

<https://www.nikkei.com/article/DGXMZO56497090W0A300C2EN1000/>

積水ハウス一時 7%安 中計に失望売り

Sekisui House shares 7% down at one point during the trading day, disappointed with the mid-term plan

March 6, 2020 - 20:30

Nikkei

Sekisui House shares temporarily fell 155 yen (7%) from the previous day to 1,955 yen at the Tokyo Stock Exchange on March 6, 2020. In addition to the lower than expected profit targets set in the three-year medium-term business plan announced the day before, deterioration in profitability of the mainstay detached housing business also became apparent, and there appeared to have been many disappointed sellers. It was the lowest over the past six months.

The closing price for March 6 was 1,974 yen, 6% down from the previous day. The medium-term plan aims to achieve in the final year ending January 2023 consolidated net income of 147 billion yen, which is just a 4% increase from the record profit in the fiscal year ended January 2020. For the fiscal year ended January 2020, a sale of rental multi-family assets in the U.S. contributed largely to the consolidated net profit of 141.2 billion yen, up 10% YoY.

In recent months, concerns over economic slowdown due to the U.S.-China trade friction and the impact of the consumption tax hike have become apparent, and consumer sentiment has been sluggish. Also the profitability in the mainstay detached housing business has deteriorated rapidly. Despite the recovery following the tax hike, the operating profit in the fiscal year ending January 2023 from the detached housing business is expected to be 33.5 billion yen, far below the operating profit of the business of the previous year (45.9 billion yen).

Yoshihiro Nakai, President of Sekisui House, described the new medium-term plan as "the foundation for the next growth." They will strive to expand the international business, but results will likely be realized during the period for the next medium-term plan. A research

analyst said “Very disappointed with the significant decline in the detached housing business. Wanted to see a much better profit plan.” (Daisuke Fukushima, Nomura Securities)