



SEKISUI CHEMICAL CO., LTD.

# Presentation of Financial Results

1Q FY2021, ending March 31, 2022

**Futoshi Kamiwaki**

Director

Senior Managing Executive Officer

Head of Business Strategy Department

July 29, 2021

# 1Q FY2021 Results and 1H FY2021 Forecasts

Forex Rate	1Q FY2020	1H FY2020	1Q FY2021	2Q FY2021	1H FY2021	FY2021 (Initial Plan)
<b>Assumptions</b>	¥110/US\$ ¥120/€	¥109/US\$ ¥121/€	¥105/US\$ ¥127/€	¥110/US\$ ¥133/€	¥108/US\$ ¥130/€	¥105/US\$ ¥127/€
<b>Results</b> (Avg. rate for each term)	¥108/US\$ ¥118/€	¥107/US\$ ¥121/€	¥109/US\$ ¥132/€	-	-	-

# Overview of 1Q FY2021 Results

- Substantial increases in sales and operating income despite certain lingering effects of COVID-19
- Substantial increases in ordinary income and the bottom line due to such factors as foreign exchange gain and gain on sale of shares
- Net sales and operating income both progressed slightly above the plan

(Billions of yen)	1Q FY2020	1Q FY2021	Difference
Net Sales	214.8	248.6	+33.8
Operating Income	1.5	11.1	+9.6
Ordinary Income	0.9	13.1	+12.2
Net Income Attributable to Owners of the Parent	-0.4	12.5	+12.9

\* Amortization based on provisional goodwill retroactively revised (¥0.1 billion upward revision of 1Q FY2020 operating income) after determining the intangible assets of SEKISUI AEROSPACE CORPORATION in the 3Q of FY2020, which is included in the HPP Company.

# 1Q FY2021 Results: Net Sales and Operating Income by Divisional Company

- Secured an increase in profit in each segment; substantial increases in Groupwide sales and profit despite a decrease in UIEP Company sales due to the impact of structural reforms (business transfer); 1Q results slightly in excess of plans in overall terms

- HPP: Despite automobile market conditions trending below expectations due to such factors as the shortage in semiconductor supply, steady growth in high-performance interlayer film sales. Firm smartphone market. Substantial increases in sales and profit due to expansion in the three strategic fields, despite the higher-than-anticipated upswing in raw material costs. Results in excess of plans
- Housing: Secured an increase in profit through a recovery in orders and reducing costs, despite an upswing in component costs. Results essentially in line with plans
- UIEP: Secured an increase in profit, despite the prolonged impact of COVID-19 on domestic non-residential demand and upswing in raw material costs. Results slightly below plans
- Medical: Increases in sales and profit due to a recovery in the number of outpatient tests both in Japan and overseas. Results slightly in excess of plans

(Billions of yen)	1Q FY2020		1Q FY2021		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP*	62.0	2.5	83.9	10.4	+21.9	+7.9
Housing*	96.1	0.4	105.5	1.2	+9.4	+0.8
UIEP*	44.8	0	44.2	0.4	-0.6	+0.4
Medical	15.3	1.1	18.4	2.3	+3.1	+1.2
Other	0.8	-2.0	0.8	-2.3	0	-0.3
Eliminations or Unallocatable Accounts	-4.4	-0.6	-4.2	-0.9	+0.2	-0.2
<b>Total</b>	<b>214.8</b>	<b>1.5</b>	<b>248.6</b>	<b>11.1</b>	<b>+33.8</b>	<b>+9.6</b>

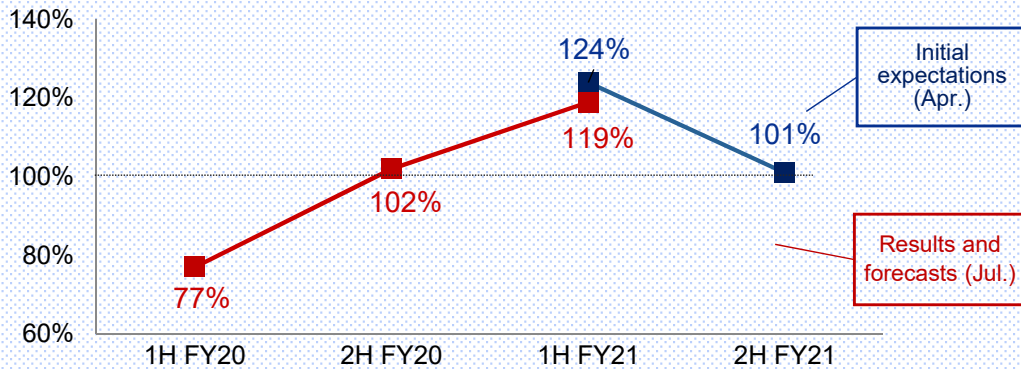
\* HPP: High Performance Plastics Company, Housing: Housing Company, UIEP: Urban Infrastructure & Environmental Products Company

# Outlook for Market Conditions

While automobile demand is lower than initially anticipated, recovery expected to continue; firm trends in smartphone market conditions; continued upswing in raw material costs

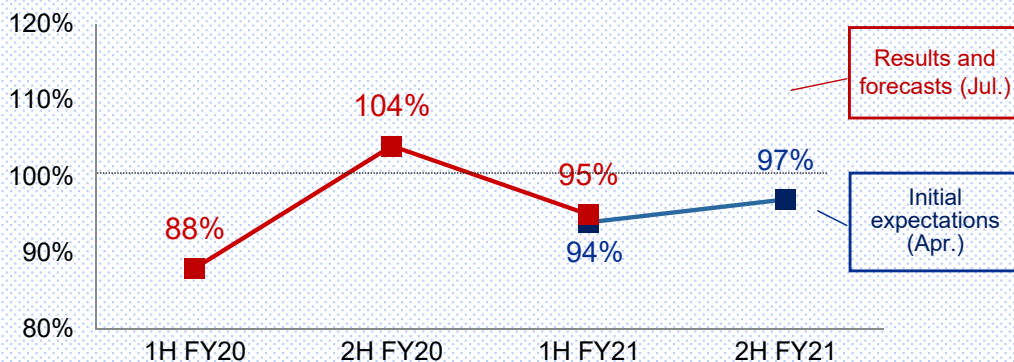
## Number of Automobiles Manufactured (YoY)

Despite a global market recovery in the 1Q, trends below expectations owing to the cold wave to hit North America and the shortage in semiconductor supply. Forecast modest recovery from the 2Q



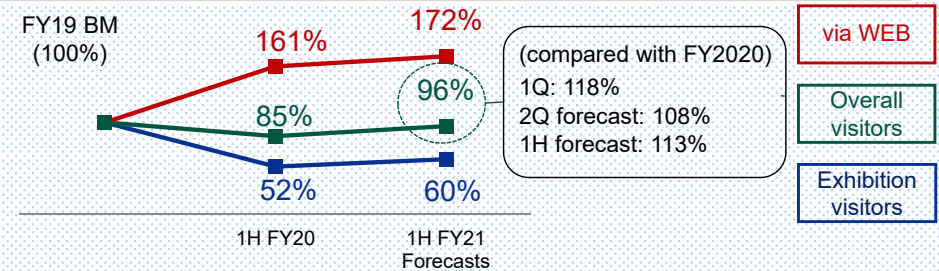
## Smartphone Shipments (YoY)

Despite the shortage in semiconductor supply, trends projected to be relatively firm due to a variety of factors including growth in 5G demand



## Housing Visitors (YoY)

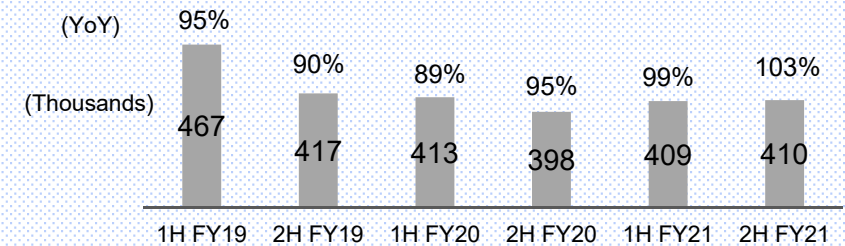
The number of visitors lower than expected due to the prolonged impact of COVID-19; Continued steady trend in the number of WEB visitors



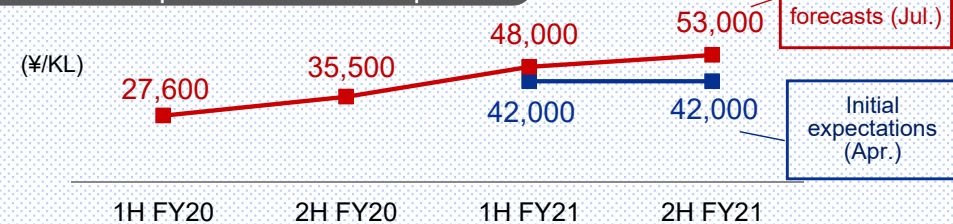
## New Housing Starts

Improvement in market conditions; trending toward a recovery in housing demand

\* 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



# 1H FY2021 Forecasts: Net Sales and Operating Income by Divisional Company

■ Despite higher-than-expected raw material and component costs, projected to achieve operating income plan due to a certain level of improvement in market conditions, expanded sales of high-performance products, increased selling prices, and cost reductions

- HPP: Increase in selling prices, cost reductions, and other factors projected to offset the upswing in raw material costs and continued impact of shortages in semiconductor supply. Upward revision in 1H operating income plan
- Housing: Projected to achieve operating income plan due to the recovery in orders and cost reductions, despite the upswing in component costs and prolonged impact of COVID-19
- UIEP: Downward revision in 1H operating income plan due to the continued upswing in raw material costs and delayed recovery in domestic non-residential demand, despite increases in sales volume and product mix as well as efforts to control fixed costs
- Medical: Recovery in the number of outpatient tests both in Japan and overseas; projected to achieve operating income plan

(Billions of yen)	1H FY2020		1H FY2021 (Forecasts)		Difference		1H FY2021 Plan (Apr. 2021)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	139.1	9.2	170.7	18.0	+31.6	+8.8	162.1	16.1	+8.6	+1.9
Housing	230.6	13.0	254.0	14.5	+23.4	+1.5	254.0	14.5	0	0
UIEP	96.2	2.5	93.7	2.5	-2.5	0	93.7	3.3	0	-0.8
Medical	31.9	2.5	37.4	4.4	+5.5	+1.9	37.4	4.4	0	0
Other	1.5	-4.2	2.5	-5.7	+1.0	-1.5	2.5	-5.0	0	-0.7
Eliminations or Unallocatable Accounts	-9.3	-0.6	-10.0	-2.0	-0.7	-1.4	-10.0	-1.6	0	-0.4
Total	490.0	22.4	548.3	31.7	+58.3	+9.3	539.7	31.7	+8.6	0

# 1H FY2021 Forecasts: Net Sales and Operating Income by Divisional Company (1Q & 2Q)

- Despite 1Q results slightly exceeding plans, Groupwide 1H operating income to come in in line with initial plans after factoring in the continued impact of the upswing in raw material costs and shortages in semiconductor supply in the 2Q

(Billions of yen)	1Q FY2020		1Q FY2021		2Q FY2020		2Q FY2021 (Forecasts)		1H FY2020		1H FY2021 (Forecasts)	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	62.0	2.5	83.9	10.4	77.1	6.7	86.8	7.6	139.1	9.2	170.7	18.0
Housing	96.1	0.4	105.5	1.2	134.5	12.6	148.5	13.3	230.6	13.0	254.0	14.5
UIEP	44.8	0	44.2	0.4	51.4	2.5	49.5	2.1	96.2	2.5	93.7	2.5
Medical	15.3	1.1	18.4	2.3	16.6	1.4	19.0	2.1	31.9	2.5	37.4	4.4
Other	0.8	-2.0	0.8	-2.3	0.7	-2.2	1.7	-3.4	1.5	-4.2	2.5	-5.7
Eliminations or Unallocatable Accounts	-4.4	-0.6	-4.2	-0.9	-4.9	0	-5.8	-1.1	-9.3	-0.6	-10.0	-2.0
Total	214.8	1.5	246.8	11.1	275.3	20.9	299.7	20.6	490.0	22.4	548.3	31.7

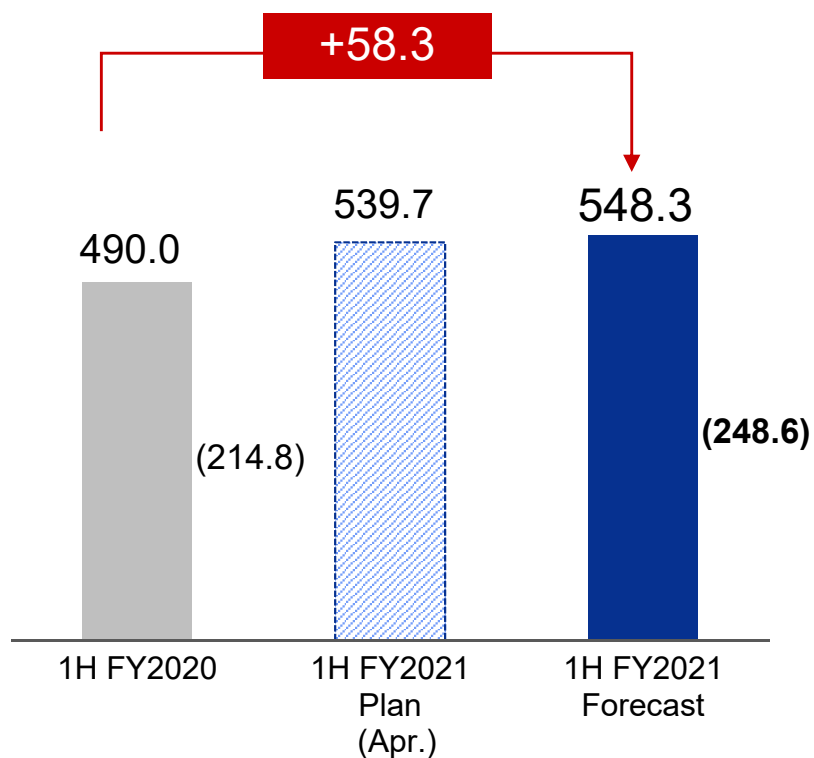
# 1H FY2021 Forecasts: Analysis

- Substantial increases in sales volumes and product mix. Increase in selling prices, cost reductions, and efforts to control fixed costs to offset the higher-than-anticipated upswing in raw material costs
- Business environment anticipated to remain uncertain over the 2H due to trends in raw materials and other factors; efforts to fortify the business structure to continue

## Net Sales

(Billions of yen)

\* ( ): 1Q Results

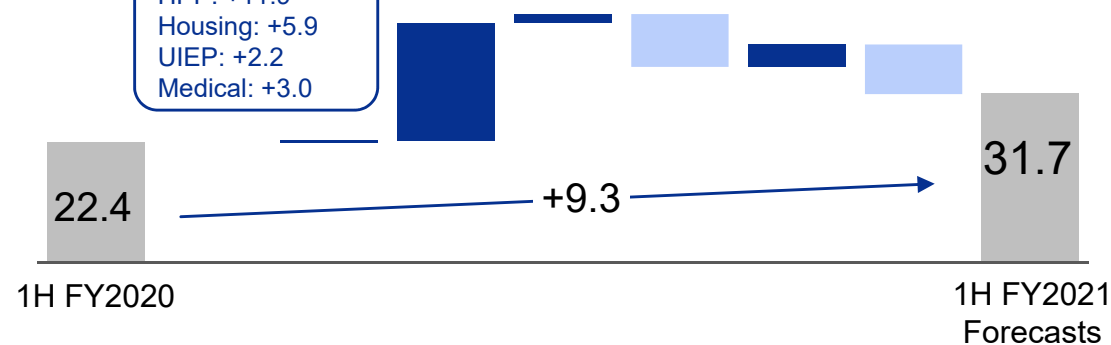


## Analysis of Operating Income

(Billions of yen)

	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
Plan (Apr.)	0	-0.8	+23.0	-0.9	-5.3	+3.7	-10.2	+9.3
1H YoY (Forecasts)	0	+0.4	+22.1	+1.7	-9.9	+4.2	-9.3	+9.3

HPP: +11.9  
Housing: +5.9  
UIEP: +2.2  
Medical: +3.0



	Total							
1Q YoY	+0.1	-0.1	+14.7	+0.1	-3.7	+2.3	-3.6	+9.6
2Q YoY	0	+0.5	+7.4	+1.6	-6.2	+1.9	-5.6	-0.3



# Overview of 1H FY2021 Forecasts

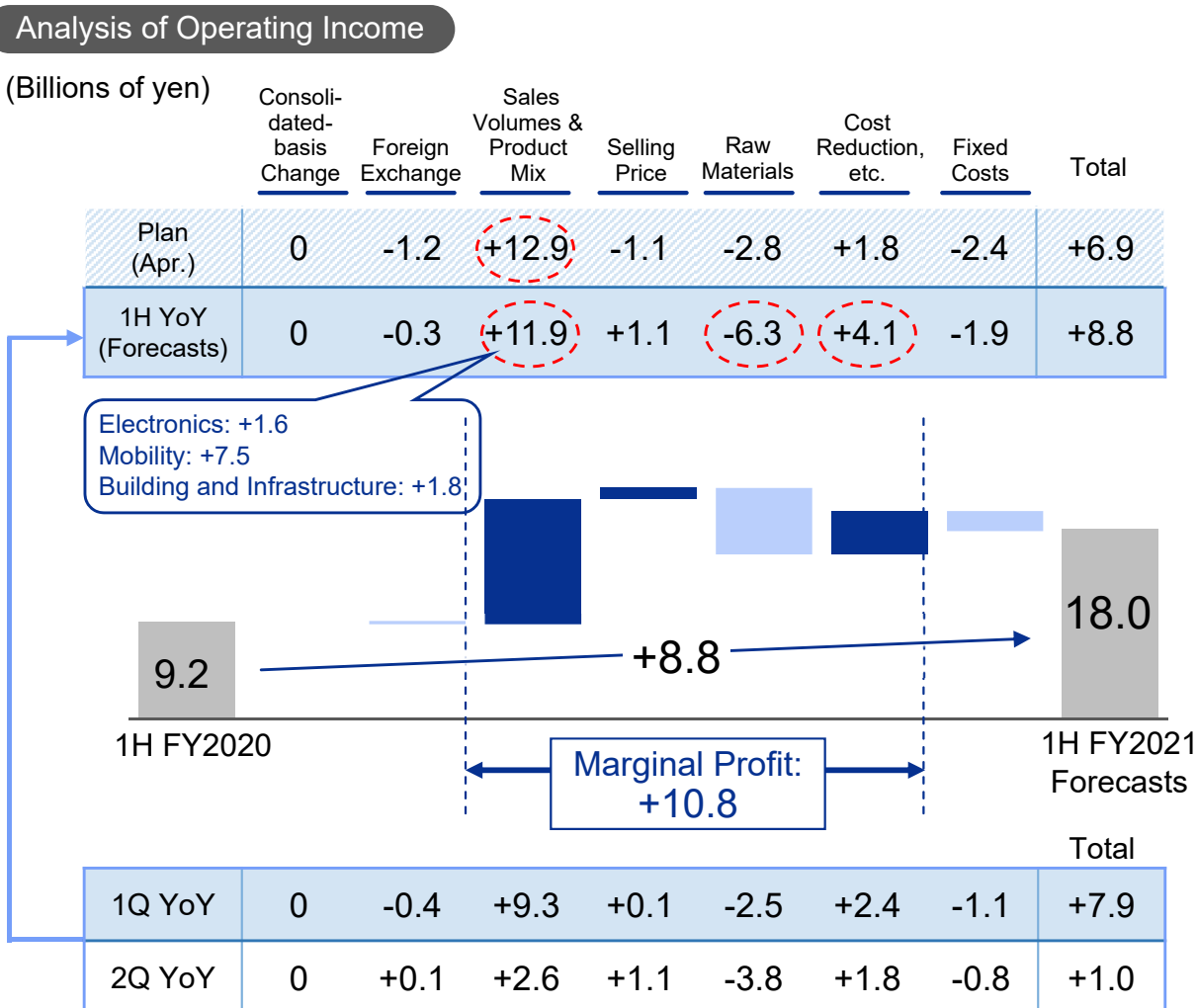
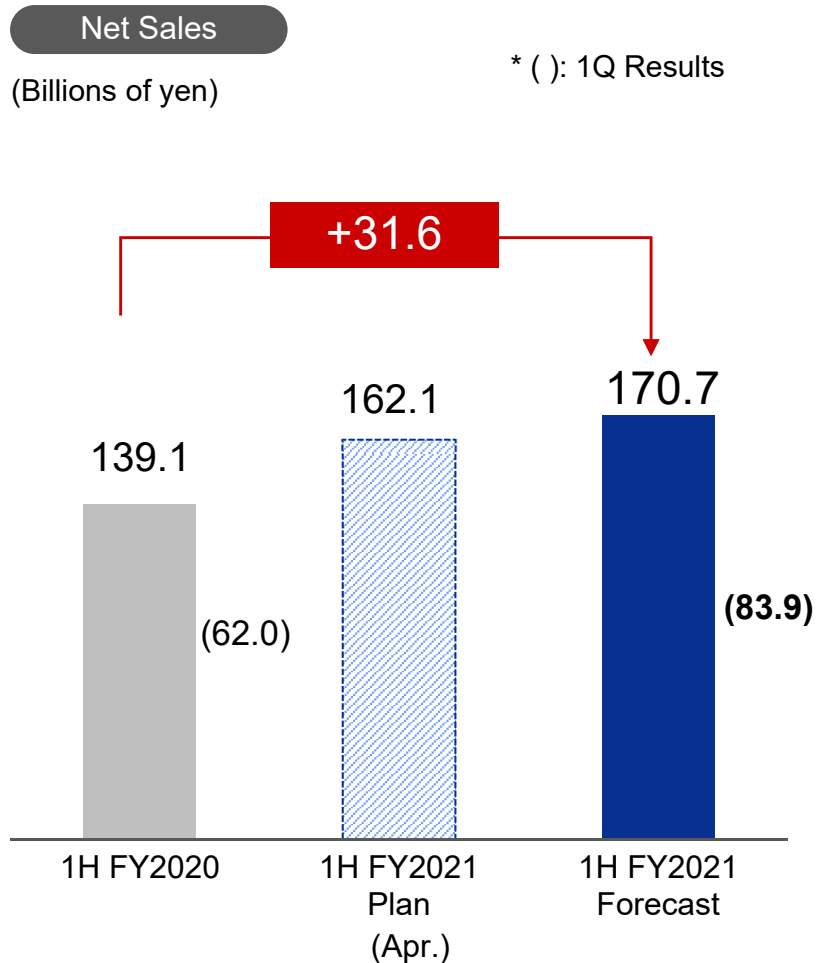
- Upward revision in net sales
- Each level of profit projected to come in in line with initial plans

(Billions of yen)	1H FY2020	1H FY2021 Forecasts	Difference	1H FY2021 Plan (Apr. 2021)	Difference
Net Sales	490.0	548.3	+58.3	539.7	+8.6
Operating Income	22.4	31.7	+9.3	31.7	0
Ordinary Income	20.7	33.2	+12.5	33.2	0
Net Income Attributable to Owners of the Parent	13.0	25.9	+12.9	25.9	0
Dividend per Share (Yen)	23	24	+1	24	0

\* Amortization based on provisional goodwill retroactively revised (¥0.3 billion upward revision of 1H FY2020 operating income) after determining the intangible assets of SEKISUI AEROSPACE CORPORATION in the 3Q of FY2020, which is included in the HPP Company.

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- Profitability to recover to the same level as FY2019 with the increase in selling prices, cost reductions, and other factors projected to offset the higher-than-anticipated upswing in raw material costs and continued impact of shortages in semiconductor supply. Upward revision in 1H operating income plan (¥16.1 billion→¥18.0 billion)



- Despite certain lingering effects of COVID-19, progress in excess of plans in each of the three strategic fields
- Concerns surrounding trends in demand due to ongoing shortages in semiconductor supply

## Net Sales Trends and Progress in the Three Strategic Fields

### Electronics

- Despite the impact of a shortage in semiconductor supply, increase in sales in the liquid crystal field driven by panel demand. Growth also in the Non-LCD field from the 2Q

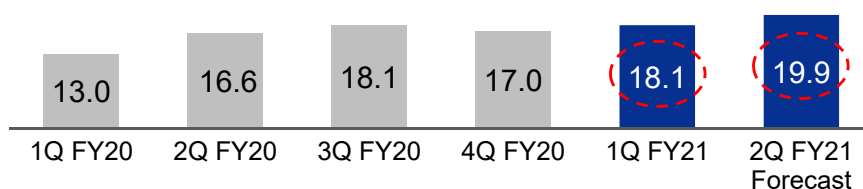
(Billions of yen)



### Building and Infrastructure

- CPVC: Despite the lingering effects of COVID-19, global demand exhibiting a recovery trend. Progress generally in line with plans
- Fire-resistant and noncombustible materials: Progress in line with plans due to a recovery in housing market conditions in Japan

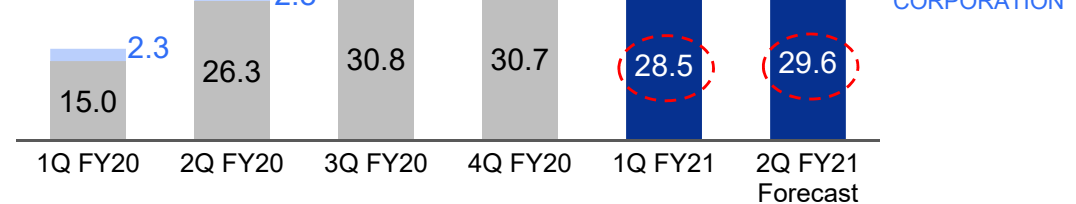
(Billions of yen)



### Mobility

- Despite stagnant aggregate demand due to such factors as the shortage in semiconductor supply, steady expansion of mainly HUD as well as other high-performance interlayer films, substantial increase in sales (HUD film: More than 130% YoY on a sales volume basis)
- Despite concerns surrounding stagnation of aircraft-related demand, progress in streamlining SEKISUI AEROSPACE CORPORATION in line with plans

(Billions of yen)

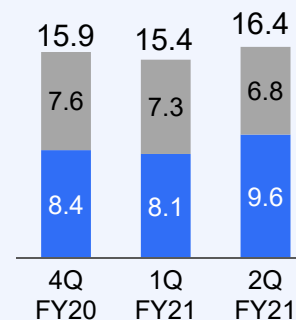


### Focus on the non-LCD field

Sales Ratio

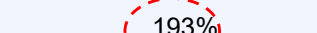


Net Sales (Billions of yen)

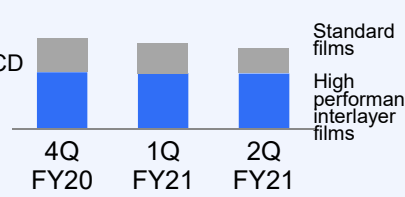


### High-performance interlayer film sales growth

YoY high-performance interlayer film sales volume



Interlayer film sales volume

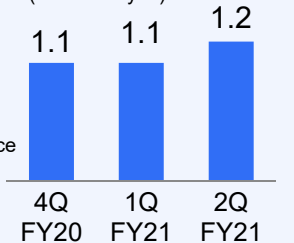


### Strengthen thermal insulation and noncombustible materials

YoY



Thermal insulation and noncombustible materials sales (Billions of yen)



# Housing Company : 1H FY2021 Forecasts

■ Despite the upswing in component costs, expected to achieve both net sales and operating income due to the recovery in orders and reductions in costs

- Housing: 1Q orders in excess of plans. While the number of houses sold is expected to fall below plans in the 1H, profit to come in in line with plans
- Renovation: Despite the prolonged impact of COVID-19, operating income to come in in line with plans due to the recovery in orders
- Other: Progress in each business in line with plans. The Town and Community Development Business to contribute to profit in earnest

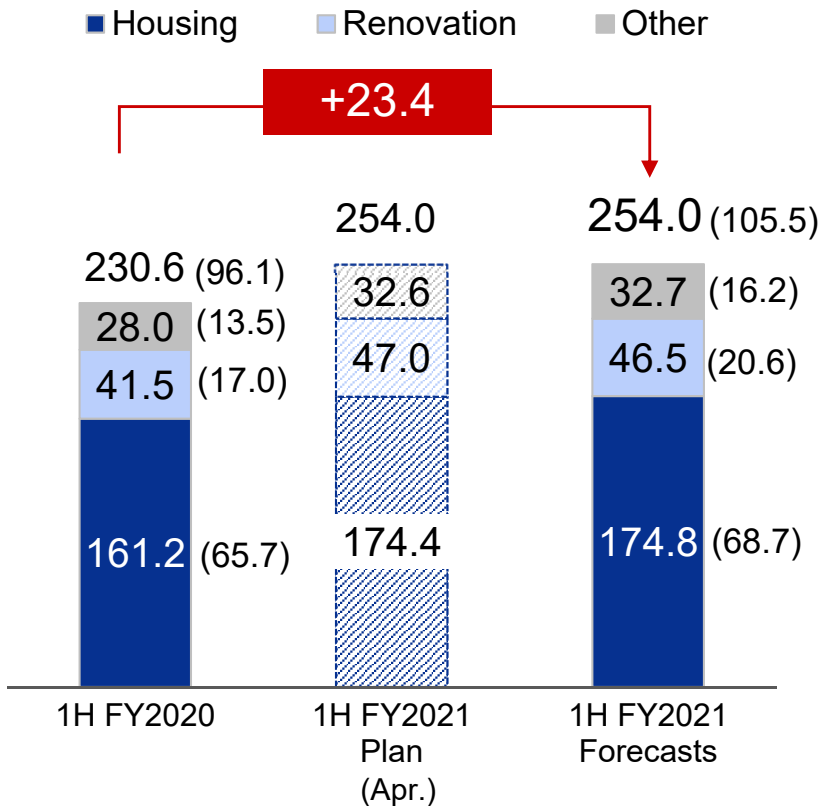
## Results and Plan for Orders

*%: YoY	1Q	2Q	1H Forecasts	Plan (Apr)
Housing Order (Units)	126%	96%	108%	108%
Renovation Order (Amount)	138%	104%	118%	121%

## Net Sales by Business

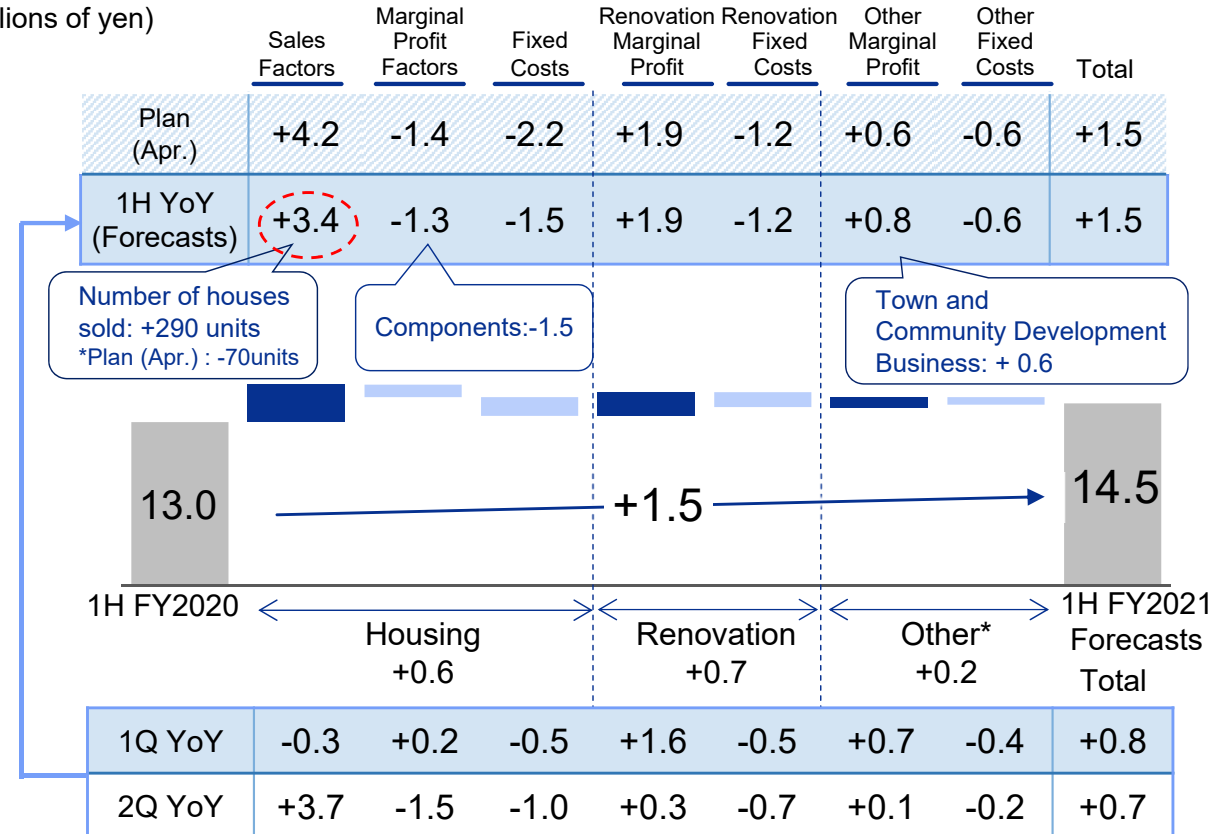
\* ( ): 1Q Results

(Billions of yen)



## Analysis of Operating Income

(Billions of yen)



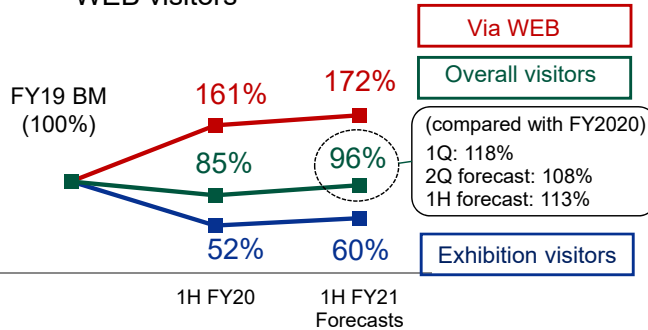
\*Other (Real Estate, Town and Community Development, Overseas, Residential Services)

## Accelerating three growth measures through the 50th anniversary project

### Customer and Order Trends

#### Visitors

- Recovery trend driven by the number of WEB visitors



#### Number of Orders by Type of Construction (YoY)

- Steady growth in subdivision housing and ready-built houses

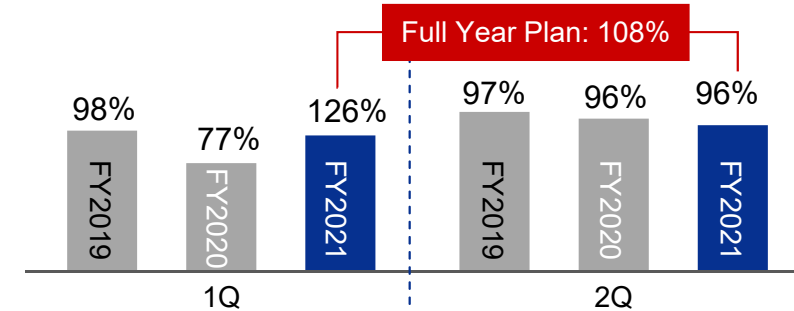
	1Q	2Q	1H Forecasts
<b>Detached Houses</b>			
Rebuilding	131%	87%	105% [76%*]
New construction (Land: Client arrangement)	117%	94%	104% [92%*]
Subdivision housing	144%	101%	118% [122%*]
Of which, ready-built houses	139%	106%	119% [137%*]
<b>Total (Including apartment buildings)</b>	<b>126%</b>	<b>96%</b>	<b>108% [94%*]</b>

\* Figures in parentheses are percentages compared with FY2019.

### Order Results and Forecasts \*% : YoY

#### New Housing Orders (Units)

- Despite exceeding plans in 1Q, order plan for 1H to remain unchanged from initial plans at 108% due to the prolonged impact of COVID-19



### 1H Progress of the Three Growth Measures

Continue to create residential and social prominence toward the 100th anniversary

Sales Force/  
Attracting  
Customers

Product  
Strategies

Land  
Strategies

#### 1Q

- Strengthen integrated online and face-to-face proposals**

- Strengthened efforts to attract WEB customers; conducted online seminars and negotiations

- 【50th anniversary】 Promote the Smart House No. 1 Project**

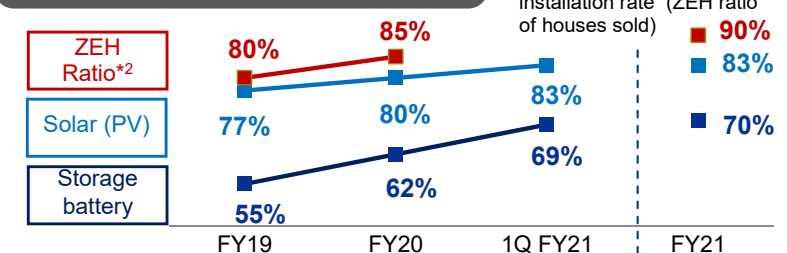
- (1) Strengthened area products (one-story and three-story houses, snow accumulation)
- (2) Strengthened apartment buildings (new normal and ZEH compatibility)

- 【50th anniversary】 Launch the nationwide Town and Community Development project**  
Expand prominence in ASAKA Leadtown technology to detached housing and subdivision land

- Roll out 10 projects and approximately 300 lots (to FY2022)

- ✓ **【50th anniversary】** Nationwide rollout of experience-based GREENMODEL PARK facilities  
Experience new normal lifestyles through standard-sized, DX-use model housing  
▶ 37 locations including Museum (end of September 2021)  
(Compared with the end of March 2021: +5 locations)
- ✓ (3) Released the Resilience 100 STAY&WORK model TS (July)

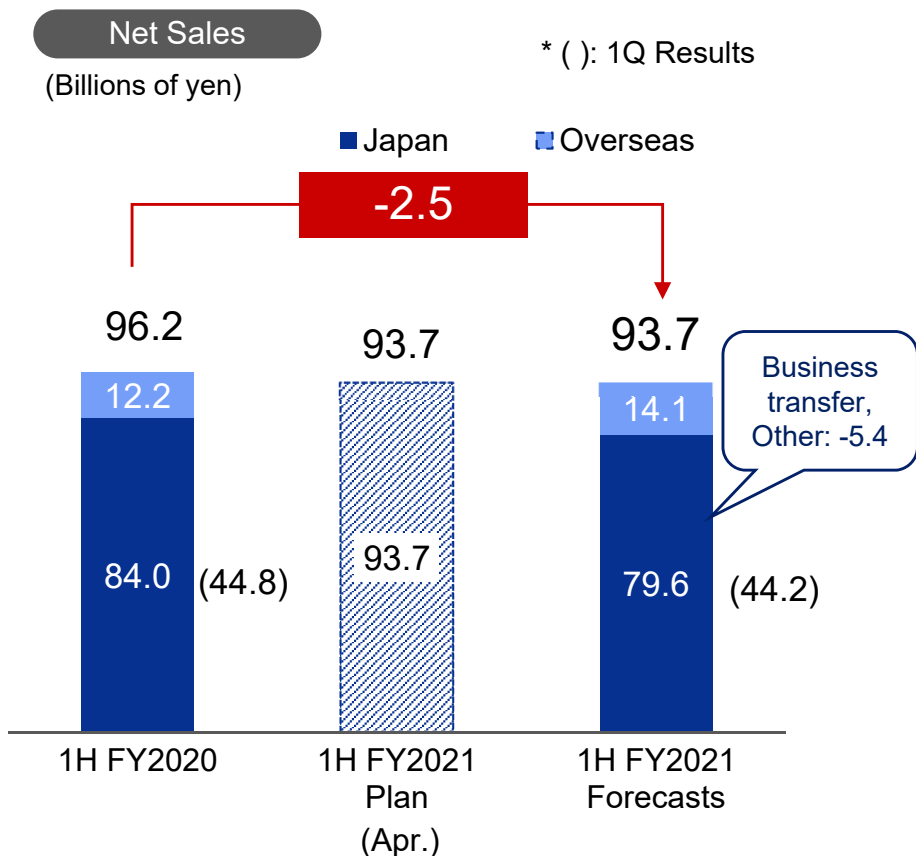
#### Smart House-related Indicators\*1



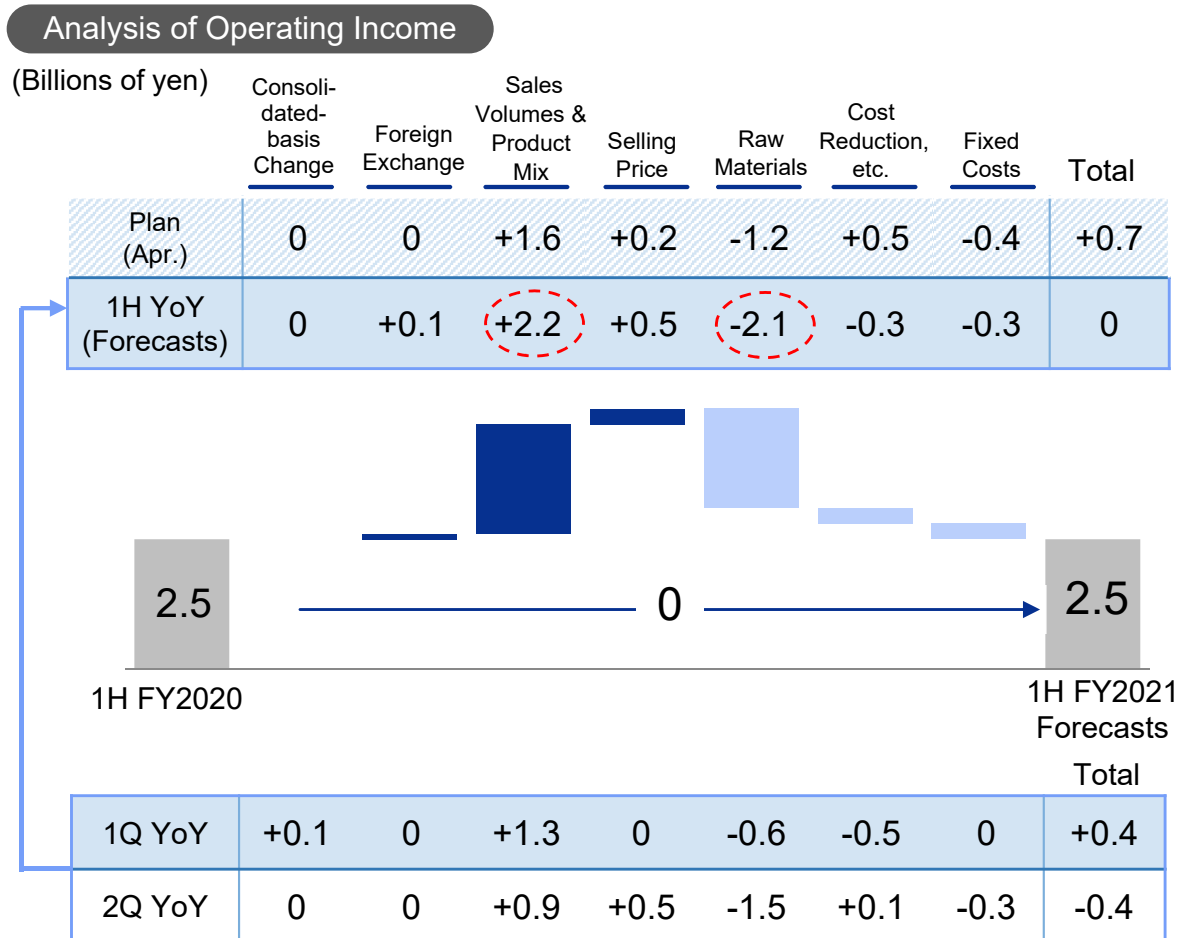
\*2 Excluding Hokkaido, ratio of residences installed with solar power generation systems certified as ZEH

■ Despite increases in sales volume and product mix as well as efforts to control fixed costs, downward revision in 1H operating income plan due to the substantial impact of increases in raw material costs and continued slowdown in domestic non-residential and aircraft-related demand

- Japan: Recovery trend in detached housing demand. Continued slowdown in non-residential demand due to the prolonged impact of COVID-19
- Overseas: Signs of recovery in certain zones (U.S. and Asia) as the impact of COVID-19 subsides. Despite growing semiconductor-related demand, slowdown in aircraft-related demand



- Increase in sales of ¥2.9 billion on an actual basis excluding the impact of business transfer and other



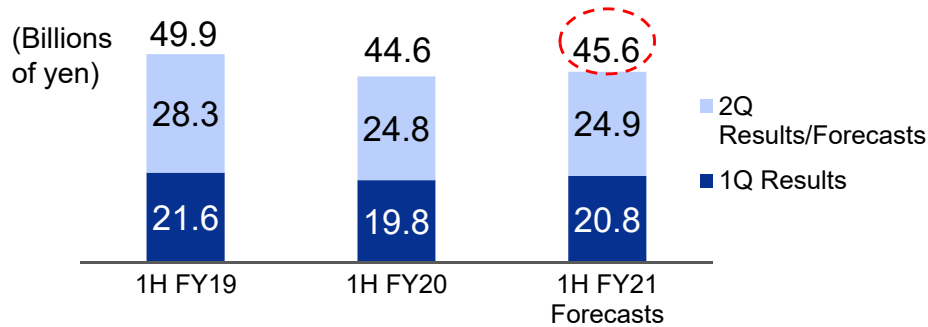
- Despite a recovery in demand in certain zones (U.S. and Asia) as the impact of COVID-19 subsides, delay in the recovery of domestic non-residential demand
- Progress in prioritized products\* and overseas sales in line with plans

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

## Net Sales Trend and Progress in the Three Strategic Fields

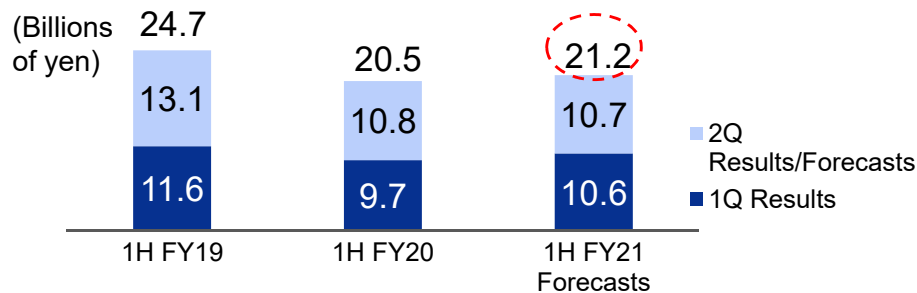
### Piping and Infrastructure

- Delay in the recovery of domestic non-residential demand due to the prolonged impact of COVID-19
- Firm plant business conditions (Asia and Japan) due to growing liquid crystal and semiconductor-related demand



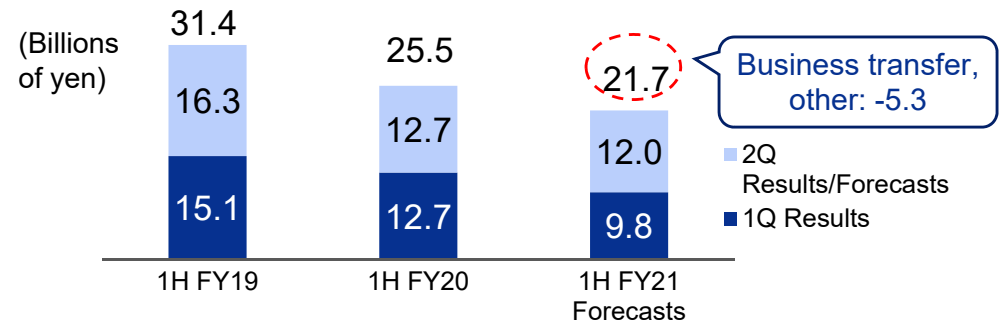
### Building and Living Environment

- Sales projected to increase due to a recovery in new housing construction and renovation demand
- Continued improvement in profitability



### Advanced Materials

- Sheets: Despite a continued slowdown in aircraft-related demand, progress in developing other applications (Pharmaceutical Science, other)
- FFU: Despite delays in certain design and construction projects, firm overseas railway sleeper application orders

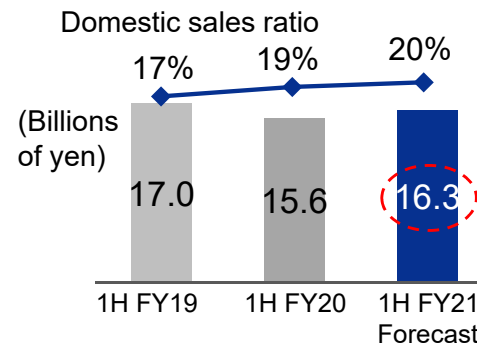


### Prioritized Product Sales and Overseas Sales\*

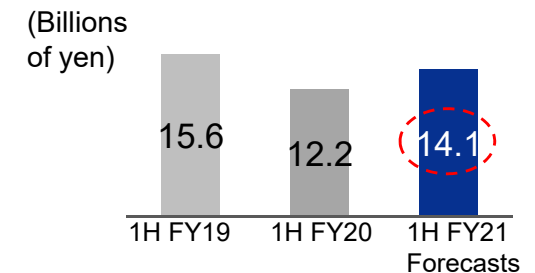
\*Including the export of domestic products

- Steady growth in prioritized products. Weak aircraft-related business conditions overseas; firm plant business conditions

### Prioritized Products Sales



### Overseas Sales



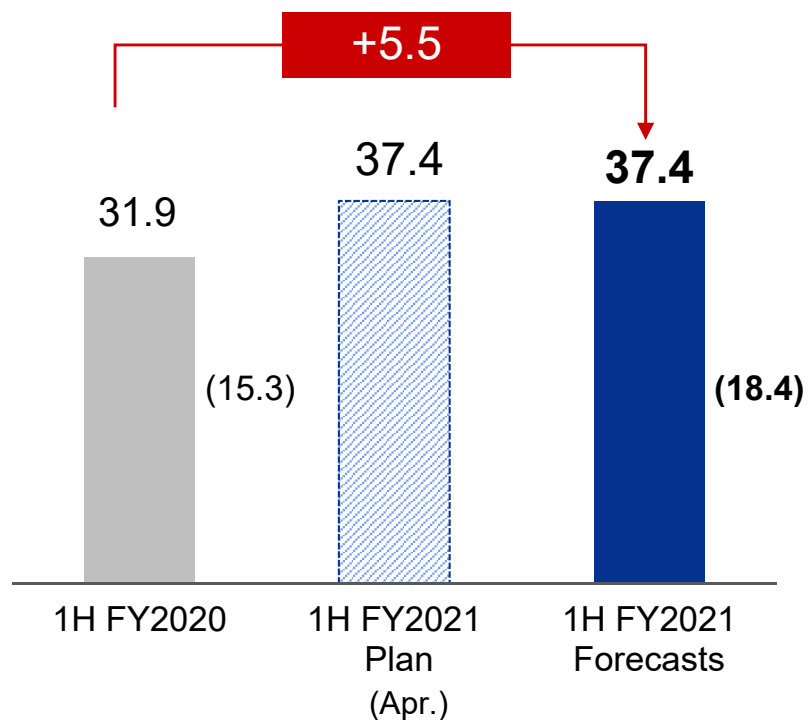


- Recovery in operating income to the same level as FY2019 due to a recovery in the number of outpatient tests both in Japan and overseas; expected to achieve 1H operating income plan
- Steady progress in the Pharmaceutical Sciences business

## Net Sales

(Billions of yen)

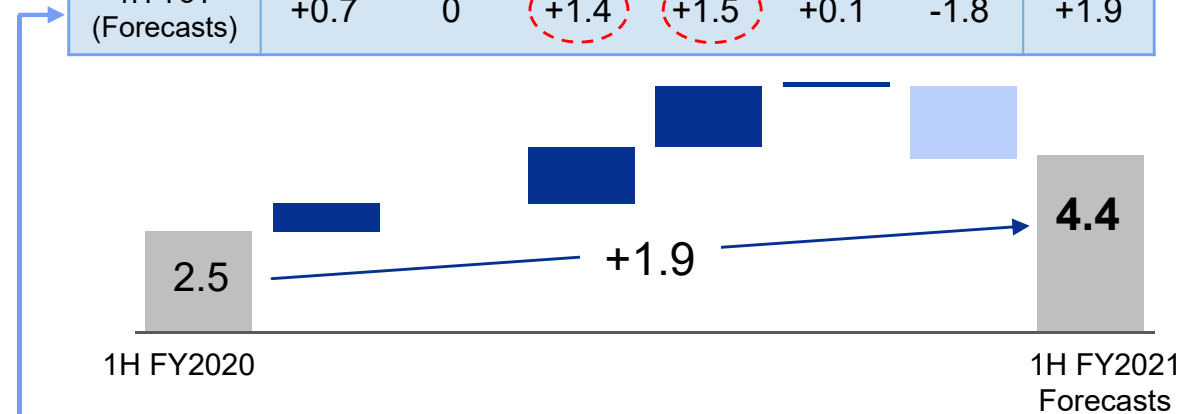
\* ( ): 1Q Results



## Analysis of Operating Income

(Billions of yen)

	Foreign Exchange	Newly Consolidated, etc.	Diagnos- tics (Japan)	Diagno- stics (overseas)	Pharmaceutical Science and Other	Fixed Costs	Total
Plan (Apr.)	+0.4	0	+1.1	+1.9	+0.1	-1.5	+1.9
1H YoY (Forecasts)	+0.7	0	+1.4	+1.5	+0.1	-1.8	+1.9



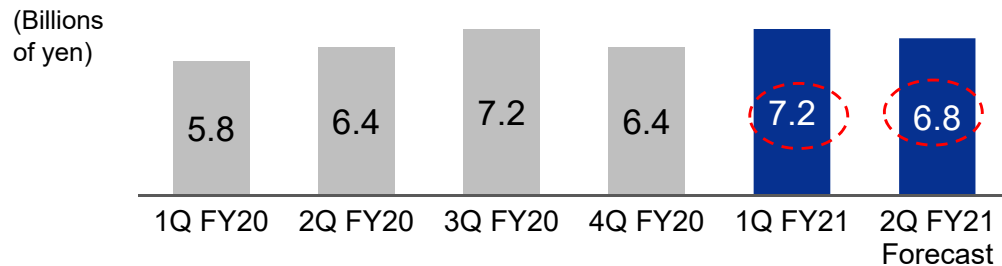
	Foreign Exchange	Newly Consolidated, etc.	Diagnos- tics (Japan)	Diagno- stics (overseas)	Pharmaceutical Science and Other	Fixed Costs	Total
1Q YoY	+0.3	0	+1.0	+0.6	0	-0.7	+1.2
2Q YoY	+0.4	0	+0.4	+1.0	+0.1	-1.2	+0.8

- Despite a slowdown in COVID-19 diagnostic kits (Diagnostics (overseas)), recovery in outpatient test demand (Diagnostics (Japan, overseas)). Steady progress in the Pharmaceutical Sciences business in line with plans

## Net Sales by Business and Overview of Progress

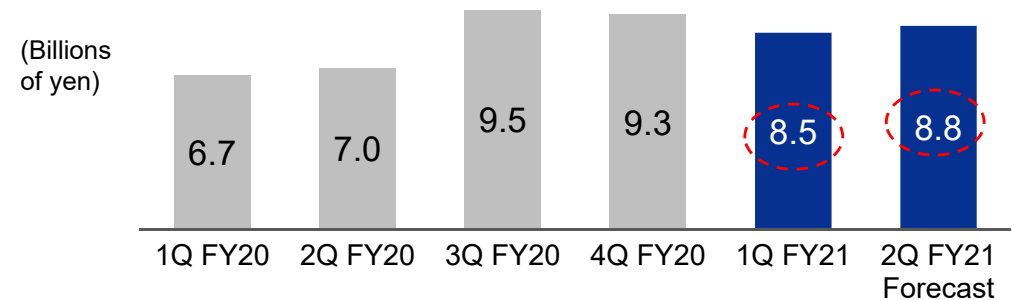
### Diagnostics (Japan)

- Increased demand for infectious disease (RS virus) testing
- Progress in line with plans due to a recovery trend in the number of outpatient tests. Return to the same level as FY2019



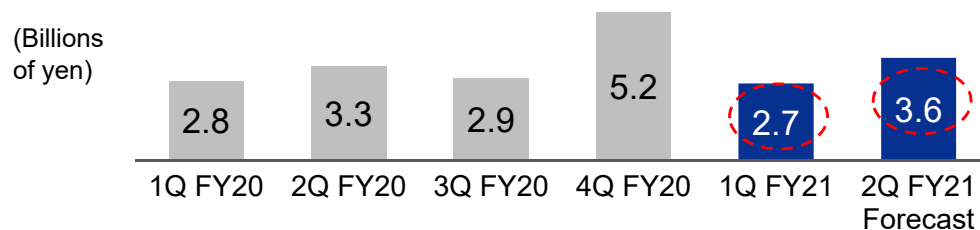
### Diagnostics (overseas)

- Offset the slowdown in COVID-19 diagnostic kit demand in the U.S. and Asia through blood coagulation reagents and other product sales growth in China



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

- Recovery in Drug Development (contract test) and Enzyme demand. Progress in line with plans
- CDMO business growth in line with plans



## Development of New Products and Other

- Progress in new product development in line with plans

- ✓ Released COVID-19 antigen testing product to the market in July (Japan)
  - Shorten measurement time (Approximately 10 minutes)
  - Enable both visual and device determination



# Financial Results

## 1Q FY2021

# Consolidated Companies

## Number of Consolidated Companies

	Mar. 31, 2021	June 30, 2021	Difference
Consolidated Subsidiaries	161	159	Increased: 0 Subsidiaries Decreased: 2 Subsidiaries* <sup>1</sup>
Affiliates (Equity Method)	8	8	Increased: 0 Subsidiaries Decreased: 0 Subsidiaries

\*1 Muhan Co., Ltd., SEKISUI SYSTEMBATH (SHENYANG) CO.,LTD.

## Impact of Change in the Number of Consolidated Companies

(Billions of yen)	1Q FY2021 (YoY)	Difference
Net Sales	-3.4	Kyushu Sekisui Shoji Infratec Co., Ltd.* <sup>2</sup> , Partial business transfer* <sup>3</sup> , PT.SEKISUI TECHNO MOLDING INDONESIA* <sup>4</sup>
Operating Income	+0.1	

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

\*3 Partial business transfer during the 2Q of FY2020

\*4 Excluded from the scope of consolidation from the 4Q of FY2020

# Summary of Profit and Loss

(Billions of yen)	1Q FY2020	1Q FY2021	Difference
Net Sales	214.8	248.6	+33.8
Gross Profit	66.0	77.9	+11.9
Gross Profit Margin	30.7%	31.4%	+0.6%
Selling, Gen. and Admin. Expenses	64.5	66.8	+2.3
Operating Income	1.5	11.1	+9.6
Equity in Earnings of Affiliates	0.2	0.3	+0.1
Other Non-operating Income and Expenses	-0.8	1.7	+2.4
Ordinary Income	0.9	13.1	+12.2
Extraordinary Income	-	6.3	+6.3
Extraordinary Loss	0.3	0.3	0
Income before Income Taxes	0.5	19.0	+18.4
Corporate Income Tax, etc.	0.7	6.2	+5.5
Net Income Attributable to Non-controlling Interests	0.2	0.2	+0.1
Net Income Attributable to Owners of the Parent	-0.4	12.5	+12.9

Gain on sale of shares:  
+6.3

Foreign Exchange (Avg. rate)	1US\$	108 yen	109 yen
	1€	118 yen	132 yen

# Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2021	June 30, 2021	Difference
Cash and Deposits	87.5	84.3	-3.1
Account Receivable on Sales	170.6	154.6	-16.0
Inventories	222.9	239.1	+16.1
Other Current Assets	24.6	29.4	+4.8
Tangible Non-current Assets	351.4	351.9	+0.5
Intangible Non-current Assets	97.6	96.4	-1.2
Investments in Securities	174.7	160.6	-14.1
Investments & Other Assets	20.9	21.6	+0.8
<b>Total Assets</b>	<b>1,150.1</b>	<b>1,138.0</b>	<b>-12.2</b>

Inventories (B/S item)	June 30, 2021	Difference
Ready-built housing (products)	30.1	+2.8
Prepared land for subdivision housing	59.4	+0.7
Land under preparation (work in process)	12.3	-2.1
Housing under construction (work in process)	28.4	+5.0
Components, other (raw materials)	4.5	+0.9
<b>Housing Total</b>	<b>134.7</b>	<b>+7.3</b>
<b>Non-residential total (products, other)</b>	<b>104.4</b>	<b>+8.9</b>
<b>Inventories Total</b>	<b>239.1</b>	<b>+16.1</b>

Capital investment: +10.6  
Depreciation and amortization: -9.4

Sales of share: -13.0

Foreign exchange:  
▶ +1.2  
Actual basis: -13.4

# Balance Sheets (Liabilities & Net Assets)

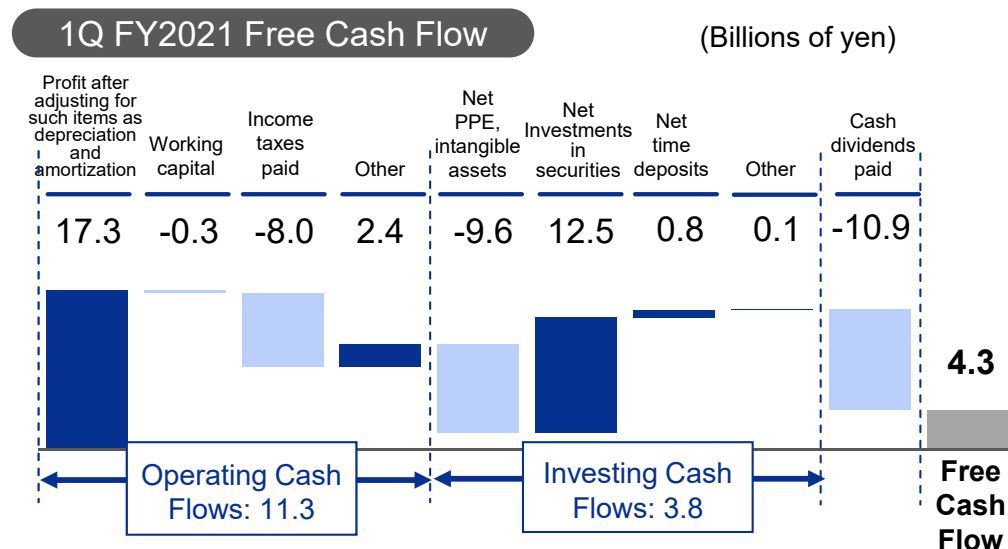
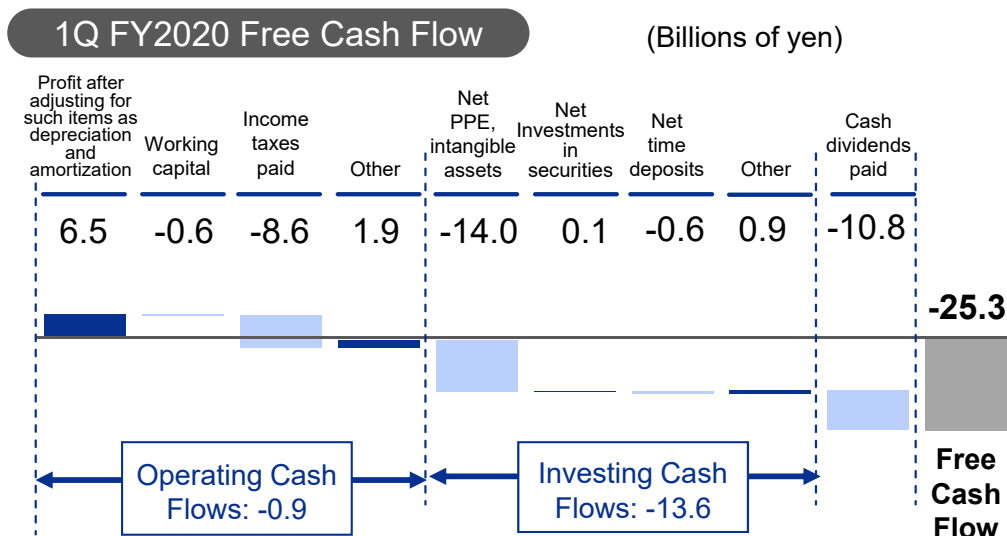
(Billions of yen)	Mar. 31, 2021	June 30, 2021	Difference
Non-interest-bearing Liabilities	317.6	314.1	-3.5
Interest-bearing Liabilities	138.2	138.1	-0.1
(Net interest-bearing Liabilities)	(50.7)	(53.8)	(+3.1)
Total Liabilities	455.8	452.2	-3.5
Capital Stock etc.	209.0	209.0	0
Retained Earnings	441.1	434.2	-6.9
Treasury Stock	-43.4	-41.0	+2.5
Unrealized Holding Gain on Securities	50.8	45.2	-5.5
Non-controlling Interests	27.3	27.3	0
Other Net Assets	9.6	11.0	+1.4
Total Net Assets	694.4	685.7	-8.7
Total Liabilities, Net Assets	1,150.1	1,138.0	-12.2
Equity to Total Assets (%)	58.0%	57.9%	-0.1%
D/E Ratio (Net)	0.08	0.08	+0.01

Net income  
+12.5  
Dividends paid  
-10.8  
Retirement of  
treasury stock  
-8.1

Purchases of  
treasury stock  
-5.6  
Retirement of  
treasury stock  
+8.1

# Consolidated Cash Flows

(Billions of yen)	1Q FY2020	1Q FY2021
Operating Cash Flows	-0.9	11.3
Investing Cash Flows	-13.6	3.8
Financing Cash Flows	21.8	-17.7
Net Increase in Cash and Cash Equivalents	8.0	-2.5
Cash and Cash Equivalents at the End of Term	82.9	74.2
Free Cash Flow =Operating Cash Flows + Investing Cash Flows - Dividends Paid	-25.3	4.3

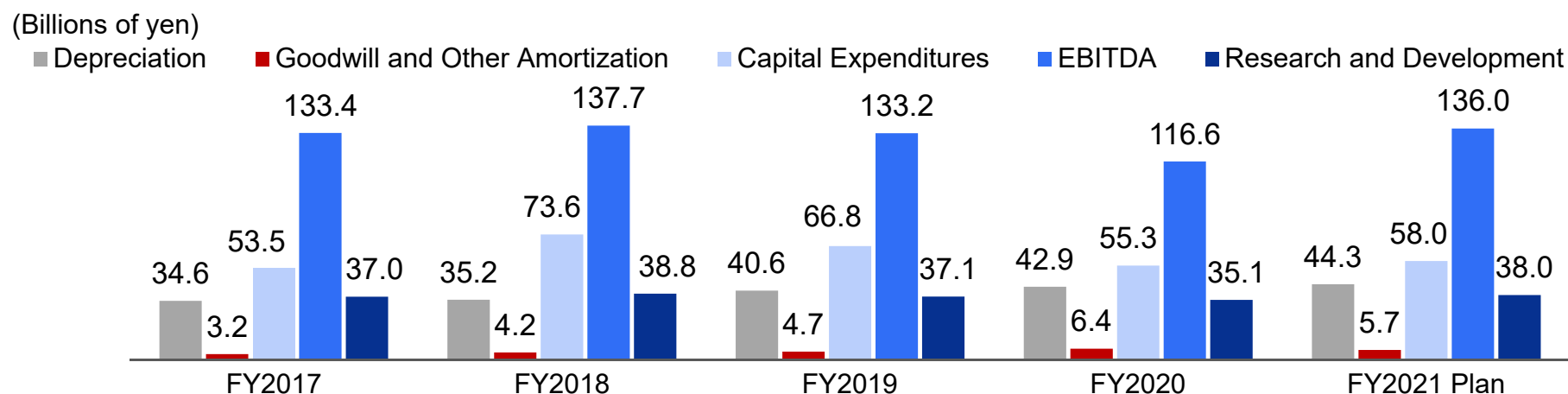




# Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen)	1Q FY2020	1Q FY2021	Difference	FY2020	FY2021 (Plan)	Difference
Depreciation	10.2	10.7	+0.4	42.9	44.3	+1.4
Goodwill and Other Amortization	1.8	1.6	-0.2	6.4	5.7	-0.7
Capital Expenditures	13.4	11.9	-1.4	55.3	58.0	+2.7
EBITDA	13.4	23.4	+10.0	116.6	136.0	+19.4
Research and Development Expenditure	8.6	8.6	0	35.1	38.0	+2.9

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



\*1 Depreciation does not include amortization of M&A industrial property rights

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

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



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		
		1Q	1H Forecasts	1Q	1H	2H
CONSOLIDATED	Net Sales (Billions of yen)	105.5	254.0	96.1	230.6	254.6
	Housing	68.7	174.8	65.7	161.2	175.3
	Renovation	20.6	46.5	17.0	41.5	46.2
	Other	16.2	32.7	13.5	28.0	33.2
	Real estate	12.1	24.8	11.2	23.4	24.4
	Residential Services	1.8	3.9	1.7	3.7	4.1
	Town and Community Development	1.7	2.9	0.1	0.1	3.8
	Overseas	0.3	0.7	0.4	0.6	0.6
OTHERS	1.Number of houses sold (Housing units)	1,860	5,260	1,945	4,910	5,245
	Detached houses	1,805	5,030	1,870	4,645	4,910
	Housing/Rebuilding	1,500	4,280	1,685	4,085	4,250
	Ready-built houses	305	750	185	560	660
	Apartment buildings, other	55	230	75	265	335
	2. Main data					
	Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	31.3	-	31.8	31.5	31.1
	Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen)	897	-	881	878	881
	Floor space (Square meter)	115.4	-	119.1	118.4	116.3
	Exhibition places (Units)	-	437	-	439	441
Sales staff (Number of person)	2,620	2,563	2,677	2,612	2,451	

# Housing Company Results and Plan

## 2. Housing orders

(Millions of yen)

		FY2021		FY2020			FY2019	
		1Q	1H Forecasts	1Q	1H	2H	1H	2H
New construction Renovation	Year-start Backlog	184,800	-	205,400	205,400	194,500	219,500	217,320
	Growth Rate	-10%	-	-6%	-6%	-11%	+6%	+2%
	New Orders	91,898	195,865	70,291	175,319	190,806	203,590	193,472
	Growth Rate	+31%	+12%	-24%	-14%	-1%	-1%	-11%
	Sales of Housing/Renovation	77,698	198,665	75,891	186,219	200,506	205,770	205,392
	Growth Rate	+2%	+7%	-10%	-9%	-2%	+3%	-3%
	End-balance	199,000	182,000	199,800	194,500	184,800	217,320	205,400
	Growth Rate	±0%	-6%	-12%	-11%	-10%	+2%	-6%

## 3. Housing starts

(Units)

		FY2021		FY2020		
		1Q	1H Forecasts	1Q	1H	2H
Housing starts		213,000	409,000	204,508	414,039	398,125
Privately-owned houses (included in above) + Houses for sale starts=A		102,500	200,000	98,069	195,340	197,108
Detached house sales by our company=B (Unit base)		1,805	5,030	1,870	4,645	4,910
Our share=B/A		1.8%	2.5%	1.9%	2.4%	2.5%

\* "Housing starts" and "Privately-owned houses" after 1Q of FY2021 are based on forecasts

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

		FY2021		FY2020		
		1Q	1H Forecasts	1Q	1H	2H
Solar power generation systems installed		83%	83%	80%	79%	80%
Storage battery installed		69%	69%	60%	60%	64%
Comfortable Air System		73%	76%	71%	72%	75%