

SEKISUI CHEMICAL CO., LTD.



FY2024, ending March 31, 2025

Presentation of Financial Results for 1Q

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Representative Director
Senior Managing Executive Officer

July 31, 2024

Results for 1Q and Forecasts for 1H FY2024

| Forex rate | FY2023 | | FY2024 | | | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 1Q | 1H | 1Q | 2Q | 1H | Initial Plan (Apr.) |
| In-house assumptions | - | - | ¥150/US\$ ¥161/€ | ¥157/US\$ ¥169/€ | ¥156/US\$ ¥168/€ | ¥150/US\$ ¥161/€ |
| Results (Avg. rate for each term) * | ¥137/US\$ ¥149/€ | ¥141/US\$ ¥153/€ | ¥156/US\$ ¥168/€ | - | - | |

* 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.

- Increase in net sales; substantial increase in operating profit
- Increase in ordinary profit; absent the significant impact attributable to the gain on sales of cross-shareholdings posted in the previous fiscal year, slight decrease in the bottom line
- Net sales essentially in line with plans; operating profit progressing ahead of plans

★ : Record high

| (JPY billion) | 1Q FY2023 | 1Q FY2024 | Difference |
|---|-----------|-----------|------------|
| Net sales | 285.4 | ★ 298.8 | +13.4 |
| Operating profit | 15.3 | ★ 20.2 | +4.9 |
| Ordinary profit | 22.2 | ★ 26.5 | +4.4 |
| Profit attributable to owners of parent | 24.1 | 23.7 | -0.4 |

1Q FY2024 Results by Segment

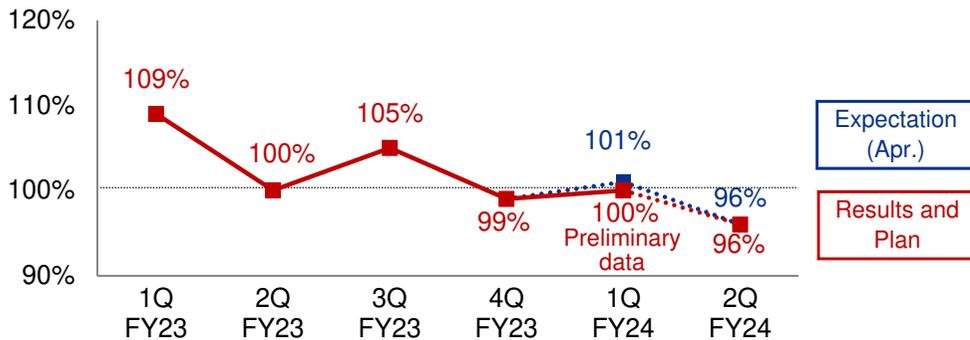
- Substantial increases in net sales and operating profit in the HPP Company; increases in net sales and operating profit also in the UIEP Company and Medical Business; despite a downturn in net sales in the Housing Company, secured an increase in operating profit on the back of steady progress in promoting measures to strengthen profitability; increases in operating profit across all segments with progress in excess of plans
- HPP*: Increases in net sales and operating profit across all three fields; recovery trend in demand in the Electronics and Industrial fields; buoyed also by the impact of foreign exchange gains, substantial increases in net sales and operating profit
- Housing*: Despite a downturn in net sales owing to the decrease in the number of houses sold, increase in operating profit mainly on the back of improvements in the product mix, reductions in fixed costs, and the increase in orders in the Renovation Business
- UIEP*: Recovery trend in non-residential market conditions in Japan; captured the rush in demand prior to improvements in selling prices; increases in net sales and operating profit
- Medical: Increases in net sales and operating profit owing to successful efforts to capture firm domestic demand for diagnostics reagents, growth in drug development solutions, and an increase in testing reagent sales in Europe and the U.S.
- Other: PV* down ¥0.4 billion, LB* down ¥0.5 billion, BR* down ¥0.5 billion, R&D and other down ¥1.6 billion

★ : Record high

| (JPY billion) | 1Q FY2023 | | 1Q FY2024 | | Difference | |
|------------------------------------|--------------|------------------|----------------|------------------|--------------|------------------|
| | Net Sales | Operating Profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 96.1 | 9.9 | ★ 110.6 | ★ 14.7 | +14.5 | +4.7 |
| Housing | 121.0 | 4.0 | 116.2 | 4.9 | -4.8 | +0.9 |
| UIEP | 51.3 | 3.4 | ★ 52.5 | ★ 3.5 | +1.2 | +0.2 |
| Medical | 20.5 | 2.0 | ★ 22.3 | 2.3 | +1.9 | +0.4 |
| Other | 1.5 | -2.3 | 1.7 | -3.0 | +0.2 | -0.6 |
| Eliminations or corporate expenses | -5.0 | -1.6 | -4.6 | -2.2 | +0.4 | -0.6 |
| Total | 285.4 | 15.3 | ★ 298.8 | ★ 20.2 | +13.4 | +4.9 |

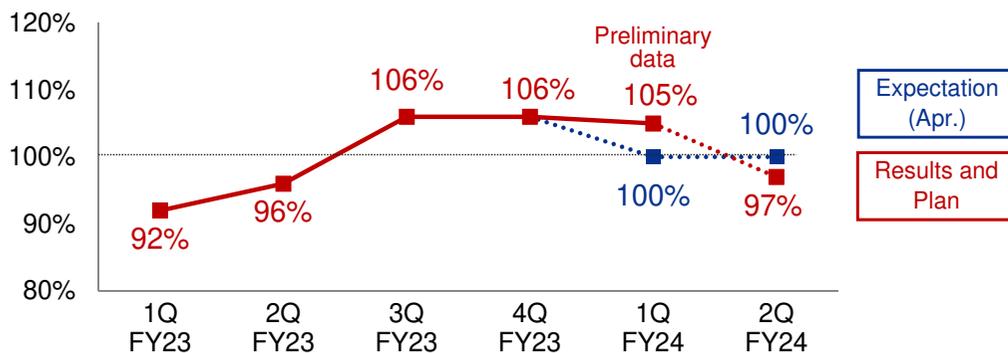
Number of Automobiles Manufactured (YoY)

1Q FY2024: Trends slightly below expectations
2Q FY2024: Forecasts to come in as anticipated



Smartphone Shipments (YoY)

1Q FY2024: Trends in excess of expectations
2Q /1H FY2024: Despite falling slightly below expectations in the 2Q, forecasts for the 1H in excess of the previous year



Housing - Visitors (YoY)

While exhibition visitors in the 1H of FY2024 are expected to fall below the previous year, overall visitors are forecast to exceed the previous year on the back of an increase in requests via the WEB

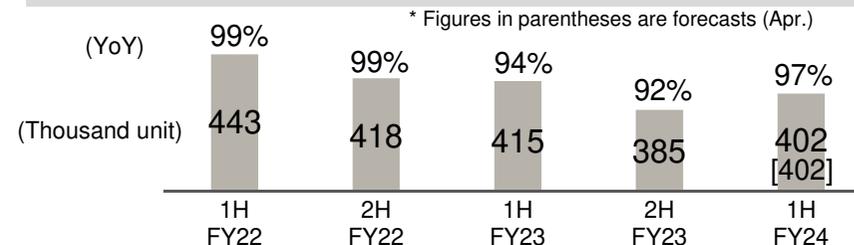
| | 1Q FY23 | 1H FY23 | 2H FY23 | 1Q FY24 | 1H FY24 |
|---------------------|---------|---------|---------|---------|---------------|
| Overall visitors | 98% | 97% | 100% | 105% | 105% [97%] |
| Via WEB | 111% | 108% | 118% | 119% | 115% [98%] |
| Exhibition visitors | 85% | 90% | 95% | 95% | 96% [103%] |

* Figures in parentheses are Forecasts (Apr.)

New Housing Starts

Continued sluggish demand; forecasts to come in as anticipated after bottoming out in the 2H of FY2023

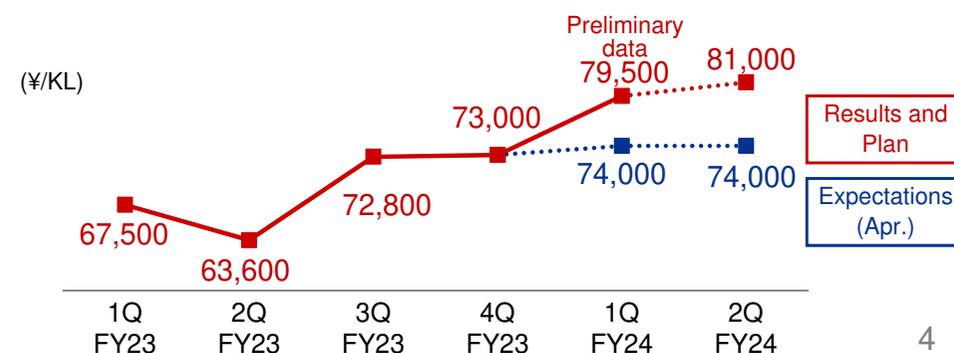
* Timing when demand for each of the UIEP Company's products can be expected to emerge: From four to six months after the start of residential construction



* Figures in parentheses are forecasts (Apr.)

Domestic Naphtha Price Assumptions

1Q FY2024: Trends in excess of expectation
2Q FY2024: Trends forecast to further exceed expectations



1H FY2024 Forecasts by Segment

- Market conditions forecast to recover to a certain degree; increase in net sales across three segments, excluding the Housing Company; operating profit projected to increase across all segments; upward revision of 1H forecasts mainly due to foreign exchange gains and efforts to control fixed costs
 - HPP: Upward revision in forecasts owing to a recovery in semiconductor-related as well as construction and consumer goods demand, growth in sales of high-performance products, and foreign exchange gains
 - Housing: Continued reductions in fixed costs and Renovation Business growth expected to offset the decrease in the number of houses sold; upward revision in operating profit forecasts
 - UIEP: Recovery trend in non-residential market conditions in Japan; thoroughgoing efforts to secure margins through improvements in selling prices; forecast increase in operating profit with results expected to exceed plans
 - Medical: Forecast increase in operating profit with results expected to exceed plans owing mainly to successful efforts to capture firm demand for diagnostics reagent in Japan and growing sales of infectious disease testing kits in the U.S.
 - Other: PV down ¥0.7 billion, LB down ¥0.9 billion, BR down ¥1.1 billion, R&D and other down ¥3.2 billion

★ : Record high

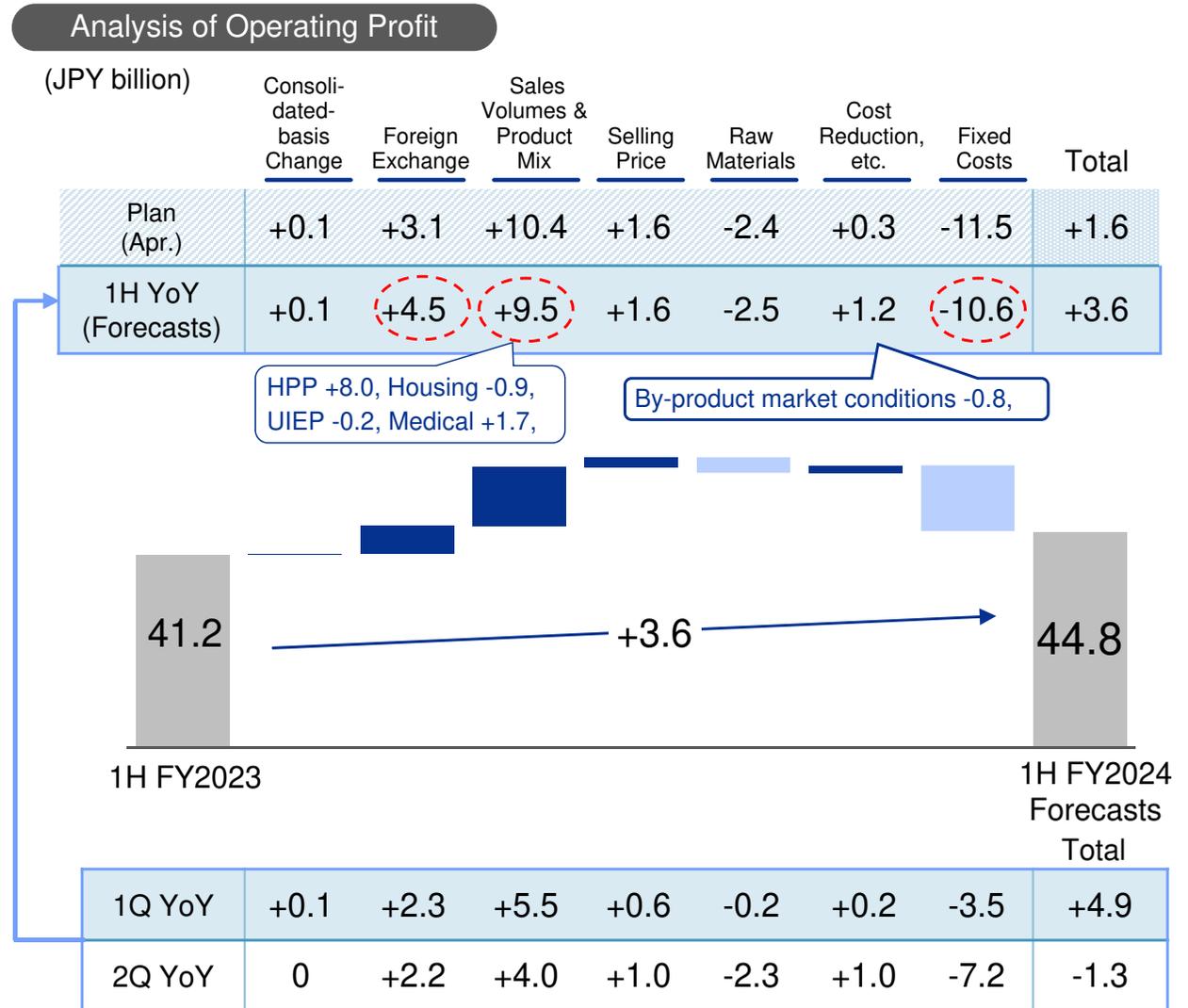
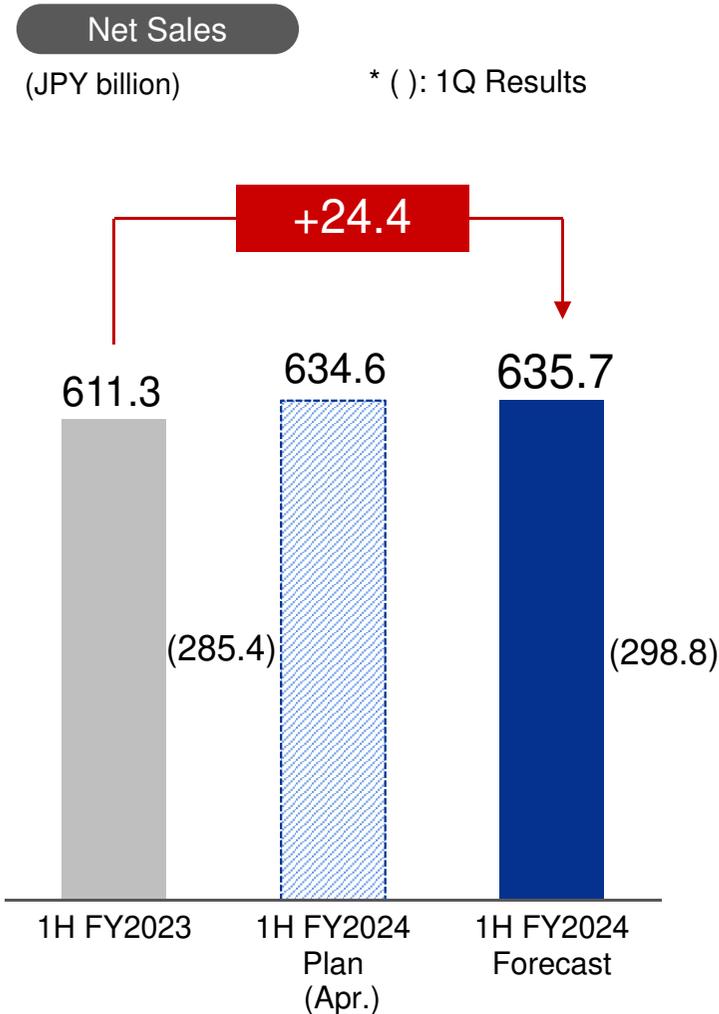
| (JPY billion) | 1H FY2023 | | 1H FY2024 Forecasts | | Difference | | 1H FY2024 Plan (Apr.) | | Difference | |
|------------------------------------|--------------|------------------|---------------------|------------------|--------------|------------------|-----------------------|------------------|-------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 200.3 | 23.0 | ★ 223.0 | ★ 27.2 | +22.7 | +4.2 | 219.2 | 26.3 | +3.8 | +0.9 |
| Housing | 264.8 | 13.0 | 255.1 | 13.5 | -9.7 | +0.5 | 260.0 | 13.0 | -4.9 | +0.5 |
| UIEP | 109.7 | 8.1 | ★ 114.3 | ★ 8.3 | +4.7 | +0.2 | 111.9 | 8.1 | +2.4 | +0.2 |
| Medical | 43.7 | 5.1 | ★ 49.3 | 5.4 | +5.6 | +0.3 | 49.6 | 5.3 | -0.3 | +0.1 |
| Other | 3.2 | -5.1 | 4.1 | -5.9 | +0.9 | -0.8 | 4.2 | -6.0 | -0.1 | +0.1 |
| Eliminations or corporate expenses | -10.3 | -2.9 | -10.1 | -3.7 | +0.2 | -0.8 | -10.3 | -3.9 | +0.2 | +0.2 |
| Total | 611.3 | 41.2 | ★ 635.7 | 44.8 | +24.4 | +3.6 | 634.6 | 42.8 | +1.1 | +2.0 |

1H FY2024 Forecasts by Segment (1Q & 2Q)

- Despite anticipating a certain degree of recovery in demand in the 2Q, operating profit projected to come in slightly below the previous year and plans owing to the incidence of demand brought forward in the 1Q mainly as a result of improvements in selling prices and the impact of surging raw material prices
- Upward revision in net sales and operating profit on the back of expectations that results will exceed plans in the 1H

| (JPY billion) | 1Q FY2023 | | 1Q FY2024 | | Difference | | 2Q FY2023 | | 2Q FY2024 Forecasts | | Difference | |
|------------------------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|---------------------|------------------|--------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| HPP | 96.1 | 9.9 | 110.6 | 14.7 | +14.5 | +4.7 | 104.2 | 13.0 | 112.3 | 12.5 | +8.2 | -0.5 |
| Housing | 121.0 | 4.0 | 116.2 | 4.9 | -4.8 | +0.9 | 143.8 | 9.0 | 138.9 | 8.6 | -5.0 | -0.3 |
| UIEP | 51.3 | 3.4 | 52.5 | 3.5 | +1.2 | +0.2 | 58.4 | 4.7 | 61.8 | 4.8 | +3.4 | +0.1 |
| Medical | 20.5 | 2.0 | 22.3 | 2.3 | +1.9 | +0.4 | 23.2 | 3.2 | 27.0 | 3.1 | +3.8 | -0.1 |
| Other | 1.5 | -2.3 | 1.7 | -3.0 | +0.2 | -0.6 | 1.6 | -2.8 | 2.4 | -2.9 | +0.8 | -0.2 |
| Eliminations or corporate expenses | -5.0 | -1.6 | -4.6 | -2.2 | +0.4 | -0.6 | -5.3 | -1.3 | -5.5 | -1.5 | -0.2 | -0.2 |
| Total | 285.4 | 15.3 | 298.8 | 20.2 | +13.4 | +4.9 | 325.9 | 25.9 | 336.8 | 24.6 | +10.9 | -1.3 |

Despite a substantial increase in sales volumes and product mix compared with the previous year owing to the modest recovery in market conditions, results forecast to fall below plans due to the prolonged slump in housing market conditions in Japan; net sales and operating profit forecast to increase in excess of plans on the back of efforts to secure margins in line with plans and reduce costs as well as control fixed costs, and the impact of foreign exchange gains



Overview of 1H FY2024 Forecasts

- Increases in net sales and operating profit
- Upward revision in net sales, operating profit, ordinary profit, and bottom line plans
- Interim dividend forecast to come in at ¥37 per share in line with plans, up ¥2 per share

★ : Record high

| (JPY Billion) | 1H FY2023 | 1H FY2024 Forecasts | Difference | 1H FY2024 Plan (Apr.) | Difference |
|---|-----------|---------------------|------------|-----------------------|------------|
| Net sales | 611.3 | ★ 635.7 | +24.4 | 634.6 | +1.1 |
| Operating profit | 41.2 | 44.8 | +3.6 | 42.8 | +2.0 |
| Ordinary profit | 51.5 | 46.3 | -5.2 | 44.3 | +2.0 |
| Profit attributable to owners of parent | 44.5 | 39.5 | -5.0 | 38.0 | +1.5 |
| Interim dividend per share (JPY) | 35 | ★ 37 | +2 | 37 | 0 |

- Factoring in foreign exchange fluctuation risks in the 2H
- Full FY net sales, operating profit, ordinary profit, and bottom line to come in in line with plans

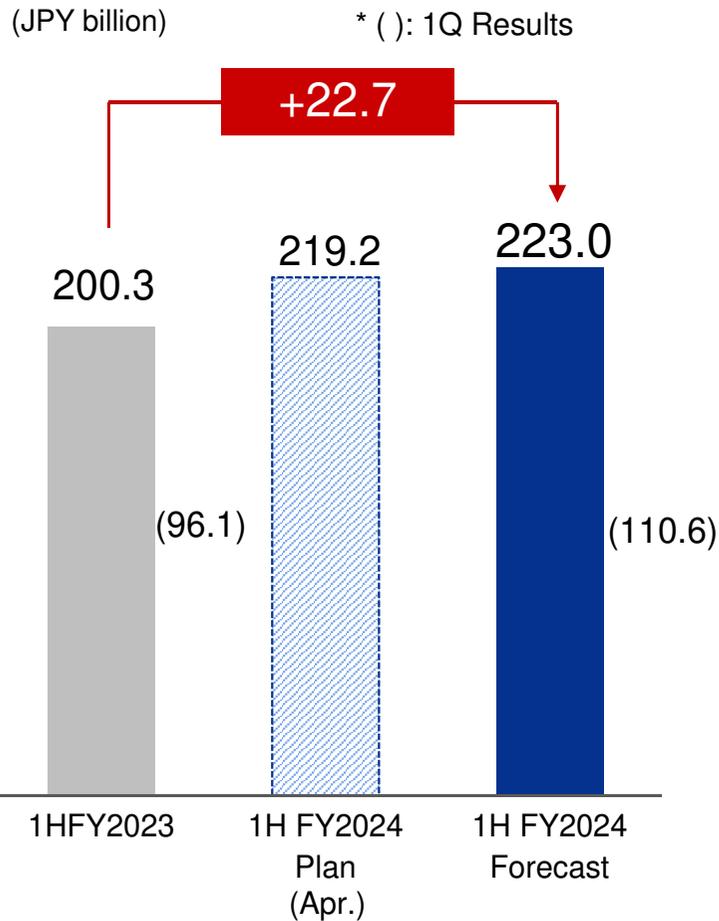
★ : Record high

| (JPY Billion) | FY2023 | FY2024 Forecasts | Difference | FY2024 Plan (Apr.) | Difference |
|---|---------|------------------|------------|--------------------|------------|
| Net sales | 1,256.5 | ★ 1,326.7 | +70.2 | 1,326.7 | 0 |
| Operating profit | 94.4 | ★ 102.0 | +7.6 | 102.0 | 0 |
| Ordinary profit | 105.9 | 102.5 | -3.4 | 102.5 | 0 |
| Profit attributable to owners of parent | 77.9 | 78.0 | +0.1 | 78.0 | 0 |
| Annual dividend per share (JPY) | 74 | ★ 75 | +1 | 75 | 0 |

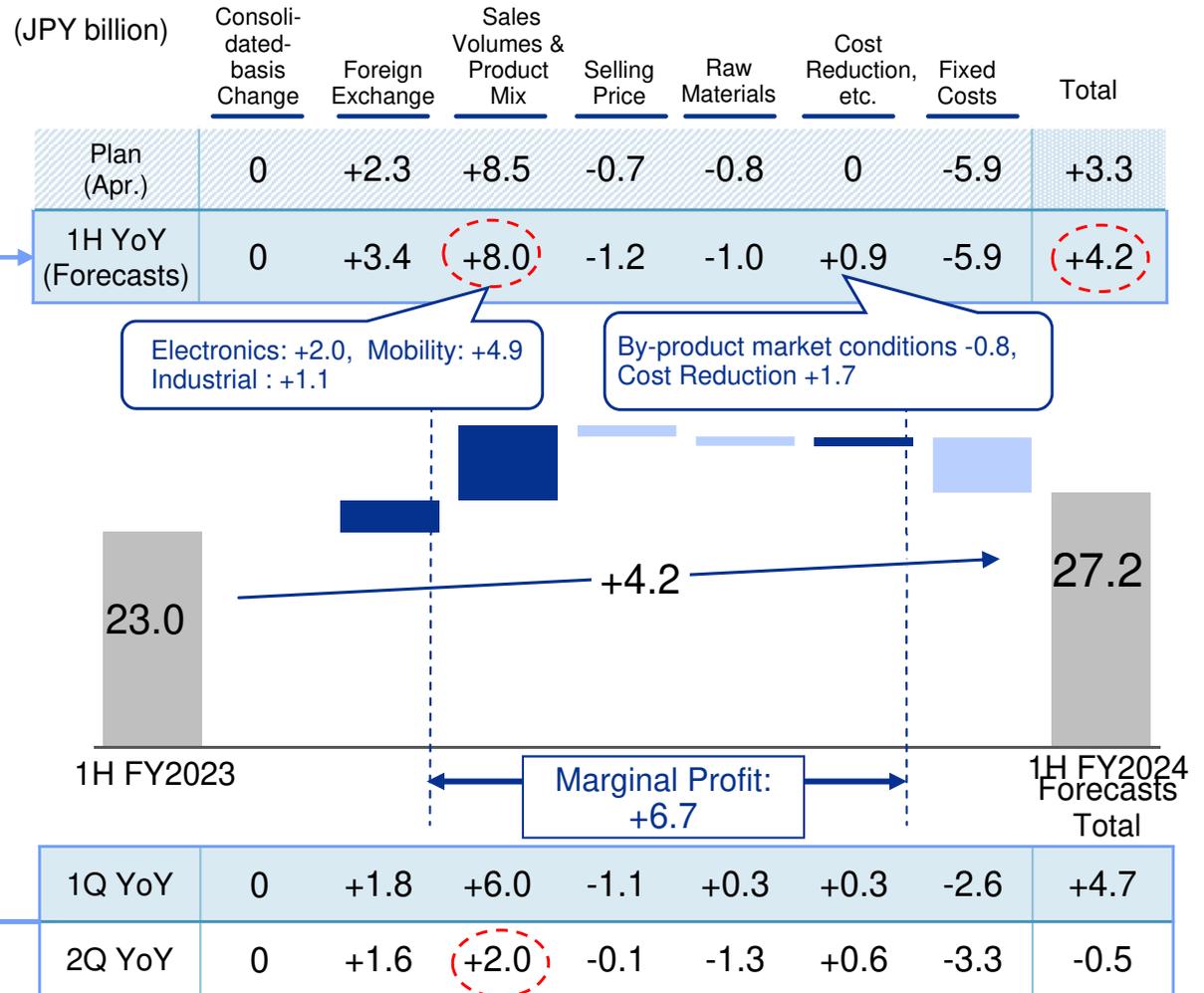
Overview of 1H FY2024 Forecasts

- Substantial increase in sales volumes and product mix owing to a recovery in semiconductor-related as well as construction and consumer goods demand as well as growth in sales of high-performance products; net sales and operating profit forecast to increase
- Results forecast to exceed plans mainly due to the impact of foreign exchange gains; operating profit in the 1H projected to hit a record high

Net Sales



Analysis of Operating Profit



Net Sales Trends and KPIs in the Three Strategic Fields

Growth driving

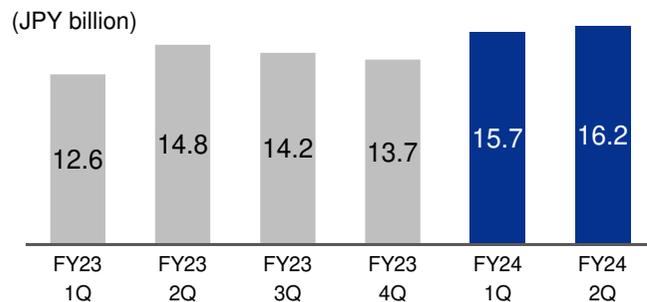
Growth potential

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

Electronics

Electronics (semiconductor and display materials)

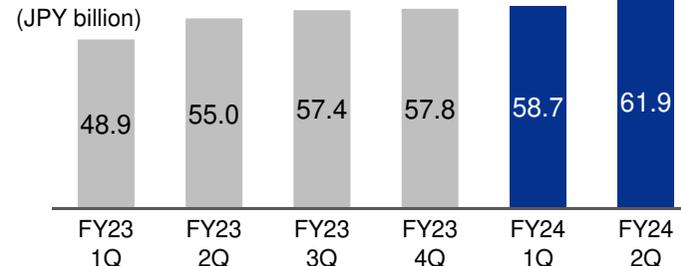
- The non-LCD field expected to expand steadily mainly on the back of a recovery in smartphone and semiconductor demand
- Decision to increase production capacity of processing materials for semiconductors and invest in the construction of an R&D base in Taiwan



Mobility

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

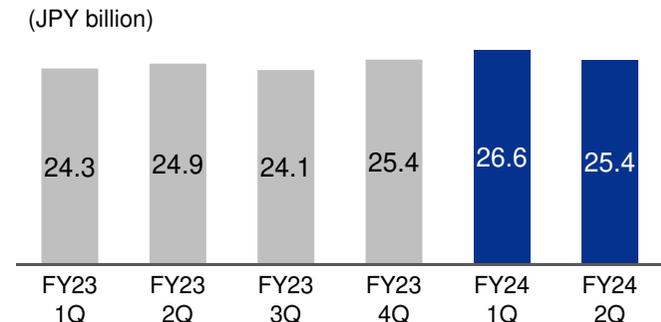
- Despite expectations that N-HPP interlayer film sales volumes mainly for HUD application will fall below plans owing to the deterioration in market conditions in China, steady growth anticipated (1H: More than 100%* in products for HUDs on a sales volume basis)
- Decision to expand production capacity at the Group's Thai Factory in light of the forecast increase in N-HPP demand
- Heat release materials: Steady sales growth trends for electrical equipment application
- SEKISUI AEROSPACE CORPORATION: Continued slump in demand for certain aircrafts



Industrial

Molding products, sensing

- Recovery trends in construction and consumer goods demand in North America and Japan
- 1Q FY2024: Captured demand brought forward prior to improvements in selling prices
- Continue to focus on expanding sales of labor-saving, environmentally friendly products

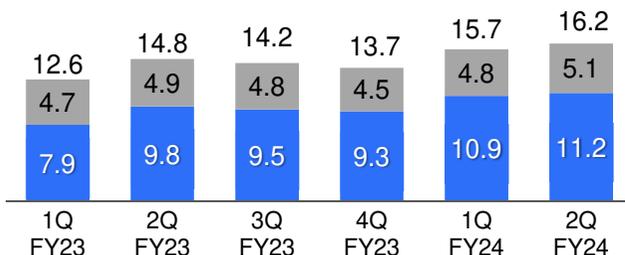


Focus on the non-LCD field

Non-LCD field sales ratio

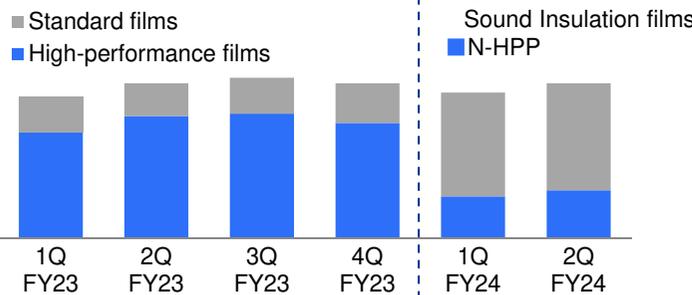


Net Sales (JPY billion)



High-performance interlayer film sales growth

YoY high-performance interlayer film sales volume



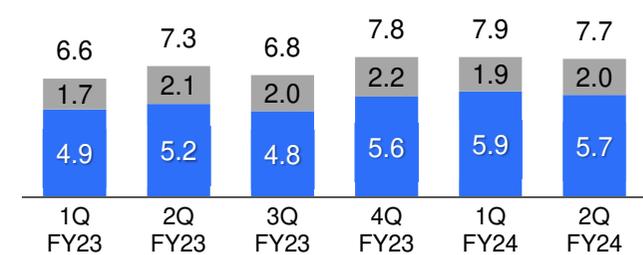
YoY N-HPP* interlayer film sales volume



Labor-saving, environmentally friendly product sales growth



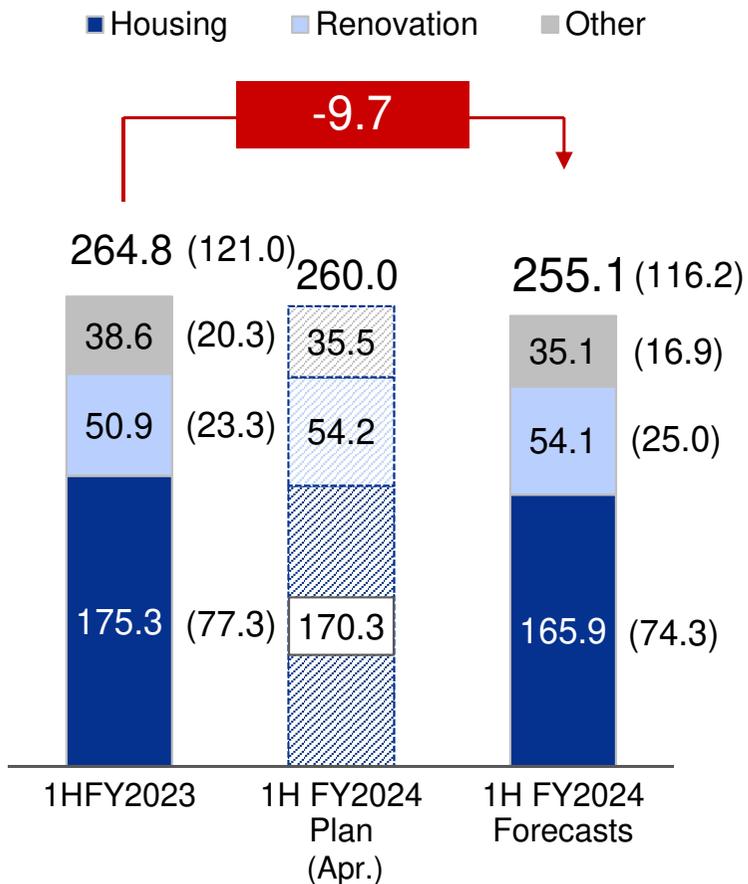
Net sales (JPY billion)



- Despite a downturn in net sales owing to the decrease in the number of houses sold in the 1Q, expected to secure an increase in operating profit owing mainly to improvements in the product mix, cost reductions etc., reductions in fixed costs, and the increase in orders in the Renovation Business
- Continued reductions in fixed costs and Renovation Business growth expected to offset the impact of the decrease in the number of houses sold in the 1H; steady progress in measure to strengthen profitability; upward revision of 1H operating profit plans

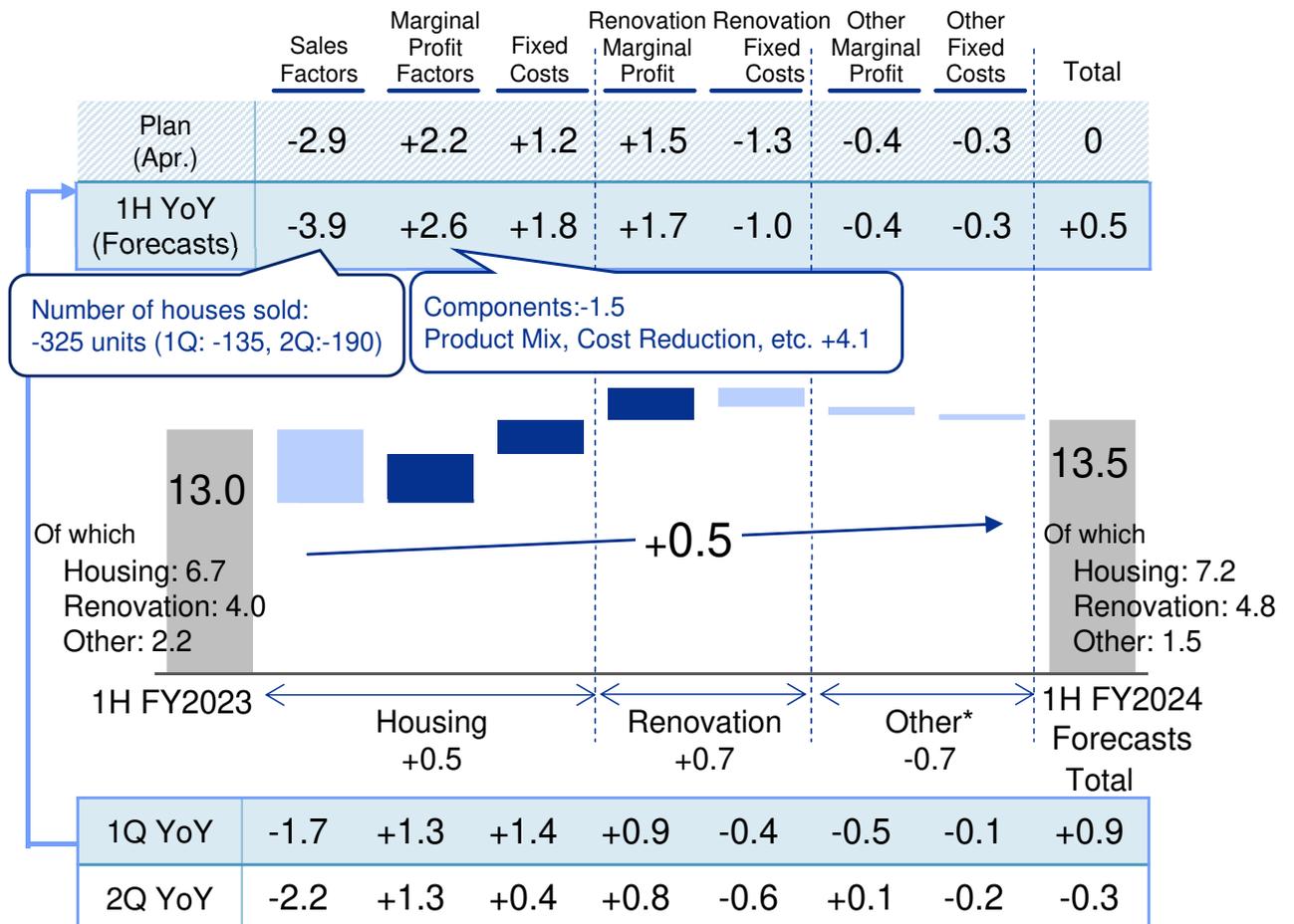
Net Sales

(JPY billion) * (): 1Q Results



Analysis of Operating Profit

(JPY billion)



Housing Business

New Housing Orders (YoY)

- Despite differences between regions, new housing orders in line with plans (1H: 101%)
- Trends in orders on an amount basis exceeding the previous year owing to the recovery in urban demand



Number of Orders by Type of Construction (YoY)

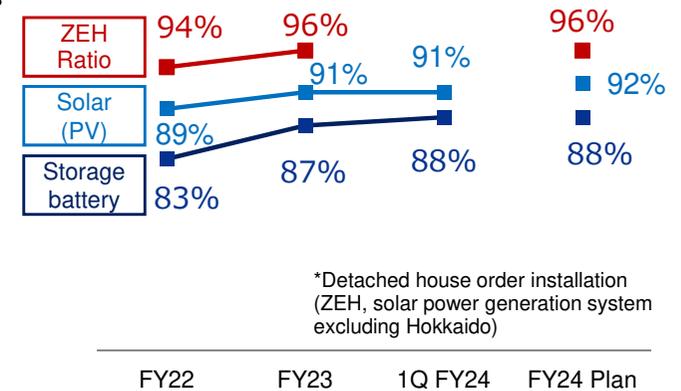
- 1Q: Recovery in rebuilding demand mainly in urban areas
- From the 2Q: Continue to focus on the rollout of products by area

| | | 1Q | 2Q | 1H Forecasts |
|---------------------|------------------------------|------|------|--------------|
| Detached Houses | Rebuilding | 105% | 104% | 105% |
| | New construction*1 | 99% | 104% | 101% |
| | Subdivision housing | 99% | 96% | 97% |
| | Of which, ready-built houses | 97% | 91% | 94% |
| Apartment buildings | | 94% | 105% | 100% |
| Total | | 100% | 102% | 101% |

*1 Land: Client arrangement

Smart House-related Indicators*

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

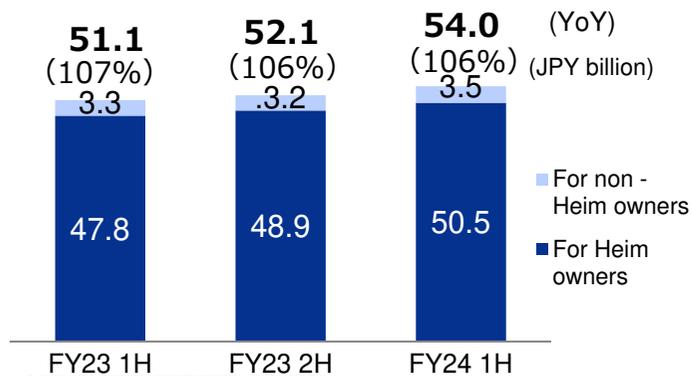


*Detached house order installation (ZEH, solar power generation system excluding Hokkaido)

Renovation Business

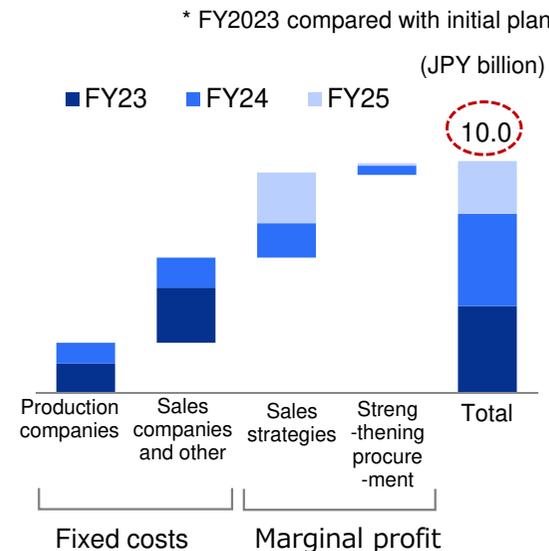
Renovation Orders

- Steady increase in orders on the back of efforts to strengthen the sales system
- Focus on large-scale renovation proposals on the back of efforts to upgrade and expand periodic diagnosis



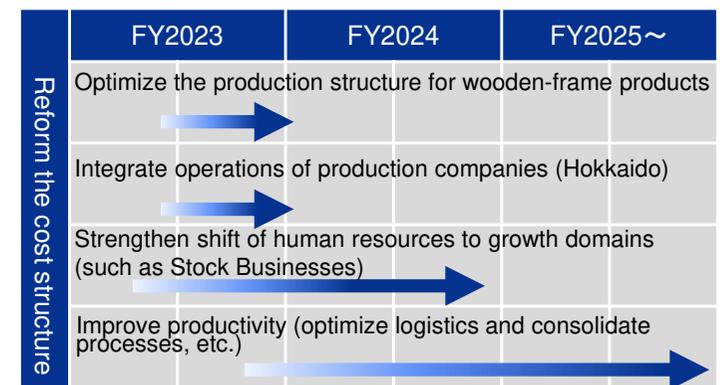
Measures Aimed at Strengthening Profitability to Ensure Sustainable Growth and Progress

Effects of Measure Aimed at Strengthening Profitability Targets (Housing business)



* FY2023 compared with initial plan

1. Road map to reform the cost structure



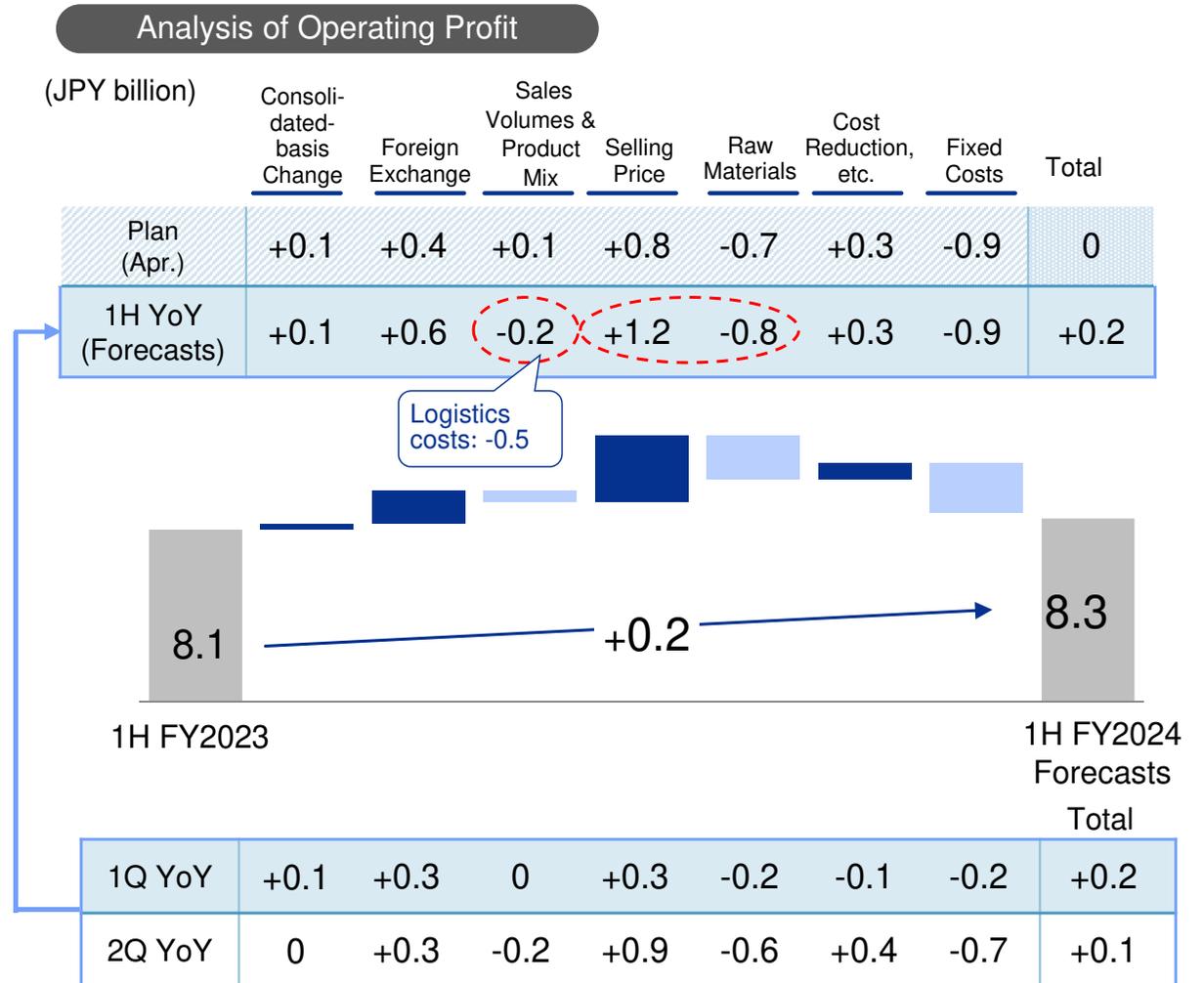
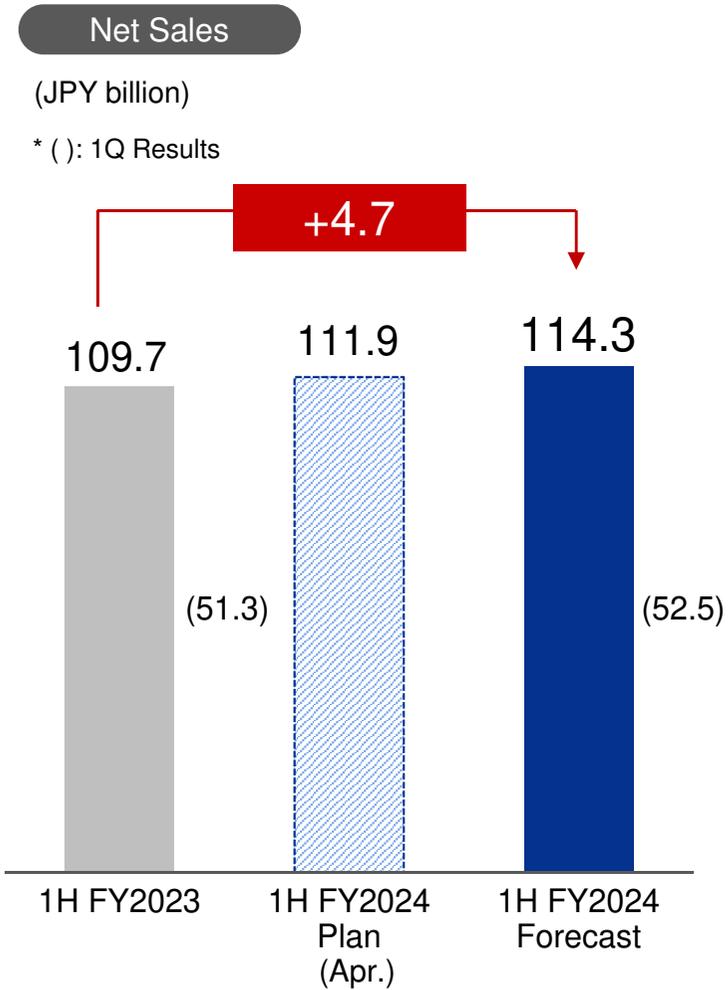
2. Strengthen sales promotion

- Strengthen sales expansion of single-story homes and apartment buildings in suburban areas
- Renew exhibition halls, strengthen functions, and promote WEB-based advertising

■ Recovery trend in non-residential market conditions in Japan; thoroughgoing efforts to secure margins through improvements in selling prices; increases in net sales and operating profit; projecting record-high operating profit in the 1H

- Japan: Focus on expanding sales of prioritized products; thoroughgoing steps to secure margins
- Overseas: Demand for chlorinated polyvinyl chloride (CPVC) in India forecast to recover from the 2Q; focus on acquiring new contracts for pipeline renewal (SPR)

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

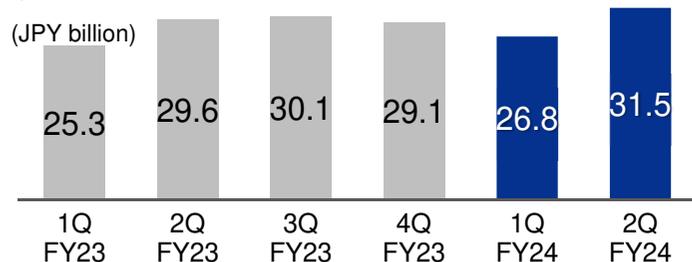


Net sales in the Three Strategic Fields and KPI's

Pipe Systems

Construction and industrial piping

- Piping materials: Recovery trend in non-residential market conditions; increase in volumes owing to the effects of ShinEtsu Polymer's piping materials business transfer (Nov. 2023); 1Q: captured the rush in demand prior to improvements in selling prices
- Piping materials for plants: Despite firm trends on Japan, weak capital investment demand in China and South Korea
- CPVC: Despite the impact of a drop in demand in India, conditions projected to recover from the 2Q

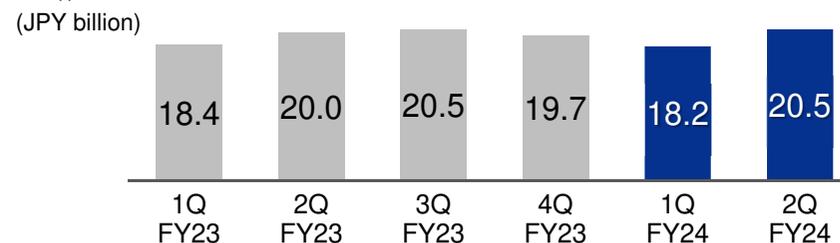


Building and Infrastructures Composite Materials

Fire resistant and non-flammable materials

Performance materials (railroad sleepers, etc.)

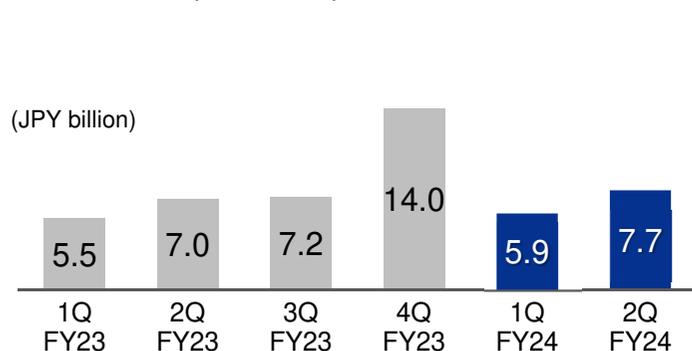
- Common: Weak sales of housing products in the 1Q
- Fire-resistant and non-flammable materials: Steady progress in expanding new applications
- FFU (railway sleeper application): Stable operations at the FFU factory in Europe; delays in civil engineering projects in Japan
- Building materials / Sekisui Hometechno Co., Ltd.: Firm sales growth of prioritized products (including high flowrate drainage systems and nursing care bathroom products (wells))



Infrastructure Renovation

Pipeline renewal

- Pipeline renewal:
 - Japan: Stable trends in demand
 - Overseas: Capture new orders in North America, South America, and Asia
- Aqua System: Increase in water storage tank renewal demand
Capture earthquake reconstruction demand



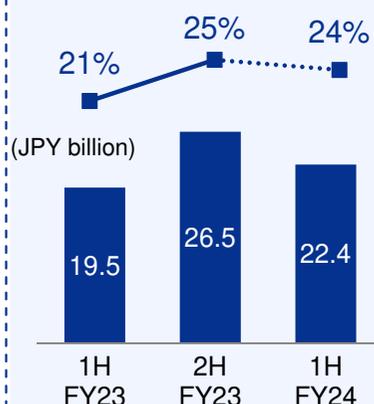
Prioritized Products Sales (Japan) Overseas Sales* by Region Growth Driving Business Sales

- Expecting growth mainly in polyethylene pipes, "wells", and SPR

- Expecting growth mainly in Asia (CPVC), Europe (FFU) and North America (SPR)

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

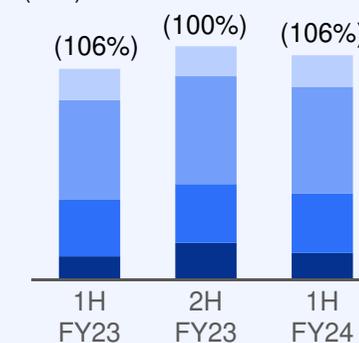
Prioritized product sales/domestic sales (JPY billion)



Overseas Sales* by Region (JPY billion)



Growth Driving Business Sales (YoY)



- Increases in net sales and operating profit on the back of efforts aimed at capturing firm demand for diagnostic reagents in Japan as well as sales growth of such products as influenza and COVID-19 diagnostics kits in the U.S. and blood coagulation devices and reagents in China; expected to achieve operating profit plans

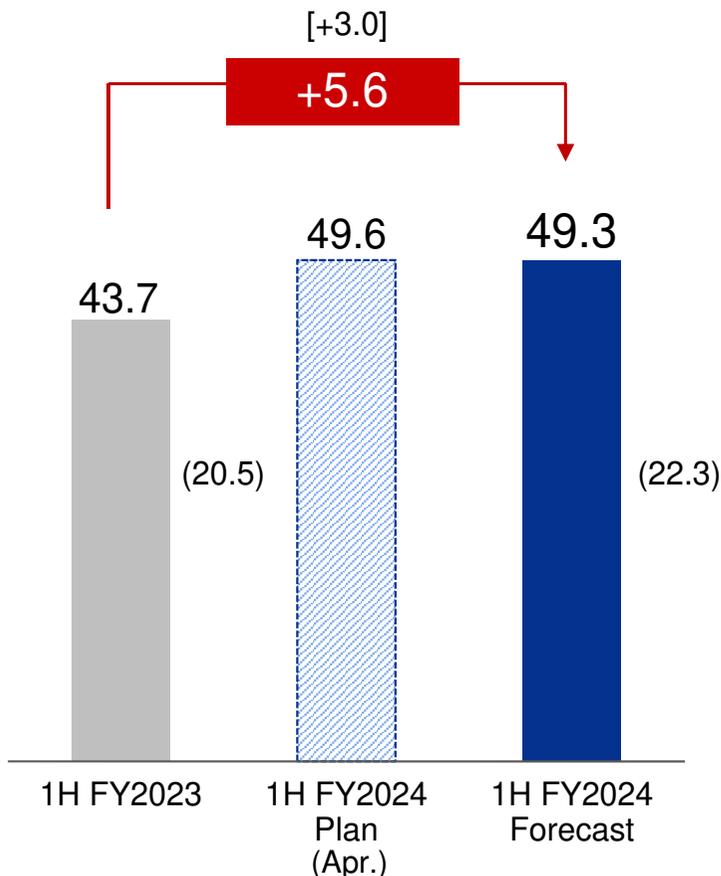
* Special factors: Shipments stalled due to cyber-attacks

Net Sales

(JPY billion)

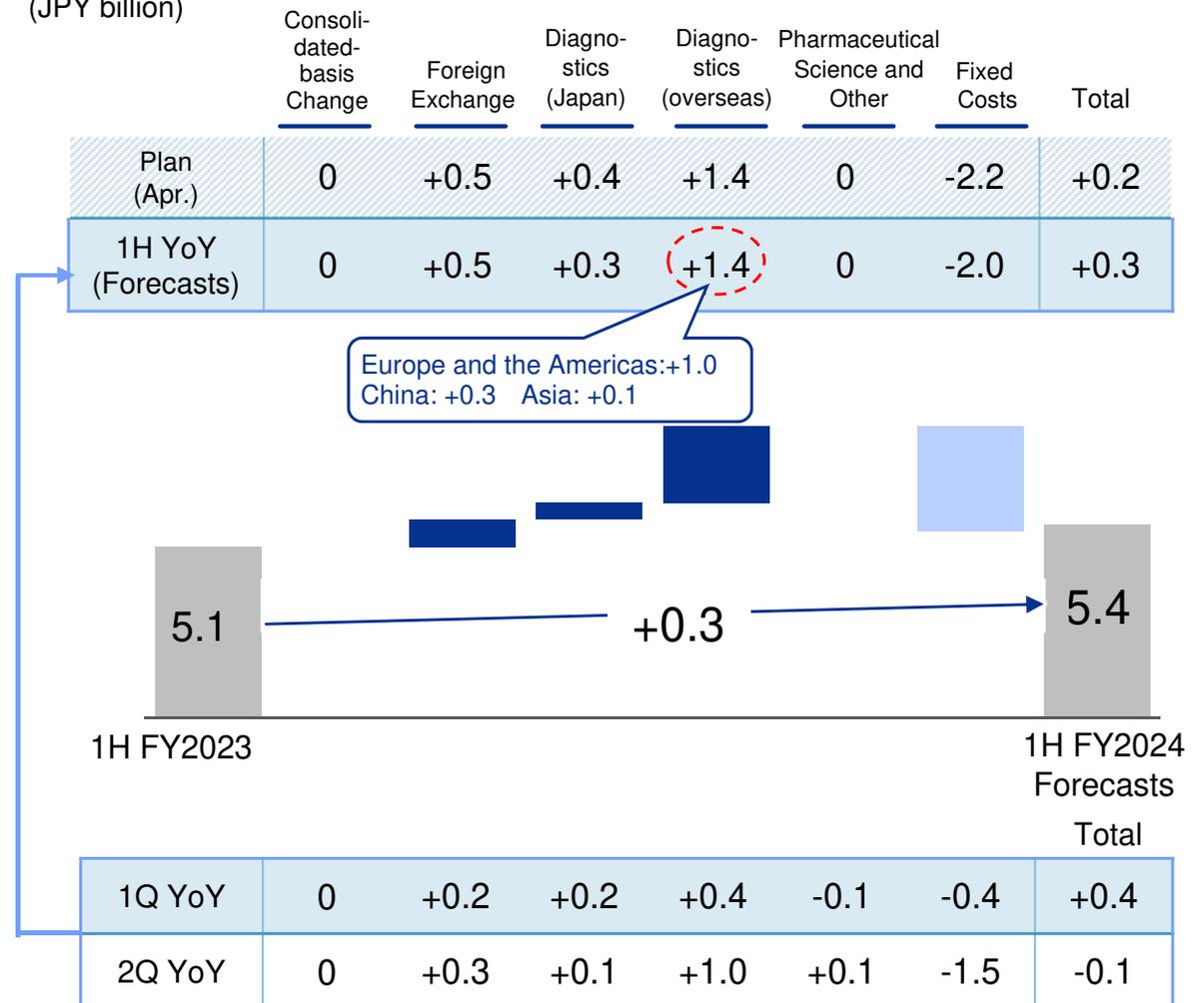
* []: Excluding flu and COVID-19 diagnostics kits

* (): 1Q Results



Analysis of Operating Profit

(JPY billion)

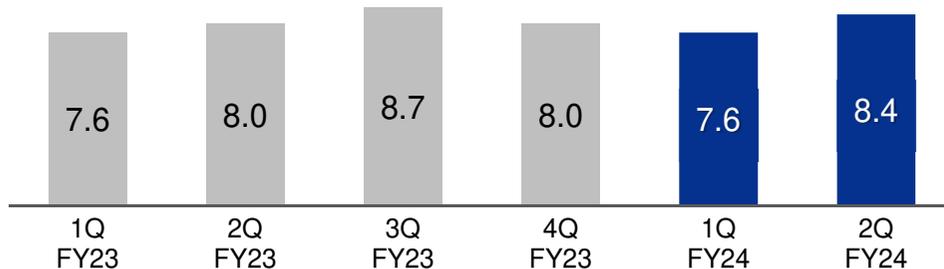


Net sales by Business and Overview of Progress

Diagnostics (Japan)

- 1Q: Successful steps to steadily capture firm diagnostics demand in Japan
- 2Q: Focus on capturing new orders

(JPY billion)



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

Pharmaceutical science (CDMO)

- 1Q: Despite firm trends in the drug development solutions business, partial delivery delays in the enzymes business
- 2Q: Focus on capturing new orders

(JPY billion)



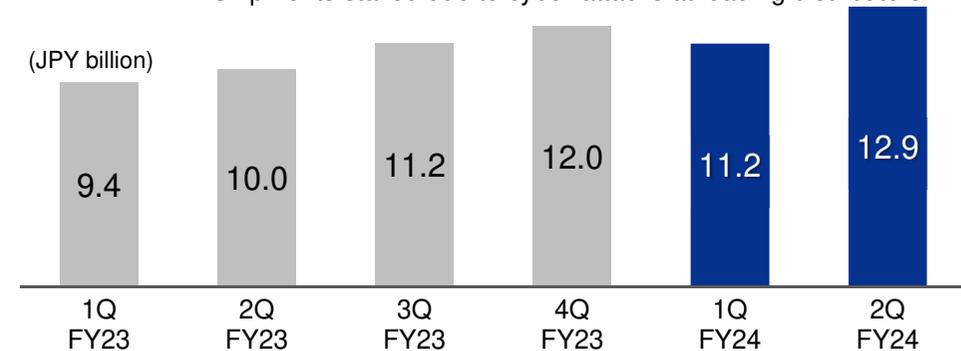
Diagnostics (overseas)

Overseas testing system

- 1Q: Focus on expanding sales of infectious disease testing kits as the impact of special factors* dissipate in the U.S.; increase in net sales on the back of such factors as sales to major customers brought forward
- 2Q: Focus on expanding sales of new products in the U.S. as well as blood coagulation testing devices and reagents in China

* Shipments stalled due to cyber-attacks at leading distributors

(JPY billion)



Trends in Net Sales of Infectious Disease Testing Kits

- Influenza testing demand forecast to exceed expectations in the 1H
- Focus on expanding sales of FLU/COVID-19 diagnostics kits

FLU



COVID-19



FLU/COVID-19



Financial Results

1Q FY2024

Number of Consolidated Companies

| | Mar. 31, 2024 | Jun. 31, 2024 | Difference |
|----------------------------|---------------|---------------|--|
| Consolidated subsidiaries | 143 | 146 | Increased: 3 Subsidiaries* ¹ Decreased: 0 Subsidiaries |
| Affiliates (Equity Method) | 6 | 6 | Increased: 0 Subsidiaries Decreased: 0 Subsidiary |

*¹ Kofu Sekisui Industry Co., Ltd., Tohseki Kako Co., Ltd., Yonseki Kako Co., Ltd.

Impact of Change in the Number of Consolidated Companies

| (JPY billion) | 1Q FY2024 (YoY) | Difference |
|------------------|-----------------|--|
| Net sales | -0.4 | Sanin Sekisui Shoji Co., Ltd. * ² Kofu Sekisui Industry Co., Ltd. * ³ |
| Operating profit | 0 | Tohseki Kako Co., Ltd. * ³ Yonseki Kako Co., Ltd. * ³ |

*² Excluded from scope of consolidation from 2Q FY2023

*³ Newly consolidated from the 1Q of FY2024

Summary of Profit and Loss

| (JPY billion) | 1Q FY2023 | 1Q FY2024 | Difference | |
|---|-----------|-----------|------------|---|
| Net sales | 285.4 | 298.8 | +13.4 | Foreign exchange gains: +4.4 |
| Gross profit | 87.6 | 96.1 | +8.5 | Foreign exchange gains: +4.6 |
| Gross profit margin | 30.7% | 32.2% | +1.5% | |
| Selling, general and administrative expenses | 72.3 | 75.9 | +3.6 | |
| Operating profit | 15.3 | 20.2 | +4.9 | |
| Share of profit of entities accounted for using equity method | 0.4 | -0.2 | -0.6 | |
| Other non-operating profit and expenses | 6.5 | 6.6 | 0 | Gain on sale of investment securities: +7.9 |
| Ordinary profit | 22.2 | 26.5 | +4.4 | |
| Extraordinary profit | 13.7 | 7.9 | -5.8 | |
| Extraordinary losses | 0.3 | 0.2 | -0.1 | |
| Profit before income taxes | 35.6 | 34.2 | -1.4 | |
| Income taxes, etc. | 11.1 | 10.1 | -1.0 | |
| Profit attributable to non-controlling interests | 0.4 | 0.4 | 0 | |
| Profit attributable to owners of parent | 24.1 | 23.7 | -0.4 | |

| | | | |
|------------------------------|-------|---------|---------|
| Foreign exchange (Avg. rate) | 1 USD | 137 JPY | 156 JPY |
| | 1 EUR | 149 JPY | 168 JPY |

Balance Sheets (Assets)

| (JPY billion) | Mar. 31, 2024 | Jun. 30, 2024 | Difference | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------|---------------|------------|--|-------------------------|---------------------|------------------------|--------------------------------|------|------|---------------------------------------|------|------|--|------|---|--|------|------|-----------------------------------|-----|------|---------------|-------|------|---|-------|------|-------------------|-------|-------|
| Cash and deposits | 138.6 | 107.4 | -31.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade receivables | 213.5 | 204.0 | -9.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inventories | 298.2 | 310.3 | +12.0 | <table border="1"> <thead> <tr> <th>Inventories (B/S item)</th> <th>Jun.30 2024</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Ready-built housing (products)</td> <td>35.2</td> <td>-2.8</td> </tr> <tr> <td>Prepared land for subdivision housing</td> <td>66.7</td> <td>-1.0</td> </tr> <tr> <td>Land under preparation (work in process)</td> <td>10.4</td> <td>0</td> </tr> <tr> <td>Housing under construction (work in process)</td> <td>37.8</td> <td>+7.0</td> </tr> <tr> <td>Components, other (raw materials)</td> <td>6.6</td> <td>+0.3</td> </tr> <tr> <td>Housing Total</td> <td>156.8</td> <td>+3.5</td> </tr> <tr> <td>Non-residential total (products, other)</td> <td>153.5</td> <td>+8.5</td> </tr> <tr> <td>Inventories Total</td> <td>310.3</td> <td>+12.0</td> </tr> </tbody> </table> | Inventories (B/S item) | Jun.30 2024 | Difference | Ready-built housing (products) | 35.2 | -2.8 | Prepared land for subdivision housing | 66.7 | -1.0 | Land under preparation (work in process) | 10.4 | 0 | Housing under construction (work in process) | 37.8 | +7.0 | Components, other (raw materials) | 6.6 | +0.3 | Housing Total | 156.8 | +3.5 | Non-residential total (products, other) | 153.5 | +8.5 | Inventories Total | 310.3 | +12.0 |
| Inventories (B/S item) | Jun.30 2024 | Difference | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ready-built housing (products) | 35.2 | -2.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepared land for subdivision housing | 66.7 | -1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land under preparation (work in process) | 10.4 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing under construction (work in process) | 37.8 | +7.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Components, other (raw materials) | 6.6 | +0.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing Total | 156.8 | +3.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-residential total (products, other) | 153.5 | +8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inventories Total | 310.3 | +12.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other current assets | 35.3 | 35.1 | -0.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property, plant and equipment | 392.5 | 402.0 | +9.5 | <table border="1"> <tbody> <tr> <td>Purchase: +13.1</td> </tr> <tr> <td>Depreciation: -10.8</td> </tr> <tr> <td>Foreign exchange: +7.8</td> </tr> </tbody> </table> | Purchase: +13.1 | Depreciation: -10.8 | Foreign exchange: +7.8 | | | | | | | | | | | | | | | | | | | | | | | | |
| Purchase: +13.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation: -10.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Foreign exchange: +7.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intangible assets | 59.1 | 59.5 | +0.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment securities | 127.4 | 120.4 | -7.0 | <table border="1"> <tbody> <tr> <td>Sale / redemption: -9.0</td> </tr> <tr> <td>Market value: +2.5</td> </tr> </tbody> </table> | Sale / redemption: -9.0 | Market value: +2.5 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sale / redemption: -9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Market value: +2.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investments and other assets | 58.7 | 58.6 | -0.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | 1,323.2 | 1,297.2 | -26.0 | <table border="1"> <tbody> <tr> <td>Foreign exchange: +22.5</td> </tr> <tr> <td>Actual basis: -48.6</td> </tr> </tbody> </table> | Foreign exchange: +22.5 | Actual basis: -48.6 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Foreign exchange: +22.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Actual basis: -48.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

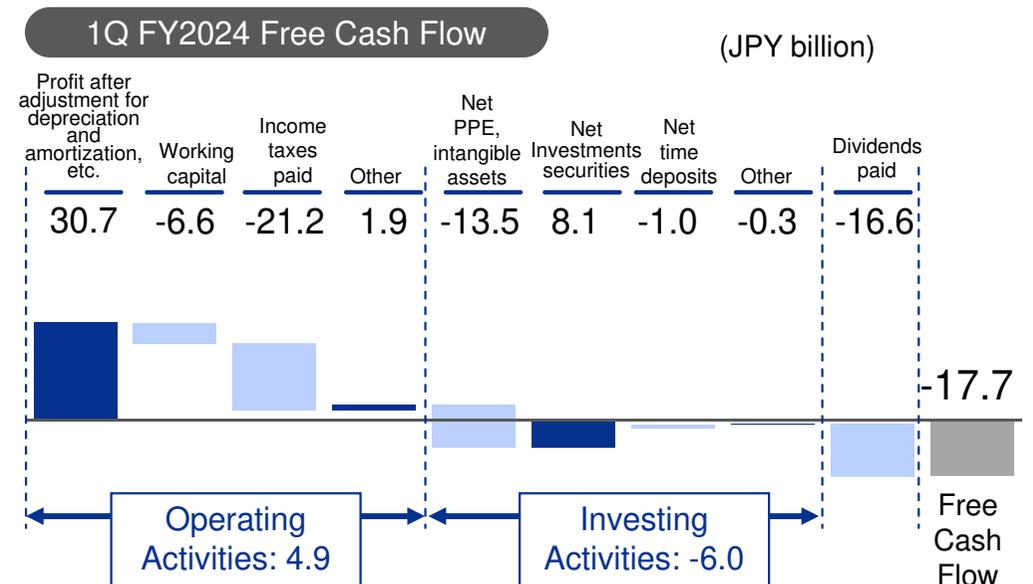
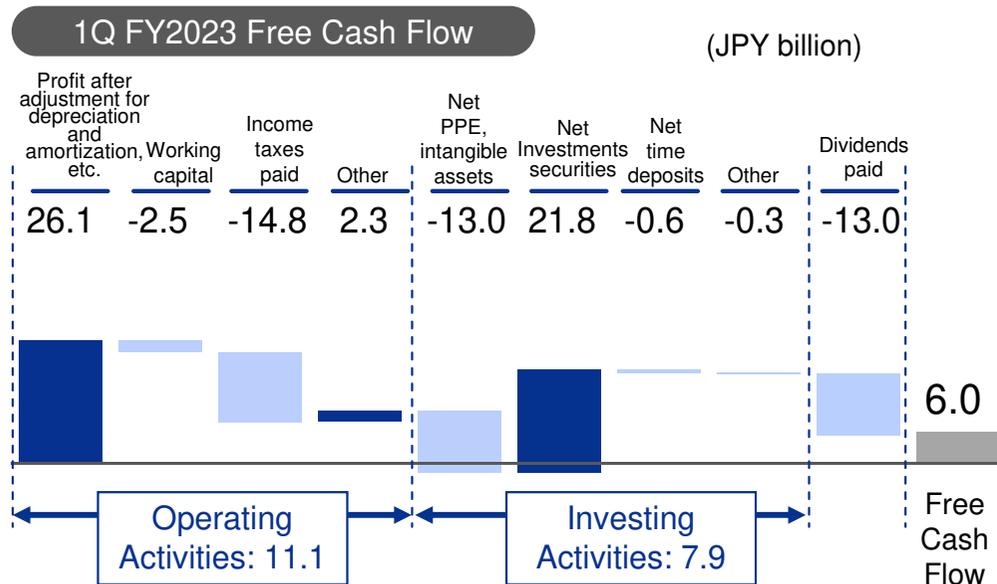
Balance Sheets (Liabilities & Net Assets)

| (JPY billion) | Mar. 31, 2024 | Jun. 30, 2024 | Difference | |
|---|---------------|---------------|------------|--|
| Non-interest-bearing liabilities | 381.6 | 355.2 | -26.4 | |
| Interest-bearing liabilities | 120.7 | 113.6 | -7.2 | |
| [Net interest-bearing liabilities] | [-17.8] | [6.2] | [+240] | |
| Total liabilities | 502.3 | 468.8 | -33.6 | |
| Share capital etc. | 208.6 | 208.6 | 0 | |
| Retained earnings | 501.9 | 502.1 | +0.1 | Net profit: +23.7 |
| Treasury shares | -48.7 | -50.2 | -1.5 | Dividends paid: -16.5 |
| Valuation difference on available-for-sale securities | 51.2 | 46.7 | -4.5 | Cancellation of treasury shares: -7.2 |
| Non-controlling interests | 28.6 | 29.7 | +1.1 | |
| Other net assets | 79.2 | 91.6 | +12.4 | Cancellation of treasury shares: +7.2 |
| Total net assets | 820.9 | 828.4 | +7.5 | Purchases of treasury shares: -8.9 |
| Total liabilities and net assets | 1,323.2 | 1,297.2 | -26.0 | Foreign currency translation adjustment: +14.3 |
| Equity-to-asset ratio (%) | 59.9% | 61.6% | +1.7% | |
| D/E ratio (Net) | -0.02 | 0.01 | +0.03 | |

Consolidated Cash Flows

| (JPY billion) | 1Q FY2023 | 1Q FY2024 |
|--|-----------|-----------|
| Cash flows from operating activities | 11.1 | 4.9 |
| Cash flows from investing activities | 7.9 | -6.0 |
| Cash flows from financing activities | -23.3 | -34.7 |
| Net increase in cash and cash equivalents | -0.8 | -32.9 |
| Free cash flow =Cash flows from operating activities + Cash flows from investing activities - Dividends paid | 6.0 | -17.7 |

| (JPY billion) | Mar. 31, 2024 | Jun. 30, 2024 |
|--|---------------|---------------|
| Cash and cash equivalents at end of period | 126.4 | 93.5 |



Depreciation, Amortization, Capital Expenditures, Research and Development Expenditure

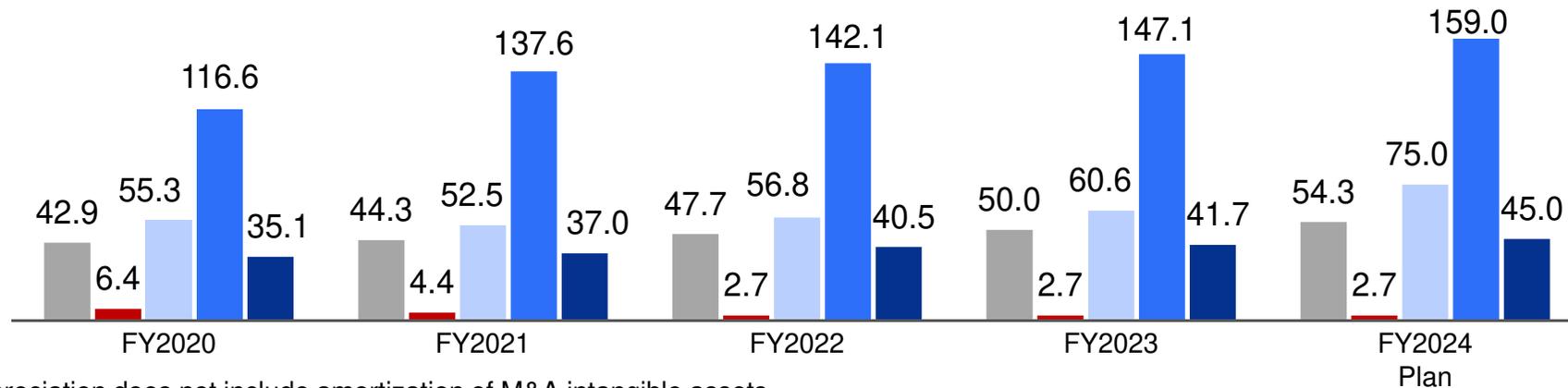
★ : Record high

| (JPY billion) | 1Q FY2023 | 1Q FY2024 | Difference | FY2023 | FY2024 Plan | Difference |
|---|-----------|-----------|------------|--------|-------------|------------|
| Depreciation* ¹ | 11.9 | 12.4 | +0.6 | 50.0 | 54.3 | +4.3 |
| Goodwill and other amortization* ² | 0.6 | 0.7 | 0 | 2.7 | 2.7 | 0 |
| Capital expenditures | 17.2 | 13.7 | -3.5 | 60.6 | 75.0 | +14.4 |
| EBITDA* ³ | 27.8 | ★ 33.3 | +5.5 | 147.1 | ★ 159.0 | +11.9 |
| Research and development expenditure | 9.9 | 10.5 | +0.6 | 41.7 | 45.0 | +3.3 |

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 Forecasts

1. Main data in Housing business

| | | FY2024 | | FY2023 | | |
|--------------------------------|--|--------|--------------|--------|-------|-------|
| | | 1Q | 1H Forecasts | 1Q | 1H | 2H |
| | | | | | | |
| CONSOLIDATED | Net sales (JPY billion) | 116.2 | 255.1 | 121.0 | 264.8 | 264.9 |
| | Housing | 74.2 | 165.9 | 77.3 | 175.3 | 172.7 |
| | Renovation | 25.0 | 54.1 | 23.3 | 50.9 | 52.4 |
| | Other | 17.0 | 35.1 | 20.3 | 38.6 | 39.9 |
| | Real estate | 13.6 | 28.0 | 13.0 | 27.3 | 29.2 |
| | Residential Services | 1.7 | 3.5 | 1.8 | 3.6 | 3.7 |
| | Town and Community Development | 1.4 | 2.9 | 4.9 | 6.1 | 5.9 |
| | Overseas | 0.3 | 0.7 | 0.2 | 0.6 | 0.8 |
| OTHERS | 1. Number of houses sold (Housing units) | 1,865 | 4,420 | 2,005 | 4,675 | 4,485 |
| | Detached houses | 1,785 | 4,150 | 1,915 | 4,400 | 4,070 |
| | Housing/Rebuilding | 1,525 | 3,600 | 1,655 | 3,745 | 3,480 |
| | Ready-built houses | 260 | 550 | 260 | 655 | 590 |
| | Apartment buildings, other | 80 | 270 | 90 | 275 | 415 |
| | 2. Main data | | | | | |
| | Prices per unit (JPY million) in the detached houses | 36.4 | - | 34.7 | 34.8 | 35.7 |
| | Prices per tsubo** (JPY thousand) in the detached houses **Tsubo=3.3 Square meter | 1,075 | - | 1,005 | 1,010 | 1,039 |
| | Floor space (Square meter) in the detached houses | 111.6 | - | 113.8 | 113.7 | 113.3 |
| | Exhibition places (Units) | - | 400 | - | 430 | 404 |
| Sales staff (Number of person) | 2,439 | 2,367 | 2,543 | 2,451 | 224,1 | |

Housing Company Results and Forecasts

2. Housing orders

| | | FY2024 | | FY2023 | | | FY2022 | |
|-------------------------------------|-----------------------------|---------|-----------|---------|---------|---------|---------|---------|
| | | 1Q | 1H | 1Q | 1H | 2H | 1H | 2H |
| | | | Forecasts | | | | | |
| (Millions of yen) | | | | | | | | |
| New construction · Renovation | Year-start Backlog | 139,200 | - | 164,300 | 164,300 | 147,200 | 185,000 | 186,900 |
| | Growth Rate | ▲15% | - | -11% | -11% | -21% | ±0% | -3% |
| | New Orders | 96,667 | 206,480 | 90,412 | 191,755 | 201,270 | 203,360 | 194,835 |
| | Growth Rate | +7% | +8% | -6% | -6% | +3% | +1% | -2% |
| | Sales of Housing/Renovation | 92,444 | 205,525 | 91,712 | 208,855 | 209,270 | 201,460 | 217,435 |
| | Growth Rate | +1% | ▲2% | +6% | +4% | -4% | +4% | +5% |
| | End-balance | 143,400 | 140,200 | 163,000 | 147,200 | 139,200 | 186,900 | 164,300 |
| | Growth Rate | ▲12% | ▲5% | -17% | -21% | -15% | -3% | -11% |

3. Housing starts

| | | FY2024 | | FY2023 | | |
|---|--|---------|-----------|---------|---------|---------|
| | | 1Q | 1H | 1Q | 1H | 2H |
| | | | Forecasts | | | |
| (Units) | | | | | | |
| Housing starts | | 208,000 | 402,000 | 207,826 | 415,307 | 384,869 |
| Privately-owned houses + Houses for sale starts (included in above) =A | | 84,600 | 163,500 | 93,358 | 188,227 | 165,010 |
| Detached house sales by our company=B (Unit base) | | 1,785 | 4,150 | 1,915 | 4,400 | 4,070 |
| Our share in Detached houses=B/A | | 2.1% | 2.5% | 2.1% | 2.3% | 2.5% |

* Of which “Housing starts”, “Privately-owned houses” and “Houses for sale starts” after 1Q of FY2024 are based on forecasts

4. The ratio of houses equipped with smart specifications

| | | FY2024 | | FY2023 | | |
|--|--|--------|-----------|--------|-----|-----|
| | | 1Q | 1H | 1Q | 1H | 2H |
| | | | Forecasts | | | |
| Solar power generation systems installed | | 91% | 91% | 91% | 91% | 90% |
| Storage battery installed | | 88% | 88% | 86% | 87% | 87% |

* Percentage of newly built detached houses (excluding Hokkaido for solar power generation systems) on a order basis.

Various Performance Data

| Group-wide | FY2024 | | | | FY2023 | | | | FY2022 | | | |
|--------------------------|--------|----|----|----|--------|-------|-------|-------|--------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| ■Net Sales (JPY billion) | | | | | | | | | | | | |
| HPP | 110.6 | - | - | - | 96.1 | 104.2 | 106.0 | 106.6 | 99.1 | 102.4 | 97.9 | 97.0 |
| Housing | 116.2 | - | - | - | 121.0 | 143.8 | 126.7 | 138.1 | 115.7 | 144.5 | 129.0 | 148.2 |
| UIEP | 52.5 | - | - | - | 51.3 | 58.4 | 59.8 | 65.3 | 50.1 | 60.3 | 59.2 | 64.7 |
| Medical | 22.3 | - | - | - | 20.5 | 23.2 | 23.7 | 25.3 | 20.6 | 22.3 | 22.4 | 24.4 |

| HPP | FY2024 | | | | FY2023 | | | | FY2022 | | | |
|-----------------------------------|--------|----|----|----|--------|------|------|------|--------|------|------|------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| ■Net Sales by field (JPY billion) | | | | | | | | | | | | |
| Electronics | 15.7 | - | - | - | 12.6 | 14.8 | 14.2 | 13.7 | 15.7 | 12.9 | 13.1 | 11.6 |
| Mobility | 58.7 | - | - | - | 48.9 | 55.0 | 57.4 | 57.8 | 43.2 | 49.3 | 48.6 | 50.2 |
| Industrial | 26.6 | - | - | - | 24.3 | 24.9 | 24.1 | 25.4 | 26.7 | 27.1 | 25.2 | 25.4 |

| Electronics field | FY2024 | | | | FY2023 | | | | FY2022 | | | |
|---------------------------|--------|----|----|----|--------|-----|-----|-----|--------|-----|-----|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| ■Net Sales (JPY billion) | | | | | | | | | | | | |
| Liquid Crystal | 4.8 | - | - | - | 4.7 | 4.9 | 4.8 | 4.5 | 5.8 | 3.7 | 4.1 | 4.2 |
| Non-LCD | 10.9 | - | - | - | 7.9 | 9.8 | 9.5 | 9.3 | 9.9 | 9.2 | 9.0 | 7.3 |
| Non-LCD field sales ratio | 70% | - | - | - | 62% | 68% | 66% | 67% | 63% | 71% | 69% | 63% |

| Mobility field | FY2024 | | | | FY2023 | | | | FY2022 | | | |
|---|--------|----|----|----|--------|------|------|------|--------|------|------|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| ■Net Sales (JPY billion) | | | | | | | | | | | | |
| YoY high-performance interlayer film sales volume | 112% | - | - | - | 98% | 102% | 107% | 103% | 98% | 119% | 102% | 98% |

* FY2022 and FY2023: High-performance interlayer film results prior to reclassification; H-HHP interlayer film from FY2024

Various Performance Data

| Industrial field | | FY2024 | | | | FY2023 | | | | FY2022 | | | |
|--|--|--------|----|--------|------|--------|------|------|------|--------|------|------|------|
| ■Net Sales (JPY billion) | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Labor-saving product | | 5.9 | - | - | - | 4.9 | 5.2 | 4.8 | 5.6 | 6.0 | 5.6 | 4.8 | 5.3 |
| Environmentally friendly product | | 1.9 | - | - | - | 1.7 | 2.1 | 2.0 | 2.2 | 1.9 | 1.9 | 2.1 | 2.1 |
| Housing | | FY2024 | | FY2023 | | FY2022 | | | | | | | |
| ■Net Sales (JPY billion) | | 1H | 2H | 1H | 2H | 1H | 2H | | | | | | |
| Housing | | - | - | 6.7 | 7.9 | 9.5 | 11.2 | | | | | | |
| Renovation | | - | - | 4.0 | 4.2 | 3.6 | 4.3 | | | | | | |
| Other | | - | - | 2.2 | 2.6 | 1.7 | 2.7 | | | | | | |
| UIEP | | FY2024 | | | | FY2023 | | | | FY2022 | | | |
| ■Net Sales (JPY billion) | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Pipe Systems | | 26.8 | | | | 25.3 | 29.6 | 30.1 | 29.1 | 25.7 | 29.8 | 29.5 | 28.6 |
| Building and Infrastructures Composite Materials | | 18.2 | | | | 18.4 | 20.0 | 20.5 | 19.7 | 17.3 | 20.8 | 20.9 | 20.4 |
| Infrastructure Renovation | | 5.9 | | | | 5.5 | 7.0 | 7.2 | 14.0 | 5.0 | 6.9 | 5.9 | 12.7 |
| UIEP | | FY2024 | | FY2023 | | FY2022 | | | | | | | |
| ■Net Sales (JPY billion) | | 1H | 2H | 1H | 2H | 1H | 2H | | | | | | |
| Prioritized Products (Japan) | | - | - | 19.5 | 26.5 | 19.0 | 24.3 | | | | | | |
| Overseas | | - | - | 19.5 | 19.9 | 22.2 | 19.5 | | | | | | |
| Medical | | FY2024 | | | | FY2023 | | | | FY2022 | | | |
| ■Net Sales (JPY billion) | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Diagnostics (Japan) | | 7.6 | - | - | - | 7.6 | 8.0 | 8.7 | 8.0 | 7.8 | 7.3 | 8.1 | 7.7 |
| Diagnostics (overseas) | | 11.2 | - | - | - | 9.4 | 10.0 | 11.2 | 12.0 | 8.9 | 10.4 | 10.6 | 11.2 |
| Pharmaceutical Sciences | | 3.5 | - | - | - | 3.6 | 5.2 | 3.8 | 5.3 | 3.9 | 4.5 | 3.7 | 5.5 |

SEKISUI