

For the six months ended September 30, 2023

Business Result

November 8th, 2023

Shin-Etsu

Shin-Etsu Polymer Co., Ltd.

Listing code : 7970



Contents

- 1. Highlights of Consolidated Financial Results**
- 2. Summary of Consolidated Financial Results**
- 3. Changes in Consolidated Financial Results**
- 4. Summary of Performance by Business Segment**
- 5. Financial Results by Business Segment**

Electronic Devices

Precision Molding Products

Housing & Living Materials

- 6. Financial Statements**

Comparative Balance Sheet

Comparative Statement of Income

Statement of Cash Flows

- 7. Financial Forecasts**

- 8. Capital Expenditure, Depreciation,
Research & Development Cost**

【Company Overview】

Profile

Business Segment

Technological Development

Global Network

【Reference Materials】

Financial Summary

Quarterly Changes by Business Segment

Changes in Dividends

1. Highlights of Consolidated Financial Results

Recovery in the automotive-related industry



Steady sales in Automotive-related parts
e.g. automotive input devices

Weak demand in Semiconductor industry



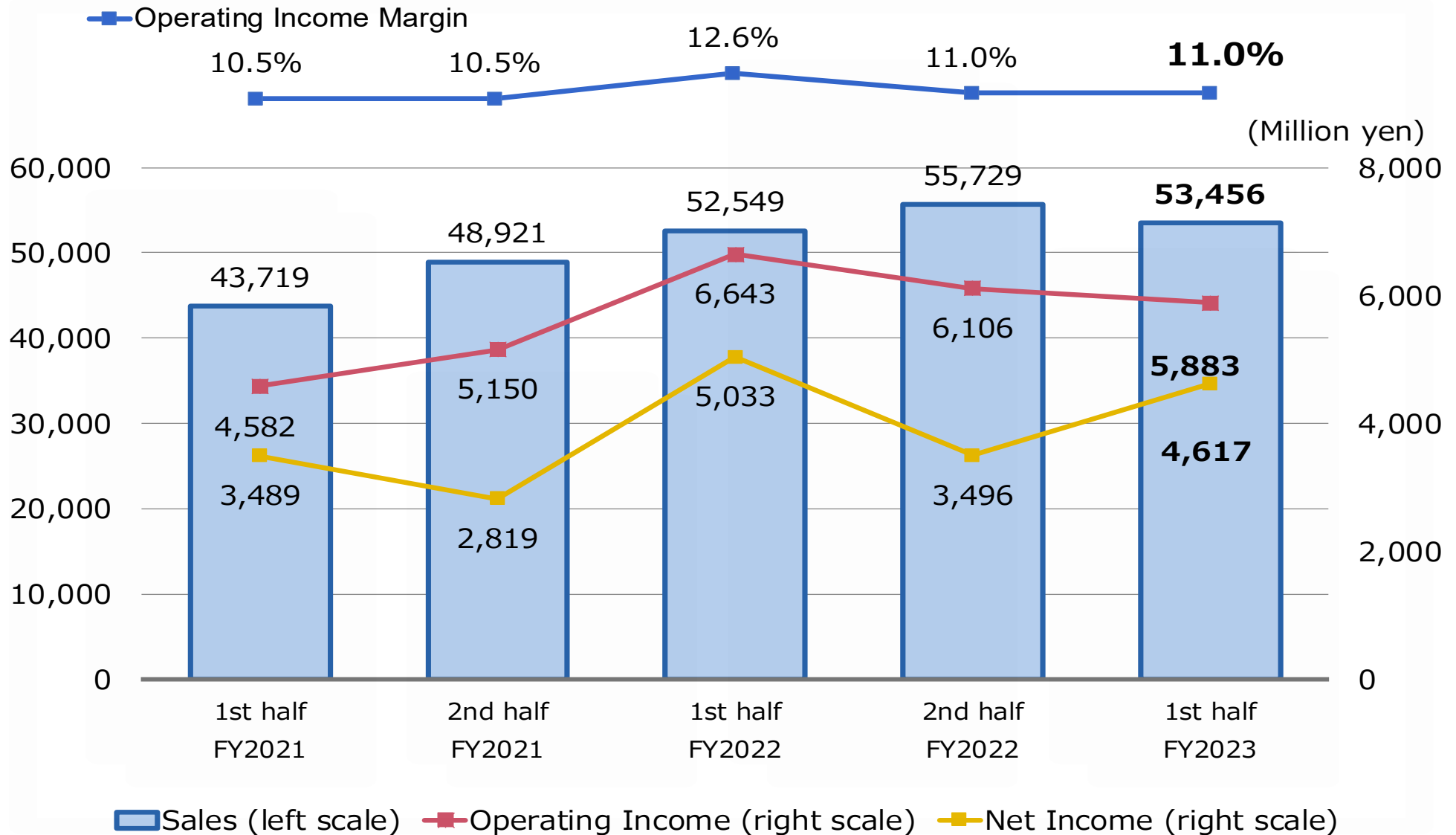
Slowdown sales in wafers containers
e.g. 300mm container

2. Summary of Consolidated Financial Results

	(Million yen)			
	1st half FY 2022	2nd half FY 2023	Comparison	
Net sales	52,549	53,456	907	1.7%
Operating income	6,643	5,883	△ 760	△ 11.4%
Ordinary income	7,384	6,403	△ 981	△ 13.3%
Profit attributable to owners of parent	5,033	4,617	△ 416	△ 8.3%
Net income per share (yen)	62.4	57.0	△ 5.4	△ 8.7%
Dividend per share (yen)	18.0	22.0	4.0	22.2%
Exchange Rate (YEN/USD)	Jan-Jun (Avg.)	122.9	134.9	-
	Apr-Sep (Avg.)	134.0	141.0	-

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

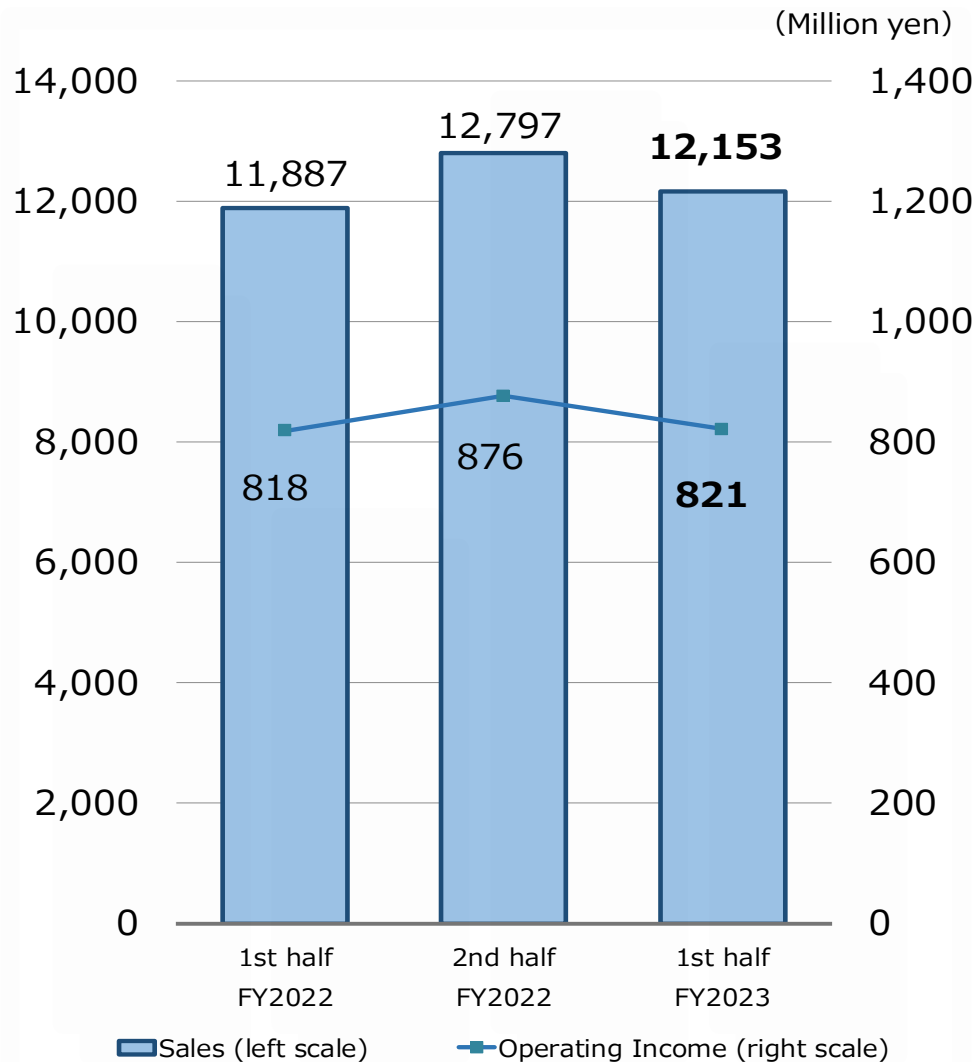


4. Summary of Performance by Business Segment

(Million yen)

	Net Sales				Operating Income			
	1st half FY2022	1st half FY2023	Comparison		1st half FY2022	1st half FY2023	Comparison	
Electronic Devices	11,887	12,153	266	2.2%	818	821	3	0.4%
Precision Molding Products	24,372	24,885	513	2.1%	5,252	4,129	△ 1,123	△ 21.4%
Housing & Living Materials	12,981	12,854	△ 127	△ 1.0%	442	684	242	54.8%
Others	3,307	3,564	257	7.8%	130	246	116	89.2%
Total	52,549	53,456	907	1.7%	6,643	5,883	△ 760	△ 11.4%

5. Financial Results by Business Segment Electronic Devices



■ Input devices

- Steady growth on automotive Key Switches
- Decline in Touchpads for laptops

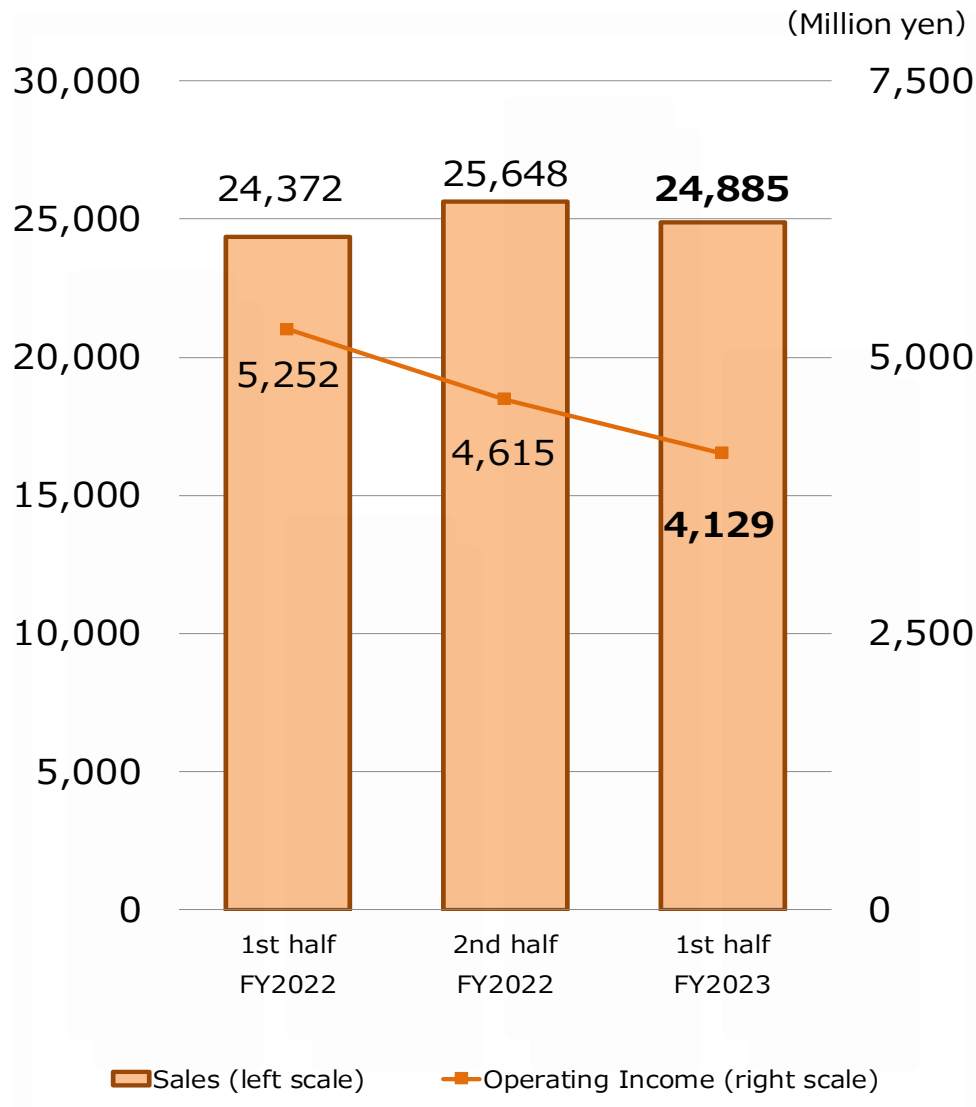
■ Display-related products

- Strong demand on VCF (View/light path Control Film)
- Low demand for LCD connectors

■ Component related products

- Steady increase in Automotive molded products
- Decrease in Connectors of electronic component

5. Financial Results by Business Segment Precision Molding Products



■ Semiconductor-related containers

- Slowdown in 300mm wafer container
- Decline in small diameter wafer container

■ OA device components

- Remain flat on laser printer rollers
- Sharp increase on Fuser rollers for Multifunctional printers

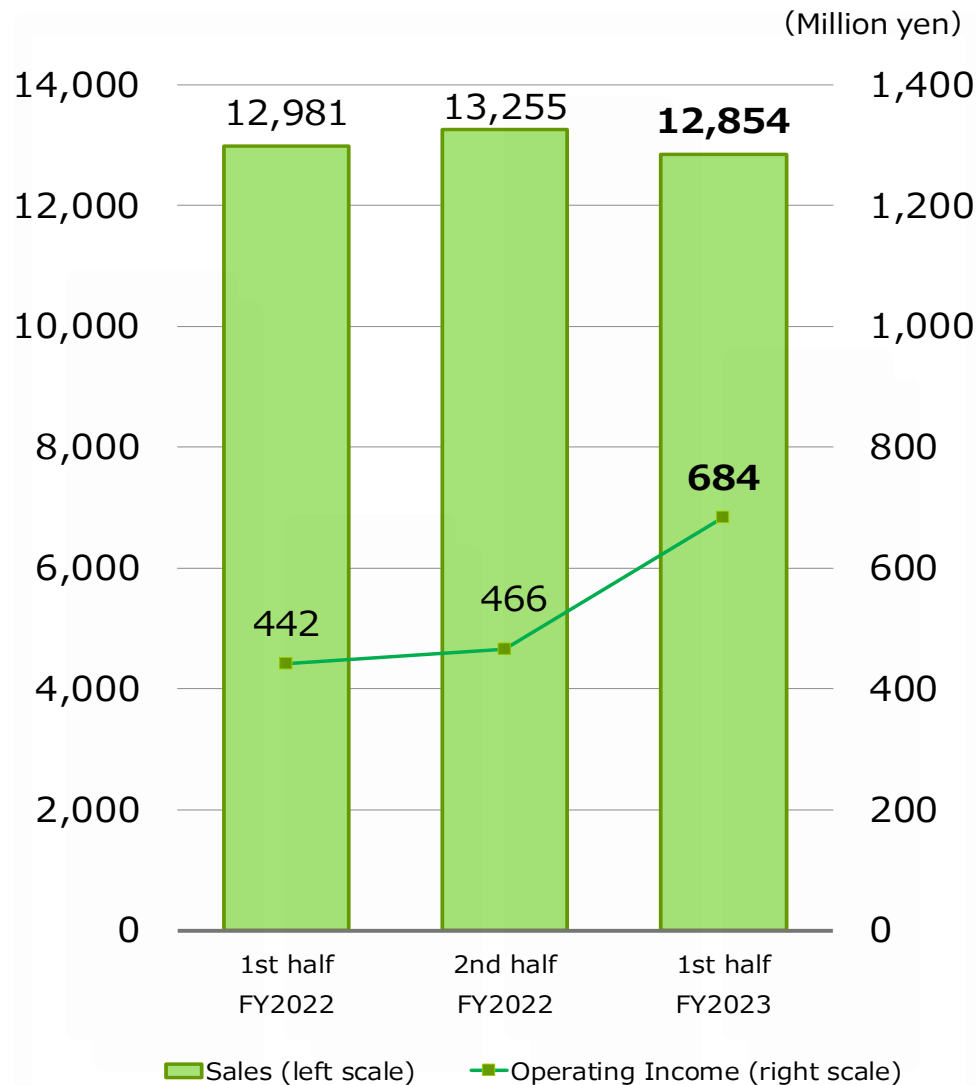
■ Carrier tape related

- Sluggish growth on micro electronic components

■ Silicone rubber molded products

- Steady sales on medical equipment parts

5. Financial Results by Business Segment Housing & Living Materials



■ Wrap film

- Continued demand in small-roll wrap film amid a recovery of food services sectors

■ Functional compound

- Strong sales in Automotive-related products
- Weak demand in industrial cable

■ Exterior materials

- Remain price in PVC pipe
- Sluggish in Exterior-related products

■ Conductive polymer

- Expand sales on display applications

6. Financial Statements Comparative Balance Sheet

(Million yen)

Comparison

		As of the end of Mar. 2023	As of the end of Sep. 2023	Comparison
Current Assets	Cash and deposits	46,900	45,046	△ 1,854
	Notes and accounts receivable - trade	28,255	29,013	758
	Electronically recorded monetary claims -			
	Inventory assets	19,631	20,370	739
	Other	3,285	3,356	71
	Total	98,072	97,786	△ 286
Non-current Assets	Property, plant and equipment	33,689	39,873	6,184
	Intangible assets	872	1,074	202
	Other	2,730	2,755	25
	Total	37,292	43,703	6,411
Total assets	135,364	141,490	6,126	
Current Liabilities	Notes and accounts payable - trade	18,014	18,488	474
	Electronically recorded obligations - operating			
	Other	9,475	8,628	△ 847
	Total	27,489	27,116	△ 373
Non-current Liabilities	Net defined benefit liability	1,335	1,350	15
	Other	1,410	1,393	△ 17
	Total	2,746	2,744	△ 2
Total liabilities	30,236	29,860	△ 376	
Total net assets	105,128	111,629	6,501	
Total liabilities and net assets	135,364	141,490	6,126	

6. Financial Statements Comparative Statement of Income

(Million yen)

	1st half FY2022	1st half FY2023	Comparison	
Net sales	52,549	53,456	907	1.7%
Cost of sales	35,671	37,658	1,987	5.6%
Selling, general and administrative expenses	10,233	9,915	△ 318	△ 3.1%
Operating income	6,643	5,883	△ 760	△ 11.4%
Non-operating income	760	569	△ 191	△ 25.1%
Non-operating expenses	19	49	30	157.9%
Ordinary income	7,384	6,403	△ 981	△ 13.3%
Extraordinary income	2	75	73	-
Extraordinary loss	-	62	62	-
Income before income taxes and minority interests	7,386	6,416	△ 970	△ 13.1%
Income taxes - current	2,158	1,774	△ 384	△ 17.8%
Income taxes - deferred	194	25	△ 169	△ 87.1%
Profit attributable to owners of parent	5,033	4,617	△ 416	△ 8.3%

6. Financial Statements Statement of Cash Flows

		(Million yen)
	1st half FY2022	1st half FY2023
Cash flows from operating activities	3,937	6,378
Cash flows from investing activities	△ 4,206	△ 7,446
Cash flows from financing activities	△ 1,103	△ 1,687
Cash and cash equivalents at end of period	47,851	42,636

7. Financial Forecasts

(Million yen)

	FY2022	FY2023 (Forecast)	Comparison	
Net sales	108,278	111,000	2,722	2.5%
Operating income	12,749	13,000	251	2.0%
Ordinary income	12,986	13,000	14	0.1%
Net income	8,529	9,000	471	5.5%
Net income per share (yen)	105.7	111.2	5.5	5.2%
Dividend per share (yen)	38.0	44.0	6.0	15.8%

9 . Capital Expenditure, Depreciation, Research & Development Costs

	(Million yen)			
	FY2020	FY2021	FY2022	FY2023 (Forecast)
Capital Expenditure	3,147	6,107	10,110	18,000
Depreciation	3,511	3,543	3,935	4,560
R&D Costs	3,588	3,454	3,638	3,850

<TOPICS>

- By transferring the PVC pipe business, we will efficiently concentrate management resources on other businesses.
- We will be the first company in Japan to launch a PVC wrap film with Biomass mark certified.

Biomass 10 certified PVC wrap (scheduled to be in market by next spring)



Kitchenista[®]



Patent
pending

Product: Blue Type Wrap film
Biomass Mark : Certification number 230134

※Product image only

It is the first Biomass Mark certified wrap film by the Japan Organic Resources Association which contains more than 10% plant-derived materials.



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.

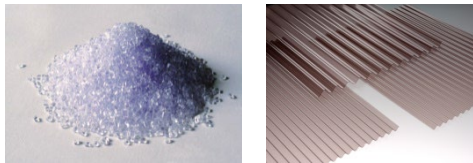
Established	September 15, 1960, as a wholly owned subsidiary of Shin-Etsu Chemical Co., Ltd.
Main businesses	Manufacture and sale of resin processed products Operates businesses in a wide array of fields from electric and electronic devices to construction materials
Paid-in capital	11,635 million yen
Number of subsidiaries	17
Number of employees	4,514 (consolidated), 1,006 (non-consolidated)

(As of September 30, 2023)

【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



Others

7%

24%

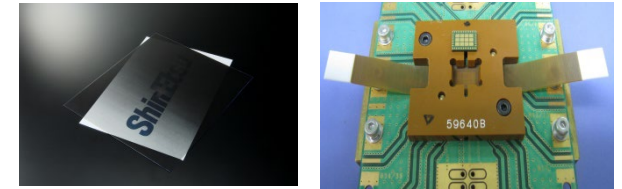
23%

46%

FY2022
Net Sales by
Segments

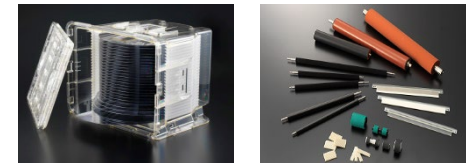
Precision Molding Products

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



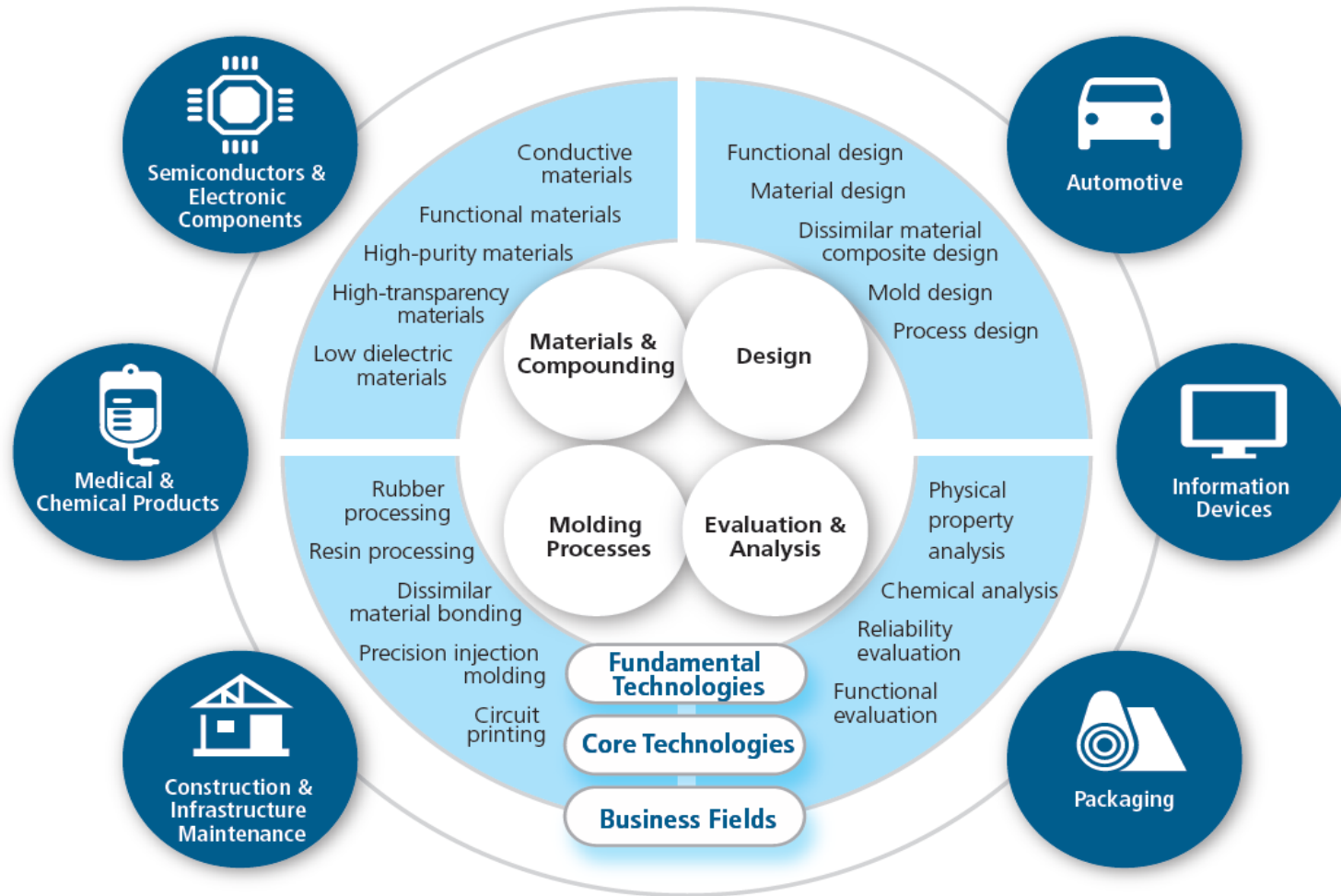
Electronic Devices

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 central white globe showing the Americas, set against a teal background with a grid and circuit-like patterns. A dark teal banner is overlaid on the left side of the globe. The text 'Reference Materials' is written in white, bold, sans-serif font on this banner. A thick, dark teal arc curves around the right side of the globe.

Reference Materials

【Reference Materials】 Financial Summary

(Million yen)

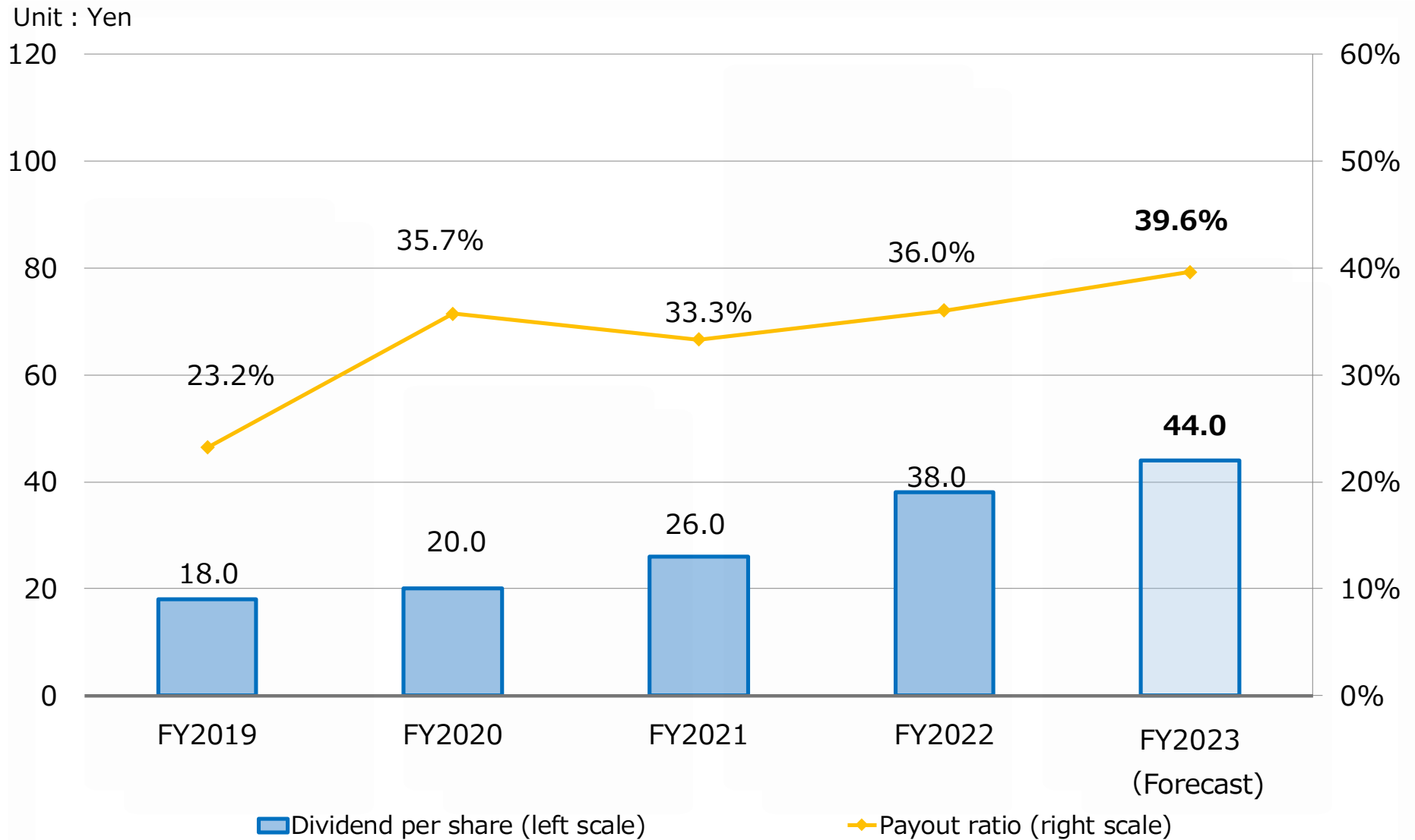
	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	85,460	80,254	76,904	92,640	108,278
Operating income	8,153	7,756	7,217	9,732	12,749
Ordinary income	8,026	8,097	7,021	10,129	12,986
Net income	6,049	6,288	4,536	6,308	8,529
Total assets	107,032	105,378	108,212	122,577	135,364
Net assets	80,560	84,538	86,677	94,337	105,128
Equity ratio	75.1%	80.0%	79.8%	76.7%	77.4%
Net income per share (yen)	74.27	77.55	56.09	78.15	105.68
Dividend per share (yen)	16.00	18.00	20.00	26.00	38.00
Operating margin	9.5%	9.7%	9.4%	10.5%	11.8%
ROE	7.7%	7.6%	5.3%	7.0%	8.6%
- Return (Net income) on equity					
ROA	7.6%	7.6%	6.6%	8.8%	10.1%
- Return (Ordinary income) on assets					
Number of employees	4,614	4,655	5,089	5,157	4,706

【Reference Materials】 Quarterly Changes by Business Segment

(Million yen)

		FY2022						FY2023		
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half
Electronic Devices	Net Sales	5,600	6,286	11,887	6,838	5,958	12,797	5,712	6,440	12,153
	Operating Income	368	449	818	621	255	876	323	498	821
Precision Molding Products	Net Sales	11,420	12,952	24,372	14,031	11,616	25,648	12,436	12,448	24,885
	Operating Income	2,692	2,559	5,252	2,943	1,672	4,615	2,268	1,860	4,129
Housing & Living Materials	Net Sales	6,478	6,503	12,981	7,023	6,231	13,255	6,567	6,286	12,854
	Operating Income	322	119	442	462	3	466	334	350	684
Others	Net Sales	1,727	1,580	3,307	1,732	2,295	4,028	1,869	1,694	3,564
	Operating Income	85	45	130	79	68	147	118	127	246
Total	Net Sales	25,226	27,322	52,549	29,625	26,103	55,729	26,587	26,869	53,456
	Operating Income	3,470	3,173	6,643	4,106	1,999	6,106	3,046	2,837	5,883

【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.