

SEKISUI CHEMICAL CO., LTD.



For 2Q FY2022, ending March 31, 2023

Presentation of Financial Results Progress under Management Plan

Keita Kato

President and CEO

October 27, 2022

Results for 1H FY2022

| Forex Rate | 1H FY2021 | 1H FY2022 | FY2022 Initial Plan |
|---|---------------------|---------------------|------------------------|
| Assumptions | - | ¥126/US\$ ¥136/€ | ¥115/US\$ ¥131/€ |
| Results (Avg. rate for each term) | ¥110/US\$ ¥131/€ | ¥134/US\$ ¥139/€ | - |

- Substantial increases in Groupwide sales and profit; results at each level of profit exceed forecasts (July)
- Substantial increase in ordinary profit owing to the effects of a foreign exchange gain
- Substantial improvement in the bottom line compared with the previous year during which the Company posted impairment losses
- Interim dividend per share of ¥29, up ¥5 per share

| (Billions of yen) | 1H FY2021 | 1H FY2022 | Difference | 1H FY2022 Forecasts (July) | Difference |
|---|-----------|-----------|------------|-------------------------------|------------|
| | Net sales | 547.9 | 607.8 | +59.8 | 613.3 |
| Operating profit | 35.5 | 40.3 | +4.8 | 39.0 | +1.3 |
| Ordinary profit | 41.0 | 53.9 | +12.9 | 46.0 | +7.9 |
| Profit attributable to owners of parent | -3.9 | 39.1 | +43.0 | 31.0 | +8.1 |
| Dividend per share (Yen) | 24 | 29 | +5 | 26 | +3 |

■ Despite the substantial impact of a further surge in fuel and raw material prices and fluctuations in demand owing to such factors as the prolonged effects of COVID-19 and the actions taken by Russia in Ukraine, significant increases in profit in the HPP and UIEP companies mainly on the back of improvements in selling prices; Operating profit exceeded forecasts (July)

- HPP*: Despite the surge in fuel and raw material prices, decrease in automobile production, and adjustments to smartphone inventories, substantial increases in sales and profit owing to improvements in selling prices and the effects of a foreign exchange gain
- Housing*: Despite the substantial impact of the surge in component costs, secured operating profit at essentially the same level as the previous year owing to the increases in the number of houses sold and unit prices
- UIEP*: Despite the surge in fuel and raw material prices, increases in both sales and profit on the back of successful efforts to secure margins through thoroughgoing steps to improve selling prices and firm demand; record high profit in the 1H
- Medical: Despite the impact of lockdowns in China, increases in both sales and profit owing to the partial recovery in diagnostics demand in Japan and overseas as well as contributions to profit from new pharmaceutical ingredients; record high profit in the 1H

| (Billions of yen) | 1H FY2021 | | 1H FY2022 | | Difference | | 1H FY2022 Forecasts (July) | | Difference | |
|------------------------------------|--------------|------------------|--------------|------------------|--------------|------------------|-------------------------------|------------------|-------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 170.1 | 19.3 | 205.0 | 21.8 | +34.8 | +2.5 | 206.3 | 21.5 | -1.4 | +0.3 |
| Housing | 249.8 | 14.8 | 260.2 | 14.8 | +10.4 | -0.1 | 263.0 | 15.0 | -2.8 | -0.2 |
| UIEP | 96.1 | 3.2 | 107.4 | 6.0 | +11.3 | +2.8 | 107.7 | 5.0 | -0.3 | +1.0 |
| Medical | 39.7 | 4.9 | 42.9 | 5.5 | +3.2 | +0.6 | 42.8 | 6.0 | +0.1 | -0.5 |
| Other | 1.9 | -5.2 | 4.1 | -5.4 | +2.2 | -0.3 | 4.8 | -6.0 | -0.6 | +0.6 |
| Eliminations or corporate expenses | -9.6 | -1.5 | -11.8 | -2.3 | -2.2 | -0.8 | -11.3 | -2.5 | -0.5 | +0.2 |
| Total | 547.9 | 35.5 | 607.8 | 40.3 | +59.8 | +4.8 | 613.3 | 39.0 | -5.6 | +1.3 |

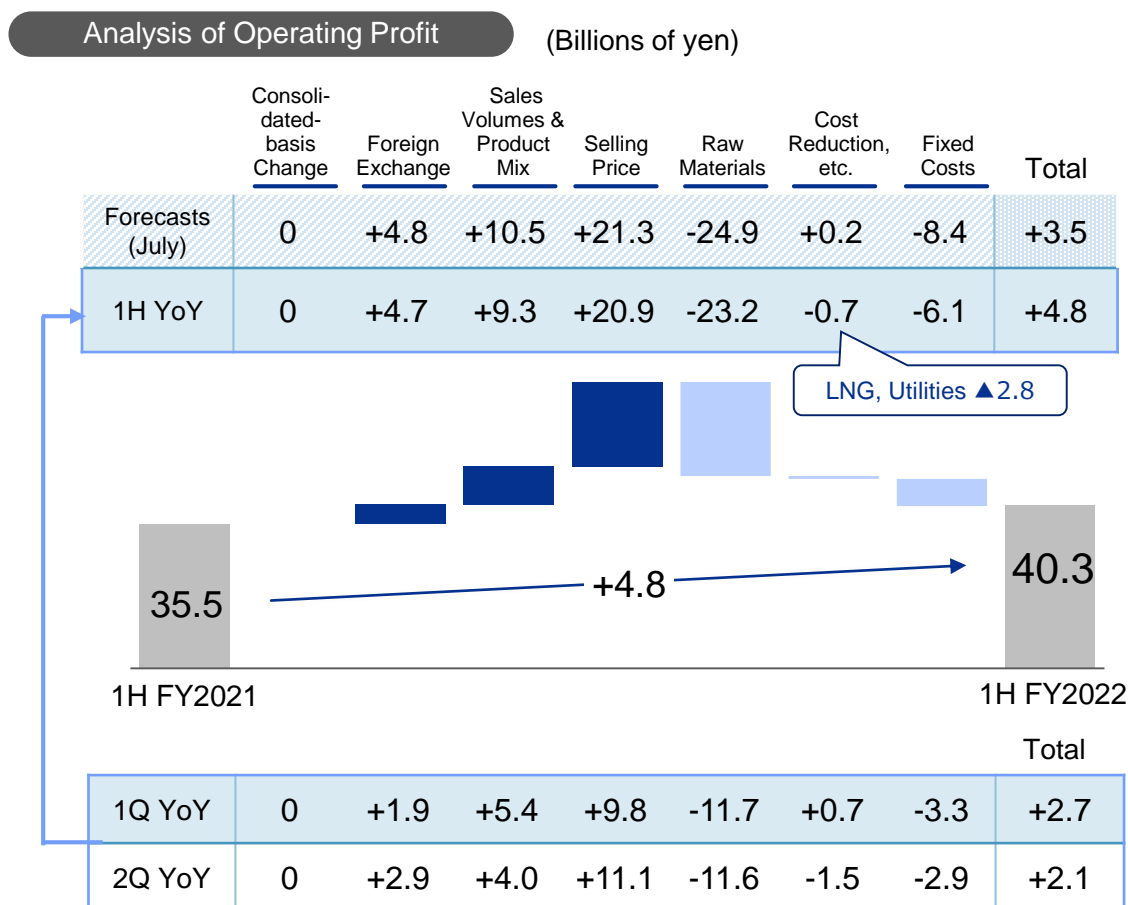
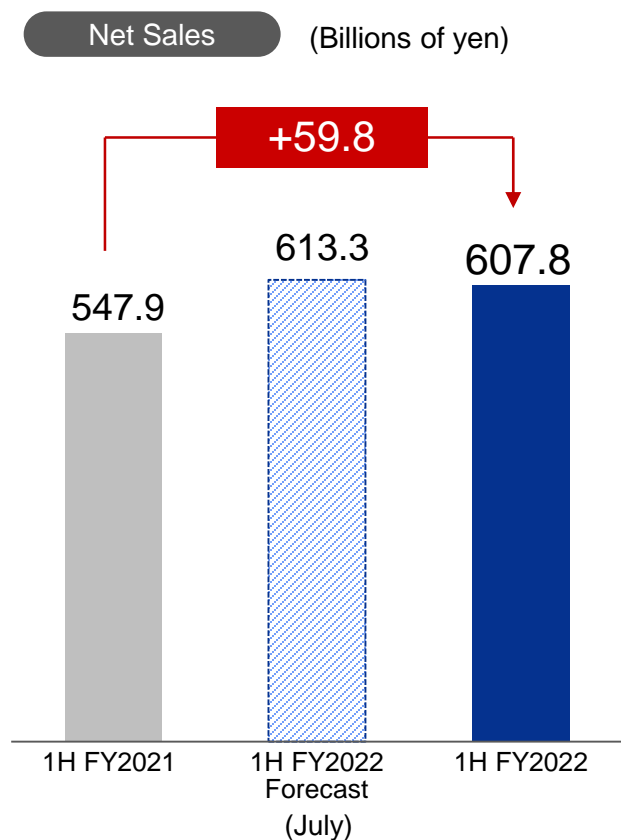
* HPP: High Performance Plastics Company, Housing: Housing Company, UIEP: Urban Infrastructure & Environmental Products Company

1Q & 2Q FY2022 Results by Segment

■ Continued increases in both Groupwide sales and profit also in the 2Q

| (Billions of yen) | 1Q FY2021 | | 1Q FY2022 | | 2Q FY2021 | | 2Q FY2022 | |
|------------------------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 83.9 | 10.4 | 100.4 | 10.9 | 86.2 | 8.9 | 104.6 | 10.9 |
| Housing | 105.5 | 1.2 | 115.7 | 2.9 | 144.2 | 13.6 | 144.5 | 11.9 |
| UIEP | 44.2 | 0.4 | 49.0 | 1.5 | 51.9 | 2.8 | 58.4 | 4.6 |
| Medical | 18.4 | 2.3 | 20.6 | 2.6 | 21.3 | 2.6 | 22.3 | 2.8 |
| Other | 0.8 | -2.3 | 1.9 | -2.7 | 1.1 | -2.9 | 2.3 | -2.7 |
| Eliminations or corporate expenses | -4.2 | -0.9 | -5.3 | -1.4 | -5.4 | -0.7 | -6.5 | -0.9 |
| Total | 248.6 | 11.1 | 282.3 | 13.8 | 299.3 | 24.4 | 325.5 | 26.5 |

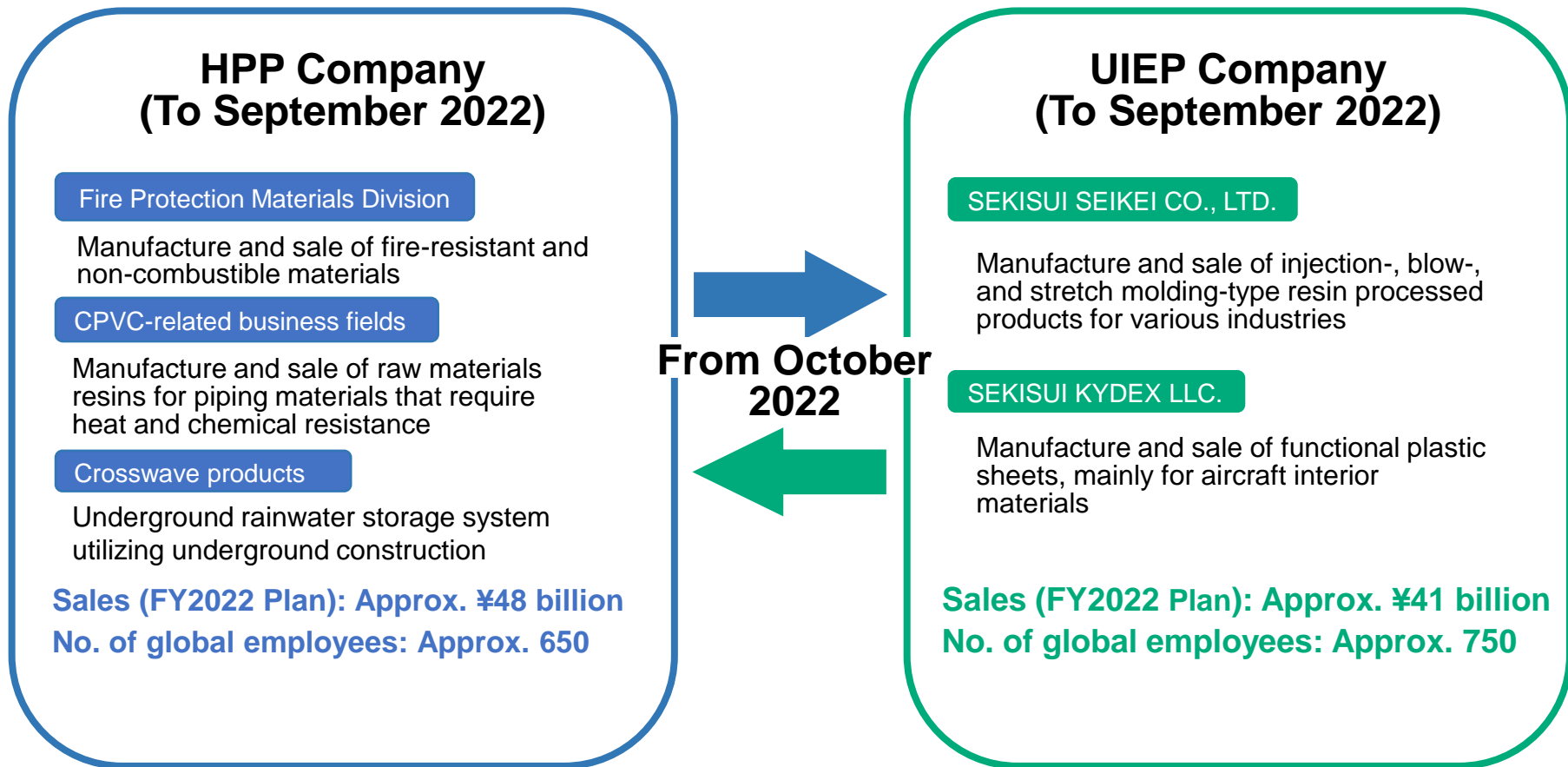
- Minimized the impact of surges in fuel and raw material prices through steady improvements in selling prices; substantial increases in both sales and profit owing to increases in sales volume and improvements in the product mix focusing mainly on high-performance products, successful efforts to control fixed costs, and the effects of a foreign exchange gain
- Exceeded operating profit forecasts (July)



Optimization of the Business Portfolio

1. Optimize the Business Portfolio
2. Reorganize the Three Strategic Fields of the HPP Company
3. Reorganize the Three Strategic Fields of the UIEP Company

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



Reorganize the Three Strategic Fields of the HPP Company

(* including the rearrangement of certain products within the company)

Electronics

• Sales (FY2022 Plan): ¥69.8 billion

- Products for displays, electrical appliances, communication equipment and semiconductors

Electronics

• Sales (FY2022 Revised Plan): ¥60.4 billion

- * Rearrangement of certain products

Mobility

• Sales (FY2022 Plan): ¥142.4 billion

- Products for motor vehicles, Interior and exterior finish products for aircrafts and drones, and other transport equipment

Mobility

• Sales (FY2022 Revised Plan): ¥194.9 billion

- * Rearrangement of certain products

➔ SEKISUI KYDEX (sheet business) from the UIEP Company

Synergies: Maximize sales in the aircraft sector, strengthen marketing in non-aerospace sectors, improve productivity

Building and Infrastructure

• Sales (FY2022 Plan): ¥92.1 billion

- Materials and products that contribute to resolving safety, security, and social issues of buildings and infrastructures

← CPVC-related business fields and the Fire Protection Materials Division transferred to the UIEP Company

← Crosswave products to the UIEP Company

(New name)

Industrial

• Sales (FY2022 Revised Plan): ¥110.2 billion

- Materials and products that contribute to labor savings and environmental friendliness for various industries

➔ SEKISUI SEIKEI CO., LTD. from the UIEP Company

Synergies: Accelerate overseas expansion, expand sales channels, pursue molding technology synergies, and promote low cost domestic sales operations

Industry

• Sales (FY2022 Plan): ¥84.2 billion

- Products for various industries that support society and the living environment

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

Piping and Infrastructure

- Sales (FY2022 Plan): ¥115.0 billion
- Pipe and joint materials, measures on infrastructure aging and disaster prevention related products and technologies

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

Building and Living Environment

- Sales (FY2022 Plan): ¥48.0 billion
- Buildings materials for bathrooms and interior/exterior finish

Advanced Materials

- Sales (FY2022 Plan): ¥52.8 billion
- Materials for aircrafts, railways, and other transport infrastructure & containers for the medical and industrial fields

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

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

Other

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

Pipe Systems

- Sales (FY2022 Revised Plan): ¥116.2 billion
- Pipe and joint materials for buildings, factories, and social infrastructure, and products related to disaster prevention

➔ CPVC-related business fields from the HPP Company

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

➔ Crosswave products from the HPP Company

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

Building and Infrastructures Composite Materials

- Sales (FY2022 Revised Plan): ¥81.9 billion
- Building materials for bathrooms and exterior finish, fire-resistant materials, and materials for railway infrastructure

➔ Fire Protection Materials Division from the HPP Company

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

Infrastructure Renovation

- Sales (FY2022 Revised Plan): ¥30.9 billion
- Products and technologies for infrastructure aging prevention

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

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

FY2022 Revised Annual and 2H Plans

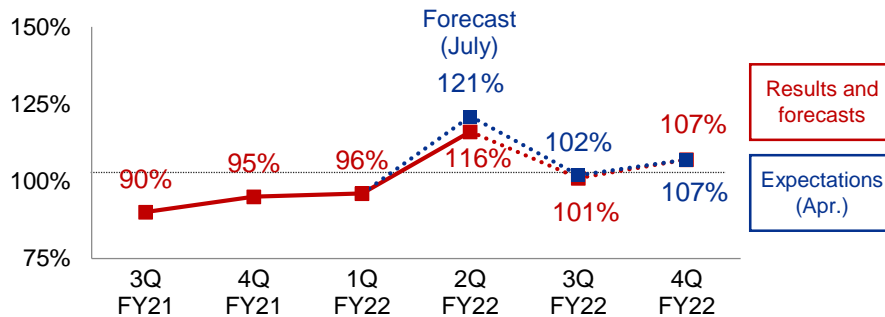
* Figures in the following slides are based on the former business segment structure prior to reorganization aimed at business portfolio optimization.

| Forex Rate | 2H FY2021 | 2H FY2022 Revised Plan | FY2022 Initial Plan |
|--------------------------------------|---------------------|------------------------|---------------------|
| Assumptions | - | ¥135/US\$ ¥137/€ | ¥115/US\$ ¥131/€ |
| Results (Avg. rate for each term) | ¥115/US\$ ¥130/€ | - | - |

The number of automobiles manufactured and smartphone demand below forecasts (July) in the 1H; smartphone demand projected to bottom out in the 2Q and then exhibit a certain degree of recovery; despite the surge in raw material prices peaking out, 2H assumptions expected to trend above forecasts (April)

Number of Automobiles Manufactured (YoY)

The impact of lockdowns in China to essentially come to an end; despite the ongoing impact of the downturn in production owing to shortages in the procurement of components in Europe and Japan, conditions expected to gradually recover



Housing - Visitors (YoY)

Despite the impact of a further spread of COVID-19 in the 1H, recovery anticipated from the 2H

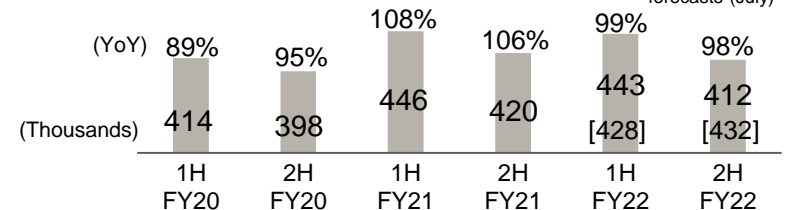
| | 1H FY21 | 2H FY21 | 1H FY22 | 2H FY22 Plan |
|---------------------|---------|---------|---------|--------------|
| Overall visitors | 93% | 101% | 96% | 100% |
| Via WEB | 82% | 101% | 91% | 100% |
| Exhibition visitors | 106% | 99% | 98% | 104% |

New Housing Starts

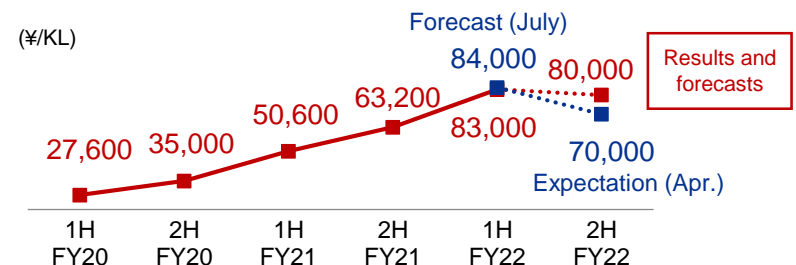
Despite a firm recovery from FY2020, trends in FY2022 projected to fall below the previous year

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

* Figures in parentheses are forecasts (July)

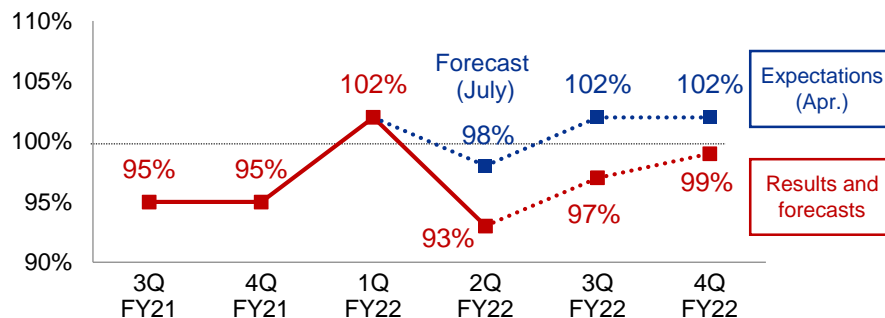


Domestic Naphtha Price Assumptions



Smartphone Shipments (YoY)

Substantial impact of inventory adjustments and significant drop in demand in the 2Q; conditions expected to exhibit a modest recovery from the 3Q

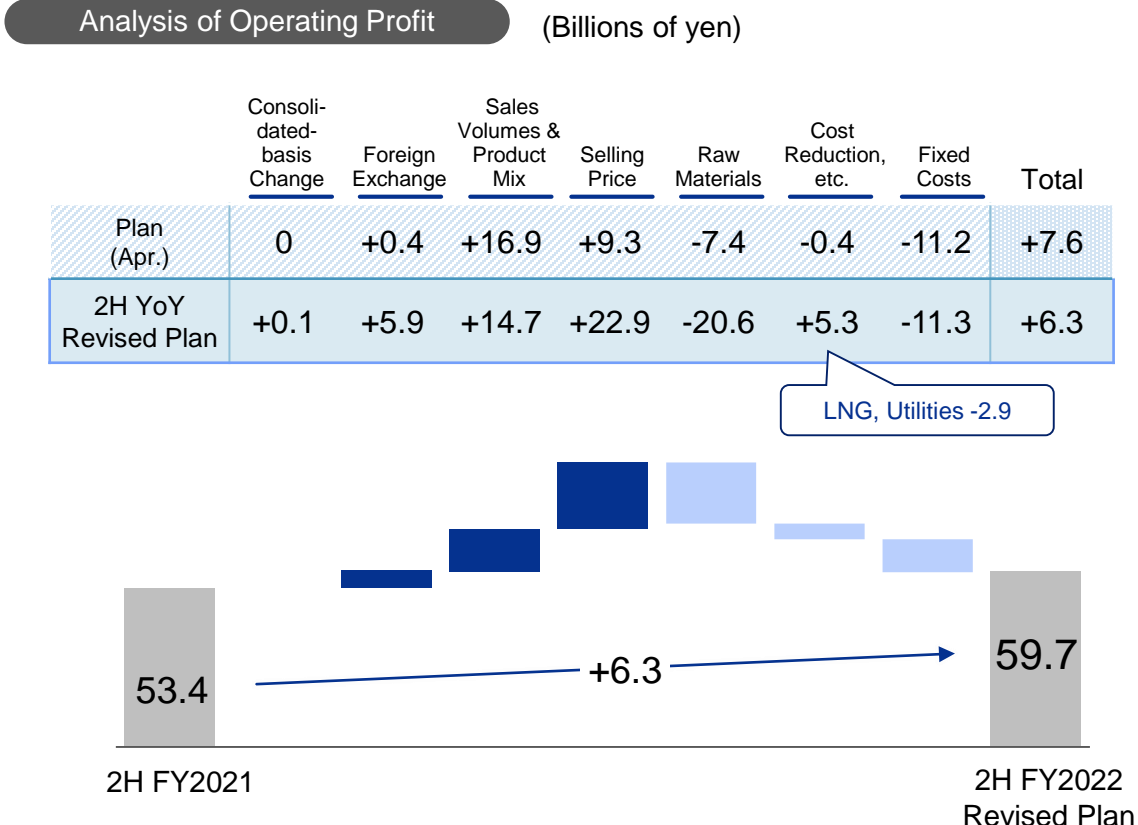
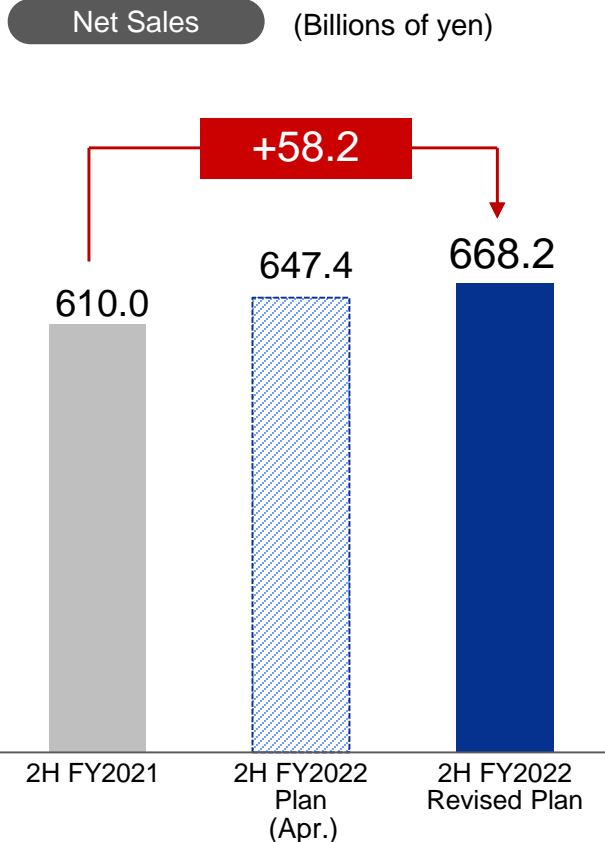


■ Despite projecting a harsh business environment owing to such factors the surge in fuel and raw material prices in excess of initial expectations (April), looking to secure margins on an ongoing basis by improving selling prices; projecting increases in Groupwide sales as well as operating profit in each segment

- HPP: Despite the ongoing impact of surges in raw material and fuel prices, anticipating a certain degree of recovery in demand; projecting increases in both sales and profit owing to continuous improvements in selling prices and high-performance product sales growth
- Housing*: Despite the ongoing impact of surges in component costs, projecting increases in both sales and profit on the back of efforts to strengthen the subdivision and ready-built housing as well as renovation businesses
- UIEP: Projecting a certain degree of recovery in market conditions; anticipating increases in both sales and profit owing to sales expansion of prioritized products, an increase in overseas sales, and thoroughgoing efforts to secure margins
- Medical: Projecting record high profit in the 2H due to steady efforts to capture diagnostics demand in Japan and overseas as well as reductions in fixed costs

| (Billions of yen) | 2H FY2021 | | 2H FY2022 Revised Plan | | Difference | | 2H FY2022 Plan (Apr.) | | Difference | |
|------------------------------------|--------------|------------------|------------------------|------------------|--------------|------------------|-----------------------|------------------|--------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 188.7 | 23.0 | 216.0 | 26.2 | +27.3 | +3.2 | 197.9 | 26.5 | +18.1 | -0.3 |
| Housing | 265.4 | 20.5 | 287.8 | 22.2 | +22.4 | +1.7 | 285.0 | 23.0 | +2.8 | -0.8 |
| UIEP | 115.7 | 10.9 | 125.8 | 12.5 | +10.1 | +1.7 | 125.3 | 13.0 | +0.5 | -0.5 |
| Medical | 48.9 | 6.3 | 45.0 | 7.0 | -3.9 | +0.7 | 45.1 | 6.5 | -0.1 | +0.5 |
| Other | 3.0 | -5.1 | 4.8 | -5.5 | +1.8 | -0.4 | 4.5 | -5.3 | +0.3 | -0.2 |
| Eliminations or corporate expenses | -11.7 | -2.2 | -11.2 | -2.8 | +0.5 | -0.6 | -10.4 | -2.7 | -0.8 | -0.1 |
| Total | 610.0 | 53.4 | 668.2 | 59.7 | +58.2 | +6.3 | 647.4 | 61.0 | +20.8 | -1.3 |

Improvements in selling prices to essentially offset the surge in fuel and raw material prices, which exceeded initial expectations (April); projecting a certain degree of recovery in market conditions and substantial increases in sales volumes and improvements in the product mix; buoyed also by contributions from the effects of the gain on foreign exchange, anticipating increases in both sales and profit



- Anticipating substantial increases in both Groupwide sales and profit as well as an increase in profit in each segment; projected to achieve operating profit of ¥100 billion in line with initial expectations (April) and forecasts (July)

| (Billions of yen) | FY2021 | | FY2022 Revised Plan | | Difference | | FY2022 Forecasts (Apr.) | | Difference | |
|------------------------------------|----------------|------------------|---------------------|------------------|---------------|------------------|-------------------------|------------------|--------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 358.8 | 42.4 | 421.0 | 48.0 | +62.1 | +5.7 | 388.6 | 48.0 | +32.4 | 0 |
| Housing | 515.2 | 35.3 | 548.0 | 37.0 | +32.8 | +1.7 | 548.0 | 38.0 | 0 | -1.0 |
| UIEP | 211.8 | 14.1 | 233.2 | 18.5 | +21.4 | +4.4 | 230.4 | 18.0 | +2.8 | +0.5 |
| Medical | 88.5 | 11.2 | 87.9 | 12.5 | -0.6 | +1.3 | 87.0 | 12.5 | +0.9 | 0 |
| Other | 4.9 | -10.3 | 8.9 | -10.9 | +3.9 | -0.6 | 8.7 | -11.3 | +0.2 | +0.4 |
| Eliminations or corporate expenses | -21.3 | -3.7 | -23.0 | -5.1 | -1.7 | -1.4 | -21.1 | -5.2 | -1.9 | +0.1 |
| Total | 1,157.9 | 88.9 | 1,276.0 | 100.0 | +118.0 | +11.1 | 1,241.6 | 100.0 | +34.4 | 0 |

- Post business portfolio optimization quantitative data (reference)
- Work to maximize synergy creation over the next medium term

| (Billions of yen) | FY2021 | | FY2022 Revised Plan | | Difference | | FY2022 Forecasts (Apr.) | | Difference | |
|------------------------------------|----------------|------------------|---------------------|------------------|---------------|------------------|-------------------------|------------------|--------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 358.8 | 42.4 | 413.7 | 45.7 | +54.8 | +3.4 | 382.3 | 46.8 | +31.4 | -1.1 |
| Housing | 515.2 | 35.3 | 548.0 | 37.0 | +32.8 | +1.7 | 548.0 | 38.0 | 0 | -1.0 |
| UIEP | 211.8 | 14.1 | 239.6 | 20.8 | +27.8 | +6.7 | 236.0 | 19.2 | +3.6 | +1.6 |
| Medical | 88.5 | 11.2 | 87.9 | 12.5 | -0.6 | +1.3 | 87.0 | 12.5 | +0.9 | 0 |
| Other | 4.9 | -10.3 | 8.9 | -10.9 | +3.9 | -0.6 | 8.7 | -11.3 | +0.2 | +0.4 |
| Eliminations or corporate expenses | -21.3 | -3.7 | -23.0 | -5.1 | -1.7 | -1.4 | -21.1 | -5.2 | -1.9 | +0.1 |
| Total | 1,157.9 | 88.9 | 1,276.0 | 100.0 | +118.0 | +11.1 | 1,241.6 | 100.0 | +34.4 | 0 |

- Substantial increases in sales and at each level of profit; projecting record high profit; upward revision in sales
- Upward revisions in both ordinary profit and the bottom line owing mainly to foreign exchange gains
- Annual dividend per share of ¥59, up ¥10 per share (up ¥6 per share compared with forecasts (July))
- Increase in the limit for the acquisition of treasury shares by 7 million shares (annual total: 15 million shares)

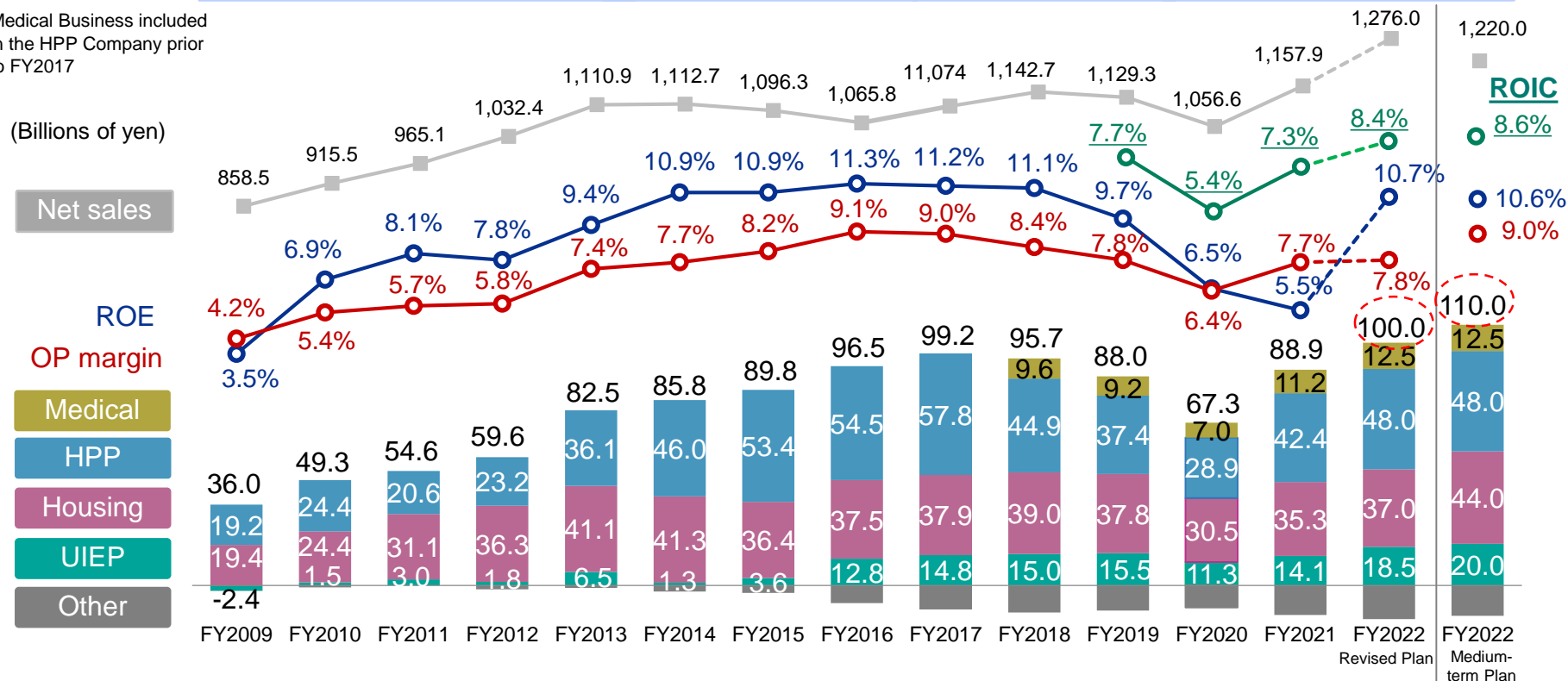
| (Billions of yen) | FY2021 | FY2022 Revised Plan | Difference | FY2022 Forecasts (July) | Difference |
|---|---------|---------------------|------------|-------------------------|------------|
| Net sales | 1,157.9 | 1,276.0 | +118.0 | 1,260.7 | +15.3 |
| Operating profit | 88.9 | 100.0 | +11.1 | 100.0 | 0 |
| Ordinary profit | 97.0 | 108.0 | +11.0 | 105.0 | +3.0 |
| Profit attributable to owners of parent | 37.1 | 73.0 | +36.6 | 70.0 | +3.0 |
| Dividend per share (Yen) | 49 | 59 | +10 | 53 | +6 |

■ Ongoing efforts to strengthen the Company's business structure (earning power); shift to growth toward the next Medium-term Plan

Operating Profit Performance



*Medical Business included in the HPP Company prior to FY2017



External Environment



Forex Rate (Avg. rate for each term)

| Fiscal Year | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022* | FY2022* (As of May 2020) |
|---------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------------|
| Rate (¥/US\$) | ¥94/US\$ | ¥87/US\$ | ¥80/US\$ | ¥83/US\$ | ¥100/US\$ | ¥110/US\$ | ¥120/US\$ | ¥108/US\$ | ¥111/US\$ | ¥111/US\$ | ¥109/US\$ | ¥106/US\$ | ¥112/US\$ | ¥135/US\$ | ¥106/US\$ |

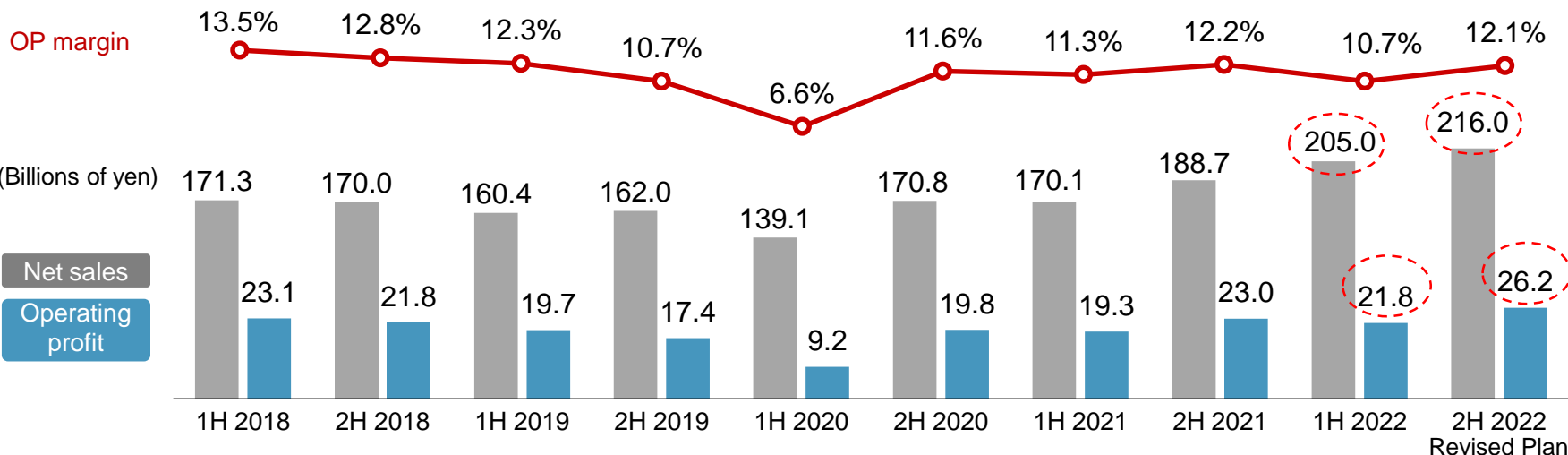
*FY2022: Assumption

High Performance Plastics Company

Ikusuke Shimizu
Company President

- Despite a harsh business environment owing to the surge in fuel and raw material prices, decrease in automobile production, and adjustments to smartphone inventories, substantial increases in sales and profit owing to improvements in selling prices and the effects of a foreign exchange gain in the 1H
- Despite the ongoing impact of surges in raw material and fuel prices, anticipating continued increases in both sales and profit owing to a certain degree of recovery in demand, further improvements in selling prices, and high-performance product sales growth in the 2H
- Expected to achieve the Medium-term Plan with full fiscal year operating profit of ¥48 billion

Performance Trends



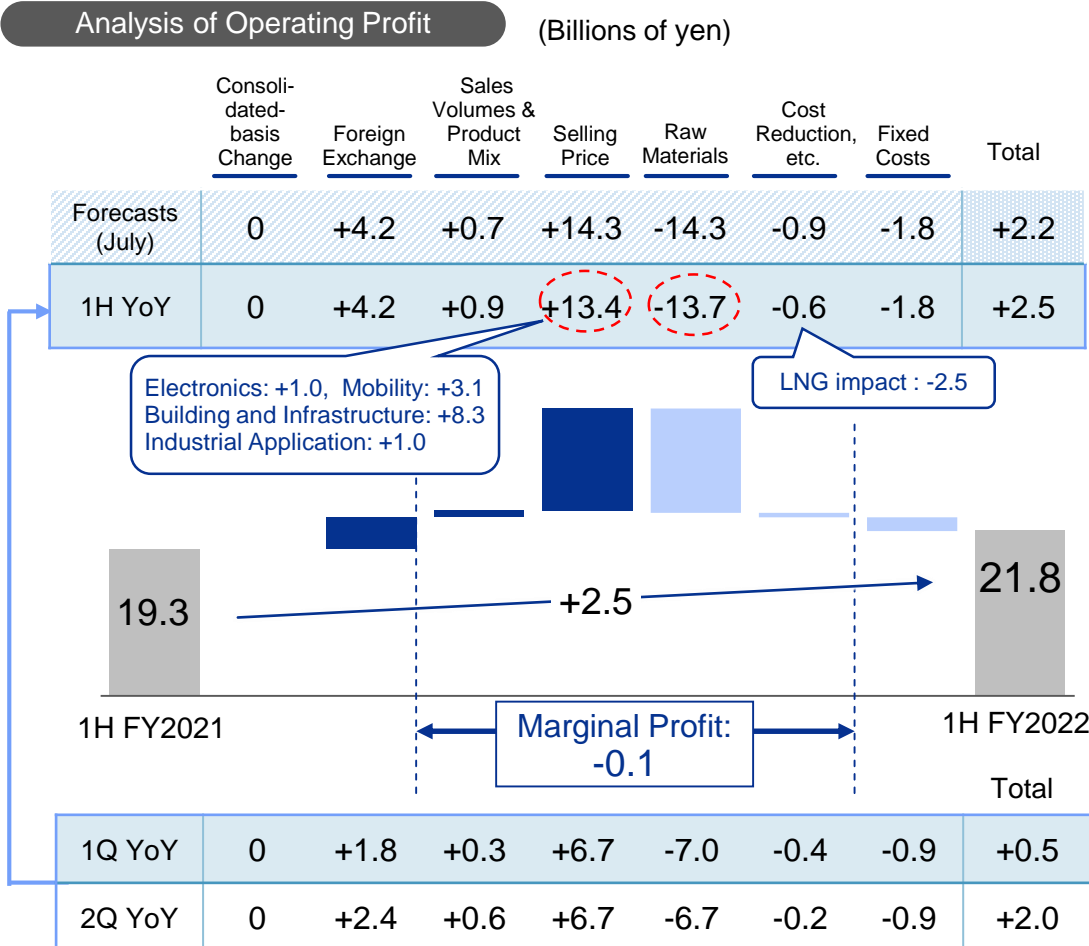
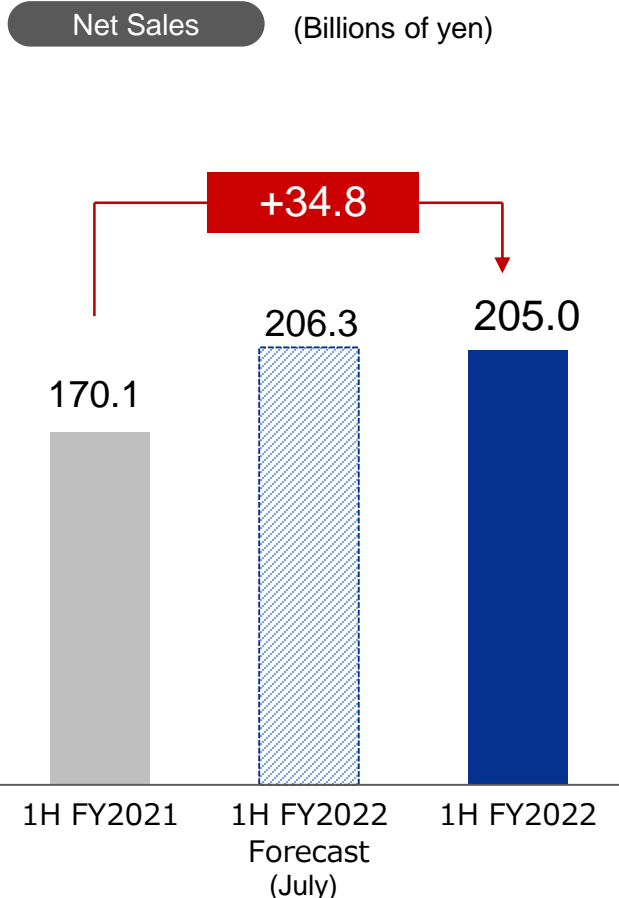
| Foreign Exchange Rate | 1H 2018 | 2H 2018 | 1H 2019 | 2H 2019 | 1H 2020 | 2H 2020 | 1H 2021 | 2H 2021 | 1H 2022 | 2H 2022* |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| *Avg. rate for each fiscal year | ¥110/US\$ | ¥111/US\$ | ¥109/US\$ | ¥109/US\$ | ¥107/US\$ | ¥105/US\$ | ¥110/US\$ | ¥110/US\$ | ¥134/US\$ | ¥135/US\$ |
| | ¥130/€ | ¥127/€ | ¥121/€ | ¥120/€ | ¥121/€ | ¥126/€ | ¥131/€ | ¥129/€ | ¥139/€ | ¥137/€ |

*2H FY2022 Assumptions

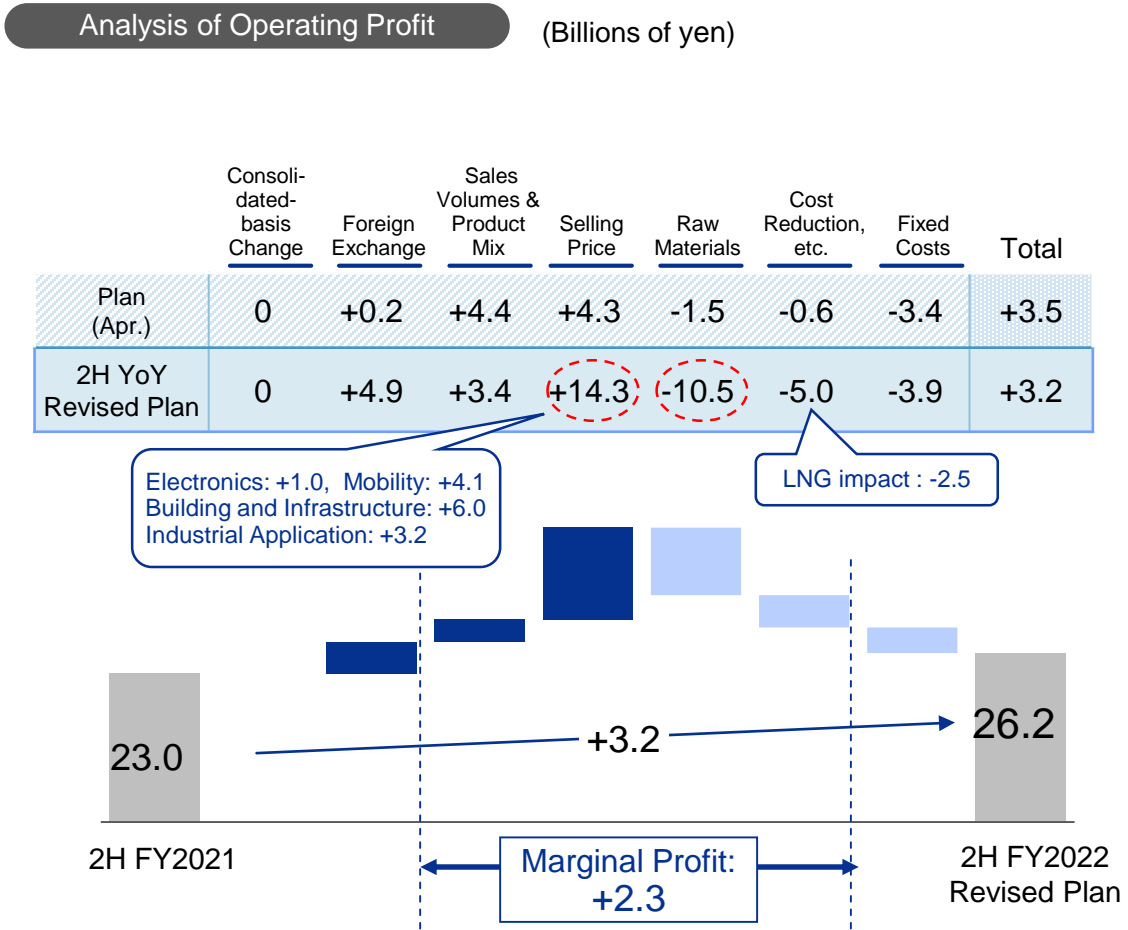
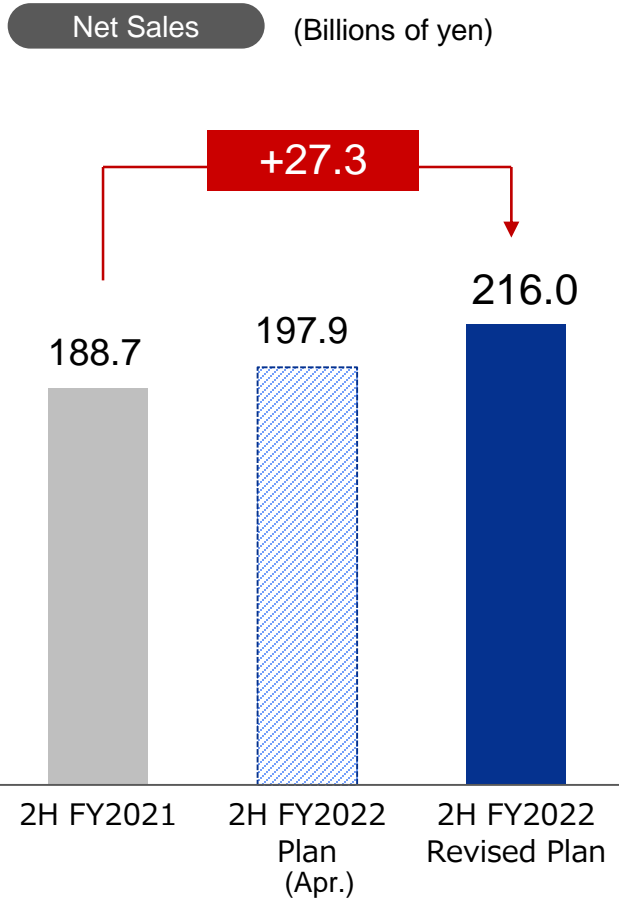
Main M&As and Strategic Investments

- 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**: SEKISUI AEROSPACE CORPORATION
- 2H 2020**: Start of operations at a new interlayer film production line (Europe)
- 2H 2021**: Start of operations at a new interlayer film resin production line (Europe)

- Despite a greater-than-expected harsh business environment (decrease in automobile production and adjustments to smartphone inventories), achieved substantial increases in both sales and profit on the back of thoroughgoing efforts to secure margins through improvements in selling prices
- Exceeded operating profit forecasts (July)



Despite the surge in fuel and raw material prices substantially exceeding initial expectations (April), both sales and profit expected to further increase owing to continuous thoroughgoing efforts to improve selling prices, increases in sales volumes and improvements in the product mix in anticipation of a certain recovery in global demand, and the effects of foreign exchange gains

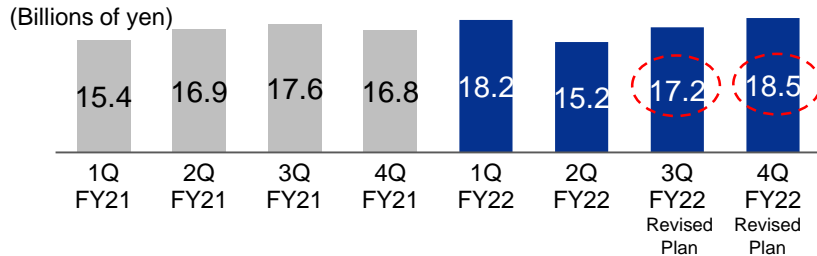


■ Sales for the fiscal year projected to increase in each of the three strategic fields due partly to the impact of foreign currency exchange rate fluctuations; cost innovation forecast to exceed plans (April)

Net Sales Trends and Progress

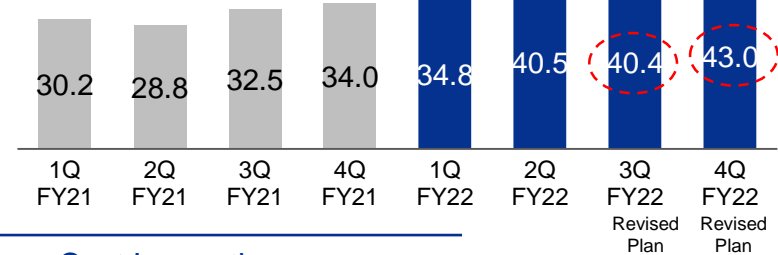
Electronics

- 1H: Despite a substantial increase in sales mainly in the liquid crystal field in the 1Q, decrease in sales in the 2Q owing to the sharp drop in demand; work to secure an increase in sales for the full fiscal year
- 2H: Work toward an increase in sales on the back of a certain degree of recovery in demand from the 3Q and such factors as the acquisition of new orders mainly in the Non-LCD field



Mobility

- 1H: Despite the impact of decreases in automobile production mainly in China, Europe, and Japan, increase in sales owing to improvements in selling prices and high-performance interlayer film sales growth (HUD film: FY2022 forecast more than 115% YoY on a sales volume basis)
- 2H: Projecting a certain degree of recovery in automobile demand; focus on further expanding sales of high-performance interlayer films and continuous improvements in selling prices
- SEKISUI AEROSPACE CORPORATION progressing in line with plans (Billions of yen)

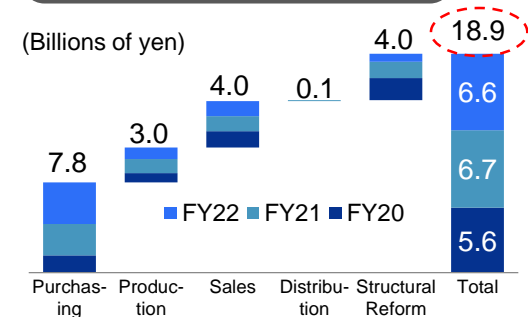


Cost Innovation

- Looking to improve costs through innovations to the supply chain and efforts to reform the business structure
 FY2022: +¥6.6 billion YoY; FY2020-FY2022 cumulative: +¥18.9 billion*
 (* BM: FY2019; Medium-term Plan: +¥8.0 billion cumulative)

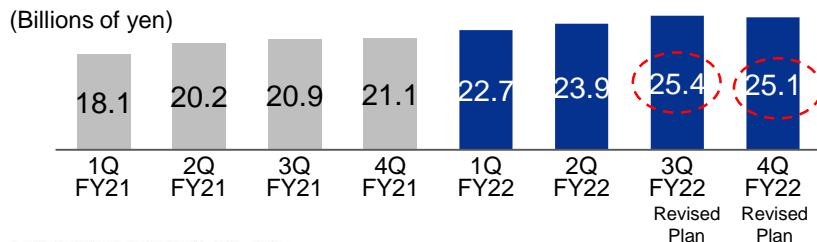
- Reform the business structure (+¥0.7 bn YoY)
 - ✓ Thoroughly review underperforming businesses
 - ✓ Reorganize and optimize bases
- Work to reform the supply chain (+¥5.9 bn YoY)
 - ✓ Optimize purchasing, Improve productivity, Reduce distribution costs

Breakdown of Cost Innovation



Building and Infrastructure

- CPVC: Continued increase in demand mainly in India in the 1H; improvements in selling prices in line with plans
- Thermal insulation and non-combustible materials: Despite a slight slump in domestic construction market conditions, firm trends on the back of contributions from improvements in selling prices

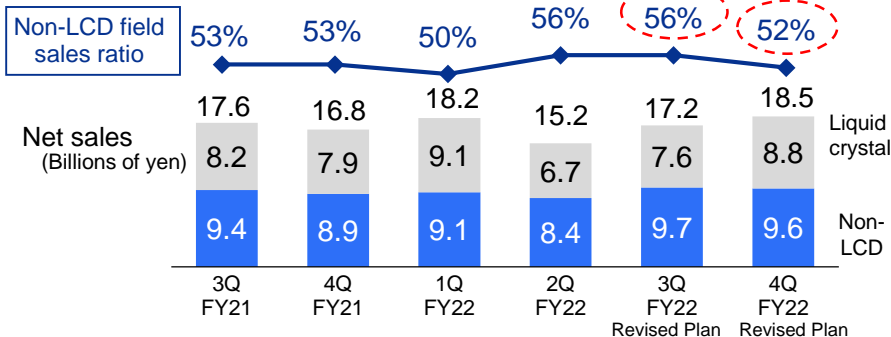


Strengthen the rollout of measures aimed at sustainable growth in each of the three strategic fields; focus on preparation in a bid to realize the next medium-term plan

Progress of Growth Measures in the Three Fields

Electronics ~ Focus on the Non-LCD field

- Despite sluggish growth for binder resins for MLCCs, steady expansion of processing materials for semiconductors
- Greater use of bio-based adhesive tapes and the evaluation of transparent reflection film demonstration experiments underway in a bid to realize the next medium-term plan

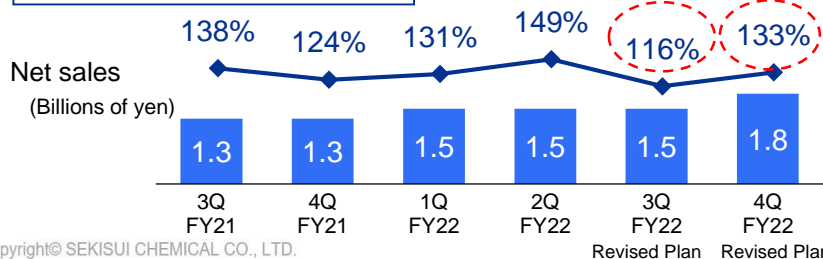


Building and Infrastructure

~ Thermal insulation and noncombustible material sales growth

- Progress in cultivating new customers for non-flammable urethane; steady expansion of new products
- Redoubling efforts to expand sales of thermal insulation materials in Japan and the U.S.

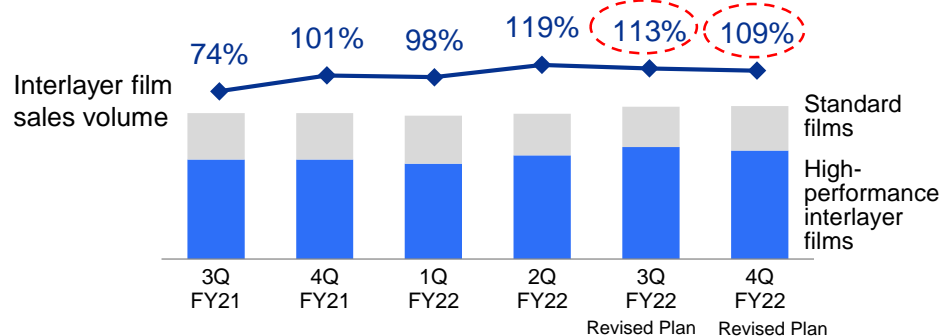
YoY thermal insulation and non-combustible materials sales



Mobility ~ High-performance interlayer film sales growth

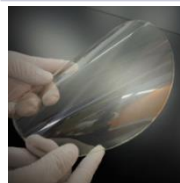
- Ongoing high growth for HUDs; focus on combined functionality and advanced design for interlayer films, such as thermal, acoustic insulation for EVs
- Accelerate expansion of heat release materials for EVs

YoY high-performance interlayer film sales volume



Next-generation Growth Domains

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

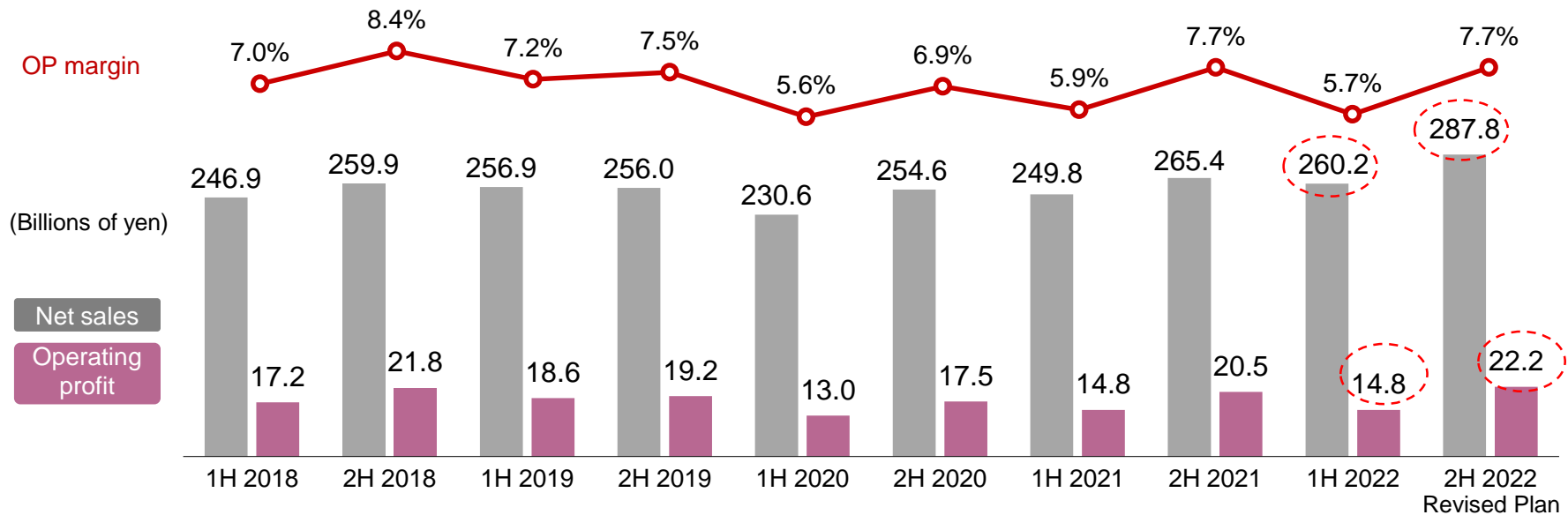


Housing Company

Toshiyuki Kamiyoshi
Company President

- Despite the substantial impact of a surge in components costs, operating profit was on par with the previous year due to increases in the number of new houses sold and unit prices in the 1H
- Despite the ongoing impact of a surge in component prices, targeting increases in both sales and profit in the 2H and full fiscal year by strengthening the subdivision and ready-built housing as well as renovation businesses

Performance Trends



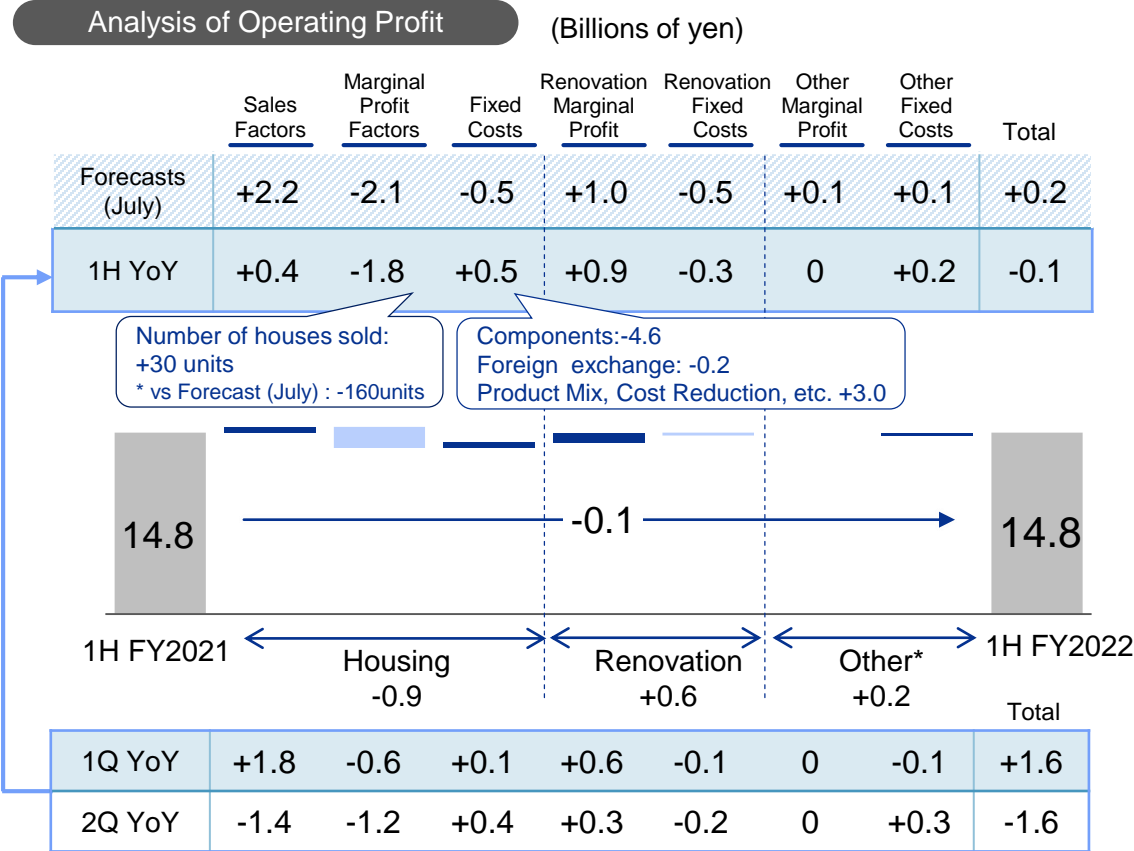
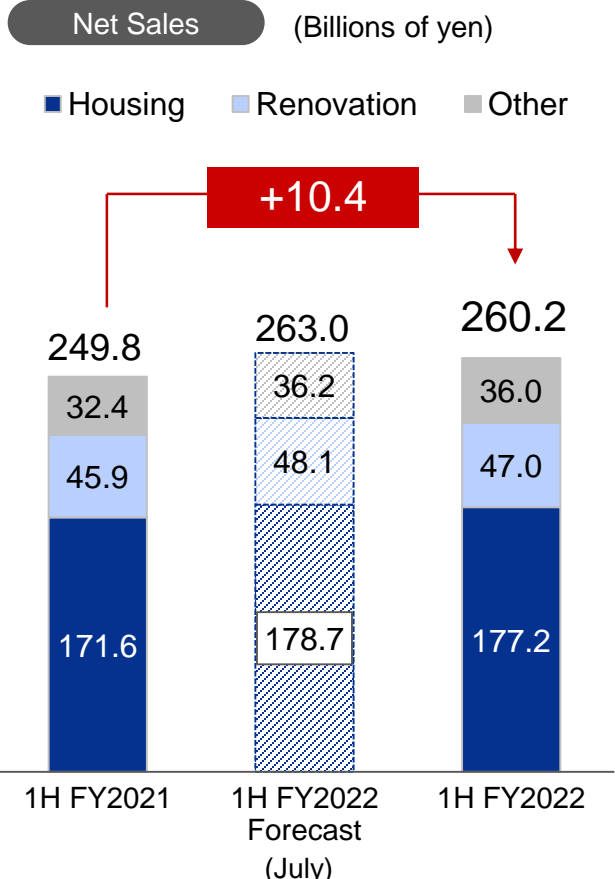
| New housing starts (Thousands) | 1H FY2018 | 2H FY2018 | 1H FY2019 | 2H FY2019 | 1H FY2020 | 2H FY2020 | 1H FY2021 | 2H FY2021 | 1H FY2022 | 2H FY2022 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 491 | 462 | 467 | 417 | 413 | 398 | 446 | 414 | 443 | 412 |

External Environment

10/2019 Consumption tax raised from 8% to 10%
 02/2020~ Spread of COVID-19
 2H FY2021 Mortgage deduction extension period ends
 02/2022~ Russia: Incursion into Ukraine
 * 2H FY2022 assumptions (October)

Despite the substantial impact of the further spread of COVID-19 and soaring component costs, sales increased due to an increase in number of new houses sold and a steady rise in unit prices; operating profit was on par with the previous year

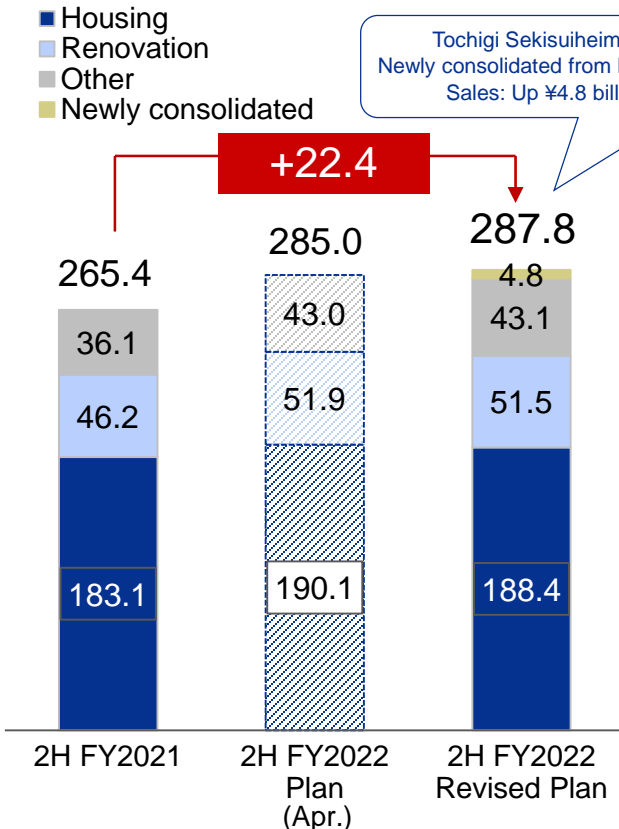
- Housing: Decline in the number of visitors owing mainly to such factors as COVID-19 and inflation; results below forecasts (July) despite higher unit prices and reductions in costs
- Renovation: Despite COVID-19 and the impact of delays in the supply of components, achieved forecasts (July) owing to such factors as the leveling out of sales and improvement in gross profit
- Other: Growth in BeHeim purchase and resale, steady progress also in the Town and Community Development Business



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

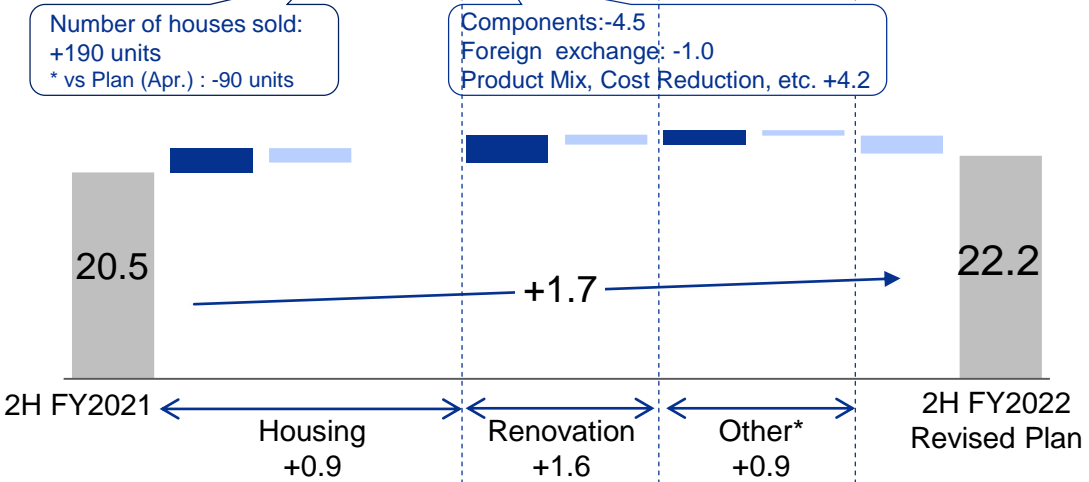
- Work toward capturing orders and increasing the number of new houses sold by strengthening the subdivision and ready-built housing as well as renovation businesses and plan for an increase in sales; despite the increased impact of soaring component costs, aim for an upswing in profit on such factors as higher unit prices and CR
- Housing: Offset the decrease in orders in the 1H by strengthening the subdivision and ready-built housing businesses as well as higher unit prices; work toward increases in both sales and profit
- Renovation: Work toward a substantial increase in profit by upgrading and expanding periodic diagnosis while boosting sales of resilience products
- Other: Accelerate development of BeHeim purchase and resale; continue to expand the Town and Community Development Business in line with plans, strengthen procurement

Net Sales (Billions of yen)



Analysis of Operating Profit (Billions of yen)

| | Sales Factors | Marginal Profit Factors | Fixed Costs | Renovation Marginal Profit | Renovation Fixed Costs | Other Marginal Profit | Other Fixed Costs | Special factors | Total |
|---------------------|---------------|-------------------------|-------------|----------------------------|------------------------|-----------------------|-------------------|-----------------|-------|
| Plan (Apr.) | +3.2 | -0.5 | -1.1 | +2.3 | -0.5 | +1.0 | -0.3 | -1.6 | +2.5 |
| 2H YoY Revised Plan | +2.2 | -1.3 | 0 | +2.4 | -0.8 | +1.4 | -0.5 | -1.6 | +1.7 |



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

Projecting a modest improvement in market conditions in the 2H despite fewer visitors and negotiation delays due to COVID-19; work to secure orders by strengthening Smart House products and resilience promotion, including subdivision houses

Visitors and Orders by Type of Construction (YoY)

Visitors

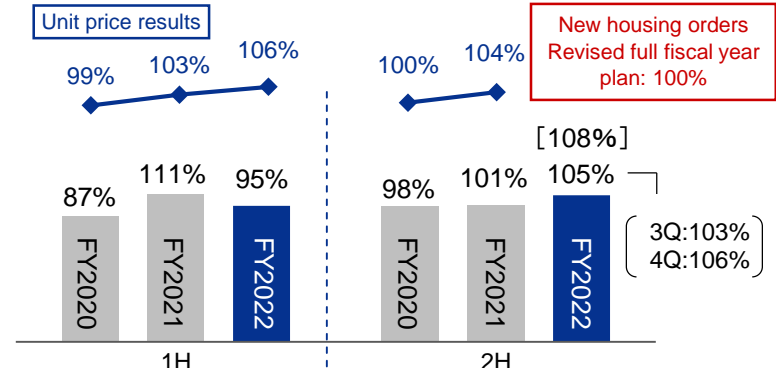
| | 1H FY21 | 2H FY21 | 1H FY22 | 2H FY22 Plan |
|---------------------|---------|---------|---------|--------------|
| Overall visitors | 93% | 101% | 96% | 100% |
| Via WEB | 82% | 101% | 91% | 100% |
| Exhibition visitors | 106% | 99% | 98% | 104% |

Number of Orders by Type of Construction

| | | 1H Y22 | 2HFY22 Plan |
|---------------------------------------|------------------------------|--------|-------------|
| Detached Houses | Rebuilding | 103% | 105% |
| | New construction*1 | 92% | 106% |
| | Subdivision housing | 90% | 100% |
| | Of which, ready-built houses | 100% | 101% |
| Total (Including apartment buildings) | | 95% | 105% |

*1 Land: Client arrangement

New Housing Orders, Order Price per Unit (YoY)



* Figures in parentheses are initial expectations (April)

Measures to Acquire Orders in 2H FY2022

Attracting Customers

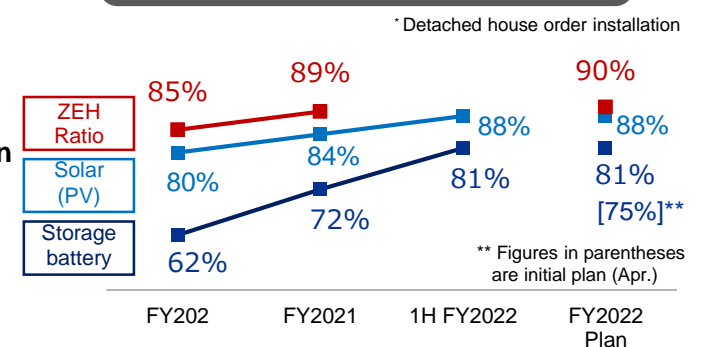
- Refine customer creation and nurturing methods that integrate face-to-face and digital proposals
 - Attract more visitors via the Internet, SNS + face-to-face events
 - Strengthen the Heimfes membership site, promote use

- Strengthen points of customer contact using experience-based facilities
 - Utilize Museum, GREENMODEL PARK (As of the end of September 2022: 64 locations)

Product Strategies

- Promote the overwhelming appeal of Smart House and resilience
 - Further expand sales of ZEH, storage batteries (work toward a 90% installation rate)
 - Strengthen exterior design for the rebuilding market

Smart House-related Indicators*



Land Strategies

- Accelerate subdivision and ready-built house sales centered on detached housing town planning
 - Development of new subdivision brand United Heim Park
 - 2H FY2022: Sales scheduled to commence for 4 projects (130 lots)
 - Expanded sales of preparation properties in the 1H
 - 1H: Number of procured lots 121%,
 - 2H: Number of new ready-built houses launched 128% (YoY)

■ Despite the impact of COVID-19, steady recovery in the Renovations business; accelerating efforts to expand BeHeim purchase and resale; firm progress also in the Town and Community Development Business; working to strengthen procurement

Stock Business (Renovation)

* %: YoY

Sales Structure

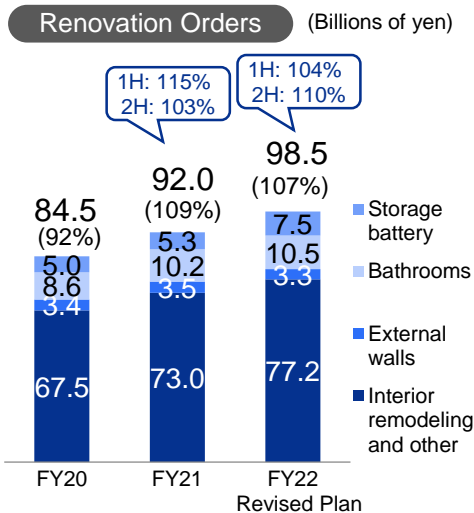
- Strengthening orders by upgrading and expanding periodic diagnosis
- Increasing the number of sales staff
March 2023: 1,400 persons (+50 compared with September 2022)

Products

- Expand sales of strategic products
 - Storage batteries, solar panels robust against the backdrop of high electricity costs, etc.
(1H FY2022: Storage batteries 134% YoY, PV 169% YoY)

Improve Productivity

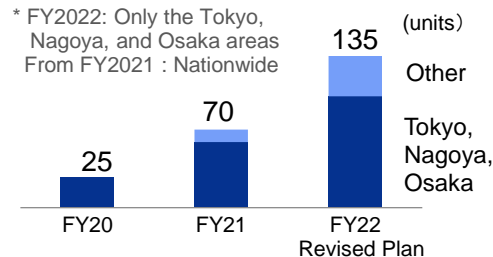
- Promote the leveling out of sales



Stock Business (Real Estate)

- Expand BeHeim purchase and resale
 - Strengthening procurement (1H FY2022: 197% YoY)
 - Expanding sales channels (strengthen WEB visitors)
- Expand orders for leasing renovation

Number of BeHeim houses sold



Town and Community Development

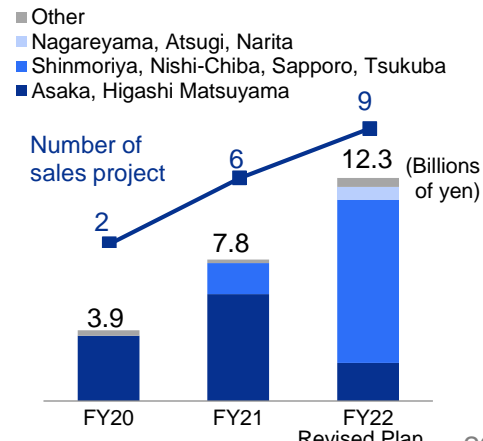
- Previous: 7 project launched until now (of which the Asaka Project sold out)
* Total of 7 projects: Detached housing 344 lots/condominiums 828 units
- 2H FY2022: New property sales, strengthen structure
- Commence sales of two new projects
Atsugi (detached houses 66 lots), Narita (detached houses 48 lots)
- Secure next medium-term properties by establishing a designated procurement organization

Heim Sweet Nishi Chiba (Nishi Chiba Lead Town)



Promote prominence in the Town and Community Development Business through the fusion of SEKISUI CHEMICAL Group technologies

Town and Community Development Business Sales



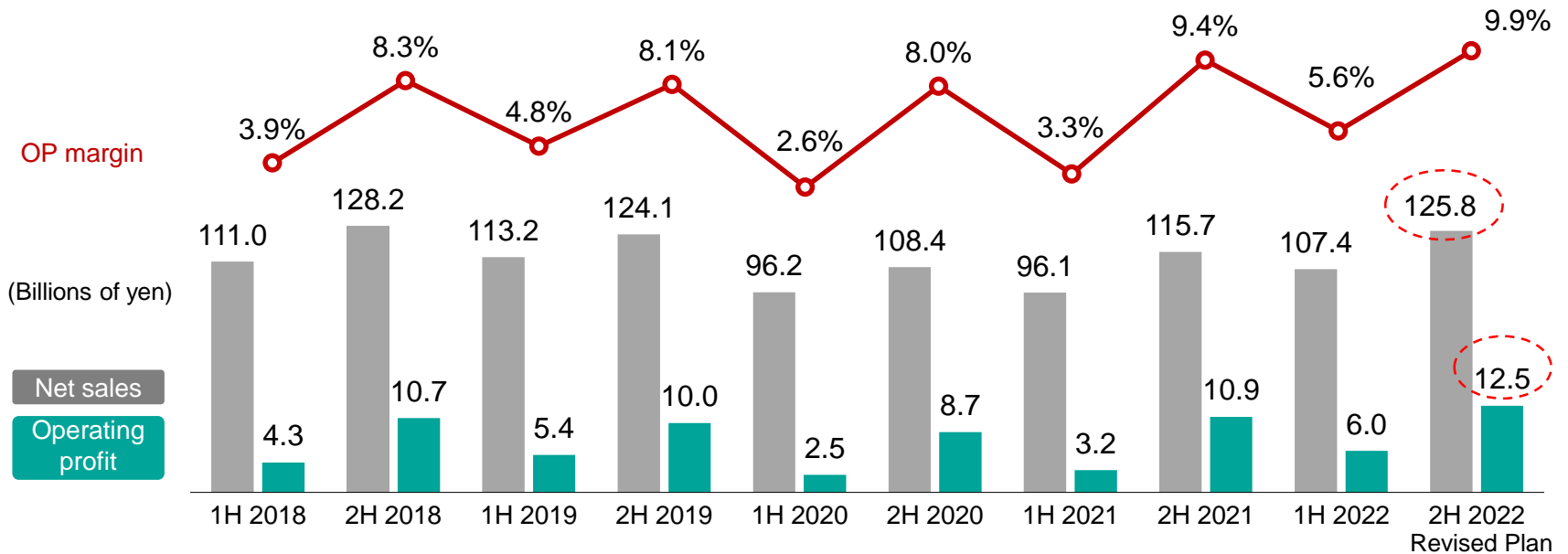
Urban Infrastructure & Environmental Products Company

Yoshiyuki Hirai
Company President

- Despite the surge in fuel and raw material prices, increases in both sales and profit through successful efforts to secure margins based on thoroughgoing steps to improve selling prices and the backdrop of firm demand in the 1H
- Projecting increases in both sales and profit on the back of a forecast certain degree of improvement in market conditions, upswings in prioritized product* and overseas sales, and thoroughgoing efforts to secure margins in the 2H
- Achieve full fiscal year operating profit of ¥18.5 billion and work toward a record high

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

Performance Trends



External Environment

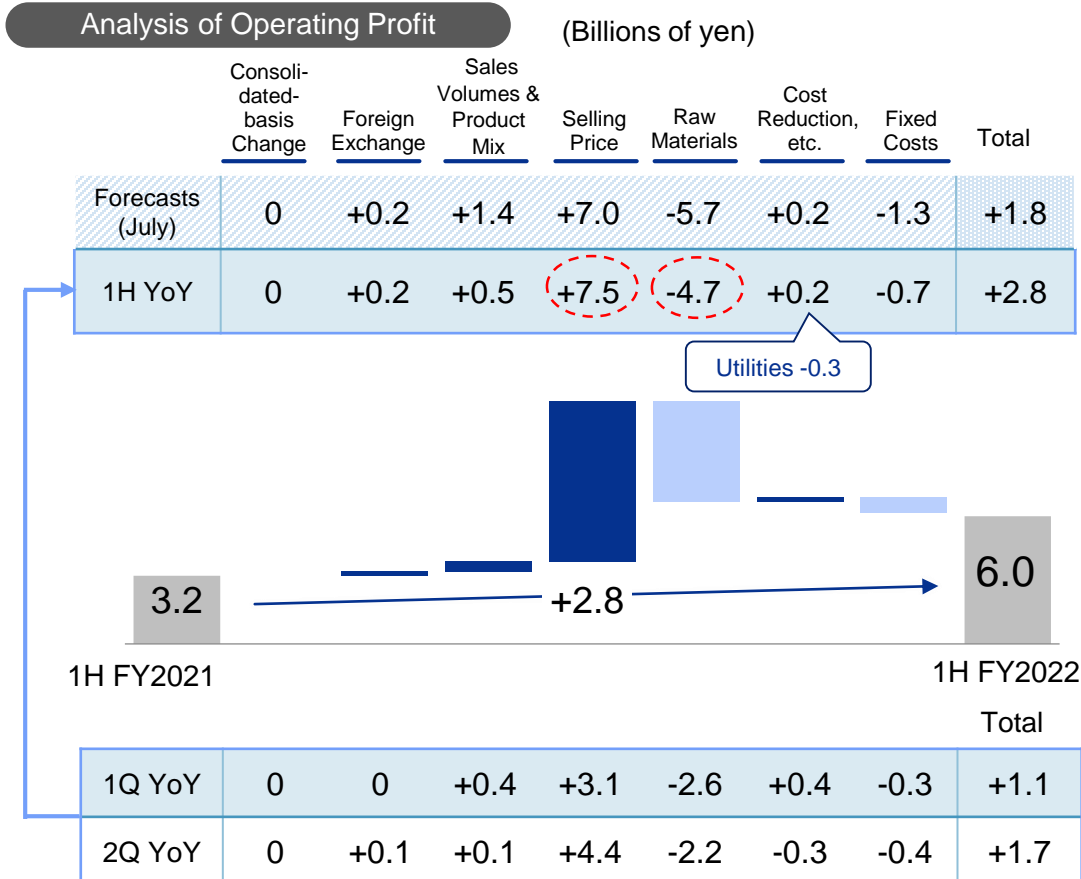
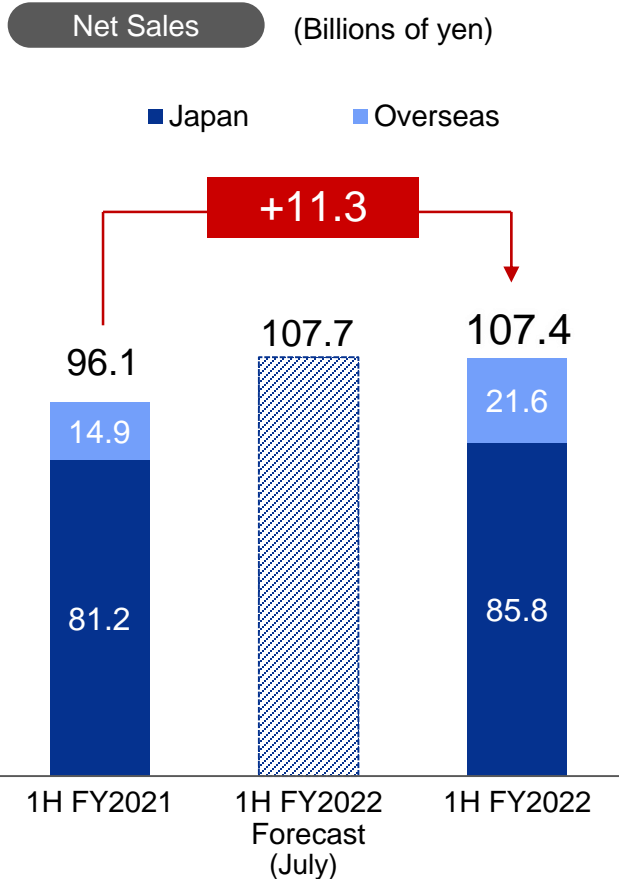
10/2019
Consumption tax raised from 8% to 10%

02/2020~
Spread of COVID-19

07-08/2021
Tokyo Olympic Games

Increases in both sales and profit on the back of efforts to secure margins through the thoroughgoing improvement of selling prices as well as increases in sales volumes and improvements in the product mix in response to surges in fuel and raw material prices; 1H operating profit exceeded the forecast (July) and hit a record high

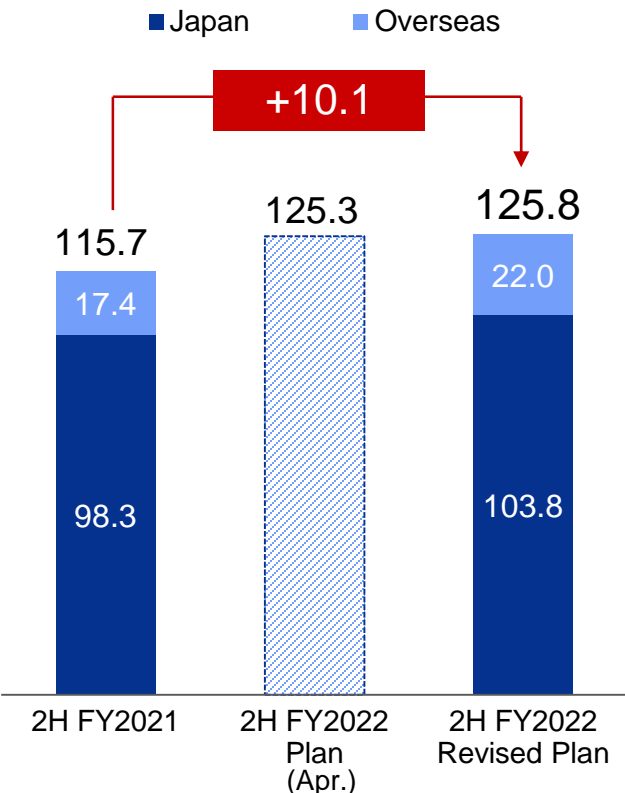
- Japan: Secured margins by improving selling prices in a timely manner; substantial growth in prioritized products
- Overseas: Firm trends in piping materials for semiconductor plants; demand exhibited a recovery trend in the FFU (Europe, U.S.) and U.S. Sheet (aircraft) businesses



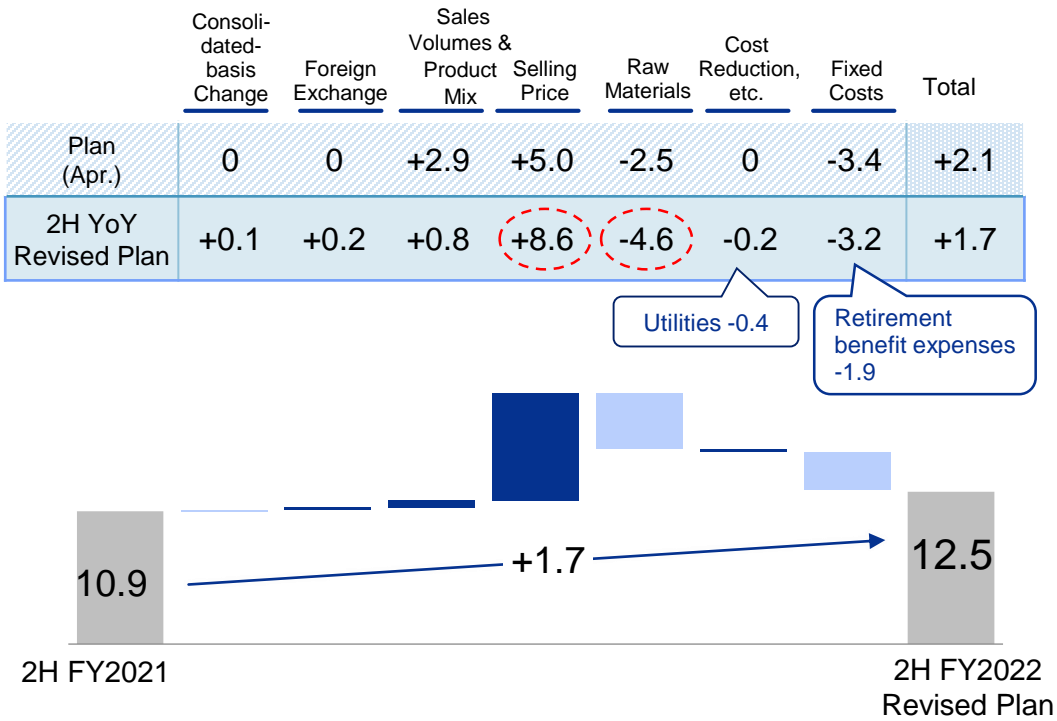
■ Projecting a modest improvement in market conditions; work toward profit growth through increases in sales volumes and improvements in the product mix and thoroughgoing steps to secure margins in response to the surge in fuel and raw materials prices that exceeded initial expectations (April)

- Japan: Undertake thoroughgoing steps to secure margins; focus on increasing sales of prioritized products
- Overseas: Ongoing firm demand (piping materials for plants, U.S. Sheet Business); focus on capturing new orders for FFU and pipeline renewal

Net Sales (Billions of yen)



Analysis of Operating Profit (Billions of yen)

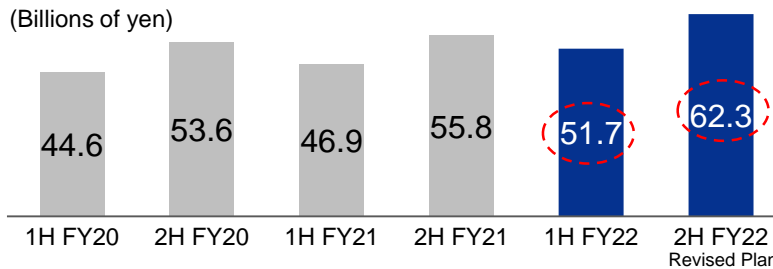


■ Full fiscal year sales projected to increase due to the effects of improvements in selling prices in each of the three strategic fields

Net sales in the Three Strategic Fields

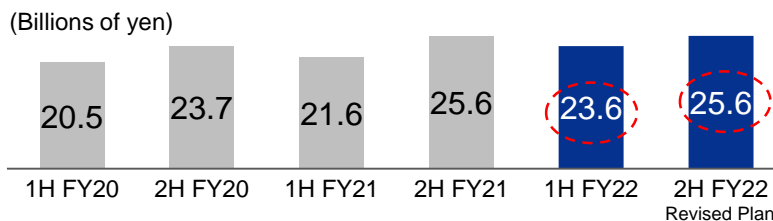
Piping and Infrastructure

- 1H: Firm building (non-residential) and plant trends
- 2H: Continued firm plant demand, supply system expansion ; Increase sales of prioritized products (pipeline renewal, ESLO HYPER, etc.)



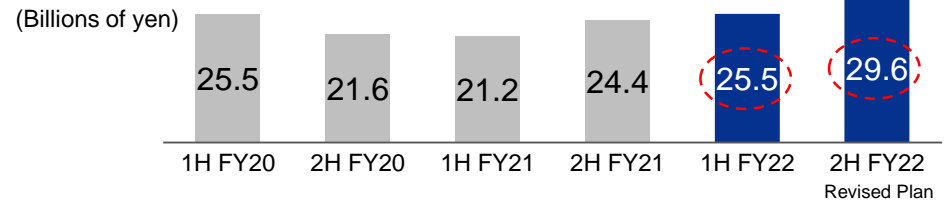
Building and Living Environment

- 1H: Firm trends in renovation demand
- 2H: Increase sales of new (flat-roof water drainage system, etc.) and prioritized products (high flowrate drainage system, nursing equipment, etc.)



Advanced Materials

- Sheets: Projecting a continued recovery in domestic demand in the U.S. and repair aircraft-related demand
- FFU (railway sleeper): Despite delays for certain properties, orders up mainly in Europe and the U.S.
- Molding: Steady growth in high-performance molded products (medical, electronic materials)

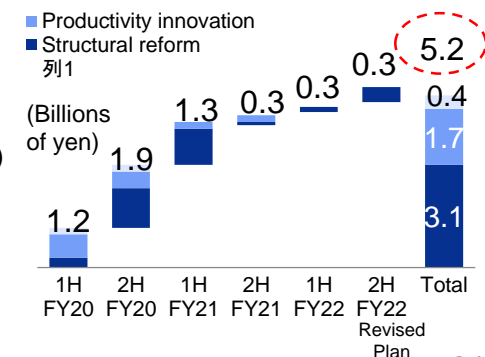


Structural Reforms and Productivity Innovation

■ Expecting profit to improve by over ¥600 million in FY2022 by promoting business structural reforms and other initiatives; forecast total of ¥5.2 billion, exceeding the Medium-term Plan (¥5 billion)

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)
- Consolidation of overseas bases

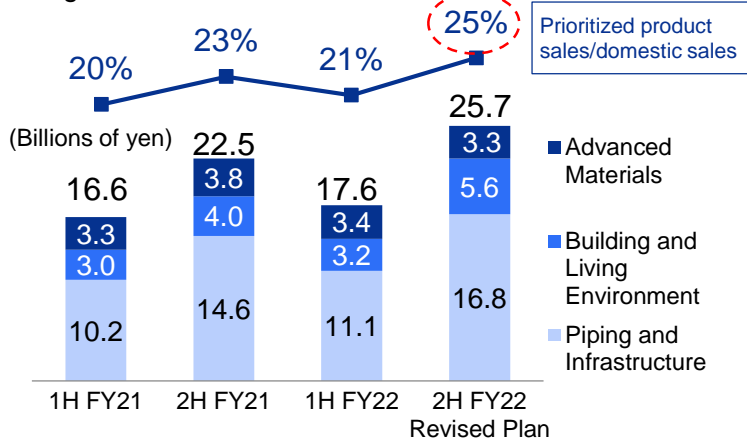


Expansion of Prioritized Products

- Strengthen the appeal for SDG contributions, utilize the Chiba Solution Center

Prioritized Products Sales (Japan)

- Firm trends in each field; projecting substantial growth also in the 2H



Product Examples

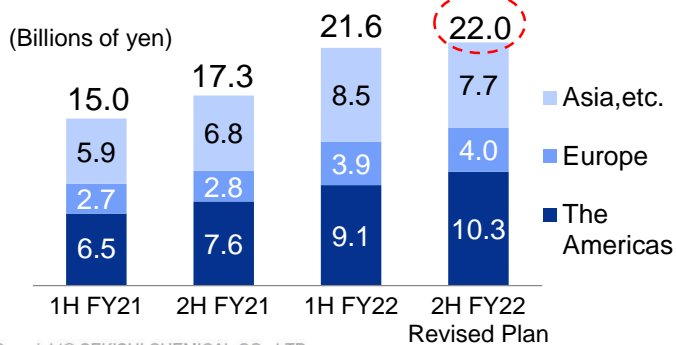
| Piping and Infrastructure | Piping and Infrastructure | Piping and Infrastructure | Building and Living Environment |
|---|--|---|---|
| Aging infrastructure | Earthquake-resistant | Labor saving and easy installation | Address Climate Change |
| | | | |
| Provides self-supporting strength using only rehabilitated pipes with resin profiles; facilitates the rehabilitation of existing old pipes with insufficient strength | Prevents damage to water pipes (lifeline disruption) due to major earthquakes; high-performance polyethylene pipe with excellent flexibility | Highly weather-resistant rigid polyvinyl chloride pipe that is resistant to UV rays and provides weather resistance performance in outdoor applications; realize metal pipe replacement | Siphon induction components built into the high-drainage aperture improve existing drainage capacity; addresses increases in torrential rain; received the Good Design Award for FY2022 |
| <SPR-SE> | <ESLO HYPER> | <UV Strong> | <Flat-Roof Water Drainage System> |

Expansion of Overseas Business

* Including the export of domestic products

Sales by Overseas Area

- Forecasting growth in the 2H mainly in the U.S., Europe, and other areas



Strategy by Overseas Region

| Businesses/Products | Strategies | Europe | Americas | Asia |
|-----------------------------|---|--------|----------|------|
| Sheets | <ul style="list-style-type: none"> Promote expansion into medical-, railway-, and other-related applications (Europe, Americas) Continue to improve production efficiency | ✓ | ✓ | |
| Advanced Materials (FFU) | <ul style="list-style-type: none"> Cultivate new railway sleeper customers (U.S., Europe, Asia) Upgrade the processing system for European production base operations (FY2023) | ✓ | ✓ | ✓ |
| Pipeline Renewal | <ul style="list-style-type: none"> Promote the introduction of new products that facilitate easier installation Expand installation partners and strengthen collaboration | | ✓ | ✓ |
| Plant and industrial piping | <ul style="list-style-type: none"> Capture Asian semiconductor demand Strengthen production system capacity in Japan and overseas Expand synergies with Vietnam TP Corporation | | | ✓ |

Medical Business

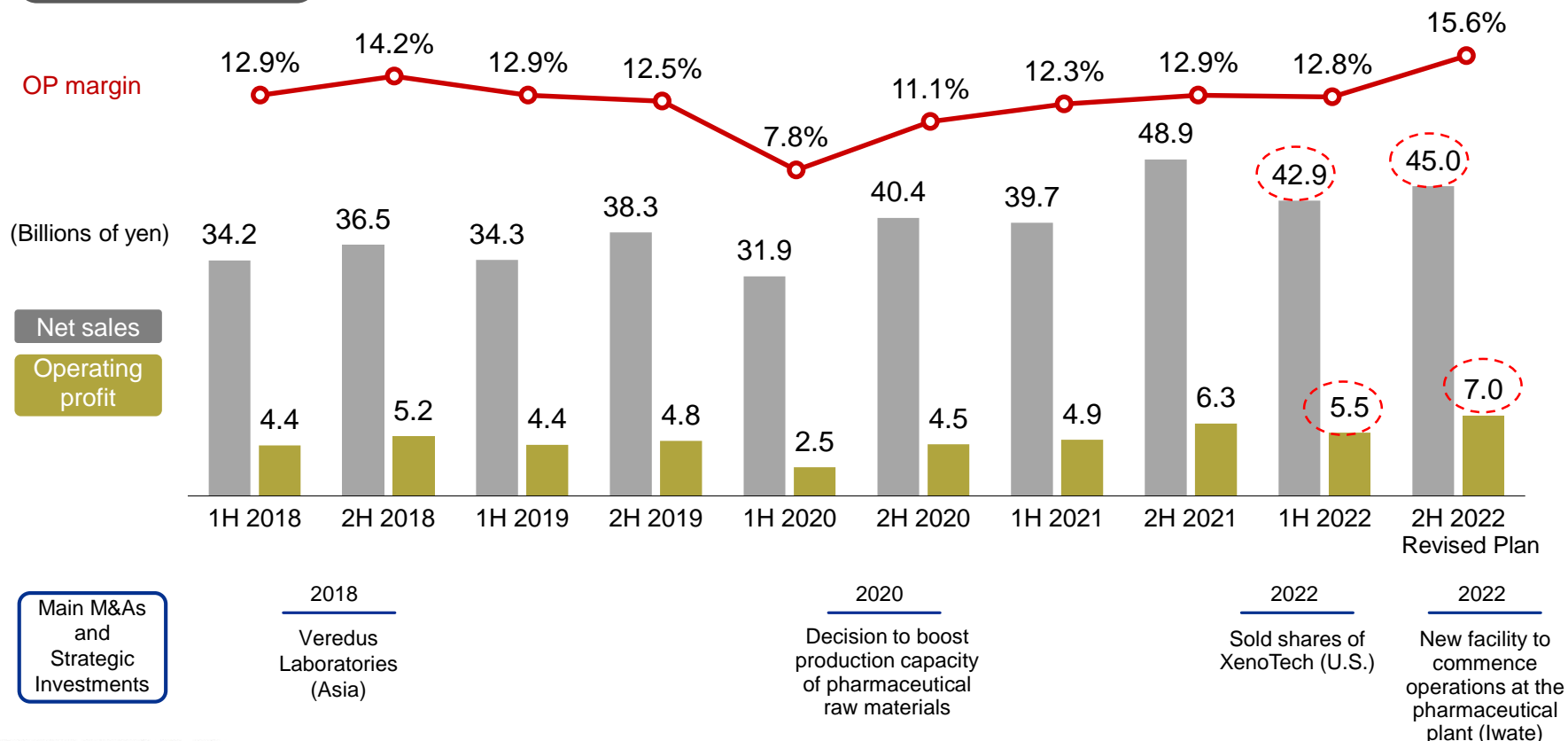
Futoshi Kamiwaki

Director, Senior Managing Executive Officer

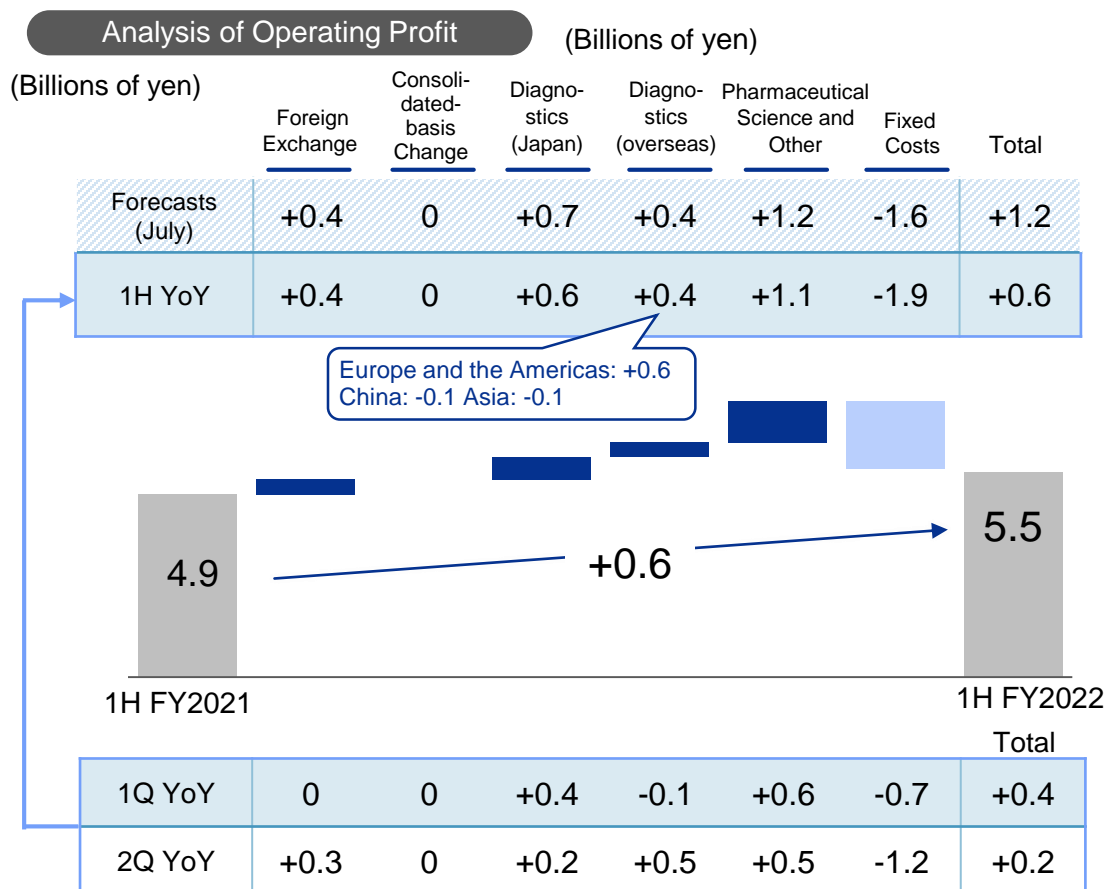
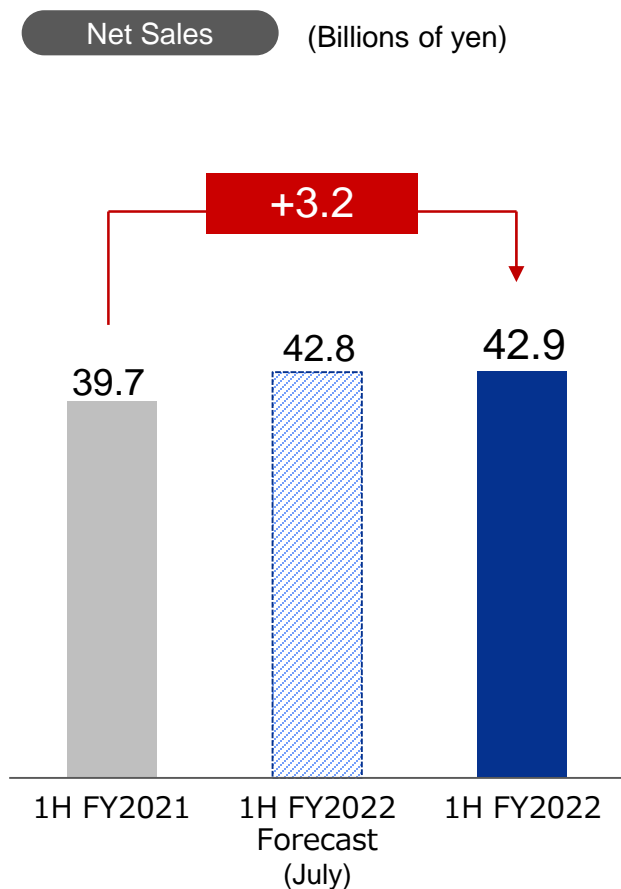
Head of Business Strategy Department

- Despite the impact of lockdowns in China, increases in both sales and profit on the back of a certain degree of increase in diagnostics demand in Japan and overseas and contributions to profits from new pharmaceutical ingredients; record-high profit in the 1H
- Work toward full fiscal year operating profit of ¥12.5 billion in line with initial expectations (April), record-high profits, and achieving the Medium-term Plan while offsetting delays in authorizing COVID-19 diagnostic kits in the U.S. by steadily capturing diagnostics demand in Japan and overseas and reducing fixed costs

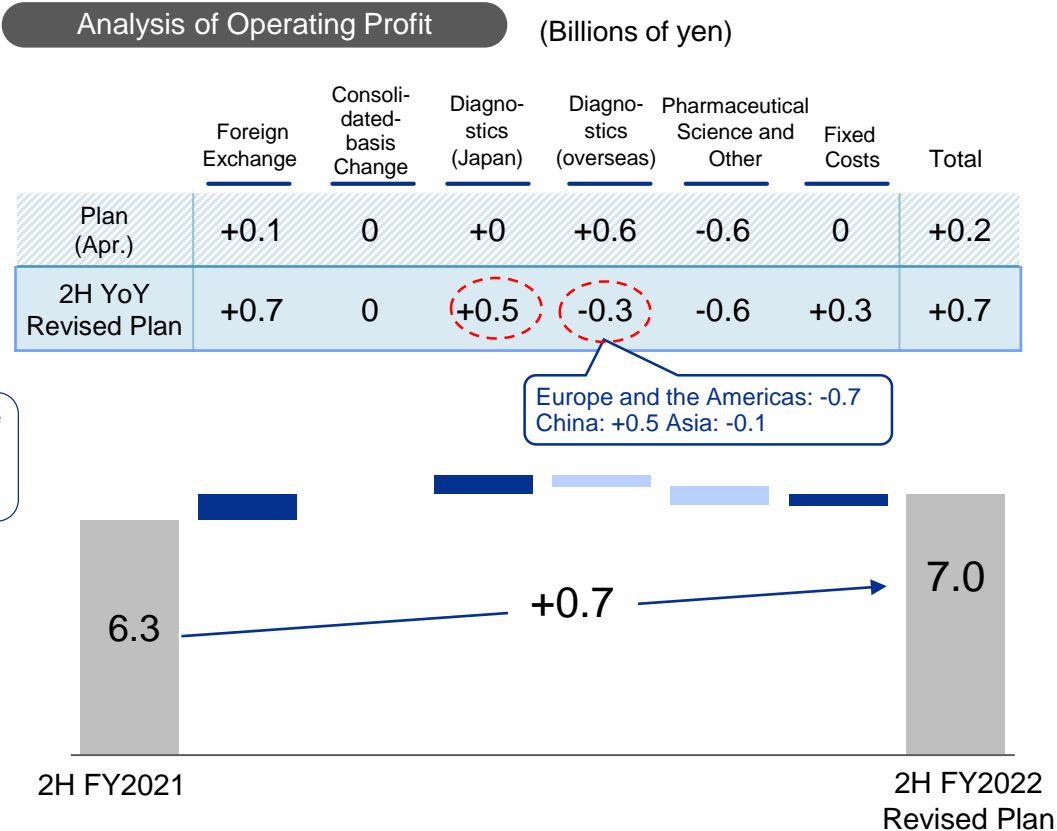
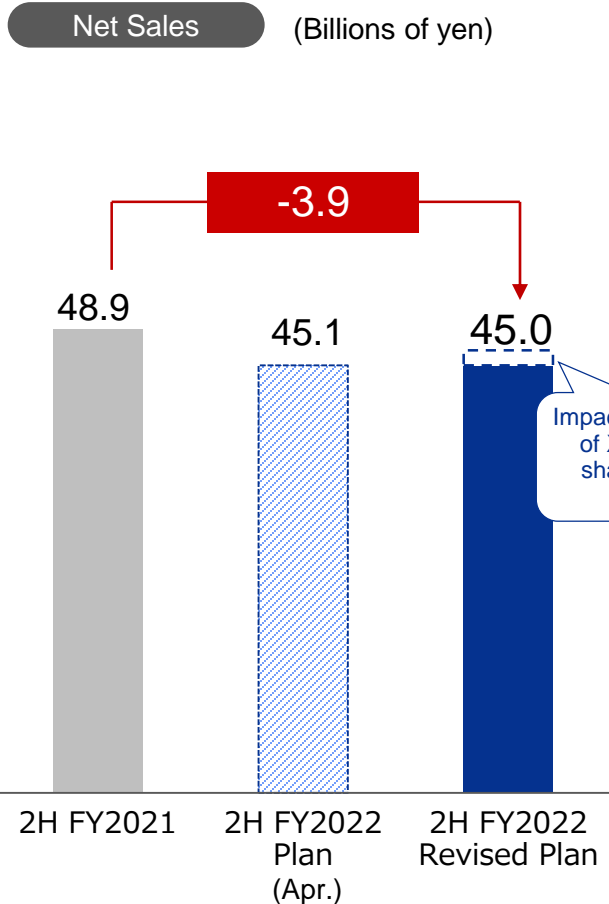
Performance Trends



- Despite not achieving the operating profit forecast (July) mainly due to the impact of lockdowns in China, secured an increase in profit; record-high profit in the 1H
- Sold shares of XenoTech (September)



■ Diagnostics Business expansion in Japan and overseas, reduced fixed costs and the effects of foreign exchange gains to offset delays in authorizing COVID-19 diagnostic kits (new product) in the U.S.

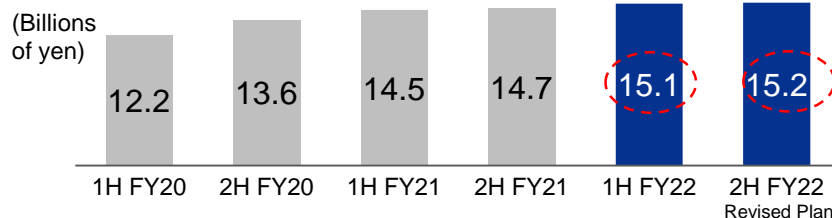


- Ongoing firm outpatient test demand both in Japan and overseas; Pharmaceutical Sciences Business progressing essentially in line with plans
- Focus on increasing sales of new pharmaceutical ingredients and new products (COVID-19 - FLU/RSV antigen diagnostics reagent (combination kit))

Net sales by Business and Overview of Progress

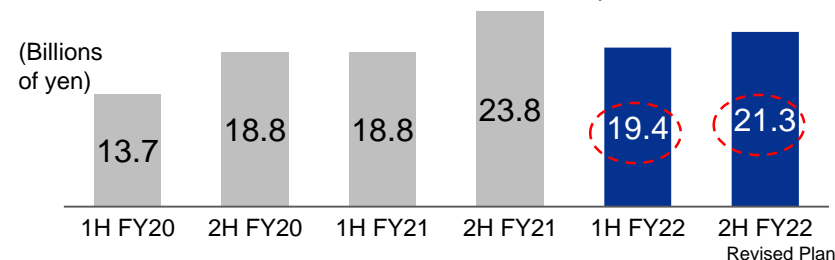
Diagnostics (Japan)

- 1H: Recovery in outpatient test demand; special demand for infectious disease diagnostic kits
- 2H: Focus on increasing sales of blood coagulation equipment, new products (COVID-19 - FLU/RSV antigen diagnostics reagent (combination kit))



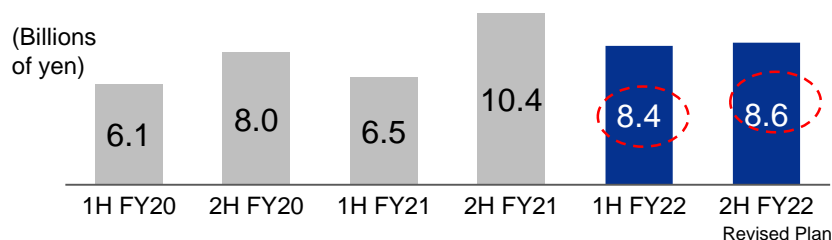
Diagnostics (overseas)

- 1H: Substantial impact of lockdowns in China; recovery in outpatient test demand in Europe and the U.S.
- 2H: Focus on increasing sales of blood coagulation reagents in China; prepare for partial reapplication for COVID-19 diagnostic kits in the U.S.; consider alliances with other companies



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

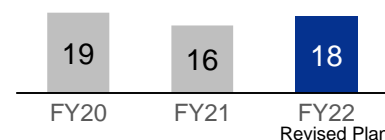
- 1H: Contributions to profits from new pharmaceutical ingredients
 - 2H: Ongoing contribution to profits from new pharmaceutical ingredients
- Impact of the sale of XenoTech shares (-¥1.6 billion)



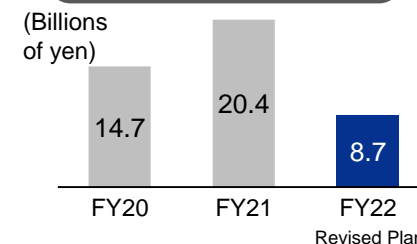
Development and Sales of New Products

- Accelerate gene testing development (U.S.)
- New facility to commence operations (scheduled for March) at the pharmaceutical plant (Iwate)

Number of New Products Released



New Product Sales



Financial Results

2Q FY2022

Number of Consolidated Companies

| | Mar. 31, 2022 | Sep. 30, 2022 | Difference |
|----------------------------|---------------|---------------|--|
| Consolidated subsidiaries | 155 | 152 | Increased: 0 Subsidiaries Decreased: 3 Subsidiaries* ¹ |
| Affiliates (Equity Method) | 8 | 8 | Increased: 0 Subsidiaries Decreased: 0 Subsidiaries |

*1 Sekisui Polymatech (Shanghai) Trading Co., Ltd., PT. Sekisui Polymatech Trading Indonesia、Sekisui XenoTech, LLC.

Impact of Change in the Number of Consolidated Companies

| (Billions of yen) | FY2021 (YoY) | Difference |
|-------------------|--------------|------------|
| Net sales | - | |
| Operating profit | - | |

Summary of Profit and Loss

| (Billions of yen) | 1H FY2021 | 1H FY2022 | Difference | |
|---|-----------|-----------|------------|--|
| Net sales | 547.9 | 607.8 | +59.8 | |
| Gross profit | 169.9 | 182.8 | +12.9 | |
| Gross profit margin | 31.0% | 30.1% | -0.9% | |
| Selling, general and administrative expenses | 134.4 | 142.5 | +8.0 | |
| Operating profit | 35.5 | 40.3 | +4.8 | |
| Share of profit of entities accounted for using equity method | 1.5 | 1.2 | -0.3 | |
| Other non-operating profit and expenses | 3.9 | 12.4 | +8.5 | Foreign exchange gains: +9.0 |
| Ordinary profit | 41.0 | 53.9 | +12.9 | |
| Extraordinary profit | 22.1 | 0.7 | -21.4 | Gain on sale of investment securities: +22.1 |
| Extraordinary losses | 50.7 | 1.0 | -49.6 | SEKISUI AEROSPACE CORPORATION Impairment losses: +49.5 ▶ Goodwill: +37.4 ▶ Intangible assets: +12.1 |
| Profit before income taxes | 12.4 | 53.5 | +41.1 | |
| Income taxes, etc. | 15.5 | 13.7 | -1.8 | |
| Profit attributable to non-controlling interests | 0.8 | 0.7 | -0.1 | |
| Profit attributable to owners of parent | -3.9 | 39.1 | +43.0 | Tax-effect accounting not applied to loss on impairment of goodwill: +37.4 |
| Foreign exchange (Avg. rate) | 1US\$ | 110 yen | 134 yen | |
| | 1€ | 131 yen | 139 yen | |

Balance Sheets (Assets)

| (Billions of yen) | Mar. 31, 2022 | Sep. 30, 2022 | Difference |
|-------------------------------|----------------|----------------|--------------|
| Cash and deposits | 144.5 | 131.7 | -12.8 |
| Trade receivables | 186.5 | 187.2 | +0.7 |
| Inventories | 243.8 | 272.1 | +28.2 |
| Other current assets | 34.6 | 35.5 | +0.9 |
| Property, plant and equipment | 365.3 | 378.5 | +13.3 |
| Intangible assets | 46.7 | 48.0 | +1.3 |
| Investment securities | 130.7 | 131.8 | +1.2 |
| Investments and other assets | 46.8 | 50.0 | +3.2 |
| Total assets | 1,198.9 | 1,234.9 | +36.0 |

| Inventories (B/S item) | Sep.30 2022 | Difference |
|--|-------------|------------|
| Ready-built housing (products) | 29.2 | +3.4 |
| Prepared land for subdivision housing | 56.7 | +1.3 |
| Land under preparation (work in process) | 10.3 | -0.2 |
| Housing under construction (work in process) | 36.8 | +5.7 |
| Components, other (raw materials) | 7.8 | +1.3 |
| Housing Total | 140.8 | +11.5 |
| Non-residential total (products, other) | 131.3 | +16.7 |
| Inventories Total | 272.1 | +28.2 |

Purchase +27.1
 Depreciation -20.8
 Foreign exchange +10.2

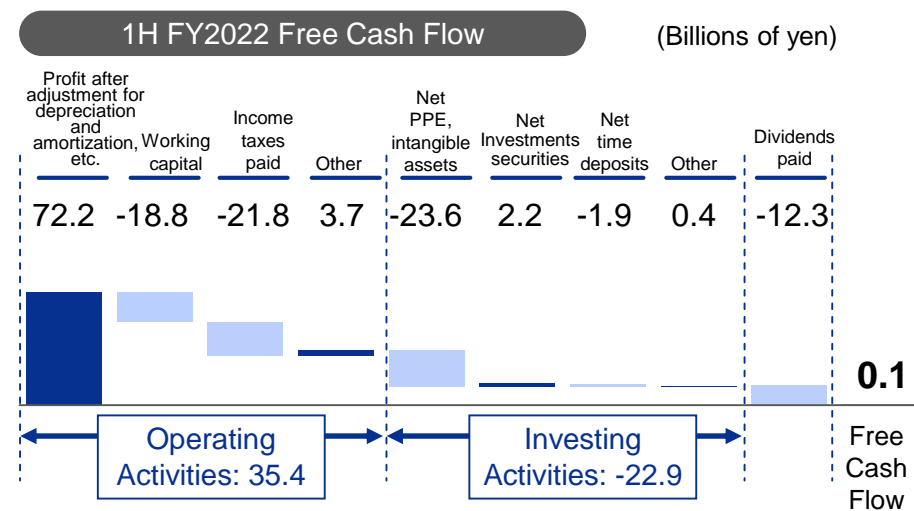
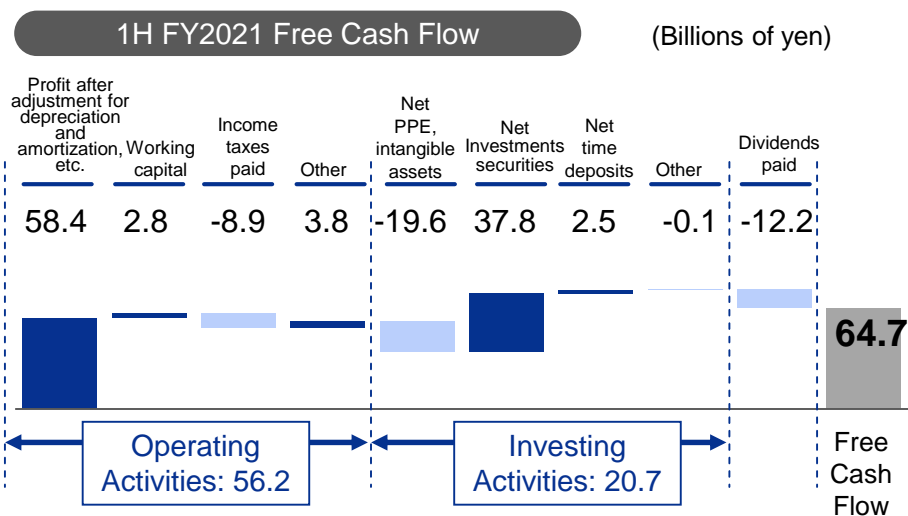
Foreign exchange: +31.4
 Consolidated-basis change: -3.5
 ► Actual basis: +8.1

Balance Sheets (Liabilities & Net Assets)

| (Billions of yen) | Mar. 31, 2022 | Sep. 30, 2022 | Difference | |
|---|----------------|----------------|--------------|---|
| Non-interest-bearing liabilities | 373.6 | 376.7 | +3.1 | |
| Interest-bearing liabilities | 122.6 | 123.4 | +0.8 | |
| (Net interest-bearing liabilities) | (-22.0) | (-8.3) | (+13.6) | |
| Total liabilities | 496.2 | 500.1 | +3.9 | |
| Share capital etc. | 209.0 | 208.6 | -0.5 | |
| Retained earnings | 448.0 | 462.8 | +14.9 | Net profit +39.1 |
| Treasury shares | -44.6 | -45.3 | -0.7 | Dividends paid -11.1 |
| Valuation difference on available-for-sale securities | 33.7 | 33.8 | +0.1 | Cancellation of treasury shares -13.2 |
| Non-controlling interests | 28.1 | 26.8 | -1.4 | |
| Other net assets | 28.5 | 48.2 | +19.7 | Cancellation of treasury shares +13.2 |
| Total net assets | 702.8 | 734.9 | +32.1 | Purchases of treasury shares -14.1 |
| Total liabilities and net assets | 1,198.9 | 1,234.9 | +36.0 | Foreign currency translation adjustment +20.2 |
| Equity-to-asset ratio (%) | 56.3% | 57.3% | +1.1% | |
| D/E ratio (Net) | -0.03 | -0.01 | +0.02 | |

Consolidated Cash Flows

| (Billions of yen) | 1H FY2021 | 1H FY2022 |
|--|-----------|-----------|
| Cash flows from operating activities | 56.2 | 35.4 |
| Cash flows from investing activities | 20.7 | -22.9 |
| Cash flows from financing activities | -25.7 | -31.9 |
| Net increase in cash and cash equivalents | 50.9 | -15.4 |
| Cash and cash equivalents at end of period | 127.6 | 118.3 |
| Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid | 64.7 | 0.1 |



Depreciation, Amortization, Capital Expenditures and EBITDA

| (Billions of yen) | Depreciation* ¹ | | | Goodwill and other amortization* ² | | | Capital expenditures | | | EBITDA* ³ | | |
|------------------------------------|----------------------------|-------------|-------------|---|------------|-------------|----------------------|-------------|-------------|----------------------|-------------|-------------|
| | 1H FY2021 | 1H FY2022 | Difference | 1H FY2021 | 1H FY2022 | Difference | 1H FY2021 | 1H FY2022 | Difference | 1H FY2021 | 1H FY2022 | Difference |
| Housing | 4.8 | 5.4 | +0.6 | - | - | - | 6.5 | 4.8 | -1.7 | 19.6 | 20.2 | +0.5 |
| UIEP | 4.3 | 4.5 | +0.2 | - | - | - | 5.0 | 5.5 | +0.5 | 7.5 | 10.6 | +3.0 |
| HPP | 8.4 | 9.5 | +1.1 | 2.3 | 0.9 | -1.4 | 8.6 | 8.5 | -0.1 | 30.0 | 32.2 | +2.2 |
| Medical | 2.0 | 2.3 | +0.3 | 0.9 | 0.4 | -0.5 | 2.9 | 4.7 | +1.8 | 7.8 | 8.1 | +0.4 |
| Other | 1.2 | 1.3 | +0.1 | 0 | 0 | 0 | 1.0 | 3.2 | +2.2 | -4.0 | -4.1 | -0.1 |
| Eliminations or Corporate expenses | 0.6 | 0.5 | -0.1 | - | - | - | 1.1 | 2.2 | +1.1 | -0.9 | -1.8 | -0.9 |
| Total | 21.4 | 23.6 | +2.2 | 3.2 | 1.3 | -1.9 | 25.2 | 29.0 | +3.8 | 60.1 | 65.2 | +5.1 |

*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

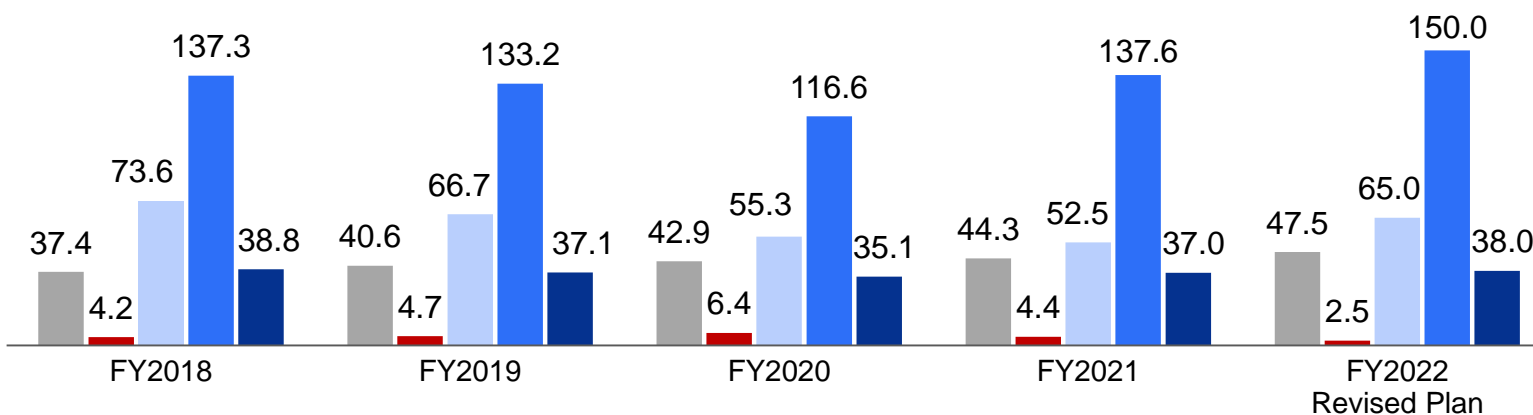
Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

| (Billions of yen) | FY2021 | FY2022 Revised 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

(Billions of yen)

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



This slide presentation contains forward-looking statements. The 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: Figures denominated in 100 million yen are rounded off to the nearest hundred million.

Housing Company Results and Plan

* Including Tochigi Sekisuiheim Inc. scheduled for inclusion in the scope of consolidation in December

1. Main data in Housing business

| | | FY2022 | | | FY2021 | | |
|--------------------------------|--|--------|---------|----------------|--------|-------|-----------|
| | | 1H | 2H Plan | Full Year Plan | 1H | 2H | Full Year |
| CONSOLIDATED | Net sales (Billions of yen) | 260.2 | 287.8* | 548.0* | 249.8 | 265.4 | 515.2 |
| | Housing | 177.2 | 188.4 | 365.6 | 171.6 | 183.1 | 354.7 |
| | Renovation | 47.0 | 51.5 | 98.5 | 45.9 | 46.2 | 92.1 |
| | Other | 36.0 | 43.1 | 79.1 | 32.4 | 36.1 | 68.4 |
| | Real estate | 25.8 | 29.1 | 54.9 | 24.7 | 25.8 | 50.5 |
| | Residential Services | 3.7 | 4.4 | 8.1 | 3.8 | 4.1 | 7.9 |
| | Town and Community Development | 4.8 | 7.5 | 12.3 | 2.8 | 5.1 | 7.8 |
| | Overseas | 0.8 | 1.0 | 1.7 | 0.6 | 0.6 | 1.2 |
| OTHERS | 1. Number of houses sold (Housing units) | 5,190 | 5,600 | 10,790 | 5,040 | 5,370 | 10,410 |
| | Detached houses | 4,925 | 5,260 | 10,185 | 4,830 | 5,060 | 9,890 |
| | Housing/Rebuilding | 4,185 | 4,450 | 8,635 | 4,075 | 4,330 | 8,405 |
| | Ready-built houses | 740 | 810 | 1,550 | 755 | 730 | 1,485 |
| | Apartment buildings, other | 265 | 340 | 605 | 210 | 310 | 520 |
| | 2. Main data | | | | | | |
| | Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen) | 32.9 | - | - | 31.6 | 32.1 | 31.8 |
| | Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen) | 932 | - | - | 895 | 907 | 901 |
| | Floor space <Sales subsidiaries: Detached houses> (Square meter) | 116.4 | - | - | 116.4 | 116.8 | 116.6 |
| | Exhibition places (Units) | 431 | - | 431 | 435 | - | 430 |
| Sales staff (Number of person) | 2,439 | - | 2,310 | 2,533 | - | 2,354 | |

Housing Company Results and Plan

2. Housing orders

(Millions of yen)

| | | FY2022 | | | FY2021 | | | FY2020 | | |
|-------------------------------------|-----------------------------|---------|---------|----------------|---------|---------|-----------|---------|---------|-----------|
| | | 1H | 2H Plan | Full Year Plan | 1H | 2H | Full Year | 1H | 2H | Full Year |
| New construction · Renovation | Year-start Backlog | 185,000 | 186,900 | - | 184,800 | 192,500 | - | 205,400 | 194,500 | - |
| | Growth Rate | ±0% | -3% | - | -10% | -1% | - | -6% | -11% | - |
| | New Orders | 203,360 | 216,880 | 420,240 | 200,607 | 198,850 | 399,457 | 175,319 | 190,806 | 366,125 |
| | Growth Rate | +1% | +9% | +5% | +14% | +4% | +9% | -14% | -1% | -8% |
| | Sales of Housing/Renovation | 201,460 | 216,480 | 417,940 | 192,907 | 206,350 | 399,257 | 186,219 | 200,506 | 386,725 |
| | Growth Rate | +4% | +5% | +5% | +4% | +3% | +3% | -10% | -2% | -6% |
| | End-balance | 186,900 | 187,300 | - | 192,500 | 185,000 | - | 194,500 | 184,800 | - |
| | Growth Rate | -3% | +1% | - | -1% | ±0% | - | -11% | -10% | - |

3. Housing starts

(Units)

| | | FY2022 | | | FY2021 | | | FY2020 |
|---|--|---------|---------|----------------|---------|---------|-----------|-----------|
| | | 1H | 2H Plan | Full Year Plan | 1H | 2H | Full Year | Full Year |
| Housing starts | | 442,900 | 412,100 | 855,000 | 445,674 | 420,235 | 865,909 | 812,164 |
| Privately-owned houses + Houses for sale starts (included in above) =A | | 206,400 | 192,400 | 398,800 | 220,321 | 205,082 | 425,403 | 392,448 |
| Detached house sales by our company=B (Unit base) | | 4,925 | 5,260 | 10,185 | 4,830 | 5,060 | 9,890 | 9,555 |
| Our share in Detached houses=B/A | | 2.4% | 2.7% | 2.6% | 2.2% | 2.5% | 2.3% | 2.4% |

* Of which "Housing starts", "Privately-owned houses" and "Houses for sale starts" after 1H of FY2022 are based on forecasts

4. The ratio of houses equipped with smart specifications

| | | FY2022 | | | FY2021 | | | FY2020 |
|--|--|--------|---------|----------------|--------|-----|-----------|-----------|
| | | 1H | 2H Plan | Full Year Plan | 1H | 2H | Full Year | Full Year |
| Solar power generation systems installed | | 88% | 88% | 88% | 83% | 84% | 84% | 80% |
| Storage battery installed | | 81% | 81% | 81% | 69% | 74% | 72% | 62% |
| Comfortable Air System | | 71% | 75% | 73% | 72% | 72% | 72% | 73% |

SEKISUI