

**SEKISUI CHEMICAL CO., LTD.**



**For 3Q FY2022, ending March 31, 2023**

# **Presentation of Financial Results**

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**Futoshi Kamiwaki**

Representative Director  
Senior Managing Executive Officer

January 30, 2023

# Results for 3Q and Forecasts for FY2022

Forex Rate	FY2021			FY2022			
	3Q	4Q	2H	3Q	4Q	2H	2H Plan (Oct.)
Assumptions	-	-	-	¥135/US\$ ¥137/€	¥136/US\$ ¥144/€	¥139/US\$ ¥144/€	¥135/US\$ ¥137/€
Results (Avg. rate for each term)	¥114/US\$ ¥130/€	¥115/US\$ ¥130/€	¥115/US\$ ¥130/€	¥142/US\$ ¥144/€	-	-	

\* Export data is subject to in-house assumptions regarding foreign currency exchange rates. A ¥1 depreciation in the value of the yen against the dollar has the effect of increasing operating profit by approximately ¥500 million each year at the assumed in-house rate.

# Overview of 3Q FY2022 Results

- Increases in net sales and operating profit in the 3Q; decreases ordinary profit and the bottom line owing mainly to the impact of foreign exchange losses
- sales and operating profit fell slightly below plans (Oct.)
- Increases in net sales and profit (operating profit, ordinary profit, and the bottom line) for the cumulative 3Q period

(JPY Billion)	3Q FY2021 (Oct. –Dec.)	3Q FY2022 (Oct. –Dec.)	Difference	1Q-3Q FY2021 (Apr. –Dec.)	1Q-3Q FY2022 (Apr. –Dec.)	Difference
Net sales	290.7	304.5	+13.8	838.7	912.2	+73.6
Operating profit	21.9	22.1	+0.2	57.5	62.5	+5.0
Ordinary profit	21.8	19.5	-2.3	62.8	73.4	+10.6
Profit attributable to owners of parent	16.7	13.7	-2.9	12.7	52.8	+40.1

■ Despite the substantial impact of another wave of COVID-19 in Japan and China as well as the drop in global demand associated with inflation, secured increases in net sales and operating profit through improvements in selling prices

- HPP: Substantial impact from the drop in demand mainly in China and Europe; secured operating profit in line with the previous year owing to the reduced impact of soaring fuel and raw material prices, improvements in selling prices, and cost reductions (CR)
- Housing: Despite the ongoing impact of a decrease in new housing orders and surge in component costs, secured higher profit by increasing unit prices, maximizing the number of houses sold, leveling out, and focusing on the renovation business
- UIEP: Despite housing market conditions falling below expectations, secured a substantial increase in profit owing to expanded sales of prioritized products and successful efforts to focus on maintaining margins
- Medical: Increase in diagnostics demand in Japan and overseas together with a firm Pharmaceutical Sciences Business essentially offset the impact of lockdowns in China and delays in authorizing COVID-19 diagnostics kits in the U.S.

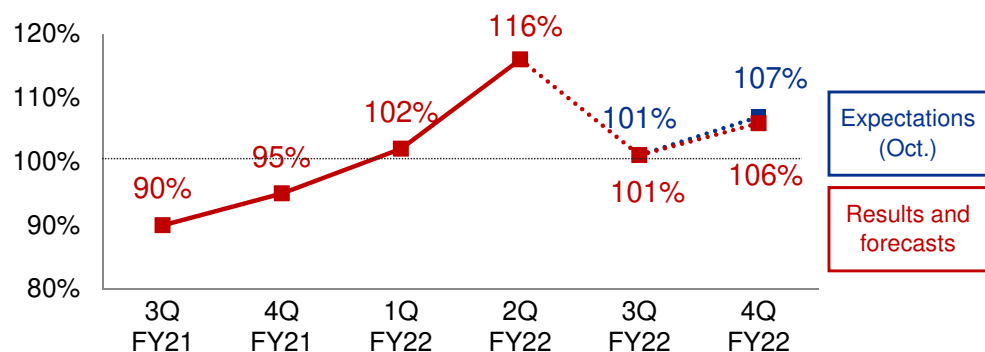
(JPY Billion)	3Q FY2021 (Oct. –Dec.)		3Q FY2022 (Oct. –Dec.)		Difference		1Q-3Q FY2021 (Apr. –Dec.)		1Q-3Q FY2022 (Apr. –Dec.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	93.5	12.2	100.6	12.2	+7.2	0	263.6	31.5	305.6	34.0	+42.0	+2.5
Housing	123.3	6.6	129.0	6.7	+5.7	+0.1	373.1	21.4	389.2	21.4	+16.1	0
UIEP	53.5	3.1	56.6	4.1	+3.1	+1.1	149.6	6.3	164.0	10.2	+14.4	+3.9
Medical	24.1	3.6	22.4	3.4	-1.7	-0.3	63.8	8.5	65.3	8.8	+1.6	+0.3
Other	1.1	-2.4	1.5	-2.8	+0.4	-0.4	3.0	-7.6	5.6	-8.3	+2.7	-0.6
Eliminations or corporate expenses	-4.8	-1.1	-5.7	-1.4	-0.9	-0.3	-14.4	-2.6	-17.5	-3.8	-3.1	-1.1
<b>Total</b>	<b>290.7</b>	<b>21.9</b>	<b>304.5</b>	<b>22.1</b>	<b>+13.8</b>	<b>+0.2</b>	<b>838.7</b>	<b>57.5</b>	<b>912.2</b>	<b>62.5</b>	<b>+73.6</b>	<b>+5.0</b>

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

■ While automobile production in the 2H is essentially in line with expectations (Oct.), smartphone trends are projected to fall substantially below anticipated levels due to prolonged sluggish demand; raw material prices also trending below expectations

## Number of Automobiles Manufactured (YoY)

Despite the ongoing impact of a drop in production owing to shortages in semiconductor supply as well as renewed lockdowns in China, trends essentially in line with expectations (Oct.)



## Housing - Visitors (YoY)

While the impact of COVID-19 continues to linger on the number of exhibition visitors, the overall number of visitors is exhibiting a recovery trend

	1H FY22	3Q FY22	4Q FY22	2H FY22*
Overall visitors	96%	104%	100%	102% [100]
Via WEB	91%	108%	102%	104% [100]
Exhibition visitors	98%	96%	97%	96% [104]

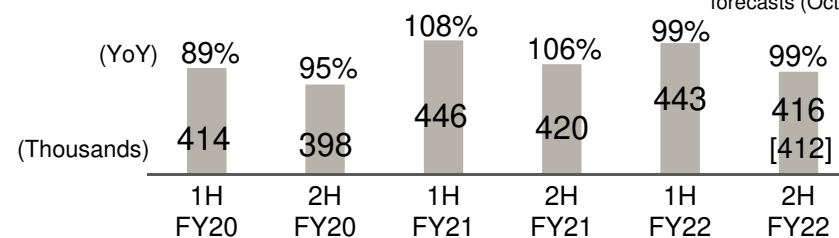
\* Figures in parentheses are plans (Oct.)

## New Housing Starts

Despite a recovery trend compared with FY2020, FY2022 forecast to fall slightly below the previous year

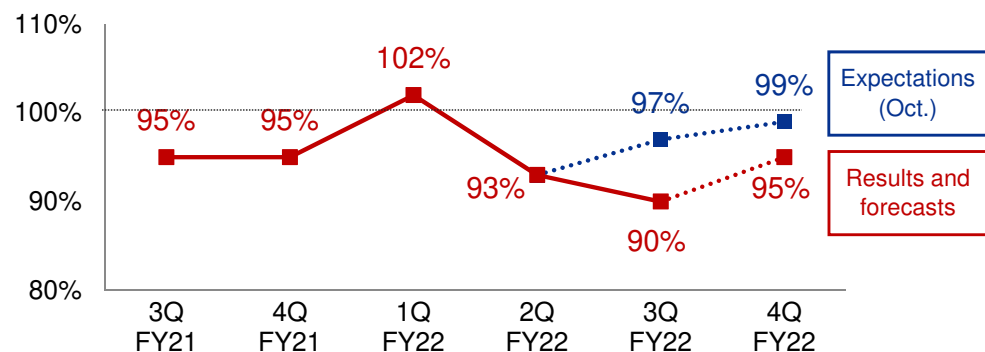
\* Timing when demand for each of the UIEP Company's products can be expected to emerge: From four to six months after the start of residential construction

\* Figures in parentheses are forecasts (October)

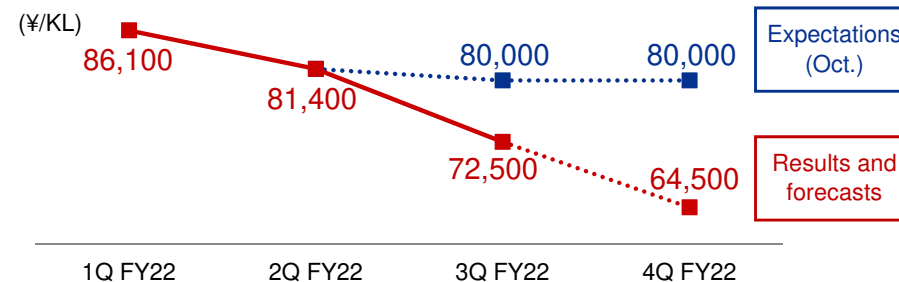


## Smartphone Shipments (YoY)

Continued impact of inventory adjustment and sluggish demand from the 2Q; despite a modest recovery from the 4Q, smartphone shipments forecast to fall below expectations (Oct.)



## Domestic Naphtha Price Assumptions



# 2H FY2022 Forecasts by Segment

- Groupwide net sales and profit projected to increase in the 2H; both net sales and operating profit forecast to come in slightly below plans (Oct.)
- Downward revision in net sales and operating profit (operating profit down ¥5 billion)
- Expecting to secure an increase in profit in each segment

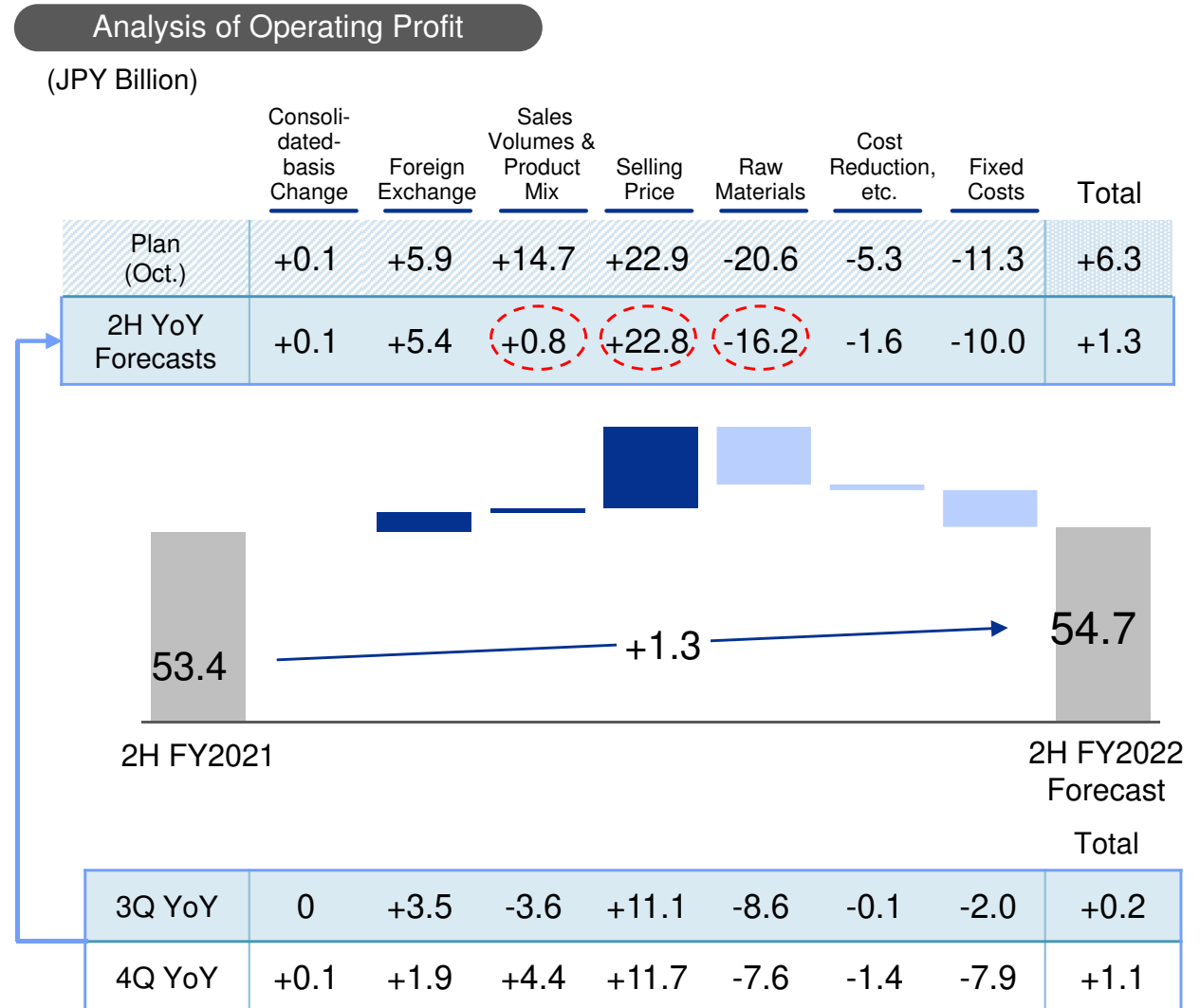
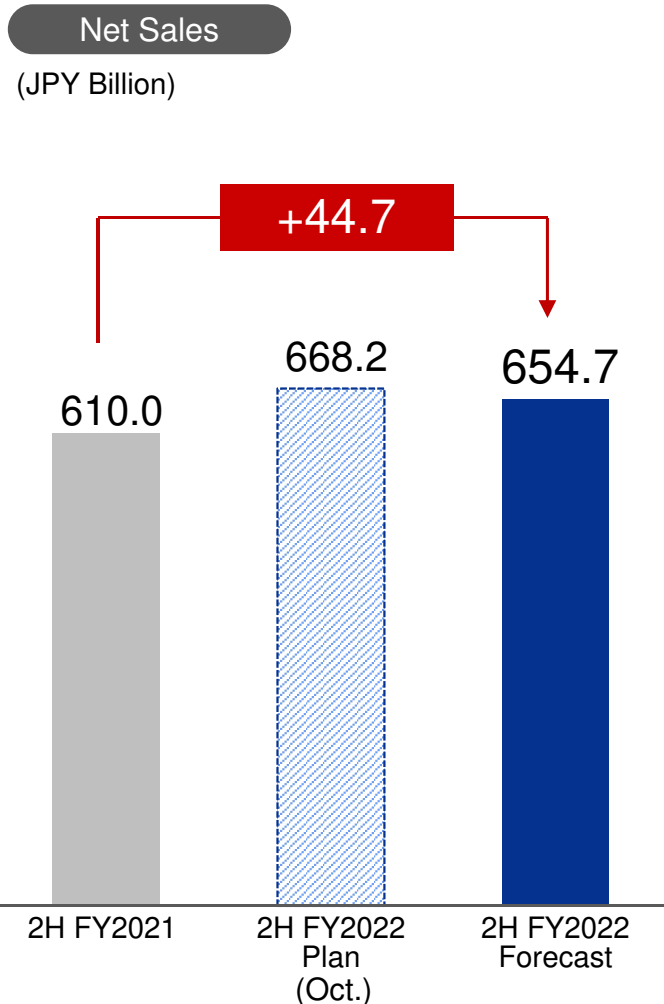
(JPY Billion)	2H FY2021		2H FY2022 Forecasts		Difference		2H FY2022 Plan (Oct.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	188.7	23.0	208.7	24.2	+20.0	+1.2	216.0	26.2	-7.3	-2.0
Housing	265.4	20.5	282.8	20.7	+17.4	+0.2	287.8	22.2	-5.0	-1.5
UIEP	115.7	10.9	122.4	11.5	+6.7	+0.6	125.8	12.5	-3.4	-1.0
Medical	48.9	6.3	47.1	7.0	-1.7	+0.7	45.0	7.0	+2.1	0
Other	3.0	-5.1	4.3	-5.7	+1.3	-0.5	4.8	-5.5	-0.4	-0.2
Eliminations or corporate expenses	-11.7	-2.2	-10.6	-3.1	+1.0	-0.9	-11.2	-2.8	+0.5	-0.3
<b>Total</b>	<b>610.0</b>	<b>53.4</b>	<b>654.7</b>	<b>54.7</b>	<b>+44.7</b>	<b>+1.3</b>	<b>668.2</b>	<b>59.7</b>	<b>-13.5</b>	<b>-5.0</b>

# 3Q & 4Q FY2022 Forecasts by Segment

- While results in the 4Q are also expected to be significantly impacted by stagnant global demand for such items as smartphones, expected to secure an increase in profit by focusing on efforts aimed at securing margins as surges in raw material prices peak out

(JPY Billion)	3Q FY2021		3Q FY2022		Difference		4Q FY2021		4Q FY2022 Forecasts		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	93.5	12.2	100.6	12.2	+7.2	0	95.2	10.8	108.1	12.0	+12.9	+1.2
Housing	123.3	6.6	129.0	6.7	+5.7	+0.1	142.1	13.9	153.8	14.1	+11.7	+0.1
UIEP	53.5	3.1	56.6	4.1	+3.1	+1.1	62.2	7.8	65.8	7.3	+3.6	-0.5
Medical	24.1	3.6	22.4	3.4	-1.7	-0.3	24.8	2.7	24.7	3.7	-0.1	+1.0
Other	1.1	-2.4	1.5	-2.8	+0.4	-0.4	2.0	-2.7	2.8	-2.9	+0.9	-0.2
Eliminations or corporate expenses	-4.8	-1.1	-5.7	-1.4	-0.9	-0.3	-6.9	-1.1	-5.0	-1.7	+1.9	-0.6
<b>Total</b>	<b>290.7</b>	<b>21.9</b>	<b>304.5</b>	<b>22.1</b>	<b>+13.8</b>	<b>+0.2</b>	<b>319.3</b>	<b>31.4</b>	<b>350.2</b>	<b>32.5</b>	<b>+30.9</b>	<b>+1.1</b>

- Net sales and profit forecast to increase on the back of improvements in selling prices and trends in foreign currency exchange rates; despite focusing on efforts to secure margins, Groupwide results forecast to come in slightly below plans (Oct.) owing to the impact of a drop in global demand and substantial decreases in sales volume and product mix





# FY2022 Forecasts by Segment

- Despite securing increases in net sales and profit Groupwide and in each segment, operating profit forecast to fall slightly below plans (Oct.) excluding the Medical Business
- Projecting record high fiscal year profits in the UIEP and Medical segments

(JPY Billion)	FY2021		FY2022 Forecasts		Difference		FY2022 Plan (Oct.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	358.8	42.4	413.7	46.0	+54.9	+3.6	421.0	48.0	-7.3	-2.0
Housing	515.2	35.3	543.0	35.5	+27.8	+0.2	548.0	37.0	-5.0	-1.5
UIEP	211.8	14.1	229.8	17.5	+18.0	+3.4	233.2	18.5	-3.4	-1.0
Medical	88.5	11.2	90.0	12.5	+1.5	+1.3	87.9	12.5	+2.1	0
Other	4.9	-10.3	8.5	-11.1	+3.6	-0.8	8.9	-10.9	-0.4	-0.2
Eliminations or corporate expenses	-21.3	-3.7	-22.5	-5.4	-1.2	-1.7	-23.0	-5.1	+0.5	-0.3
<b>Total</b>	<b>1,157.9</b>	<b>88.9</b>	<b>1,262.5</b>	<b>95.0</b>	<b>+104.5</b>	<b>+6.1</b>	<b>1,276.0</b>	<b>100.0</b>	<b>-13.5</b>	<b>-5.0</b>

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

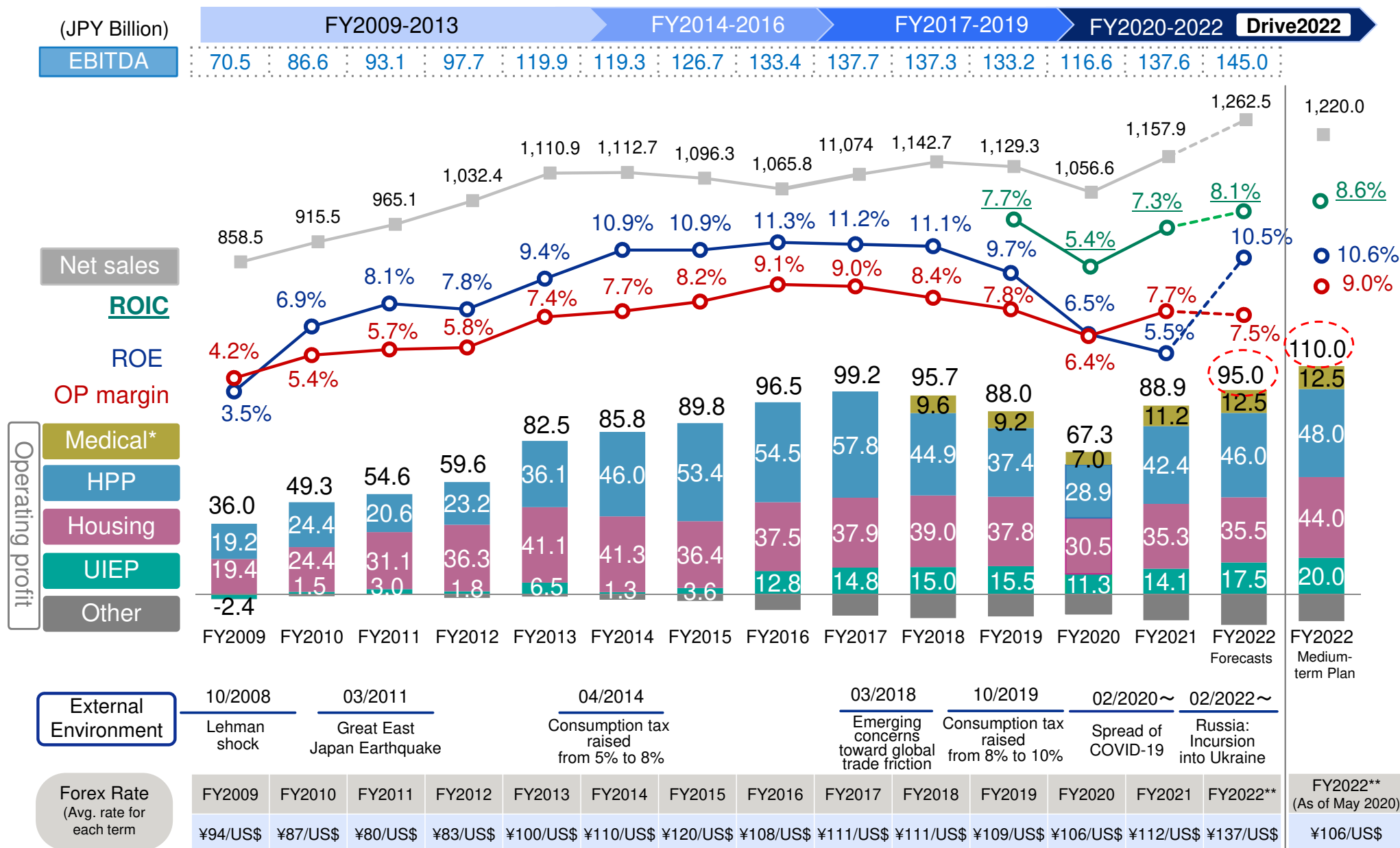
(JPY Billion)	FY2021		FY2022 Forecasts		Difference		FY2022 Plan (Oct.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	353.7	41.2	405.6	42.4	+51.9	+1.2	413.7	45.7	-8.1	-3.3
Housing	515.2	35.3	543.0	35.5	+27.8	+0.2	548.0	37.0	-5.0	-1.5
UIEP	215.9	15.2	237.2	21.1	+21.3	+5.9	239.6	20.8	-2.4	+0.3
Medical	88.5	11.2	90.0	12.5	+1.5	+1.3	87.9	12.5	+2.1	0
Other	4.9	-10.3	8.5	-11.1	+3.6	-0.8	8.9	-10.9	-0.4	-0.2
Eliminations or corporate expenses	-20.3	-3.7	-21.8	-5.4	-1.5	-1.7	-22.1	-5.1	+0.3	-0.3
<b>Total</b>	<b>1,157.9</b>	<b>88.9</b>	<b>1,262.5</b>	<b>95.0</b>	<b>+104.6</b>	<b>+6.1</b>	<b>1,276.0</b>	<b>100.0</b>	<b>-13.5</b>	<b>-5.0</b>

- Projecting increases in Groupwide net sales and at each level of profit
- Despite net sales, operating profit, and ordinary profit falling slightly below plans (Oct.), the bottom line forecast to come in in line with plans
- Ordinary profit and the bottom line forecast to reach record highs
- Based on the policy on returning profits to shareholders (dividend payout ratio 35% or higher), period-end dividend of ¥30 per share and annual dividend of ¥59 per share, up ¥10 per share, in line with plans (Oct.)

(JPY Billion)	FY2021	FY2022 Forecasts	Difference	FY2022 Plan (Oct.)	Difference
Net sales	1,157.9	1,262.5	+104.6	1,276.0	-13.5
Operating profit	88.9	95.0	+6.1	100.0	-5.0
Ordinary profit	97.0	103.0	+6.0	108.0	-5.0
Profit attributable to owners of parent	37.1	73.0	+35.9	73.0	0
Dividend per share (Yen)	49	59	+10	59	0

# Progress under the Medium-term Management Plan, Drive 2022

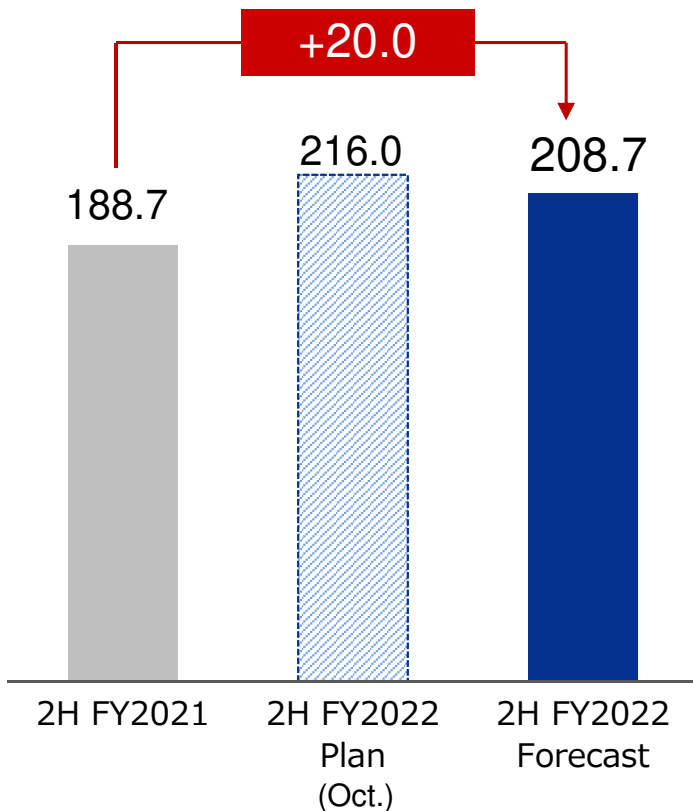
■ Ongoing efforts to strengthen the Company's business structure (earning power); shift to growth toward the next Medium-term Plan



Substantial decreases in sales volumes and product mix owing to the spread of COVID-19 in China and the impact of a drop in demand mainly in Europe; despite securing profit growth on the back of an increase in margins due to the reduced impact of soaring fuel and raw material prices, improvements in selling prices, CR, and cutbacks in fixed costs, results projected to fall slightly below plans (Oct.)

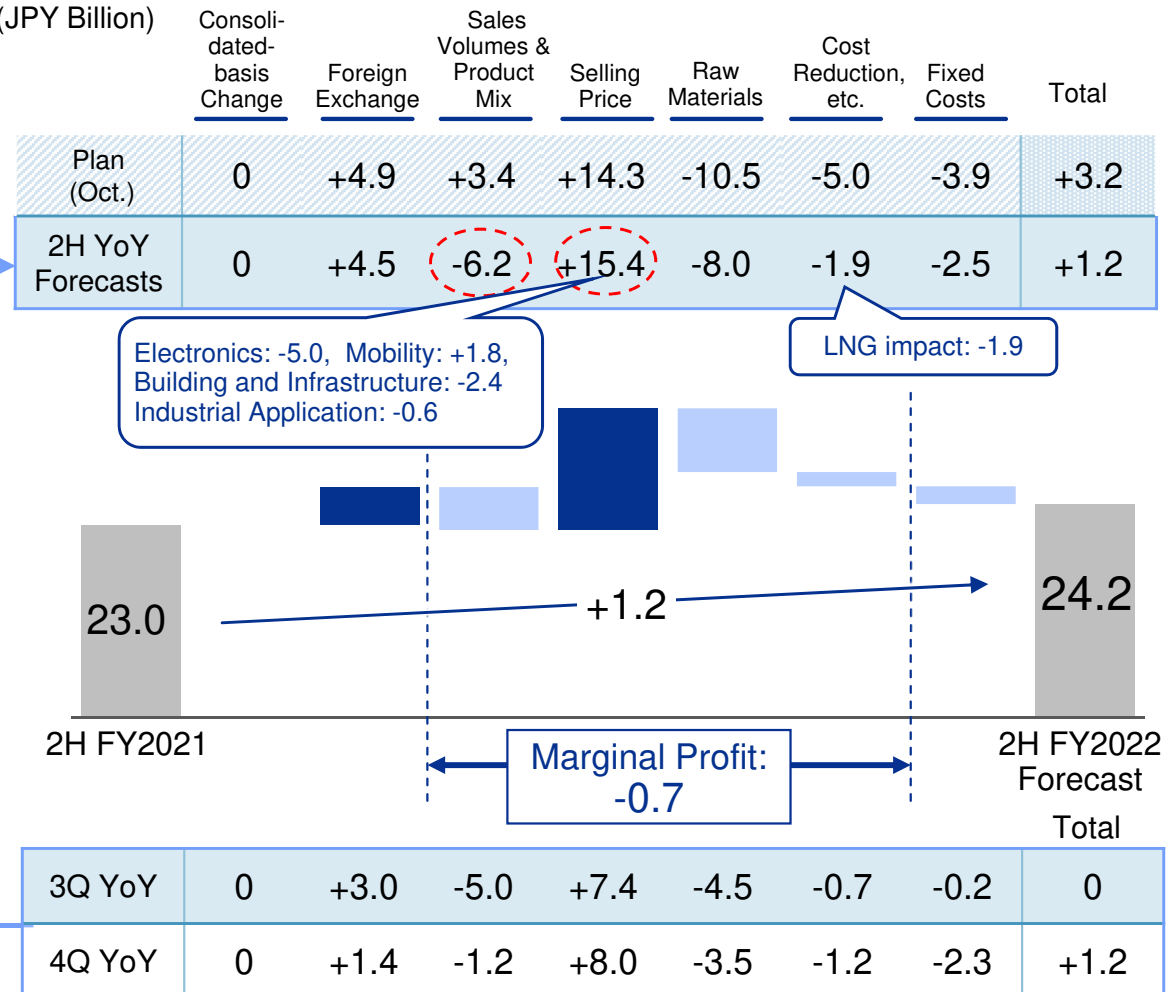
## Net Sales

(JPY Billion)



## Analysis of Operating Profit

(JPY Billion)

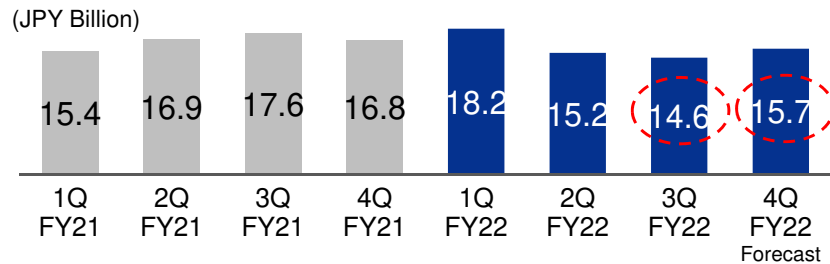


- Difficulties due to a drop in demand in the Electronics field mainly in China and a delay in recovery; despite progress in the Mobility field in line with plans, trends in the Building and Infrastructure field below expectations owing to weak construction demand; improvements in selling prices in line with plans

## Net Sales Trends and Progress

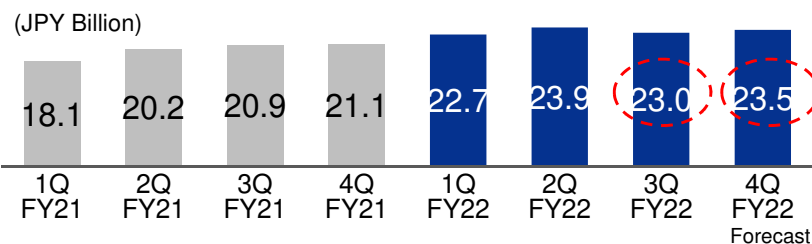
### Electronics

- 3Q: Weak liquid crystal and non-LCD demand from the 2Q
- 4Q: Demand not expected to recover; focus on capturing new opportunities in the non-LCD field; work to capture new model demand



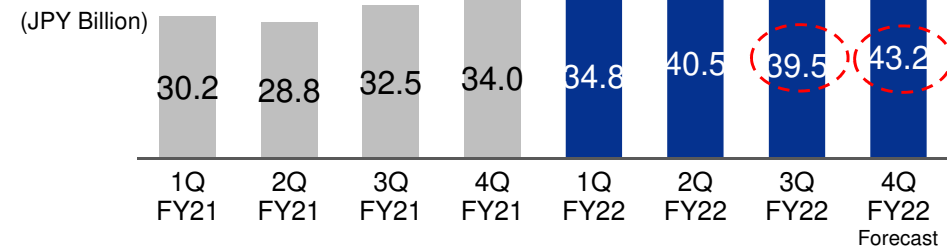
### Building and Infrastructure

- CPVC: Continued firm demand mainly targeting India
- Thermal insulation and non-combustible materials: Robust sales growth on the back of successful efforts to cultivate new customers
- Fire resistant materials: Slowdown in non-residential demand in Japan

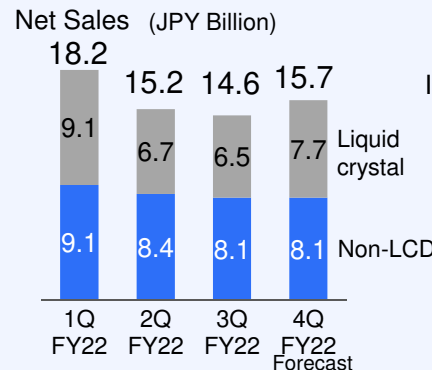
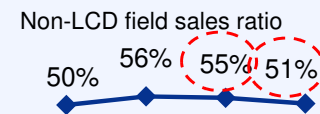


### Mobility

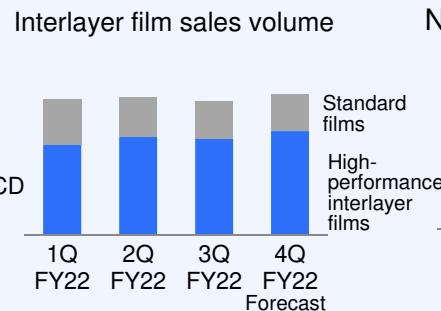
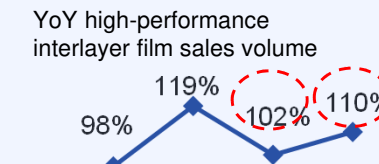
- 3Q: Drop in demand in China; while domestic demand improved, demand in Europe in line with expectations  
Increases in net sales and profit on the back of progress in selling price improvements and growth in high-performance interlayer films (HUD film: FY2022 forecast more than 115% YoY on a sales volume basis)
- 4Q: Projecting a partial recovery in automobile production; continue to focus on expanding sales of high-performance interlayer films mainly HUD films and improving selling prices; heat release materials for EVs also firm
- SEKISUI AEROSPACE CORPORATION: Modest recovery in demand; progress slightly above plans



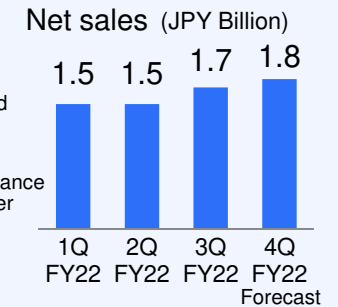
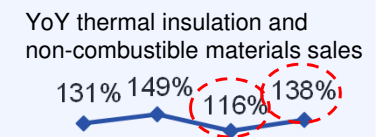
### Focus on the non-LCD field



### High-performance interlayer film sales growth



### Strengthen thermal insulation and noncombustible materials



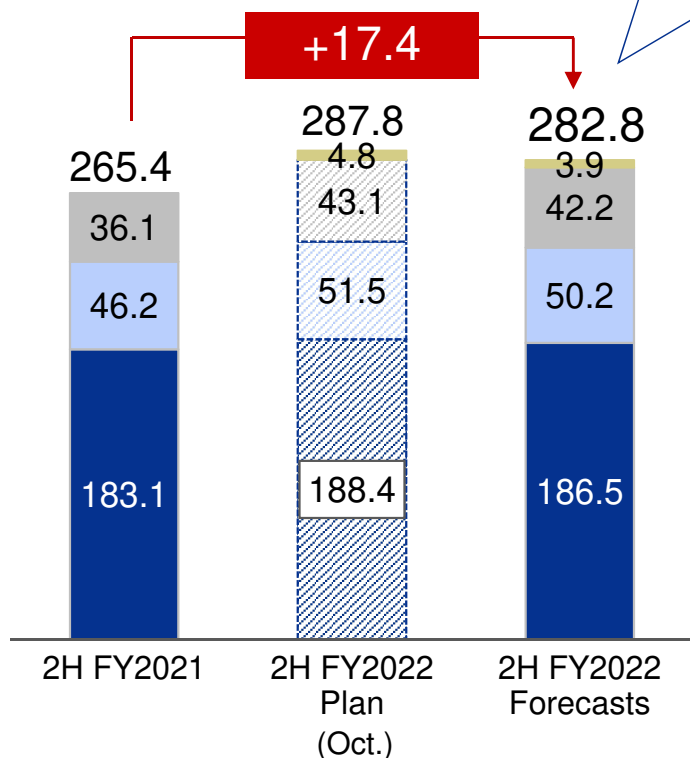
# Housing: 2H FY2022 Forecasts Analysis

- 3Q: Despite a decline in new housing orders owing to such factors as COVID-19, inflation, and a deterioration in market conditions amid the continued surge in component costs, secured an increase in profit on the back of efforts to maximize the number of houses sold, promote leveling out, and a robust Town and Community Development Business
- 4Q: Despite expectations of a further deterioration in market conditions, continue to lift unit prices in addition to focusing on ready-built houses and the renovation business; while not expecting to achieve plans (Oct.), work toward increasing profit in the 2H

## Net Sales

(JPY Billion)

- Housing
- Renovation
- Other
- Newly consolidated



## Analysis of Operating Profit

(JPY Billion)

	Sales Factors	Marginal Profit Factors	Fixed Costs	Renovation Marginal Profit	Renovation Fixed Costs	Other Marginal Profit	Other Fixed Costs	Special factors	Total
Plan (Oct.)	+2.2	-1.3	0	+2.4	-0.8	+1.4	-0.5	-1.6	+1.7
2H YoY Forecasts	-0.1	-0.3	0	+2.0	-0.7	+1.3	-0.5	-1.5	+0.2

	Housing	Renovation	Other*	Total
2H FY2021	-0.4	+1.3	+0.8	20.5
2H FY2022 Forecast	-0.4	+1.3	+0.8	20.7

	3Q YoY	Marginal Profit Factors	Fixed Costs	Renovation Marginal Profit	Renovation Fixed Costs	Other Marginal Profit	Other Fixed Costs	Special factors	Total
3Q YoY	+0.3	-1.3	-0.1	+0.9	-0.4	+0.6	+0.1	0	+0.1
4Q YoY	-0.4	+1.0	+0.1	+1.1	-0.3	+0.7	-0.6	-1.5	+0.1

Number of houses sold: -10 units  
\* vs Plan (Oct.): -200 units

Components: -4.0  
Foreign exchange: -1.0  
Product Mix, Cost Reduction, etc. +4.7

Previous year decrease in retirement benefit expenses  
Inclusion of Tochigi Sekisui Heim Co., Ltd. in the scope of consolidation

■ Despite the impact of COVID-19 and deterioration in market conditions, number of visitors on a recovery trend in the 3Q; focus on securing sales in the 4Q while working to secure orders in line with the previous year by strengthening the subdivision and ready-built housing businesses

## Visitors and Orders by Type of Construction (YoY)

### Visitors

	1H FY22	3Q FY21	4Q FY22 Forecasts	2H FY22 Forecasts
Overall visitors	96%	104%	100%	102% [100]
Via WEB	91%	108%	102%	104% [100]
Exhibition visitors	98%	96%	97%	96% [104]

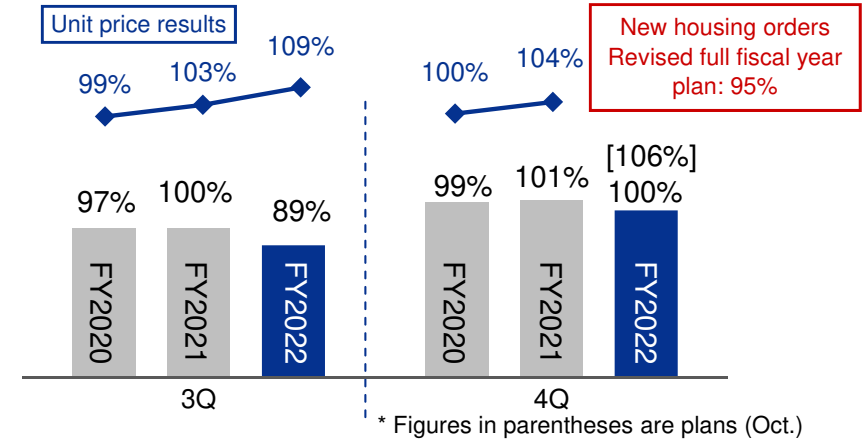
\* Figures in parentheses are plans (Oct.)

### Number of Orders by Type of Construction

Detached Houses		3Q	4Q Forecasts	2H Forecasts
		Rebuilding	76%	87%
New construction*1	94%	105%	100% [106]	
Subdivision housing	85%	101%	94% [100]	
Of which, ready-built houses	83%	108%	96% [101]	
Total (Including apartment buildings)	89%	100%	95% [105]	

\*1 Land: Client arrangement

## New Housing Orders, Order Price per Unit (YoY)



## Measures to Acquire Orders in 2H FY2022

### Attracting Customers

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

### Product Strategies

- Further strengthen and promote the appeal of Smart House and resilience
  - Increase the installation rate by expanding ZEH and storage battery sales; increase unit prices
  - Expand Smart performance-enhanced products aimed at first time buyers  
Promote energy self-sufficiency and the active use of public subsidies

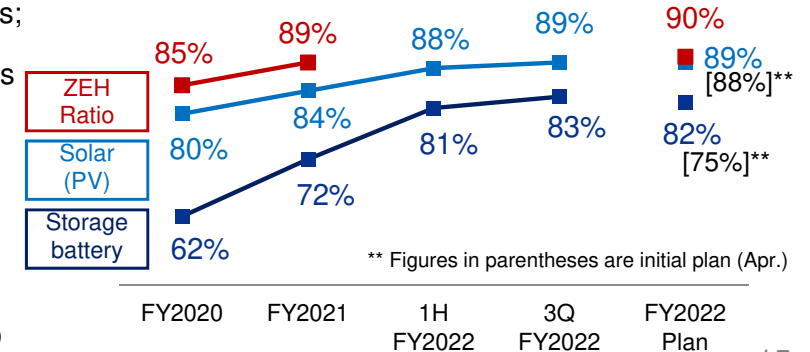
### Land Strategies

- Accelerate subdivision and ready-built house sales centered on detached housing town planning
  - Development of new subdivision brand United Heim Park  
4Q FY2022: Sales scheduled to commence for 4 projects (128 lots)
  - 3Q: Expanded newly released subdivision and ready-built houses  
Number of new releases in the 3Q: Subdivision 119% and ready-built houses 119% (YoY)

- Strengthen points of customer contact using experience-based facilities  
Utilize Museum, GREENMODEL PARK  
(As of the end of December 2022: 65 locations)

### Smart House-related Indicators\*

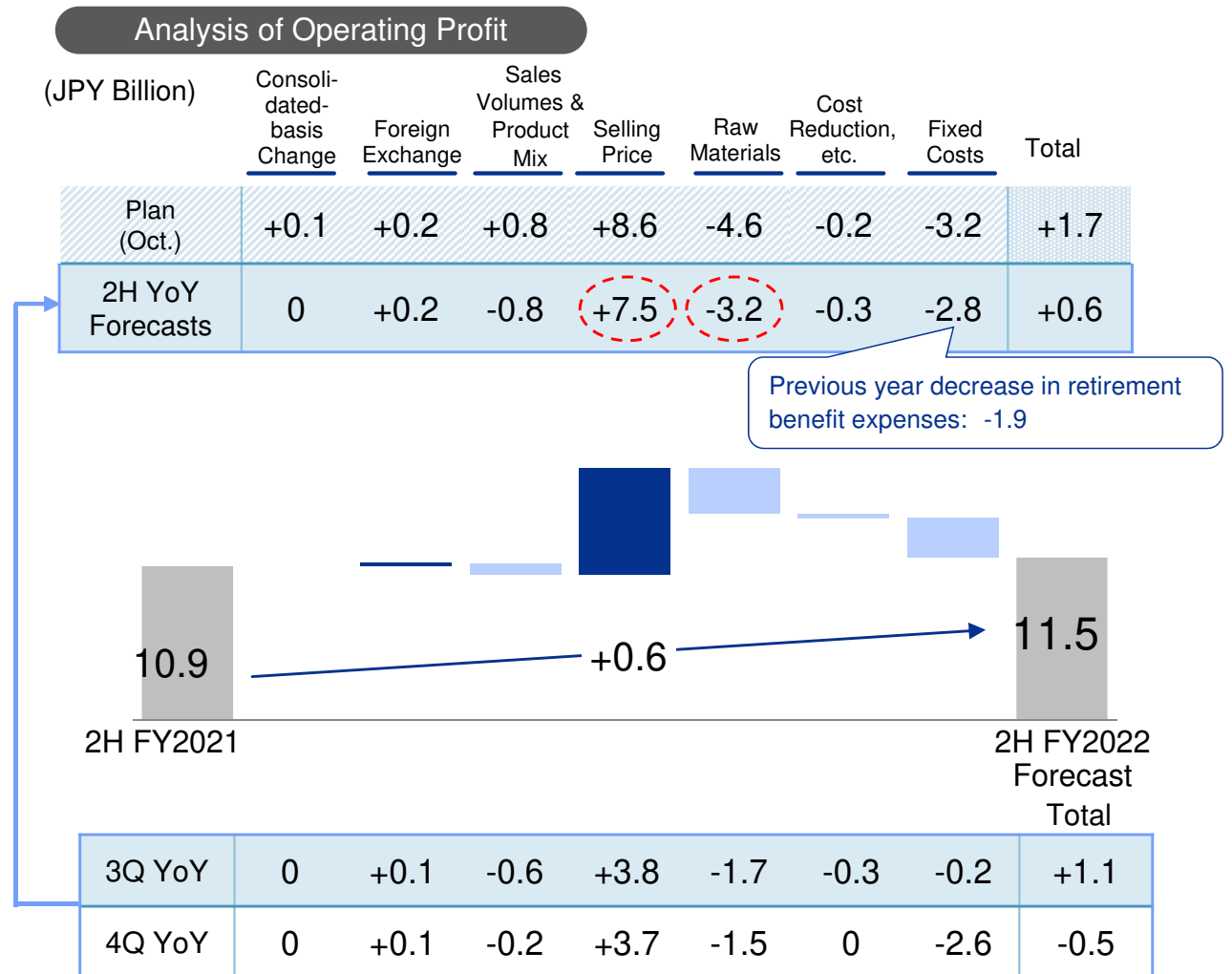
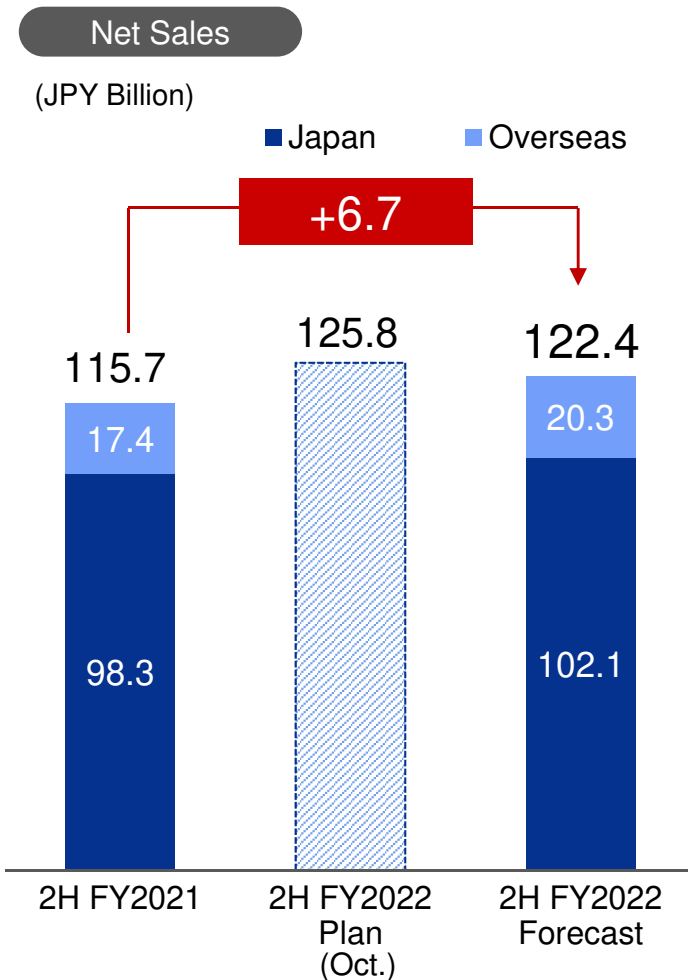
\* Detached house order installation





■ Despite housing market conditions to fall below expectations, projecting an increase in profit by focusing on efforts to expand sales of prioritized products and maintain margins; projecting record high profit in the 2H

- Japan: Undertake thoroughgoing steps to secure margins; focus on increasing sales of prioritized products
- Overseas: Firm trends in piping materials for semiconductor plants; recovery trends in aircraft demand (U.S. sheet business)

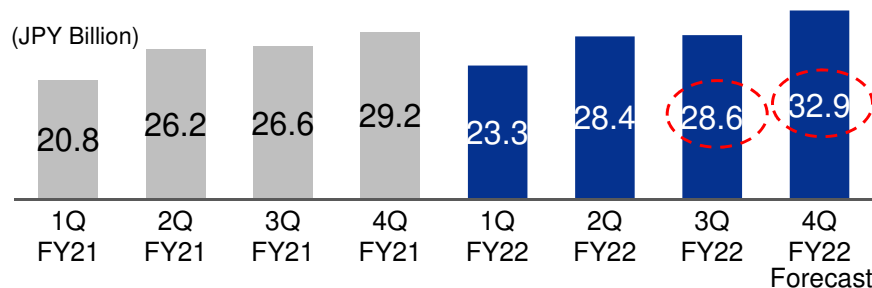


## Full fiscal year sales projected to increase due to the effects of improvements in selling prices in each of the three strategic fields

### Net sales in the Three Strategic Fields

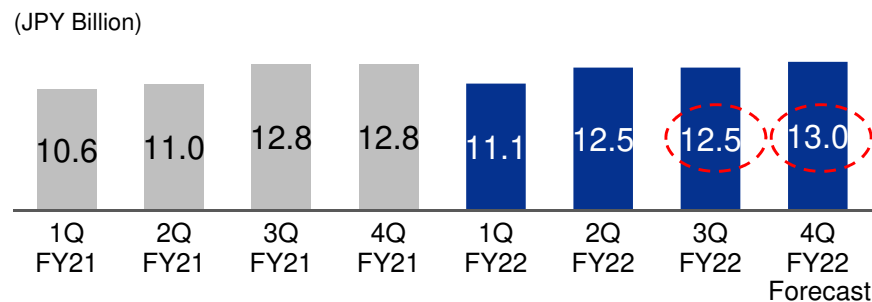
#### Piping and Infrastructure

- Housing market conditions below expectations; focus on maintaining margins
- Continued firm Plant Business demand; growth in prioritized product sales



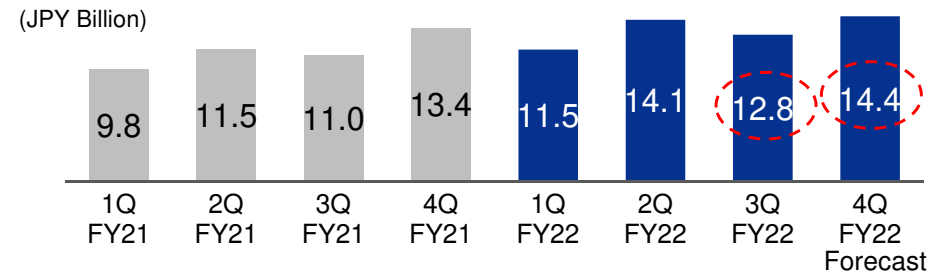
#### Building and Living Environment

- Firm growth in prioritized products including high flowrate drainage systems
- Focus on improving selling prices



#### Advanced Materials

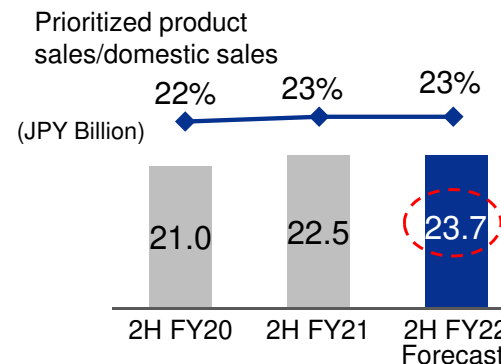
- Sheets: Recovery trend in domestic and repair aircraft-related demand
- FFU (railway sleeper application): Despite firm order mainly in Europe and the U.S., impact from delays in construction
- Molding: Drop in high-performance molded product demand owing to a deterioration in market conditions in the Electronics field



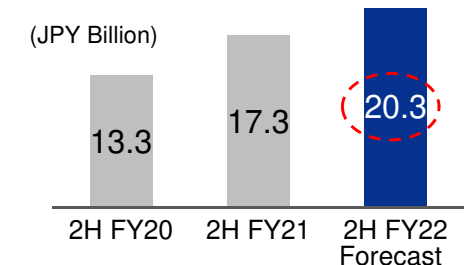
### Prioritized Products\* Sales and Overseas Sales\*\*

#### Growth in both prioritized product and overseas sales

#### Prioritized Products Sales (Japan)



#### Overseas Sales

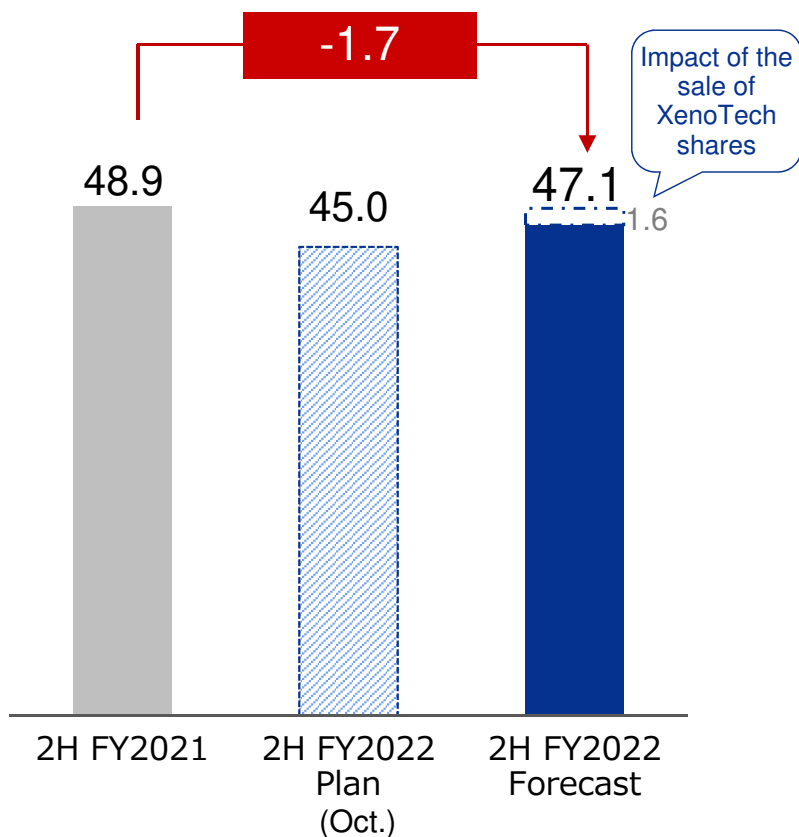


\*Prioritized products: High-value-added products with the potential for market growth and substitutability  
 \*\* Including the export of domestic products

- Increase in diagnostics demand in Japan and overseas together with a firm Pharmaceutical Sciences Business to offset the impact of lockdowns in China and delays in authorizing COVID-19 diagnostics kits in the U.S.; projecting record high profit in the 2H in line with plans

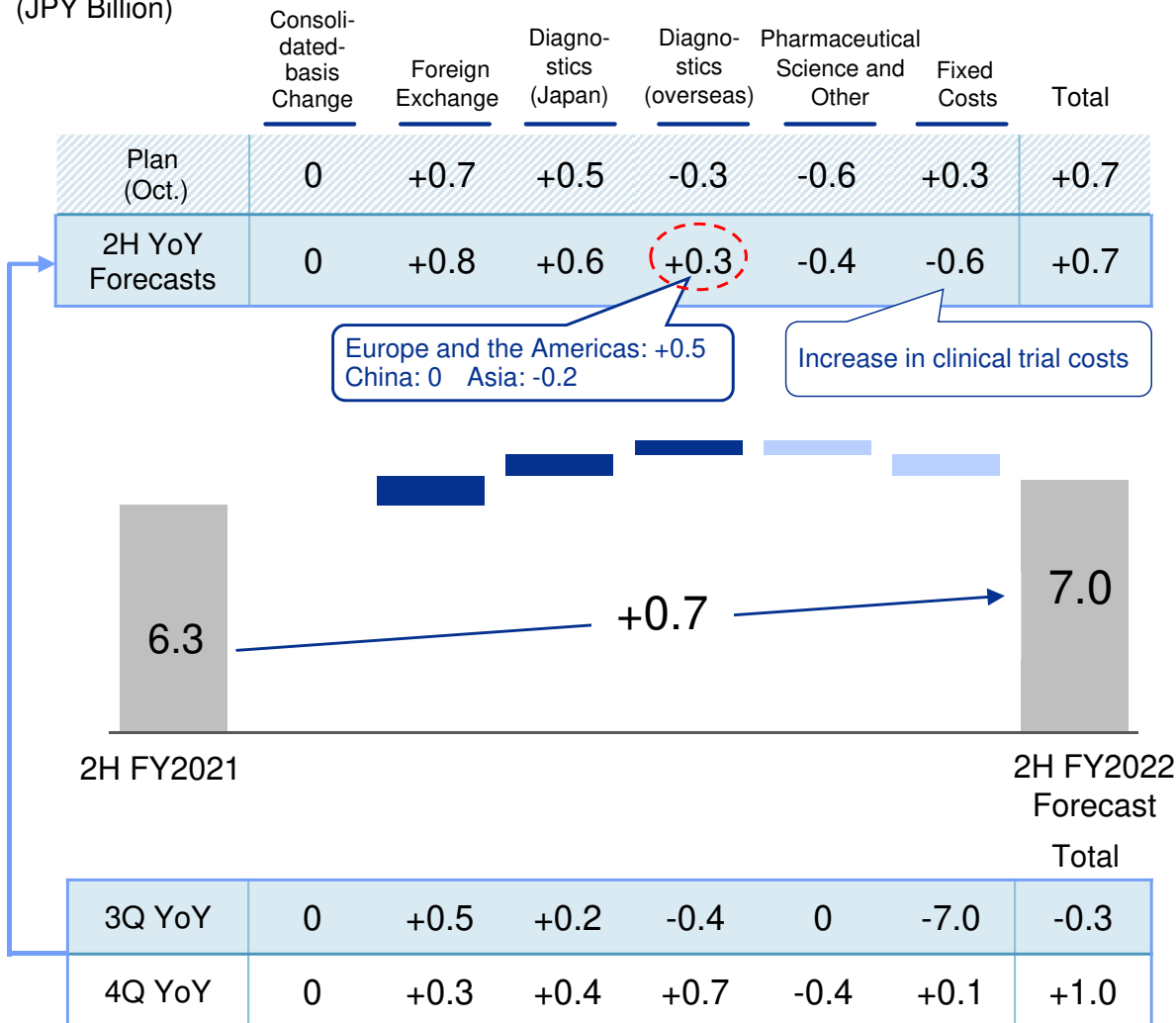
## Net Sales

(JPY Billion)



## Analysis of Operating Profit

(JPY Billion)

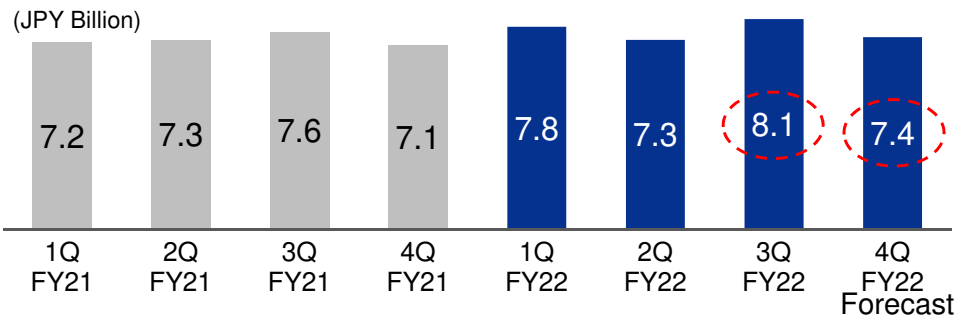


## Trends in the Diagnostics Business in Japan and overseas exceeding plans (Oct.); Pharmaceutical Sciences Business also forecast to slightly exceed plans (Oct.)

### Net sales by Business and Overview of Progress

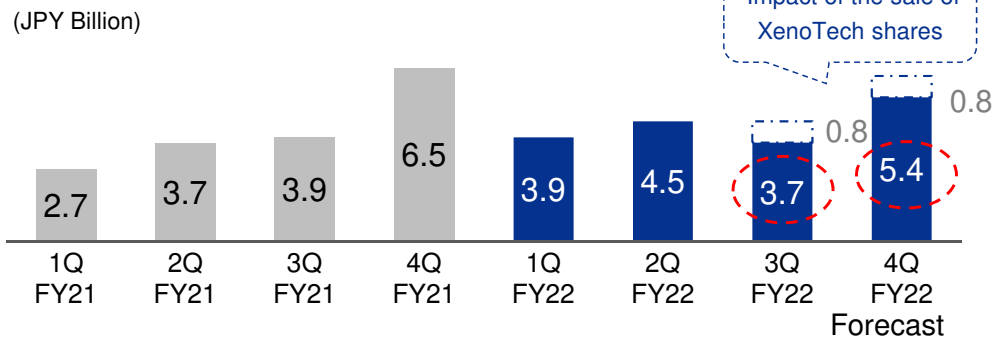
#### Diagnostics (Japan)

- 3Q: Increased COVID-19 diagnostics kit demand
- 4Q: Continued firm outpatient test demand; also projecting ongoing firm demand for COVID-19 diagnostics kit



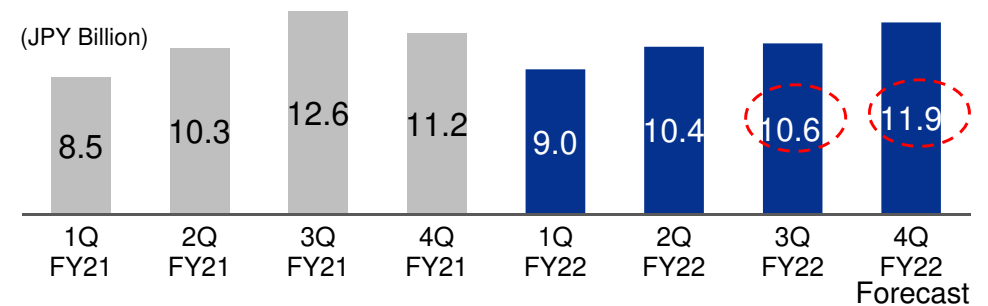
#### Pharmaceutical Sciences (Pharmaceutical and Fine Chemicals, Drug Development Solutions, Enzymes)

- 3Q: Contributions to profits from new pharmaceutical ingredients
- 4Q: Focus on capturing new orders; firm trends also in the Drug Development Solutions Business



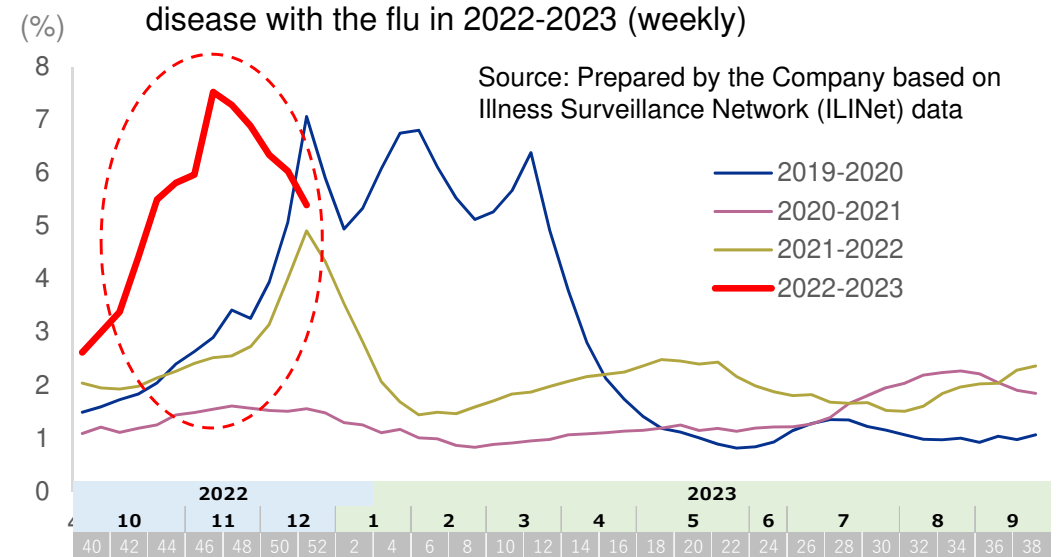
#### Diagnostics (overseas)

- 3Q: Growing impact of the drop in demand owing to lockdowns in China; growth in influenza testing demand in the U.S.
- 4Q: Continued influenza testing demand in the U.S.; focus on expanding blood coagulation testing equipment sales in China



### Trends in Influenza Demand in the U.S.

#### Percentage of outpatients suffering from respiratory disease with the flu in 2022-2023 (weekly)



# Financial Results

## 3Q FY2022

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## Number of Consolidated Companies

	Mar. 31, 2022	Dec. 31, 2022	Difference
Consolidated subsidiaries	155	150	Increased: 1 Subsidiary* <sup>1</sup> Decreased: 6 Subsidiaries* <sup>2</sup>
Affiliates (Equity Method)	8	7	Increased: 0 Subsidiaries Decreased: 1 Subsidiary* <sup>1</sup>

\*1 Tochigi Sekisui Heim Co., Ltd.,

\*2 Sekisui Polymatech (Shanghai) Trading Co., Ltd., PT. Sekisui Polymatech Trading Indonesia, Sekisui XenoTech, LLC., Sekisui High Performance Packaging (Langfang) Co., Ltd. Sekisui Systembath Industry (Thailand) Co.,Ltd., Seiryu Maintenance Co., Ltd.

## Impact of Change in the Number of Consolidated Companies

(JPY Billion)	1Q-3Q FY2022 (YoY)	Difference
Net sales	+0.2	Sekisui XenoTech, LLC.* <sup>3</sup> Seiryu Maintenance Co., Ltd.* <sup>4</sup>
Operating profit	0	Tochigi Sekisui Heim Co., Ltd.* <sup>5</sup>

\*3 Excluded from the scope of consolidation from the 2Q FY2022

\*4 Excluded from the scope of consolidation from the 3Q FY2022

\*5 Newly consolidated from the 3Q of FY2022

# Summary of Profit and Loss

(JPY Billion)		1Q-3Q FY2021	1Q-3Q FY2022	Difference	
Net sales		838.7	912.2	+73.6	
Gross profit		259.8	276.8	+17.0	
Gross profit margin		31.0%	30.3%	-0.6%	
Selling, general and administrative expenses		202.3	214.4	+12.0	
Operating profit		57.5	62.5	+5.0	
Share of profit of entities accounted for using equity method		0.2	1.1	+0.9	
Other non-operating profit and expenses		5.2	9.9	+4.7	Foreign exchange gains: +5.3
Ordinary profit		62.8	73.4	+10.6	
Extraordinary profit		25.9	1.2	-24.7	Gain on sale of investment securities: +25.9
Extraordinary losses		51.1	1.5	-49.6	SEKISUI AEROSPACE CORPORATION Impairment losses: +49.5 ▶ Goodwill: +37.4 ▶ Intangible assets: +12.1
Profit before income taxes		37.6	73.1	+35.6	
Income taxes, etc.		23.5	19.2	-4.3	
Profit attributable to non-controlling interests		1.3	1.1	-0.2	
Profit attributable to owners of parent		12.7	52.8	+40.1	Tax-effect accounting not applied to loss on impairment of goodwill: +37.4
Foreign exchange (Avg. rate)	1US\$	111 yen	137 yen		
	1€	131 yen	141 yen		

# Balance Sheets (Assets)

(JPY Billion)	Mar. 31, 2022	Dec. 31, 2022	Difference
Cash and deposits	144.5	94.7	-49.9
Trade receivables	186.5	186.9	+0.4
Inventories	243.8	288.8	+45.0
Other current assets	34.6	43.7	+9.1
Property, plant and equipment	365.3	374.2	+8.9
Intangible assets	46.7	50.2	+3.5
Investment securities	130.7	126.9	-3.7
Investments and other assets	46.8	54.2	+7.3
<b>Total assets</b>	<b>1,198.9</b>	<b>1,219.6</b>	<b>+20.7</b>

Inventories (B/S item)	Dec.31 2022	Difference
Ready-built housing (products)	31.5	+5.8
Prepared land for subdivision housing	59.3	+4.0
Land under preparation (work in process)	9.3	-1.2
Housing under construction (work in process)	41.7	+10.6
Components, other (raw materials)	7.9	+1.5
Housing Total	149.8	+20.6
Non-residential total (products, other)	139.1	+24.4
Inventories Total	288.8	+45.0

Purchase +36.9
Depreciation -31.3
Foreign exchange +5.3

Foreign exchange: +14.1
Consolidated-basis change: +7.9
Actual basis: -1.4

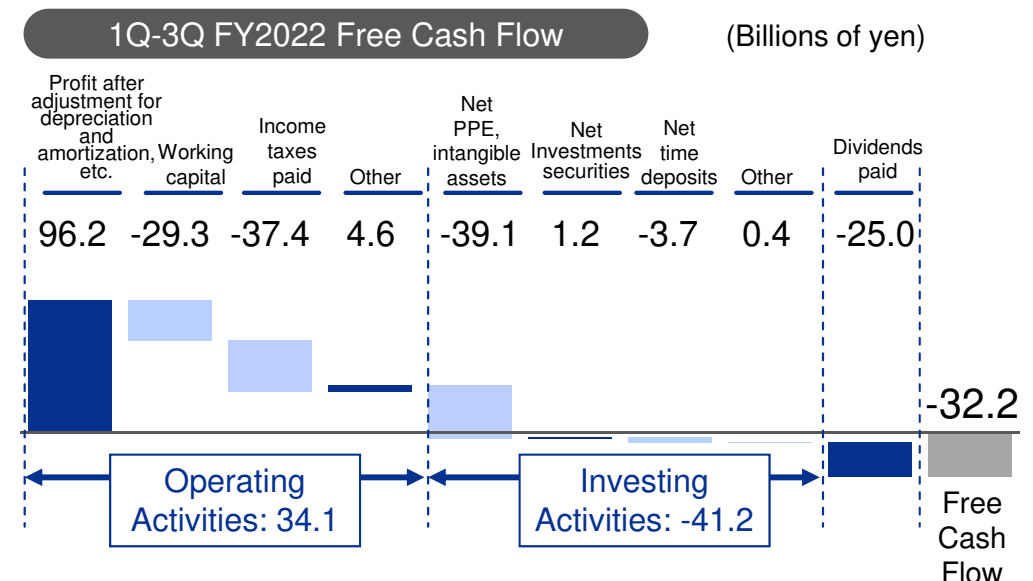
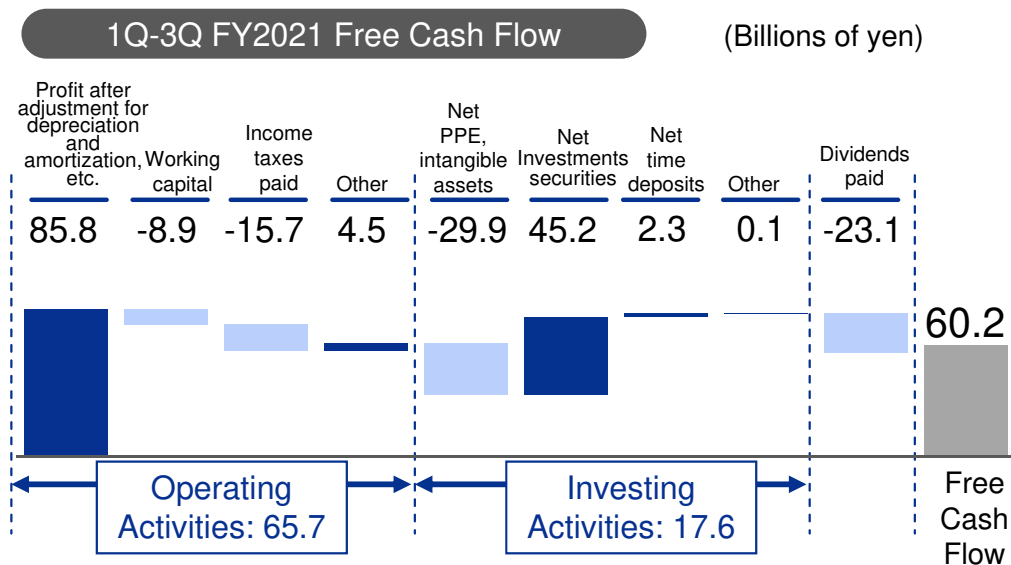


# Balance Sheets (Liabilities & Net Assets)

(JPY Billion)	Mar. 31, 2022	Dec. 31, 2022	Difference	
Non-interest-bearing liabilities	373.6	375.6	+2.0	
Interest-bearing liabilities	122.6	132.2	+9.6	
[Net interest-bearing liabilities]	[-22.0]	[-37.5]	[+59.5]	
Total liabilities	496.2	507.7	+11.6	
Share capital etc.	209.0	208.6	-0.5	
Retained earnings	448.0	451.8	+3.8	Net profit +52.8
Treasury shares	-44.6	-44.5	+0.1	Dividends paid -23.8
Valuation difference on available-for-sale securities	33.7	32.3	-1.4	Cancellation of treasury shares -25.3
Non-controlling interests	28.1	27.1	-1.0	
Other net assets	28.5	36.5	+8.0	Cancellation of treasury shares +25.3
Total net assets	702.8	711.9	+9.1	Purchases of treasury shares -25.2
Total liabilities and net assets	1,198.9	1,219.6	+20.7	Foreign currency translation adjustment +8.5
Equity-to-asset ratio (%)	56.3%	56.1%	-0.1%	
D/E ratio (Net)	-0.03	0.05	+0.09	

# Consolidated Cash Flows

(JPY Billion)	1Q-3Q FY2021	1Q-3Q FY2022
Cash flows from operating activities	65.7	34.1
Cash flows from investing activities	17.6	-41.2
Cash flows from financing activities	-53.1	-47.5
Net increase in cash and cash equivalents	31.2	-53.3
Cash and cash equivalents at end of period	107.9	80.4
Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid	60.2	-32.2

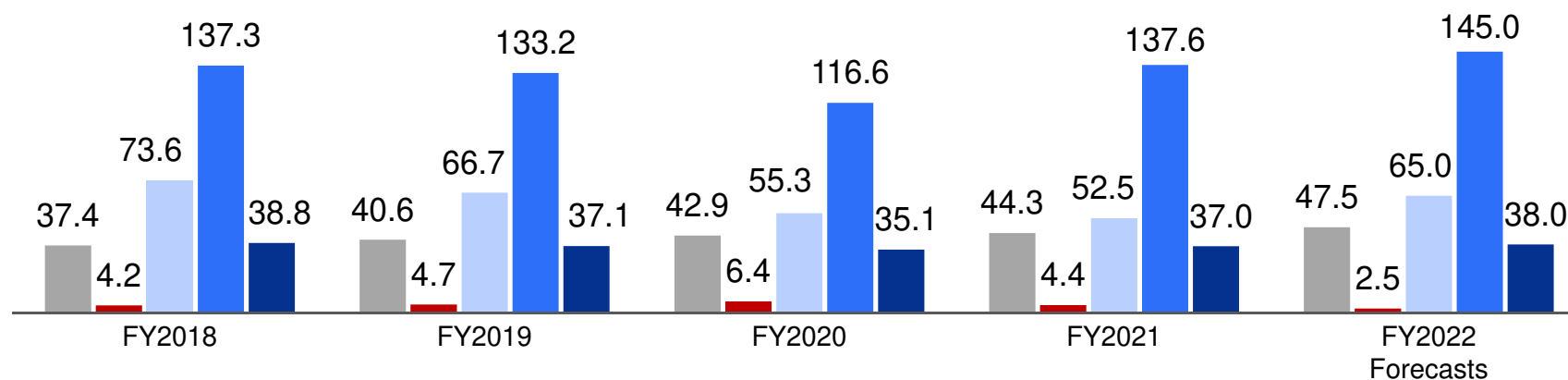


# Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

(JPY Billion)	1Q-3Q FY2021	1Q-3Q FY2022	Difference	FY2021	FY2022 Forecasts	Difference
Depreciation* <sup>1</sup>	32.8	35.6	+2.8	44.3	47.5	+3.2
Goodwill and other amortization* <sup>2</sup>	3.8	1.9	-1.9	4.4	2.5	-1.9
Capital expenditures	35.2	42.2	+7.0	52.5	65.0	+12.5
EBITDA* <sup>3</sup>	94.0	99.9	+5.9	137.6	145.0	+7.4
Research and development expenditure	27.0	30.3	+3.3	37.0	38.0	+1.0

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

(JPY Billion) ■ Depreciation ■ Goodwill and other amortization ■ Capital expenditures ■ EBITDA ■ Research and development



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

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

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

This slide presentation contains forward-looking statements. These statements are based on current expectations and beliefs. However, actual results may differ from those expressed or implied due to a number of factors and uncertainties such as changes in the global economy and our business, competition in the market, and regulatory issues.

Note: Figures denominated in units of 100 million JPY are rounded off to the nearest hundred million.

# Housing Company Results and Plan

\* Including Tochigi Sekisui Heim Co., Ltd. newly consolidated in December

## 1. Main data in Housing business

		FY2022				FY2021				FY2020
		1H	3Q	2H Forecasts	Full Year Forecasts	1H	3Q	2H	Full Year	
CONSOLIDATED	Net sales (JPY billion)	260.2	129.0	282.8	543.0	249.8	123.3	265.4	515.2	485.3
	Housing	177.2	85.2	189.3	366.5	171.6	84.1	183.1	354.7	336.5
	Renovation	47.0	23.7	51.3	98.3	45.9	21.7	46.2	92.1	87.6
	Other	36.0	20.0	42.2	78.2	32.4	17.5	36.1	68.4	61.2
	Real estate	25.8	12.7	28.6	54.4	24.7	12.2	25.8	50.5	47.7
	Residential Services	3.7	1.8	4.2	7.9	3.8	2.0	4.1	7.9	7.8
	Town and Community Development	4.8	4.5	7.5	12.3	2.8	2.9	5.1	7.8	3.9
	Overseas	0.8	0.5	0.8	1.6	0.6	0.2	0.6	1.2	1.3
OTHERS	1. Number of houses sold (Housing units)	5,190	2,355	5,330	10,520	5,040	2,345	5,370	10,410	10,155
	Detached houses	4,925	2,255	4,985	9,910	4,830	2,270	5,060	9,890	9,555
	Housing/Rebuilding	4,185	1,970	4,205	8,390	4,075	1,960	4,330	8,405	8,385
	Ready-built houses	740	285	780	1,520	755	310	730	1,485	1,220
	Apartment buildings, other	265	100	345	610	210	75	310	520	600
	2. Main data									
	Prices per unit (JPY million) in the detached houses	32.9	33.9	-	-	31.6	32.5	32.1	31.8	31.3
	Prices per tsubo** (JPY thousand) in the detached houses **Tsubo=3.3 Square meter	932	964	-	-	895	911	907	901	879
	Floor space (Square meter) in the detached houses	116.4	116.1	-	-	116.4	117.9	116.8	116.6	117.4
	Exhibition places (Units)	431	-	-	430	435	-	-	430	441
Sales staff (Number of person)	2,439	2,358	2,310	2,310	2,533	2,441	-	2,354	2,451	

# Housing Company Results and Plan

## 2. Housing orders

		FY2022				FY2021				FY2020			
		1H	3Q	2H Forecasts	Full Year Forecasts	1H	3Q	2H	Full Year	1H	3Q	2H	Full Year
(Millions of yen)													
New construction - Renovation	Year-start Backlog	185,000	186,900	186,900	-	184,800	192,500	192,500	-	205,400	194,500	194,500	-
	Growth Rate	±0%	-3%	-3%	-	-10%	-1%	-1%	-	-6%	-11%	-11%	-
	New Orders	203,360	93,539	208,657	412,017	200,607	94,491	198,850	399,457	175,319	91,265	190,806	366,125
	Growth Rate	+1%	-1%	+5%	+3%	+14%	+4%	+4%	+9%	-14%	-2%	-1%	-8%
	Sales of Housing/Renovation	201,460	99,539	216,957	418,417	192,907	93,491	206,350	399,257	186,219	90,065	200,506	386,725
	Growth Rate	+4%	+7%	+5%	+5%	+4%	+4%	+3%	+3%	-10%	+1%	-2%	-6%
	End-balance	186,900	180,900	178,600	-	192,500	193,500	185,000	-	194,500	195,700	184,800	-
	Growth Rate	-3%	-7%	-3%	-	-1%	-1%	±0%	-	-11%	-12%	-10%	-

## 3. Housing starts

		FY2022				FY2021				FY2020
		1H	3Q	2H Forecasts	Full Year Forecasts	1H	3Q	2H	Full Year	Full Year
(Units)										
Housing starts		442,894	223,185	416,106	859,000	445,674	219,811	420,235	865,909	812,164
Privately-owned houses + Houses for sale starts (included in above) =A		206,691	102,490	194,729	401,420	220,321	112,416	205,082	425,403	392,448
Detached house sales by our company=B (Unit base)		4,925	2,255	4,985	9,910	4,830	2,210	5,060	9,890	9,555
Our share in Detached houses=B/A		2.4%	2.2%	2.6%	2.5%	2.2%	2.0%	2.5%	2.3%	2.4%

\* Of which "Housing starts", "Privately-owned houses" and "Houses for sale starts" after 3Q of FY2022 are based on forecasts

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

	FY2022				FY2021				FY2020
	1H	3Q	2H Forecasts	Full Year Forecasts	1H	3Q	2H	Full Year	Full Year
Solar power generation systems installed	88%	89%	89%	89%	83%	83%	84%	84%	80%
Storage battery installed	81%	83%	83%	82%	69%	72%	74%	72%	62%
Comfortable Air System	71%	71%	72%	72%	72%	70%	72%	72%	73%

**SEKISUI**