

SEKISUI CHEMICAL CO., LTD.



For 1Q FY2023, ending March 31, 2024

Presentation of Financial Results

Futoshi Kamiwaki

Representative Director
Senior Managing Executive Officer

July 28, 2023

Results for 1Q and Forecasts for 1H FY2023

Forex rate	FY2022		FY2023			
	1Q	1H	1Q	2Q	1H	Initial Plan (Apr.)
In-house assumptions	-	-	¥133/US\$ ¥142/€	¥140/US\$ ¥152/€	¥139/US\$ ¥151/€	¥133/US\$ ¥142/€
Results (Avg. rate for each term) *	¥130/US\$ ¥138/€	¥134/US\$ ¥139/€	¥137/US\$ ¥149/€	-	-	

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

- Increases in net sales, operating profit and ordinary profit
- Substantial increase in the bottom line owing to the sale of cross-shareholdings
- While net sales fell below expectations, operating profit came in slightly ahead of plans

(JPY billion)	1Q FY2022	1Q FY2023	Difference
Net sales	282.3	285.4	+3.1
Operating profit	13.8	15.3	+1.4
Ordinary profit	21.4	22.2	+0.8
Profit attributable to owners of parent	14.6	24.1	+9.6

■ Increases in net sales and operating profit in the Housing and UIEP companies; operating profit came in at around the same level as the corresponding period of the previous fiscal year in the HPP Company; decreases in net sales and operating profit in the Medical Business

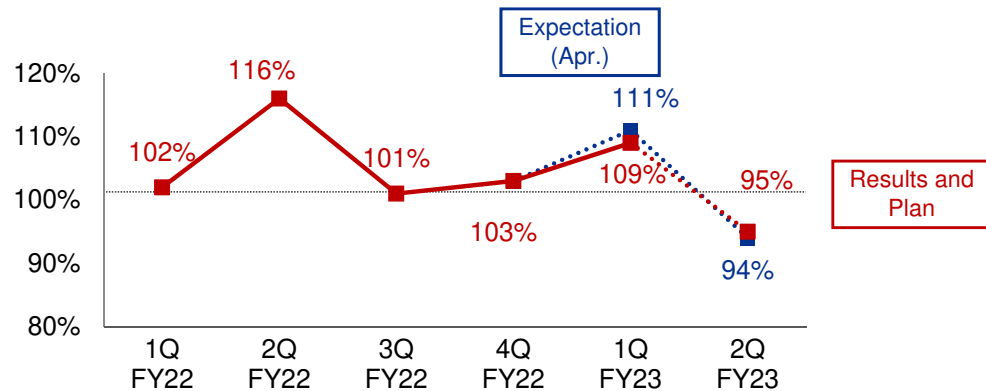
- HPP*: Continued sluggish conditions in the Electronics field; despite encountering difficulties in the Industrial field owing to weak demand for construction and consumer goods in Europe, the U.S., and Japan, substantial increase in operating profit in the Mobility field due to the progress in improving selling prices and recovery in aircraft demand; progress essentially in line with plans with operating profit coming in at around the same level as the corresponding period of the previous fiscal year
- Housing*: While new housing orders fell below plans, increases in net sales and operating profit on the back of efforts to level out sales and increase unit prices; results exceeded plans
- UIEP*: While trends in domestic housing demand fell below expectations, increases in net sales and operating profit on the back of thoroughgoing efforts to secure margins; progress in excess of plans
- Medical: Decreases in net sales and operating profit owing to the impact of delays in bringing new products to the market in the U.S.; progress fell below plans

(JPY billion)	1Q FY2022		1Q FY2023		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP*	99.1	10.4	96.1	9.9	-3.0	-0.4
Housing*	115.7	2.9	121.0	4.0	+5.3	+1.1
UIEP*	50.1	2.0	51.3	3.4	+1.2	+1.3
Medical	20.6	2.6	20.5	2.0	-0.1	-0.7
Other	1.9	-2.7	1.5	-2.3	-0.3	+0.4
Eliminations or corporate expenses	-5.1	-1.3	-5.0	-1.6	+0.1	-0.3
Total	282.3	13.8	285.4	15.3	+3.1	+1.4

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

Number of Automobiles Manufactured (YoY)

Trends in the 1Q of FY2023 slightly below initial expectations owing mainly to delays in the recovery in demand in China; the 2Q expected to slightly exceed expectations and 1H to come in as anticipated



Housing - Visitors (YoY)

Despite a substantial decrease in 1Q exhibition visitors, signs of a recovery; the 2Q projected to come in essentially around the same level as the corresponding period of the previous fiscal year; overall visitors also forecast to recover to around the same level as the previous fiscal year owing to various measures, including the use of online tools

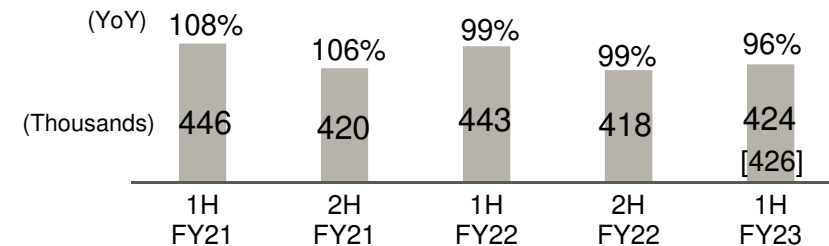
	1H FY22	2H FY22	1Q FY23	2Q FY23
Overall visitors	96%	103%	98%	100%
Via WEB	91%	107%	111%	106%
Exhibition visitors	98%	91%	85%	99%

New Housing Starts

Demand below expectations and anticipated to remain sluggish

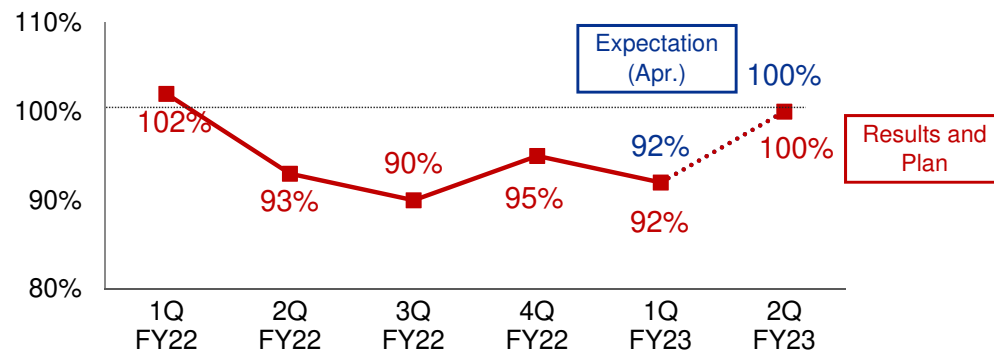
* Timing when demand for each of the UIEP Company's products can be expected to emerge: From four to six months after the start of residential construction

* Figures in parentheses are forecasts (Apr.)



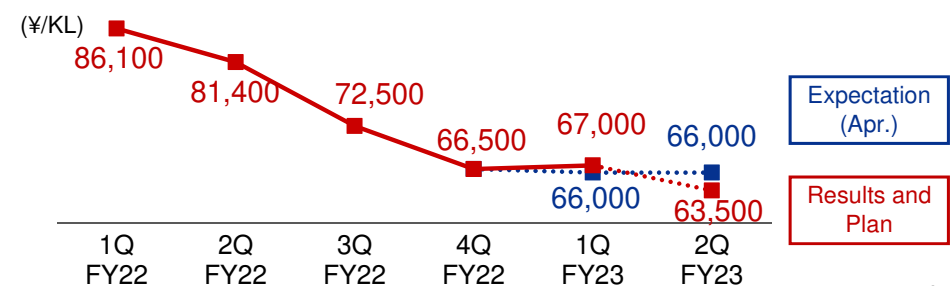
Smartphone Shipments (YoY)

Trends in line with initial expectations; market conditions projected to gradually recover from the 2Q



Domestic Naphtha Price Assumptions

The 2Q projected to come in below expectations



1H FY2023 Forecasts by Segment

- Growth in margins to offset the substantial decline in sales volumes and product mix compared with plans owing to weak housing and consumer goods market conditions in Europe, the U.S., and Japan; forecast to achieve operating profit plans on the back of efforts to control fixed costs and the effects of foreign exchange gains
- HPP: Despite the substantial decline in sales volumes and product mix mainly in the Industrial field, focus on expanding margins with profit forecast to come in in line with plans
- Housing: Continued downturn in orders with a substantial decrease in the number of houses sold; work to improve profitability through such measures as increasing unit prices; while profit is forecast to increase in line with plans in the Renovation Business, downward revision in operating profit plans
- UIEP: Despite a decline in residential demand in Japan and weak non-residential market conditions, continued thoroughgoing efforts to secure margins; upward revision in operating profit plans
- Medical: Recovery in diagnostics demand in Japan and overseas and growth in the Pharmaceutical Sciences Business to offset the impact if delays in introducing new products to the market in the U.S.; profit forecast to increase in line with plans

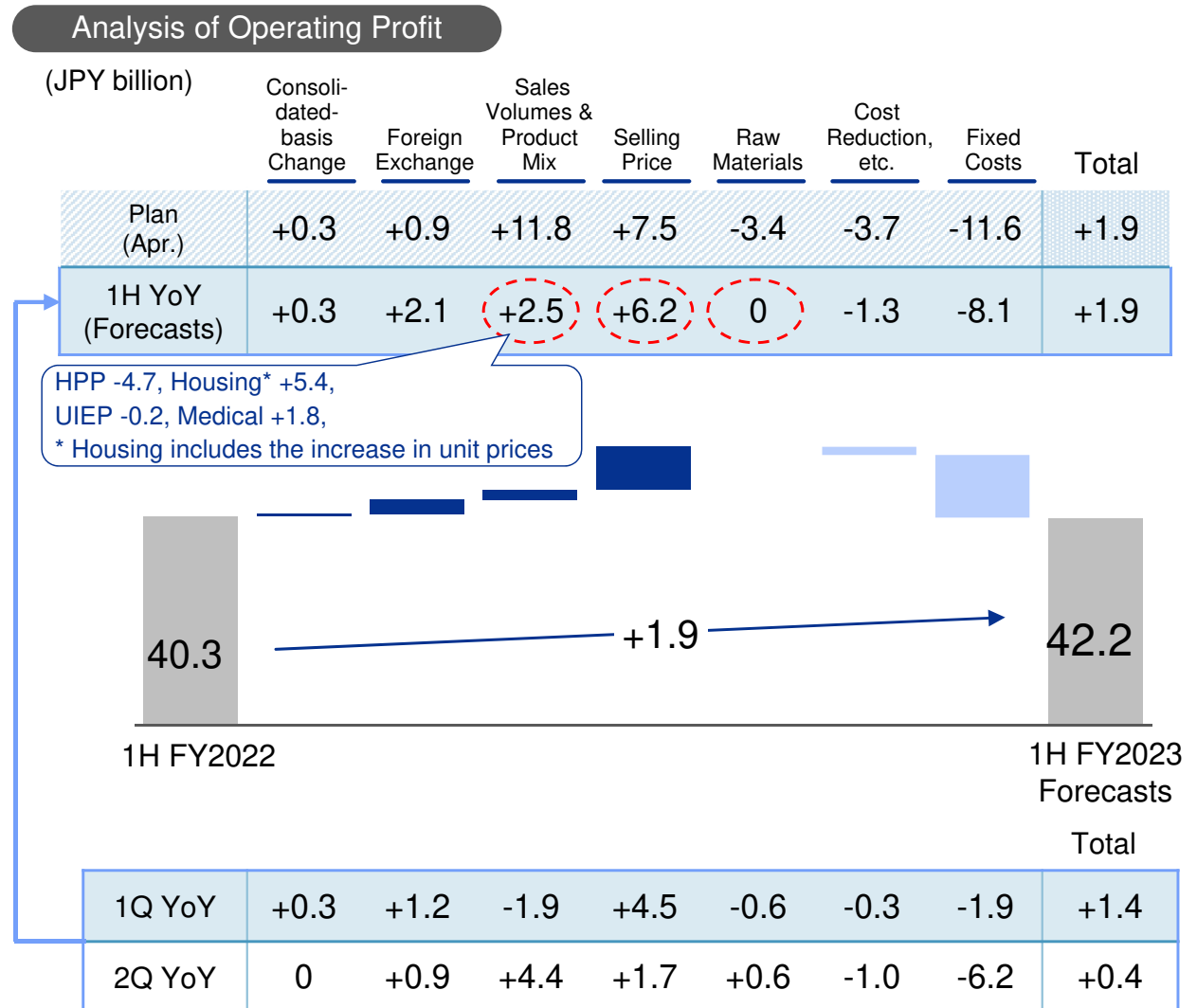
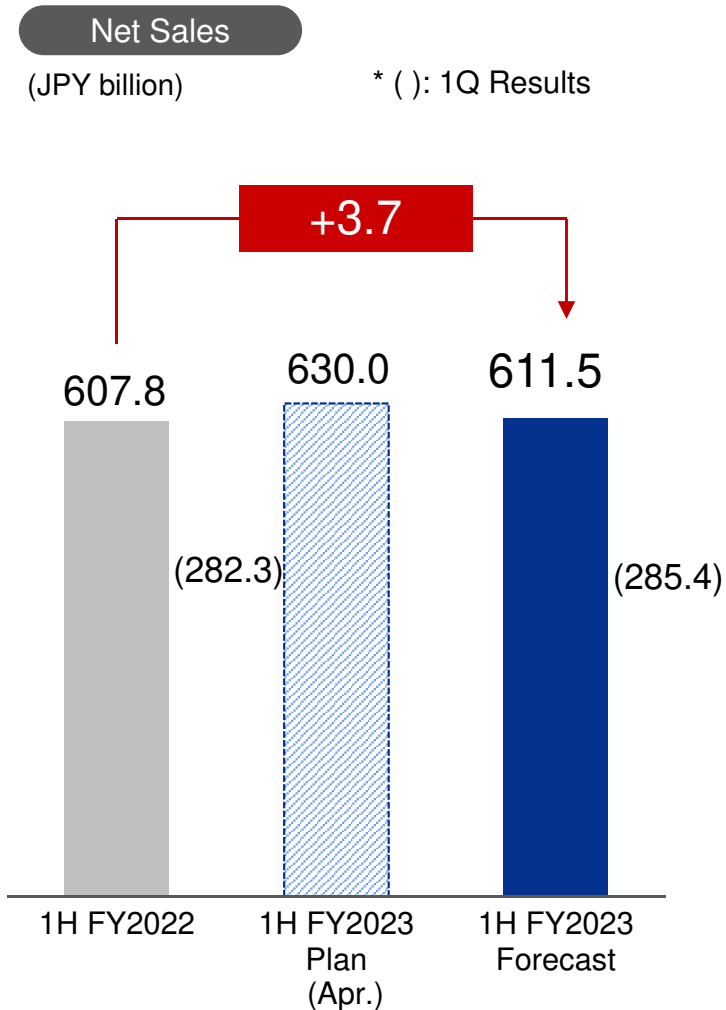
(JPY billion)	1H FY2022		1H FY2023 Forecasts		Difference		1H FY2023 Plan (Apr.)		Difference	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
HPP	201.5	20.4	200.3	22.4	-1.2	+2.0	207.5	22.4	-7.2	0
Housing	260.2	14.8	262.8	13.5	+2.6	-1.3	272.0	15.0	-9.2	-1.5
UIEP	110.4	7.4	109.3	8.5	-1.1	+1.1	111.3	7.5	-2.0	+1.0
Medical	42.9	5.5	45.2	6.2	+2.3	+0.7	45.9	6.2	-0.7	0
Other	4.1	-5.4	4.1	-5.2	0	+0.2	4.2	-5.7	-0.1	+0.5
Eliminations or corporate expenses	-11.4	-2.3	-10.2	-3.2	+1.2	-0.9	-10.9	-3.2	+0.7	0
Total	607.8	40.3	611.5	42.2	+3.7	+1.9	630.0	42.2	-18.5	0

1H FY2023 Forecasts by Segment (1Q & 2Q)

- Anticipating a certain degree of recovery in demand with the HPP Company forecast to experience significant growth in the 2Q; profit projected to substantially decline owing to the significant impact of the drop in housing orders; continued increase in Group-wide profit
- Operating profit forecast to come in in line with plans in the 1H

(JPY billion)	1Q FY2022		1Q FY2023		Difference		2Q FY2022		2Q FY2023 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	99.1	10.4	96.1	9.9	-3.0	-0.4	102.4	10.1	104.2	12.5	+1.8	+2.4
Housing	115.7	2.9	121.0	4.0	+5.3	+1.1	144.5	11.9	141.8	9.5	-2.7	-2.4
UIEP	50.1	2.0	51.3	3.4	+1.2	+1.3	60.3	5.4	58.0	5.1	-2.3	-0.3
Medical	20.6	2.6	20.5	2.0	-0.1	-0.7	22.3	2.8	24.7	4.2	+2.5	+1.4
Other	1.9	-2.7	1.5	-2.3	-0.3	+0.4	2.3	-2.7	2.6	-2.9	+0.3	-0.2
Eliminations or corporate expenses	-5.1	-1.3	-5.0	-1.6	+0.1	-0.3	-6.3	-1.0	-5.2	-1.6	+1.1	-0.6
Total	282.3	13.8	285.4	15.3	+3.1	+1.4	325.5	26.5	326.2	26.9	+0.7	+0.4

Despite a substantial decline in sales volumes and product mix compared with plans owing to the impact of weak demand in Japan and overseas, thoroughgoing efforts to expand margins; net sales and operating profit forecast to increase also on the back of efforts to reduce costs, control fixed costs, and the impact of foreign exchange gains; operating profit forecast to come in in line with plans



Overview of 1H FY2023 Forecasts

- Downward revision in net sales
- Operating profit and ordinary profit forecast to come in in line with plans
- Upward revision in the bottom line owing to the gain on sales of cross-shareholdings
- Interim dividend per share forecast to come in in line with initial plans

(JPY Billion)	FY2022	FY2023 Forecasts	Difference	FY2022 Plan (Oct.)	Difference
Net sales	607.8	611.5	+3.7	630.0	-18.5
Operating profit	40.3	42.2	+1.9	42.2	0
Ordinary profit	53.9	45.3	-8.6	45.3	0
Profit attributable to owners of parent	39.1	39.5	+0.4	30.4	+9.1
Interim dividend per share (JPY)	29	33	+4	33	0

Overview of FY2023 Forecasts

- Downward revision in net sales
- Operating profit and ordinary profit forecast to come in in line with plans
- Upward revision in the bottom line

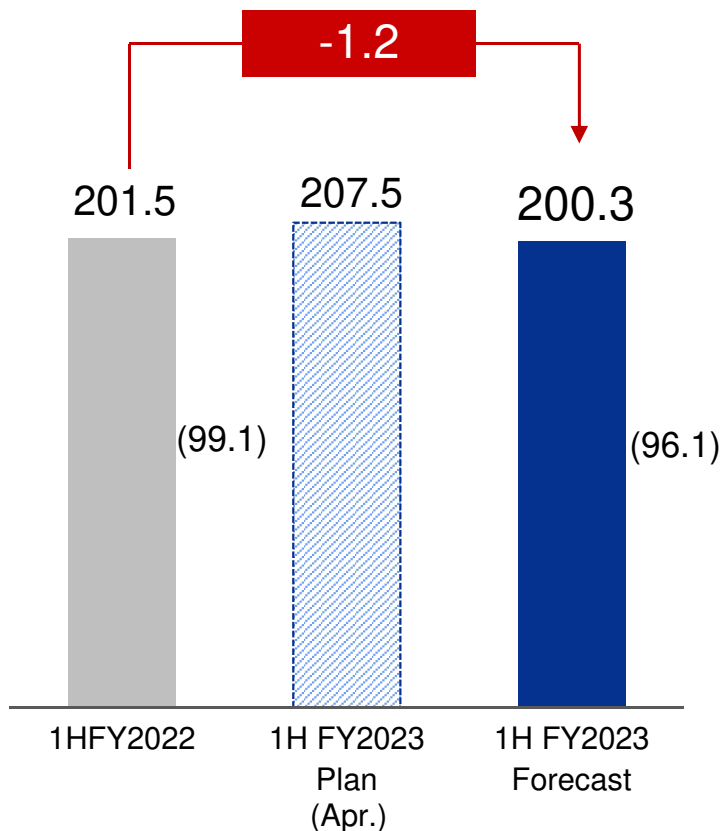
(JPY Billion)	FY2022	FY2023 Forecasts	Difference	FY2022 Plan (Apr.)	Difference
Net sales	1,242.5	1,293.5	+51.0	1,312.0	-18.5
Operating profit	91.7	100.0	+8.3	100.0	0
Ordinary profit	104.2	103.0	-1.2	103.0	0
Profit attributable to owners of parent	69.3	75.0	+5.7	70.0	+5.0
Annual dividend per share (JPY)	59	66	+7	66	0

Construction and consumer goods demand in Europe, the U.S., and Japan trending below expectations; despite a substantial decline in sales volumes and product mix, continued efforts to promote the shift to high-performance products mainly in the Mobility field; focus on expanding the margin between selling prices and raw materials; secure an increase in profit in line with plans on the back of efforts to reduce costs, control fixed costs, and the effects of foreign exchange gains

Net Sales

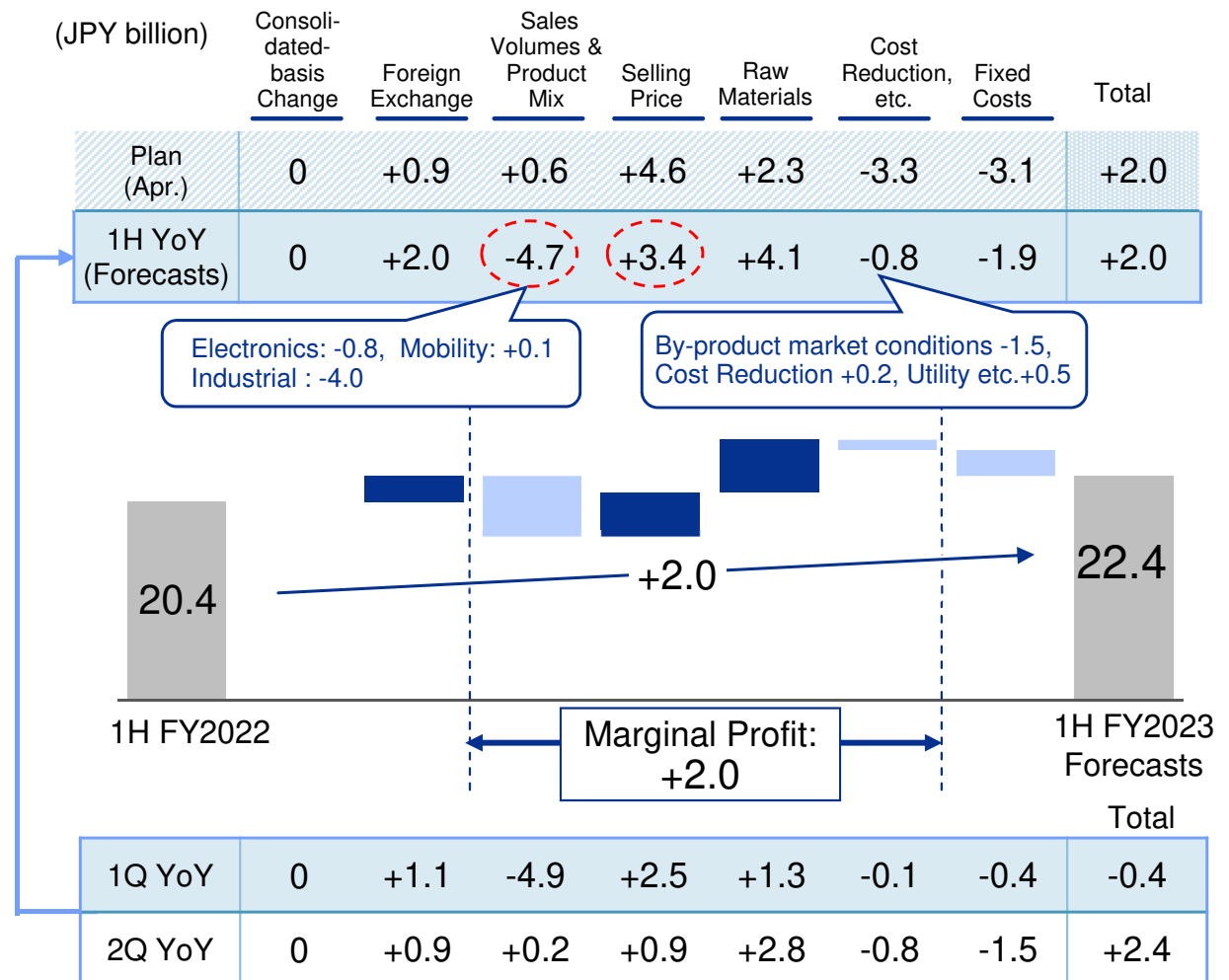
(JPY billion)

* (): 1Q Results



Analysis of Operating Profit

(JPY billion)

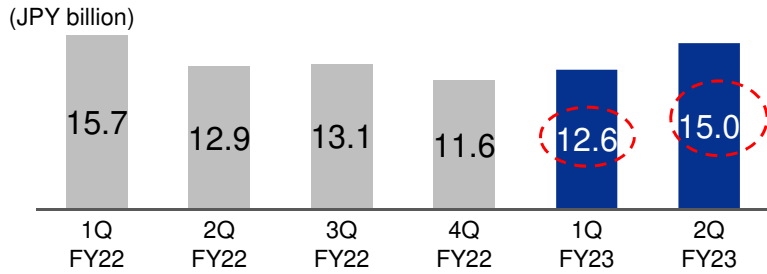


Net Sales Trends and Progress

Electronics

Electronics
(semiconductor and display materials)

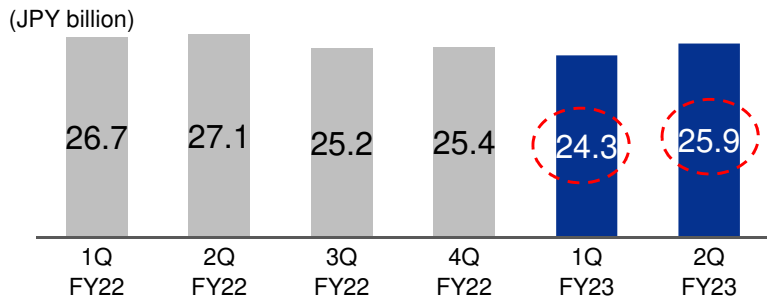
- Recovery trend in panel demand; semiconductor demand trending below expectations
- Firm trends in both the liquid crystal and non-LCD fields; progress in capturing new opportunities



Industrial

Molding products,
sensing

- Weak construction and consumer goods demand in Europe, the U.S., and Japan
- Maintain selling prices and focus on securing margins
- Accelerate supply chain cost innovation



Growth driving

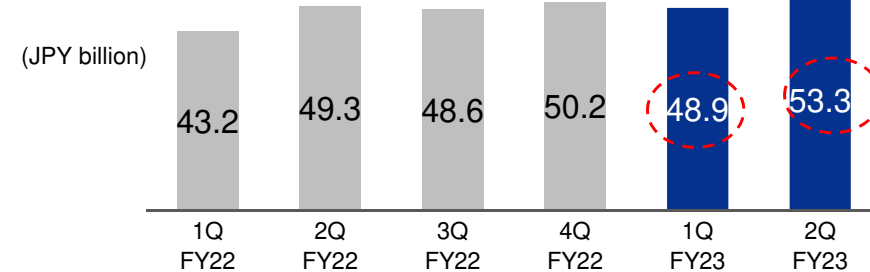
Growth potential

11 businesses clarified as strengthening the current PF in the Drive 2.0 Medium-term Management Plan.

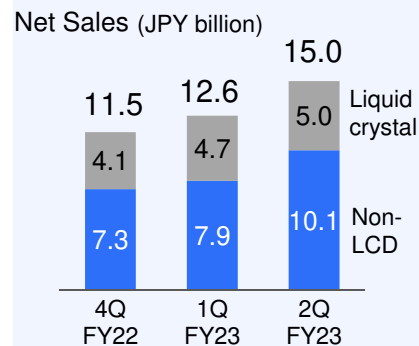
Mobility

Mobility
(high-performance interlayer film, release materials, etc.)

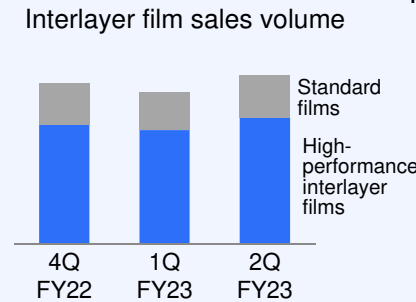
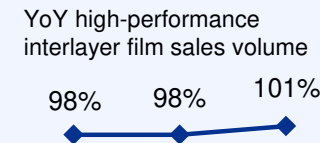
- Progress in high-performance interlayer film sales growth mainly for HUDs (1H: More than 115%* in products for HUDs on a sales volume basis; progress exceeding plans)
- Heat release materials: Commence shipments from the new production base in North America from the 2Q
- SEKISUI AEROSPACE CORPORATION: Continued increase in demand; focus on establishing robust production systems



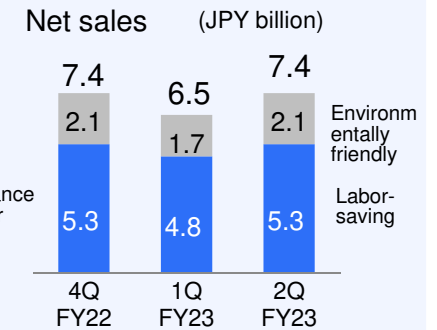
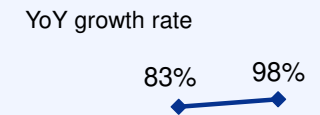
Focus on the non-LCD field



High-performance interlayer film sales growth



Labor-saving, environmentally friendly product* sales growth



* Labor-saving and environmentally friendly products: Product lineup, including labor-saving thermal insulation materials, long craft tapes for packaging machinery, and environmental blow-molded products that drive field growth.

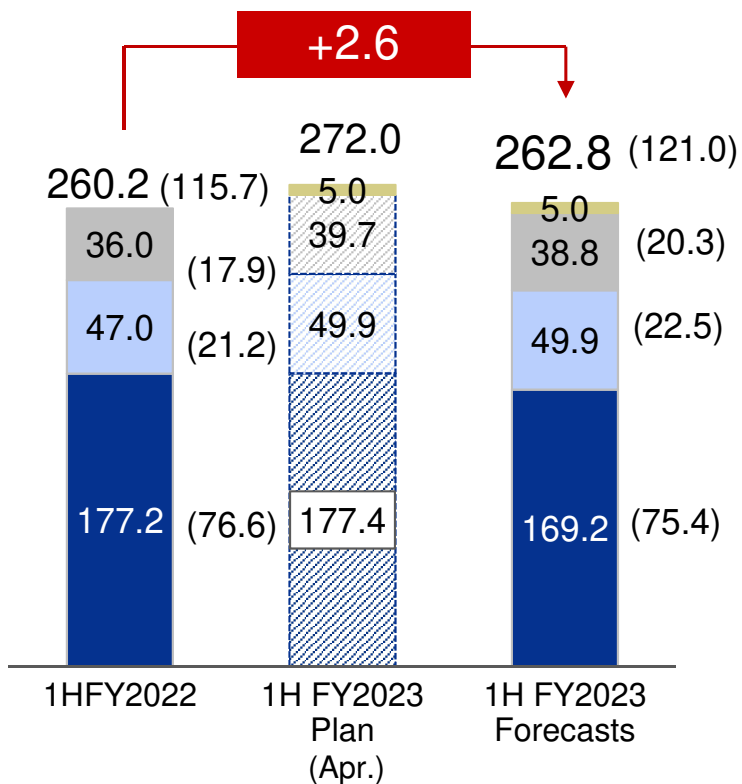
Overview of 1H FY2023 Forecasts

- 1Q progress in excess of plans owing to the leveling out of sales as well as efforts to increase unit prices and control fixed costs
- While efforts to increase unit prices and reduce costs offset the sharp rise in component costs and effects of foreign exchange losses, substantial decrease in the number of houses sold in the 1H owing to orders falling below expectations; downward revision in operating profit plans in the Housing Business; promote steps to consider measure aimed at strengthening profitability
- Growth in net sales in each of the Renovation, Real Estate, and Town and Community Development businesses; profit forecast to increase in line with plans

Net Sales

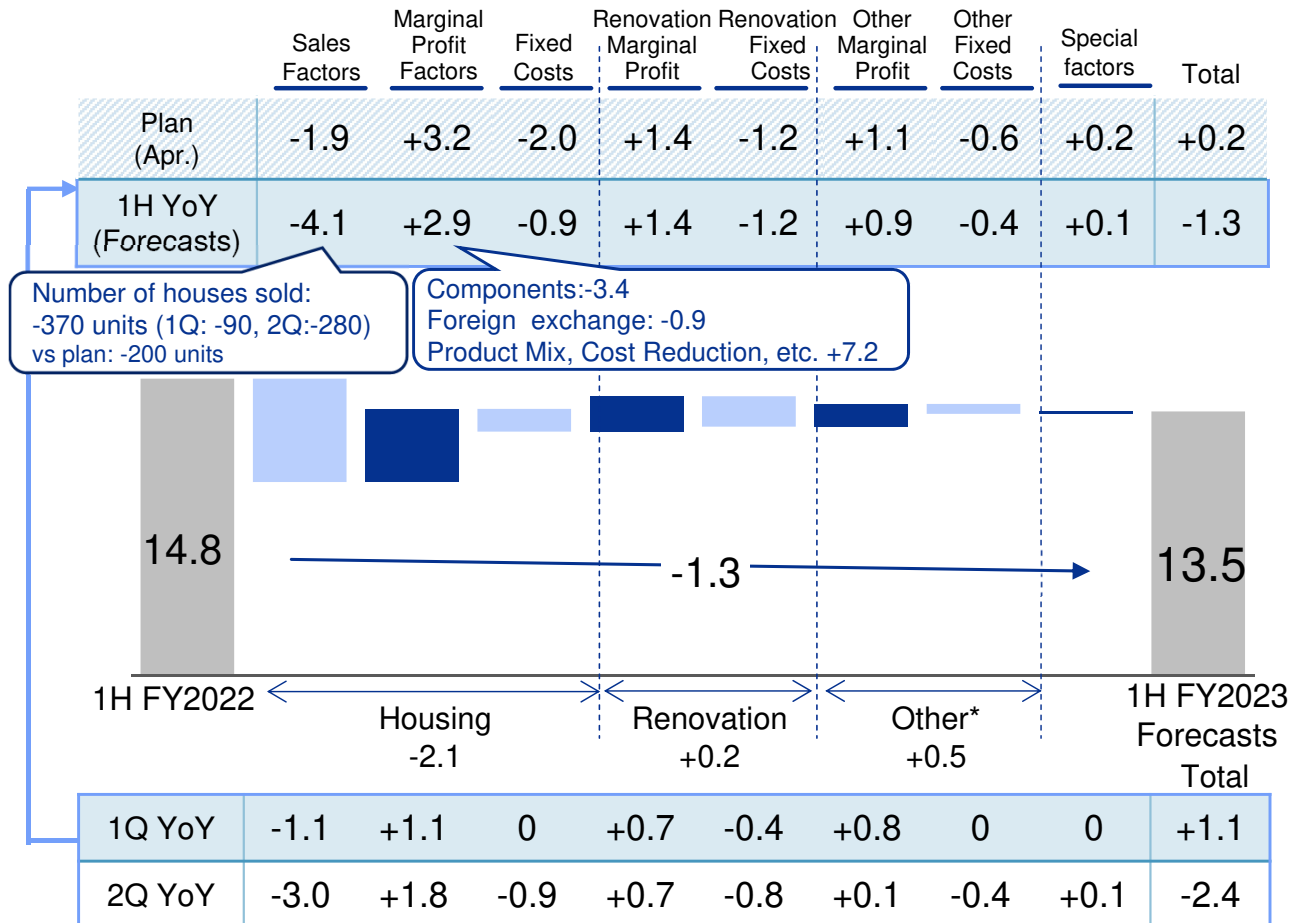
(JPY billion) * (): 1Q Results

- Housing
- Renovation
- Other
- Newly consolidated



Analysis of Operating Profit

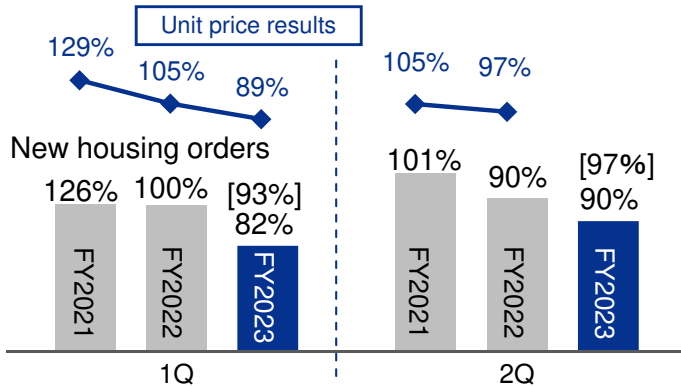
(JPY billion)



Housing Business

New Housing Orders (YoY)

- Downward YoY revision of forecasts for the number of orders in the 1H from 95% to 86% owing to continued weak market conditions
- Target an increase in orders on the back of efforts to strengthen products (strengthen SPS-FX as well as designs for detached houses and subdivision housing)



* Figures in parentheses are expectations (Apr.)

Number of Orders by Type of Construction

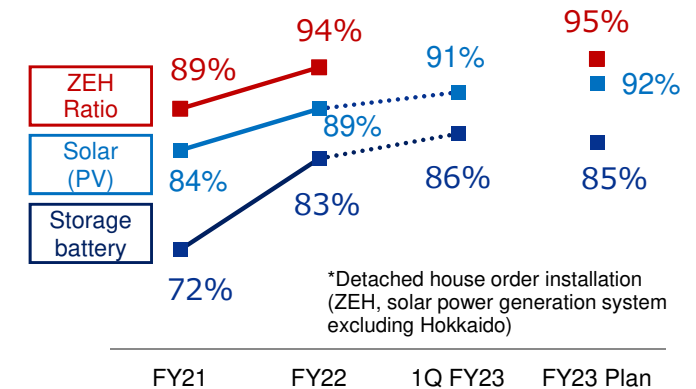
- 1Q: Slowdown in the subdivision and ready-built housing businesses owing to the impact of weak market conditions extending to first time buyers and trends in response to the high hurdles of the previous year
- 2Q: Strengthen efforts to expand sales in each of the subdivision housing, ready-built houses, and apartment building

		1Q	2Q	1H Forecasts
Detached Houses	Rebuilding	80%	81%	80%
	New construction*1	89%	102%	95%
	Subdivision housing	71%	77%	74%
	Of which, ready-built houses	75%	94%	84%
Total (Including apartment buildings)		82%	90%	86%

*1 Land: Client arrangement

Smart House-related Indicators*

- Steady progress in each of the indicators; contributions also from efforts to increase unit prices



*Detached house order installation (ZEH, solar power generation system excluding Hokkaido)

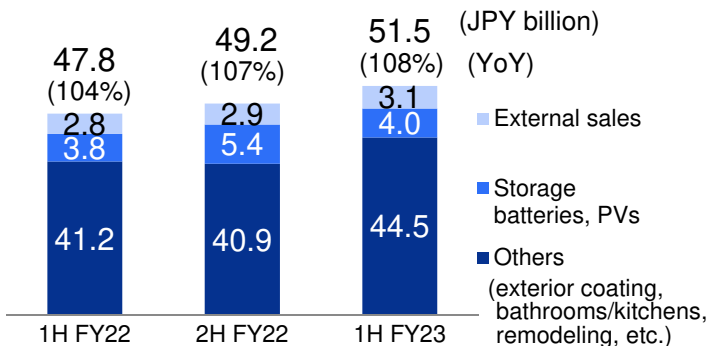
Renovation Business and Others

Real estate (purchase and resale, etc.)

Town and community development

Orders by Renovation Product

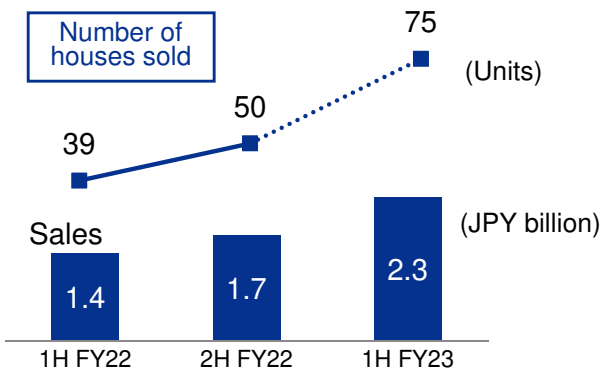
- Progress in line with plans in the 1H owing to efforts aimed at increasing sales structure capacity and expanding sales in the storage batteries, thermal insulation renovation, and others



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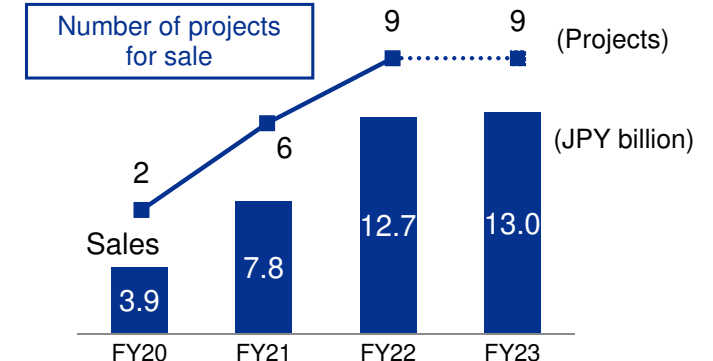
Number of BeHeim Sales

- Forecast increase in the number of houses sold in line with plans; continue working to strengthen procurement and sales



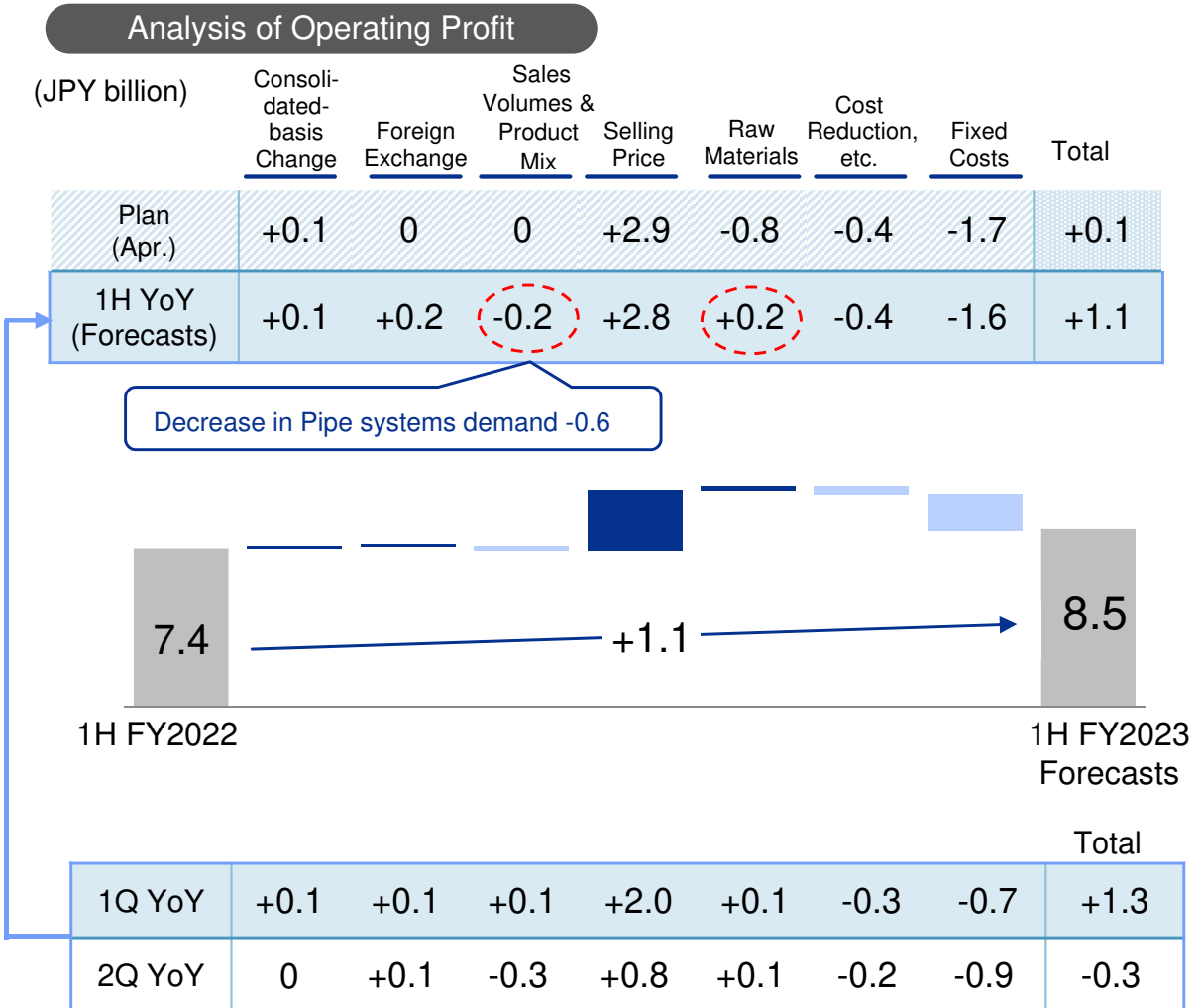
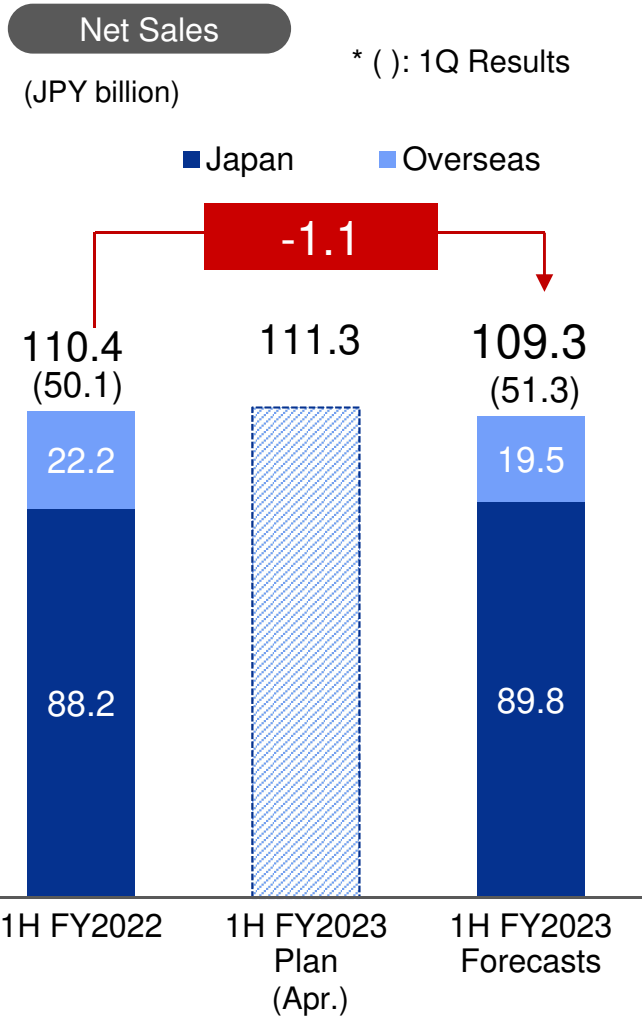
Town and Community Development Business Sales

- Progress in line with plans
- Continue focusing on procurement activities



Despite a decline in residential demand in Japan and weak non-residential market conditions, undertake thoroughgoing efforts to secure margins; upward revision in operating profit plans

- Japan: Focus on efforts to secure margins and expand sales of prioritized products
- Overseas: Firm CPVC demand mainly India and the Middle East
- Common: Progress in piping materials for plants in line with plans mainly for semiconductor-related applications



Net sales in the Three Strategic Fields

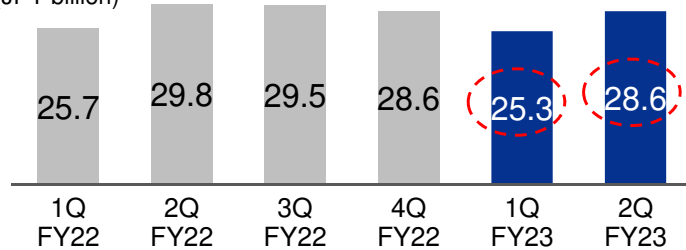
Pipe Systems

Construction and industrial piping

Pipe and joint materials for buildings, factories, and social infrastructure, and products related to disaster prevention

- Piping materials: Weak trends in both residential and non-residential demand in Japan
- Piping materials for plants: Despite a modest slowdown in semiconductor demand from the 2Q, focus on expanding sales of prioritized products
- Vinyl chloride raw materials: (PVC) Decrease in sales volumes owing to the deterioration in overseas market conditions

(CPVC) Continued firm demand mainly in India and the Middles East (JPY billion)



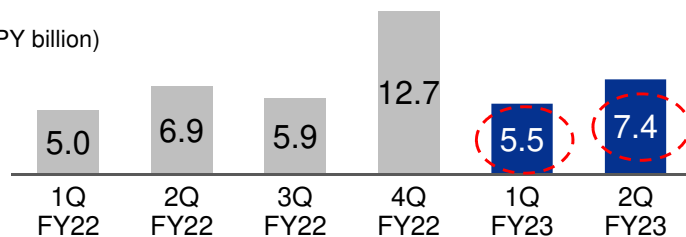
Infrastructure Renovation

Pipe renewal

Products and technologies for infrastructure aging prevention

- Pipeline renewal: (Japan) Continued stable trends in demand (Overseas) Promote efforts to cultivate new customers
- Sekisui Aqua System Co., Ltd.: Firm recovery in demand

(JPY billion)



Building and Infrastructures Composite Materials

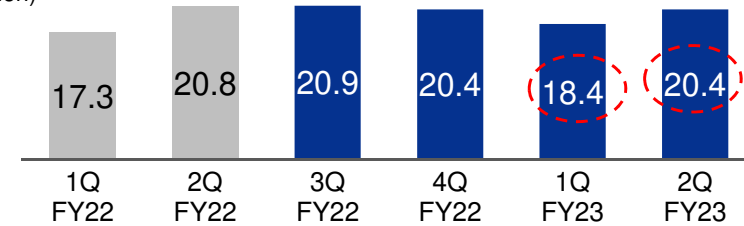
Fire resistant and non-flammable materials

Performance materials (railroad sleepers, etc.)

Building materials for bathrooms and exterior finish, fire-resistant materials, and materials for railway infrastructure

- Thermal insulation and non-combustible materials: Despite weak residential demand in Japan, continued growth in non-flammable urethane
- FFU (railway sleeper application): Despite the impact of delays in certain projects, growing adoption in Europe

(JPY billion)

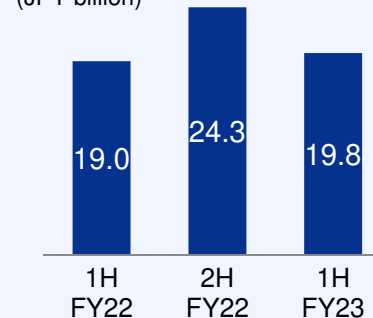


Prioritized Products Sales (Japan)

Prioritized product sales/domestic sales



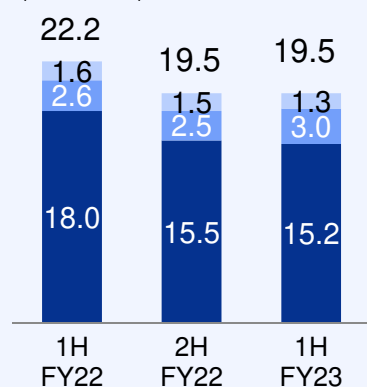
(JPY billion)



Sales by Overseas Area*

- Asia, other
- Europe
- North America

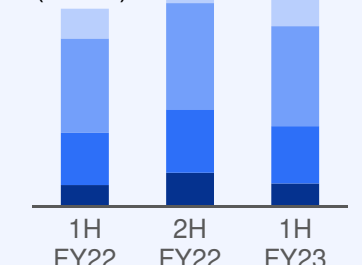
(JPY billion)



Growth Driving Business Sales

- Pipe renewal
- Fire resistant and non-flammable materials
- Construction and industrial piping
- Performance materials (railroad sleepers, etc.)

(YoY) (108%) (108%) (107%)



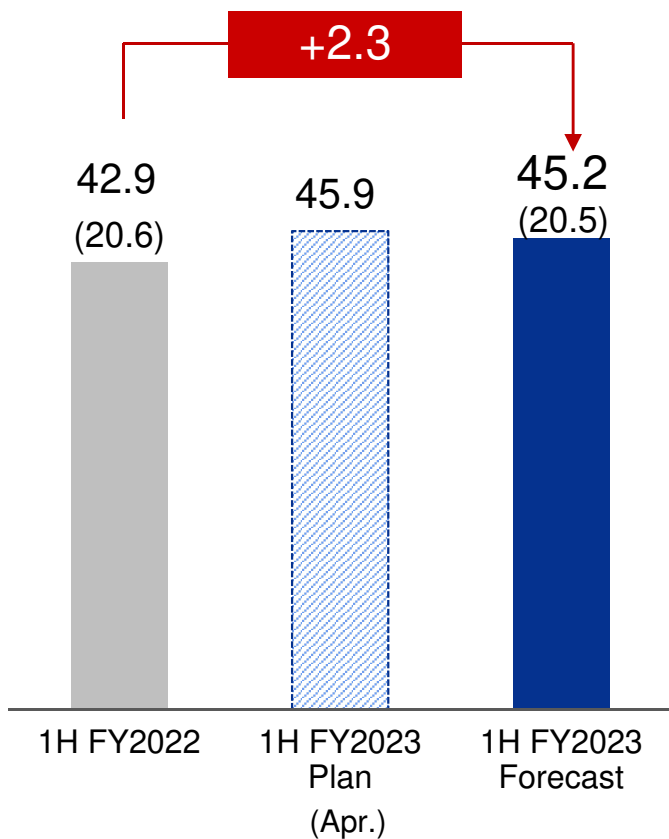
* Including the export of domestic products

Despite the continued impact of delays in bringing new products to the market in the U.S., projected to achieve operating profit plans on the back of the recovery in diagnostics demand in Japan and overseas, growth in sales of blood coagulation reagents in China, Pharmaceutical Sciences Business growth, and efforts to control fixed costs

Net Sales

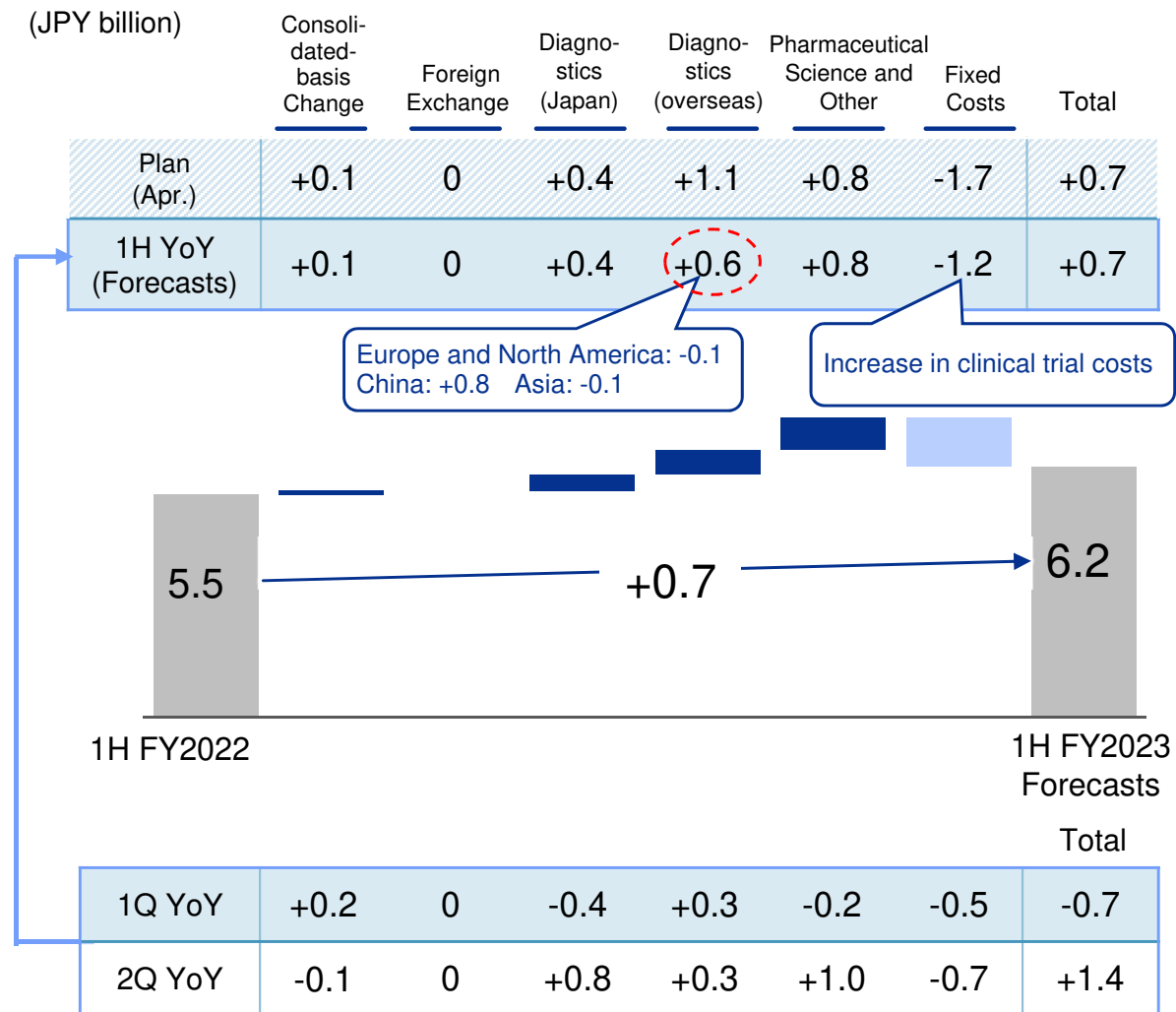
(JPY billion)

* (): 1Q Results



Analysis of Operating Profit

(JPY billion)

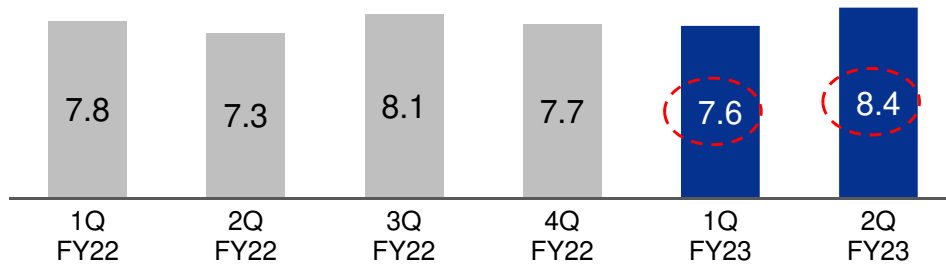


Net sales by Business and Overview of Progress

Diagnostics (Japan)

- 1Q: Recovery trend in POC and other outpatient test demand
- 2Q: Focus on expanding sales of blood coagulation equipment and reagents

(JPY billion)

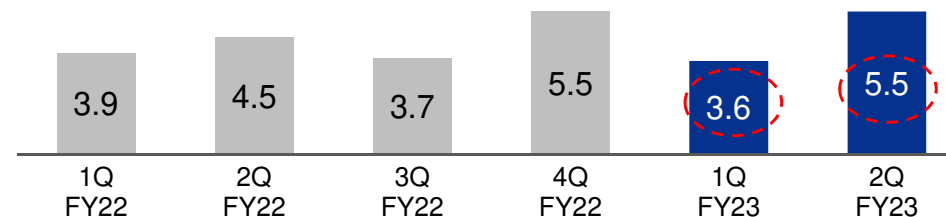


Pharmaceutical Sciences (Pharmaceutical and Fine Chemicals, Drug Development Solutions, Enzymes)

- 1Q: Commenced operations in earnest at a new facility in the Iwate Factory; firm trends in the Pharmaceutical Sciences Business
- 2Q: Continue to focus on capturing new orders; the effects of alliances in the Drug Development Solutions Business forecast to emerge

Pharmaceutical science (CDMO)

(JPY billion)

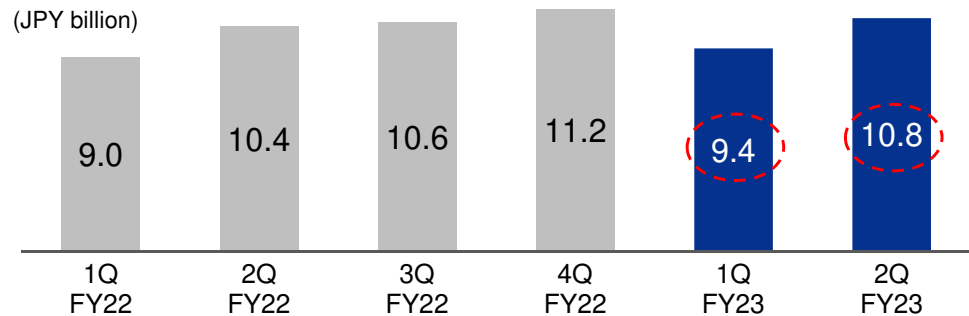


Diagnostics (overseas)

Overseas testing system

- 1Q: Significant impact of delays in bringing new products to the market in the U.S.; firm trends in blood coagulation testing reagents in China
- 2Q: Focus on expanding sales of new products in the U.S. as well as blood coagulation testing reagents in China and Asia

(JPY billion)



Examples of New Product Development

Diagnostics

■ Gene testing

- Testing methods involving the detection of human and viral genetic materials;
- Established a new development base (MDx Center) in the U.S., the largest market; promoting development of new technologies and products such as genetic testing;

Pharmaceutical Sciences

■ Newborn screening testing expansion

- Developing and marketing a test kit for the simultaneous screening of two diseases, severe combined immunodeficiency (SCID) and spinal muscular atrophy (SMA)

Financial Results

1Q FY2023

Number of Consolidated Companies

	Mar. 31, 2023	Jun. 30, 2023	Difference
Consolidated subsidiaries	148	147	Increased: 0 Subsidiaries Decreased: 1 Subsidiaries* ¹
Affiliates (Equity Method)	7	7	Increased: 0 Subsidiaries Decreased: 0 Subsidiaries

*¹ SEKISUI (SHANGHAI) ENVIRONMENTAL TECHNOLOGY CO.,LTD.

Impact of Change in the Number of Consolidated Companies

(JPY billion)	1Q FY2023 (YoY)	Difference
Net sales	+1.8	Sekisui XenoTech, LLC.* ² Seiryu Maintenance Co., Ltd.* ³
Operating profit	+0.3	Tochigi Sekisui Heim Co., Ltd.* ⁴

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

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

*⁴ Newly consolidated from the 3Q of FY2022

Summary of Profit and Loss

(JPY billion)	1Q FY2022	1Q FY2023	Difference
Net sales	282.3	285.4	+3.1
Gross profit	84.5	87.6	+3.1
Gross profit margin	30.0%	30.7%	+0.7%
Selling, general and administrative expenses	70.7	72.3	+1.6
Operating profit	13.8	15.3	+1.4
Share of profit of entities accounted for using equity method	0	0.4	+0.3
Other non-operating profit and expenses	7.5	6.5	-0.9
Ordinary profit	21.4	22.2	+0.8
Extraordinary profit	-	13.7	+13.7
Extraordinary losses	0.5	0.3	-0.2
Profit before income taxes	20.9	35.6	+14.7
Income taxes, etc.	6.1	11.1	+5.0
Profit attributable to non-controlling interests	0.3	0.4	+0.1
Profit attributable to owners of parent	14.6	24.1	+9.6

Foreign exchange gains: +4.4

Gain on sale of investment securities: +13.7

Foreign exchange (Avg. rate)	1 USD	130 JPY	137 JPY
	1 EUR	138 JPY	149 JPY

Balance Sheets (Assets)

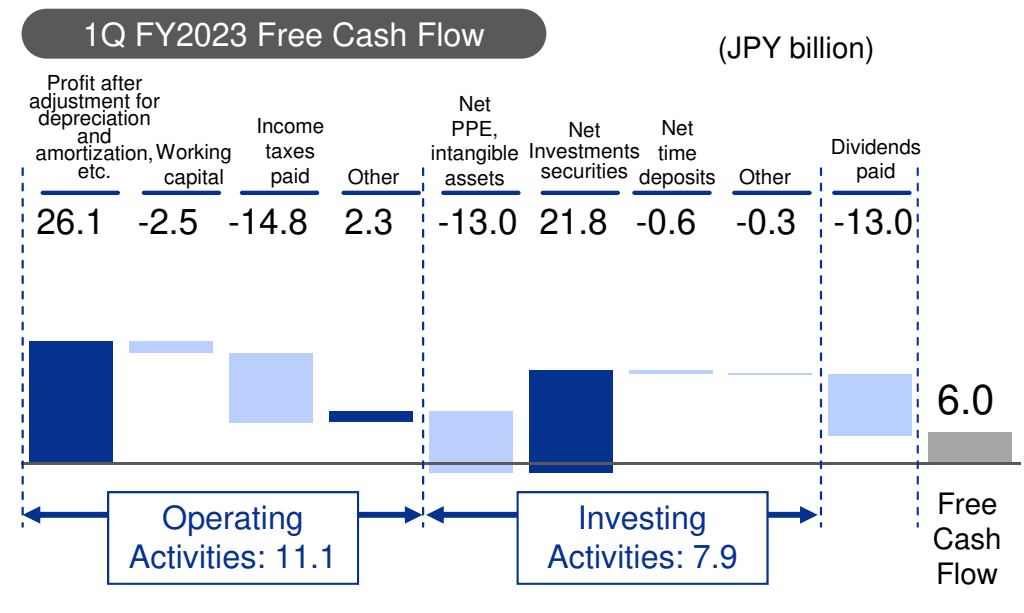
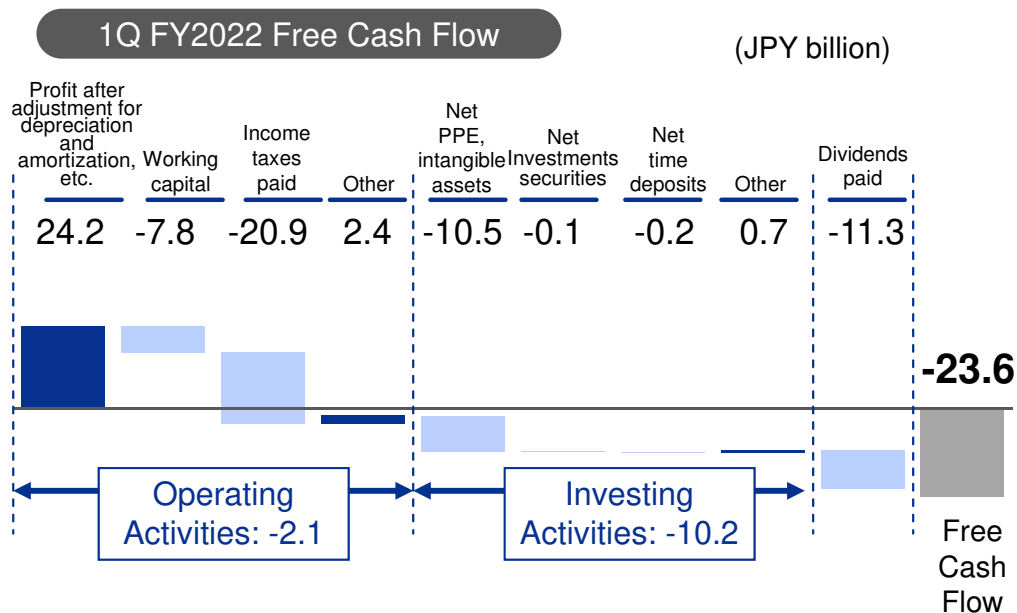
(JPY billion)	Mar. 31, 2023	Jun. 30, 2023	Difference																												
Cash and deposits	101.1	101.4	+0.3																												
Trade receivables	192.5	181.9	-10.6																												
Inventories	286.8	304.5	+17.7	<table border="1"> <thead> <tr> <th>Inventories (B/S item)</th> <th>Mar.31 2023</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Ready-built housing (products)</td> <td>37.8</td> <td>+5.1</td> </tr> <tr> <td>Prepared land for subdivision housing</td> <td>65.7</td> <td>+1.6</td> </tr> <tr> <td>Land under preparation (work in process)</td> <td>11.4</td> <td>+1.4</td> </tr> <tr> <td>Housing under construction (work in process)</td> <td>36.1</td> <td>+1.4</td> </tr> <tr> <td>Components, other (raw materials)</td> <td>8.5</td> <td>+0.5</td> </tr> <tr> <td>Housing Total</td> <td>159.4</td> <td>+9.9</td> </tr> <tr> <td>Non-residential total (products, other)</td> <td>145.0</td> <td>+7.7</td> </tr> <tr> <td>Inventories Total</td> <td>304.5</td> <td>+17.7</td> </tr> </tbody> </table>	Inventories (B/S item)	Mar.31 2023	Difference	Ready-built housing (products)	37.8	+5.1	Prepared land for subdivision housing	65.7	+1.6	Land under preparation (work in process)	11.4	+1.4	Housing under construction (work in process)	36.1	+1.4	Components, other (raw materials)	8.5	+0.5	Housing Total	159.4	+9.9	Non-residential total (products, other)	145.0	+7.7	Inventories Total	304.5	+17.7
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Other current assets	41.2	42.1	+0.9																												
Property, plant and equipment	377.4	389.5	+12.1	<table border="1"> <tbody> <tr> <td>Purchase: +14.9</td> </tr> <tr> <td>Depreciation: -8.9</td> </tr> <tr> <td>Foreign exchange: +10.2</td> </tr> </tbody> </table>	Purchase: +14.9	Depreciation: -8.9	Foreign exchange: +10.2																								
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Intangible assets	51.0	54.3	+3.3																												
Investment securities	137.3	122.0	-15.3	<table border="1"> <tbody> <tr> <td>Sale: -22.0</td> </tr> <tr> <td>Market value: +6.6</td> </tr> </tbody> </table>	Sale: -22.0	Market value: +6.6																									
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Investments and other assets	40.8	41.7	+0.9																												
Total assets	1,228.1	1,237.4	+9.2	<table border="1"> <tbody> <tr> <td>Foreign exchange: +26.9</td> </tr> <tr> <td>Actual basis: -17.7</td> </tr> </tbody> </table>	Foreign exchange: +26.9	Actual basis: -17.7																									
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Balance Sheets (Liabilities & Net Assets)

(JPY billion)	Mar. 31, 2023	Jun. 30, 2023	Difference	
Non-interest-bearing liabilities	375.1	365.7	-9.4	
Interest-bearing liabilities	120.5	120.9	+0.5	
[Net interest-bearing liabilities]	[19.4]	[19.5]	[+0.2]	
Total liabilities	495.6	486.7	-8.9	
Share capital etc.	208.6	208.6	0	
Retained earnings	468.1	472.5	+4.4	Net profit: +24.1 Dividends paid: -12.9 Cancellation of treasury shares: -6.9
Treasury shares	-46.6	-47.5	-0.9	Cancellation of treasury shares: +6.9 Purchases of treasury shares: -7.8
Valuation difference on available-for-sale securities	37.8	32.8	-5.0	
Non-controlling interests	27.5	28.6	+1.1	
Other net assets	37.1	55.7	+18.5	Foreign currency translation adjustment: +18.5
Total net assets	732.5	750.7	+18.2	
Total liabilities and net assets	1,228.1	1,237.4	+9.2	
Equity-to-asset ratio (%)	57.4%	58.4%	+1.0%	
D/E ratio (Net)	0.03	0.03	0.00	

Consolidated Cash Flows

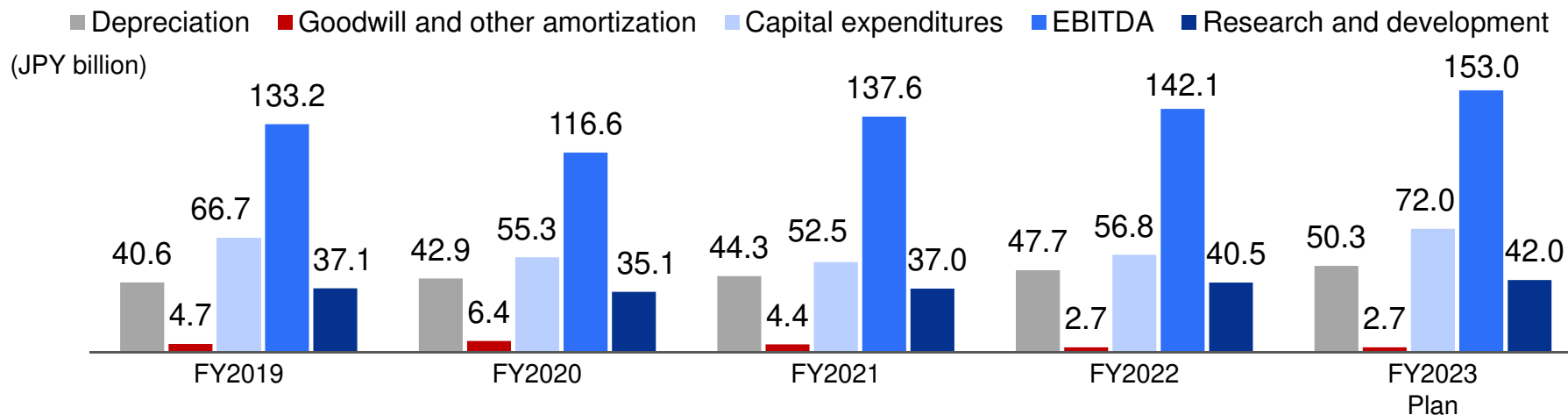
(JPY billion)	1Q FY2022	1Q FY2023
Cash flows from operating activities	-2.1	11.1
Cash flows from investing activities	-10.2	7.9
Cash flows from financing activities	-28.5	-23.3
Net increase in cash and cash equivalents	-37.6	-0.8
Cash and cash equivalents at end of period	96.1	84.4
Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid	-23.6	6.0



Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

(JPY Billion)	1Q FY2022	1Q FY2023	Difference	FY2022	FY2023 Plan	Difference
Depreciation* ¹	11.4	11.9	+0.4	47.7	50.3	+2.6
Goodwill and other amortization* ²	0.6	0.6	0	2.7	2.7	0
Capital expenditures	16.4	17.2	+0.8	56.8	72.0	+15.2
EBITDA* ³	25.9	27.8	+1.9	142.1	153.0	+10.9
Research and development expenditure	9.2	9.9	+0.7	40.5	42.0	+1.5

Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure



*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 Forecasts

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

1. Main data in Housing business

		FY2023		FY2022		
		1Q	1H Forecasts	1Q	1H	2H
CONSOLIDATED	Net sales (JPY billion)	121.0	262.8	115.7	260.2	277.2
	Housing	77.3	172.5	76.6	177.2	186.4
	Renovation	23.3	51.5	21.2	47.0	50.3
	Other	20.3	38.8	17.9	36.0	40.5
	Real estate	13.0	27.4	12.8	25.8	26.7
	Residential Services	1.8	3.7	1.7	3.7	3.9
	Town and Community Development	4.9	6.0	2.6	4.8	7.9
	Overseas	0.2	0.7	0.4	0.8	0.9
OTHERS	1. Number of houses sold (Housing units)	2,005	4,795	2,070	5,190	5,160
	Detached houses	1,915	4,520	1,985	4,925	4,775
	Housing/Rebuilding	1,655	3,820	1,660	4,185	4,115
	Ready-built houses	260	700	325	740	660
	Apartment buildings, other	90	275	85	265	385
	2. Main data					
	Prices per unit (JPY million) in the detached houses	34.7	-	32.9	32.9	33.6
	Prices per tsubo** (JPY thousand) in the detached houses **Tsubo=3.3 Square meter	1,005	-	937	932	965
	Floor space (Square meter) in the detached houses	113.8	-	115.8	116.4	114.9
	Exhibition places (Units)	-	429	-	431	-
Sales staff (Number of person)	2,543	2,462	2,530	2,439	-	

Housing Company Results and Forecasts

2. Housing orders

(Millions of yen)

		FY2023		FY2022			FY2021	
		1Q	1H	1Q	1H	2H	1H	2H
			Forecasts					
New construction · Renovation	Year-start Backlog	164,300	-	185,000	185,000	186,900	184,800	192,500
	Growth Rate	-11%	-	±0%	±0%	-3%	-10%	-1%
	New Orders	90,412	197,519	96,543	203,360	194,835	200,607	198,850
	Growth Rate	-6%	-3%	+5%	+1%	-2%	+14%	+4%
	Sales of Housing/Renovation	91,712	204,419	86,243	201,460	217,435	192,907	206,350
	Growth Rate	+6%	+1%	+11%	+4%	+5%	+4%	+3%
	End-balance	163,000	157,400	195,300	186,900	164,300	192,500	185,000
	Growth Rate	-17%	-16%	-2%	-3%	-11%	-1%	±0%

3. Housing starts

(Units)

		FY2023		FY2022		
		1Q	1H	1Q	1H	2H
			Forecasts			
Housing starts		209,100	424,000	218,135	442,894	417,934
Privately-owned houses + Houses for sale starts (included in above) =A		93,500	189,600	102,602	206,691	185,762
Detached house sales by our company=B (Unit base)		1,915	4,520	1,985	4,925	4,775
Our share in Detached houses=B/A		2.0%	2.4%	1.9%	2.4%	2.6%

* Of which "Housing starts", "Privately-owned houses" and "Houses for sale starts" after 1Q of FY2023 are based on forecasts

4. The ratio of houses equipped with smart specifications

		FY2023		FY2022		
		1Q	1H	1Q	1H	2H
			Forecasts			
Solar power generation systems installed		91%	90%	87%	88%	90%
Storage battery installed		86%	86%	80%	81%	85%
Comfortable Air System		69%	69%	72%	71%	72%

SEKISUI