

2<sup>nd</sup> Quarter of Financial Year  
Ended March 2021

# Business Result

Nov 9, 2020

**Shin-Etsu**

Shin-Etsu Polymer Co., Ltd.  
Listing code:7970

September 15, 2020

The 60th anniversary of our founding.



**Shin-Etsu**  
Shin-Etsu Polymer Co., Ltd.



# Contents

1. Main Points of Consolidated Performance
2. Summary of Consolidated Performance
3. Changes in Consolidated Financial Results
4. Summary of Performance by Business Segment
5. Performance by Business Segment
  - Electronic Devices
  - Precision Molding Products
  - Housing & Living Materials
6. Financial Statements
  - Comparative Balance Sheet
  - Comparative Statement of Income
  - Cash Flow Statement
7. Performance Forecast
8. Performance Forecast by Business Segment
9. Capital Expenditure, Depreciation, Research & Development

## **【Company Overview】**

- Profile
- Technological Development
- Main Products
- Global Network

## **【Reference Materials】**

- Financial Summary
- Quarterly Changes by Business Segment
- Dividend per share
- Forward-Looking Statements

# 1. Main Points of Consolidated Performance

①

Demand in the automotive sector, etc.  
was sluggish due to COVID-19.



Sales of automotive input devices,  
PVC products and  
new material products decreased.

②

The semiconductor industry and  
electronic component industry remained strong.



Sales of semiconductor related containers  
were steady.

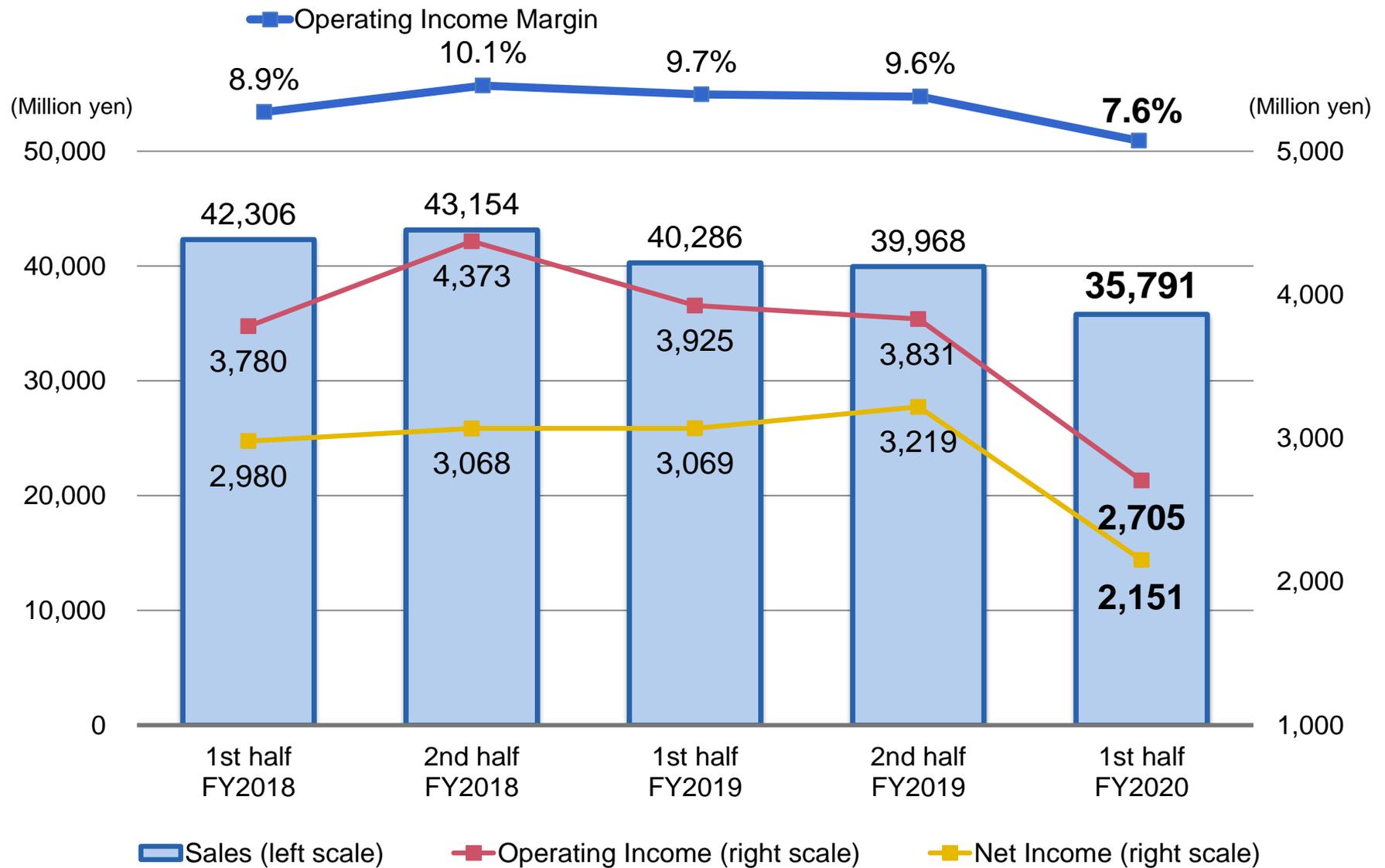
## 2. Summary of Consolidated Performance

(Million yen)

	1st half FY2019	1st half FY2020	Change	
<b>Net Sales</b>	<b>40,286</b>	<b>35,791</b>	<b>△ 4,495</b>	<b>△ 11.2%</b>
<b>Operating Income</b>	<b>3,925</b>	<b>2,705</b>	<b>△ 1,220</b>	<b>△ 31.1%</b>
<b>Ordinary Income</b>	<b>4,033</b>	<b>2,927</b>	<b>△ 1,106</b>	<b>△ 27.4%</b>
<b>Net Income</b>	<b>3,069</b>	<b>2,151</b>	<b>△ 918</b>	<b>△ 29.9%</b>
<b>Net Income per Share (yen)</b>	<b>37.8</b>	<b>26.6</b>	<b>△ 11.2</b>	<b>△ 29.6%</b>
<b>Dividend per Share (yen)</b>	<b>8.0</b>	<b>9.0</b>	<b>1.0</b>	<b>12.5%</b>
<b>Exchange Rate</b> (yen/US dollar)	Jan.-Jun. (Avg.)	<b>110.1</b>	-	-
	Apr.-Sept. (Avg.)	<b>108.6</b>	-	-

Notes: Average exchange rates for January-June are used when converting the income statements of overseas subsidiaries into yen.

# 3. Changes in Consolidated Financial Results

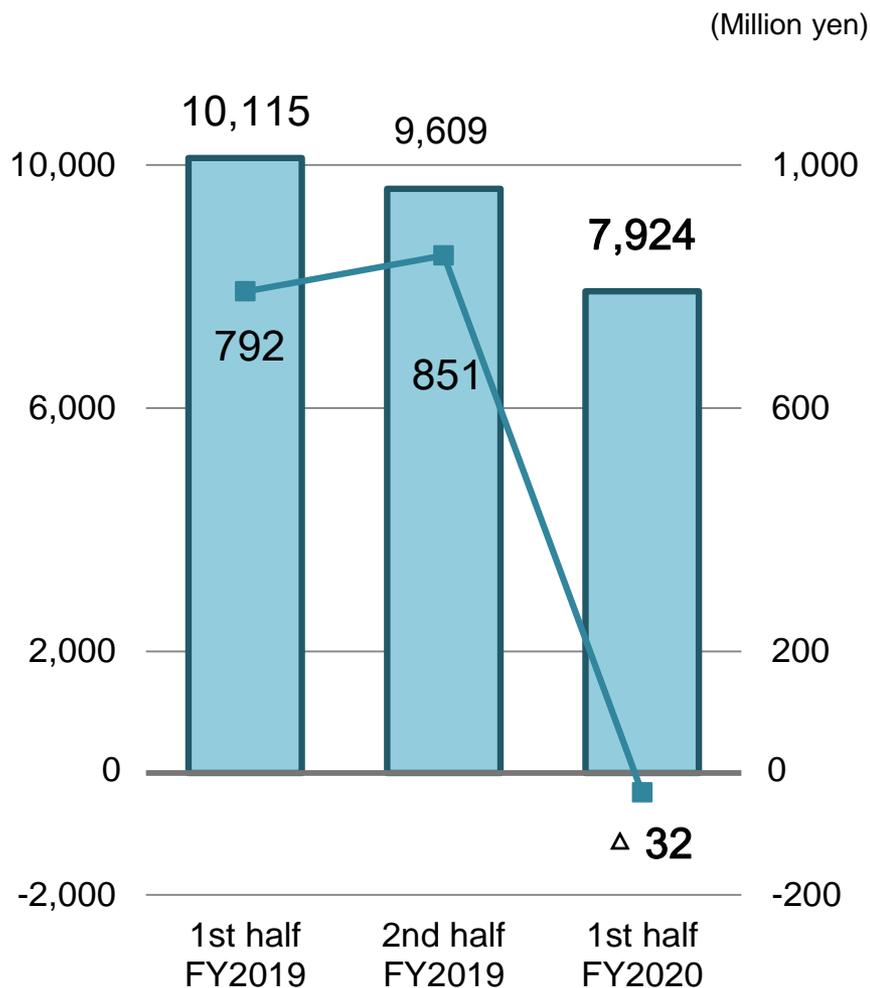


# 4. Summary of Performance by Business Segment

(Million yen)

	Sales			Operating Income				
	1st half FY2019	1st half FY2020	Change		1st half FY2019	1st half FY2020	Change	
Electronic Devices	10,115	7,924	△ 2,191	△ 21.7%	792	△ 32	△ 824	△104.0%
Precision Molding Products	16,354	16,673	319	2.0%	2,603	2,554	△ 49	△1.9%
Housing & Living Materials	9,665	8,445	△ 1,220	△ 12.6%	363	89	△ 274	△75.5%
Others	4,149	2,748	△ 1,401	△ 33.8%	165	93	△ 72	△43.6%
<b>Total</b>	<b>40,286</b>	<b>35,791</b>	<b>△ 4,495</b>	<b>△ 11.2%</b>	<b>3,925</b>	<b>2,705</b>	<b>△ 1,220</b>	<b>△31.1%</b>

# 5. Performance by Business Segment Electronic Devices



■ Sales (left scale) ■ Operating Income (right scale)

## ■ Input devices

Demands of automotive key switches were sluggish. Shipments of touchpads for thin laptop remained strong.

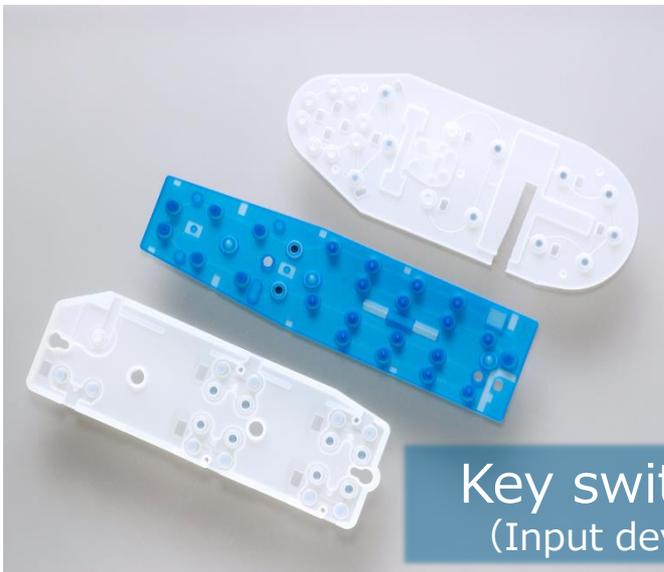
## ■ Display-related products

Sales of LCD connectors continued poor performance. Shipments of view control film (VCF) for optical use remained flat.

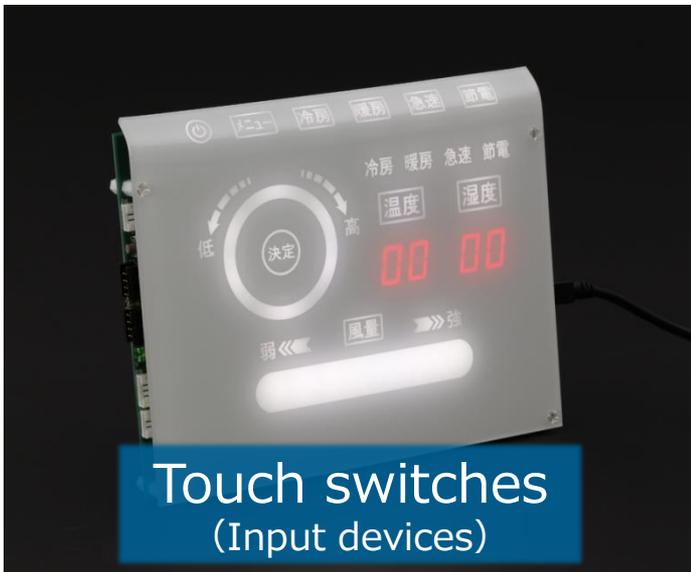
## ■ Component-related products

Sales of testing connectors were increased. Sales of automotive-related products as wiper parts were sluggish.

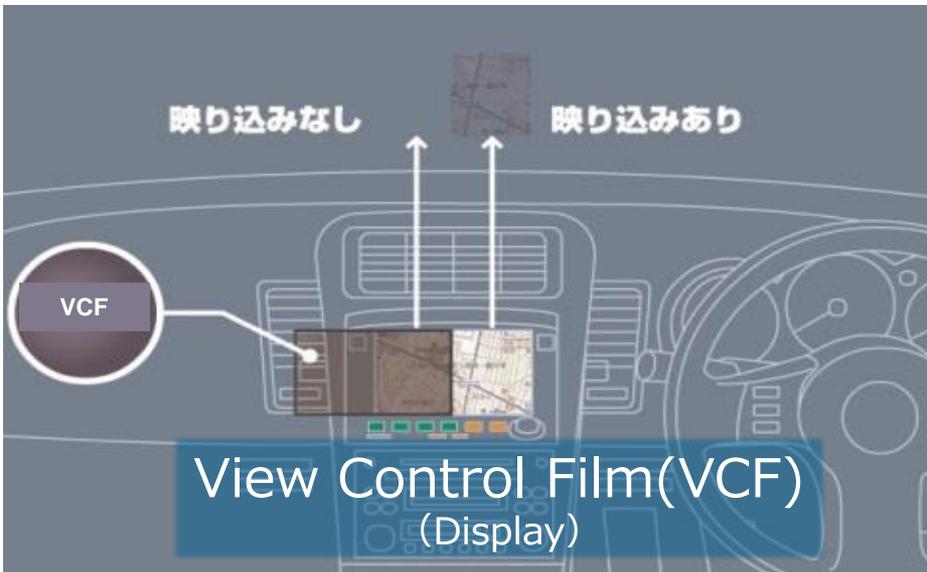
# 5. Performance by Business Segment Electronic Devices



**Key switches**  
(Input devices)



**Touch switches**  
(Input devices)

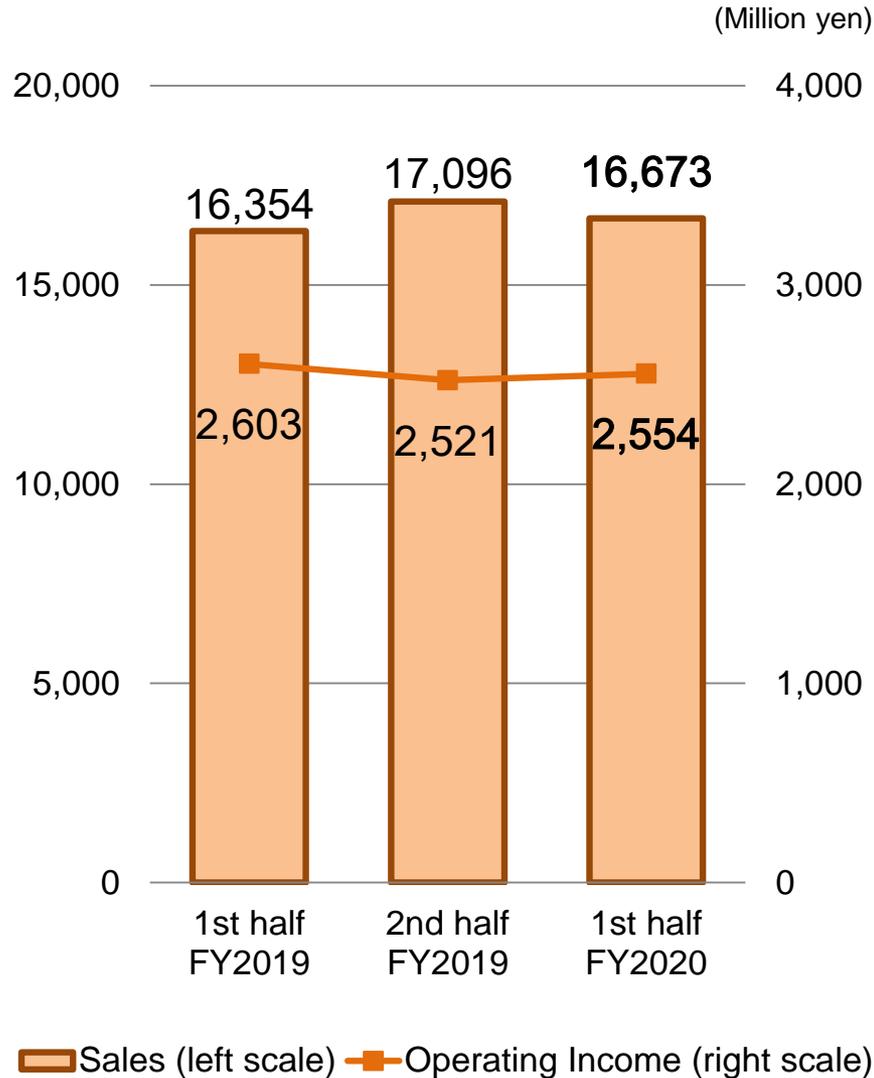


**View Control Film(VCF)**  
(Display)



**Testing connectors**  
(Components)

# 5. Performance by Business Segment Precision Molding Products



## ■ Semiconductor-related containers

Sales of 300 mm-wafer shipping containers were steady. Demands of in-process containers were not recovered.

## ■ OA device components

Sales for mainstay development rollers were sluggish.

## ■ Carrier tape-related products

Shipments for micro components and semiconductors remained solid.

## ■ Silicone rubber molded products

Sales of medical products grew steadily.

# 5. Performance by Business Segment Precision Molding Products



**Wafer containers**  
(Silicone wafer container)



**Embossed carrier tapes**

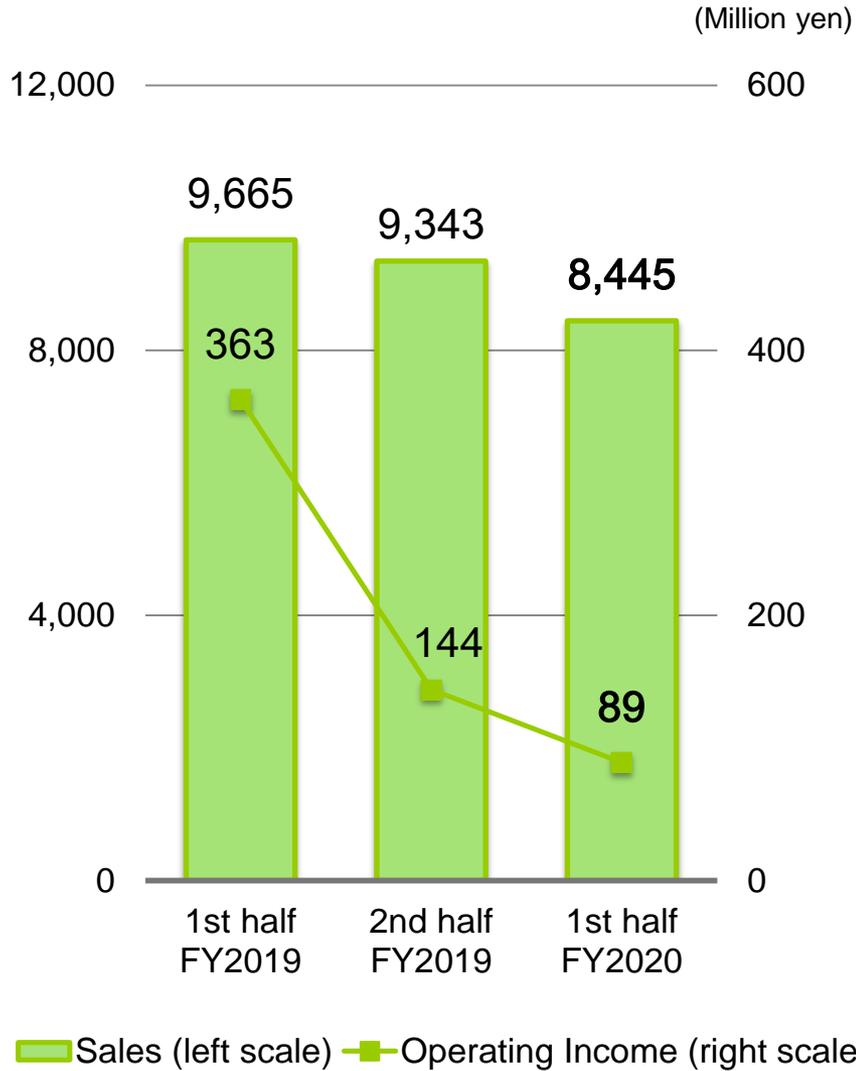


**OA rollers**  
(OA device components)



**Medical components / Catheter**  
(Silicone rubber molded products)

# 5. Performance by Business Segment Housing & Living Materials



## ■ Wrapping films

Sales for supermarkets were steady, but for food services were dropped.

## ■ Functional compounds

Sales for both robot cables and for automobiles were sluggish.

## ■ Exterior material-related products

Demand of corrugated sheets grew.

## ■ Conductive polymers

Sales for both use in smartphone components and use in automotive electronic components declined.

# 5. Performance by Business Segment Housing & Living Materials



Wrapping films



Corrugated sheets  
(Exterior products)



Functional compounds



Conductive polymers

# 6. Financial Statements Comparative Balance Sheet

		(Million yen)		
		As of End of Mar. 2019	As of End of Sep. 2020	Change
<b>Current Assets</b>	Cash and deposits	42,514	45,294	2,780
	Notes and accounts receivable— trade	22,121	18,856	△ 3,265
	Electronically recorded monetary claims—operating	11,696	11,419	△ 277
	Inventory assets	1,344	983	△ 361
	Other	<b>77,676</b>	<b>76,554</b>	<b>△ 1,122</b>
	<b>Total</b>	23,579	23,487	△ 92
<b>Noncurrent Assets</b>	Property, plant and equipment	156	157	1
	Intangible assets	3,966	4,010	44
	Other	<b>27,701</b>	<b>27,654</b>	<b>△ 47</b>
	<b>Total</b>	<b>105,378</b>	<b>104,209</b>	<b>△ 1,169</b>
<b>Total assets</b>				
<b>Current Liabilities</b>	Notes and accounts payable—trade	12,649	10,765	△ 1,884
	Electronically recorded obligations —operating	6,122	6,572	450
	Other	<b>18,771</b>	<b>17,337</b>	<b>△ 1,434</b>
	<b>Total</b>	1,341	1,155	△ 186
<b>Noncurrent Liabilities</b>	Net defined benefit liability	726	695	△ 31
	Other	<b>2,068</b>	<b>1,851</b>	<b>△ 217</b>
	<b>Total</b>	<b>20,839</b>	<b>19,189</b>	<b>△ 1,650</b>
<b>Total liabilities</b>		<b>84,538</b>	<b>85,020</b>	<b>482</b>
<b>Total net assets</b>		<b>105,378</b>	<b>104,209</b>	<b>△ 1,169</b>
<b>Total liabilities and net assets</b>				

# 6. Financial Statements Comparative Statement of Income

(Million yen)

	1st half FY2019	1st half FY2020	Change	
<b>Net sales</b>	<b>40,286</b>	<b>35,791</b>	<b>△ 4,495</b>	<b>△ 11.2%</b>
Cost of sales	27,498	24,705	△ 2,793	△ 10.2%
Selling, general and administrative expenses	8,861	8,381	△ 480	△ 5.4%
<b>Operating income</b>	<b>3,925</b>	<b>2,705</b>	<b>△ 1,220</b>	<b>△ 31.1%</b>
Non-operating income	315	239	△ 76	△ 24.1%
Non-operating expenses	207	17	△ 190	△ 91.8%
<b>Ordinary income</b>	<b>4,033</b>	<b>2,927</b>	<b>△ 1,106</b>	<b>△ 27.4%</b>
<b>Income before income taxes and minority interests</b>	<b>4,033</b>	<b>2,927</b>	<b>△ 1,106</b>	<b>△ 27.4%</b>
Income taxes—current	782	785	3	0.4%
Income taxes—deferred	181	△ 9	△ 190	△ 105.0%
<b>Net income</b>	<b>3,069</b>	<b>2,151</b>	<b>△ 918</b>	<b>△ 29.9%</b>

## 6. Financial Statements Cash Flow Statement

(Million yen)

	1st half FY2019	1st half FY2020
Cash flow provided by (used in) operating activities	3,343	5,957
Net cash provided by (used in) investing activities	△ 2,596	△ 1,435
Net cash provided by (used in ) financing activities	△ 650	△ 882
Cash and cash equivalents at end of period	40,239	44,769

# 7. Performance Forecast

(Million yen)

	FY2019	FY2020 (Forecast)	Change	
Net Sales	80,254	74,000	△ 6254	△ 7.8%
Operating Income	7,756	5,800	△ 1956	△ 25.2%
Ordinary Income	8,097	6,000	△ 2097	△ 25.9%
Current Net Income	6,288	4,400	△ 1888	△ 30.0%
Current Net Income per Share (yen)	77.6	54.4	△ 23	△ 29.9%
Annual Dividend per Share (yen)	18.0	18.0	0	0.0%

# 8. Performance Forecast by Business Segment

(Million yen)

Sales				
	FY2019	FY2020 (Forecast)	Change	
Electronic Devices	19,725	17,600	△ 2,125	△ 10.8%
Precision Molding Products	33,451	33,600	149	0.4%
Housing & Living Materials	19,009	17,300	△ 1,709	△ 9.0%
Others	8,067	5,500	△ 2,567	△ 31.8%
<b>Total</b>	<b>80,254</b>	<b>74,000</b>	<b>△ 6,254</b>	<b>△ 7.8%</b>

Operating Income				
	FY2019	FY2020 (Forecast)	Change	
Electronic Devices	1,644	550	△ 1,094	△ 66.5%
Precision Molding Products	5,125	5,000	△ 125	△ 2.4%
Housing & Living Materials	508	150	△ 358	△ 70.5%
Others	478	100	△ 378	△ 79.1%
<b>Total</b>	<b>7,756</b>	<b>5,800</b>	<b>△ 1,956</b>	<b>△ 25.2%</b>

## 9. Capital Expenditure, Depreciation, Research & Development

(Million yen)

	FY2017	FY2018	FY2019	FY2020 (Forecast)
Capital Expenditure	5,420	6,023	3,032	3,600
Depreciation	3,011	3,790	3,939	3,600
R&D Costs	3,382	4,249	3,896	3,800

### <CAPEX Topics>

#### ◆ Expansion of Shin-Etsu Polymer India

Third plant building in the current land will be completed March 2021.

The slide features a light blue background with a grid pattern. A large, semi-transparent globe is centered on the left, showing the Americas. A dark blue horizontal bar is overlaid on the globe, containing the text 'Company Overview'. To the right of the globe, there are several glowing green and yellow circuit-like lines and nodes, suggesting a digital or technological theme. A thick, dark blue curved line arches over the globe and extends towards the right side of the slide.

# Company Overview

# 【Company Overview】 Profile

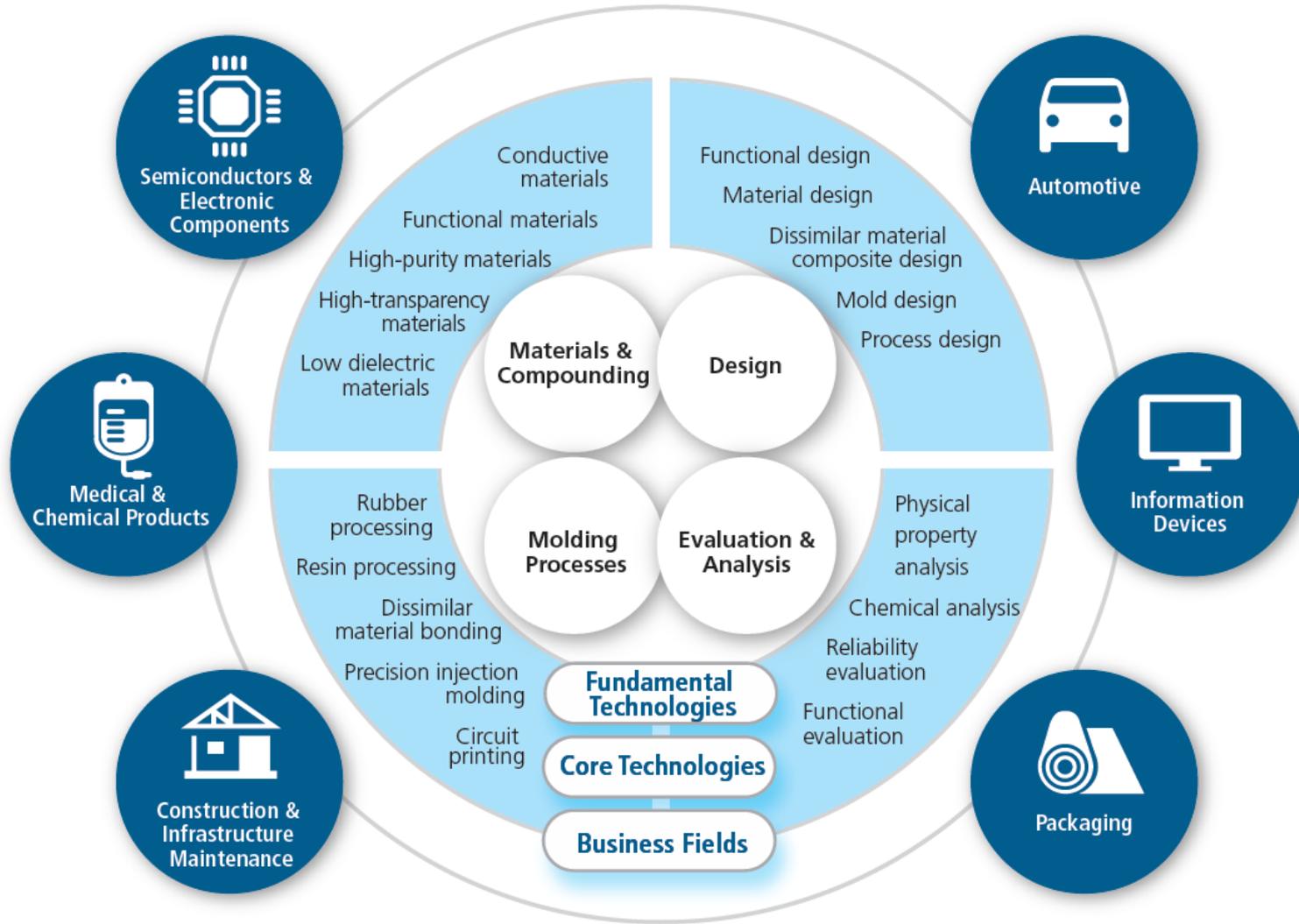
**Shin-Etsu Polymer was established in 1960  
as a manufacturer of polyvinyl chloride (PVC) products.**

**Since then, we have developed applications for our fundamental technologies  
using silicone and various plastics involving materials and compounding,  
design, molding processes, and evaluation and analysis.**

**As a manufacturer of molded plastic products,  
we meet diverse customer needs in a wide array of fields from automobiles  
and information devices to semiconductors and construction materials.**

<b>Established</b>	September 15, 1960, as a wholly owned subsidiary of Shin-Etsu Chemical Co., Ltd.
<b>Main businesses</b>	Manufacture and sale of resin processed products Operates businesses in a wide array of fields from electric and electronic devices to construction materials
<b>Paid-in capital</b>	¥11,635.95 million
<b>Number of consolidated subsidiaries</b>	14
<b>Number of employees</b>	4,552 (consolidated), 1,028 (non-consolidated) (As of September 30, 2020)

# 【Company Overview】 Technological Development



## Ability to Meet Global Needs

(As of September 30, 2020)



■ Production site  
● Sales site

The background features a large, semi-transparent globe of the Earth on the left side, showing the Americas. A dark teal horizontal bar is overlaid on the globe, containing the text 'Reference Materials'. To the right of the globe, there is a complex network of white and light teal lines and nodes, resembling a circuit board or a data network, set against a light teal background with a grid pattern. A thick, dark teal curved line arches over the globe and the network.

# Reference Materials

# 【Reference Materials】 Financial Summary

(Million yen)

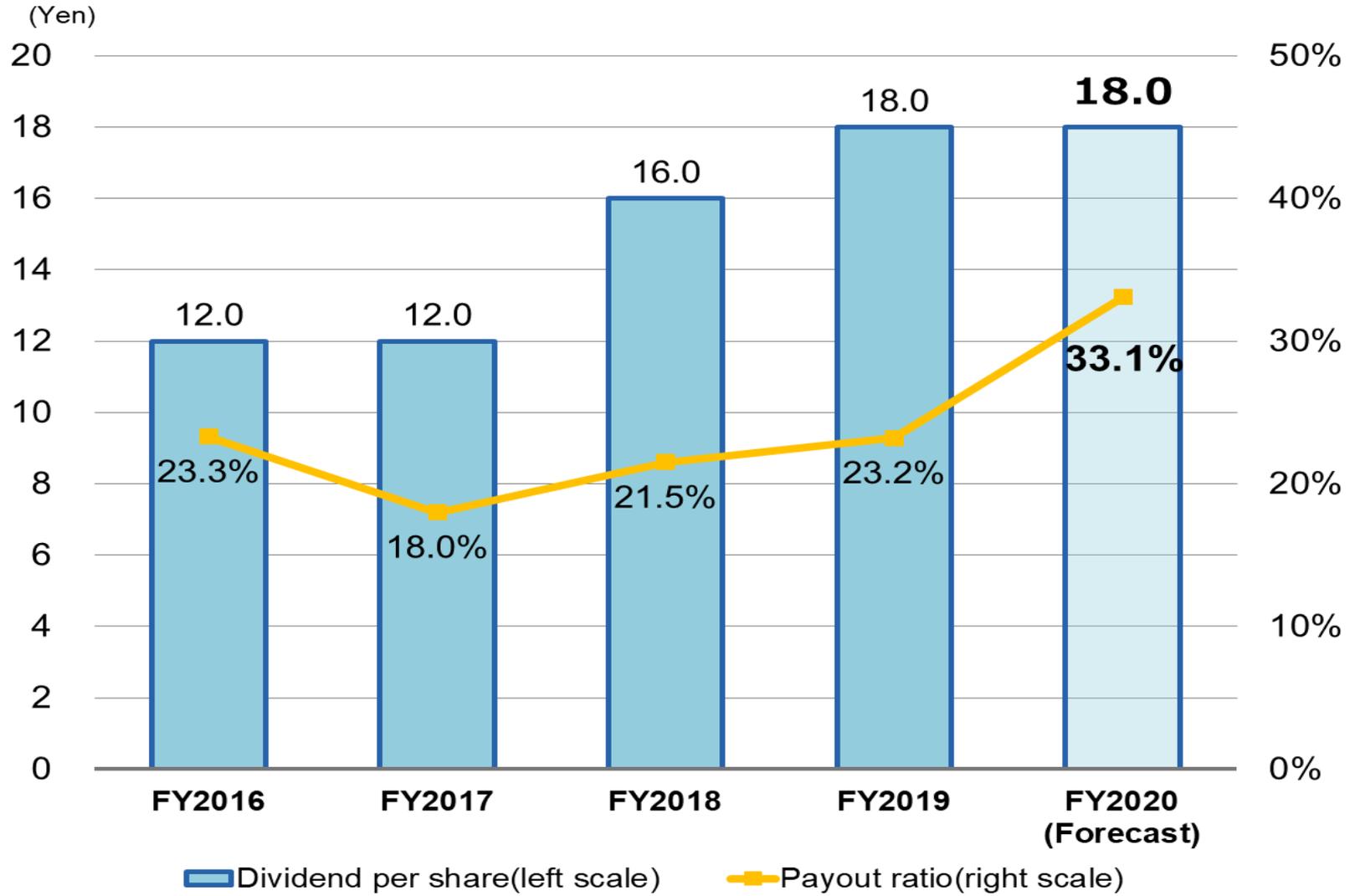
	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales	75,039	73,979	79,343	85,460	80,254
Operating income	4,101	5,511	7,206	8,153	7,756
Ordinary income	4,532	5,934	7,274	8,026	8,097
Current net income	3,151	4,230	5,455	6,049	6,288
Total assets	92,845	96,061	103,667	107,032	105,378
Net assets	71,253	72,890	77,510	80,560	84,538
Equity ratio	76.7%	75.8%	74.6%	75.1%	80.0%
Current net income per share(yen)	38.55	51.60	66.48	74.27	77.55
Annual dividend per share(yen)	9.00	12.00	12.00	16.00	18.00
Operating margin	5.5%	7.5%	9.1%	9.5%	9.7%
ROE - Return (Net income) on equity)	4.4%	5.9%	7.3%	7.7%	7.6%
ROA - Return (Ordinary income) on assets	4.9%	6.3%	7.3%	7.6%	7.6%
Number of employees	3,942	4,144	4,407	4,614	4,655

# 【Reference Materials】 Quarterly Changes by Business Segment

(Million yen)

		FY2019						FY2020		
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half
<b>Electronic Devices</b>	Net Sales	4,894	5,220	10,115	4,972	4,636	9,609	4,417	3,507	7,924
	Operating Income	376	415	792	445	406	851	103	△ 135	△ 32
<b>Precision Molding Products</b>	Net Sales	7,979	8,375	16,354	8,698	8,398	17,096	8,328	8,344	16,673
	Operating Income	1,195	1,408	2,603	1,219	1,302	2,521	1,152	1,401	2,554
<b>Housing &amp; Living Materials</b>	Net Sales	4,767	4,898	9,665	4,972	4,371	9,343	4,126	4,319	8,445
	Operating Income	161	202	363	87	57	144	32	57	89
<b>Others</b>	Net Sales	1,796	2,353	4,149	1,794	2,123	3,918	1,460	1,288	2,748
	Operating Income	86	78	165	165	148	313	70	22	93
<b>Total</b>	Net Sales	19,438	20,848	40,286	20,438	19,529	39,968	18,332	17,459	35,791
	Operating Income	1,820	2,105	3,925	1,917	1,913	3,831	1,359	1,345	2,705

# 【Reference Materials】 Dividend per share





## **Forward-Looking Statements**

This document contains information about Shin-Etsu Polymer's current plans, strategies and other items not based on historical fact. These are forward-looking statements that involve risks and uncertainties. Actual results may differ significantly from those discussed in the forward-looking statements due to various factors in the Company's operating environment, including changes in economic and market conditions, foreign exchange rates and demand trends.

Note: All yen figures in this document have been rounded down to the nearest unit.