

# Presentation Meeting on the Financial Results for FY2008

1. Operating Performance (Consolidated/Non-consolidated)
2. Financial Highlights (Consolidated/Non-consolidated)
3. Business Segment Information (Consolidated)
4. Electronic and Functional Products Business Segment (Consolidated)
5. Packaging Products Business Segment (Consolidated)
6. Construction Materials and Constructing Business Segment (Consolidated)
7. Geographical Segment Information (Consolidated)
8. Balance Sheets (Consolidated)
9. Statements of Income (Consolidated)
10. Free Cash Flows (Consolidated)
11. Performance Forecasts for the Year ended March 2009  
(Consolidated/Non-consolidated)

**※Caution concerning these materials.※**

The forward-looking statements provided in this material are related to the future plans, strategies and business and financial performance of the Shin-Etsu Polymer Group. Forward-looking statements listed herein are based on currently available information and are subject to change. Our actual future results may be materially different than those expressed in our forward-looking statements.

# Operating Performance (Consolidated/Non-consolidated)

	millions of yen						times	
	Consolidated			Non-consolidated			Ratio (Consolidated/Non-consolidated)	
	2007.3	2008.3	Increase (Decrease)	2007.3	2008.3	Increase (Decrease)	2007	2008
Net sales	107,784	105,799	(1.8%) (1,984)	63,144	67,658	7.1% 4,514	1.71	1.56
Operating income	11,854	9,482	(20.0%) (2,371)	2,290	2,671	16.6% 380	5.18	3.55
Ordinary income	12,063	9,296	(22.9%) (2,767)	3,368	3,634	7.9% 266	3.58	2.56
Net income	8,133	5,415	(33.4%) (2,718)	2,344	1,621	(30.8%) (722)	3.47	3.34
Total assets	104,661	103,388	(1,272)	67,984	66,387	(1,596)	1.54	1.56
Net assets	66,478	70,903	4,424	42,686	42,782	96	1.54	1.66
Equity ratio	62.8%	67.7%	4.9%	62.6%	64.1%	1.5%		
Per share (in yen)								
Net income	100.25	66.64	(33.61)	28.9	19.96	(8.94)		
Net assets	809.62	860.67	51.05	523.95	523.57	(0.38)		
Cash dividends				15.0	15.0			
R O E	13.2%	8.0%	(5.2%)	5.6%	3.8%	(1.8%)		
R O A	12.0%	8.9%	(3.1%)	5.0%	5.5%	0.5%		

# Financial Highlights (Consolidated/Non-consolidated)

millions of yen

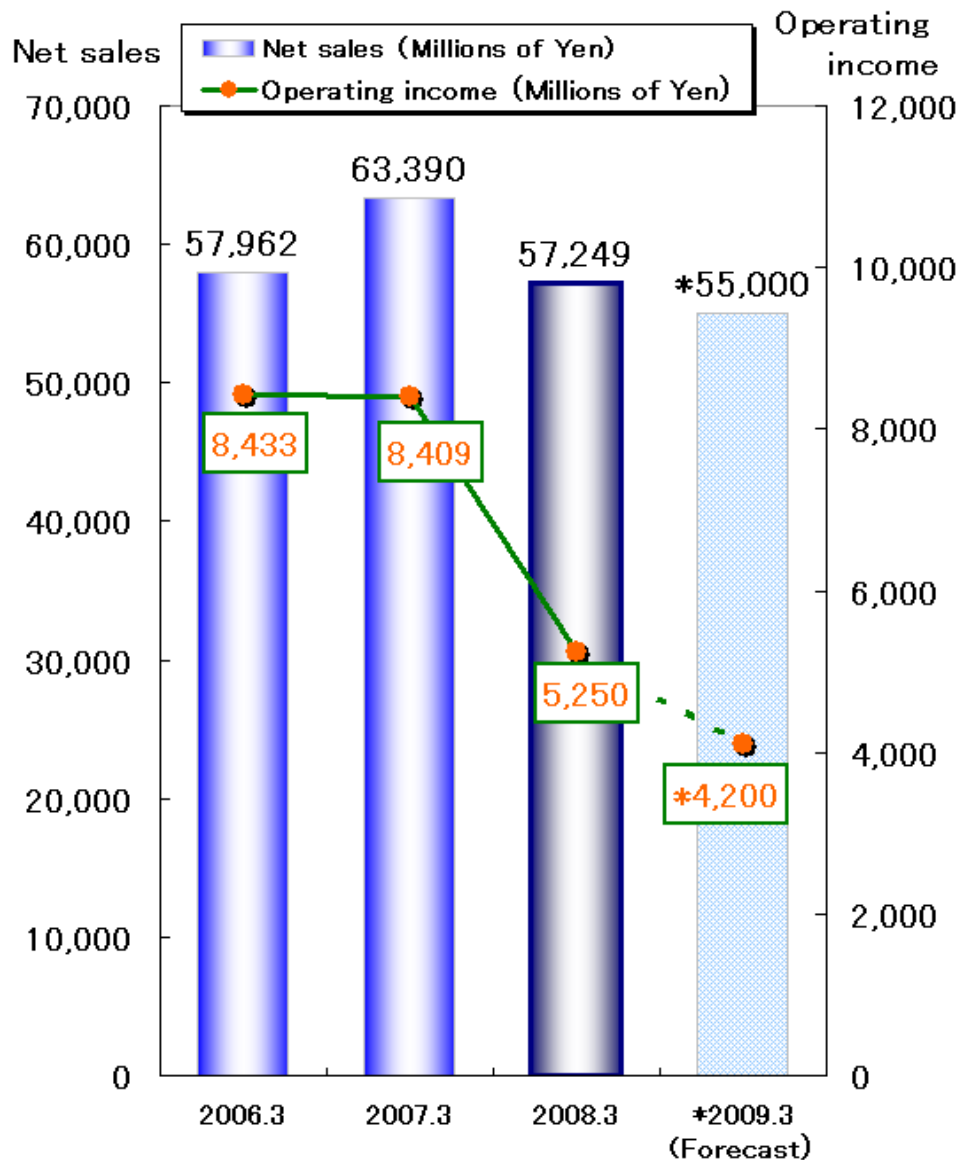
		Consolidated			Non-consolidated		
		2007.3	2008.3	2009.3 Forecast	2007.3	2008.3	2009.3 Forecast
Capital expenditures (millions of yen)		4,677	7,597	6,000	2007.3	972	1,000
Depreciation (millions of yen)		4,771	4,815	4,700	1,616	1,825	1,700
R&D expenses (millions of yen)		2,702	2,788	2,700	2,690	2,776	2,700
Interest-bearing liabilities (millions of yen)		4,593	3,995		4,274	3,709	
Number of employees		6,145	6,496		635	640	
Exchange rate (yen/US dollar)	Jan. - Dec. Average	116.40	118.12				
	Apr. - Mar. Average				116.96	115.29	

## Business Segment Information (Consolidated)

millions of yen

Segment		2007.3	2008.3	% change	2009.3 Forecast※	% change
Electronic & Functional Products	Net sales	63,390	57,249	90.3	55,000	96.1
	Operating income	8,409	5,250	62.4	4,200	80.0
Packaging Products	Net sales	30,255	35,607	117.7	34,000	95.5
	Operating income	4,409	5,318	120.6	4,300	80.9
Construction Materials & Constructing	Net sales	14,138	12,942	91.5	11,000	85.0
	Operating income	(104)	(114)		100	
Eliminations and corporate		(859)	(971)	113.0	(1,000)	103.0
Total	Net sales	107,784	105,799	98.2	100,000	94.5
	Operating income	11,854	9,482	80.0	7,600	79.1

# Electronic and Functional Products Business Segment (Consolidated)



## Outlook for principal products

<Segment Results> [%]To prior term

\* Sales volume composition ratio 54.1% [58.8%]  
 \* Operating income 9.2% [13.3%]

### ■ Keypads

Domestic cellphone keypads and vehicular keypads performed robustly. In the overseas cellphone keypad market, intensifying price competition and increasing volumes of generic products continued to drive average sale prices down, resulting in substantial reductions in both revenue and profits.

### ■ Inter-connectors

Both revenue and profits from interconnectors declined, due to poor sales of products for use with semiconductors and cellphones.

### ■ OA device components

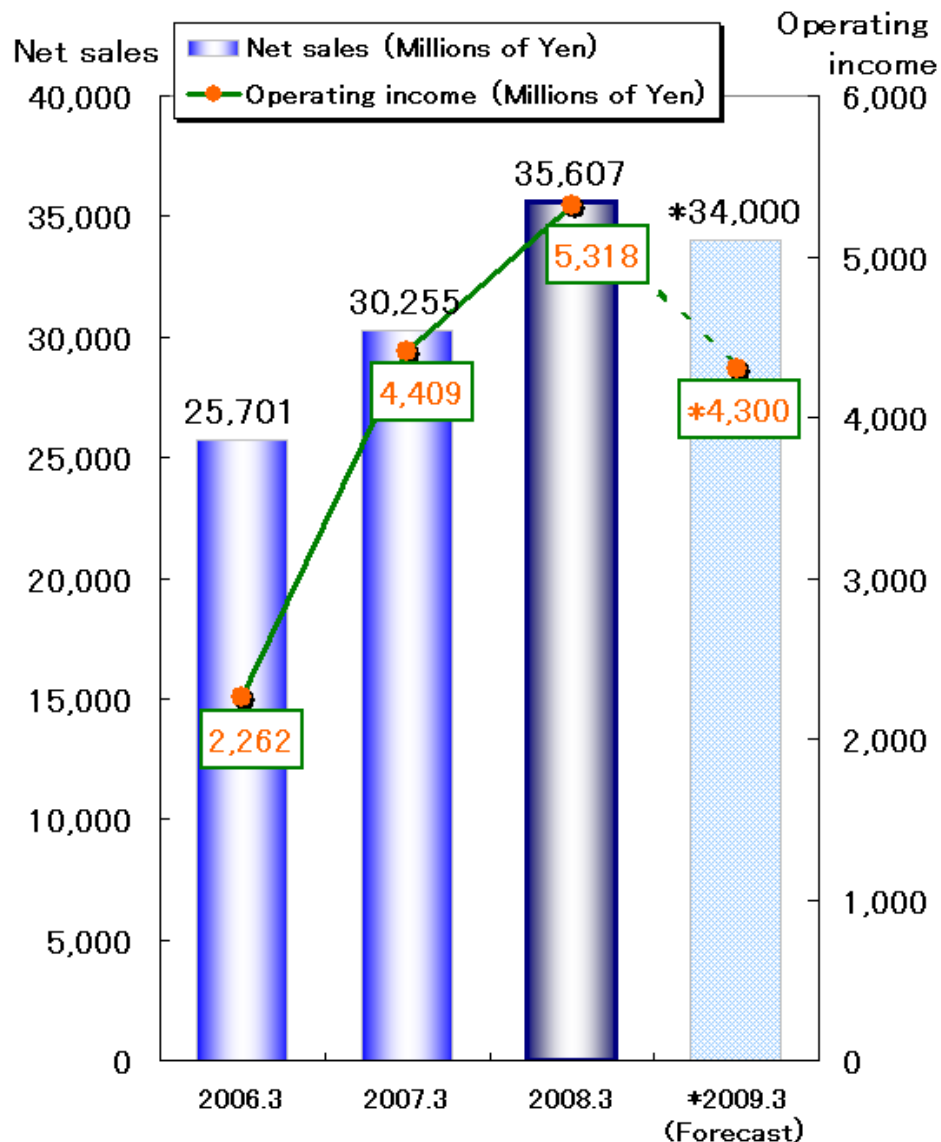
Revenue was depressed by a production adjustment and a slowdown in the market in the second half of the term, but profitability improved slightly due to cost reductions.

### 【Forecast for principal products】 Keypads

While we can anticipate an increased volume of cellphone keypads, the decline in average sale prices will continue, so the outlook is for reduced revenue and profit.

We anticipate double-digit growth in vehicular keypads.

# Packaging Products Business Segment (Consolidated)



## Outlook for principal products

### < Segment Results > [%] To prior term

* Sales volume composition ratio	33.7% 【 28.1% 】
* Operating income	14.9% 【 (14.6)% 】

#### ■ Wafer containers

Growth continued for 300mm wafer cases (FOSB, FOUP), generating increased revenue.

Profits were somewhat diminished by the increased burden of depreciation and personnel costs caused by capital investments.

#### ■ Carrier tape

Both revenue and profits increased, boosted by the buoyancy of the electrical component and semiconductor industries.

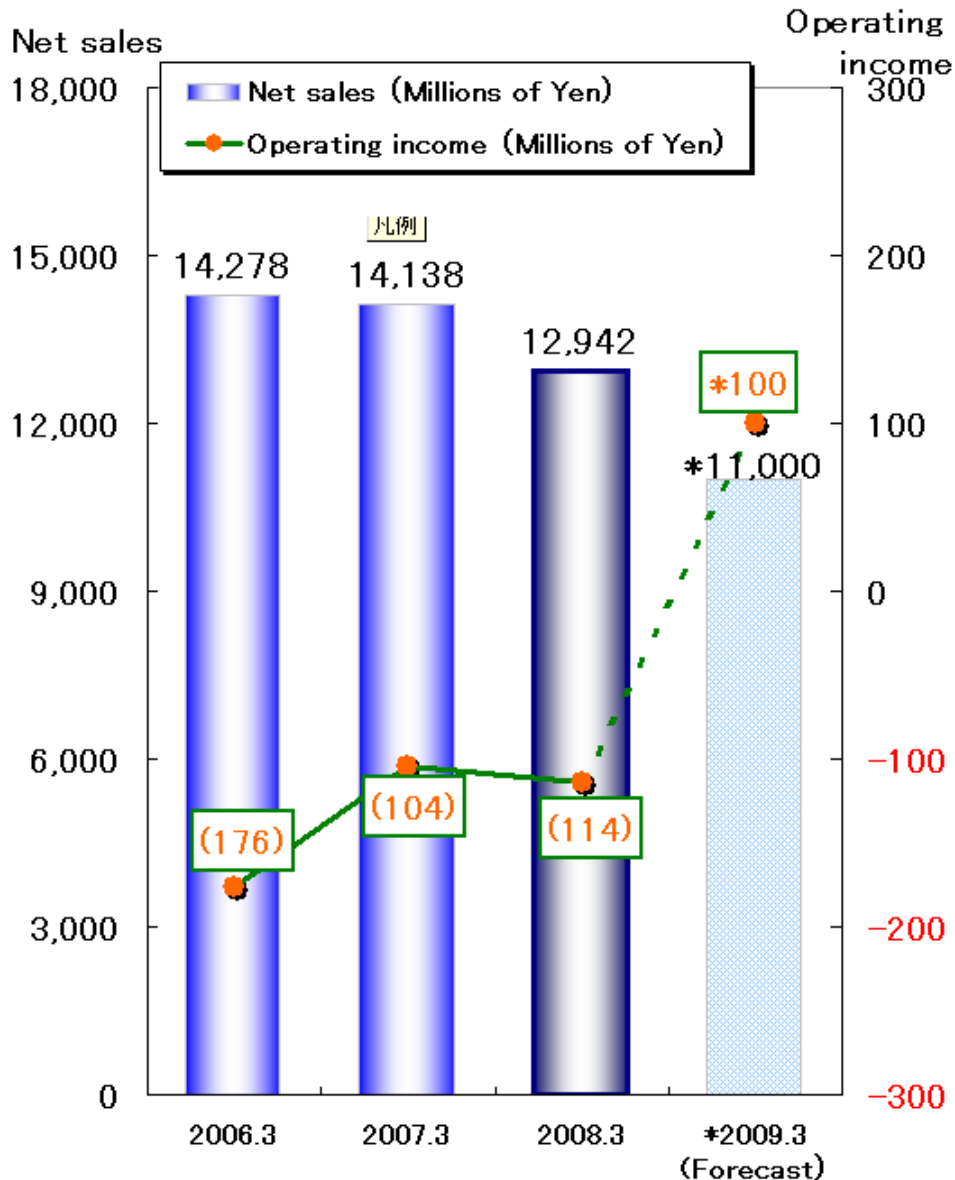
#### ■ General Packaging Materials

New products and automobile-related demand were among factors contributing to increased revenue and profits in wrapping films and plastic sheets.

#### 【Forecast for principal products】 Wafer containers

In the 300mm size, growth will center on automated FOSB, with FOUP declining in the first half. The depreciation burden of our new factory is expected to lead to reduced profits on increased income.

# Construction Materials and Constructing Business Segment (Consolidated)



## Outlook for principal products

### <Segment Results> [%]To prior term

* Sales volume composition ratio	12.2%	【13.1%】
* Operating income	(0.9)%	【(0.7)%】

#### ■ Construction Materials

The ongoing impacts of sluggish demand for PVC pipe-related products and cladding-related products, increased material costs due to crude oil prices, and other factors are reducing income and profits.

#### ■ Construction -related

Revenue declined, but efforts to reduce costs yielded increased profits.

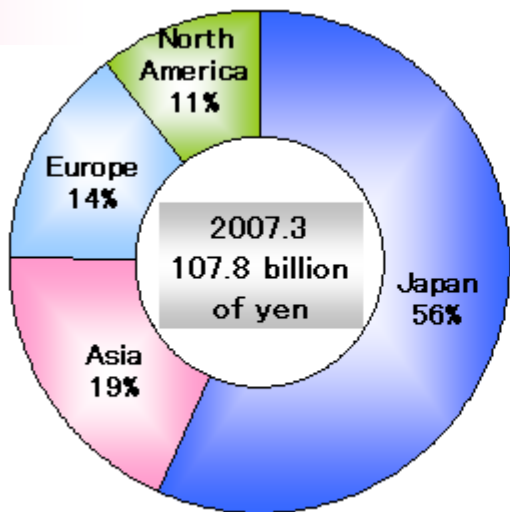
#### 【Forecast for principal products】Construction Materials

Improved bottom line due to price correction and rationalization.

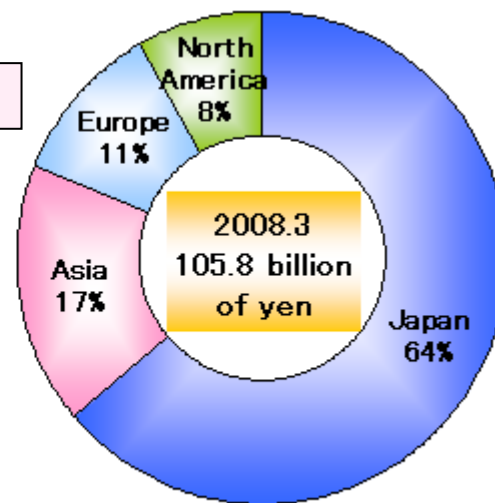
# Geographical Segment Information

## Net sales

2007

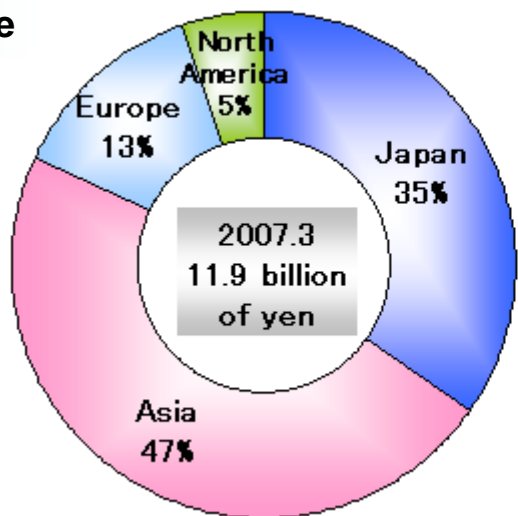


2008

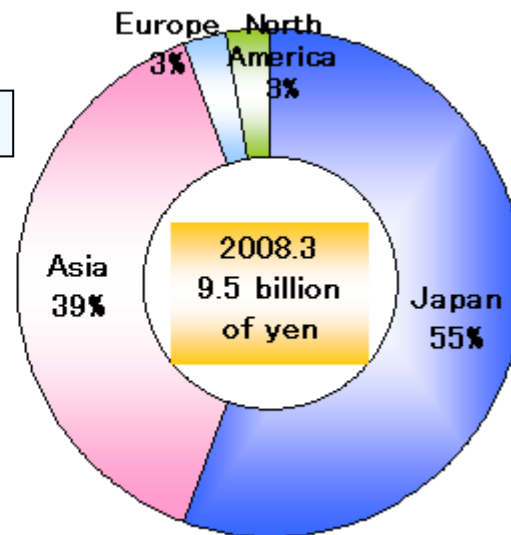


## Operating income

2007



2008



## Balance Sheets (Consolidated)

		millions of yen		
		2007.3	2008.3	Increase (Decrease)
Current assets	Cash and cash equivalents	28,953	22,880	(6,072)
	Notes and accounts receivable-trade	29,866	30,804	938
	Inventories	11,040	11,666	625
	Others	3,023	4,504	1,480
	Total	72,884	69,856	(3,028)
Fixed assets	Tangible fixed assets	27,881	28,895	1,014
	Intangible fixed assets	267	289	22
	Others	3,628	4,347	719
	Total	31,776	33,532	1,756
Total assets		104,661	103,388	(1,272)
Current liabilities	Notes and accounts payable-trade	23,901	20,596	(3,305)
	Short-term debt	2,380	2,846	465
	Others	8,155	6,145	(2,009)
	Total	34,437	29,588	(4,848)
Long-term liabilities	Long-term debt	2,212	1,148	(1,064)
	Accrued retirement benefits	1,159	1,328	168
	Others	373	420	47
	Total	3,745	2,896	(848)
Total liabilities		38,182	32,485	(5,697)
Total net assets		66,478	70,903	4,424
Total liabilities and net assets		104,661	103,388	(1,272)

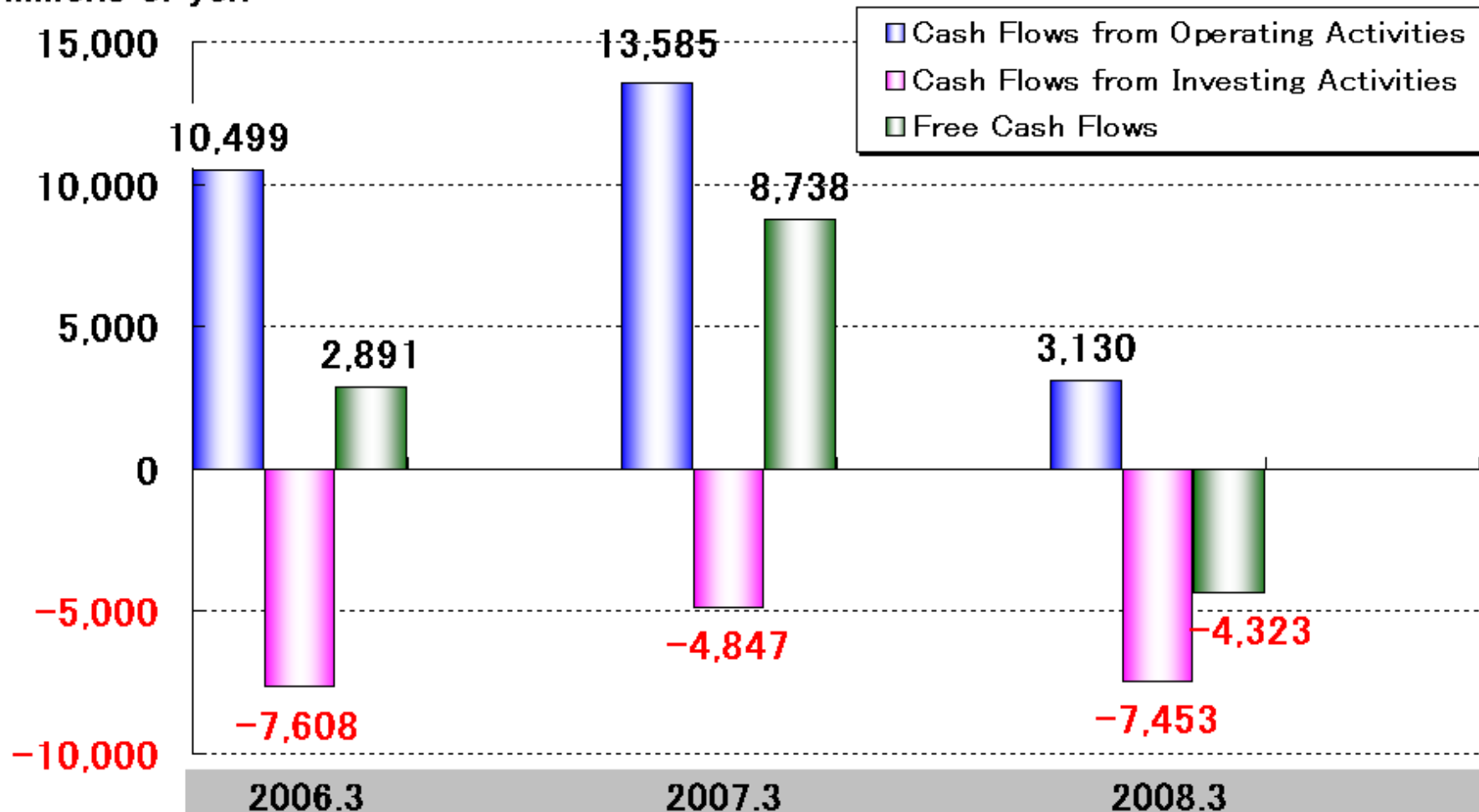
# Statements of Income (Consolidated)

millions of yen

	2007.3	2008.3	Increase (Decrease)	% change
<b>Net sales</b>	107,784	105,799	(1,984)	(1.8)
<b>Cost of sales</b>	78,160	78,821	660	0.8
Selling, general and administrative expenses	17,768	17,495	(273)	(1.5)
<b>Operating income</b>	11,854	9,482	(2,371)	(20.0)
<b>Non-operating income</b>	457	647	190	41.6
<b>Non-operating expenses</b>	248	834	586	235.8
<b>Ordinary income</b>	12,063	9,296	(2,767)	(22.9)
<b>Extraordinary gains</b>	138	878	739	532.6
<b>Extraordinary losses</b>	352	1,857	1,504	426.9
<b>Income before income taxes</b>	11,850	8,317	(3,532)	(29.8)
<b>Income taxes – current</b>	3,326	2,709	(617)	(18.6)
<b>Income taxes – deferred</b>	239	71	(168)	(70.1)
<b>Minority interests</b>	149	121	(28)	(19.2)
<b>Net income</b>	8,133	5,415	(2,718)	(33.4)

## Free Cash Flows (Consolidated)

millions of yen



※ See of the Consolidated Cash Flow Statement (English version) for more information.

## Performance Forecasts for the Year ended March 2009

millions of yen

		Consolidated			Non-consolidated		
		2008.3	2009.3 Forecast	% change	2008.3	2009.3 Forecast	% change
Net sales	Interim	51,652	48,000	92.9	33,356	32,000	95.9
	Annual	105,799	100,000	94.5	67,658	66,000	97.6
Operating income	Interim	5,408	3,100	57.3	1,523	1,300	85.4
	Annual	9,482	7,600	80.2	2,671	3,000	112.3
Ordinary income	Interim	5,501	3,000	54.5	2,755	2,300	83.5
	Annual	9,296	7,500	80.7	3,634	4,000	110.1
Net income	Interim	2,858	2,000	70.0	1,260	1,600	127.0
	Annual	5,415	4,800	88.6	1,621	2,800	172.7
Net income per share (in yen)	Interim	35.18	24.60	(10.58)	15.51	19.68	4.17
	Annual	66.64	59.05	(7.59)	19.96	34.44	14.48
Dividends per share (in yen)	Interim				7.5	7.50	—
	Annual				15.00	15.00	—