

2nd Quarter of Financial Year
Ended March 2023

Business Result

November 8th, 2022

Shin-Etsu

Shin-Etsu Polymer Co., Ltd.

Listing code : 7970



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1. Main Points of Consolidated Financial Results

Demand in automotive-related industries remained flat.



Sales of automobile-related input devices surpassed the previous year due to price revisions.

Demand in the semiconductor industry remained high.



Sales of semiconductor-related containers, mainly for 300mm wafers, were strong.

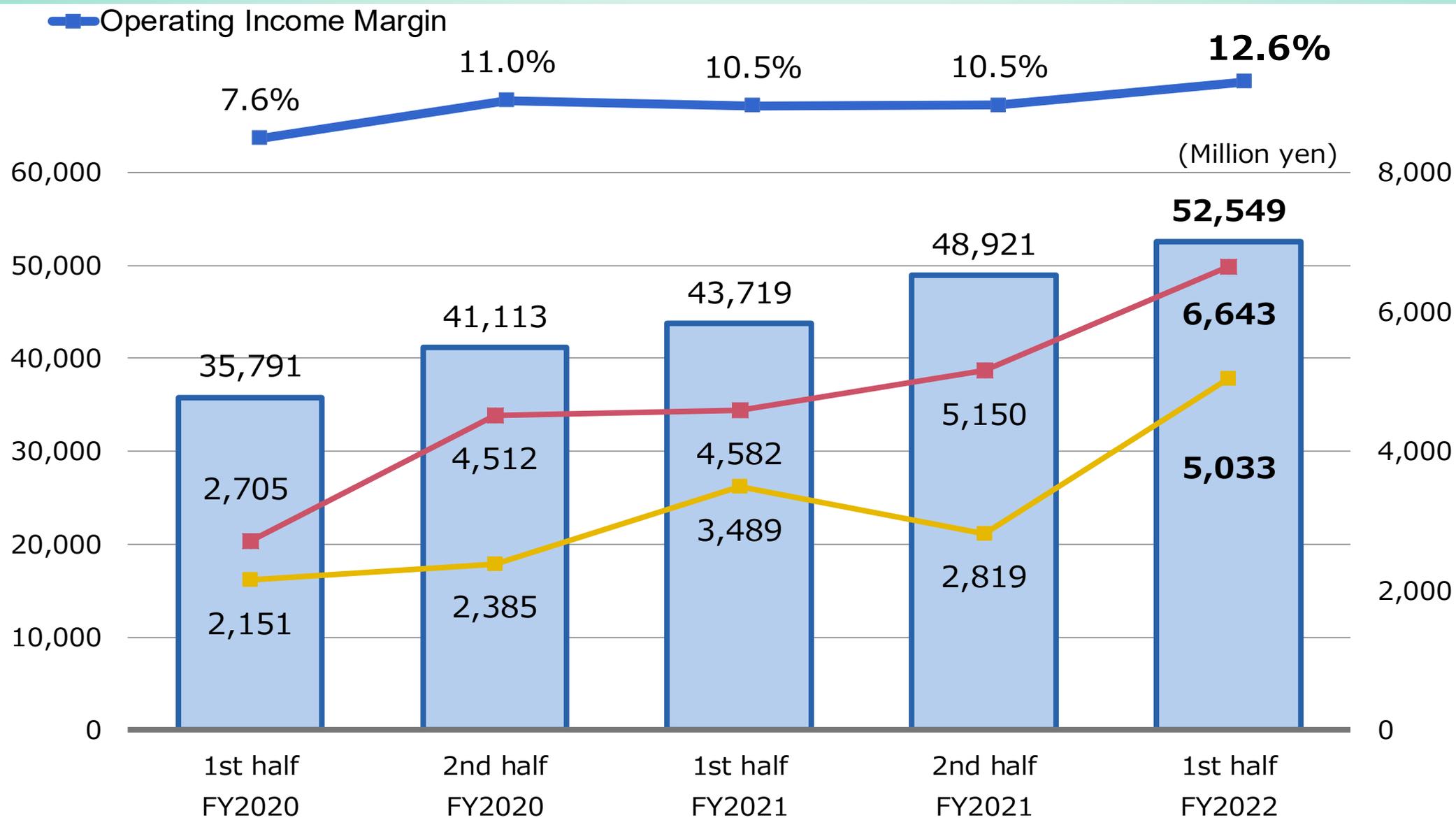
2. Summary of Consolidated Financial Results

(Million yen)

		1st half FY 2021	1st half FY 2022	Change	
Net sales		43,719	52,549	8,830	20.2%
Operating income		4,582	6,643	2,061	45.0%
Ordinary income		4,704	7,384	2,680	57.0%
Net income		3,489	5,033	1,544	44.2%
Net Income per share (yen)		43.1	62.4	19.3	44.7%
Dividend per share (yen)		12.0	18.0	6.0	50.0%
Exchange Rate (yen/US dollar)	Jan.-Jun. (Avg.)	107.7	122.9	-	-
	Apr.-Sep. (Avg.)	109.8	134.0	-	-

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



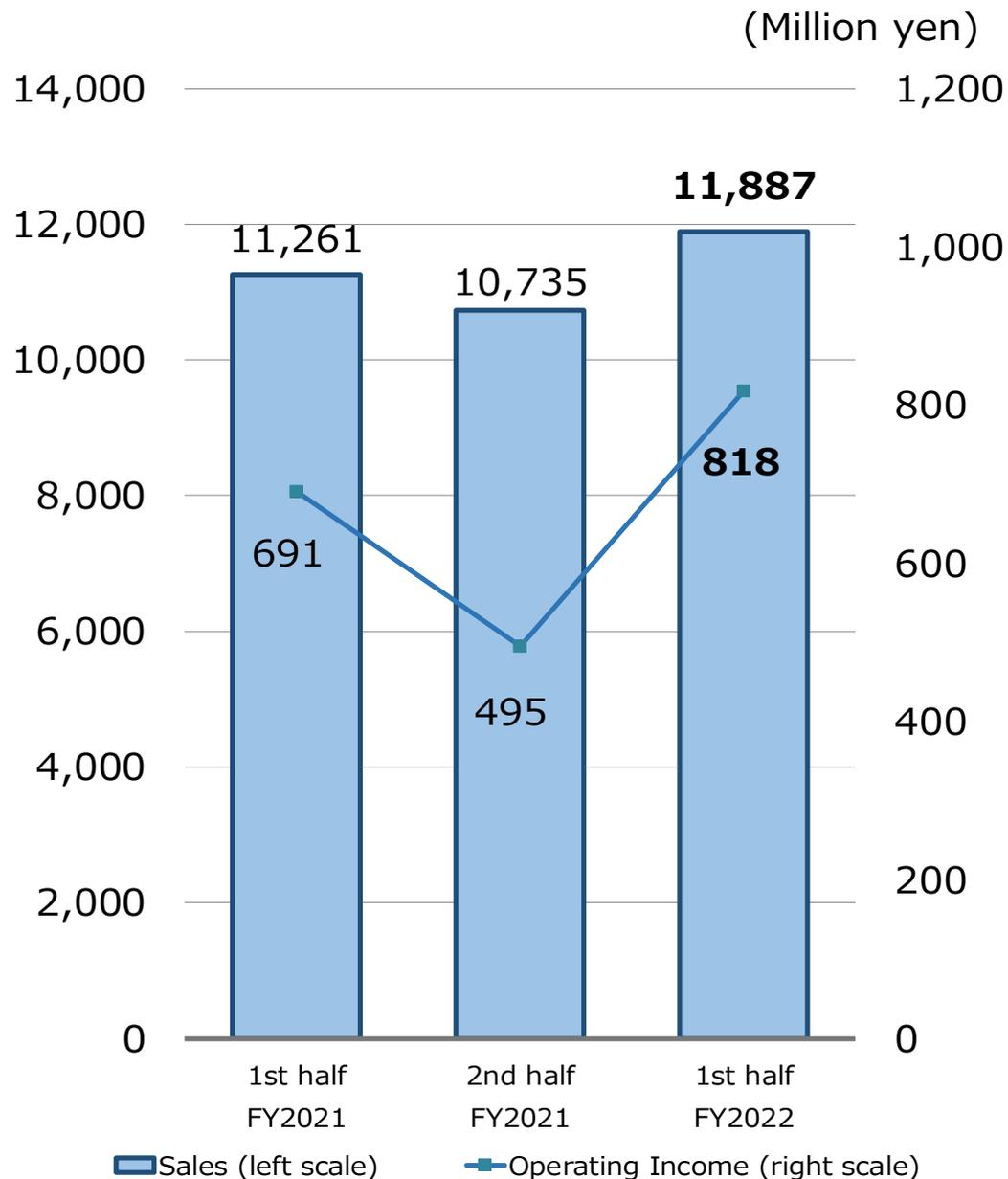
■ Sales (left scale)
 ■ Operating Income (right scale)
 ■ Net Income (right scale)

4. Summary of Performance by Business Segment

(単位：百万円)

	Sales				Operating Income			
	1st half FY2021	1st half FY2022	Change		1st half FY2021	1st half FY2022	Change	
Electronic Devices	11,261	11,887	626	5.6%	691	818	127	18.3%
Precision Molding Products	19,525	24,372	4,847	24.8%	3,381	5,252	1,871	55.3%
Housing & Living Materials	9,683	12,981	3,298	34.1%	363	442	79	21.8%
Others	3,248	3,307	59	1.8%	145	130	△ 15	△ 9.9%
Total	43,719	52,549	8,830	20.2%	4,582	6,643	2,061	45.0%

5. Financial Results by Business Segment Electronic Devices



■ Input devices

Shipments of key switches for automobiles remained sluggish, and sales of touchpads for slim notebook personal computers were firm.

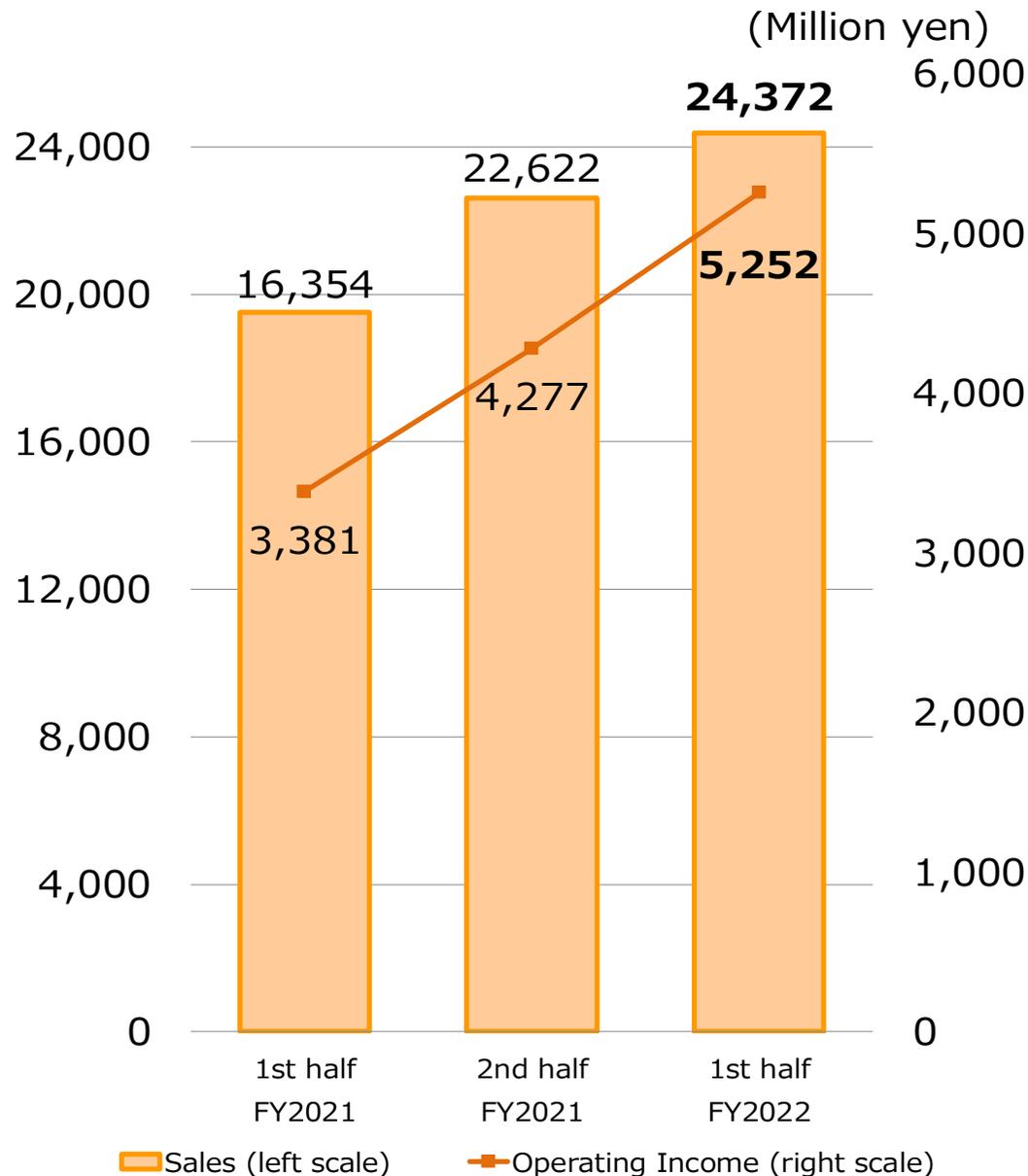
■ Display-related products

Shipments of LCD connectors were on a par with the year-ago level, and sales of view/light path control film (VCF) was strong.

■ Component related products

Sales of wipers for automobiles and other automobile-related products were strong.

5. Financial Results by Business Segment Precision Molding Products



■ Semiconductor-related containers

Sales of 300mm wafer shipping containers were mainly strong.

■ OA device components

Sales of mainstay rollers for laser printers were strong, and rollers for MFPs were increased.

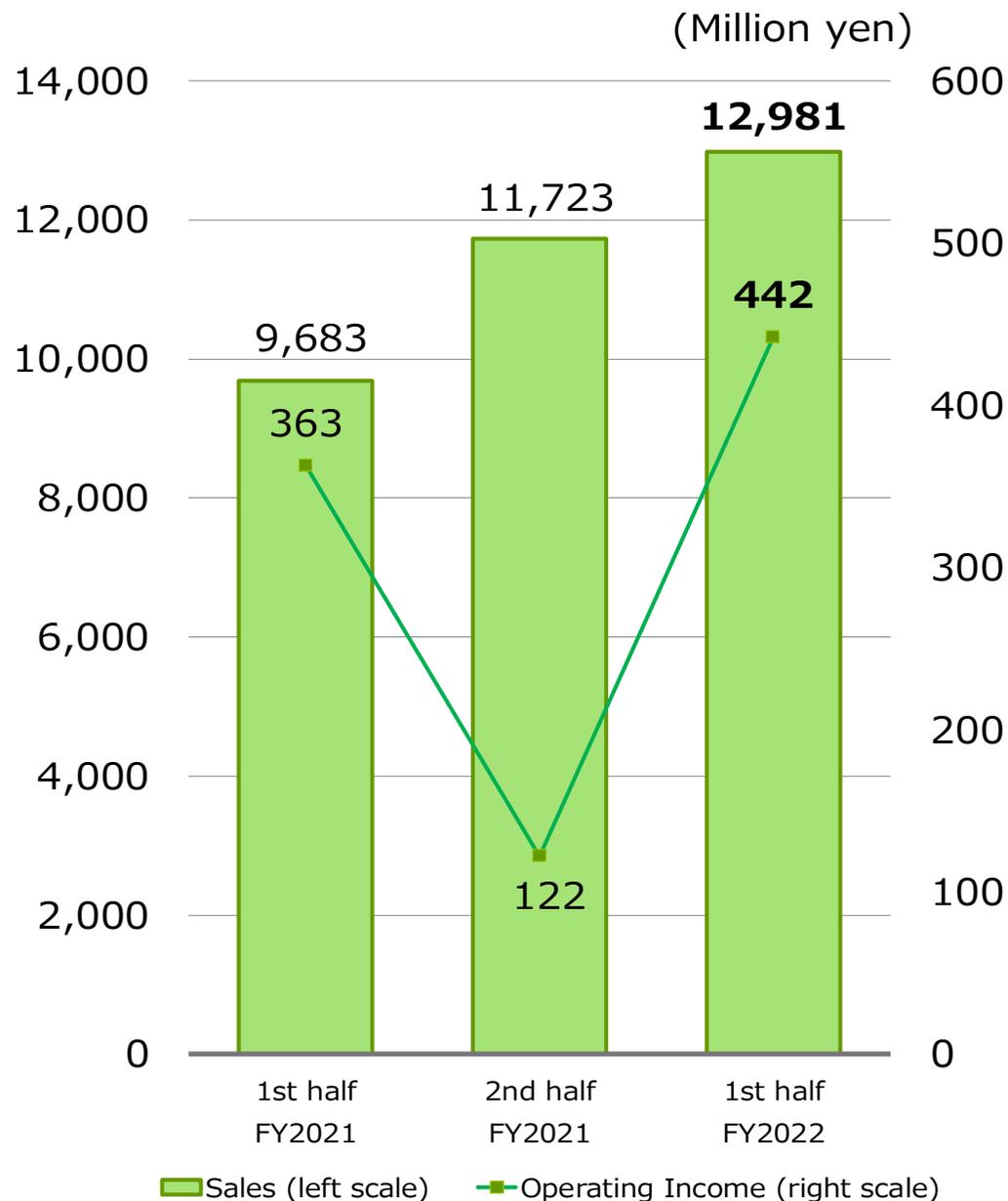
■ Carrier tape related products

Demand for electronic components for automobiles and smartphones were weak.

■ Silicone rubber molded products

Shipments of mainstay medical-related products were recovered.

5. Financial Results by Business Segment Housing & Living Materials



■ Wrapping film

Sales were Increased due to the consolidation of KitcheNista Co., Ltd.

■ Functional compound

Sales of semiconductor equipment and robot cables were strong, and sales of automotive applications were weak.

■ Exterior materials related products

Weak demand for corrugated sheets and sealants were continued.

■ Conductive polymer

Display applications were sluggish due to excessive market inventories, and sales of automotive electronic components were strong.

6. Financial Statements Comparative Balance Sheet

		(Million yen)		
		As of End of Mar. 2022	As of End of Sep. 2022	Change
Current Assets	Cash and deposits	48,749	50,632	1,883
	Notes and accounts receivable - trade	25,096	28,239	3,143
	Electronically recorded monetary claims -operating	14,898	18,314	3,416
	Inventory assets	2,200	2,719	519
	Total	90,945	99,905	8,960
Non-current Assets	Property, plant and equipment	27,164	31,260	4,096
	Intangible assets	2,301	2,308	7
	Other	2,165	2,298	133
	Total	31,632	35,867	4,235
Total assets		122,577	135,772	13,195
Current Liabilities	Notes and accounts payable - trade	15,702	17,720	2,018
	Electronically recorded obligations - operating	10,004	10,615	611
	Other	1,303	1,322	19
	Total	25,707	28,336	2,629
Non-current Liabilities	Net defined benefit liability	1,229	1,489	260
	Other	2,533	2,811	278
	Total	2,533	2,811	278
Total liabilities		28,240	31,148	2,908
Total net assets		94,337	104,624	10,287
Total liabilities and net assets		122,577	135,772	13,195

6. Financial Statements Comparative Statement of Income

(Million yen)

	1st half FY2021	1st half FY2022	Change	
Net sales	43,719	52,549	8,830	20.2%
Cost of sales	29,949	35,671	5,722	19.1%
Selling, general and administrative expenses	9,187	10,233	1,046	11.4%
Operating income	4,582	6,643	2,061	45.0%
Non-operating income	161	760	599	370.7%
Non-operating expenses	39	19	△ 20	△ 51.3%
Ordinary income	4,704	7,384	2,680	57.0%
Extraordinary income	27	2	△ 25	△ 92.6%
Extraordinary loss	0	0	0	-
Income before income taxes and minority interests	4,731	7,386	2,655	56.1%
Income taxes - current	1,220	2,158	938	76.9%
Income taxes - deferred	20	194	174	870.0%
Net income	3,489	5,033	1,544	44.3%

6. Financial Statements Statement of Cash Flows

(Million yen)

	1st half FY2021	1st half FY2022
Cash flows from operating activities	3,809	3,937
Cash flows from investing activities	△ 4,865	△ 4,206
Cash flows from financing activities	△ 928	△ 1,103
Cash and cash equivalents at end of period	45,274	47,851

7. Financial Forecasts

(Million yen)

	FY2021	FY2022 (Forecast)	Change	
Net sales	92,640	108,000	15,360	16.6%
Operating income	9,732	12,000	2,268	23.3%
Ordinary income	10,129	12,500	2,371	23.4%
Net income	6,308	8,800	2,492	39.5%
Net income per share (yen)	78	109	31	39.7%
Dividend per share (yen)	26	36	10	38.5%

8. Financial Forecasts by Business Segment

(Million yen)

	Sales				Operating Income			
	FY2021	FY2022 (Forecast)	Change		FY2021	FY2022 (Forecast)	Change	
Electronic Devices	21,996	24,500	2,504	11.4%	1,186	1,600	414	34.9%
Precision Molding Products	42,147	50,000	7,853	18.6%	7,658	9,200	1,542	20.1%
Housing & Living Materials	21,406	26,500	5,094	23.8%	485	900	415	85.6%
Others	7,090	7,000	△ 90	△ 1.3%	400	300	△ 100	△ 25.0%
Total	92,640	108,000	15,360	16.6%	9,732	12,000	2,268	23.3%

9 . Capital Expenditure, Depreciation, Research & Development Costs

	FY2019	FY2020	FY2021	(Million yen) FY2022 (Forecast)
Capital Expenditure	3,032	3,147	6,107	15,000
Depreciation	3,939	3,511	3,543	3,900
R&D Costs	3,896	3,588	3,454	3,600

<TOPICS>

● Expand production capacity for shipping containers for 300mm wafers.

Itoigawa factory expansion : Start operation in early 2023 and early 2024.

Tokyo factory new production building : Start operation in fall 2025.

The slide features a light blue background with a grid pattern. A large, semi-transparent globe is centered on the left side, showing the Americas. A dark blue horizontal bar with a white triangle on its right edge is positioned over the globe. To the right of the globe, there are several curved lines and a network of white and yellow lines with dots, resembling a circuit or data flow diagram. The text 'Company Overview' is written in white on the dark blue bar.

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 using silicone and various plastics for our fundamental technologies involving materials and compounding, design, molding processes, and evaluation and analysis.

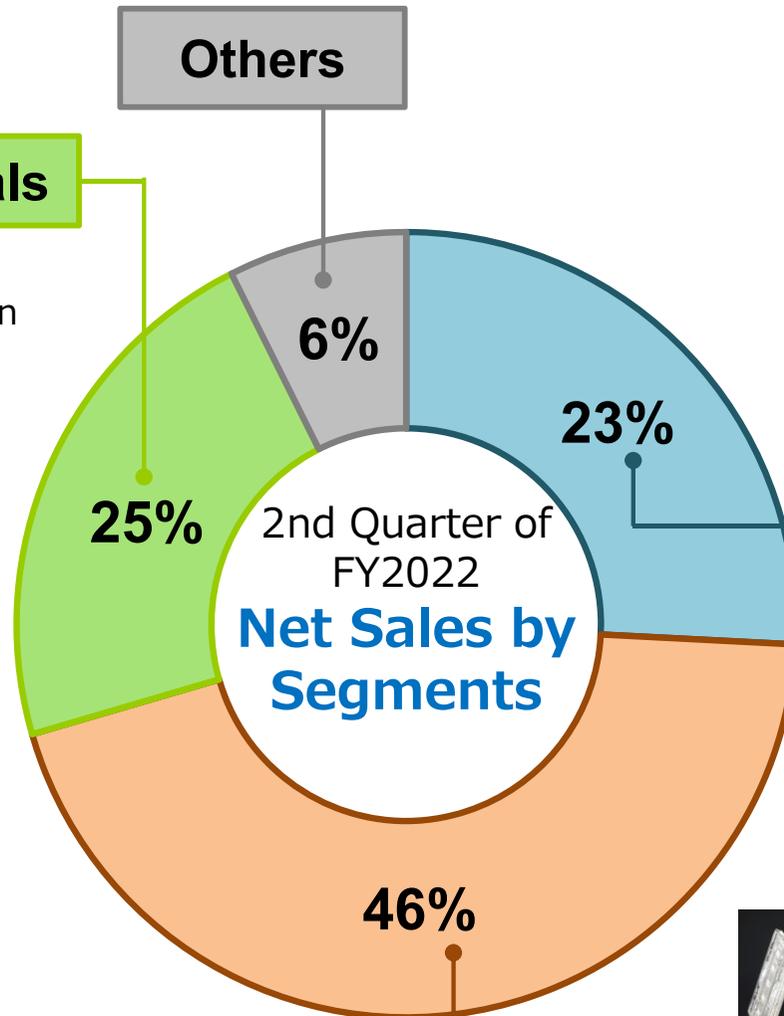
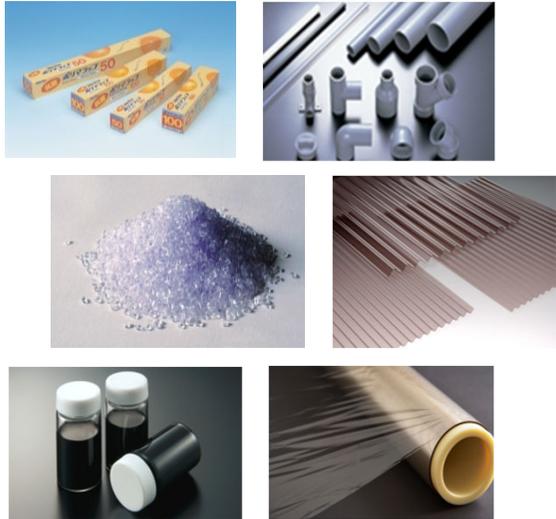
As a manufacturer of molded plastic products, we meet diverse customer needs in a wide array of fields from automobiles and information devices to semiconductors and construction materials.

Established	September 15, 1960, as a wholly owned subsidiary of Shin-Etsu Chemical Co., Ltd.
Main businesses	Manufacture and sale of resin processed products Operates businesses in a wide array of fields from electric and electronic devices to construction materials
Paid-in capital	11,635 million yen
Number of subsidiaries	17
Number of employees	4,972 (consolidated), 1,014 (non-consolidated) (As of September 30, 2022)

【Company Overview】 Business Segment

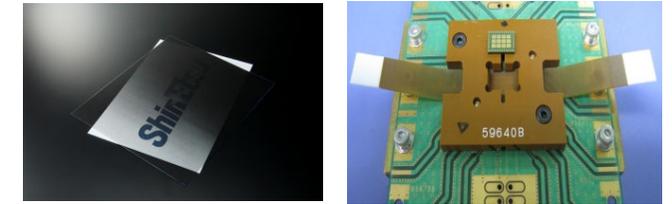
Housing & Living Materials

Providing wrapping films for the retail and food service industry, construction materials such as PVC pipes and functional compounds



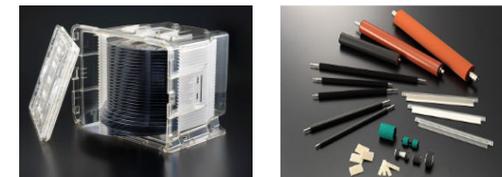
Precision Molding Products

Providing shipping and carrying containers for semiconductor silicon wafers and parts for medical equipment using silicone rubber



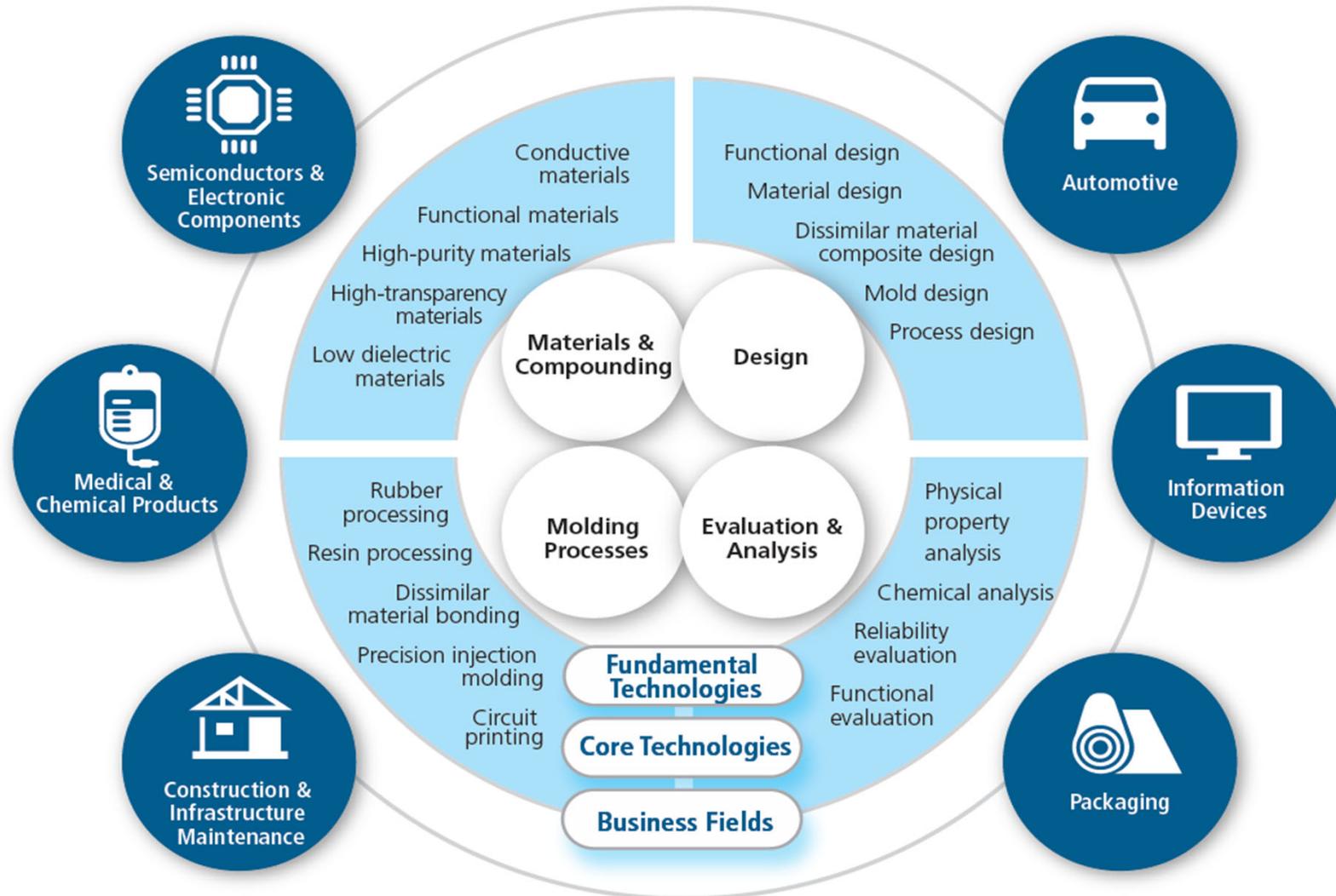
Electronic Devices

Leading company-wide overseas business in electronics fields such as input components for automobiles and information devices



【Company Overview】 Technological Development

Technological Strengths as a Manufacturer of Molded Plastic Products



【Company Overview】 Global Network

Ability to Meet Global Needs

(As of September 30, 2020)

Overseas

15 Locations

- Shin-Etsu Polymer Europe B.V.
- Shin-Etsu Polymer Hungary Kft.

Shin-Etsu Polymer Shanghai Co.,Ltd.
Suzhou Shin-Etsu Polymer Co.,Ltd.

- Dongguan Shin-Etsu Polymer Co.,Ltd.
- Shin-Etsu Polymer Vietnam Co., Ltd.
- Shin-Etsu Polymer Taiwan Ltd.
- Shin-Etsu Polymer Hong Kong Co., Ltd.
- Shin-Etsu Polymer (Thailand) Ltd.
- Hymix Co., Ltd.
- Shin-Etsu Polymer India Pvt. Ltd.
- Shin-Etsu Polymer (Malaysia) Sdn. Bhd.
- Shin-Etsu Polymer Singapore Pte. Ltd.
- PT. Shin-Etsu Polymer Indonesia

Shin-Etsu Polymer America, Inc.

Japan

8 Locations

- Kodama Plant
- Itoigawa Plant
- Shiojiri Plant
- Tokyo Plant
- Nanyo PLant
- Head Office
- Shin-Etsu Finetech Co., Ltd.
- Kitche Nista Co., Ltd.

- Production
- Sales

The graphic features a light blue background with a grid pattern. A large, semi-transparent globe of the Earth is centered on the left side, showing the Americas. A dark blue horizontal bar with a white border is positioned across the middle of the globe. To the right of the globe, there are several curved lines and a network of white lines with small circles at the nodes, resembling a circuit board or data network. The overall aesthetic is clean, modern, and technological.

Reference Materials

【Reference Materials】 Financial Summary

(Million yen)

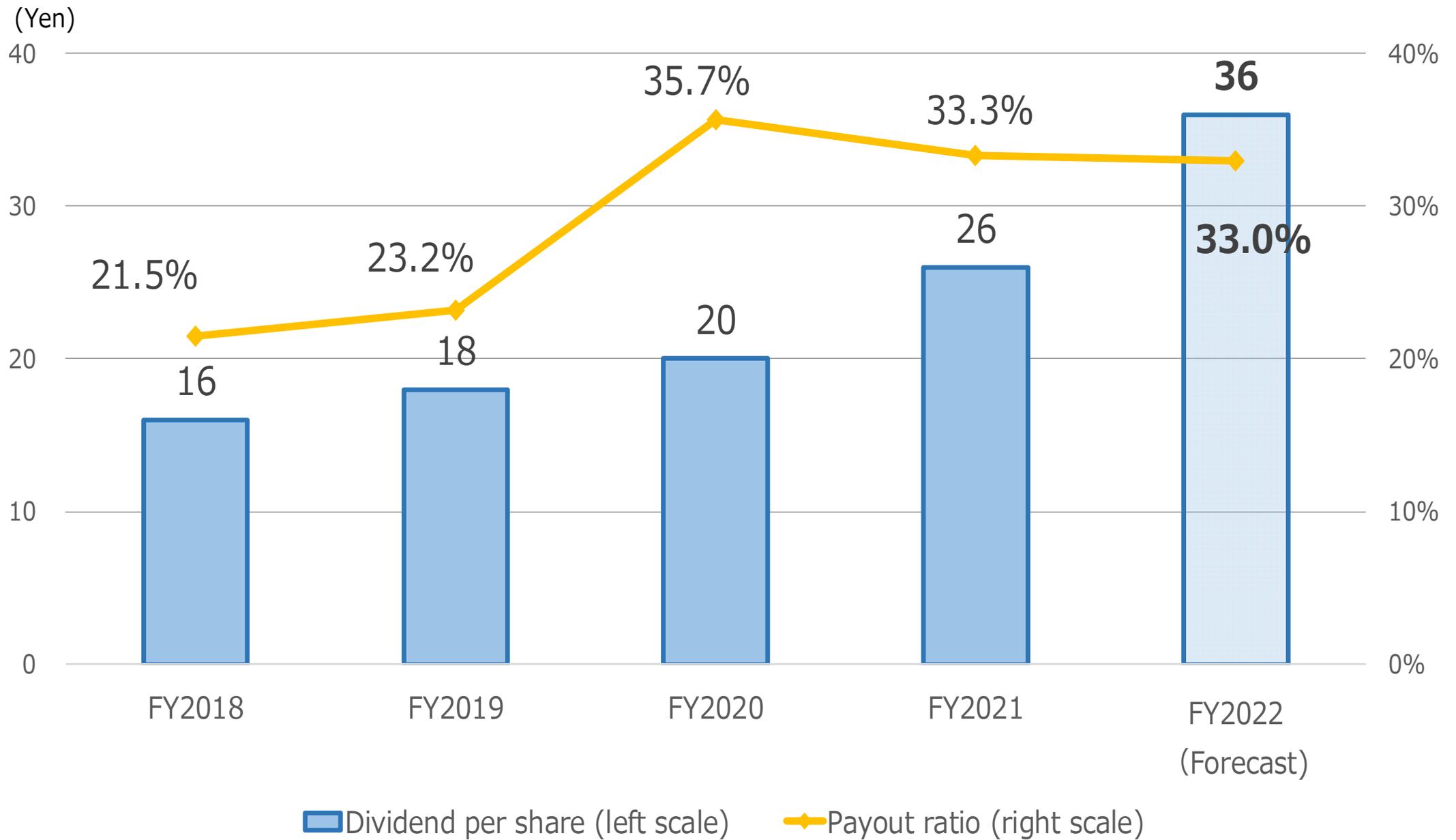
	FY2017	FY2018	FY2019	FY2020	FY2021
Net sales	79,343	85,460	80,254	76,904	92,640
Operating income	7,206	8,153	7,756	7,217	9,732
Ordinary income	7,274	8,026	8,097	7,021	10,129
Net income	5,455	6,049	6,288	4,536	6,308
Total assets	103,667	107,032	105,378	108,212	122,577
Net assets	77,510	80,560	84,538	86,677	94,337
Equity ratio	74.6%	75.1%	80.0%	79.8%	76.7%
Net income per share (yen)	66.48	74.27	77.55	56.09	78.15
Dividend per share (yen)	12.00	16.00	18.00	20.00	26.00
Operating margin	9.1%	9.5%	9.7%	9.4%	10.5%
ROE - Return (Net income) on equity	7.3%	7.7%	7.6%	5.3%	7.0%
ROA - Return (Ordinary income) on assets	7.3%	7.6%	7.6%	6.6%	8.8%
Number of employees	4,407	4,614	4,655	5,089	5,157

【Reference Materials】 Quarterly Changes by Business Segment

(Million yen)

		FY2021						FY2022		
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half
Electronic Devices	Net Sales	5,598	5,663	11,261	5,389	5,346	10,735	5,600	6,287	11,887
	Operating Income	338	353	691	316	179	495	368	450	818
Precision Molding Products	Net Sales	9,264	10,261	19,525	11,562	11,060	22,622	11,420	12,952	24,372
	Operating Income	1,618	1,763	3,381	2,171	2,106	4,277	2,692	2,560	5,252
Housing & Living Materials	Net Sales	4,823	4,860	9,683	6,260	5,463	11,723	6,478	6,503	12,981
	Operating Income	231	132	363	306	△ 184	122	322	120	442
Others	Net Sales	1,349	1,899	3,248	1,958	1,884	3,842	1,727	1,580	3,307
	Operating Income	49	96	145	82	173	255	85	45	130
Total	Net Sales	21,036	22,683	43,719	25,169	23,752	48,921	25,226	27,323	52,549
	Operating Income	2,239	2,343	4,582	2,874	2,276	5,150	3,470	3,173	6,643

【Reference Materials】 Changes in Dividends





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.