



SEKISUI CHEMICAL CO., LTD.

Presentation of Financial Results
Progress under Management Plan
for 2Q FY2021, ending March 31, 2022

Keita Kato
President

October 28, 2021

Results for 1H FY2021

Forex Rate	1H FY2020	1H FY2021	FY2021 Initial Plan
Assumptions	¥109/US\$ ¥121/€	¥108/US\$ ¥130/€	¥105/US\$ ¥127/€
Results (Avg. rate for each term)	¥107/US\$ ¥121/€	¥110/US\$ ¥131/€	-

Overview of 1H FY2021 Results

- Despite the prolonged impact of COVID-19 and growing effects attributable to soaring raw material prices, substantial increase in Groupwide sales; significant upswing in operating income
- Operating income and ordinary income exceeded forecasts (July)
- Posted a loss on impairment (¥49.5 billion) of such assets as goodwill of SEKISUI AEROSPACE CORPORATION due to prolonged sluggish aircraft demand
- Undertook to pay an interim dividend per share of ¥24, up ¥1 per share, as planned

(Billions of yen)	1H FY2020	1H FY2021	Difference	1H FY2021 Forecasts (July)	Difference
Net Sales	490.0	547.9	+57.9	548.3	-0.4
Operating Income	22.4	35.5	+13.1	31.7	+3.9
Ordinary Income	20.7	41.0	+20.3	33.2	+7.8
Net Income Attributable to Owners of the Parent	13.0	-3.9	-16.9	25.9	-29.8
Dividend per Share (Yen)	23	24	+1	24	0

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

■ Despite the prolonged impact of COVID-19, higher-than-anticipated surge in raw material prices, and the growing effect of shortages in semiconductor supply, substantial increase in operating income in each segment, exceeding forecasts (July), due to such factors as the growth in sales of high-performance products, increase in the number of new houses sold, improvement in selling prices, and successful efforts to reduce fixed costs

- HPP: Despite the surge in raw material prices and growing effect of shortages in semiconductor supply, substantial increases in both sales and profits due to increases in sales volumes and product mix mainly in the three strategic fields; exceeded operating income forecast (July)
- Housing: Despite the impact of a surge in component costs, increases in both sales and profits due to robust order and successful efforts to reduce fixed costs; exceeded operating income forecast (July)
- UIEP: Despite the growing impact of a surge in raw material prices and delays in the recovery of domestic non-residential demand, increase in operating income, exceeding forecasts (July), due to improvements in selling prices, increased sales of prioritized products, and successful efforts to reduce fixed costs
- Medical: Substantial increases in both sales and profits on the back of the steady recovery in diagnostics demand in Japan and overseas; achieved record-high 1H profit, exceeding forecasts (July)

(Billions of yen)	1H FY2020		1H FY2021		Difference		1H FY2021 Forecasts (July)		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	170.1	19.3	+31.0	+10.2	170.7	18.0	-0.6	+1.3
Housing	230.6	13.0	249.8	14.8	+19.2	+1.8	254.0	14.5	-4.2	+0.3
UIEP	96.2	2.5	96.1	3.2	-0.1	+0.7	93.7	2.5	+2.4	+0.7
Medical	31.9	2.5	39.7	4.9	+7.8	+2.4	37.4	4.4	+2.2	+0.5
Other	1.5	-4.2	1.9	-5.2	+0.4	-1.0	2.5	-5.7	-0.5	+0.5
Eliminations or Unallocatable Accounts	-9.3	-0.6	-9.6	-1.5	-0.4	-0.9	-10.0	-2.0	+0.4	+0.5
Total	490.0	22.4	547.9	35.5	+57.9	+13.1	548.3	31.7	-0.4	+3.9

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

1Q & 2Q FY2021 Results: Net Sales and Operating Income by Divisional Company

- Despite the growing impacts of surging raw material prices and shortages in semiconductor supply, secured increases in both sales and profits in each segment in the 2Q

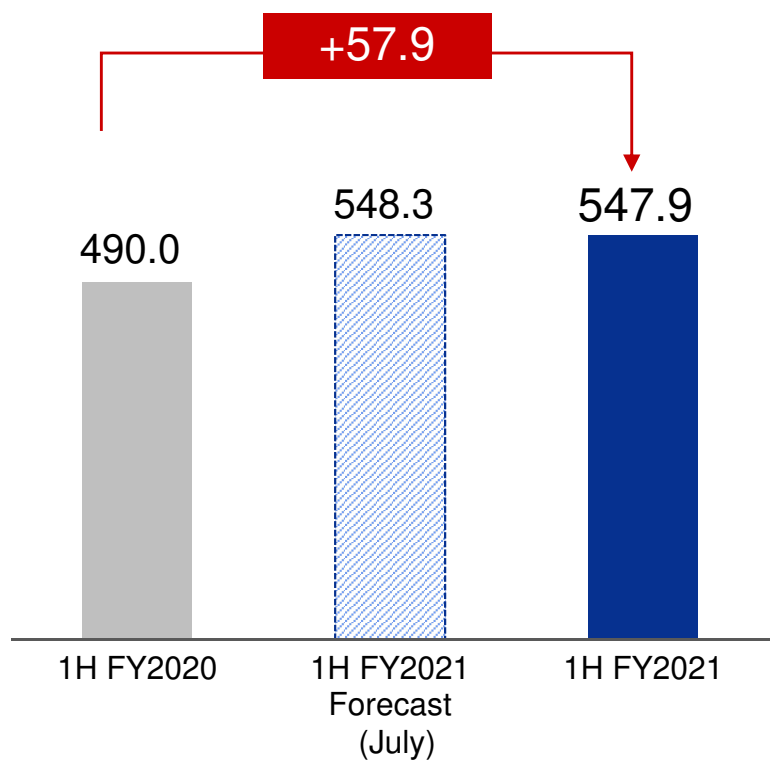
(Billions of yen)	1Q FY2020		1Q FY2021		2Q FY2020		2Q FY2021	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	62.0	2.5	83.9	10.4	77.1	6.7	86.2	8.9
Housing	96.1	0.4	105.5	1.2	134.5	12.6	144.2	13.6
UIEP	44.8	0	44.2	0.4	51.4	2.5	51.9	2.8
Medical	15.3	1.1	18.4	2.3	16.6	1.4	21.3	2.6
Other	0.8	-2.0	0.8	-2.3	0.7	-2.2	1.1	-2.9
Eliminations or Unallocatable Accounts	-4.4	-0.6	-4.2	-0.9	-4.9	0	-5.4	-0.7
Total	214.8	1.5	248.6	11.1	275.3	20.9	299.3	24.4

1H FY2021 Results: Analysis

- Higher-than-anticipated surges in raw material prices offset by a variety of factors including substantial increases in sales volumes and product mix, improvements in selling prices, and successful efforts to reduce fixed costs; substantial increases in Groupwide sales and operating income
- Exceeded operating income forecast (July)

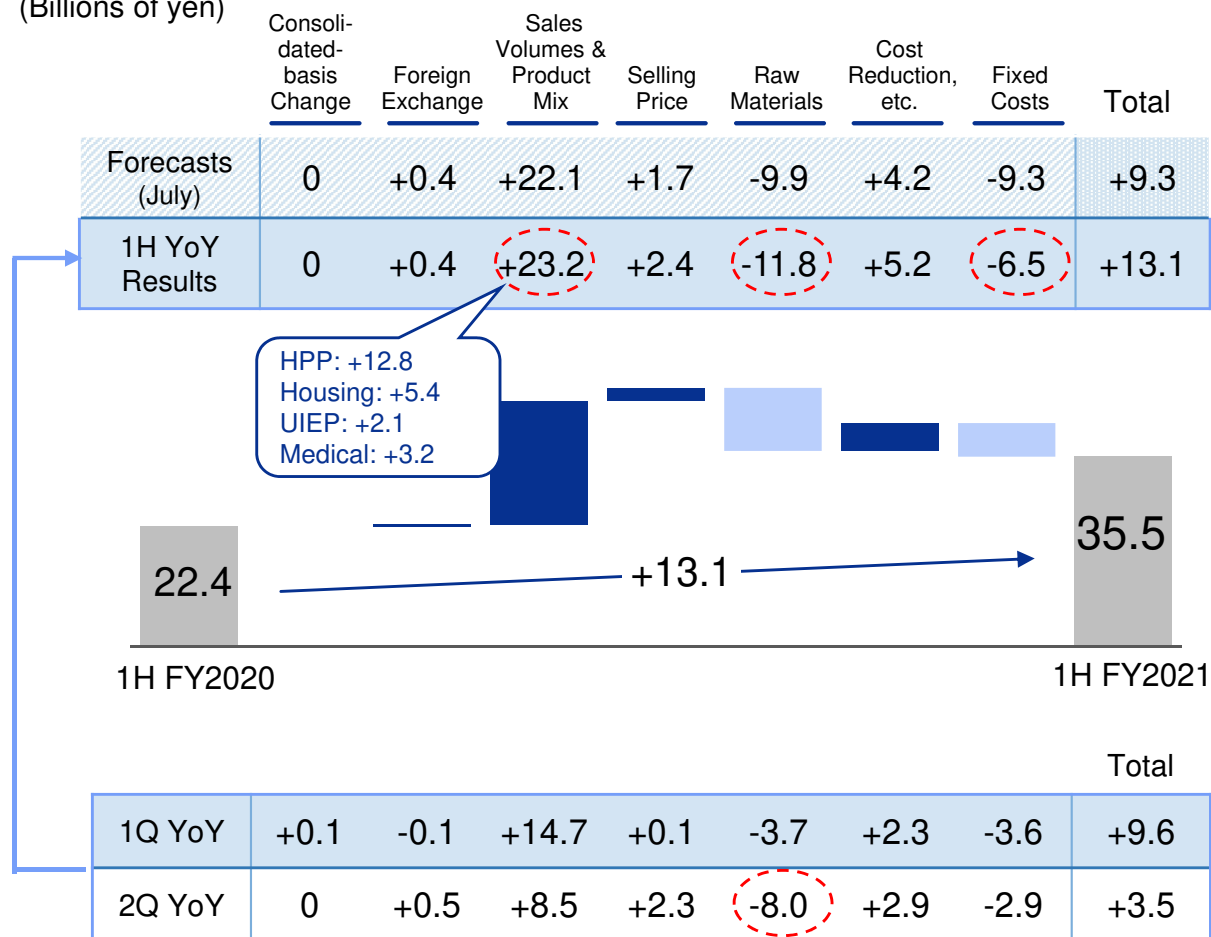
Net Sales

(Billions of yen)



Analysis of Operating Income

(Billions of yen)



SEKISUI AEROSPACE CORPORATION Overview and Outlook

- Acquired SEKISUI AEROSPACE CORPORATION (November 2019 for ¥54.4 billion) for the purpose of entering the aerospace field in earnest
- Despite posting an impairment loss, working to reform the portfolio while targeting growth

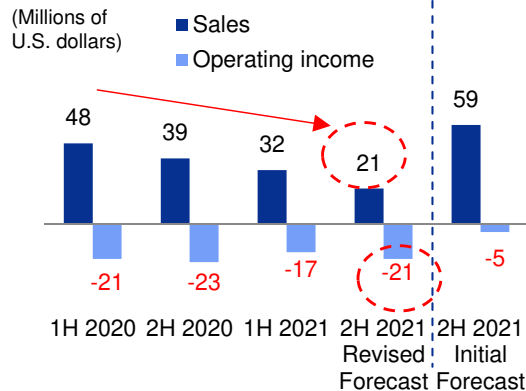
Aircraft Market and SEKISUI AEROSPACE CORPORATION

Production of Mainstay Equipment for Major Customers

Schedule/	Aircraft Type	Status of Production
Acquisition date (Nov. 2019)	787	Rate of production: 14 per month
	737	Rate of production : 57 per month → Operation suspended as a result of an accident *Impact of the accident projected to dissipate in the 1H of 2019
Sep. 2020	787	2020: 10 per month → 2021: Decrease in production to 6 per month
	737	Progressive increase in production to 31 per month up to 2022; increase in production thereafter in line with market trends
Jun. 2021	787	Continued production of less than 5 per month with a gradual return to 5 per month production
	737	Progressive increase in production to 31 per month up to 2022; increase in production thereafter in line with market trends

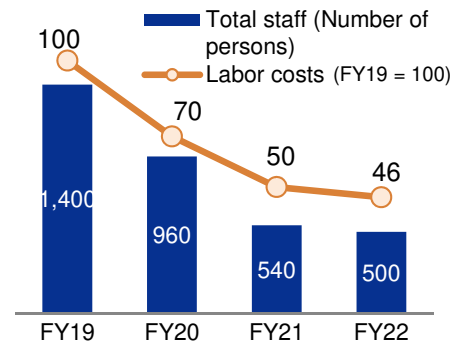
SEKISUI AEROSPACE CORPORATION Performance Trends

- Continued decrease in sales owing to the prolonged downturn in demand in the aircraft market



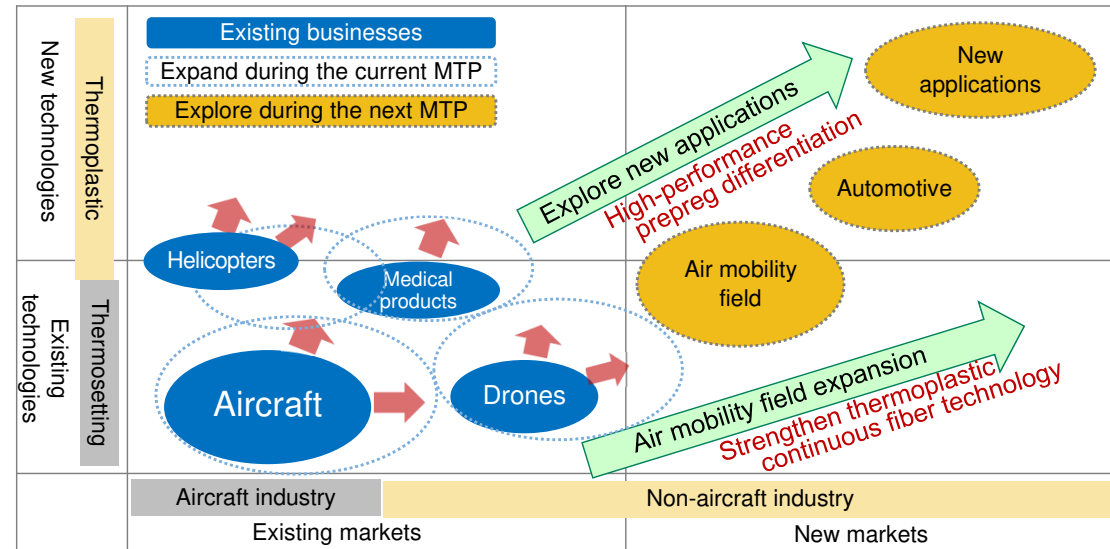
Structural Reforms

- Production base integration (1 base closed); implement streamlining measures
- Efforts to improve productivity in progress



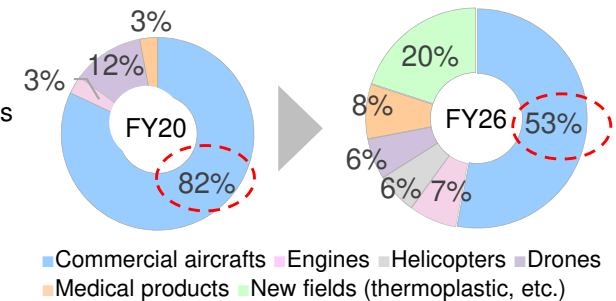
Accelerate Portfolio Reform and Synergy Development

- Based on CFRP molding technology, develop other applications (medical, automotive fields) and cultivate regions utilizing global sales channels
- Improve molded product productivity utilizing thermoplastic CFRP prepreg technology



Sales Composition by Field

- Reduce dependence on aircraft industry and diversify revenue sources
- Synergy sales FY2020 US\$11 million → Accelerate commercialization of medical and other applications



Outlook

- Continued growth in weight reduction needs in the mobility field (aircrafts, drones, etc.)
- Gradual recovery and then growth in aircraft demand
- Application expansion through synergy effects (specialized surgical tables, aircraft engine fan blades, etc.)
- Cultivation of new applications by strengthening thermoplastic continuous fiber technology
- Increase in profitability through improvements in selling prices

FY2021

Revised Annual and 2H Plans

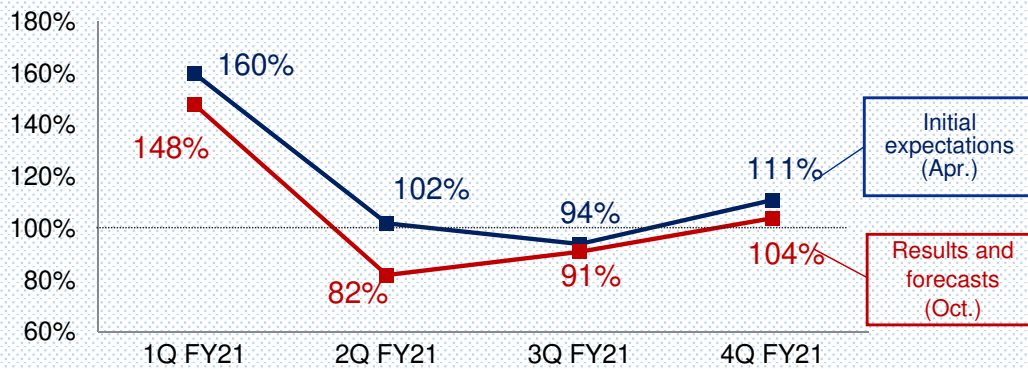
Forex Rate	2H FY2020	2H FY2021 Plan	FY2021 Initial Plan
Assumptions	¥105/US\$ ¥126/€	¥110/US\$ ¥129/€	¥105/US\$ ¥127/€
Results (Avg. rate for each term)	¥105/US\$ ¥126/€	-	-

Outlook for Market Conditions

Automotive demand lower than assumptions at the beginning of the period; stable trends in smartphone market conditions; raw material prices projected to surge even further

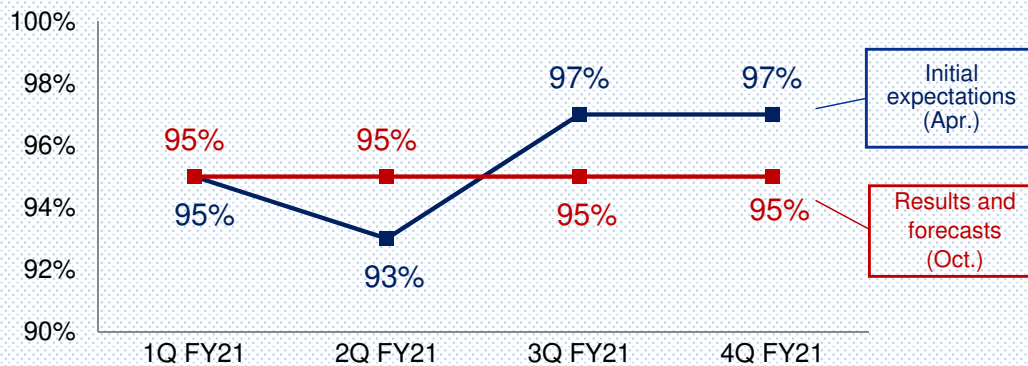
Number of Automobiles Manufactured (YoY)

Forecast to fall short of assumptions in the 2H due to the growing impact of shortages in semiconductor supply; projecting a modest recovery from the 4Q



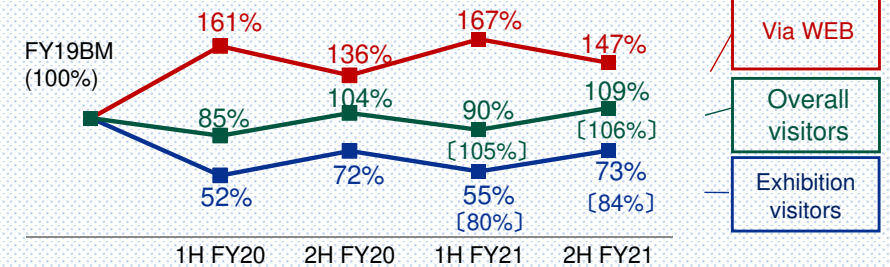
Smartphone Shipments (YoY)

While 2Q results exceeded expectations, results in the 2H are anticipated to fall short of assumptions due to prolonged impact of shortages in semiconductor supply



Housing - Visitors (FY19YoY)

While visits to exhibitions were affected by COVID-19 in the 1H, gradual recovery in the 2H; continued firm trend in WEB visitors

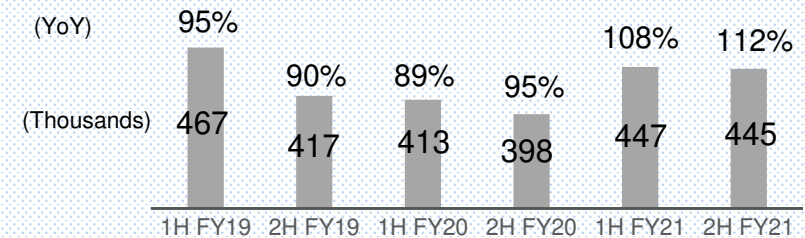


* Figures in parentheses are assumptions as of the beginning of FY21.

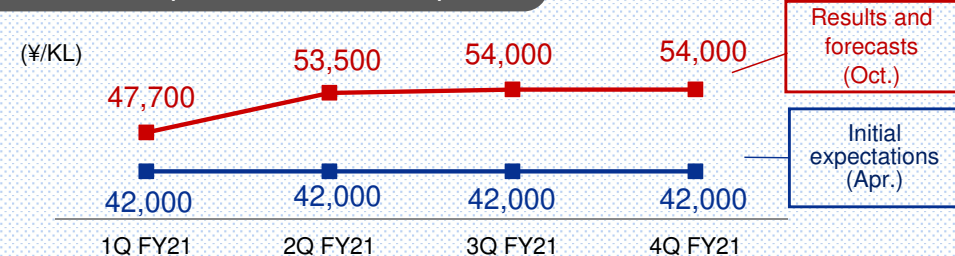
New Housing Starts

Continued recovery in 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



2H FY2021 Revised Plan: Net Sales and Operating Income by Divisional Company

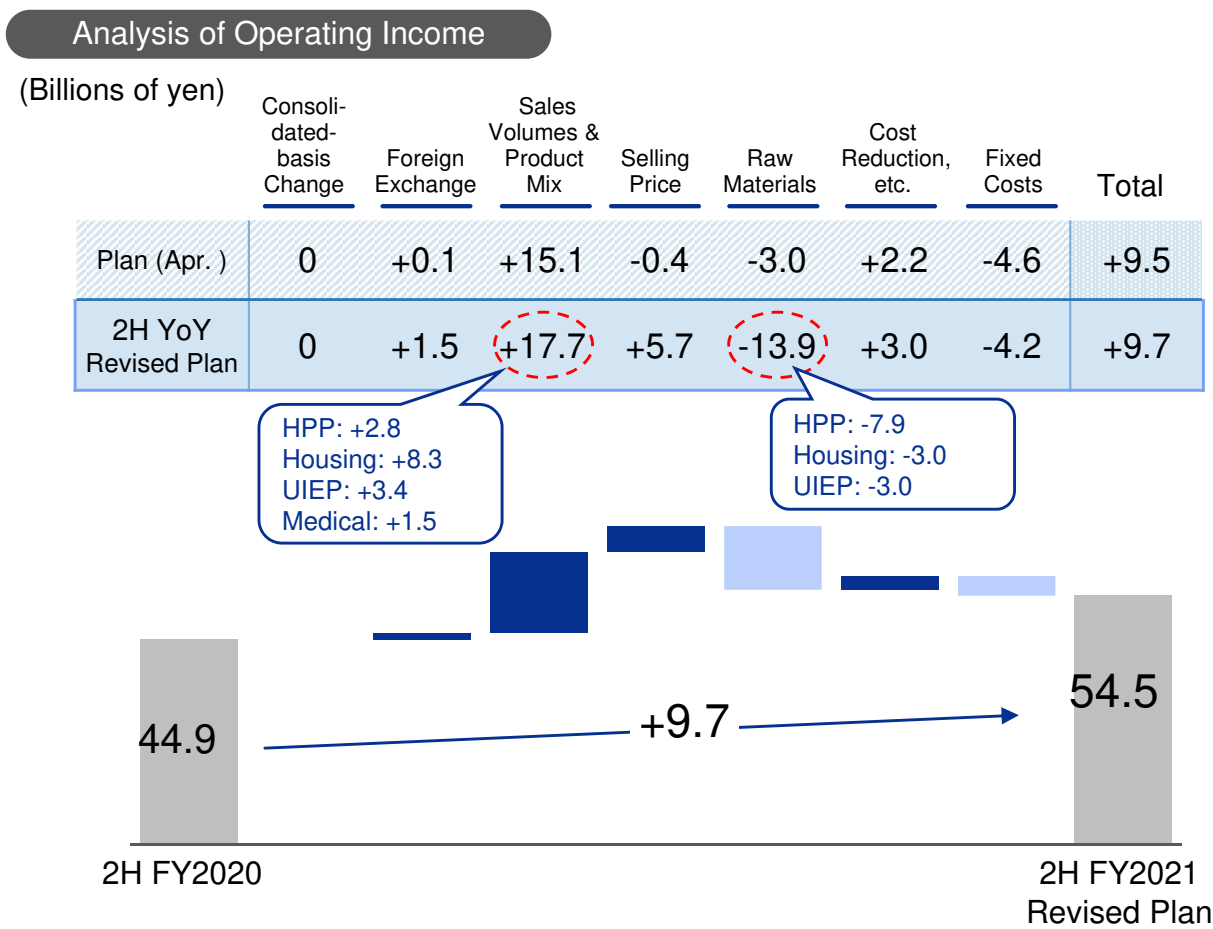
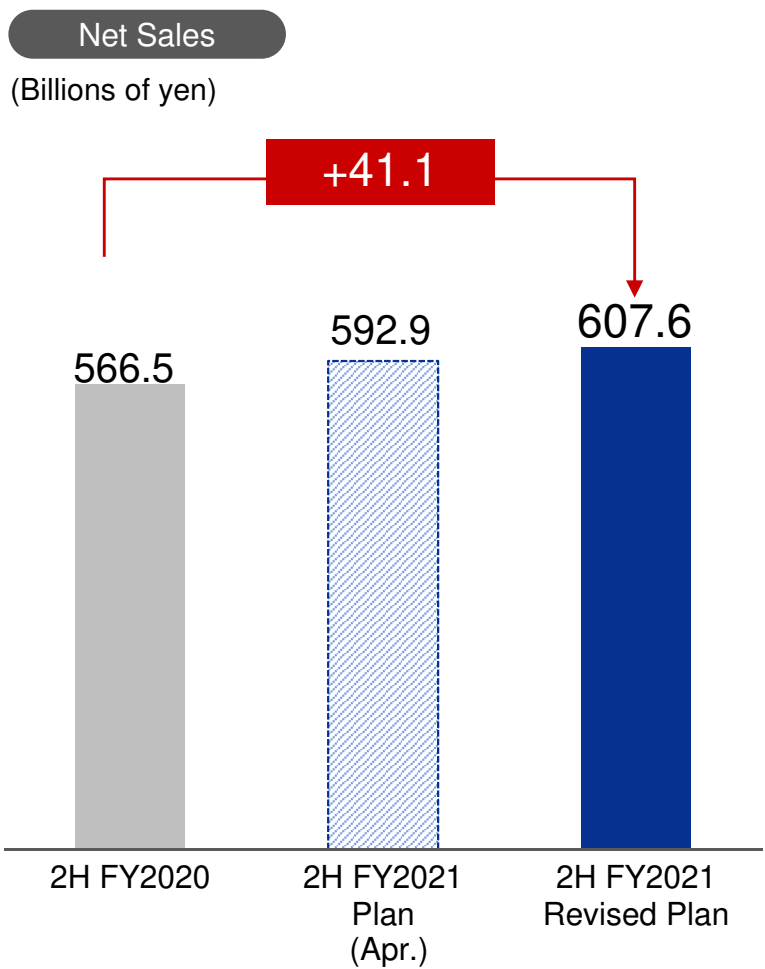
■ Overcome the risks of a further surge in raw material prices and the prolonged impact of shortages in semiconductor supply by improving selling prices, improving the product mix by expanding sales of high-performance products, while promoting cost reductions and cutbacks in fixed costs; target a substantial increase in profits essentially in line with plans at the beginning of the period

- HPP: Minimize the impact of a further surge in raw material prices by improving selling prices and through cost reductions; continue to increase profits by expanding sales of high-performance products; upward revision of initial plans (April)
- Housing: Overcome the growing impact of a surge in component costs by increasing the number of houses sold and reducing costs; target substantial increases in both sales and profits
- UIEP: Continue to focus on improving selling prices, expanding sales of prioritized products, and increasing overseas sales; forecasting increase in both sales and profits
- Medical: Target record-high full fiscal year profits in line with initial plans (April) on the back of the continued recovery in diagnostics demand and by expanding sales of new pharmaceutical ingredients

(Billions of yen)	2H FY2020		2H FY2021 Revised Plan		Difference		2H FY2021 Plan (Apr.)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	170.8	19.8	179.3	22.7	+8.5	+2.9	171.2	21.9	+8.0	+0.8
Housing	254.6	17.5	275.2	22.2	+20.6	+4.7	271.0	22.5	+4.2	-0.3
UIEP	108.4	8.7	115.5	11.8	+7.1	+3.1	113.8	11.8	+1.7	0
Medical	40.4	4.5	43.1	5.1	+2.7	+0.6	42.6	5.6	+0.6	-0.5
Other	2.1	-4.6	3.6	-5.2	+1.5	-0.6	4.3	-5.4	-0.8	+0.2
Eliminations or Unallocatable Accounts	-9.9	-1.1	-9.2	-2.1	+0.7	-1.0	-10.0	-2.0	+0.8	-0.1
Total	566.5	44.9	607.6	54.5	+41.1	+9.7	592.9	54.4	+14.6	+0.1

2H FY2021 Revised Plan: Analysis

- Minimize the impact of a further surge in raw material prices by improving selling prices and through cost reductions; despite the prolonged impact of shortages in semiconductor supply, increase in the number of new houses sold while promoting improvements in the product mix by expanding sales of high-performance products; continued substantial increase in profits
- Operating income forecast to come in essentially in line with initial plans (April)



FY2021 Revised Plan: Net Sales and Operating Income by Divisional Company

- Substantial increases in both sales and profits in each segment; upward revision of Groupwide net sales and operating income
- Continue to strengthen preparation in a bid to realize the Long-term Vision 2030

(Billions of yen)	FY2020		FY2021 Revised Plan		Difference		FY2021 Plan (Apr.)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
HPP	309.9	28.9	349.4	42.0	+39.5	+13.1	333.3	38.0	+16.1	+4.0
Housing	485.3	30.5	525.0	37.0	+39.7	+6.5	525.0	37.0	0	0
UIEP	204.6	11.3	211.6	15.0	+7.0	+3.7	207.6	15.0	+4.0	0
Medical	72.3	7.0	82.8	10.0	+10.5	+3.0	80.0	10.0	+2.8	0
Other	3.6	-8.8	5.5	-10.4	+1.9	-1.7	6.8	-10.4	-1.3	0
Eliminations or Unallocatable Accounts	-19.1	-1.7	-18.8	-3.6	+0.3	-1.9	-20.1	-3.6	+1.3	0
Total	1,056.6	67.3	1,155.5	90.0	+98.9	+22.7	1,132.6	86.0	+22.9	+4.0

Overview of FY2021 Revised Plan

- Substantial increases in net sales, operating income, and ordinary income; upward revision in net sales, operating income, and ordinary income from initial plans (April); projected to exceed FY2019 levels
- As far as the bottom line is concerned, despite a downward revision owing to the loss on impairment of SEKISUI AEROSPACE CORPORATION, the decline in profit held to a minimum through continued progress in the reduction of cross-shareholdings
- Further strengthen earning power and pave the way for achieving the Medium-Term Management Plan "Drive 2022"
- Plan to pay a dividend of ¥49 per share, up ¥2 per share (twelfth consecutive FY of dividend increase)

(Billions of yen)	FY2020	FY2021 Revised Plan	Difference	FY2021 Plan (Apr.)	Difference
Net Sales	1,056.6	1,155.5	+98.9	1,132.6	+22.9
Operating Income	67.3	90.0	+22.7	86.0	+4.0
Ordinary Income	62.6	94.0	+31.4	86.0	+8.0
Net Income Attributable to Owners of the Parent	41.5	34.0	-7.5	60.0	-26.0
Dividend per Share (Yen)	47	49	+2	49	0

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High Performance Plastics
Company

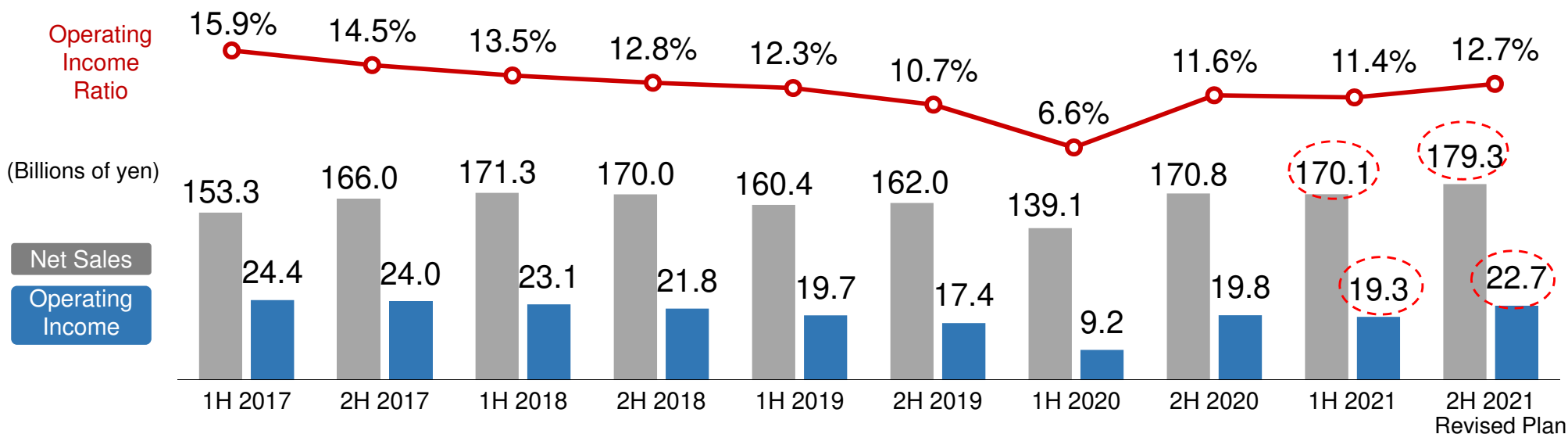
Ikusuke Shimizu

Company President

Overview of FY2021 1H Results and 2H Forecasts

- Despite a higher-than-anticipated surge in raw material prices and the growing impact of shortages in semiconductor supply, substantial increases in both sales and profits on the back of increases in sales volumes and product mix in the 1H
- Minimize the impact of a further surge in raw material prices by improving selling prices and cost reductions in the 2H; projecting a continued increase in profits owing to the expansion of high-performance product sales mainly in the three strategic fields
- Posted a loss on impairment (¥49.5 billion) of such assets as goodwill of SEKISUI AEROSPACE CORPORATION due to prolonged sluggish aircraft demand

Performance Trends



Foreign Exchange Rate
*Avg. rate for each fiscal year

	1H 2017	2H 2017	1H 2018	2H 2018	1H 2019	2H 2019	1H 2020	2H 2020	1H 2021	2H 2021
¥111/US\$	¥111/US\$	¥111/US\$	¥110/US\$	¥111/US\$	¥109/US\$	¥109/US\$	¥107/US\$	¥105/US\$	¥110/US\$	¥110/US\$
¥126/€	¥133/€	¥130/€	¥127/€	¥121/€	¥120/€	¥121/€	¥126/€	¥131/€	¥129/€	

*2H FY2021 Assumptions

Main M&As and Strategic Investments

09/2017
Polymatech Japan

12/2017
SoflanWiz

12/2017
Started operations at a new interlayer film production line (Mexico)

04/2018
Operations commence at a new automotive exterior parts plant in Japan

2018-2019
Start of operations at new foam plants in Thailand and China

2H 2019
SEKISUI AEROSPACE CORPORATION

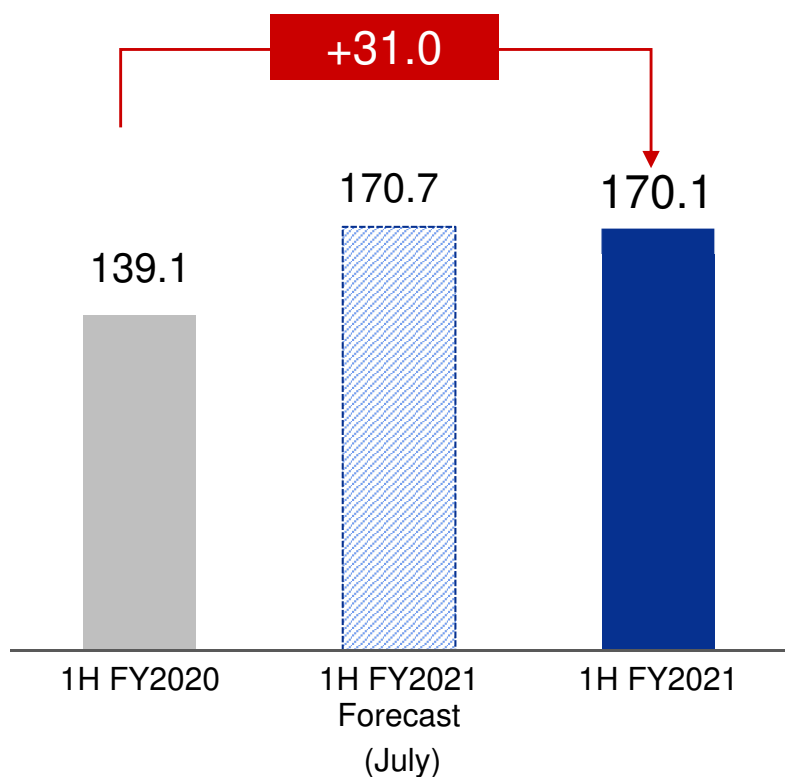
2H 2020
Start of operations at a new interlayer film production line (Europe)

2H 2021
Start of operations at a new interlayer film resin production line (Europe)

■ Despite a higher-than-anticipated surge in raw material prices and the growing impact of shortages in semiconductor supply, achieved increases in both sales and profits on the back of increases in sales volumes and product mix mainly in the three strategic fields; exceeded upwardly revised forecasts (July); effective return to FY2019 level of operating income

Net Sales

(Billions of yen)

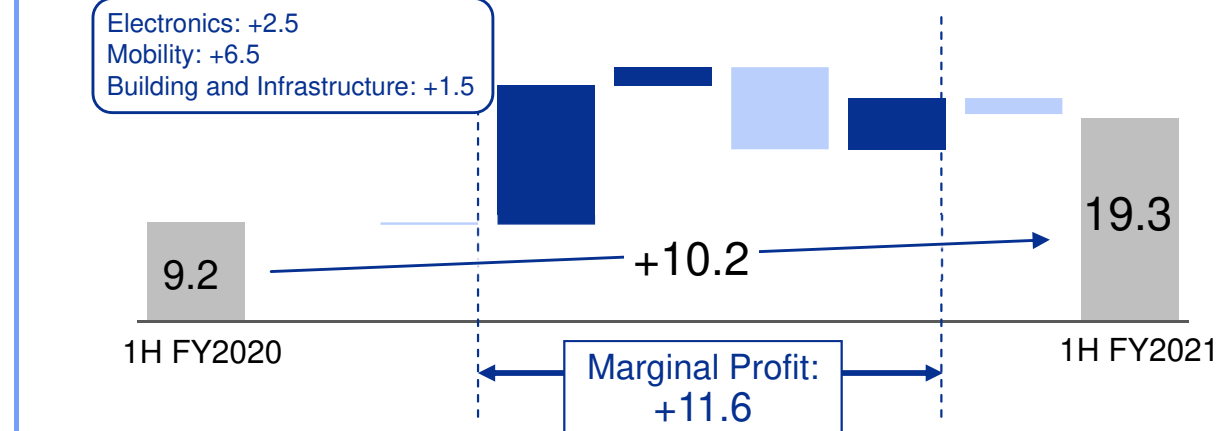


Analysis of Operating Income

(Billions of yen)

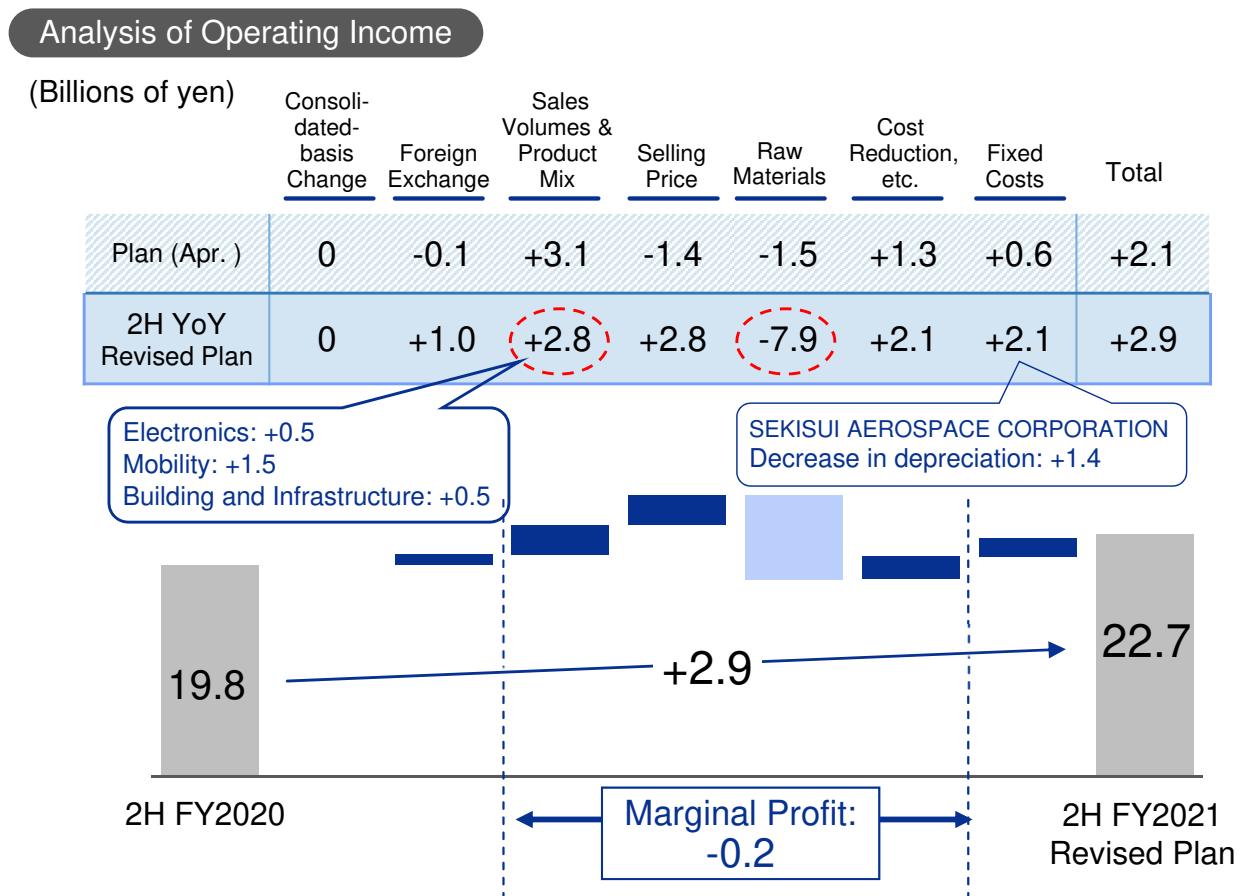
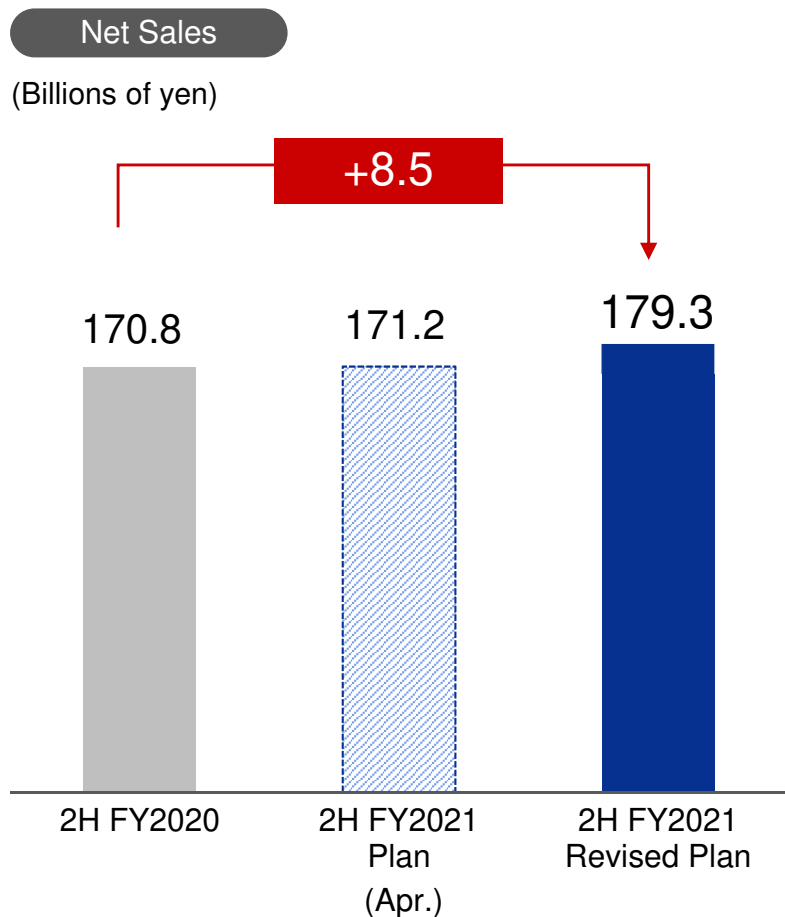
	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
Forecasts (July)	0	-0.3	+11.9	+1.1	-6.3	+4.1	-1.9	+8.8
1H YoY Results	0	-0.2	+12.8	+1.7	-7.7	+4.8	-1.3	+10.2

Electronics: +2.5
Mobility: +6.5
Building and Infrastructure: +1.5



	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
1Q YoY	0	-0.4	+9.3	+0.1	-2.5	+2.4	-1.1	+7.9
2Q YoY	0	+0.2	+3.4	+1.6	-5.2	+2.4	-0.2	+2.2

- Minimize the impact of surges in raw material prices that are substantially exceeding initial forecasts through a variety of measures including improving selling prices and cost reductions; projecting an increase in profits by expanding sales of high-performance products, controlling fixed costs, and through fluctuations in foreign exchange
- Strengthen preparation for growth in order to achieve the Medium-term Management Plan



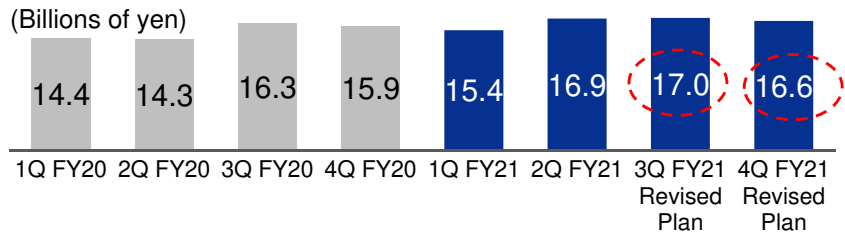
Three Strategic Fields and Cost Innovation

- Full fiscal year sales projected to increase in each of the three strategic fields; offset the impact of surges in raw material prices by improving selling prices; steady trends in the Electronics as well as Building and Infrastructure fields; secure an increase in sales by expanding sales of high-performance products in the Mobility field

Net Sales in the Three Strategic Fields

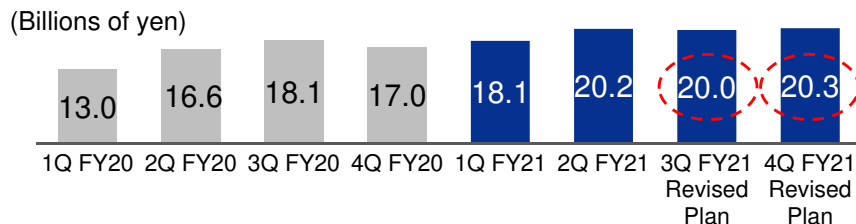
Electronics

- 1H: Secured increases in both sales and profits essentially in line with plans; growth in liquid crystal fields owing to robust panel operation rates ; trends also firm in the Non-LCD field
- 2H: Despite the ongoing impact of shortages in semiconductor supply, results driven by such products as binder resins for MLCCs in the Non-LCD field



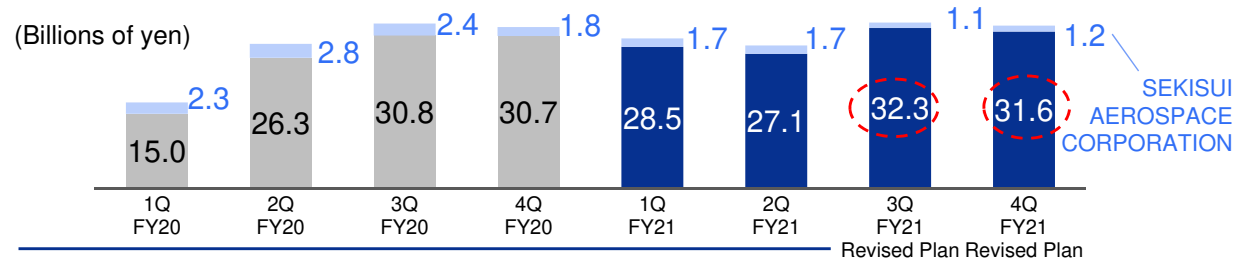
Building and Infrastructure

- CPVC: Progress in line with plans; firm demand also in the 2H; focus on improving selling prices
- Fire-resistant materials: Increase in sales in line with plans owing to a recovery in construction market conditions; projecting a continued recovery in demand also in the 2H; promoting price revision



Mobility

- Although the impact of shortages in semiconductor supply increased abruptly from the 2Q, 1H results in excess of plans
- Despite anticipating ongoing shortages in semiconductor supply also in the 2H, expecting to secure an increase in sales owing to expansion of mainly HUD as well as other high-performance interlayer films (HUD film: More than 110% YoY on a sales volume basis)
- SEKISUI AEROSPACE CORPORATION: Streamlining efforts and raising prices; incremental expansion of new fields through portfolio transformation (FY20: US\$11 million → FY26: US\$70 million)



Cost Innovation

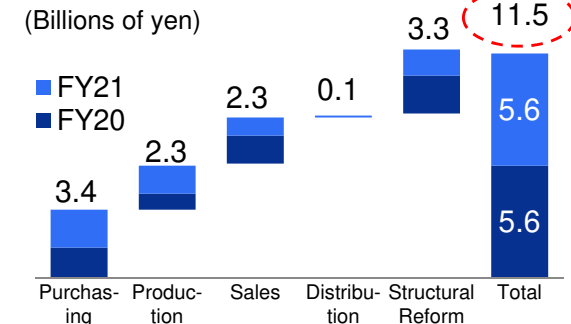
- Further accelerate reforms to the supply chain and business structure; achieve the Medium-term Management Plan in advance (FY22 cumulative: -¥8.0 billion*1)
- Projecting an improvement in profits: FY21: ¥5.6 billion*2 (initial plan: +¥1.1 billion)

- Reform the business structure (+¥1.3 bn YoY)
- Work to reform the supply chain (+¥4.3 bn YoY)
- Thoroughly review underperforming businesses
- Optimize purchasing businesses
- Improve productivity
- Reorganize and optimize bases
- Reduce distribution costs

*1 FY2020-FY2022 cumulative total (BM: FY2019)

*2 Amount of improvement compared with FY2020

Breakdown of Cost Innovation



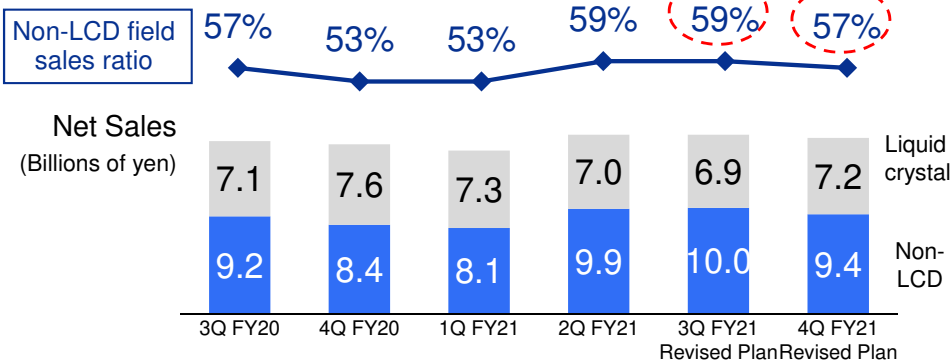
Strengthen the rollout of measures aimed at sustainable growth in each of the three strategic fields; also focus on fostering next-generation growth domains

Progress of Growth Measures in the Three Fields

Electronics

~ Focus on the Non-LCD field

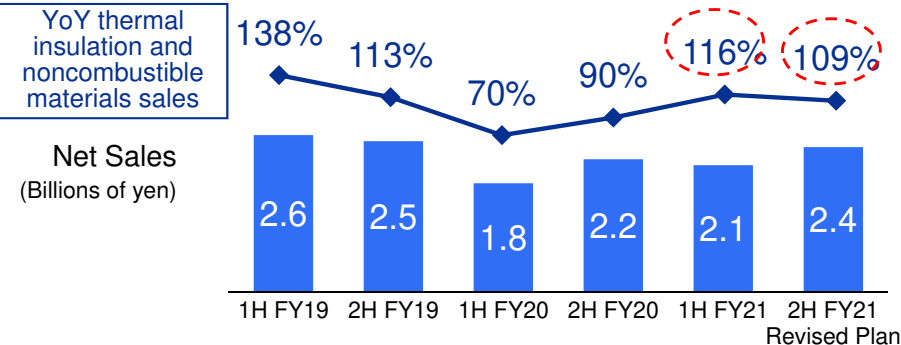
- Steadily expand processing materials for semiconductors; accelerate the development of next-generation high-performance products
- Sluggish growth in heat release materials owing to such factors as shortages in semiconductor supply



Building and Infrastructure

~ Thermal insulation and noncombustible material sales growth

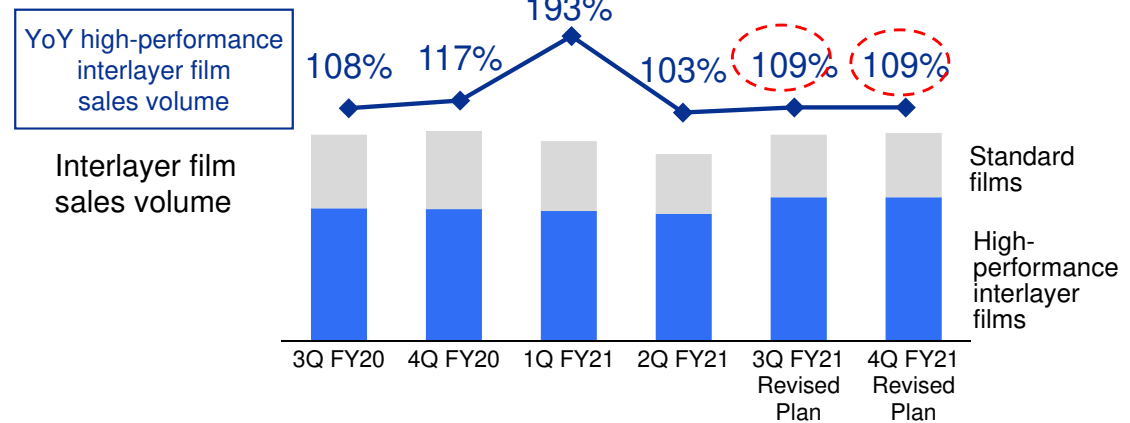
- Focus on expanding sales of thermal insulation materials and non-flammable urethane (expand regions, develop applications)



Mobility

~ High-performance interlayer film sales growth

- Continued high HUD film growth; promote heat insulation and other interlayer film composite functions in response to the growing trend toward electric vehicles



Next-generation Growth Domains

Electronics	Mobility	Building and Infrastructure	Industrial Application
<ul style="list-style-type: none"> Elastic adhesives Products for next-generation displays 	<ul style="list-style-type: none"> Composite function interlayer films Higher performance products 	<ul style="list-style-type: none"> Labor-saving materials Piezoelectric sensors Remote surveillance sensors 	<ul style="list-style-type: none"> Health care and protective materials
<p>Elastic adhesive (for small part use)</p>	<p>S-LEC[®] Sound and Solar Film Sound acoustic and heat insulation film</p>	<p>Remote surveillance sensor</p>	<p>Antivirus spray</p>

SEKISUI

Housing Company

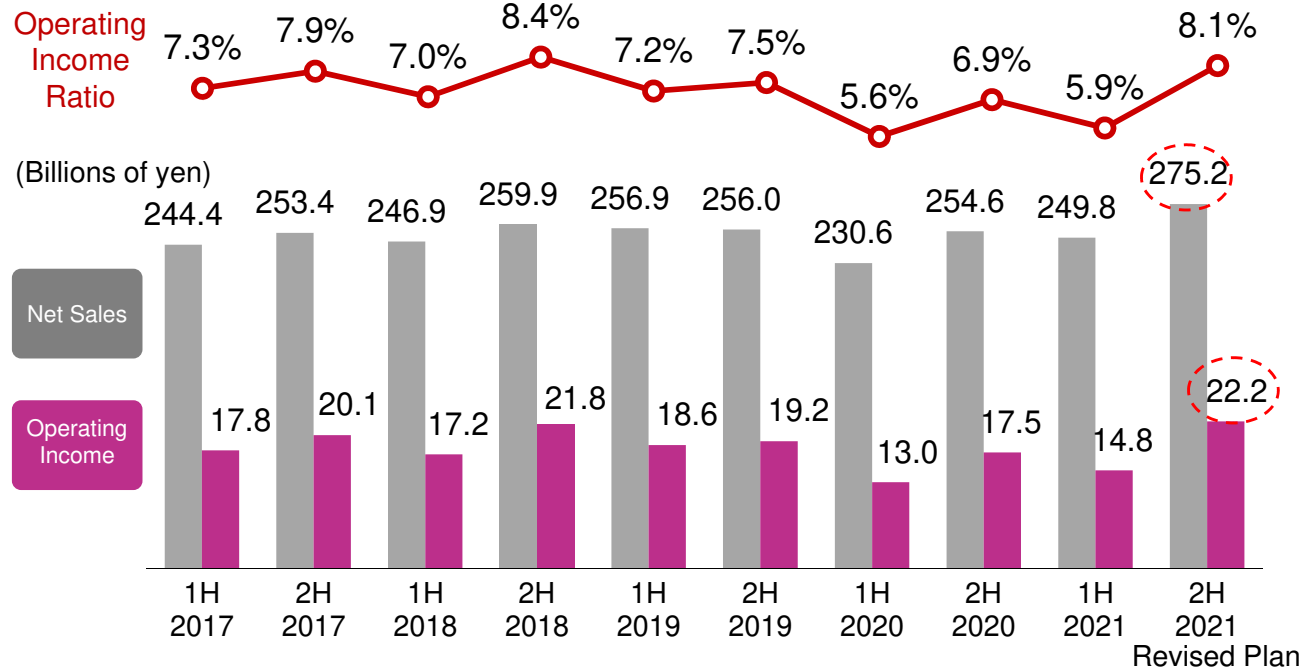
Toshiyuki Kamiyoshi

Company President

Overview of FY2021 1H Results and 2H Forecasts

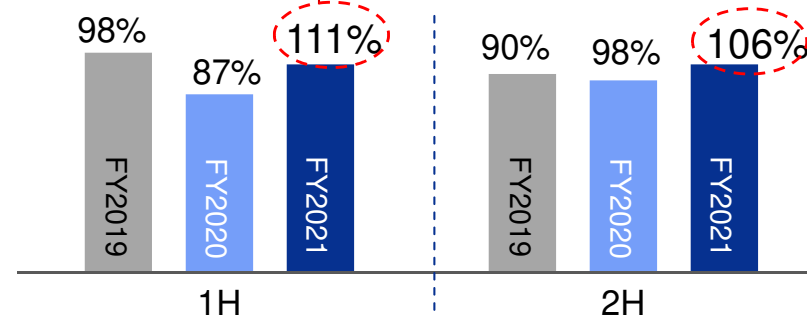
- Despite the surge in component costs, achieved operating income in line with plans (July) on the back of robust orders and cost reductions in the 1H
- Offset the growing impact of a surge in component costs through an increase in the number of houses sold and cost reductions; target substantial increases in both sales and profits in the 2H

Performance Trends



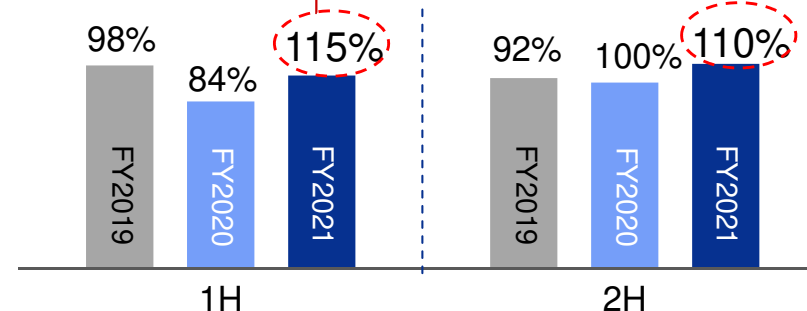
New Housing Orders

(Units, YoY)



Renovation Order

(YoY)

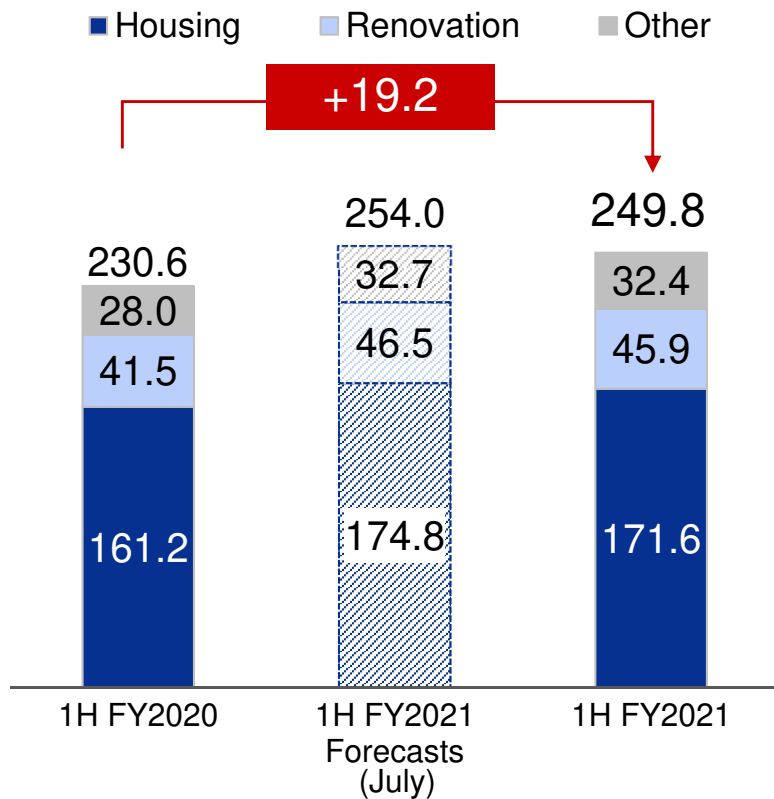


■ Offset the impact of delays in processing as well as the surge in component costs through cost reductions; achieved forecast (July) operating income

- Housing: Offset the impact of a surge in component costs by increasing the number of houses sold focusing mainly on ready-built houses as well as cost reductions; secured an increase in profits
- Renovation: Despite the ongoing impact of COVID-19, substantial increase in profits owing to an increase in sales
- Other: Contribution to profits from the Town and Community Development Business; steady growth in the Real Estate Business

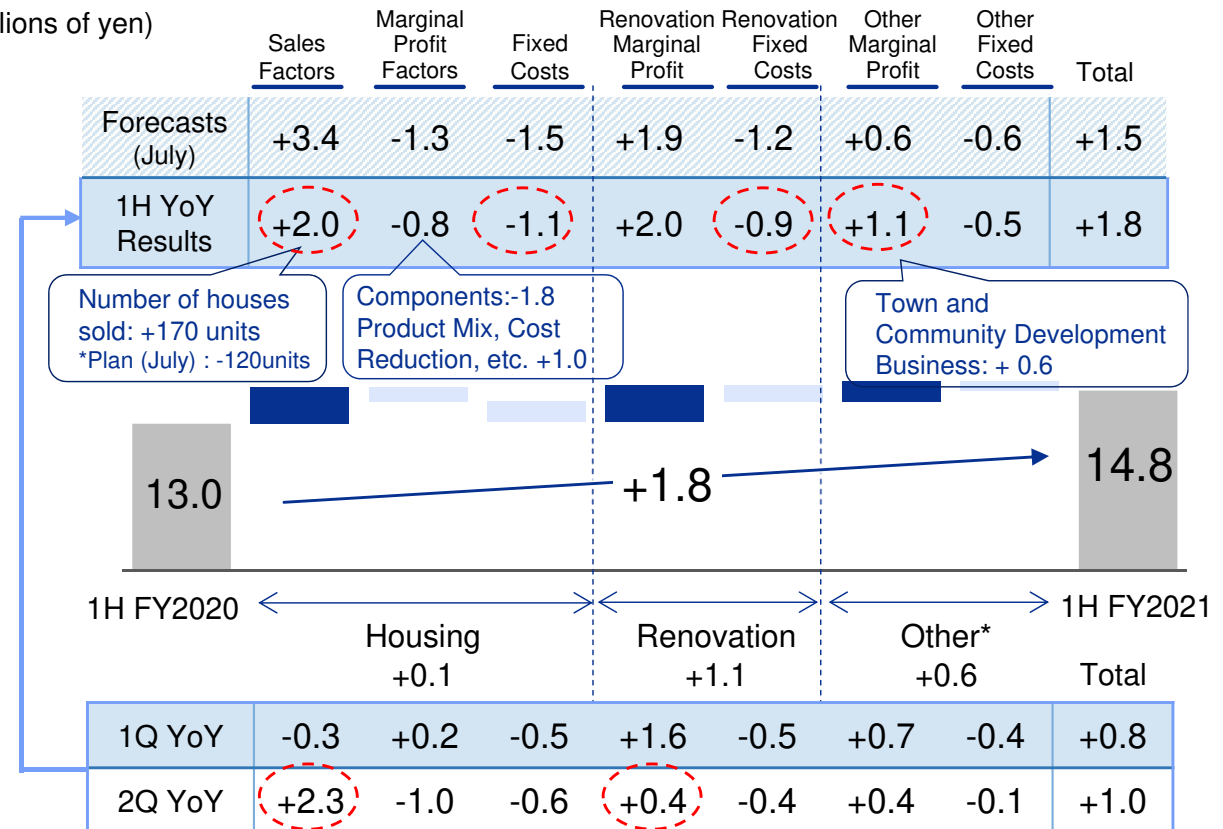
Net Sales by Business

(Billions of yen)



Analysis of Operating Income

(Billions of yen)

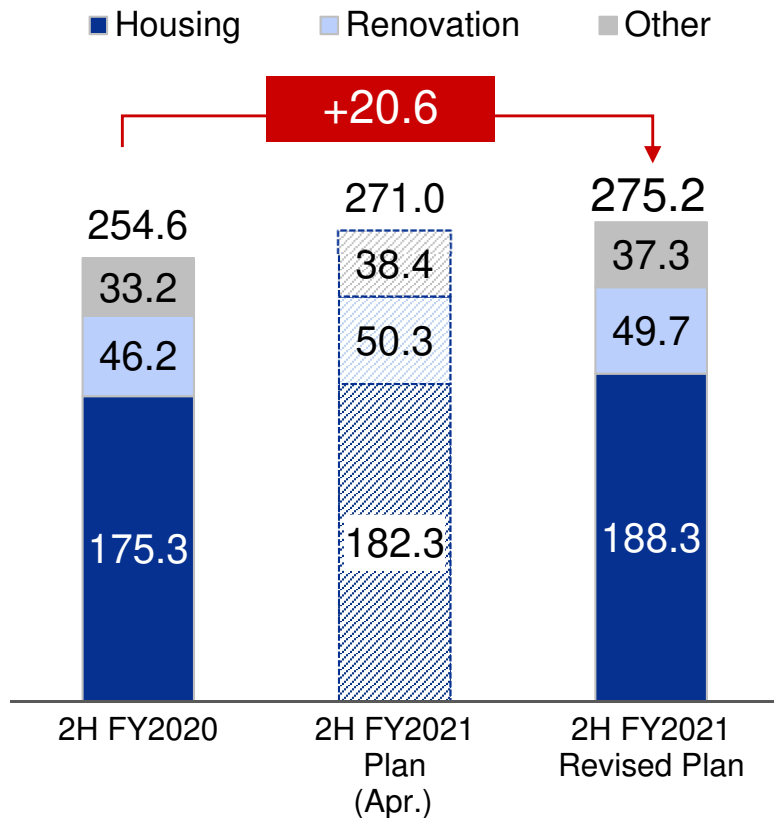


*Other (Real Estate, Town and Community Development, Overseas, Residential Services)

- Despite the growing impact of surges on component costs, target substantial increases in both sales and profits by increasing the number of houses sold focusing mainly on smart houses as well as cost reductions
 - Housing: Increase in the number of houses sold on the back of robust orders in the 1H; strengthen profitability by promoting land strategies (subdivision houses, ready-built houses)
 - Renovation: Despite the lingering impact of COVID-19, increases in both sales and profits owing to periodic diagnosis expansion and increased sales of strategic products
 - Other: Accelerate Town and Community Development Business expansion; commence sales of 4 new projects

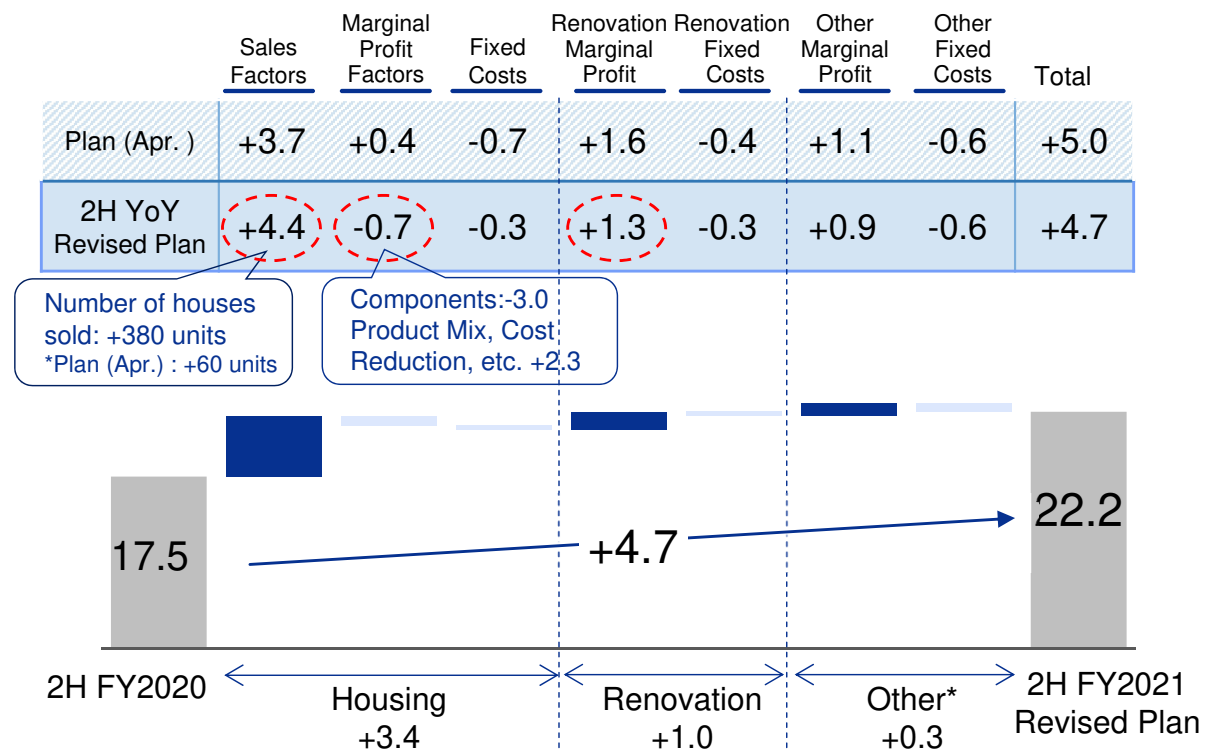
Net Sales by Business

(Billions of yen)



Analysis of Operating Income

(Billions of yen)



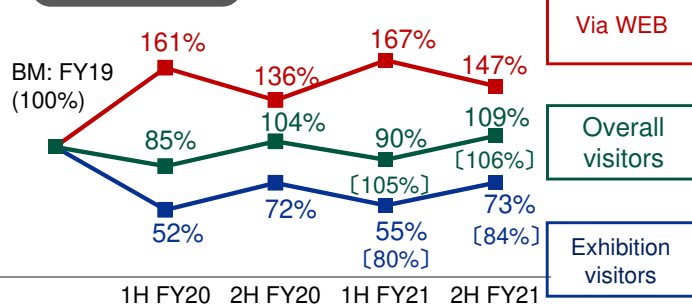
*Other (Real Estate, Town and Community Development, Overseas, Residential Services)

New Housing Orders

- Developments in the three key measures aimed at generating growth (sales force, product strategies, and land strategies) driven by the 50th anniversary project
- Work toward securing orders in excess of FY19 in the 2H

Customer and Order Trends

Visitors



* Figures in parentheses are assumptions as of the beginning of FY21.

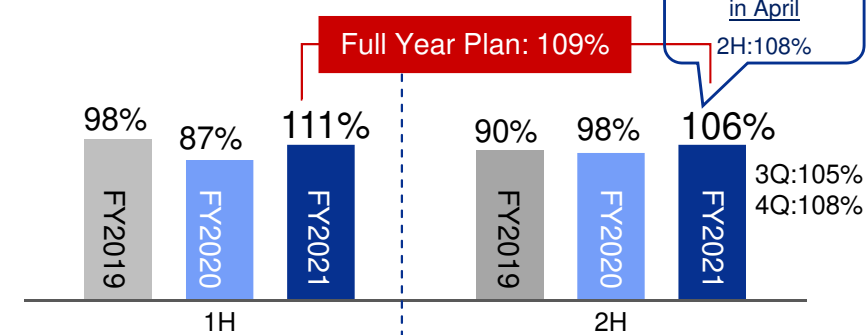
Number of Orders by Type of Construction

		1H FY21	2H FY21
Detached Houses	Rebuilding	109%	98%
	New construction*1	106%	107%
	Subdivision housing	124%	110%
	Of which, ready-built houses	119%	111%
	Total (Including apartment buildings)	111%	106%

*1 Land: Client arrangement

Order Results and Plan

New Housing Orders (Units, YoY)



2H Measures to Acquire Orders

50th ANNIVERSARY SEKISUI HEIM

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

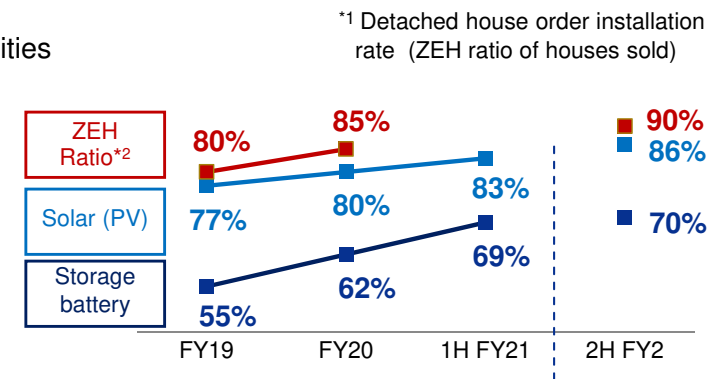
Sales Force/
Attracting
Customers

Product
Strategies

Land
Strategies

- **Promote developments in integrated online and face-to-face proposals**
 - ✓ Strengthen WEB and online use
 - ✓ [50th anniversary] Expand experience-based GREENMODEL PARK facilities 62 locations including Museum (end of March 2022) (Compared with the end of September 2021: +19 locations)
- **Further strengthen Smart House products and resilience promotion**
 - ✓ [50th anniversary] Launch new Smart Power Station FR GREENMODEL products (October)
Both environmental contribution and economic efficiency; increase the rate of energy self-sufficiency
- **[50th anniversary] Expand sales of the Town and Community Development Project / Increase procurement capacity**
 - ✓ Drive overall subdivision houses as a flagship project
Expand the project scale through horizontal deployment of best practices (As of July: 10 projects with roughly 300 lots ⇒ 11 projects with roughly 500 lots)

Smart House-related Indicators*1



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

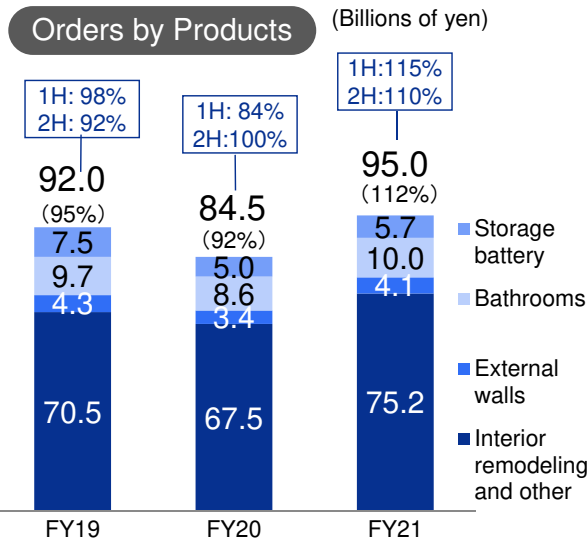
Stock Business (Renovation, Real Estate), Town and Community Development

Secure renovation orders in excess of FY19 by strengthening each measure including periodic diagnosis

Stock Business (Renovation)

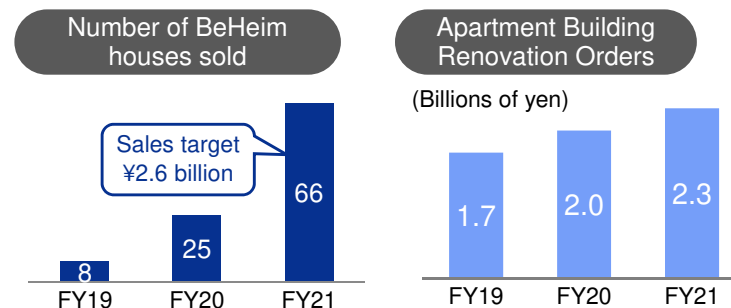
*%: YoY

- Sales Structure**
 - Expand periodic diagnosis (quantity, quality, speed)
 - Expand Museum rollout (FY20-end: 12 → FY21-end: 25 locations)
- Products**
 - Expand sales of strategic products
 - Large capacity 12kWh film-type storage batteries
- Improve Productivity/ Increase the Level of Customer Satisfaction**
 - Promote the leveling out of sales
 - Strengthen points of customer contact using DX
 - Promote online negotiations and seminars
 - Newly establish a Heim owner My Page



Stock Business (Real Estate)

- Strengthen collaboration with the Renovation Business
 - [50th anniversary] Expand BeHeim purchase and resale Focus on strengthening the sales structure and securing inventory
 - Expand orders for leasing renovation Strengthen proposals from online negotiations and diagnosis



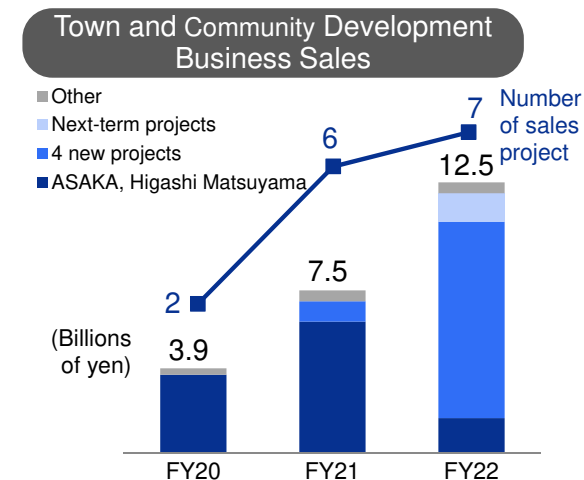
Promote efforts to establish a structure and platform geared toward expanding the Town and Community Development Business; engage in thoroughgoing project progress management

Town and Community Development

- Focus on the early completion of sales the ASAKA and Higashi Matsuyama Lead Town projects Commence sales of four new projects (Shin Moriya, Tsukuba, Sapporo, and Nishi Chiba)
- Further strengthen brand power
 - Strengthen Lead Town and HEIM SUITE online communication
 - Accelerate development of the Town Management Business Expand introduction to new and existing subdivision land (Number of lots under management: End of FY2020: 400 → End of FY2021: 1,100)

Sapporo Hiragishi Lead Town (planned)

Promote a complex Town and Community Development Business through the prominence and fusion of SEKISUI CHEMICAL Group





Urban Infrastructure &
Environmental Products
Company

Yoshiyuki Hirai

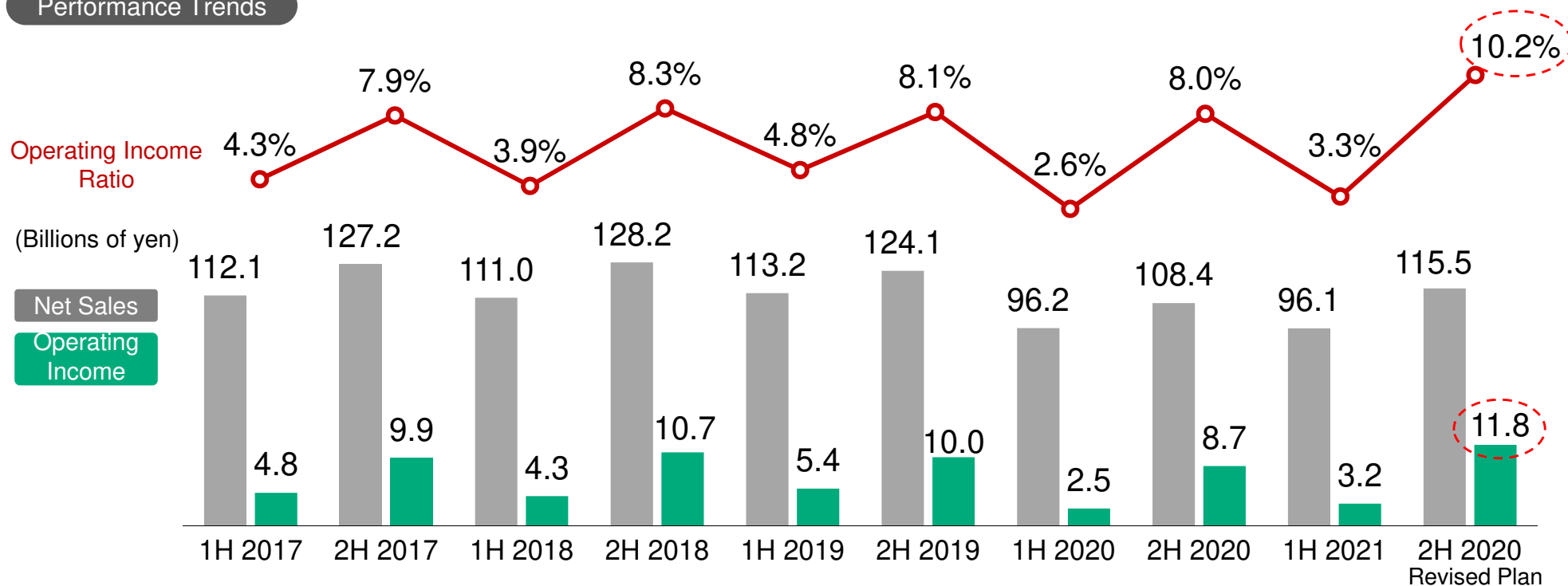
Company President

Overview of FY2021 1H Results and 2H Forecasts

- Despite the surge in raw material prices and delays in the recovery of domestic non-residential demand, achieved an increase in profits in the 1H owing to improvements in selling prices, expansion of prioritized product sales, and successful efforts to reduce fixed costs
- Projecting certain improvements in market conditions in the 2H; continue to focus on improving selling prices, expanding sales of prioritized products*, and increasing overseas sales; forecasting increases in both sales and profits in line with initial plans (April)

* 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

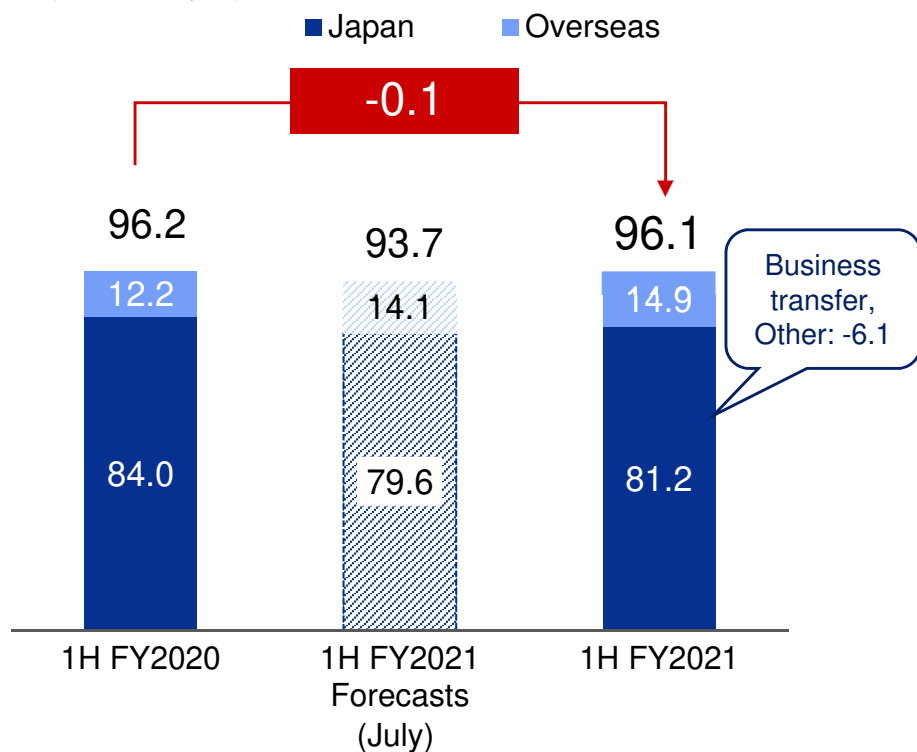
07-08/2021
Tokyo Olympic Games

Despite the surge in raw material prices, delays in the recovery of non-residential demand, and the effects of delays in construction projects due to the prolonged impact of COVID-19, exceeded operating income plans (July) owing to improvements in selling prices, expansion of prioritized product as well as overseas sales, and successful efforts to reduce fixed costs

- Japan: Despite the surge in raw material prices as well as the effects of delays in small- and medium-scale non-residential renovations and construction projects due to the prolonged impact of COVID-19, recovery trend in housing demand; expansion of prioritized products
- Overseas: Slow pace of recovery in aircraft demand; continued growth in semiconductor-related demand

Net Sales

(Billions of yen)

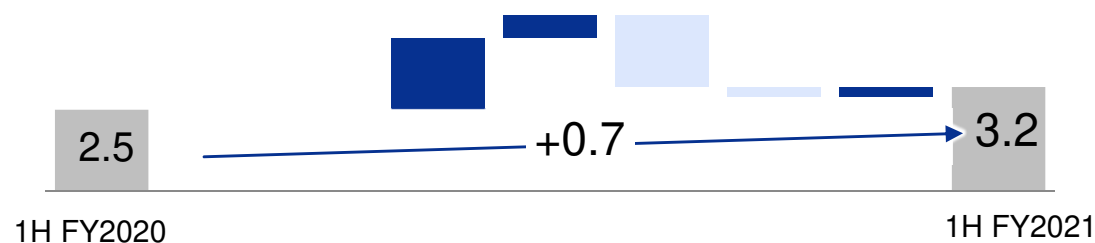


- Increase in sales of ¥6.0 billion on an actual basis excluding the impact of business transfer and other

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
Forecasts (July)	0	+0.1	+2.2	+0.5	-2.1	-0.3	-0.3	0
1H YoY Results	0	0	+2.1	+0.7	-2.2	-0.3	+0.3	+0.7



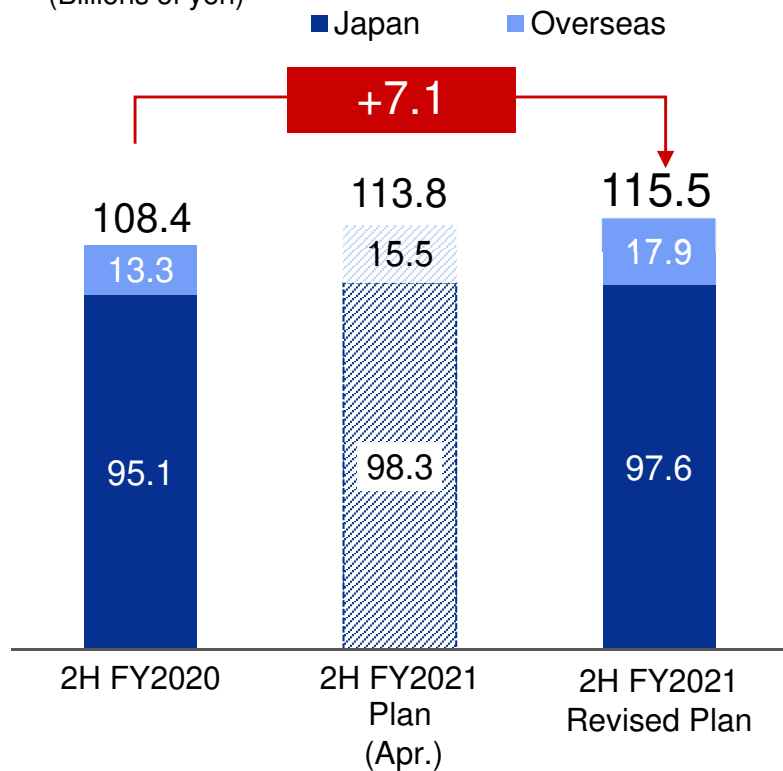
	Consolidated-basis Change	Foreign Exchange	Sales Volumes & Product Mix	Selling Price	Raw Materials	Cost Reduction, etc.	Fixed Costs	Total
1Q YoY	+0.1	0	+1.3	0	-0.6	-0.5	0	+0.4
2Q YoY	0	0	+0.8	+0.7	-1.6	+0.2	+0.3	+0.3

Surges in raw material prices that exceeded initial expectations offset through margins secured by improving selling prices, forecasts of a certain degree of improvement in market conditions, expansion of prioritized product as well as overseas sales, and successful efforts to reduce fixed costs; expected to achieve record-high profits in the 2H

- Japan: Secure margins through further improvements in selling prices; substantial expansion of prioritized products
- Overseas: Trends in piping materials for plants firm on the back of increased semiconductor-related demand; growth in non-aircraft-related applications including the medical field in the U.S. Sheet Business; despite the impact of delays in FFU projects, growth in orders

Net Sales

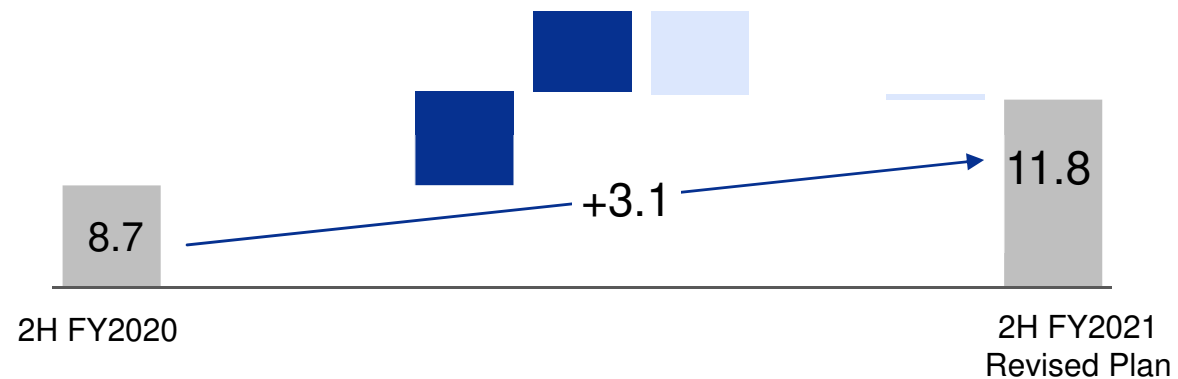
(Billions of yen)



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	+3.2	+1.1	-0.9	+0.2	-0.5	+3.0
2H YoY Revised Plan	0	0	+3.4	+2.9	-3.0	0	-0.2	+3.1

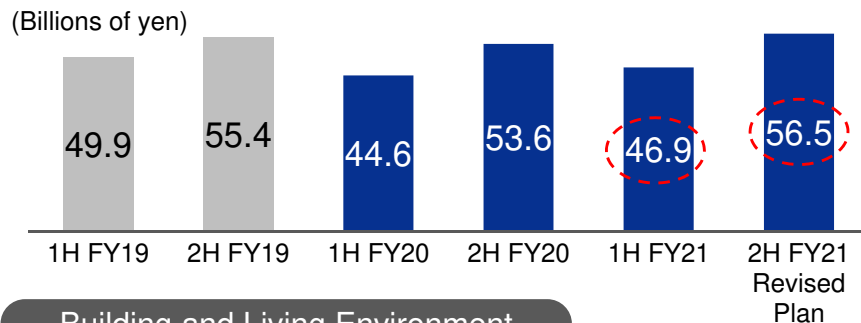


Projecting an increase in full fiscal year sales (actual) in each of the three strategic fields

Net Sales in the Three Strategic Fields

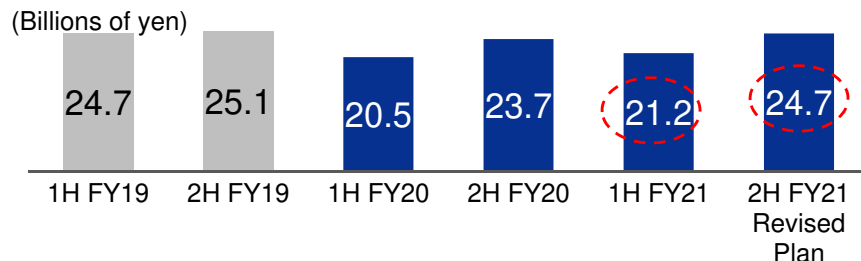
Piping and Infrastructure

- 1H: Public sector firm; recovery trends mainly in housing demand; continued firm trend of industrial piping for plants
- 2H: Gradual recovery in non-residential demand; projecting sales expansion mainly of prioritized products



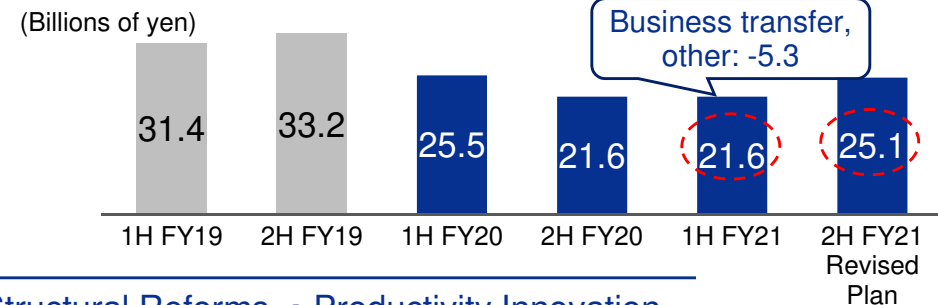
Building and Living Environment

- 1H: Secured an increase in sales on the back of upswings in housing and renovation demand; progress in improving profitability
- 2H: Growth in new products (automatic cleaning bathtubs) and nursing care field



Advanced Materials

- Sheets: Aircraft-related demand on a modest recovery path; steady progress expanding medical and other non-aircraft-related fields
- FFU (railway sleeper): Despite the impact of delays in projects and surges in marine freight costs, firm orders mainly in Europe; despite delays in a recovery of the U.S. and Australia, signs of a pickup; steps to establish a new production base in line with plans (operations scheduled to commence in the 2H of 2022)
- Steady growth in high-performance molded products including clean containers

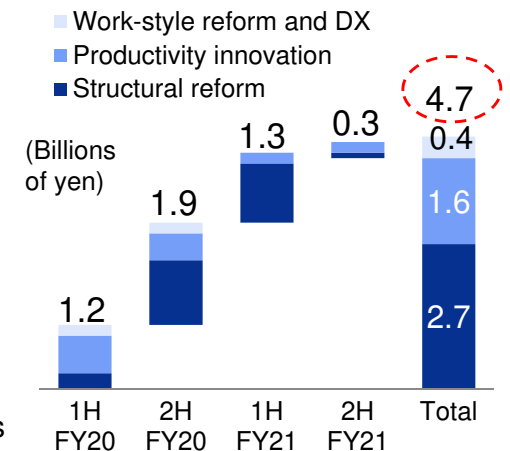


Structural Reforms · Productivity Innovation

- Projecting a cumulative improvement in profits of ¥4.7 billion* up to FY2021 on the back of efforts to promote business structural reforms and other initiatives
- Steady progress in achieving the medium-term (2022) target of -¥5.0 billion

Main Measures

- Production reorganization (East Japan)
- Promote production automation investment
- Use DX to increase efficiency of all operations (use sales support system)

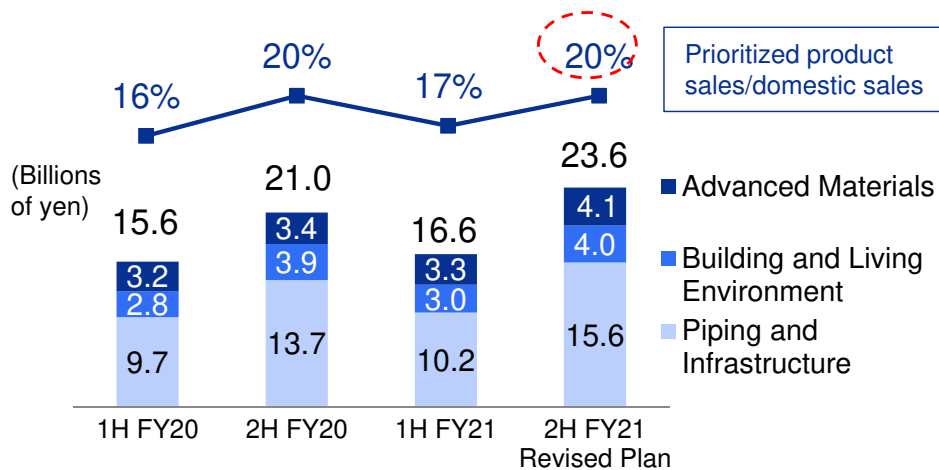


* Amount of cost reduction compared with FY2019

Expansion of Prioritized Products

Prioritized Products Sales (Japan)

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

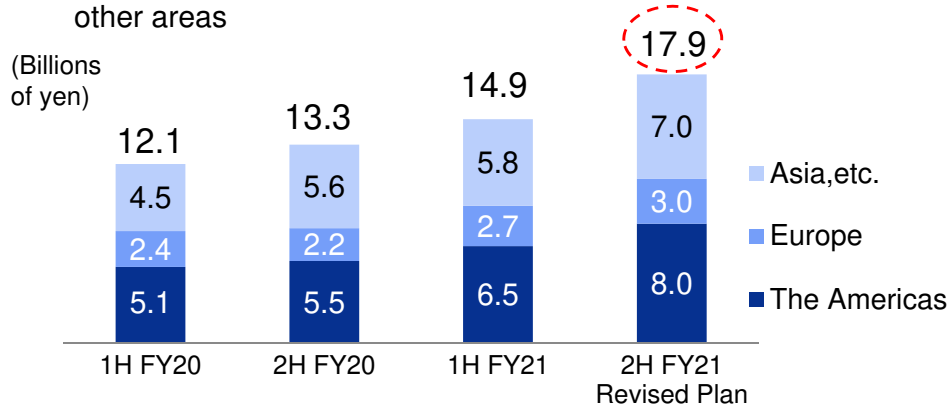


Expansion of Overseas Business

Sales by Overseas Area

* Including the export of domestic products

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



Product Examples

Address Climate Change	Labor Saving and Easy Installation	Address Climate Change	Growth Field
Piping and Infrastructure	Piping and Infrastructure	Building and Living Environment	Advanced Materials
			
Contributes to measures against torrential rains, etc. by displaying high downward flow and reduced air entrainment; deep fall treatment system (Drop shaft)	High-performance seismic polyethylene pipe; metal pipe replacement that leverages the flexible and lightweight characteristics of plastic (Hyper JW)	Siphon type rainwater drainage system; secures the drainage amount to handle heavy rainfall without increasing pipe diameter (High flowrate drainage system)	Clean performance by using specially designed raw materials; multi-layered structure provides light-shielding performance while reducing the impact on the content liquid (High-performance molded products)

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 (Americas, Asia) Establish production bases in Europe (Plans to commence operations in the 2H of FY2022) 	✓	✓	✓
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 Expand synergies with Vietnam TP Corporation 	✓		✓



Medical Business

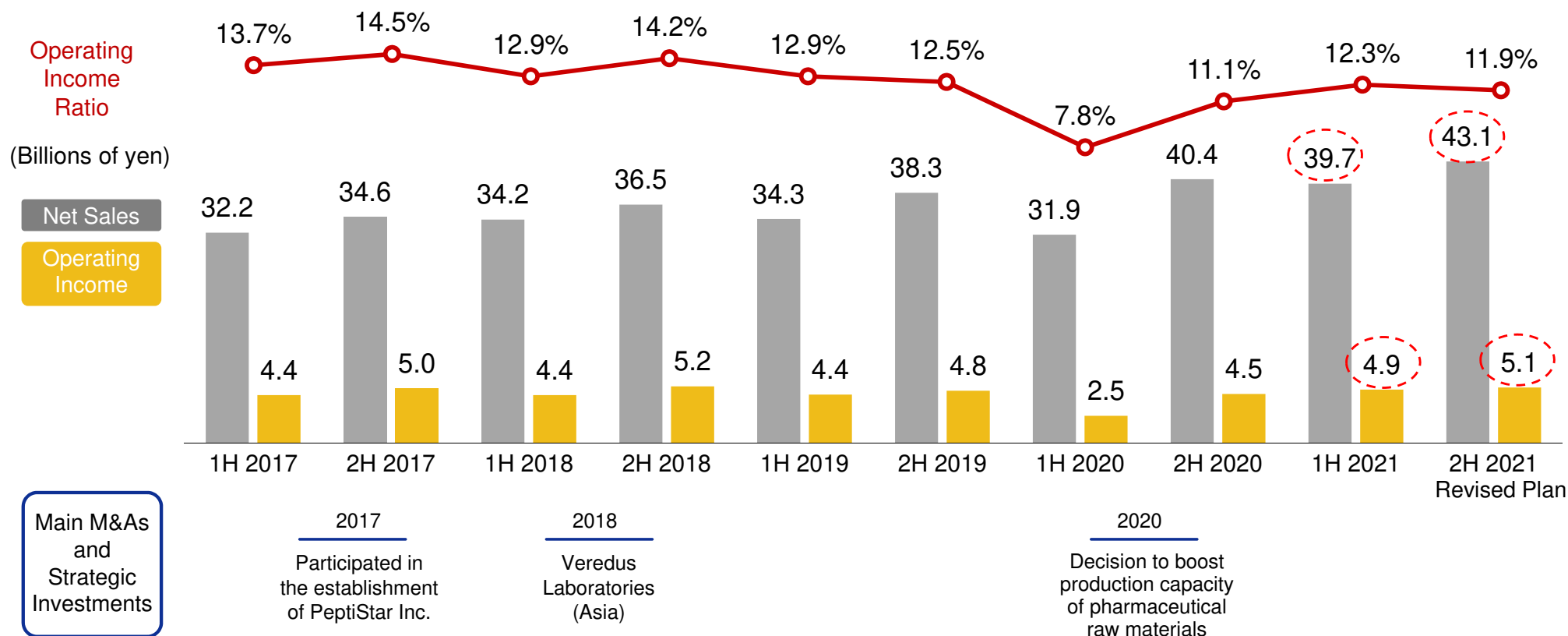
Futoshi Kamiwaki

Director, Senior Managing Executive Officer
Head of Business Strategy Department

Overview of FY2021 1H Results and 2H Forecasts

- Substantial increases in both sales and profits on the back of a steady recovery in diagnostics demand in Japan and overseas in the 1H; achieved record-high 1H profits
- Achieve full fiscal year operating income of ¥10 billion in line with initial plans (April) and also target record-high profits on the back of the continued recovery in diagnostics demand and increases sales of new pharmaceutical ingredients

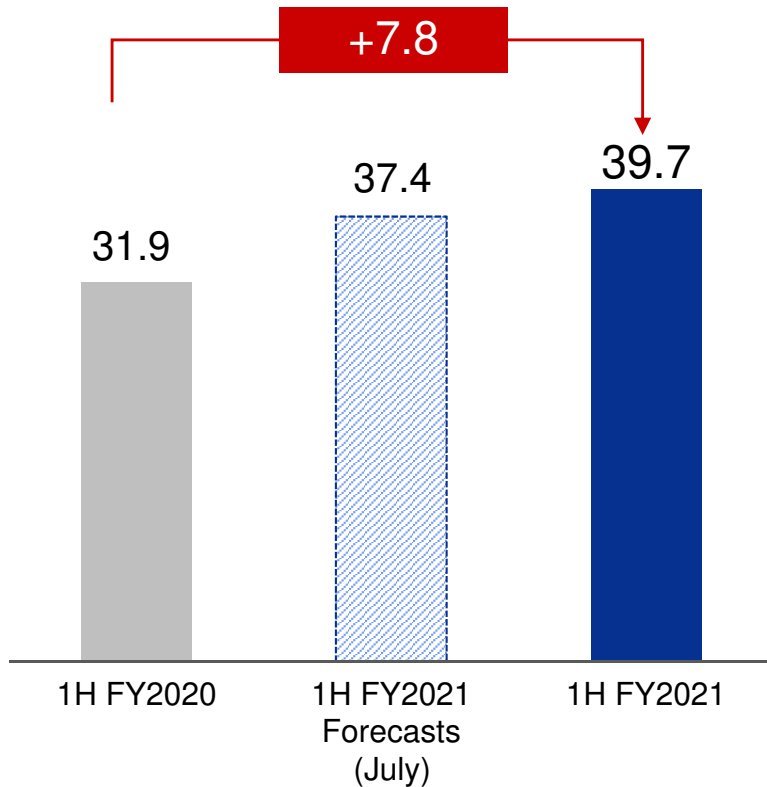
Performance Trends



- Exceeded operating income forecasts (July) owing to the steady recovery in diagnostics demand in Japan and overseas
- Results came in in line with forecasts (July) in the Pharmaceutical and Sciences Business

Net Sales

(Billions of yen)



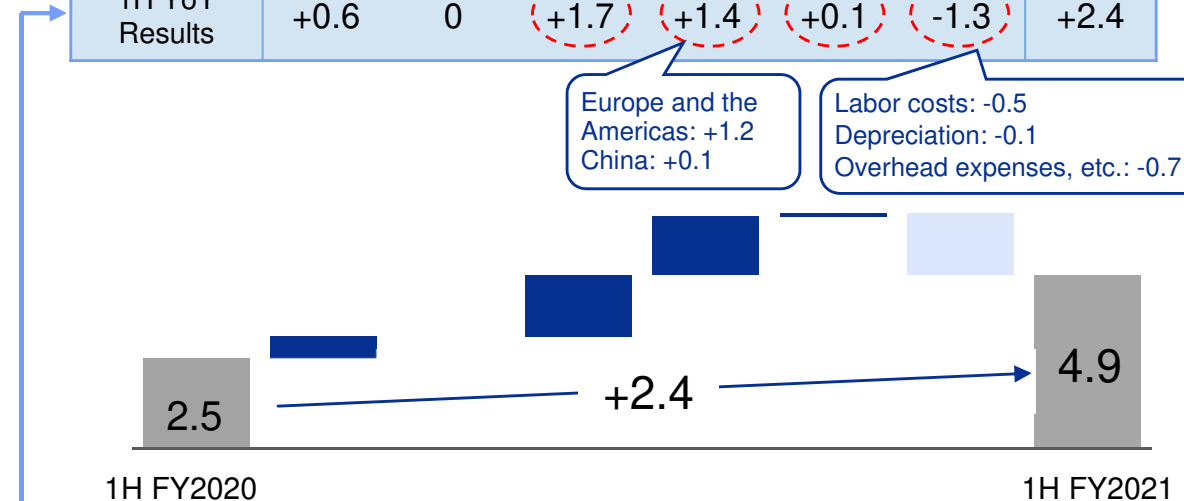
Analysis of Operating Income

(Billions of yen)

	Foreign Exchange	Newly Consolidated, etc.	Diagnostics (Japan)	Diagnostics (overseas)	Pharmaceutical Science and Other	Fixed Costs	Total
Forecasts (July)	+0.7	0	+1.4	+1.5	+0.1	-1.8	+1.9
1H YoY Results	+0.6	0	+1.7	+1.4	+0.1	-1.3	+2.4

Europe and the Americas: +1.2
China: +0.1

Labor costs: -0.5
Depreciation: -0.1
Overhead expenses, etc.: -0.7

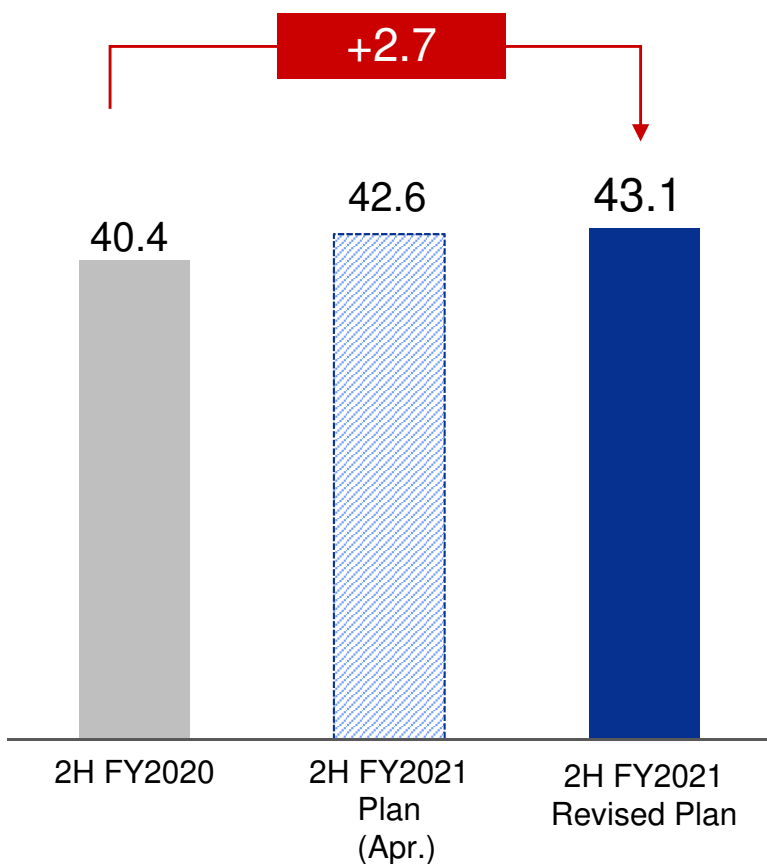


	Foreign Exchange	Newly Consolidated, etc.	Diagnostics (Japan)	Diagnostics (overseas)	Pharmaceutical Science and Other	Fixed Costs	Total
1Q YoY	+0.3	0	+1.0	+0.6	0	-0.7	+1.2
2Q YoY	+0.3	0	+0.7	+0.8	+0.2	-0.7	+1.2

- Projecting Diagnostics Business expansion in Japan and overseas on the back of a continued recovery in diagnostics demand; despite a drop in infectious disease testing demand in the U.S., both sales and profits forecast to increase substantially owing to growth in blood coagulation reagent sales in China and contributions from new pharmaceutical ingredient sales
- Target record high full fiscal year profits

Net Sales

(Billions of yen)



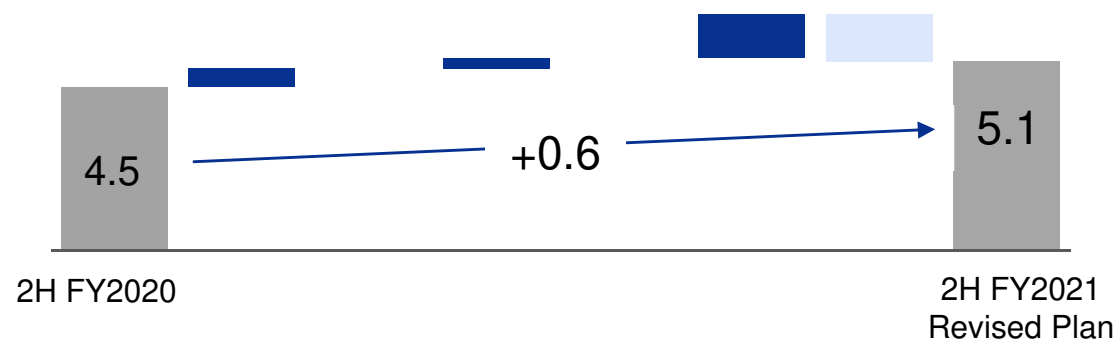
Analysis of Operating Income

(Billions of yen)

	Foreign Exchange	Newly Consolidated, etc.	Diagnostics (Japan)	Diagnostics (overseas)	Pharmaceutical Science and Other	Fixed Costs	Total
Plan (Apr.)	+0.2	0	+0.3	+0.6	+1.2	-1.3	+1.1
2H YoY Revised Plan	+0.5	0	+0.3	0	+1.2	-1.3	+0.6

Europe and the Americas: -0.7
China: +0.6

Labor costs: -1.1
Depreciation: -0.2
Overhead expenses, etc.: 0

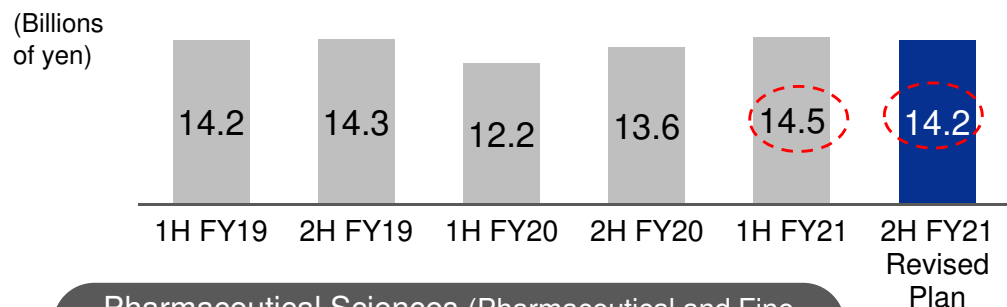


- In addition to firm diagnostics demand, new pharmaceutical ingredients also contributing to profits; accelerating growth through proactive investment

Net Sales by Business and Overview of Progress

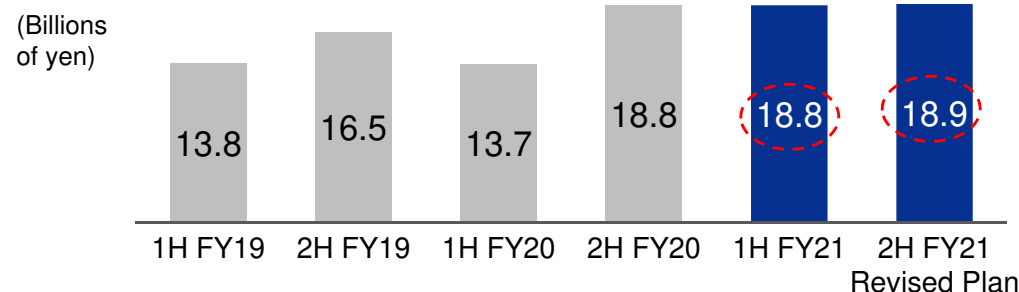
Diagnostics (Japan)

- 1H: Recovery in market conditions; increased demand for infectious disease (RS virus) testing
- 2H: Continued recovery in market conditions; continued biochemistry and immunology domain expansion



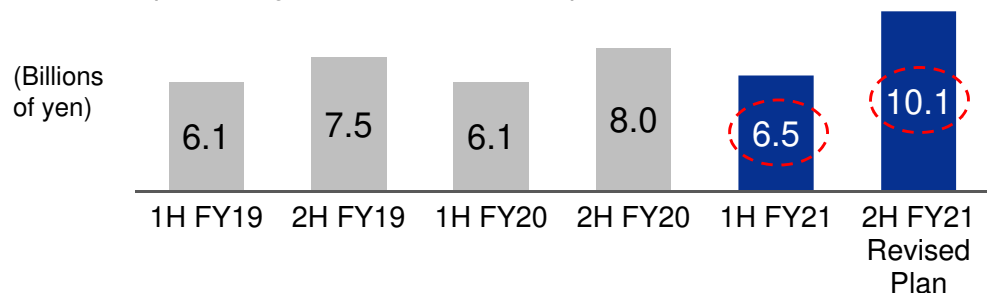
Diagnostics (overseas)

- 1H: Recovery in market conditions; firm trends in COVID-19 diagnostics demand; growth in blood coagulation reagent sales in China
- 2H: Projecting a certain degree of COVID-19 diagnostics demand; continued acceleration in blood coagulation reagent sales growth in China



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

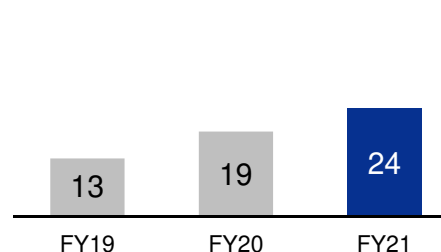
- 1H: Recovery in Drug Development orders on the back of a recovery in market conditions in both Japan and the U.S.
- 2H: Contribution to profits from new pharmaceutical ingredients in line with plans; target CDMO Business expansion



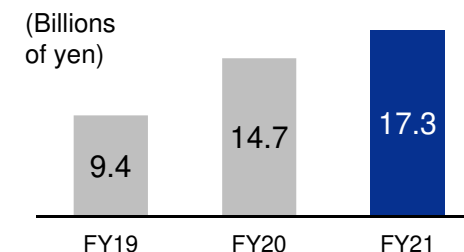
Development and Sales of New Products

- Accelerating development of proprietary COVID-19 diagnostics kits; completed development of blood coagulation equipment; release to the market in the 3Q

Number of New Products Released



New Product Sales





Financial Results

2Q FY2021

Consolidated Companies

Number of Consolidated Companies

	Mar. 31, 2021	Sept. 30, 2021	Difference
Consolidated Subsidiaries	161	159	Increased: 0 Subsidiaries Decreased: 2 Subsidiaries* ¹
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)	1H FY2021 (YoY)	Difference
Net Sales	-5.4	Kyushu Sekisui Shoji Infratec Co., Ltd.* ² , Partial business transfer* ³ , PT.SEKISUI TECHNO MOLDING INDONESIA* ⁴
Operating Income	0	

*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

		1H FY2020	1H FY2021	Difference
(Billions of yen)				
Net Sales		490.0	547.9	+57.9
Gross Profit		151.9	169.9	+18.1
Gross Profit Margin		31.0%	31.0%	0%
Selling, Gen. and Admin. Expenses		129.5	134.4	+5.0
Operating Income		22.4	35.5	+13.1
Equity in Earnings of Affiliates		1.0	1.5	+0.5
Other Non-operating Income and Expenses		-2.8	3.9	+6.7
Ordinary Income		20.7	41.0	+20.3
Extraordinary Income		-	22.1	+22.1
Extraordinary Loss		1.2	50.7	+49.4
Income before Income Taxes		19.4	12.4	-7.0
Corporate Income Tax, etc.		5.7	15.5	+9.8
Net Income Attributable to Non-controlling Interests		0.7	0.8	+0.1
Net Income Attributable to Owners of the Parent		13.0	-3.9	-16.9
Foreign Exchange (Avg. rate)	1US\$	107 yen	110 yen	
	1€	121 yen	131 yen	

Gain on sale of shares: +22.1

SEKISUI AEROSPACE CORPORATION
Loss on impairment: +49.5
Goodwill: +37.4
Intangible assets: +12.1

Tax-effect accounting not applied to loss on impairment of goodwill: +37.4

Balance Sheets (Assets)

(Billions of yen)	Mar. 31, 2021	Sept. 30, 2021	Difference
Cash and Deposits	87.5	136.1	+48.6
Account Receivable on Sales	170.6	157.2	-13.4
Inventories	222.9	233.8	+10.9
Other Current Assets	24.6	33.8	+9.2
Tangible Non-current Assets	351.4	351.7	+0.3
Intangible Non-current Assets	97.6	45.9	-51.8
Investments in Securities	174.7	137.5	-37.2
Investments & Other Assets	20.9	24.8	+4.0
Total Assets	1,150.1	1,120.8	-29.4

Inventories (B/S item)	Spt. 30, 2021	Difference
Ready-built housing (products)	28.2	+0.9
Prepared land for subdivision housing	56.6	-2.2
Land under preparation (work in process)	12.1	-2.3
Housing under construction (work in process)	28.1	+4.8
Components, other (raw materials)	4.2	+0.7
Housing Total	129.2	+1.8
Non-residential total (products, other)	104.6	+9.1
Inventories Total	233.8	+10.9

SEKISUI AEROSPACE CORPORATION
Loss on impairment: -49.5

Sales of share: -39.3

Foreign exchange:
▶ -0.9
Actual basis: -28.5

Balance Sheets (Liabilities & Net Assets)

(Billions of yen)	Mar. 31, 2021	Sept. 30, 2021	Difference
Non-interest-bearing Liabilities	317.6	331.8	+14.2
Interest-bearing Liabilities	138.2	131.9	-6.3
(Net interest-bearing Liabilities)	(50.7)	(-4.2)	(-54.9)
Total Liabilities	455.8	463.6	+7.9
Capital Stock etc.	209.0	209.0	0
Retained Earnings	441.1	417.7	-23.4
Treasury Stock	-43.4	-40.7	+2.7
Unrealized Holding Gain on Securities	50.8	35.3	-15.4
Non-controlling Interests	27.3	26.2	-1.1
Other Net Assets	9.6	9.5	0
Total Net Assets	694.4	657.1	-37.2
Total Liabilities, Net Assets	1,150.1	1,120.8	-29.4
Equity to Total Assets (%)	58.0%	56.3%	-1.7%
D/E Ratio (Net)	0.08	-0.01	-0.08

Net income
-3.9

Dividends paid
-10.8

Retirement of
treasury stock
-8.1

Retirement of
treasury stock +8.1

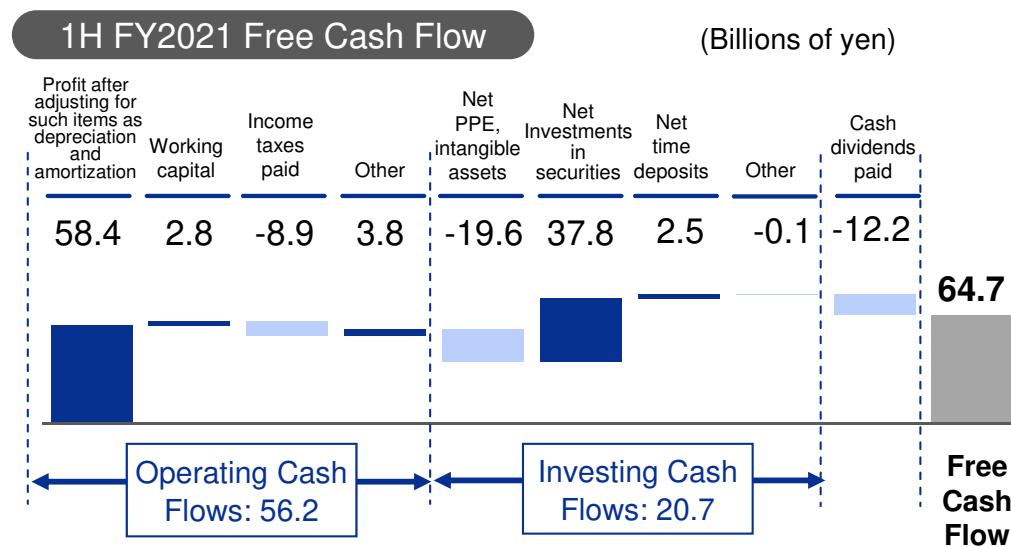
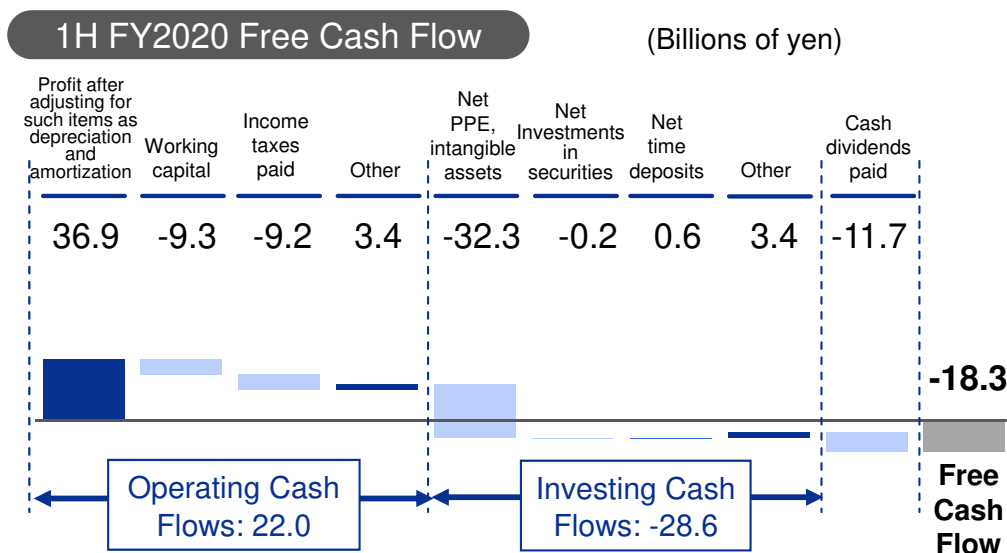
Purchases of
treasury stock -5.6

Sales of shares
-15.5

Shares at fair value
+0.5

Consolidated Cash Flows

(Billions of yen)	1H FY2020	1H FY2021
Operating Cash Flows	22.0	56.2
Investing Cash Flows	-28.6	20.7
Financing Cash Flows	13.0	-25.7
Net Increase in Cash and Cash Equivalents	7.2	50.9
Cash and Cash Equivalents at the End of Term	82.1	127.6
Free Cash Flow =Operating Cash Flows + Investing Cash Flows - Dividends Paid	-18.3	64.7



Depreciation and Amortization, Capital Expenditures, EBITDA

(Billions of yen)	Depreciation* ¹			Goodwill and Other Amortization* ²			Capital Expenditures			EBITDA* ³		
	1H FY2020	1H FY2021	Differ-ence	1H FY2020	1H FY2021	Differ-ence	1H FY2020	1H FY2021	Differ-ence	1H FY2020	1H FY2021	Differ-ence
Housing	4.8	4.8	0	-	-	-	6.7	6.5	-0.2	17.8	19.6	+1.9
UIEP	4.2	4.3	+0.2	-	-	-	10.0	5.0	-4.9	6.7	7.5	+0.9
HPP	8.8	8.4	-0.3	2.3	2.3	0	8.7	8.6	-0.1	20.2	30.0	+9.8
Medical	1.8	2.0	+0.2	0.9	0.9	-0.1	2.0	2.9	+0.9	5.2	7.8	+2.5
Other	1.0	1.2	+0.3	0	0	0	2.5	1.0	-1.5	-3.2	-4.0	-0.8
Eliminations or Unallocatable Accounts	0.4	0.6	+0.2	-	-	-	0.3	1.1	+0.8	-0.2	-0.9	-0.7
Total	20.9	21.4	+0.5	3.2	3.2	-0.1	30.2	25.2	-5.0	46.5	60.1	+13.6

*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 Income + Depreciation + Goodwill and other amortization

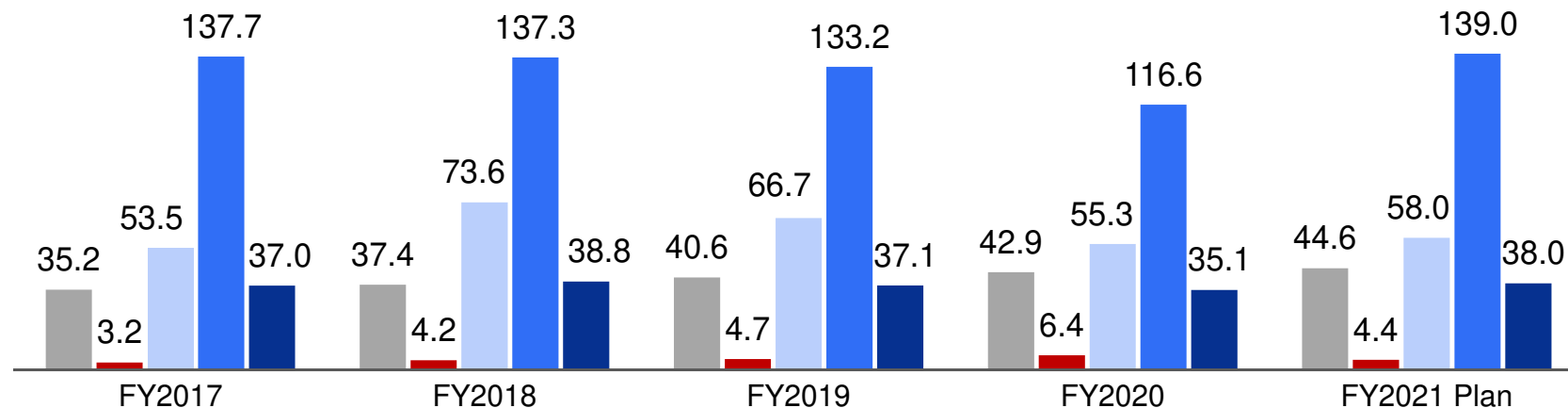
Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen)	FY2020	FY2021 Revised Plan	Difference
Depreciation	42.9	44.6	+1.7
Goodwill and Other Amortization	6.4	4.4	-2.0
Capital Expenditures	55.3	58.0	+2.7
EBITDA	116.6	139.0 Record-high	+22.4
Research and Development Expenditure	35.1	38.0	+2.9

Depreciation and Amortization, Capital Expenditures, Research and Development Expenditure

(Billions of yen)

■ Depreciation ■ Goodwill and Other Amortization ■ Capital Expenditures ■ EBITDA ■ Research and Development





This slide presentation may contain forward-looking statements. Such forward-looking statements are based on current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements due to changes in global economic, business, competitive market and regulatory factors.

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

Housing Company Results and Plan

1. Main data in Housing business

		FY2021			FY2020		
		1H	2H Plan	Full Year	1H	2H	Full Year
CONSOLIDATED	Net Sales (Billions of yen)	249.8	275.2	525.0	230.6	254.6	485.3
	Housing	171.6	188.3	359.8	161.2	175.3	336.5
	Renovation	45.9	49.7	95.6	41.5	46.2	87.6
	Other	32.4	37.3	69.6	28.0	33.2	61.2
	Real estate	24.7	26.7	51.4	23.4	24.4	47.7
	Residential Services	3.8	4.2	8.0	3.7	4.1	7.8
	Town and Community Development	2.8	4.8	7.6	0.1	3.8	3.9
	Overseas	0.6	1.0	1.6	0.6	0.6	1.3
OTHERS	1. Number of houses sold (Housing units)	5,040	5,630	10,670	4,910	5,245	10,155
	Detached houses	4,830	5,300	10,130	4,645	4,910	9,555
	Housing/Rebuilding	4,075	4,520	8,595	4,085	4,250	8,335
	Ready-built houses	755	780	1,535	560	660	1,220
	Apartment buildings, other	210	330	540	265	335	600
	2. Main data						
	Prices <Sales subsidiaries: Detached houses>/ Unit (Millions of yen)	31.6	-	-	31.5	31.1	31.3
	Prices <Sales subsidiaries: Detached houses>/ Tsubo (3.3 Square meter)(Thousands of yen)	895	-	-	878	881	879
	Floor space <Sales subsidiaries: Detached houses> (Square meter)	116.4	-	-	118.4	116.3	117.4
	Exhibition places (Units)	436	-	443	439	-	441
Sales staff (Number of person)	2,533	-	2,380	2,612	-	2,451	

Housing Company Results and Plan

2. Housing orders

(Millions of yen)		FY2021			FY2020			FY2019		
		1H	2H Plan	Full Year Plan	1H	2H	Full Year	1H	2H	Full Year
New construction - Renovation	Year-start Backlog	184,800	192,500	-	205,400	194,500	-	219,500	217,320	-
	Growth Rate	-10%	-1%	-	-6%	-11%	-	+6%	+2%	-
	New Orders	200,607	210,052	410,659	175,319	190,806	366,125	203,590	193,472	397,062
	Growth Rate	+14%	+10%	+12%	-14%	-1%	-8%	-1%	-11%	-6%
	Sales of Housing/Renovation	192,907	214,852	407,759	186,219	200,506	386,725	205,770	205,392	411,162
	Growth Rate	+4%	+7%	+5%	-9%	-2%	-6%	+3%	-3%	±0%
	End-balance	192,500	187,700	-	194,500	184,800	-	217,320	205,400	-
	Growth Rate	-1%	+2%	-	-11%	-10%	-	+2%	-6%	-

3. Housing starts

(Units)	FY2021			FY2020			FY2019
	1H	2H Plan	Full Year Plan	1H	2H	Full Year	Full Year
Housing starts	447,000	445,000	892,000	414,039	398,125	812,164	883,687
Privately-owned houses (included in above) + Houses for sale starts =A	220,000	219,000	439,000	195,340	197,108	392,448	429,492
Detached house sales by our company=B (Unit base)	4,830	5,300	10,130	4,645	4,910	9,555	10,200
Our share in Detached houses=B/A	2.2%	2.4%	2.3%	2.4%	2.5%	2.4%	2.4%

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

4. The ratio of houses equipped with smart specifications

	FY2021			FY2020			FY2019
	1H	2H Plan	Full Year Plan	1H	2H	Full Year	Full Year
Solar power generation systems installed	83%	88%	86%	79%	80%	80%	77%
Storage battery installed	69%	70%	70%	60%	64%	62%	55%
Comfortable Air System	72%	75%	73%	72%	75%	73%	77%