

**Summary of Consolidated Financial Results for the First Quarter of Fiscal Year 2022 Ending March 31, 2023**  
 <Under Japanese GAAP>

July 28, 2022

Company Name: SEKISUI CHEMICAL CO., LTD. Stock Listings: Tokyo Stock Exchange  
 Code Number: 4204 URL: <https://www.sekisuichechemical.com>  
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 Scheduled date for submission of quarterly financial statement: August 8, 2022 Scheduled date for payment of dividends: —  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings results briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the First Quarter of Fiscal Year 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated Business Results (% figures represent changes from the same period of the previous year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022 (First 3 months)	282,271	13.5	13,844	24.5	21,361	63.7	14,578	16.3
FY2021 (First 3 months)	248,596	15.8	11,120	650.7	13,051	—	12,533	—

Note. Comprehensive Income: FY2022 (First 3 months): 31,398 million yen (271.6%) FY2021 (First 3 months): 8,450 million yen (-28.7%)

	Profit Attributable to Owners of the Parent per Share	Profit Attributable to Owners of the Parent per Share (Diluted)
	yen	yen
FY2022 (First 3 months)	33.08	—
FY2021 (First 3 months)	28.02	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Total Assets
	Millions of yen	Millions of yen	%
1st Q of FY2022	1,200,380	707,133	56.6
FY2021	1,198,921	702,753	56.3

(Reference) Equity: 1st Q of FY2022: 679,464 million yen, FY2021: 674,636 million yen

Equity: Shareholders' Equity including Accumulated Other Comprehensive Income

2. Dividend Status

(Date of Record)	Dividend per Share				
	At the end of 1st Q	At the end of 2nd Q	At the end of 3rd Q	Year-end	Full year
	yen	yen	yen	yen	yen
FY2021	—	24.00	—	25.00	49.00
FY2022	—	—	—	—	—
FY2022 (outlook)	—	26.00	—	27.00	53.00

Note. Recent revision of dividend estimates: No

3. Consolidated Outlook for FY2022 (April 1, 2022 to March 31, 2023)

(% figures represent changes from the same period of the previous year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of the Parent		Profit Attributable to Owners of the Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Mid-Term	613,300	11.9	39,000	9.8	46,000	12.3	31,000	—	71.08
Full Year	1,260,700	8.9	100,000	12.5	105,000	8.2	70,000	88.8	160.50

Note. Recent revision of consolidated earnings estimates: Yes

**Notes:**

- (1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting): No
- (2) Application of special methods for quarterly consolidated financial statements: Yes  
Note: For further details please refer to "(4) Notes to Consolidated Financial Statements (Application of special accounting methods for the preparation of quarterly consolidated financial statements)" on page 9 of the attached document "2. Consolidated Financial Statement and Notes."
- (3) Changes to the accounting policy, changes or restatements of the accounting estimates
  - a) Changes caused by revisions to accounting principles : No
  - b) Changes other than a) : No
  - c) Amendments to accounting estimates : No
  - d) Restatements : No

**(4) Number of shares outstanding (common stock)**

a) Number of shares outstanding at the end of term (including treasury shares):

1st Q of FY2022	463,507,285	FY2021	471,507,285
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b) Treasury shares at the end of term:

1st Q of FY2022	27,358,850	FY2021	27,431,111
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c) Average outstanding shares in the period (quarterly consolidated cumulative total):

1st Q of FY2022	440,692,090	1st Q of FY2021	447,357,504
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**Note: Execution chart for audit procedures**

The Financial Instruments and Exchange Law does not require this brief announcement of the most recent financial statements to be subject to audit review.

**Note: Remarks on appropriate use of forecasted results of operation and other special matters**

1. This report contains revisions to the consolidated forecasts for the fiscal year announced on April 27, 2022.
2. The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of its issue and on certain assumptions that the Company considers reasonable. Forward-looking statements in no capacity represent a guarantee that the Company will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts. For important matters regarding the conditions associated with the assumptions of these forecasts and their appropriate use, please see "2. Revision to the consolidated results forecast and other forward-looking information" on page 3 of the Quarterly Financial Report (Supplementary Material).

## I. Qualitative Information and Financial Review

### 1. Consolidated Business Results

#### (1) Group Overview

**Net Sales: 282.2 billion yen (+13.5%), Operating Profit: 13.8 billion yen (+24.5%),**

**Ordinary Profit: 21.3 billion yen (+63.7%), Profit Attributable to Owners of Parent: 14.5 billion yen (+16.3%)**

In the first quarter of fiscal 2022, the automobile market was weaker than expected due in part to the reduced production resulting from parts shortages. On the other hand, a certain level of recovery from the impact of COVID-19 was seen in the markets for semiconductor-related products, housing, and building materials. Along with expanded sales of high added value products, due to the weakening of the yen, sales increased substantially.

Although the surge in the prices of raw materials, fuel, and parts continued longer than expected, efforts such as the improvement of selling prices, the expansion of sales of high added value products, and cost cutting led to a substantial increase in operating profit in all of our business segments.

Ordinary profit and profit attributable to owners of parent increased significantly due in part to the effects of foreign exchange rates.

#### (2) Overview by Business Segment

[Housing Company]

**Net Sales: 115.6 billion yen (+9.6%), Operating Profit: 2.8 billion yen (+132.8%)**

In the first quarter of fiscal 2022, despite the surge in parts prices and effects from delivery delays, both sales and profit increased due to factors such as firm orders for housing and renovation business, effects from the leveling of sales, and growth in the Real Estate business and the Town and Community Development business.

With regard to orders, the Housing business saw firm trends in subdivision and ready-built houses, and the number of orders was on a par with the level for the same period of the previous year. In the Housing Renovation business, orders were up year-on-year due to the expanded sales of storage batteries and other products.

In terms of measures, amid increasing energy concerns against the backdrop of geopolitical and other factors, we promoted smart and resilient products in the Housing, Housing Renovation, and Town and Community Development businesses. In the Housing business, in addition to strengthening Web marketing that utilizes our own websites, we continued to focus on expanding sales of subdivision and ready-built houses, whose demand remained firm. In the Housing Renovation business, we strived to expand periodic diagnoses and strengthen our proposal skills.

[Urban Infrastructure and Environmental Products Company]

**Net Sales: 48.9 billion yen (+10.9%), Operating Profit: 1.4 billion yen (+279.9%)**

In the first quarter of fiscal 2022, effects from the surge in raw material prices remained. Nevertheless, sales increased thanks to the completion of delayed projects that continued from the previous fiscal year as well as improved selling prices, with operating profit reaching a record high.

In the Piping and Infrastructure field, net sales were up year-on-year thanks to firm demand for detached houses and demand associated with capital investment in plants (semiconductors) in Japan and overseas.

In the Building and Living Environment field, net sales increased year-on-year due to recovery trends in demand for detached houses, condominiums, and renovation.

In the Advanced Materials field, while synthetic lumber was affected by delays in projects for railway sleepers, demand for thermoplastic sheets recovered in the aircraft industry and their medical applications also expanded,

resulting in higher net sales than in the same period of the previous year.

[High Performance Plastics Company]

**Net Sales: 100.3 billion yen (+19.7%), Operating Profit: 10.9 billion yen (+4.9%)**

In the first quarter of fiscal 2022, despite the impact of reduced automobile production resulting mainly from the lockdown in China due to COVID-19 and the situation in Ukraine, sales increased due to firm demand for semiconductors and building materials, as well as the effects of foreign exchange rates. Moreover, although the marked increase in the prices of raw materials and fuel has continued, we secured increase in profit thanks to the improvement of selling prices, the expansion of sales of high-performance products, and reduced costs.

In the Electronics field, sales of semiconductor-related products were firm, resulting in a year-on-year increase in net sales.

In the Mobility field, the automobile market stagnated due to the effects of COVID-19 and parts supply shortages in Europe and Japan. Nevertheless, net sales were higher than in the same period of the previous year thanks to growth in sales of high-performance products, especially interlayer films for heads-up displays.

In the Buildings and Infrastructure Materials field, demand for chlorinated polyvinyl chloride (CPVC) was firm, especially in India, and the market for fire protection materials and non-combustible materials used in homes in Japan also recovered. As a result, net sales were up year-on-year.

[Medical Business]

**Net Sales: 20.6 billion yen (+12.3%), Operating Profit: 2.6 billion yen (+16.5%)**

In the first quarter of fiscal 2022, despite being affected by the lockdown in China, both net sales and operating profit reached a record high thanks to the strong performance of diagnostic reagents in Japan, as well as the Pharmaceuticals & Fine Chemicals business.

In the Diagnostics business, sales of COVID-19 test kits and immunoassay reagents expanded in Japan, and domestic net sales exceeded the level for the same period of the previous year. Overseas, demand for outpatient testing was firm in Europe and the United States, resulting in year-on-year increase in net sales.

In the Pharmaceuticals & Fine Chemicals business, new orders for pharmaceuticals were strong, while both drug development (contract studies) and enzymes progressed as planned. As a result, net sales were higher than in the same period of the previous year.

## 2. Revision to the Consolidated Results Forecast and Other Forward-Looking Information

With regard to the consolidated forecasts for the first half and fiscal 2022 as a whole, automobile production and the market for smartphones and other products are likely to be weaker than initially projected, while a greater-than-expected surge in the prices of raw materials and parts are expected to continue. On the other hand, we anticipate improvements to selling prices, expanded sales of high added value products, and progress in cost reductions. As for foreign exchange, the yen has weakened substantially. Taking into these factors, we have revised the forecast figures published on April 27, 2022 as shown in the tables below.

Revision to the forecast for the first half of FY2022 (April 1, 2022 to September 30, 2022)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Net Profit per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	594,200	39,000	41,000	27,500	61.93
<b>Revised forecast (B)</b>	<b>613,300</b>	<b>39,000</b>	<b>46,000</b>	<b>31,000</b>	<b>71.08</b>
Change (B-A)	19,100	0	5,000	3,500	-
Change (%)	+3.2	0.0	+12.2	+12.7	-
(Reference) Results for the first half of the previous year (first half of FY2021)	547,942	35,520	40,968	-3,914	-8.76

Revision to the forecast for FY2022 (April 1, 2022 to March 31, 2023)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Net Profit per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,241,600	100,000	100,000	66,500	149.75
<b>Revised forecast (B)</b>	<b>1,260,700</b>	<b>100,000</b>	<b>105,000</b>	<b>70,000</b>	<b>160.49</b>
Change (B-A)	19,100	0	5,000	3,500	-
Change (%)	+15.4	0	+5.0	+5.26	-
(Reference) Results for the previous year (FY2021)	1,157,945	88,879	97,001	37,067	83.17

## 2. Consolidated Financial Statement and Notes

## Consolidated Financial Statement (First Quarter, Fiscal Year 2022)

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	144,534	107,699
Notes receivable - trade	36,999	35,158
Accounts receivable - trade	148,748	142,294
Contract assets	721	1,012
Merchandise and finished goods	86,262	95,704
Land for sale in lots	55,364	54,619
Work in process	56,611	67,690
Raw materials and supplies	45,600	51,847
Advance payments to suppliers	4,551	4,341
Prepaid expenses	8,092	9,585
Short-term loans receivable	182	1
Other	22,984	26,878
Allowance for doubtful accounts	-1,257	-1,257
Total current assets	609,395	595,577
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,810	122,561
Machinery, equipment and vehicles, net	108,218	109,895
Land	83,059	83,596
Leased assets, net	19,618	20,131
Construction in progress	21,606	28,960
Other, net	11,939	12,109
Total property, plant and equipment	365,254	377,256
Intangible assets		
Goodwill	10,736	10,836
Software	10,561	16,001
Leased assets	137	137
Other	25,298	21,484
Total intangible assets	46,733	48,459
Investments and other assets		
Investment securities	130,688	130,771
Long-term loans receivable	1,157	1,027
Long-term prepaid expenses	2,030	2,240
Retirement benefit asset	21,066	20,980
Deferred tax assets	10,909	12,446
Other	14,038	14,027
Allowance for doubtful accounts	-2,352	-2,405
Total investments and other assets	177,537	179,087
Total non-current assets	589,525	604,803
Total assets	1,198,921	1,200,380

(Millions of yen)

As of March 31, 2022 As of June 30, 2022

Liabilities		
Current liabilities		
Notes payable - trade	1,386	1,317
Electronically recorded obligations - operating	28,335	27,715
Accounts payable - trade	108,460	105,630
Short-term borrowings	4,293	5,618
Lease liabilities	5,000	5,145
Accrued expenses	43,500	39,616
Income taxes payable	23,678	6,661
Provision for bonuses	19,709	12,914
Provision for bonuses for directors (and other officers)	290	172
Provision for warranties for completed construction	1,482	3,674
Provision for share awards	138	167
Advances received	46,068	58,393
Other	47,350	59,794
Total current liabilities	329,694	326,822
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term borrowings	58,093	57,152
Lease liabilities	15,170	15,640
Deferred tax liabilities	4,624	4,948
Retirement benefit liability	41,840	41,736
Provision for share awards	773	828
Other	5,971	6,117
Total non-current liabilities	166,473	166,425
Total liabilities	496,168	493,247
Net assets		
Shareholders' equity		
Share capital	100,002	100,002
Capital surplus	109,042	108,474
Retained earnings	447,958	438,193
Treasury shares	-44,592	-45,332
Total shareholders' equity	612,409	601,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,726	33,908
Deferred gains or losses on hedges	-18	-14
Revaluation reserve for land	322	322
Foreign currency translation adjustment	25,507	41,556
Remeasurements of defined benefit plans	2,687	2,354
Total accumulated other comprehensive income	62,226	78,127
Non-controlling interests	28,116	27,668
Total net assets	702,753	707,133
Total liabilities and net assets	1,198,921	1,200,380

## (2) Consolidated Statements of Income and Statement of Comprehensive Income

(Consolidated Statements of Income)

First Quarter, Fiscal Year 2022

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	248,596	282,271
Cost of sales	170,658	197,729
Gross profit	77,937	84,541
Selling, general and administrative expenses	66,816	70,697
Operating profit	11,120	13,844
Non-operating income		
Interest income	142	171
Dividend income	1,979	1,987
Share of profit of entities accounted for using equity method	269	34
Foreign exchange gains	140	5,526
Miscellaneous income	678	472
Total non-operating income	3,210	8,193
Non-operating expenses		
Interest expenses	236	183
Miscellaneous expenses	1,042	492
Total non-operating expenses	1,279	675
Ordinary profit	13,051	21,361
Extraordinary income		
Gain on sale of investment securities	6,262	—
Total extraordinary income	6,262	—
Extraordinary losses		
Loss on sale and retirement of non-current assets	327	450
Total extraordinary losses	327	450
Profit before income taxes	18,987	20,911
Income taxes	6,248	6,075
Profit	12,738	14,835
Profit attributable to non-controlling interests	205	257
Profit attributable to owners of parent	12,533	14,578



## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	12,738	14,835
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,160	286
Deferred gains or losses on hedges	16	2
Foreign currency translation adjustment	1,098	16,715
Remeasurements of defined benefit plans, net of tax	-93	-335
Share of other comprehensive income of entities accounted for using equity method	-149	-105
Total other comprehensive income	-4,288	16,562
Comprehensive income	8,450	31,398
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,371	30,478
Comprehensive income attributable to non-controlling interests	78	919

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	18,987	20,911
Depreciation	11,154	11,766
Amortization of goodwill	1,103	302
Loss on retirement of non-current assets	316	437
Loss (gain) on sale of non-current assets	11	13
Increase (decrease) in provision for bonuses	-5,370	-6,965
Increase or decrease in retirement benefit asset and liability	-433	-120
Loss (gain) on sale of investment securities	-6,262	—
Interest and dividend income	-2,122	-2,159
Interest expenses	236	183
Share of loss (profit) of entities accounted for using equity method	-269	-34
Decrease (increase) in trade receivables and contract assets	15,632	14,442
Decrease (increase) in inventories	-14,568	-21,357
Increase (decrease) in trade payables	-9,110	-10,046
Increase (decrease) in accrued consumption taxes	-2,753	-936
Increase (decrease) in advances received	12,227	12,220
Increase (decrease) in deposits received	3,579	7,977
Other, net	-5,374	-10,260
Subtotal	16,983	16,373
Interest and dividends received	2,634	2,584
Interest paid	-236	-203
Income taxes paid	-8,045	-20,886
Net cash provided by (used in) operating activities	11,336	-2,131
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-8,194	-7,890
Proceeds from sale of property, plant and equipment	38	308
Payments into time deposits	-2,267	-2,755
Proceeds from withdrawal of time deposits	3,079	2,633
Purchase of investment securities	-397	-147
Proceeds from sale and redemption of investment securities	12,926	0
Purchase of intangible assets	-1,410	-2,631
Purchase of shares of subsidiaries	-6	—
Decrease (increase) in short-term loans receivable	-30	180
Other, net	110	97
Net cash provided by (used in) investing activities	3,847	-10,205
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,408	87
Repayments of lease liabilities	-1,315	-1,448
Repayments of long-term borrowings	-1,241	-55
Dividends paid	-10,805	-11,130
Dividends paid to non-controlling interests	-109	-163
Purchase of treasury shares	-5,644	-14,071
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-25	-1,865
Other, net	0	115
Net cash provided by (used in) financing activities	-17,735	-28,531
Effect of exchange rate change on cash and cash equivalents	97	3,277
Net increase (decrease) in cash and cash equivalents	-2,454	-37,591
Cash and cash equivalents at beginning of period	76,649	133,739
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1	—
Cash and cash equivalents at end of period	74,196	96,148

(4) Notes to Consolidated Financial Statement

(Notes regarding the premise of a going concern)

No significant changes during the term under review.

(Significant Change in Shareholder Equity)

No significant changes during the term under review.

(Application of special accounting methods for the preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Income taxes are determined based on the amount of income before income taxes for the current first quarter ended June 30, 2022 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2023. In case where the estimated effective tax rate is notably lacking rationality, statutory tax rate is used.

Deferred income taxes are included in income taxes.

## (Segment Information)

First Quarter of Fiscal Year 2022 (April 1, 2022 to June 30, 2022)

## 1. Information as to sales and profit (loss) on each reportable segment and its details

(Millions of yen)

	Reportable Segments					Other (Note1 and 2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Sales							
Japan	115,227	36,886	27,302	9,472	188,888	427	189,316
North America	-	4,125	20,921	5,678	30,725	-	30,725
Europe	-	1,766	17,540	2,259	21,567	-	21,567
China	-	1,140	15,592	2,427	19,161	511	19,673
Asia	397	1,598	15,322	482	17,801	14	17,815
Others	-	604	2,269	299	3,172	-	3,172
Sales to third parties	115,624	46,123	98,948	20,620	281,317	953	282,271
Intersegment sales or transfers	48	2,875	1,450	-	4,374	912	5,287
Total	115,673	48,998	100,399	20,620	285,691	1,866	287,558
Segment profit (loss)	2,873	1,471	10,914	2,643	17,902	-2,693	15,209

Note 1: Net Sales of Housing segment in Japan includes ¥10,646 million that does not correspond to revenue generated from contracts with customers.

Net Sales of other segment in Japan includes ¥226 million that does not correspond to revenue generated from contracts with customers.

Note 2: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

## 2. Information on the difference between the total amount of the reportable segments in the above tables and the corresponding amount reported in the consolidated financial statements

(Millions of yen)

Profit	Amount
Total of reportable segments	17,902
Other net Sales	-2,693
Eliminations	121
Corporate expenses (Note)	-1,486
Operating Profit	13,844

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment.