



**Consolidated Financial Summary (Japanese Accounting Standards)  
(For the six months ended September 30, 2022)**

October 26, 2022

**Listed company: Shin-Etsu Polymer Co., Ltd.**

Listing code: No. 7970 (URL <https://www.shinpoly.co.jp/en/>)  
 Listing stock exchange: Tokyo  
 Representative: Yoshiaki Ono, President, Chief Executive Officer  
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Scheduled date to submit the Quarterly Securities Report: November 11, 2022

Scheduled date of dividend payout: November 25, 2022

Supplementary documents for quarterly results: Yes

Quarterly results briefing: Yes (for analysts)

(Amounts under a million yen are truncated.)

**1. Consolidated Financial Highlights for the First Half of the Fiscal Year Ending March 31, 2023  
(April 1, 2022 to September 30, 2022)**

**(1) Consolidated Financial Results** (The percentages indicate the rates of increase or decrease compared with the preceding fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April – September 30, 2022	52,549	20.2	6,643	45.0	7,384	57.0	5,033	44.2
April – September 30, 2021	43,719	22.1	4,582	69.4	4,704	60.7	3,489	62.2

(Note) Comprehensive income (loss): September 30, 2022: ¥11,207 million (98.3%); September 30, 2021: ¥5,653 million (373.3%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April – September 30, 2022	62.42	62.11
April – September 30, 2021	43.13	42.99

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended September 30, 2022	135,772	104,624	76.7
Year ended March 31, 2022	122,577	94,337	76.7

(Reference) Equity capital: September 30, 2022: ¥104,192 million; March 31, 2022: ¥93,995 million

**2. Dividends**

	Dividend per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2022	–	12.00	–	14.00	26.00
March 2023	–	18.00	–	–	–
March 2023 (forecast)	–	–	–	18.00	36.00

(Note) Revisions to dividend forecasts published most recently: None

**3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)**

(The percentages indicate the year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	108,000	16.6	12,000	23.3	12,500	23.4	8,800	39.5	109.18	

(Note) Revisions to financial forecasts published most recently: None

\* Notes

- (1) Any changes in important subsidiaries during the six months ended September 30, 2022 (any changes in specific subsidiaries accompanied by a change in the scope of consolidating): None  
Newly added: None , Eliminated: None
- (2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: None
- (3) Any changes in accounting policies and changes or restatement of accounting estimates
- |   |      |
|---|------|
| 1. Changes in accounting policies associated with the revision of accounting standards, etc.: | None |
| 2. Changes in accounting policies other than the above:                                       | None |
| 3. Changes in accounting estimates:   | None |
| 4. Restatement:   | None |
- (4) Number of shares issued (common stock)
- |  |                |                   |
|--|----------------|-------------------|
| 1. Number of shares issued as of the term end (including treasury shares): | September 2022 | 82,623,376 shares |
|  | March 2022     | 82,623,376 shares |
| 2. Number of treasury shares as of the term end:                           | September 2022 | 1,915,531 shares  |
|  | March 2022     | 2,025,709 shares  |
| 3. Average number of shares during the term:                               | September 2022 | 80,639,442 shares |
|  | September 2021 | 80,913,550 shares |

The consolidated financial summary is not included in the scope of the quarterly review by certified public accountants or audit corporations.

Statement regarding the proper use of financial forecasts and other special remarks

(Caution regarding forward-looking statements)

The forward-looking statements, such as results forecasts, included in this document are based on information currently available to the Company and certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially, depending on a range of factors.

(Method of obtaining presentation material for business result meeting)

The Company will hold a business result meeting for analysts on November 8, 2022. The presentation material used at this meeting will be posted on the Company's website by the day before the meeting.

Accompanying Materials – Contents

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1. Qualitative Information on Consolidated Results, etc. for the Six-Month Period Ended September 30, 2022

(1) Qualitative Information on Consolidated Results

During the first six months of the consolidated fiscal year under review, downside risks increased for the global economy due to sharp price increases and supply constraints, among other factors, despite signs of recovery against the backdrop of the progress in a shift of lifestyles to the new stage of living with COVID-19. In the United States, the economy remained firm, partly reflecting a rise in the number of people employed and an expansion in consumption. However, the risk of an economic slowdown increased due to the successive implementation of monetary policies. In Europe, procuring energy continued to be difficult, and the economic recovery slowed due to surging commodity prices. In Asia, economic growth in China slowed, reflecting sluggish production activities associated with lockdowns. In contrast, economic recovery was in evidence in India and the ASEAN region.

In the Japanese economy, corporate capital expenditure and consumer spending picked up. Meanwhile, exports remained flat.

The Group's business environment remained favorable overall, thanks to continued growth in demand in the semiconductor industry, although demand remained flat in the automotive-related industry.

In this operating environment, the Group continued to focus its sales activities on boosting sales of both key products and new businesses in Japan and overseas, to expand the production/supply systems as well.

As a result, consolidated net sales stood at ¥52,549 million (up 20.2% year on year). Operating profit amounted to ¥6,643 million (up 45.0% year on year), ordinary profit was ¥7,384 million (up 57.0% year on year), and profit attributable to owners of parent came to ¥5,033 million (up 44.2% year on year) for the six months under review.

Consolidated results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, shipments of automotive input devices decreased chiefly due to a shortage of procurable parts in the automotive industry. Nonetheless, overall sales were higher than the year-ago level, reflecting the broader application of price revisions and impact of exchange rates.

Overall sales for input devices remained flat from a year earlier due to solid shipments of touchpads for slim notebook personal computers and the broader application of price revisions, which offset decreased automotive key switch shipments.

Overall sales for display-related products expanded thanks to the strong shipments of view/light path control film (VCF), although LCD connector shipments remained at the year-ago level.

Sales for component-related products grew, reflecting strong shipments of in-vehicle silicone molded products and automotive windshield wipers.

As a result, net sales for the segment amounted to 11,887 million (up 5.6% year on year), and operating profit for the segment came to ¥818 million (up 18.3% year on year).

2) Precision Molding Products segment

In the Precision Molding Products segment, overall sales far surpassed the year-ago level, reflecting continued strength in shipments of semiconductor-related containers, office automation equipment parts, and silicon rubber molded products, coupled partly with the impact of exchange rates.

Overall sales for semiconductor-related containers grew sharply, reflecting strong shipments of 300-mm wafer shipping containers and other products with lively demand in the semiconductor industry in the background.

Sales of office automation equipment increased significantly due to strong shipments of rollers for laser printers, or mainstay products.

Sales of carrier tape-related products decreased. Shipments of carrier tapes for micro electronic parts saw sluggish growth.

Sales of silicone rubber molded products rose overall, reflecting a recovery in sales of mainstay medical equipment due to the normalization of medical services in the living-with-COVID-19 condition.

As a result, segment sales stood at ¥24,372 million (up 24.8% year on year) and operating profit was ¥5,252 million (up 55.3% year on year).

### 3) Housing & Living Materials segment

In the Housing & Living Materials segment, the Company revised sales prices and carried out M&A in the extremely difficult market environment for PVC products. Overall sales for the segment rose significantly from a year earlier.

Sales of packing materials such as wrapping films increased significantly, reflecting the consolidation of Kitchi Nista Co., Ltd.

Shipments of PVC pipes and related products remained sluggish, but sales climbed due to price revisions.

Sales of functional compounds rose significantly because shipments to new customers expanded and demand for applications in robot cables for industrial machinery remained strong.

Overall sales for exterior materials remained at the year-earlier level, despite sluggish growth in demand, due to revisions to sales prices.

Sales for conductive polymer rose steadily due to increased orders for automotive electronic component applications, which more than offset sluggish demand for display applications.

As a result, segment sales stood at ¥12,981 million (up 34.1% year on year) and operating profit was ¥442 million (up 21.8% year on year).

### 4) Others segment

Overall sales were unchanged year on year, reflecting solid orders for the interior construction of commercial facilities and public facilities in the construction business.

As a result, segment sales stood at ¥3,307 million (up 1.8% year on year) and operating profit was ¥130 million (down 9.9% year on year).

## (2) Explanation of Information on Future Forecasts Such as Consolidated Financial Forecasts

Consolidated financial forecasts for the fiscal year ending March 31, 2023 published on July 26, 2022 remain unchanged.

## 2. Consolidated Quarterly Financial Statements and Key Notes

## (1) Consolidated Balance Sheet

(Million yen)

	Year ended March 31, 2022 (As of March 31, 2022)	Second quarter of year ending March 31, 2023 (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	48,749	50,632
Notes and accounts receivable - trade, and contract assets	22,525	24,902
Electronically recorded monetary claims - operating	2,571	3,337
Merchandise and finished goods	8,152	10,165
Work in process	1,720	1,923
Raw materials and supplies	5,025	6,225
Accounts receivable - other	1,911	2,256
Other	583	745
Allowance for doubtful accounts	(293)	(282)
Total current assets	90,945	99,905
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,965	10,071
Machinery, equipment and vehicles, net	5,243	5,386
Land	6,864	6,970
Construction in progress	4,049	6,695
Other, net	2,041	2,136
Total property, plant and equipment	27,164	31,260
Intangible assets		
Software	114	130
Goodwill	1,574	1,486
Other	612	690
Total intangible assets	2,301	2,308
Investments and other assets		
Investment securities	895	928
Deferred tax assets	293	322
Other	977	1,047
Total investments and other assets	2,165	2,298
Total non-current assets	31,632	35,867
Total assets	122,577	135,772

## Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the six months ended September 30, 2022)

(Million yen)

	Year ended March 31, 2022 (As of March 31, 2022)	Second quarter of year ending March 31, 2023 (As of September 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,817	14,586
Electronically recorded obligations - operating	2,885	3,134
Accounts payable - other	2,906	2,360
Income taxes payable	1,670	2,044
Accrued expenses	2,081	2,227
Provision for bonuses	1,506	1,755
Provision for bonuses for directors (and other officers)	31	17
Other	1,808	2,212
<b>Total current liabilities</b>	<b>25,707</b>	<b>28,336</b>
Non-current liabilities		
Net defined benefit liability	1,303	1,322
Other	1,229	1,489
<b>Total non-current liabilities</b>	<b>2,533</b>	<b>2,811</b>
<b>Total liabilities</b>	<b>28,240</b>	<b>31,148</b>
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	11,635	11,635
Capital surplus	10,718	10,718
Retained earnings	73,670	77,585
Treasury shares	(1,988)	(1,880)
<b>Total shareholders' equity</b>	<b>94,036</b>	<b>98,059</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	303	310
Foreign currency translation adjustment	(357)	5,808
Remeasurements of defined benefit plans, net of tax	12	14
<b>Total accumulated other comprehensive income</b>	<b>(41)</b>	<b>6,133</b>
Share acquisition rights	341	432
<b>Total net assets</b>	<b>94,337</b>	<b>104,624</b>
<b>Total liabilities and net assets</b>	<b>122,577</b>	<b>135,772</b>

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

## Consolidated Statements of Income

Six months ended September 30

(Million yen)

	Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Net sales	43,719	52,549
Cost of sales	29,949	35,671
Gross profit	13,769	16,877
Selling, general and administrative expenses	9,187	10,233
Operating profit	4,582	6,643
Non-operating income		
Interest income	53	57
Foreign exchange gains	35	624
Other	73	77
Total non-operating income	161	760
Non-operating expenses		
Interest expenses	7	12
Loss on retirement of non-current assets	8	3
Other	22	3
Total non-operating expenses	39	19
Ordinary profit	4,704	7,384
Extraordinary profit		
Gain on reversal of share acquisition rights	27	2
Total extraordinary profit	27	2
Profit before income taxes	4,731	7,386
Income taxes - current	1,220	2,158
Income taxes - deferred	20	194
Total income taxes	1,241	2,352
Profit	3,489	5,033
Profit attributable to owners of parent	3,489	5,033



Consolidated Statement of Comprehensive Income

Six months ended September 30

(Million yen)

	Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Profit	3,489	5,033
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	6
Foreign currency translation adjustment	2,181	6,165
Remeasurements of defined benefit plans, net of tax	2	1
Total other comprehensive income	2,163	6,174
Comprehensive income	5,653	11,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,653	11,207

## (3) Consolidated Statement of Cash Flows

(Million yen)

	Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,731	7,386
Depreciation and amortization	1,526	1,731
Amortization of goodwill	42	114
Interest and dividend income	(69)	(76)
Interest expenses	7	12
Foreign exchange losses (gains)	(6)	(159)
Loss on retirement of non-current assets	8	3
Decrease (increase) in notes and accounts receivable - trade	(804)	(978)
Decrease (increase) in inventories	(1,238)	(2,221)
Increase (decrease) in notes and accounts payable - trade	635	360
Increase (decrease) in net defined benefit liability	(196)	0
Loss (gain) on valuation of investment securities	20	-
Decrease (increase) in consumption taxes receivable/payable	(217)	(375)
Other, net	571	(165)
Subtotal	5,011	5,632
Interest and dividends income received	61	61
Interest expenses paid	(8)	(13)
Repayment (payment) of corporate taxes	(1,255)	(1,743)
Net cash provided by (used in) operating activities	3,809	3,937
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	(3)	394
Purchase of property, plant and equipment	(1,203)	(3,911)
Purchase of intangible assets	(110)	(502)
Purchase of shares of subsidiaries	-	(22)
Net decrease (increase) in short-term loans receivable	1	(108)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,552)	-
Other, net	2	(56)
Net cash provided by (used in) investing activities	(4,865)	(4,206)
<b>Cash flows from financing activities</b>		
Cash dividends paid	(888)	(1,126)
Proceeds from sale of treasury shares	45	116
Other, net	(86)	(93)
Net cash provided by (used in) financing activities	(928)	(1,103)
Effect of exchange rate change on cash and cash equivalents	1,245	3,374
Net increase (decrease) in cash and cash equivalents	(738)	2,002
Cash and cash equivalents at beginning of period	45,948	45,848
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	64	-
Cash and cash equivalents at end of period	45,274	47,851

(4) Explanatory Notes to Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable

(Notes on Significant Changes in Shareholders' Equity (if any))

Not applicable

(Segment Information)

Information on net sales and profits or losses by reported segment

Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	11,261	19,525	9,683	40,470	3,248	43,719
Inter-segment sales or transfers	–	–	–	–	–	–
Total	11,261	19,525	9,683	40,470	3,248	43,719
Segment profit (Operating profit)	691	3,381	363	4,436	145	4,582

(Note) "Others" is a business segment that is not included in the reported segments and includes the constructing business, etc.

Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	11,887	24,372	12,981	49,241	3,307	52,549
Inter-segment sales or transfers	–	–	–	–	–	–
Total	11,887	24,372	12,981	49,241	3,307	52,549
Segment profit (Operating profit)	818	5,252	442	6,512	130	6,643

(Note) "Others" is a business segment that is not included in the reported segments and includes the constructing business, etc.