Summary of Financial Results of Fiscal Year 2020 Ended March 31, 2021

April 27, 2021

Company Name:	SEKISUI CHEMICAL CO., LTD.
Stock Listings:	Tokyo Stock Exchange
Code Number:	4204
URL	https://www.sekisuichemical.com
Representative Director:	Mr. Keita Kato, President
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Scheduled General Meeting of Shareholders:	June 23, 2021
Scheduled date for payment of dividends:	June 24, 2021
Scheduled date for submission of financial statement:	June 23, 2021
Earnings supplementary explanatory documents:	Yes
Earnings results briefing:	Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Fiscal 2020 (April 1, 2020 to March 31, 2021)

(1) Consolidated Business Results (% figures represent changes from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	1,056,560	-6.4	67,300	-23.5	62,649	-28.2	41,544	-29.8
FY2019	1,129,254	-1.2	87,974	-8.1	87,202	-6.4	59,181	-10.5

(Note)Comprehensive income March 31, 2021: 93,956 million yen (158.4%), March 31, 2020: 36,364 million yen (-34.7%)

	Net Income Attributable to Owners of the Parent per Share	Net Income Attributable to Owners of the Parent per Share (Diluted)	Net Income to Equity Ratio	Ordinary Income to Total Assets Ratio	Operating Income Ratio
	yen	yen	%	%	%
FY2020	91.92	-	6.5	5.6	6.4
FY2019	128.80	128.77	9.7	8.2	7.8

(Note)Equity in earnings of affiliated companies March 31, 2021: 2,753 million yen, March 31, 2020: 2,893 million yen

In FY2020, the Companies determined the provisional accounting treatment related to the business combination.

As a result, figures for the year ended March 31, 2020 reflect the revision of the initial allocated amounts of acquisition price as the Companies finalized the provisional accounting treatment for the business combination.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2020	1,150,143	694,392	58.0	1,485.89
FY2019	1,105,781	634,219	55.1	1,333.76

(Note) Equity: March 31, 2021: 667,066 million yen, March 31, 2020: 609,253 million yen

Equity: Shareholders' Equity including Accumulated Other Comprehensive Income

In FY2020, the Companies determined the provisional accounting treatment related to the business combination.

As a result, figures for the year ended March 31, 2020 reflect the revision of the initial allocated amounts of acquisition price as the Companies finalized the provisional accounting treatment for the business combination.

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	End of Year Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2020	75,271	-58,495	-19,157	76,649
FY2019	92,647	-100,562	15,450	74,721

In FY2020, the Companies determined the provisional accounting treatment related to the business combination.

As a result, figures for the year ended March 31, 2020 reflect the revision of the initial allocated amounts of acquisition price as the Companies finalized the provisional accounting treatment for the business combination.

2. Dividend Status

	Dividend Per Share					Total Dividend Payment (full year)	Dividend Payout Ratio (consolidated)	Dividend to equity ratio (consolidated)
(Date of Record)	At the end of 1Q	At the end of 2Q	At the end of 3Q	Year-end	Full year			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2019	-	23.00	-	23.00	46.00	21,099	35.7	3.5
FY2020	-	23.00	-	24.00	47.00	21,220	51.1	3.3
FY2021 (outlook)	-	24.00	-	25.00	49.00		36.7	

3. Consolidated Outlook for Fiscal 2021 (April 1, 2021 to March 31, 2022)

(% figures represent changes from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income Attributable to Owners of the Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Mid-term	539,700	10.1	31,700	41.5	33,200	60.6	25,900	98.7	57.69
Full Year	1,132,600	7.2	86,000	27.8	86,000	37.3	60,000	44.4	133.65

4. Other

(1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting): No

(2) Changes to the accounting policy, changes or restatements of the accounting estimates

a) Changes caused by revisions to accounting principles : No
b) Changes other than a) : No
c) Amendments to accounting estimates : No
d) Restatements : No

(3) Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock)	FY2020	476,507,285	shares
	FY2019	484,507,285	shares
b) Treasury stock at the end of term	FY2020	27,573,735	shares
	FY2019	27,712,523	shares
c) Average outstanding shares in the period	FY2020	451,961,766	shares
	FY2019	459,494,651	shares

(Reference information) Non-consolidated financial results for the Fiscal 2020 (April 1, 2020 to March 31, 2021)

(1) Non-Consolidated Business Results (% figures represent changes from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	333,064	-6.1	17,924	-8.7	47,074	9.5	41,210	23.1
FY2019	354,633	-1.5	19,634	-6.1	42,995	1.4	33,484	-12.9

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
FY2020	91.11	-
FY2019	72.82	72.80

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2020	690,848	330,410	47.8	735.43
FY2019	646,079	299,612	46.4	655.27

(Note) Shareholders' Equity : March 31, 2021: 330,410 million yen, March 31, 2020: 299,548 million yen

Note: Execution chart for audit procedures

The Financial Instruments and Exchange Law does not require this brief announcement of the most recent financial statements to be subject to audit review.

Note: Remarks on appropriate use of forecasted results of operation and other special matters

The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of the report and on certain assumptions that the Company considers reasonable.

Forward-looking statements in no capacity represent a guarantee that the Company will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts.

1. Business Results

(1) Analysis of Business Results

1) Overview of Fiscal 2020

a. Group Overview

Net Sales: 1,056.5 billion yen (-6.4%), Operating Income: 67.3 billion yen (-23.5%), Ordinary Income: 62.6 billion yen (-28.2%), Net Income Attributable to Owners of the Parent: 41.5 billion yen (-29.8%)

In fiscal 2020, sales and income in each stage decreased due to the impact of COVID-19 including sluggish demand for automobiles and aircraft, suspension or delay of construction projects, a decline in the number of new housing starts in Japan, and restrictions imposed on sales activities. As we moved up measures to reduce fixed costs and achieve structural reforms, markets for automobiles, smartphones, and other products started to gradually recover in the third quarter, operating income in the second half of the fiscal year was at the same level as the previous year.

Net income attributable to owners of the parent was affected by a year-on-year decline in gains on the sale of investment securities and other factors.

b. Overview by Business Segments

[Housing Company]

Net Sales: 485.2 billion yen (-5.4%), Operating Income: 30.5 billion yen (-19.2%)

In fiscal 2020, in addition to a smaller year-start backlog, orders decreased due to effects of COVID-19, and as a result, sales and income were down. Progress was made on efforts to optimize production and strengthen profit foundations.

Regarding the Housing business, orders were down year-on-year for the fiscal year as a whole due to the spread of COVID-19, but starting in the third quarter, the market began to recover, and orders in the second half of the fiscal year were at the same level as the previous year. Sales of subdivision and ready-built houses were strong. Measures such as Web platforms to attract visitors and online negotiations were conducted, and we emphasized energy self-sufficiency proposals with the Smart Power Station FR GREEN MODEL, which was launched in October. We also took measures to increase and enhance stocks of land and ready-built houses to expand already strong sales.

In the Housing Renovation business, contacts with customers decreased, resulting net sales lower than the previous year, but cost cutting measures proceeded even more than planned, and profits turned upward in the second half of the fiscal year. Measures included development of systems through placement of periodic diagnosis specialists and leveling construction and sales by reinforcing backlog management.

In the Town and Community Development business, contributions to profits from sales at Asaka Lead Town and Higashi Matsuyama Lead Town became well-established, and steady progress was made on securing future projects.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 204.5 billion yen (-13.8%), Operating Income: 11.2 billion yen (-27.3%)

In fiscal 2020, sales and income were down due to effects from delayed and postponed construction projects as a result of COVID-19 in Japan and overseas as well as sluggishness in construction-related (non-residential facilities) markets in Japan. However, structural reforms, higher work efficiency, and fixed cost reductions progressed ahead of the plan.

In Piping and Infrastructure, sales to public sector projects in Japan and overseas plants (semiconductors and liquid crystals) were solid, but demand in construction-related (non-residential facilities) markets slumped, and net sales were lower than the previous year.

With regard to Building and Living Environment, demand for detached houses and renovation recovered, but non-residential demand was sluggish and there were also effects from structural reforms. As a result, net sales were lower than the previous year.

In Advanced Materials, deployment for new applications progressed, primarily for thermo plastic sheets for medical equipment in the United States, but demand for aircraft sank and net sales were lower than the previous year. Demand for synthetic lumber (railway sleepers, water treatment related applications, etc.) progressed steadily.

[High Performance Plastics Company]

Net Sales: 309.8 billion yen (-3.9%), Operating Income: 28.9 billion yen (-22.6%)

In fiscal 2020, demand in the Mobility domain and Building and Infrastructure was down sharply due to effects of COVID-19, and as a result, sales and income for the fiscal year were down, but thorough measures were implemented to reinforce profit structures through cost innovations and structural reforms throughout the supply chain, leading to year-on-year increases in sales and income in the second half, when demand recovered.

In Electronics, net sales were up substantially in both the first and second halves of the year due to higher demand for mobile devices and steady efforts to increase sales of non-liquid-crystal-related products such as substrates and semiconductors, joint parts, and heat release products.

In Mobility, net sales for the fiscal year were lower than the previous year due to a downturn in the automobile market and an extreme slump in demand for aircraft-related components in the first half, but the automobile market largely recovered starting in the third quarter and efforts to increase sales of high performance products made progress, and in the second half, net sales were substantially higher than the previous year.

In Building and Infrastructure, demand for chlorinated polyvinyl chloride (CPVC) has been recovering globally since the third quarter, but the impacts of lockdowns in the first quarter were large and the domestic market remains stagnant. As a result, net sales were lower than the previous year.

[Medical Business]

Net Sales: 72.3 billion yen (-0.3%), Operating Income: 7.0 billion yen (-23.8%)

In fiscal 2020, although there was an impact from the decrease in outpatient tests for lifestyle related diseases due to the spread of COVID-19, net sales were essentially at the same level as the previous year due to increased sales of COVID-19 test kits in the United States and higher sales of new active pharmaceutical ingredients . Profit was down due to a lower profit rate in conjunction with falling demand for diagnostic reagents.

2) Forecast for Fiscal 2021

a. Group Forecast

Net Sales: 1,132.6 billion yen (+7.2%), Operating Income: 86.0 billion yen (+27.8%), Ordinary Income: 86.0billion yen (+37.3%), Net Income Attributable to Owners of the Parent: 60.0billion yen (+44.4%)

Although there will be residual effects from COVID-19 in fiscal 2021, global market conditions for automobiles and smartphones will expand steadily, and internal demand including housing construction starts is expected to recover at a moderate pace. We will strive to shift to a recovery trajectory, expand high added value business and increase sales of high added value products, and achieve effects from measures to improve profit structures that have been implemented until now including fixed cost reductions, production optimization, and business structure reforms, leading to much higher sales and income in all segments.

In addition, we will continue advance investment for long-term growth including commercialization of biorefineries, DX promotion, and reinforcement of M&A functions.

b. Forecast by Business Segments

[Housing Company]

Net Sales: 525.0 billion yen (+8.2%), Operating Income: 37.0 billion yen (+21.1%)

Despite continued effects from COVID-19, the recovery trend in the market environment is expected to continue in fiscal 2021, and we project higher sales and income as a result of the effects of optimization of productivity and cost reduction.

In the Housing business, we will continue using the Web and experience-based showrooms to attract customers and negotiate, conduct projects commemorating the 50th anniversary of the establishment of SEKISUI HEIM, and take measures to further increase sales of smart and resilient products and products that support new lifestyles as well as subdivision and ready-built houses. We will also improve structures including optimization of production.

In the Housing Renovation business, we will reinforce contacts with customers by expanding periodic diagnoses and using showrooms and the Web and propose products and materials that respond to the need for smart products and other demands in order to expand sales.

We will increase the contribution to profits from the Town and Community Development

business and accelerate growth in real estate and other businesses through nationwide deployment of the Be HEIM purchase and resale business.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 207.5 billion yen (+1.5%), Operating Income: 15.0 billion yen (+33.3%)

In fiscal 2021, we will focus our energies on increasing sales of high prioritized products and new products as well as expanding overseas business and steadily implement product price revisions in response to rising raw materials prices, and we project higher sales and income. In addition, we will promote higher productivity through DX and automation of production.

In Piping and Infrastructure, we will expand business with a focus on high prioritized products and new products that contribute to solving social issues including ongoing labor shortages and the aging and degradation of infrastructure.

Regarding Building and Living Environment, we will further increase sales of disaster response products and nursing care products.

In Advanced Materials, we will work to increase overseas adoption of synthetic lumber for use as a railway sleepers and development of applications for thermo plastic sheets. We will also steadily continue preparations for the start of production at our synthetic lumber plant in Europe in fiscal 2022.

[High-Performance Plastic Company]

Net Sales: 333.3 billion yen (+7.6%), Operating Income: 38.0 billion yen (+31.3%)

In fiscal 2021, we expect a recovery of the market from effects of COVID-19, and we will shift to growth measures in strategic segments while minimizing the impacts of rising prices for raw materials through cost reduction measures, and we project higher sales and income.

In Electronics, we will accelerate the increase in sales of non-liquid crystal products including substrate and semiconductor related products, demand for which is expected to increase in relation to 5G to achieve continued growth in sales.

In Mobility, although there are risk factors including tight supplies of semiconductors and the effects of a cold snap in North America, we will continue to promote increased sales of high-performance interlayer films with a focus on heads-up displays to achieve a substantial increase in sales.

In Building and Infrastructure, although the recovery of demand in Japan will lag, we will increase overseas sales of chlorinated polyvinyl chloride (CPVC) and expand the fire protection materials business with a focus on nonflammable urethane products to achieve higher sales.

[Medical Business]

Net Sales: 80.0 billion yen (+10.6%), Operating Income: 10.0 billion yen (+42.6%)

In Diagnostics, we will restore sales of existing products to pre-COVID-19 levels and promote sales of new products. In Pharmaceuticals and Fine Chemicals, we will increase sales of new

pharmaceutical ingredients.

(2) Basic Policy on Distribution of Profits and Dividends for Fiscal 2020 and Fiscal 2021

SEKISUI CHEMICAL positions increasing corporate value and actively returning profits to shareholders as priority management objectives. With regard to shareholder returns, we expressed the following policy in our Medium-term Management Plan, which started in April 2020, reinforcing and clarifying our commitment.

- Dividend payout ratio: 35% or higher
- DOE: 3% or higher
- Total payout ratio: If the D/E ratio is not more than 0.5, 50% or higher
- Retirement of new acquisitions of treasury shares such that treasury shares are no more than 5% of the total number of issued shares

The record dates for payment of dividends will remain the last day of the first half and the last day of the fiscal year, and the policy of paying dividends twice annually will continue.

In consideration of the above policies, SEKISUI CHEMICAL plans to pay a fiscal year-end dividend of ¥24 per share, the same amount as the most recent forecast, for a total dividend for the fiscal year of ¥47.

	Annual Dividend Per share (yen)		
	End of 1H	Fiscal Year-End	Total
Current forecast	—	24.00	47.00
Fiscal 2020 results	23.00	—	—
Fiscal 2019 results	23.00	23.00	46.00

In fiscal 2021, SEKISUI CHEMICAL plans to pay a first half period-end dividend of ¥24 per share and a fiscal year-end dividend of ¥25 for a full fiscal year dividend distribution of ¥49 per share.

III. Consolidated Financial Statement (Fiscal Year 2020)

(1) Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2019 (As of March 31, 2020)	End Fiscal Year 2020 (As of March 31, 2021)
(Assets)		
Current Assets:		
Cash and deposits	76,819	87,454
Notes receivable, trade	39,436	34,810
Accounts receivable, trade	134,688	135,821
Marketable securities	0	0
Merchandise and finished goods	73,744	79,652
Land for sale	50,580	58,767
Work in process	56,554	50,469
Raw materials and supplies	36,311	34,021
Advance payments	2,631	3,362
Prepaid expenses	5,237	7,121
Short-term loans receivable	1,466	2
Other current assets	15,789	15,259
Allowance for doubtful accounts	-1,377	-1,172
Total current assets	491,883	505,571
Non-current assets:		
Property, plant and equipment, net:		
Buildings and structures	104,206	116,433
Machinery, equipment and vehicles	84,284	96,844
Land	79,708	80,079
Leased assets	18,520	19,203
Construction in progress	38,905	27,228
Other	11,624	11,607
Total property, plant and equipment, net	337,250	351,397
Intangible assets:		
Goodwill	56,078	50,914
Software	9,571	10,520
Leased assets	135	150
Other	38,713	36,063
Total intangible assets	104,498	97,649
Investments and other assets:		
Investments in securities	140,862	174,656
Long-term loans receivable	1,379	1,613
Long-term prepaid expenses	1,394	2,021
Asset for retirement benefits	125	312
Deferred tax assets	16,536	5,347
Other	13,884	13,908
Allowance for doubtful accounts	-2,034	-2,334
Total investments and other assets	172,148	195,525
Total non-current assets	613,897	644,571
Total assets	1,105,781	1,150,143

(Millions of Yen)

	End Fiscal Year 2019 (As of March 31, 2020)	End Fiscal Year 2020 (As of March 31, 2021)
(Liabilities)		
Current liabilities:		
Notes payable, trade	3,002	1,744
Electronically recorded obligations	26,859	25,052
Accounts payable, trade	101,914	90,798
Short-term debt and current portion of long-term debt	8,446	7,278
Commercial paper	28,000	-
Current portion of bonds	19	-
Lease obligations	4,694	4,625
Accrued expenses	41,097	43,910
Accrued income taxes and other taxes	11,855	10,658
Allowance for bonuses to employees	18,162	17,620
Allowance for bonuses to directors and audit and supervisory board members	275	245
Provision for compensation for completed construction	1,382	1,403
Provision for stock-based compensation	166	157
Advances received	42,180	40,227
Other	46,155	38,555
Total current liabilities	334,212	282,278
Long-term liabilities:		
Bonds	40,000	40,000
Long-term debt less current portion	22,368	71,207
Lease obligations	14,137	15,057
Deferred tax liabilities	7,777	10,362
Liability for retirement benefits	47,170	30,402
Provision for stock-based compensation	479	648
Other	5,416	5,793
Total long-term liabilities	137,349	173,472
Total liabilities	471,562	455,751
(Net assets)		
Shareholders' equity:		
Common stock	100,002	100,002
Capital surplus	109,273	109,021
Retained earnings	433,266	441,087
Treasury stock, at cost	-44,139	-43,414
Total shareholders' equity	598,403	606,696
Accumulated other comprehensive income:		
Unrealized holding gain on securities	27,463	50,781
Deferred loss on hedges	-16	-33
Unrealized gain on land revaluation	321	323
Translation adjustments	-8,499	6,647
Retirement benefit adjustments	-8,419	2,650
Total accumulated other comprehensive income	10,850	60,370
Stock acquisition rights	64	-
Non-controlling interests	24,901	27,325
Total net assets	634,219	694,392
Total liabilities and net assets	1,105,781	1,150,143

(2) Consolidated Statements of Income and Statement of Comprehensive Income

(Consolidated Statements of Income)

(Millions of Yen)

	Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)
Net sales	1,129,254	1,056,560
Cost of sales	766,551	726,174
Gross profit	362,702	330,385
Selling, general and administrative expenses	274,727	263,084
Operating income	87,974	67,300
Non-operating income:		
Interest income	957	484
Dividends income	4,363	4,368
Equity in earnings of affiliates	2,893	2,753
Foreign exchange gain, net	178	543
Miscellaneous income	3,417	2,886
Total non-operating income	11,809	11,036
Non-operating expenses:		
Interest expenses	695	861
Sales discounts	399	378
Miscellaneous expenses	11,487	14,447
Total non-operating expenses	12,581	15,687
Ordinary income	87,202	62,649
Extraordinary income:		
Gain on sales of property, plant and equipment, net	-	3,128
Gain on sales of investments in securities	6,929	2,258
Total extraordinary income	6,929	5,387
Extraordinary loss:		
Loss on impairment of fixed assets and goodwill	4,443	2,428
Loss on sales of investments in securities	290	728
Loss on devaluation of investment in securities	2,897	-
Loss on sales or disposal of property, plant and equipment	2,713	1,700
Total extraordinary loss	10,344	4,857
Income before income taxes	83,787	63,179
Income taxes		
Current	22,659	20,029
Deferred	-83	-127
Total income taxes	22,575	19,902
Net income	61,211	43,277
Net income attributable to:		
Non-controlling interests	2,030	1,733
Owners of the parent	59,181	41,544

(Consolidated Statement of Comprehensive Income)

(Millions of Yen)

	Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)
Net income	61,211	43,277
Other comprehensive (loss) income:		
Unrealized holding (loss) gain on securities	-9,448	22,450
Deferred gain (loss) on hedges	31	-32
Translation adjustments	-12,077	16,297
Retirement benefit adjustments	-3,297	11,068
Comprehensive (loss) income of affiliates accounted for by the equity method attributable to the Company	-54	894
Total other comprehensive (loss) income	-24,847	50,679
Comprehensive income	36,364	93,956
Comprehensive income attributable to:		
Owners of the parent	35,801	91,064
Non-controlling interests	562	2,892

(3) Consolidated Statements of changes in equity; Statements of shareholders' equity

Fiscal 2019 (April 1, 2019 to March 31, 2020)

(Millions of Yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total share-holders' equity
Balance at April 1, 2019	100,002	109,221	408,008	-44,337	572,894
Changes					
Cash dividends			-21,261		-21,261
Net income attributable to owners of the parent			59,181		59,181
Increase in retained earnings resulting from inclusion of subsidiaries in consolidation			45		45
Increase in retained earnings resulting from exclusion of subsidiaries in consolidation			23		23
Retirement of treasury stock		-12,729		12,729	-
Purchase of treasury stock				-13,291	-13,291
Disposal of treasury stock		46		760	806
Transfer from retained earnings to capital surplus		12,729	-12,729		-
Change in shareholders' equity due to transactions with non-controlling interests		5			5
Net changes of items other than shareholders' equity					-
Total changes of items during the year	–	52	25,258	198	25,508
Balance at March 31, 2020	100,002	109,273	433,266	-44,139	598,403

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gain on securities	Deferred loss on hedges	Unrealized gain on land revaluation	Translation adjust-ments	Retirement benefit adjust-ments	Total accumu-lated other compre-hensive income			
Balance at April 1, 2019	36,828	-32	321	2,123	-5,011	34,229	156	25,465	632,746
Changes									
Cash dividends									-21,261
Net income attributable to owners of the parent									59,181
Increase in retained earnings resulting from inclusion of subsidiaries in consolidation									45
Increase in retained earnings resulting from exclusion of subsidiaries in consolidation									23
Retirement of treasury stock									-
Purchase of treasury stock									-13,291
Disposal of treasury stock									806
Transfer from retained earnings to capital surplus									-
Change in shareholders' equity due to transactions with non-controlling interests									5
Net changes of items other than shareholders' equity	-9,365	15	-	-10,622	-3,407	-23,379	-92	-564	-24,035
Total changes of items during the year	-9,365	15	-	-10,622	-3,407	-23,379	-92	-564	1,472
Balance at March 31, 2020	27,463	-16	321	-8,499	-8,419	10,850	64	24,901	634,219

Fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total share-holders' equity
Balance at April 1, 2020	100,002	109,273	433,266	-44,139	598,403
Changes					
Cash dividends			-20,953		-20,953
Net income attributable to owners of the parent			41,544		41,544
Increase in retained earnings resulting from inclusion of subsidiaries in consolidation			-117		-117
Increase in retained earnings resulting from exclusion of subsidiaries in consolidation					-
Retirement of treasury stock		-12,699		12,699	-
Purchase of treasury stock				-12,202	-12,202
Disposal of treasury stock		1		228	229
Transfer from retained earnings to capital surplus		12,651	-12,651		-
Change in shareholders' equity due to transactions with non-controlling interests		-206			-206
Net changes of items other than shareholders' equity					-
Total changes of items during the year	–	-252	7,820	725	8,293
Balance at March 31, 2021	100,002	109,021	441,087	-43,414	606,696

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gain on securities	Deferred loss on hedges	Unrealized gain on land revaluation	Translation adjust-ments	Retirement benefit adjust-ments	Total accumu-lated other compre-hensive income			
Balance at April 1, 2020	27,463	-16	321	-8,499	-8,419	10,850	64	24,901	634,219
Changes									
Cash dividends									-20,953
Net income attributable to owners of the parent									41,544
Increase in retained earnings resulting from inclusion of subsidiaries in consolidation									-117
Increase in retained earnings resulting from exclusion of subsidiaries in consolidation									-
Retirement of treasury stock									-
Purchase of treasury stock									-12,202
Disposal of treasury stock									229
Transfer from retained earnings to capital surplus									-
Change in shareholders' equity due to transactions with non-controlling interests									-206
Net changes of items other than shareholders' equity	23,318	-16	1	15,146	11,069	49,519	-64	2,424	51,879
Total changes of items during the year	23,318	-16	1	15,146	11,069	49,519	-64	2,424	60,173
Balance at March 31, 2021	50,781	-33	323	6,647	2,650	60,370	-	27,325	694,392

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year 2019 (From April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)
Operating activities:		
Income before income taxes	83,787	63,179
Adjustments for:		
Depreciation and amortization	42,018	44,926
Amortization of goodwill	3,238	4,419
Loss on impairment of fixed assets	4,443	2,428
Loss on disposal of property, plant and equipment	2,664	1,672
Loss (gain) on sales of property, plant and equipment, net	49	-3,101
Decrease in liability for retirement benefits	-1,056	-1,495
Gain on sales of investments in securities	-6,639	-1,530
Loss on devaluation of investments in securities	2,897	-
Interest and dividends income	-5,320	-4,853
Interest expenses	1,094	1,239
Equity in earnings of affiliates	-2,893	-2,753
Decrease in notes and accounts receivable	9,644	4,629
Increase in inventories	-24,309	-4,165
Decrease in notes and accounts payable	-737	-11,246
Decrease in advances received	-1,004	-2,024
Increase in deposits received	570	280
Other	1,237	1,144
Subtotal	109,685	92,750
Interest and dividends received	6,167	5,208
Interest paid	-1,133	-1,190
Income taxes paid	-22,071	-21,497
Net cash provided by operating activities	92,647	75,271
Investing activities:		
Purchases of property, plant and equipment	-52,683	-55,359
Proceeds from sales of property, plant and equipment	1,336	3,940
Payments into time deposits	-5,637	-14,619
Proceeds from withdrawal of time deposits	4,722	6,463
Purchases of investments in securities	-1,034	-620
Proceeds from sales or redemption of investments in securities	14,163	3,478
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	-54,377	-
Sales of investments in subsidiaries resulting in change in scope of consolidation	254	880
Acquisition of investments in subsidiaries	-45	-
Purchases of intangible assets	-4,544	-6,708
(Increase) decrease in short-term loans receivable	-5,277	15
Other	2,560	4,035
Net cash used in investing activities	-100,562	-58,495
Financing activities:		
Decrease in short-term debt, net	-318	-823
Repayments of lease obligations	-5,073	-4,947
Increase (decrease) in commercial paper	11,000	-28,000
Proceeds from long-term debt	17,165	51,531
Repayment of long-term debt	-2,182	-3,256
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	-19	-19
Cash dividends paid	-21,286	-20,952
Cash dividends paid to non-controlling interests	-1,114	-1,240
Purchase of treasury stock	-13,291	-12,201
Proceeds from issuance of common stock	-	2,632
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-6	-2,099
Other	579	219
Net cash provided by (used in) financing activities	15,450	-19,157
Effect of exchange rate change on cash and cash equivalents	-3,072	4,171
Net increase in cash and cash equivalents	4,462	1,789
Cash and cash equivalents at beginning of term	68,613	74,721
Increase in cash and cash equivalents from newly consolidated subsidiaries	1,646	138
Cash and cash equivalents at end of term	74,721	76,649

(5) Items Concerning the Information in the quarterly Consolidated Financial Statements (Notes)

(Notes regarding the premise of a going concern)

No significant changes during the term under review.

(Notes to the Consolidated Financial Statements)

I. Fiscal year 2019 (April 1, 2019 to March 31, 2020)

a. Loss on impairment of fixed assets and goodwill

The Group reported a loss on impairment of fixed assets in the current consolidated fiscal year associated with the following assets.

Item	Type	Location
Other	Intangible assets	Chiba city, Japan
Business assets	Buildiings and structures	Asaka city, Japan

The Group combines assets based on the minimum unit generating cash flows in a manner generally independent of cash flows provided by other assets or asset groups. (Idle assets are treated as individual properties.)
Meanwhile, the Group deemed that profits from goodwill reported when the nursing care business was acquired could not be reasonably expected as anticipated in the business plan considered at the time of share acquisition. As a result, the book value of this goodwill was lowered to the recoverable amount (1,905 million yen) and recorded as an impairment loss under extraordinary loss. While the recoverable value was measured at value in use, the Group recorded an impairment loss using the full amount of goodwill balance since estimated future cash flow amounts were no longer certain.
In addition, a decision has been made to change the purpose of owning certain buildings and structures from facilities for welfare to assets for business. As a result, the book value of these buildings and structures was lowered to the recoverable amount (1,736 million yen) and recorded as an impairment loss under extraordinary loss. The recoverable value was measured at value in use.

II. Fiscal year 2020 (April 1, 2020 to March 31, 2021)

a. Loss on impairment of fixed assets and goodwill

The Group reported a loss on impairment of fixed assets in the current consolidated fiscal year associated with the following assets.

Item	Type	Location
Other	Intangible assets	United States of America

The Companies group their fixed assets and goodwill by cash-generating units (except for idle property which is grouped individually) and these are defined as the smallest identifiable groups of assets generating cash inflows which are largely independent of the cash inflows from other assets or groups of assets.
The Companies have written down the amount of certain intangible assets recorded upon acquiring the mobility field business in the United States, to the recoverable amount as the income initially estimated in the business plan at the time of acquisition was no longer expected. As a result, the Companies recorded loss on impairment of fixed assets under extraordinary loss in the amount of 1,693 million yen.
The recoverable amount is calculated based on value in use.

(Segment Information)

I. Segment Information

a) Overview of the Reportable Segments

The reportable segments of the Companies are determined on the basis that separate financial information of such segments is available and examined periodically by the Board of Directors of the Company to make decisions regarding the allocation of management resources and assess the business performances of such segments.

The Companies have divided the business operations into the four segments of Housing, Urban Infrastructure and Environmental Products (UIEP), High Performance Plastics (HPP), and Medical based on manufacturing methods, products, sales channels, and other business similarities.

Each business segment formulates comprehensive strategies and develops business activities for its products in Japan and overseas.

The Housing business comprises manufacturing, construction, sales, refurbishing, and other operations related to unit housing, real estate, and residential service business.

The UIEP business comprises manufacturing, sales, and construction operations related to PVC pipes and joints, polyethylene pipes and joints, pipe and drain renewal materials and construction methods, reinforced plastic pipe, construction materials, and FFU.

The HPP business comprises manufacturing and sales of interlayer films for laminated glass, polyolefin foam, tape, LCD fine particles and photosensitive materials, functional resin for infrastructure, diagnostic drugs and other products.

The Medical business comprises manufacturing and sales of diagnostic reagents, analyzers, pharmaceutical ingredients and intermediates

b) Calculation methods used for sales, income, assets and the other items on each reportable segment

The accounting methods for the reportable segments are presented principally in accordance with “Important fundamental matters for preparing consolidated financial statements”

The amounts of segment income (loss) are calculated based on the same method as the calculation of operating income in the consolidated statement of income for the years ended March 31, 2021. The figures of intersegment sales and transfers are presented based on the current market price at the time of these transactions.

c) Information as to sales, income (loss), assets and other items on each reportable segment

Fiscal 2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable Segment					Other (Note)	Consolidated
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Sales:							
(1) Sales to third parties	512,836	223,707	315,294	72,587	1,124,425	4,828	1,129,254
(2) Intersegment sales or transfers	101	13,672	7,126	0	20,901	141	21,043
Net sales	512,937	237,380	322,421	72,588	1,145,327	4,970	1,150,297
Segment income (loss)	37,792	15,480	37,374	9,204	99,852	-9,721	90,130
Segment Assets	331,761	216,898	376,483	120,420	1,045,563	21,820	1,067,383
Other items:							
Depreciation and amortization	9,447	7,823	17,742	3,709	38,723	2,018	40,741
Investment in affiliates accounted for by the equity method	9,985	-	2,750	-	12,735	-	12,735
Increase in property, plant and equipment, and intangible assets	14,955	15,340	29,425	7,669	67,390	4,909	72,300

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

Fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reporting Segment					Other (Note)	Consolidated
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Sales:							
(1) Sales to third parties	485,124	192,069	303,559	72,341	1,053,095	3,465	1,056,560
(2) Intersegment sales or transfers	140	12,516	6,307	0	18,966	146	19,112
Net sales	485,265	204,586	309,867	72,342	1,072,061	3,611	1,075,672
Segment income (loss)	30,546	11,251	28,935	7,010	77,744	-8,746	68,997
Segment Assets	324,795	210,361	422,924	123,656	1,081,738	28,410	1,110,149
Other items:							
Depreciation and amortization	9,688	8,667	19,347	4,079	41,783	2,199	43,982
Investment in affiliates accounted for by the equity method	10,304	-	2,872	-	13,177	-	13,177
Increase in property, plant and equipment, and intangible assets	13,761	14,076	17,184	6,519	51,543	4,634	56,177

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

d) Information on the difference between the total amount of the reportable segments in the above tables and the corresponding amount reported in the consolidated financial statements

Fiscal 2019 (April 1, 2019 to March 31, 2020)

Net Sales	(Millions of Yen)
Total of reportable segments	1,145,327
Other net Sales	4,970
Eliminations	-21,043
Net Sales	1,129,254

Income	(Millions of Yen)
Total of reportable segments	99,852
Other net Sales	-9,721
Eliminations	637
Corporate expenses (Note)	-2,793
Operating Income	87,974

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment.

Assets	(Millions of Yen)
Total of reportable segments	1,045,563
Assets classified as "Other"	21,820
Eliminations	-306,643
Corporate assets	345,040
Total Assets	1,105,781

Note: Corporate assets are assets not attributable to the reportable segments. The main items were cash and deposits, long-term investments (investments in securities), assets related to administrative operations and deferred tax assets, etc. of the Company.

(Millions of Yen)

Other item	Reporting Segment	Others	Adjusted amount (Note)	Consolidated
Depreciation and amortization	38,723	2,018	1,277	42,018
Investments in affiliates accounted for by the equity method	12,735	-	32,813	45,549
Increase in property, plant and equipment, and intangible assets	67,390	4,909	2,081	74,381

Note: Adjustment represents the amounts of investments in affiliates accounted for by the equity method, which are not attributable to the reportable segments.

Fiscal 2020 (April 1, 2020 to March 31, 2021)

Net Sales	(Millions of Yen)
Total of reportable segments	1,072,061
Other net Sales	3,611
Eliminations	-19,112
Net Sales	1,056,560

Income	(Millions of Yen)
Total of reportable segments	77,744
Other net Sales	-8,746
Eliminations	447
Corporate expenses (Note)	-2,144
Operating Income	67,300

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment.

Assets	(Millions of Yen)
Total of reportable segments	1,081,738
Assets classified as "Other"	28,410
Eliminations	-316,651
Corporate assets	356,645
Total Assets	1,150,143

Note: Corporate assets are assets not attributable to the reportable segments. The main items were cash and deposits, long-term investments (investments in securities), assets related to administrative operations and deferred tax assets, etc. of the Company.

(Millions of Yen)

Other item	Reporting Segment	Others	Adjusted amount (Note)	Consolidated
Depreciation and amortization	41,783	2,199	943	44,926
Investments in affiliates accounted for by the equity method	13,177	-	35,239	48,417
Increase in property, plant and equipment, and intangible assets	51,543	4,634	1,867	58,044

Note: Adjustment represents the amounts of investments in affiliates accounted for by the equity method, which are not attributable to the reportable segments.

II. Related information

Fiscal 2019 (April 1, 2019 to March 31, 2020)

a. Product and service information

This information is presented in the segment data and is therefore omitted here.

b. Geographical information

1.Net Sales

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Net Sales	854,600	81,312	57,508	121,161	14,672	1,129,254

Note 1: Net sales are classified by country or region based on client location.

2.Property, plant and equipment, net

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Property, plant and equipment, net	232,322	30,184	35,576	33,727	5,439	337,250

c. Loss on impairment of fixed assets and goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Loss on impairment of fixed assets and goodwill	1,905	474	327	-	-	1,736	4,443

d. Amortization and balance of goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Amortization of goodwill	127	53	1,235	1,792	29	-	3,238
Balance at March 31, 2020	-	-	47,959	8,085	34	-	56,078

Fiscal 2020 (April 1, 2020 to March 31, 2021)

a. Product and service information

This information is presented in the segment data and is therefore omitted here.

b. Geographical information

1.Net Sales

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Net Sales	790,537	76,359	57,673	119,359	12,630	1,056,560

Note 1: Net sales are classified by country or region based on client location.

2.Property, plant and equipment, net

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Property, plant and equipment, net	238,128	31,347	42,036	33,707	6,176	351,397

c. Loss on impairment of fixed assets and goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Loss on impairment of fixed assets and goodwill	-	373	2,001	54	-	-	2,428

d. Amortization and balance of goodwill

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Other	Eliminations or Unallocatable Accounts	Total
Amortization of goodwill	-	-	2,801	1,588	29	-	4,419
Balance at March 31, 2021	-	-	44,275	6,634	4	-	50,914

(Per share data)

(Yen)

	FY2019	FY2020
Net assets per share	1,333.76	1,485.89
Net income per share	128.80	91.92
Net income per share (diluted)	128.77	-

Note 1. Computation of net income per share and net income per share (diluted) is based on the following.

	FY2019	FY2020
Net income per share		
Net income amount attributable to owners of the parent (Millions of yen)	59,181	41,544
Amount not belonging to the general shareholders (Millions of yen)	-	-
Net income amount attributable to parent company shareholders of common stock (Millions of yen)	59,181	41,544
Average number of shares outstanding during the current term (Thousands)	459,494	451,961
Net income per share (diluted)		
Increase in common shares (Thousands)	92	-
(Number with stock acquisition rights (Thousands))	(92)	(-)
Summary of potentially dilutive shares not included in the calculation of net income per share (diluted), due to not having dilutive effect	Stock acquisition rights - Number of stock acquisition rights -	One share purchase option plan (related to 622 units of options which resoluted in 25th-June 2015) This have been cancelled in 30th-June 2020.

Note 2. Computation of net income per share is based on the following.

	FY2019	FY2020
Total net assets (Millions of yen)	634,219	694,392
Deduction from total assets:	24,965	27,325
(Stock acquisition rights (Millions of yen))	(64)	(-)
(Non-controlling interests (Millions of yen))	(24,901)	(27,325)
Total net assets attributable to common shareholders	609,253	667,066
Number of shares of common stock used in the calculation of net assets per share (Thousands)	456,794	448,933

Note 3. In the FY2020, the Companies determined the provisional accounting treatment related to the business combination. As a result, figures for the year ended March 31, 2020 reflect the revision of the initial allocated amounts of acquisition price as the Companies finalized the provisional accounting treatment for the business combination.

Note 4. Net income per share (diluted) is not disclosed because there are no potentially dilutive common shares.

Note 5. The Company's own shares held in the BIP trust and the ESOP trust recorded as treasury stock under shareholder's equity are included in treasury stock to be deducted from the weighted-average number of shares of common stock during the year in computing net income attributable to owners of the parent per share and from the number of shares of common stock at year-end in computing net assets per share.
The number s of shares of treasury stock deducted from the weighted-average number of share in computing net income attributable to owners of the parent per share were 835 thousand and 581 thousand shares for the years ended March 31, 2021 and 2020, respectively, and the numbers of shares of treasury stock deducted from the number of shares outstanding at year-end in computing net assets per share were 795 thousand and 916 thousand shares as of March 31, 2021 and 2020 respectively.

(Significant subsequent events)

No significant subsequent events.