



**Consolidated Financial Summary (Japanese Accounting Standards)  
(For the first quarter ended June 30, 2020)**

July 27, 2020

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

Listing code: No. 7970 (URL <https://www.shinpoly.co.jp/english>)  
 Listing stock exchange: Tokyo  
 Representative: Yoshiaki Ono, Representative Director, President  
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Scheduled date to submit the Quarterly Securities Report: August 12, 2020

Scheduled date of dividend payout: —

Supplementary documents for quarterly results: None

Quarterly results briefing: None

(Amounts under a million yen are truncated.)

**1. Consolidated Financial Highlights for the First Quarter of the Fiscal Year Ending March 31, 2021  
(April 1, 2020 to June 30, 2020)**

**(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 – June 30, 2020	18,332	(5.7)	1,359	(25.3)	1,581	(12.9)	1,251	(2.9)
April – June 30, 2019	19,438	(6.1)	1,820	0.3	1,816	(10.3)	1,288	(10.4)

(Note) Comprehensive income (loss): June 30, 2020: ¥423 million (-71.3%); June 30, 2019: ¥1,477 million (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April – June 30, 2020	15.47	15.45
April – June 30, 2019	15.86	15.85

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Three months ended June 30, 2020	103,077	84,156	81.4
Year ended March 31, 2020	105,378	84,538	80.0

(Reference) Equity capital: June 30, 2020: ¥83,926 million; March 31, 2020: ¥84,308 million

**2. Dividends**

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2020	—	8.00	—	1000	18.00
March 2021	—	—	—	—	—
March 2021 (forecast)	—	9.00	—	9.00	18.00

(Note) Revisions to dividend forecasts published most recently: Yes  
 Dividend forecasts for the fiscal year ending March 31, 2021 are presented above.

**3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)**

(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	
First half	35,000	(13.1)	2,600	(33.8)	2,800	(30.6)	2,100	(31.6)	25.96	
Full year	—	—	—	—	—	—	—	—	—	—

(Note) Revisions to financial forecasts published most recently: Yes  
 It is difficult to reasonably calculate the effect of the coronavirus pandemic, and the financial forecasts for the fiscal year ending March 31, 2021 have yet to be determined. We will promptly announce financial forecasts for the fiscal year when the calculation is possible.

\* Notes

- (1) Any changes in important subsidiaries during the three months ended June 30, 2020 (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): | June 2020  | 82,623,376 shares |
|  | March 2020 | 82,623,376 shares |
| 2. Number of treasury shares as of the term end:                           | June 2020  | 1,739,702 shares  |
|  | March 2020 | 1,744,611 shares  |
| 3. Average number of shares during the term:                               | June 2020  | 80,880,367 shares |
|  | June 2019  | 81,246,074 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

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. Please refer to page 3 “1. Qualitative Information on Consolidated Results, etc. for the First Quarter Ended June 30, 2020 (2) Explanation of Information on Future Forecasts Such as Consolidated Financial Forecasts” for information on matters related to financial forecasts.

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## 1. Qualitative Information on Consolidated Results, etc. for the First Quarter Ended June 30, 2020

### (1) Qualitative Information on the Consolidated Results

The sense of uncertainty about the global economic outlook further increased during the first three months of the consolidated fiscal year ending March 31, 2021, as economic activity stagnated due to the coronavirus pandemic, amid escalation of trade friction attributable to protectionist economic policies. In the U.S., exports continued to sink, the employment situation worsened, and consumer spending weakened. European economies continued to see decline in domestic demand and showed a slowdown in growth mainly in the manufacturing industry. In Asia, the economies were generally weak, and the Chinese economy continued to slow.

In the Japanese economy, the coronavirus pandemic led to declines in consumer spending, production and exports, and corporate capital expenditure also remained lackluster.

The Group's business environment remained challenging overall, reflecting sluggish demand in the automotive sector despite hardly any fall in demand in the semiconductor and electronics component industries due to the coronavirus pandemic.

In this operating environment, the Group took steps to control the spread of the coronavirus while also continuing to focus its sales activities on boosting sales of both key products and new businesses in Japan and overseas and working to expand the production/supply systems as well.

As a result, consolidated net sales during the first quarter under review stood at ¥18,332 million (down 5.7% year on year). Operating profit amounted to ¥1,359 million (down 25.3% year on year), ordinary profit was ¥1,581 million (down 12.9% year on year), and profit attributable to owners of parent stood at ¥1,251 million (down 2.9% year on year).

Consolidated results by segment are as follows.

#### 1) Electronic Devices segment

In the Electronic Devices segment, overall sales were lower than the year-ago level, reflecting weak shipments particularly of automotive input devices, mainly due to lackluster demand in the automotive sector amid the coronavirus pandemic.

In the business of input devices, sales were weak, reflecting lackluster shipments of automotive key switches as well as slow growth in shipments of touchpads for slim notebook personal computers.

Sales of display-related products fell sharply, reflecting a continued poor performance in LCD connectors combined with sluggish shipments of view-control films (VCFs) for optical applications.

Sales of component-related products grew considerably, reflecting steady shipments of electronic-part testing connectors.

As a result, segment sales amounted to ¥4,417 million, down 9.8% year on year, and segment operating profit was ¥103 million, down 72.5% year on year.

#### 2) Precision Molding Products segment

In the Precision Molding Products segment, overall sales were higher than the year-ago level as shipments of semiconductor-related containers and carrier tape-related products held firm.

Sales of semiconductor-related containers grew, reflecting steady shipments for 300-mm wafer in-process containers on the back of firm demand in the semiconductor industry.

Sales of office automation equipment decreased from a year earlier due to absent growth in demand for development rollers for laser printers as mainstay products.

Sales of carrier tape-related products grew strongly amid gradual recovery in demand for electronic components for smartphones and 5G base stations.

Sales of silicone rubber molded products generally remained flat despite steady sales of mainstay medical equipment.

As a result, segment sales stood at ¥8,328 million (up 4.4% year on year) and operating profit was ¥1,152 million (down 3.6% year on year).

### 3) Housing & Living Materials segment

In the Housing & Living Materials segment, the Company implemented new pricing, worked to increase production efficiency, and promoted sales of products in new businesses amid the extremely harsh market environment of PVC products, however, growth in overall sales was slower than previous year, impacted by weak demand for food packing materials, construction materials and automotive-related materials.

In the segment of packing materials such as wrapping films, sales were weak, reflecting poor shipments overall, with firm sales to supermarkets offset by a slump in sales to the food service industry.

Sales of PVC pipes and related products were below the level a year earlier due to the failure to maintain the shipment volume amid intensifying market competition.

Sales of functional compounds were lackluster, reflecting continued sluggish shipments of robot cables coupled with a slowdown in the growth of automobile-related demand.

Sales of exterior materials were solid due to efforts to maintain a strong performance such as implementation of price revisions and expansion of sales to new customers.

Sales of conductive polymer, a new business product, were weak in the absence of recovery in orders for use in automotive electronic components despite steady shipments for use in smartphone components.

As a result, segment sales stood at ¥4,126 million (down 13.4% year on year) and segment operating profit was ¥32 million (down 79.8% year on year).

### 4) Others segment

Overall sales were down from the year-ago level due to a decrease in orders for new construction and renovation of commercial facilities, particularly in Tokyo and neighboring areas, and the interior construction of public facilities in the construction business, reflecting weak demand amid the coronavirus pandemic.

As a result, segment sales amounted to ¥1,460 million (down 18.7% year on year) and operating profit was ¥70 million (down 18.3% year on year).

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

The outlook across all aspects including economic activity, the business environment and the employment situation, remains uncertain amid the huge impact of the coronavirus pandemic on the Japanese economy and the wider global economy not to mention other factors such as the trade friction between the U.S. and China.

Looking at the business environment surrounding the Group, demand is likely to be relatively firm in the semiconductor industry and the electronics components industry. Meanwhile, the pace of recovery for demand in the automobile industry is expected to be slow due to the coronavirus pandemic.

Under these circumstances, the Group will ensure optimal production locations and further rationalize manufacturing to minimize the impact of the slump in automotive demand caused by the coronavirus pandemic.

The Group will also ensure good workplace hygiene and alter work styles to prevent the spread of the coronavirus amongst employees as well as strengthening BCM in case of shutdown.

The consolidated results for the first half of the fiscal year ending March 31, 2021 are expected to include sales of ¥35,000 million, operating profit of ¥2,600 million, ordinary profit of ¥2,800 million, and profit attributable to owners of parent of ¥2,100 million. In addition, with respect to forecasts of dividends, the annual dividend per share remains unchanged from the previous year, or ¥18 (the end of the second quarter: ¥9; the end of the fiscal year: ¥9).

**2. Consolidated Quarterly Financial Statements and Key Notes****(1) Consolidated Balance Sheets**

(Million yen)

	Year ended March 31, 2020	First quarter ended June 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	42,514	41,882
Notes and accounts receivable - trade	19,250	17,596
Electronically recorded monetary claims - operating	2,870	2,991
Merchandise and finished goods	7,086	6,802
Work in process	1,396	1,375
Raw materials and supplies	3,212	3,344
Accounts receivable - other	1,090	1,122
Other	765	581
Allowance for doubtful accounts	(511)	(532)
Total current assets	77,676	75,163
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,512	8,248
Machinery, equipment and vehicles, net	5,137	5,344
Land	6,652	6,620
Construction in progress	1,503	1,908
Other, net	1,774	1,703
Total property, plant and equipment	23,579	23,825
Intangible assets		
Software	74	99
Other	81	58
Total intangible assets	156	157
Investments and other assets		
Investment securities	1,874	1,982
Deferred tax assets	1,058	941
Other	1,033	1,006
Total investments and other assets	3,966	3,930
Total non-current assets	27,701	27,914
Total assets	105,378	103,077

## Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the first quarter ended June 30, 2020)

(Million yen)

	Year ended March 31, 2020	First quarter ended June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,591	8,796
Electronically recorded obligations - operating	2,057	2,510
Accounts payable - other	1,053	1,138
Income taxes payable	520	312
Accrued expenses	2,141	2,115
Provision for bonuses	1,296	792
Provision for bonuses for directors (and other officers)	57	14
Other	1,053	1,375
<b>Total current liabilities</b>	<b>18,771</b>	<b>17,056</b>
Non-current liabilities		
Retirement benefit liability	1,341	1,145
Other	726	720
<b>Total non-current liabilities</b>	<b>2,068</b>	<b>1,865</b>
<b>Total liabilities</b>	<b>20,839</b>	<b>18,921</b>
<b>Net Assets</b>		
Shareholders' equity		
Share capital	11,635	11,635
Capital surplus	10,718	10,718
Retained earnings	66,259	66,701
Treasury shares	(1,683)	(1,678)
<b>Total shareholders' equity</b>	<b>86,930</b>	<b>87,377</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	190	268
Foreign currency translation adjustment	(2,776)	(3,684)
Remeasurements of defined benefit plans	(36)	(34)
<b>Total accumulated other comprehensive income</b>	<b>(2,622)</b>	<b>(3,450)</b>
Share acquisition rights	229	229
<b>Total net assets</b>	<b>84,538</b>	<b>84,156</b>
<b>Total liabilities and net assets</b>	<b>105,378</b>	<b>103,077</b>

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

## Consolidated Statements of Income

Three months ended June 30

(Million yen)

	First quarter ended June 30, 2019 (April 1, 2019 to June 30, 2019)	First quarter ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Net sales	19,438	18,332
Cost of sales	13,308	12,696
Gross profit	6,129	5,635
Selling, general and administrative expenses	4,309	4,276
Operating profit	1,820	1,359
Non-operating income		
Interest income	105	96
Foreign exchange gains	–	100
Gain on sales of investment securities	76	–
Other	40	35
Total non-operating income	223	231
Non-operating expenses		
Interest expenses	5	7
Foreign exchange losses	214	–
Other	7	1
Total non-operating expenses	226	9
Ordinary profit	1,816	1,581
Profit before income taxes	1,816	1,581
Income taxes - current	238	245
Income taxes - deferred	289	85
Total income taxes	527	330
Profit	1,288	1,251
Profit attributable to owners of parent	1,288	1,251



## Consolidated Statement of Comprehensive Income

Three months ended June 30

(Million yen)

	First quarter ended June 30, 2019 (April 1, 2019 to June 30, 2019)	First quarter ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Profit	1,288	1,251
Other comprehensive income		
Valuation difference on available-for-sale securities	(72)	77
Foreign currency translation adjustment	258	(907)
Remeasurements of defined benefit plans, net of tax	2	2
Total other comprehensive income	189	(827)
Comprehensive income	1,477	423
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,477	423

(3) 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

Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	4,894	7,979	4,767	17,641	1,796	19,438
Inter-segment sales or transfers	–	–	–	–	–	–
Total	4,894	7,979	4,767	17,641	1,796	19,438
Segment profit (Operating profit)	376	1,195	161	1,733	86	1,820

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

Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	4,417	8,328	4,126	16,872	1,460	18,332
Inter-segment sales or transfers	–	–	–	–	–	–
Total	4,417	8,328	4,126	16,872	1,460	18,332
Segment profit (Operating profit)	103	1,152	32	1,288	70	1,359

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