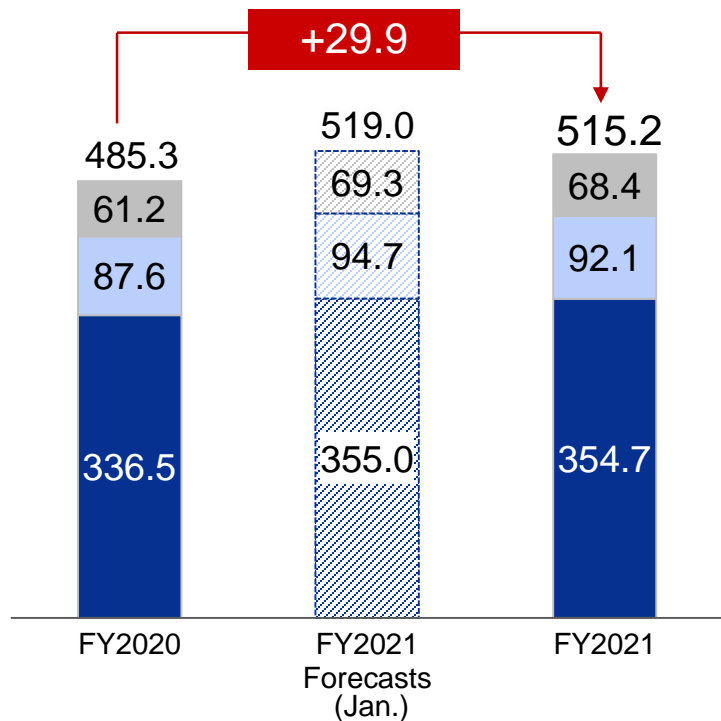


■ Despite a substantial increase in net sales and higher profit, fell short of forecasts (Jan.) owing to the prolonged impact of COVID-19, delays in component delivery, and the impact of disasters

- Housing: Increase in the number of houses sold on the back of higher orders secured through WEB and other measures; increases in sales and profit owing to various factors including contributions from the integration of production bases
- Renovation: Despite increases in sales and profit as a result of such factors as the recovery in points of customer contact, fell short of forecasts (Jan.) owing to delays in component delivery
- Other: Steady trends in the Town and Community Development as well as Real Estate businesses

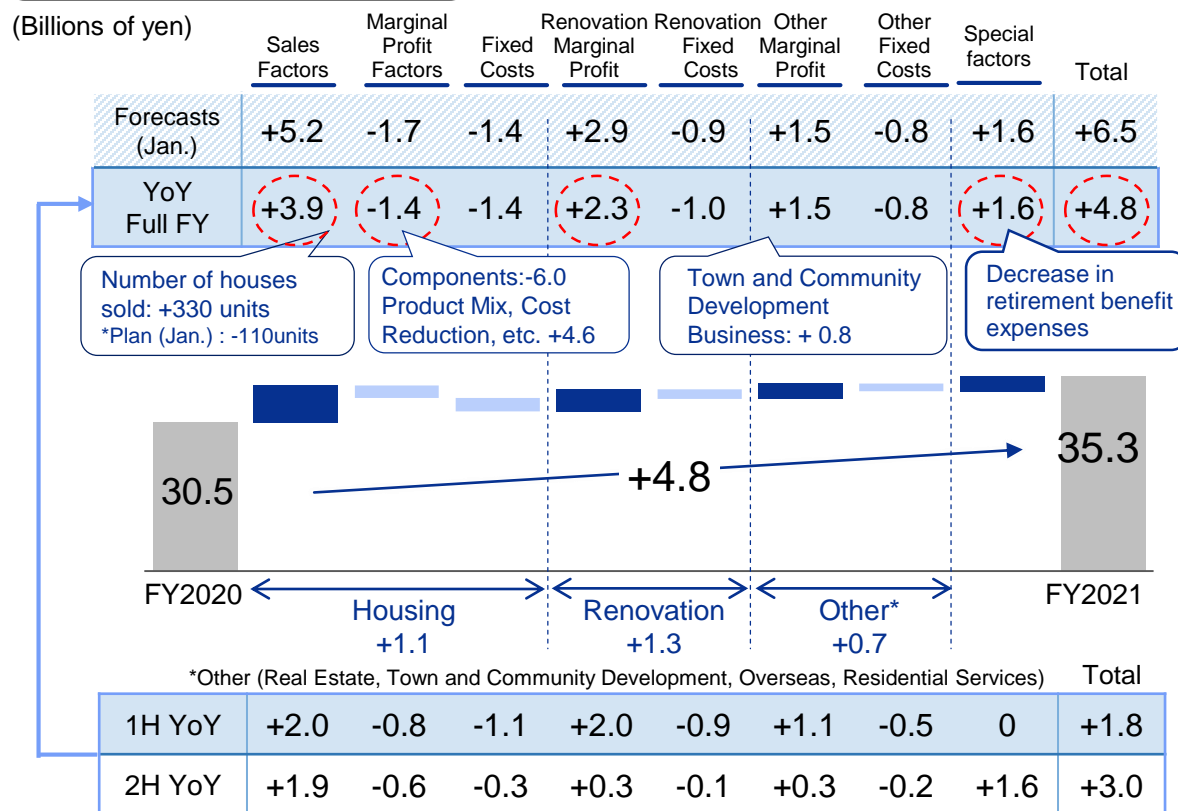
## Net sales by Business

(Billions of yen) ■ Housing ■ Renovation ■ Other



## Analysis of Operating profit

(Billions of yen)



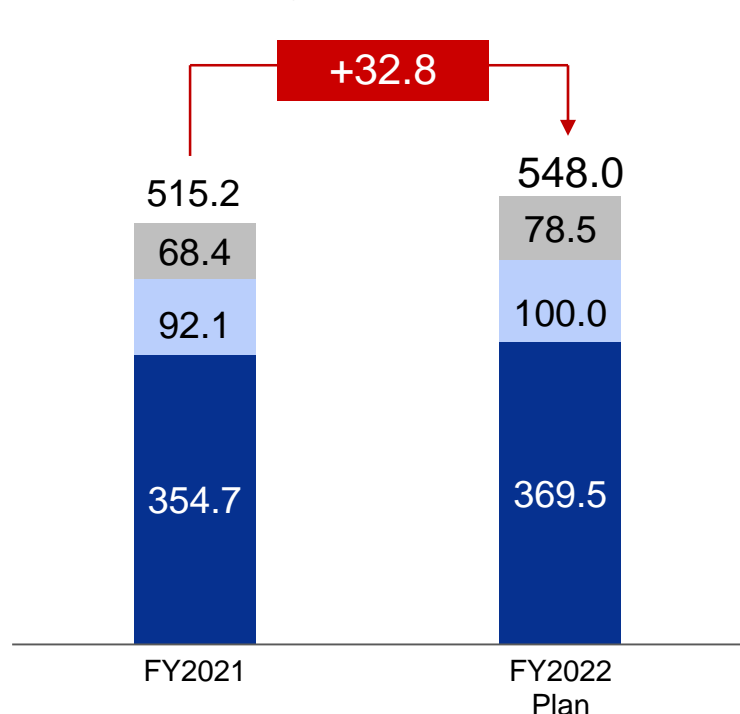
■ Projecting an increase in profit on the back of increases in the number of new houses sold as well as unit prices and an increase in renovation sales; plans to offset the growing impact of soaring component costs through efforts to reduce costs and level out sales with a view to securing a recovery in operating profit to the same level as FY2019

- Housing: Increase orders by strengthening WEB marketing and vigorously promoting Smart House and resilience appeal
- Renovation: Increase orders by strengthening three measures aimed at generating growth (sales structure, products, productivity)
- Other: Expand the Real Estate Business focusing mainly on the frontier domain (BeHeim and other products); expand the scale of the Town and Community Development Business to over ¥10 billion

Net sales by Business

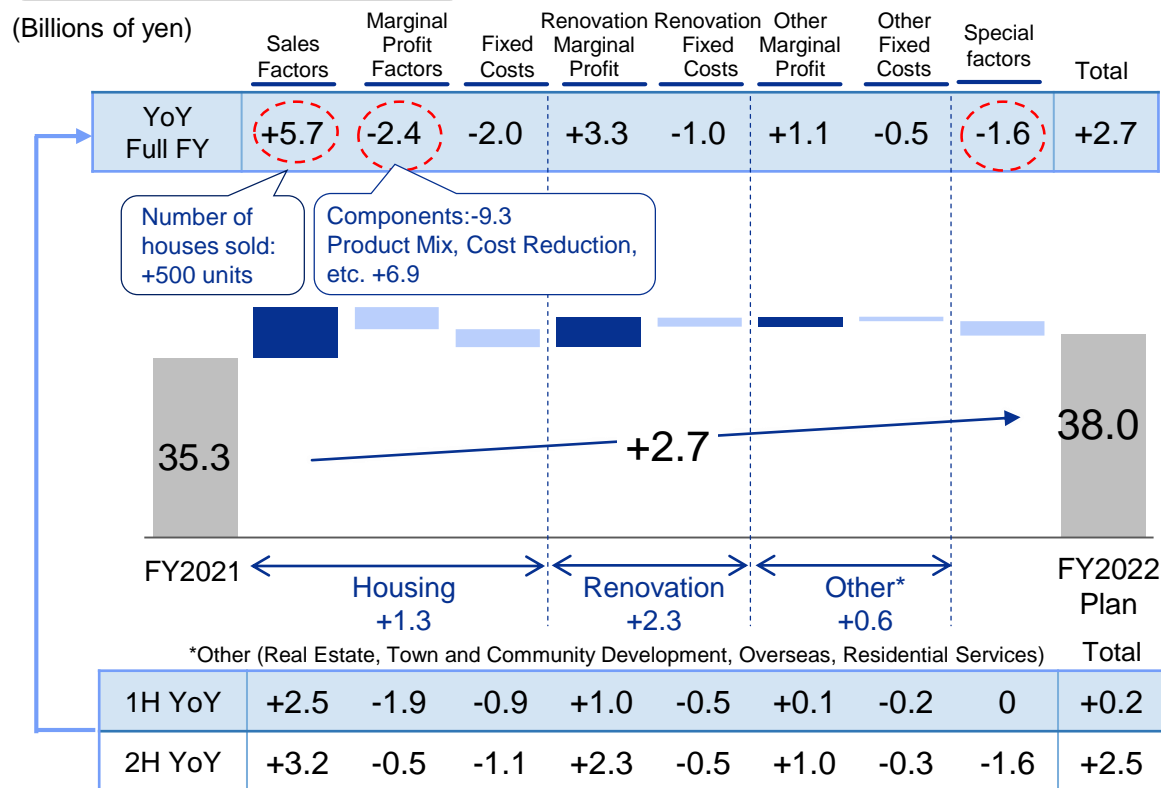
(Billions of yen)

■ Housing ■ Renovation ■ Other



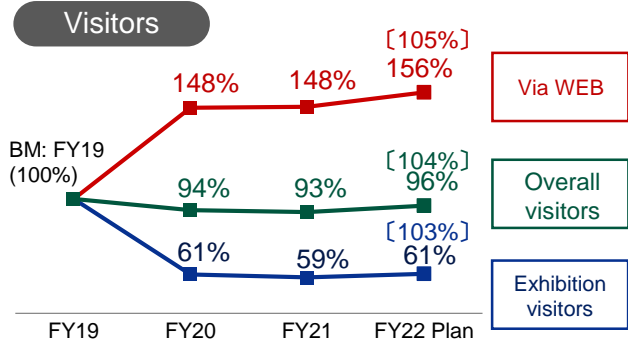
Analysis of Operating profit

(Billions of yen)



- Expand the number of orders by further strengthening the three growth strategies; focus on increasing unit prices (strengthen smart houses, etc.)

## Customer and Order Trends



\* Figures in parentheses are percentages compared with FY2021

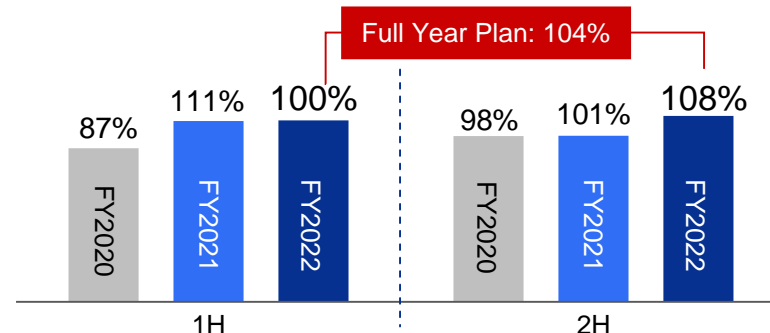
## Number of Orders by Type of Construction

*%: YoY		F21	FY22
Detached Houses	Rebuilding	109%	104%
	New construction*1	100%	100%
	Subdivision housing	112%	109%
	Of which, ready-built houses	116%	103%
Total (Including apartment buildings)		106%	104%

\*1 Land: Client arrangement

## Order Results and Plan

### New Housing Orders (Units, YoY)



## Measures to Acquire Orders in FY2022

Sales Force/  
Attracting  
Customers

- Refine customer creation and nurturing methods that integrate online and face-to-face proposals**

- Strengthen WEB marketing (expand the Heimfest membership site nationwide)
- Integrate experience-based facility development and WEB measures / conduct new normal plant tours

Museum + GREENMODEL PARK: 65 locations (as of the end of September 2022; +22 locations compared with the end of December 2021)

Product  
Strategies

- Promote the overwhelming appeal of Smart House and resilience**

- Introduce new GREENMODEL products (strengthen storage batteries, expand the range of products)
- Strengthen the STAY& WORK model (health, comfort, security)

Land  
Strategies

- Develop a Town and Community Development brand and strategies**

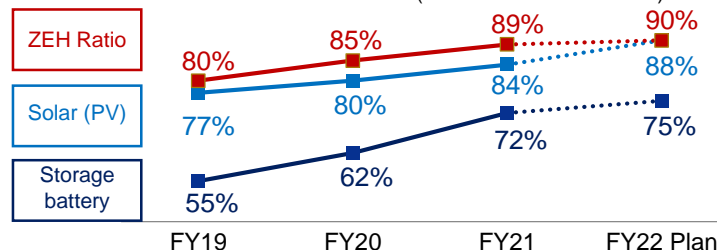
- Expand sales of subdivision land focusing on the company's prominence in Smart House and resilience

Progress 50th anniversary Town and Community Development projects (to FY2021: Commenced sales of 15 projects/570 lots; from FY2022: commence sales of 11 projects/420 lots)

### Smart House-related Indicators\*

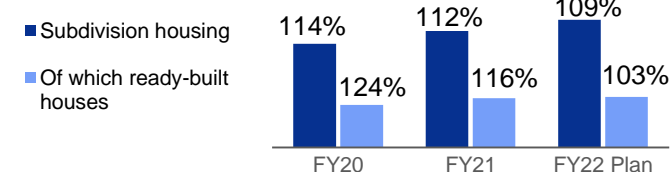
\*%: YoY

\* Detached house order installation rate (ZEH ratio of houses sold)



### Number of Subdivision Housing Orders

\*%: YoY



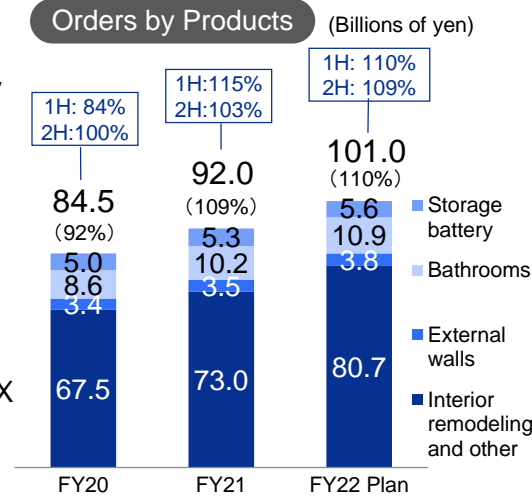
# Stock Business (Renovation, Real Estate), Town and Community Development

- Strengthen the three renovation measures aimed at generating growth (structure, products, productivity); focus on expanding the real estate frontier domain (BeHeim, etc.)

## Stock Business (Renovation)

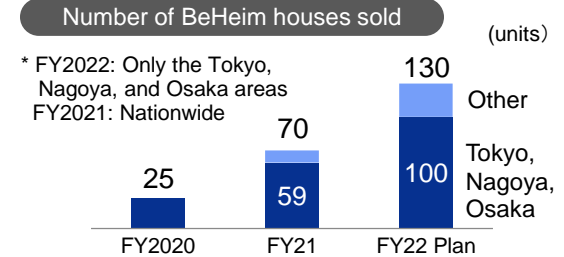
\* %: YoY

- |  |  |
|--|--|
| <b>Sales Structure</b>   | <ul style="list-style-type: none"> <li>Expand orders by improving the quality of periodic diagnosis</li> <li>Promote Smart House and new normal compatibility</li> <li>Strengthen proposals utilizing museums</li> </ul>                                       |
| <b>Products</b>  | <ul style="list-style-type: none"> <li>Expand sales of strategic products</li> <li>Smart House and resilience (storage batteries, solar power generation systems)</li> <li>Maintenance and new normal (exterior wall, large-scale renovation, etc.)</li> </ul> |
| <b>Improve Productivity/ Increase the Level of Customer Satisfaction</b> | <ul style="list-style-type: none"> <li>Promote the leveling out of sales</li> <li>Strengthen points of customer contact using DX</li> <li>Promote online negotiations and seminars</li> <li>Employ an OB customer my page</li> </ul>                           |



## Stock Business (Real Estate)

- Continue to strengthen collaboration with the Renovation Business
  - Expand BeHeim purchase and resale
  - Strengthen the sales structure and procurement
  - Expand orders for leasing renovation
  - Strengthen proposals from online negotiations and diagnosis



- Strengthen the structure in an effort to expand the Town and Community Development Business; engage in thoroughgoing project progress management

## Town and Community Development

- FY2021: 6 projects (including 4 new projects) sold; twofold increase in sales
- FY2022: Projecting sales of 9 projects (including 3 new projects; target net sales of ¥12 billion)

Strengthen the business structure looking ahead to the medium term

- Secure next medium-term properties by establishing a designated procurement organization and reinforcing personnel
- Strengthen brand power by leveraging the Company's prominence in Town and Community Development; increase contract efficiency
- Expand the number of lots under management in the Town Management Business

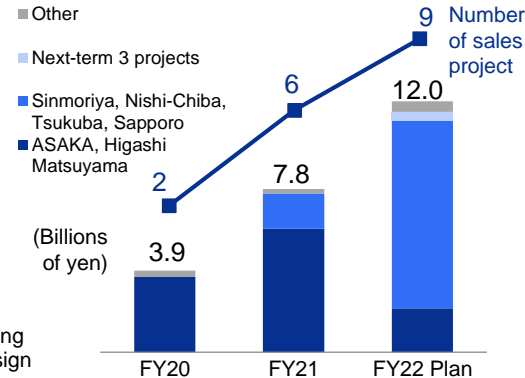
(Number of lots under management: End of FY2021: 1,100 → End of FY2022: 1,630)

### Nishi Chiba Lead Town (Inage-ku, Chiba City)



HEIM SUITE Nishi Chiba distinguished by its prominence in condominium development including Smart House and resilience, new normal, and design

### Town and Community Development Business Sales







Urban Infrastructure &  
Environmental Products  
Company

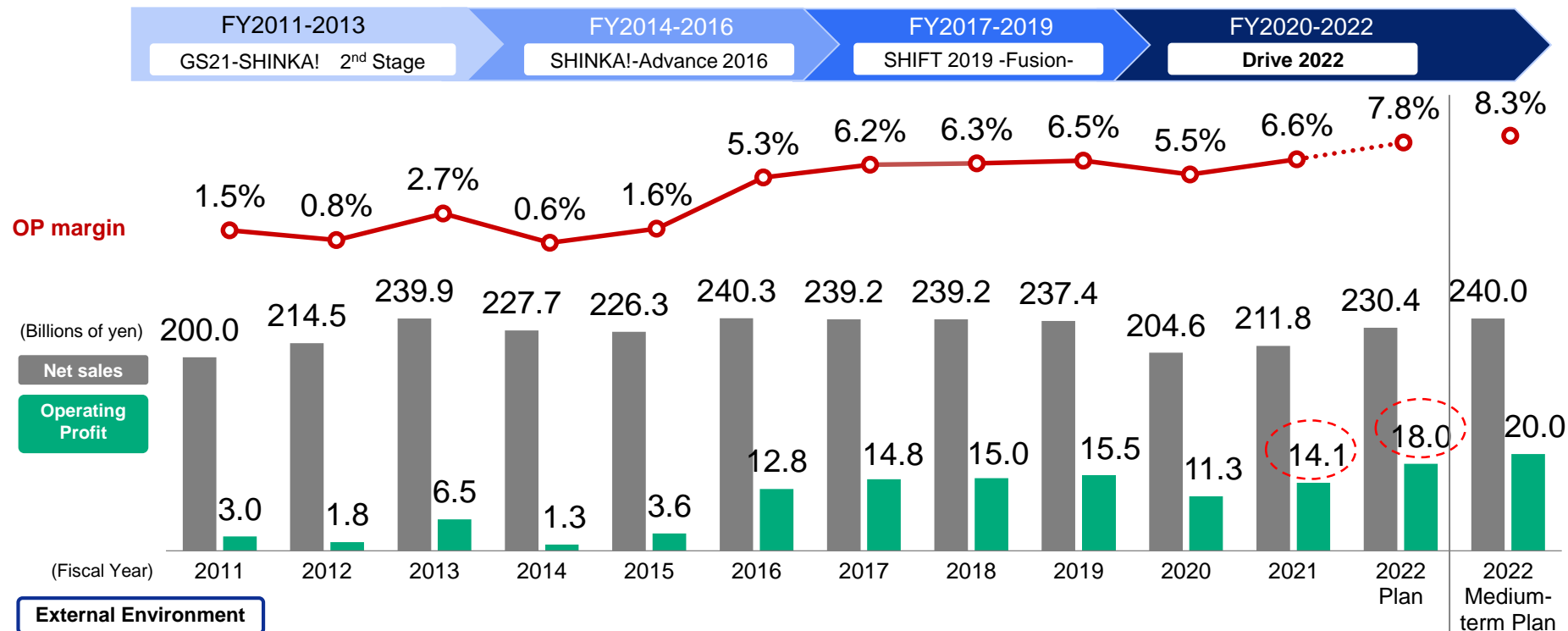
Yoshiyuki Hirai

Company President

- FY2021: Offset the impact of soaring raw material prices through improvements in selling prices as well as the recovery in overseas sales; secured increases in sales and profit
- FY2022: Focus on securing margins through improvements in selling prices to offset the impact of further surges in raw material prices; projecting a substantial increase in profit on the back of efforts to expand sales of prioritized products and higher overseas sales

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

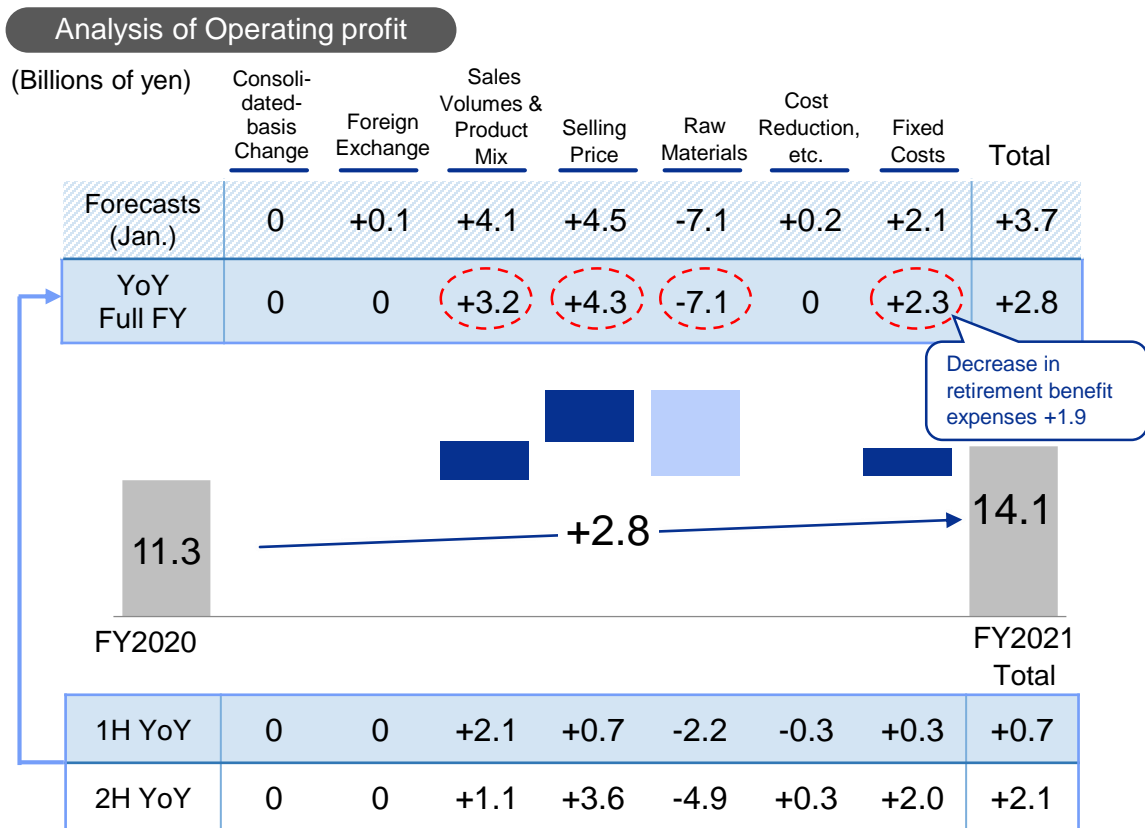
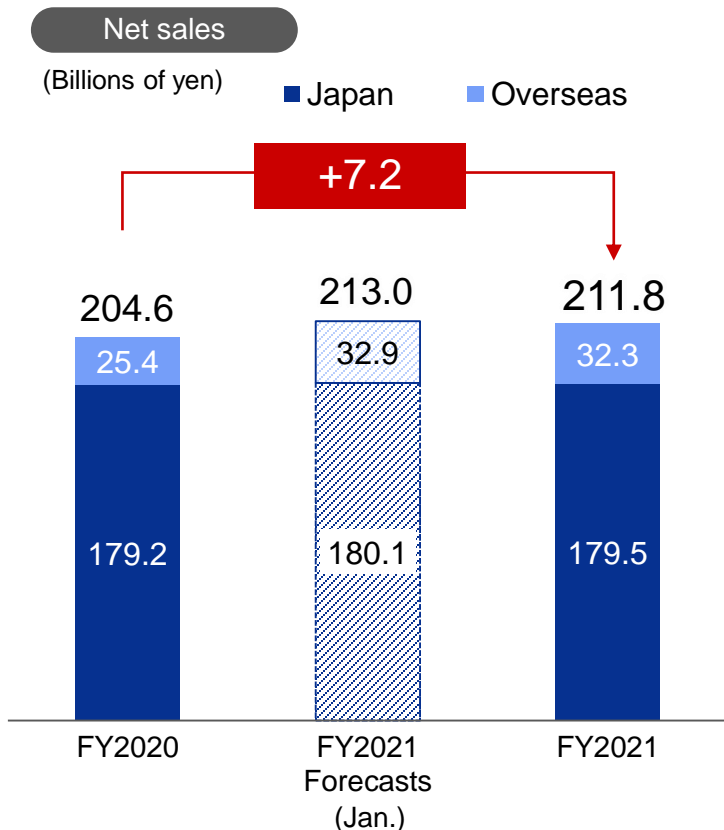
Performance Trends



External Environment

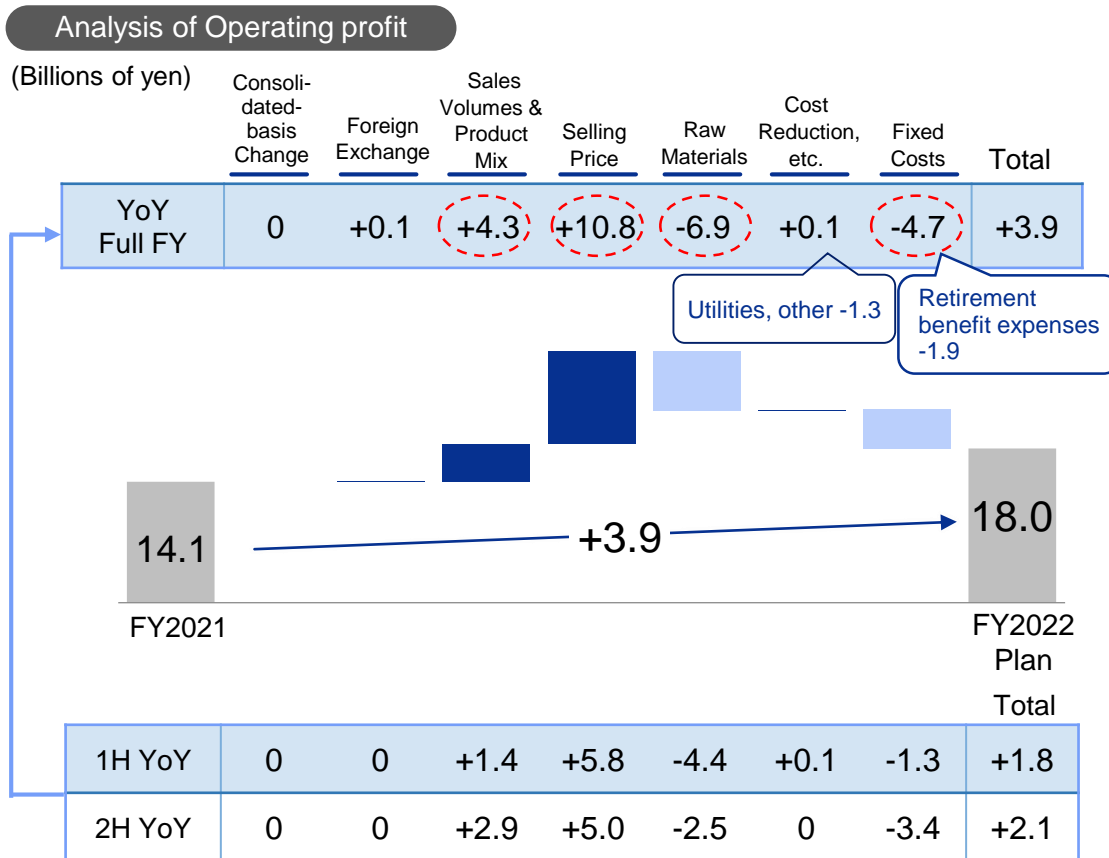
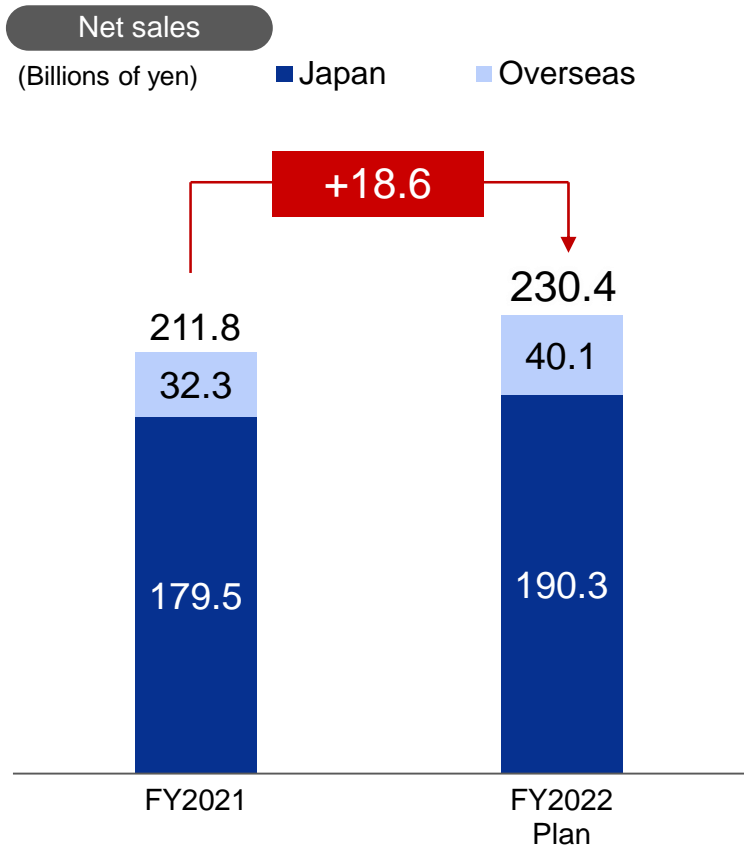
- 03/2011: Great East Japan Earthquake
- 04/2014: Consumption tax raised from 5% to 8%
- 10/2019: Consumption tax raised from 8% to 10%
- 02/2020~: Spread of COVID-19
- 07-08/2021: Tokyo Olympic Games
- \* Included FY20-21 structural reform sales of ¥20 billion

- Improvements in selling prices fail to match the pace of soaring raw material prices; secured increase in sales and profit by expanding sales of prioritized products and overseas sales growth
- Results below forecasts (Jan.) owing to further spread of COVID-19 which led to delays in the delivery of non-residential products and overseas properties
  - Japan: Construction delays owing to the impact of COVID-19 and shortages of onsite labor and equipment; recovery in housing demand; growth in sales of prioritized products
  - Overseas: Despite growing semiconductor-related capital investment demand (industrial piping materials), results impacted by delays in the delivery of properties owing to COVID-19



■ Address selling price improvement delays from the previous FY; target a substantial increase (record high) in profit by focusing on improving selling prices to offset the further surge in raw material prices as well as expanding prioritized product and overseas sales

- Japan: Thoroughly engage in selling prices without delay; expand sales of prioritized products by promoting the appeal of contributions to the SDGs
- Overseas: Focus on steadily capturing properties carried over due to delays (pipeline renewal, FFU products), acquiring new properties; continue to strengthen sheet application development

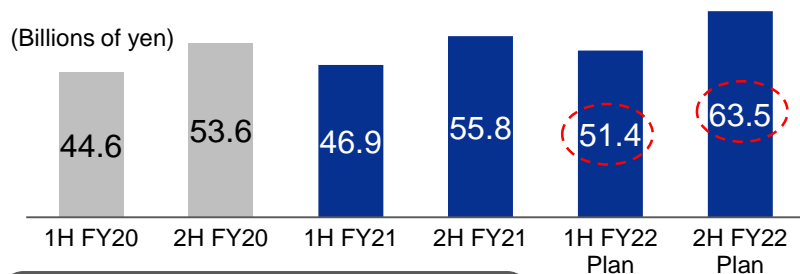


**FY2022: Projecting an increase in sales on the back of contributions from the effects of improvements in selling prices in each of the three strategic fields**

## Net sales in the Three Strategic Fields

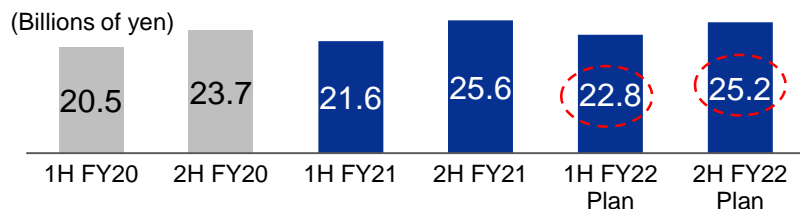
### Piping and Infrastructure

- FY2021: Firm trends in the public sector; recovery in housing demand; firm plant trends; pipeline renewal products struggled overseas
- FY2022: Continued firm plant demand; secure results with properties carried over; projecting a certain degree of recovery in non-residential demand from the 2H



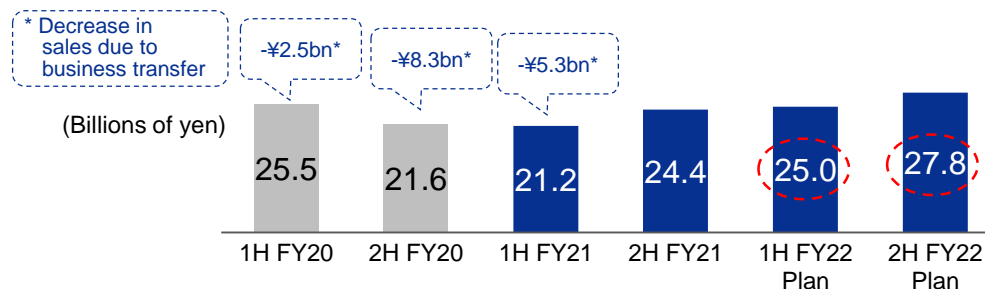
### Building and Living Environment

- FY2021: Recovery in housing and renovation demand; also continued to strengthen profitability
- FY2022: Projecting ongoing firm market conditions; promote the expansion of prioritized product sales including high flowrate drainage systems, nursing care and independent living facilities



### Advanced Materials

- Sheets: Continued modest recovery in domestic aircraft-related demand; continued focus on expanding sales in other non-aircraft-related fields targeting Pharmaceutical Sciences
- FFU (railway sleeper): Prolonged slump in domestic demand in FY2021; despite the incidence of overseas property delays, firm orders trends mainly in Europe;
- Steady growth in high-performance molded products including clean containers



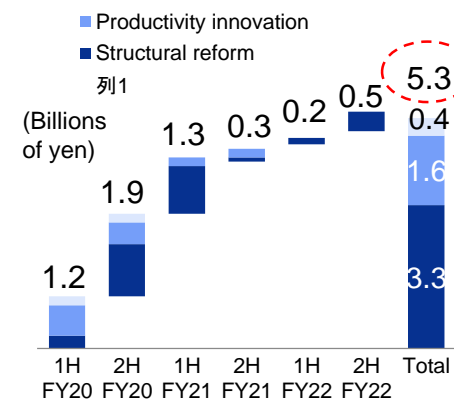
## Structural Reforms · Productivity Innovation

- Cumulative improvement in profit of ¥4.7 billion\* up to FY2021 on the back of efforts to promote business structural reforms and other initiatives
- Projecting an improvement in profit of more than ¥0.6 billion in FY2022; expected to achieve the medium-term (2022) target of ¥5.0 billion

\* Amount of cost reduction compared with FY2019

### Main Measures

- Business Transfer, withdraw from unprofitable products
- Production reorganization (East Japan) Promote production automation investment
- Use DX to increase efficiency of all operations (use sales support system)

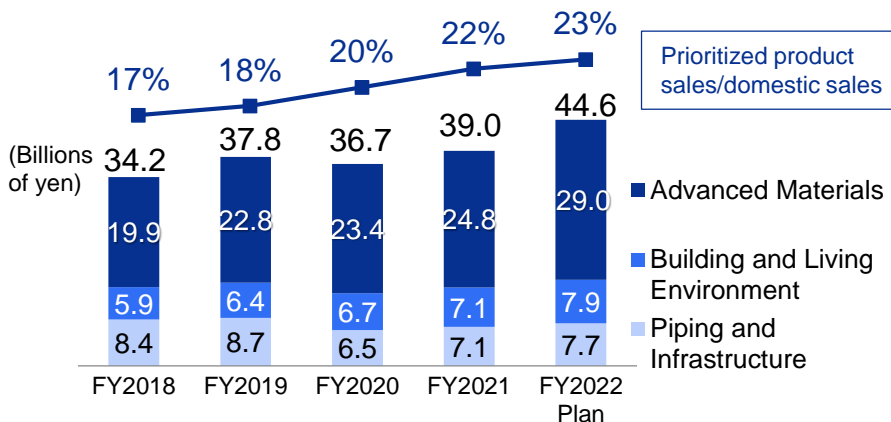


## Expansion of Prioritized Products





- Strengthen the appeal of SDG contribution products while maximizing use of the Chiba Solution Center

### Prioritized Products Sales

- Despite falling short of the Medium-term Plan (FY2022: ¥55 bn.), continued steady growth



## Product Examples

Piping and Infrastructure	Piping and Infrastructure	Piping and Infrastructure	Advanced Materials
Aging infrastructure	Earthquake-resistant	Labor saving and easy installation	Earthquake-resistant
			
Provides self-supporting strength using only rehabilitated pipes with resin profiles; facilitates the rehabilitation of existing old pipes with insufficient strength (SPR-SE)	Prevents damage to water pipes (lifeline disruption) due to major earthquakes; high-performance polyethylene pipe with excellent flexibility (ESLO HYPER)	Earthquake-resistant high-performance polyethylene pipes for plants; substitute for metal pipes utilizing the flexible and lightweight attributes of plastics (Plant HYPER BK)	Designated sleeper that employs special bridge sections to prevent derailment and deviation (Derailment prevention sleeper)

## Strategy by Overseas Region

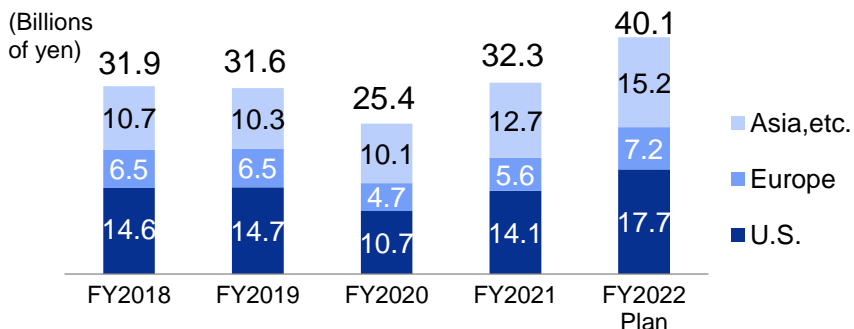
Businesses/Products	Strategies	Europe	Americas	Asia
Sheets	<ul style="list-style-type: none"> <li>Promote expansion into medical-, railway-, and other-related applications (Europe, Americas)</li> <li>Continue to improve production efficiency</li> </ul>	✓	✓	
Advanced Materials (FFU)	<ul style="list-style-type: none"> <li>Cultivate new railway sleeper customers (U.S., Europe, Asia)</li> <li>Launch of new products and development of processing systems geared toward the start of operations at production bases in Europe</li> </ul>	✓	✓	✓
Pipeline Renewal	<ul style="list-style-type: none"> <li>Promote the introduction of new products that facilitate easier installation</li> <li>Expand installation partners and strengthen collaboration</li> </ul>		✓	✓
Plant and industrial piping	<ul style="list-style-type: none"> <li>Capture Asian semiconductor demand</li> <li>Strengthen production system capacity in Japan and overseas</li> <li>Expand synergies with Vietnam TP Corporation</li> </ul>			✓

## Expansion of Overseas Business

### Sales by Overseas Area

\* Including the export of domestic products

- FY22: Forecasting growth mainly in the U.S. and other areas





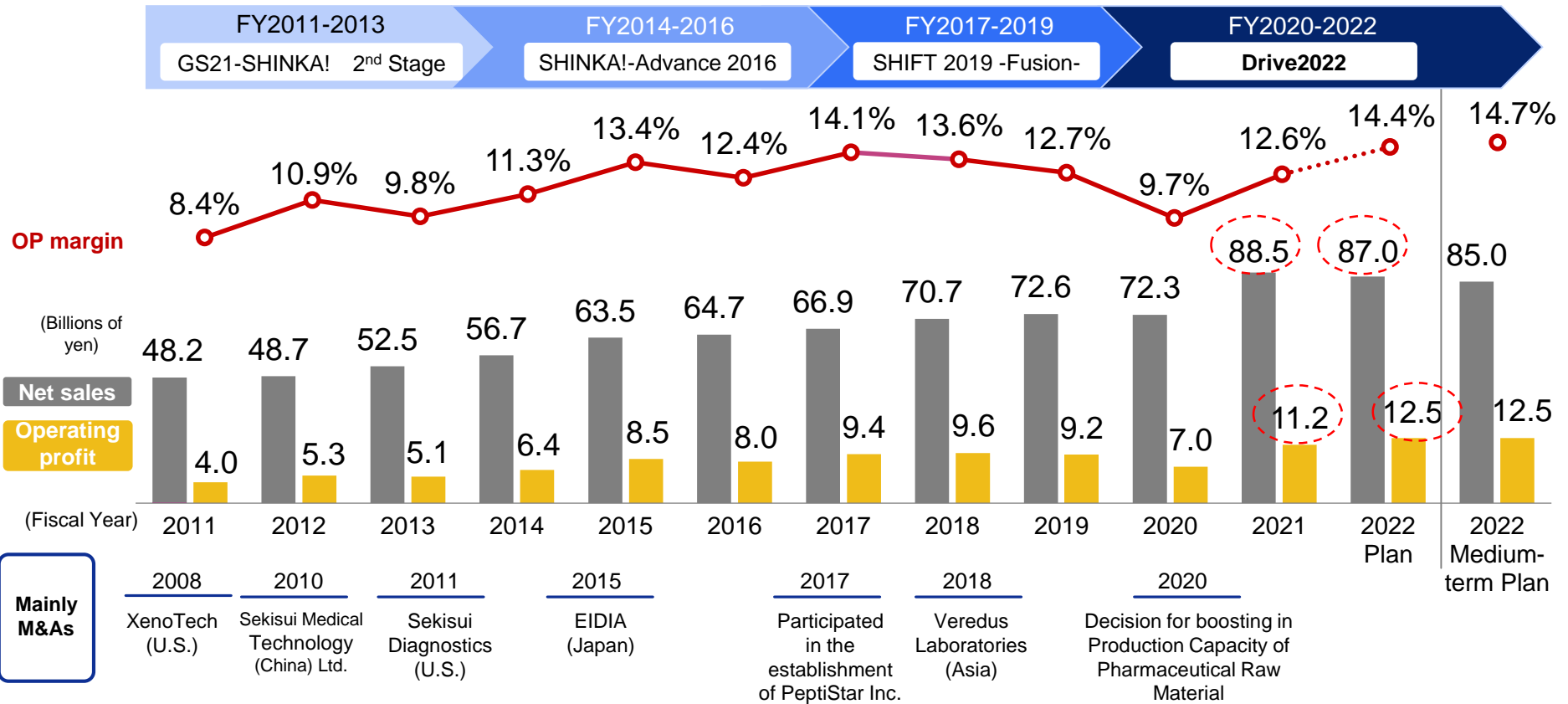
Medical Business

**Futoshi Kamiwaki**

Director, Senior Managing Executive Officer  
Head of Business Strategy Department

- FY2021: Recovery in diagnostics demand both in Japan and overseas, contributions also from an increase in COVID-19 diagnostics demand; steady growth in the Pharmaceutical Sciences Business, secured record high profit
- FY2022: Despite expectations of a decrease in COVID-19 diagnostics demand, work to strengthen profitability through such measures as expanding new products and target continued record high profit in line with the Medium-term Plan

## Performance Trends

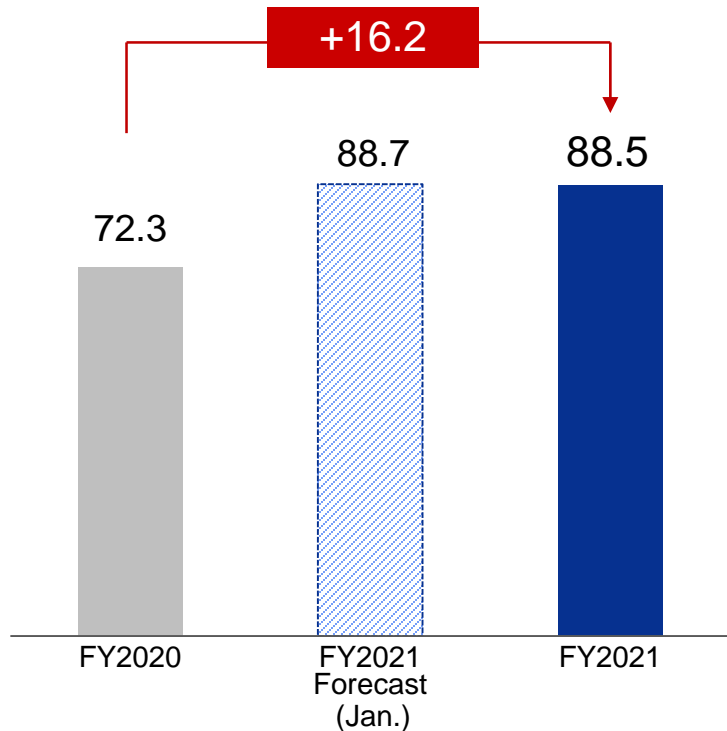




- Growth in demand for COVID-19 diagnostic kits mainly in the U.S., steady trends in diagnostics market conditions in Japan and overseas, substantial increases in net sales and profit
- Contributions from new pharmaceutical ingredients also in the Pharmaceutical Sciences Business, steady growth in line with forecasts (Jan.)

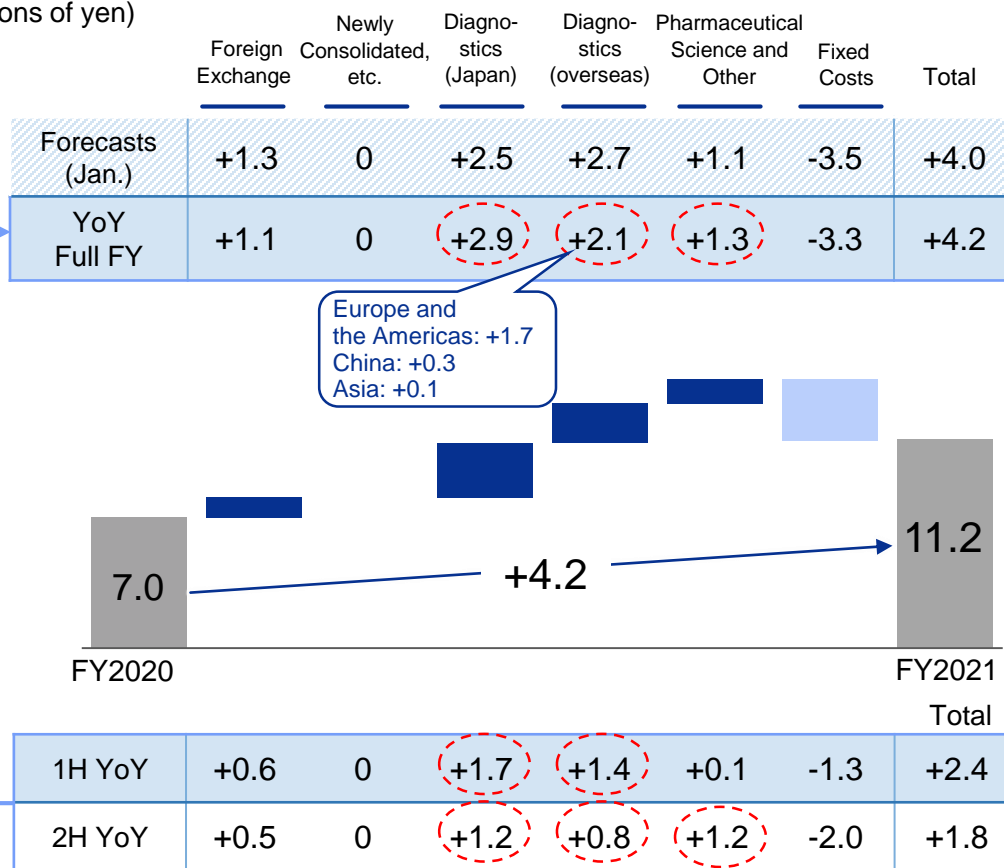
### Net sales

(Billions of yen)



### Analysis of Operating profit

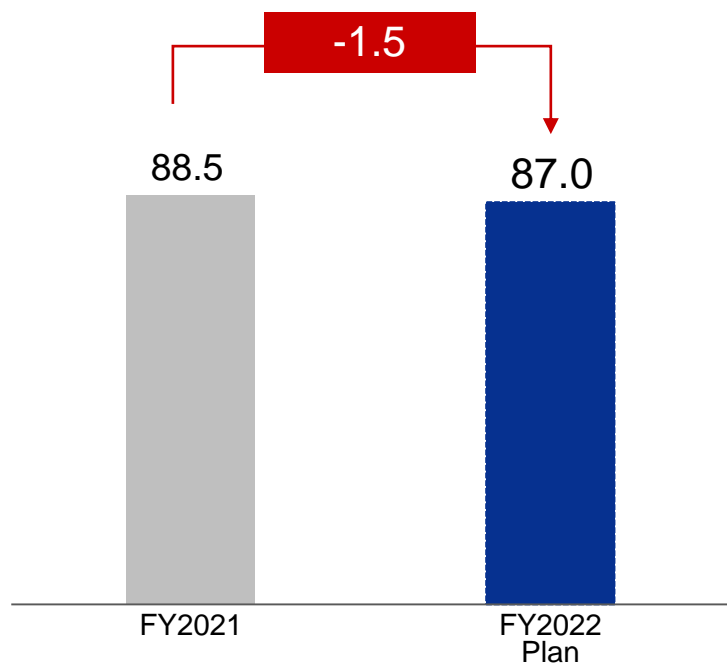
(Billions of yen)



- Despite expectations of a decrease in demand for COVID-19 diagnostic kits in the U.S., strengthen profitability in the Diagnostics Business by promoting the switch to new products; steadily expand orders also in the Pharmaceutical Sciences Business; target record high profit for a second consecutive year
- Actively undertake development investment with a view to further accelerating growth

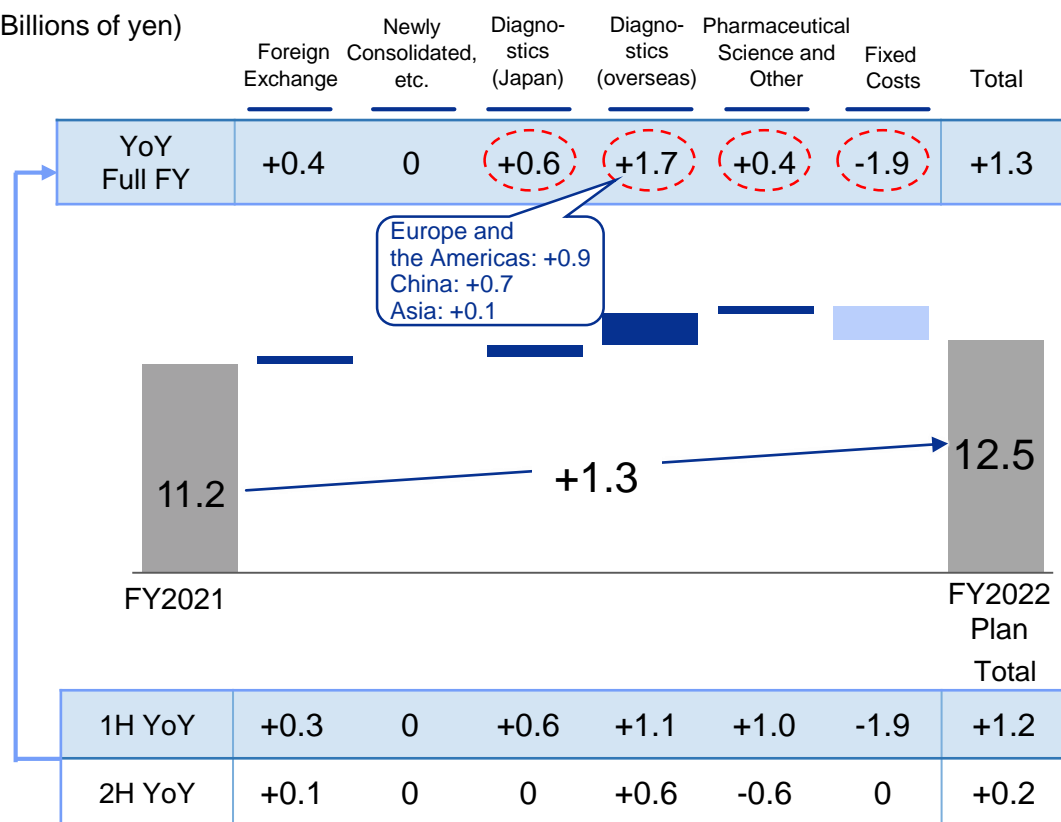
### Net sales

(Billions of yen)



### Analysis of Operating profit

(Billions of yen)

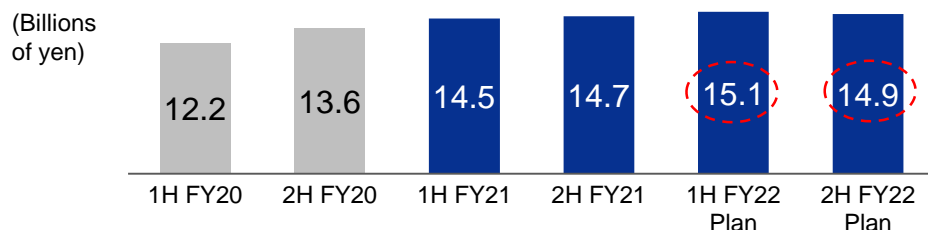


- Firm trends in both the Diagnostics and Pharmaceutical Sciences businesses; operations to commence at a new Pharmaceutical and Fine Chemicals factory building (Iwate) in March 2023; accelerating genetic testing and other product development while shifting priorities away from COVID-19-related products

## Net sales by Business and Overview of Progress

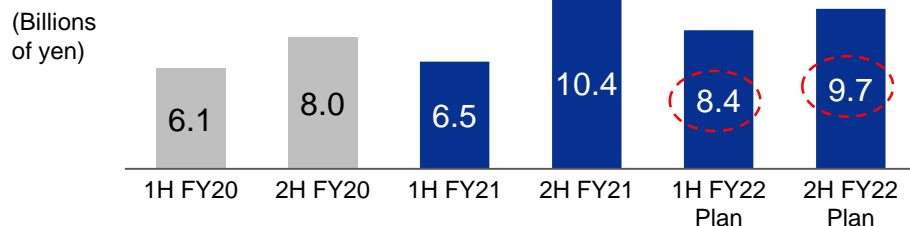
### Diagnostics (Japan)

- FY2021: Recovery in demand; expand activities mainly in the clinical chemistry and immunology domain
- FY2022: Promote an increase in new coagulation equipment (S400CF) sales



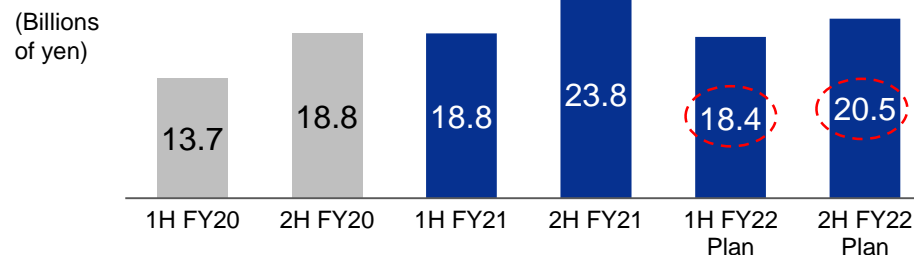
### Pharmaceutical Sciences (Pharmaceutical and Fine Chemicals, Drug Development Solutions, Enzymes)

- FY2021: Firm trends in orders owing to a recovery in market conditions; contribution to sales and profit from new pharmaceutical ingredients
- FY2022: Focus on expanding new orders; operations to commence at a new factory building (Iwate)



### Diagnostics (overseas)

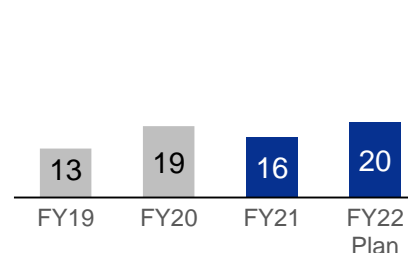
- FY2021: Growth in sales of COVID-19 diagnostic kits mainly in the U.S.; completed FDA application of new products; firm trends in blood coagulation reagents in China
- FY2022: Expectations of a decrease in COVID-19 demand; continue to expand blood coagulation reagent sales in China



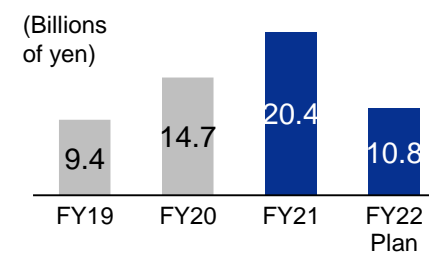
## Development and Sales of New Products

- New coagulation equipment (S400CF) brought to market in November 2021
- Completed FDA application of a COVID-19 diagnostic kit (new product)

### Number of New Products Released



### New Product Sales





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.

Note: In the case of numerical values denominated in billions of yen, numbers below a billion are rounded up or down to the nearest hundred million

# Housing Company Results and Plan

## 1. Main data in Housing business

		FY2021			FY2020		
		1H	2H	Full Year	1H	2H	Full Year
CONSOLIDATED	Net sales (Billions of yen)	249.8	265.4	515.2	230.6	254.6	485.3
	Housing	171.6	183.1	354.7	161.2	175.3	336.5
	Renovation	45.9	46.2	92.1	41.5	46.2	87.6
	Other	32.4	36.1	68.4	28.0	33.2	61.2
	Real estate	24.7	25.8	50.5	23.4	24.4	47.7
	Residential Services	3.8	4.1	7.9	3.7	4.1	7.8
	Town and Community Development	2.8	5.1	7.8	0.1	3.8	3.9
	Overseas	0.6	0.6	1.2	0.6	0.6	1.3
OTHERS	1. Number of houses sold (Housing units)	5,040	5,370	10,410	4,910	5,245	10,155
	Detached houses	4,830	5,060	9,890	4,645	4,910	9,555
	Housing/Rebuilding	4,075	4,330	8,405	4,085	4,250	8,335
	Ready-built houses	755	730	1,485	560	660	1,220
	Apartment buildings, other	210	310	520	265	335	600
	2. Main data						
	Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	31.6	32.1	31.8	31.5	31.1	31.3
	Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen)	895	907	901	878	881	879
	Floor space <Sales subsidiaries: Detached houses> (Square meter)	116.4	116.8	116.6	118.4	116.3	117.4
	Exhibition places (Units)	435	-	430	439	-	441
Sales staff (Number of person)	2,533	-	2,354	2,612	-	2,451	

# Housing Company Results and Plan

## 2. Housing orders

(Millions of yen)

		FY2022 Plan			FY2021			FY2020		
		1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year
New construction	Year-start Backlog	185,000	192,000	-	184,800	192,500	-	205,400	194,500	-
	Growth Rate	±0%	±0%	-	-10%	-1%	-	-6%	-11%	-
	New Orders	210,122	215,354	425,476	200,607	198,850	399,457	175,319	190,806	366,125
	Growth Rate	+5%	+8%	+7%	+14%	+4%	+9%	-14%	-1%	-8%
Renovation	Sales of Housing/Renovation	203,122	217,154	420,276	192,907	206,350	399,257	186,219	200,506	386,725
	Growth Rate	+5%	+5%	+5%	+4%	+3%	+3%	-10%	-2%	-6%
	End-balance	192,000	190,200	-	192,500	185,000	-	194,500	184,800	-
	Growth Rate	±0%	+3%	-	-1%	±0%	-	-11%	-10%	-

## 3. Housing starts

(Units)

	FY2021			FY2020			FY2019
	1H	2H	Full Year	1H	2H	Full Year	Full Year
Housing starts	445,674	413,600	859,274	414,039	398,125	812,164	883,687
Privately-owned houses + Houses for sale starts (included in above) =A	220,321	207,300	427,621	195,340	197,108	392,448	429,492
Detached house sales by our company=B (Unit base)	4,830	5,060	9,890	4,645	4,910	9,555	10,200
Our share in Detached houses=B/A	2.2%	2.4%	2.3%	2.4%	2.5%	2.4%	2.4%

\* "Housing starts" and "Privately-owned houses" after 2H of FY2021 are based on forecasts

## 4. The ratio of houses equipped with smart specifications

	FY2021			FY2020			FY2019
	1H	2H	Full Year	1H	2H	Full Year	Full Year
Solar power generation systems installed	83%	84%	84%	79%	80%	80%	77%
Storage battery installed	69%	74%	72%	60%	64%	62%	55%
Comfortable Air System	72%	72%	72%	72%	75%	73%	77%