

Financial Year
Ended March 2020



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

Business Result

May 8, 2020



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1. Main Points of Consolidated Performance

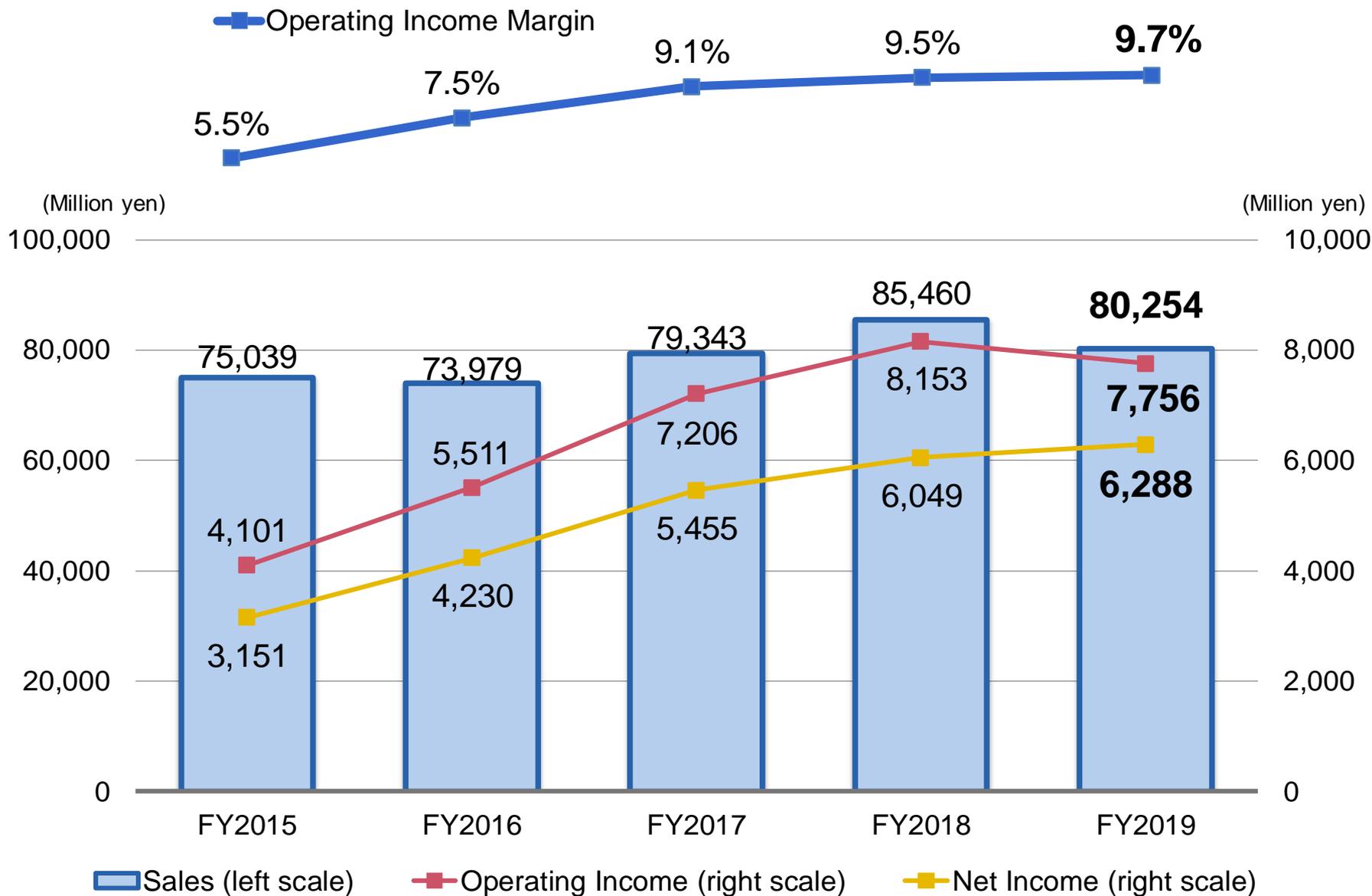
- **Sales benefited from remaining steady demand in the automotive sector.**
 - **Investment slowdown in the semiconductor industry caused demand decline.**
- 1) Shipment of automotive input devices remained steadily.
 - 2) Sales of 300-mm wafer in-process containers decreased.
 - 3) Sales of PVC products and new material products was flat.

2. Summary of Consolidated Performance

		(Million yen)			
		FY2018	FY2019	Change	
Net Sales		85,460	80,254	△ 5,206	△ 6.1%
Operating Income		8,153	7,756	△ 397	△ 4.9%
Ordinary Income		8,026	8,097	71	0.9%
Net Income		6,049	6,288	239	4.0%
Net Income per Share (yen)		74.27	77.55	3.28	4.4%
Dividend per Share (yen)		16.0	18.0	2.0	12.5%
Exchange Rate (yen/US dollar)	Jan.-Dec.(Ave)	110.4	109.1	△ 1.4	△ 1.2%
	Apr.-Mar.(Ave)	110.9	108.7	△ 2.2	△ 2.0%

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

3. Changes in Consolidated Financial Results



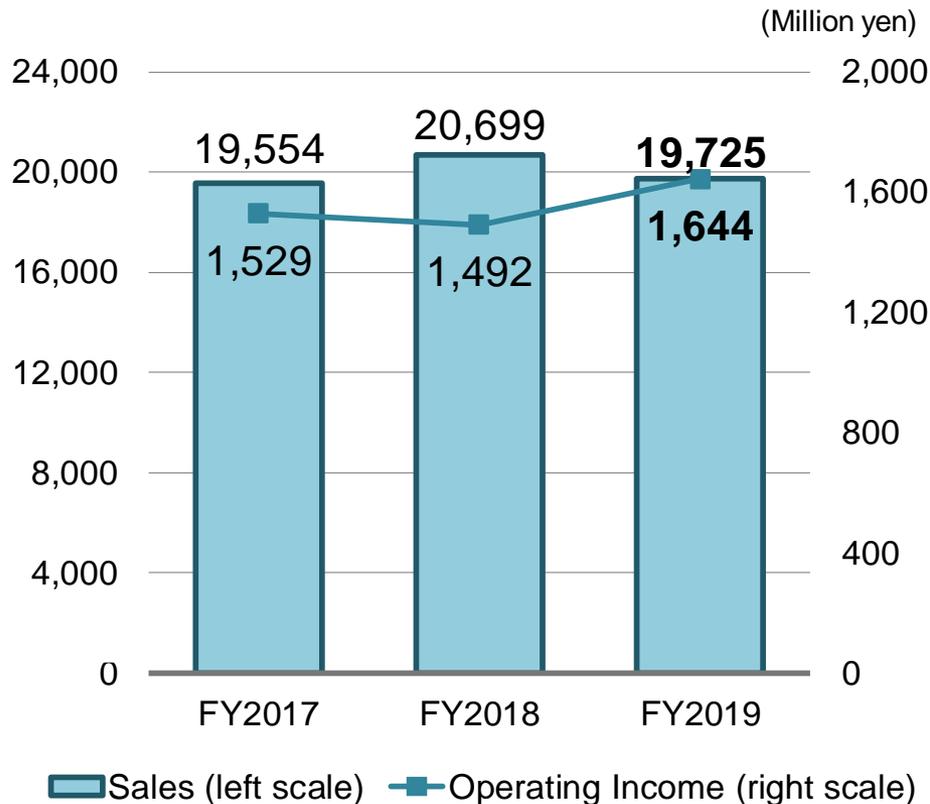
4. Summary of Performance by Business Segment

(Million yen)

	Sales				Operating Income			
	FY2018	FY2019	Change		FY2018	FY2019	Change	
Electronic Devices	20,699	19,725	△ 974	△ 4.7%	1,492	1,644	152	10.2%
Precision Molding Products	37,089	33,451	△ 3,638	△ 9.8%	5,904	5,125	△ 779	△ 13.2%
Housing & Living Materials	19,931	19,009	△ 922	△ 4.6%	535	508	△ 27	△ 5.0%
Others	7,740	8,067	327	4.2%	220	478	258	117.3%
Total	85,460	80,254	△ 5,206	△ 6.1%	8,153	7,756	△ 397	△ 4.9%

5. Performance by Business Segment

Electronic Devices



■ Input devices

Sales of automotive key switches were solid. Sales of capacitive touch switches and touch pads for slim notebook PCs were sluggish.

■ Display-related products

Sales of inter-connectors for LCD connections and view control film (VCF) for optical use remained at a low level.

■ Component-related products

Sales of electronic-part testing connectors and silicone wiper blades for automotive were steady.

5. Performance by Business Segment

Electronic Devices



Keypad switch (Automotive)



Touch switch (Automotive)



No reflection
on windshield

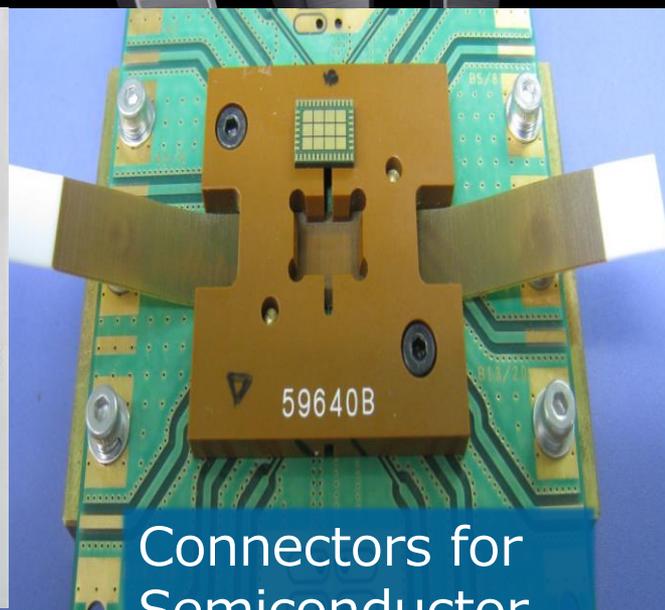
Reflection on
windshield

VCF

View Control Film



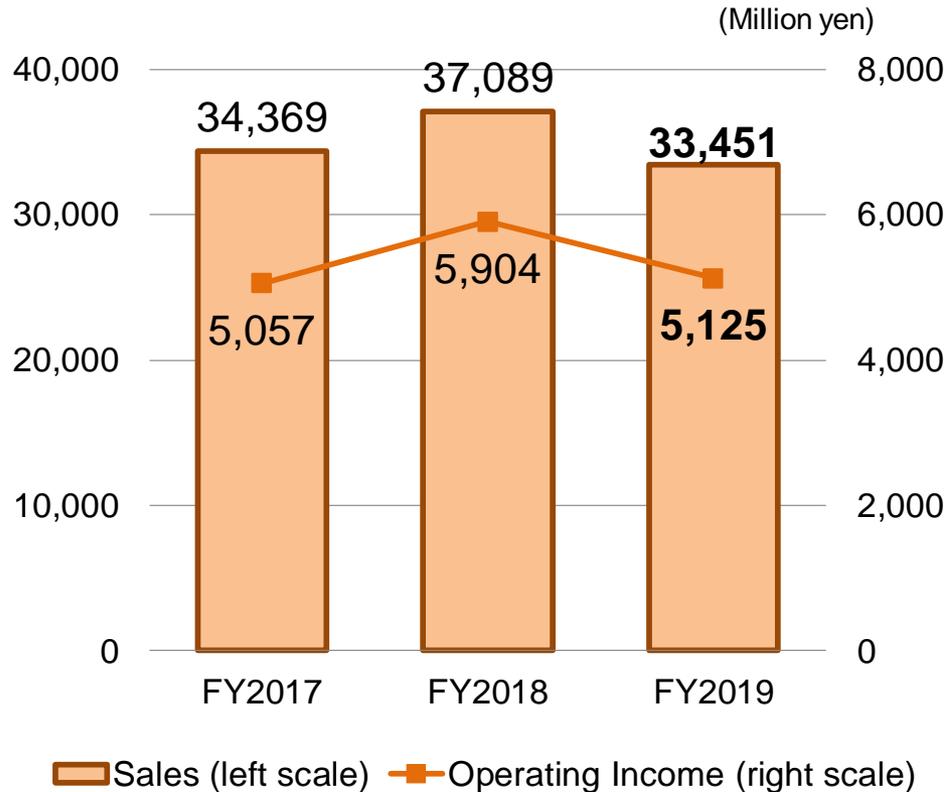
Connectors
for LCD



Connectors
for
Semiconductor

5. Performance by Business Segment

Precision Molding Products



■ Semiconductor-related containers

Sales of 300 mm-wafer shipping boxes were flat, but shipment of FOUP decreased.

■ OA device components

Sales for development rollers were flat.

■ Carrier tapes

Shipments for micro components were not recovered enough.

■ Silicone rubber molded products

Sales of medical products only grew steadily.

5. Performance by Business Segment

Precision Molding Products

Silicone wafer container



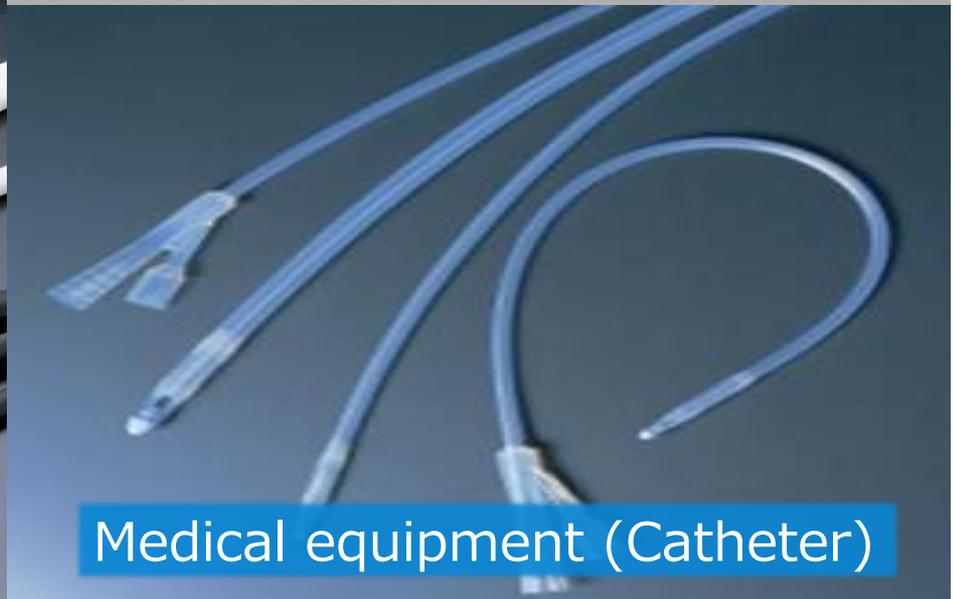
Carrier tapes



Rollers for OA devices

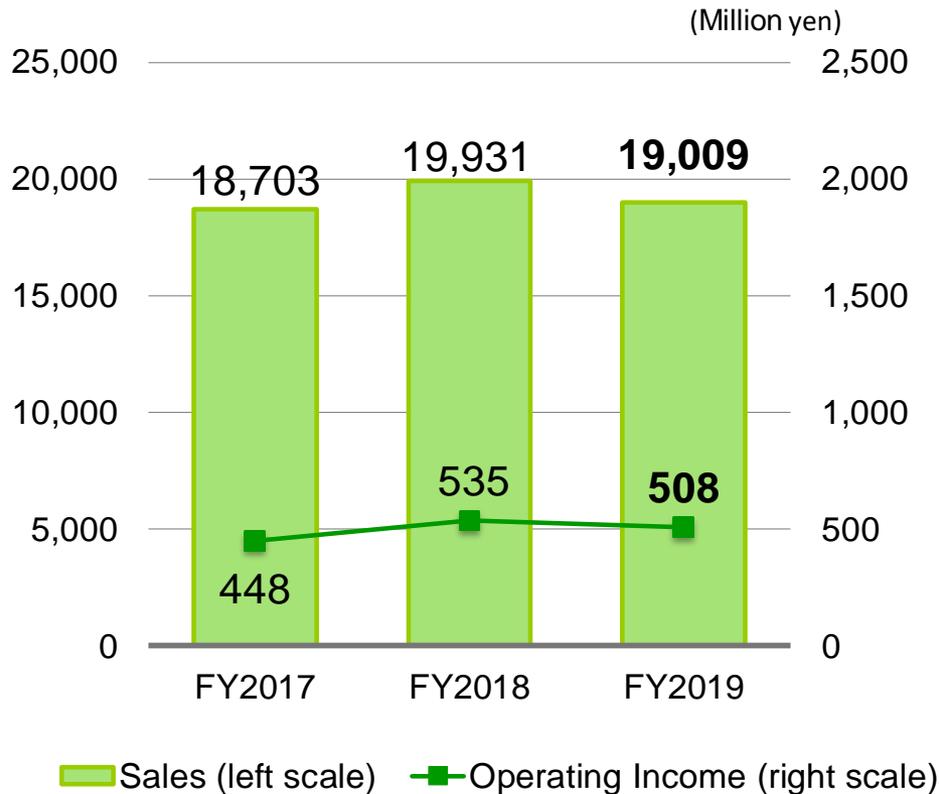


Medical equipment (Catheter)



5. Performance by Business Segment

Housing & Living Materials



■ Wrapping films

Sales for food supermarkets and food services struggled, but for confectionery rather grew.

■ Functional compounds

Sales for robot cables decreased but for automobiles overseas were steady.

■ Exterior products

Sales of corrugated sheets and sealant products were flat.

■ Material products

Sales of conductive polymers declined for use in smartphone components and automotive electronic components.

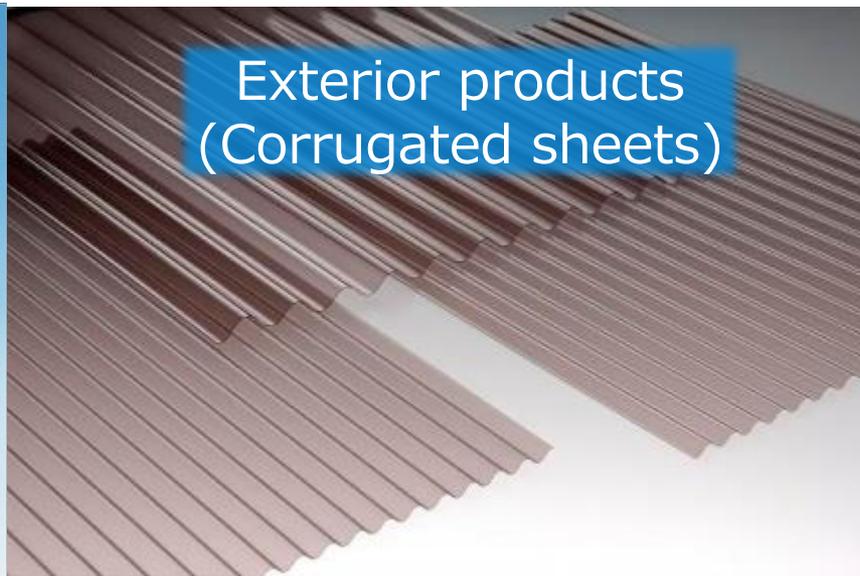
5. Performance by Business Segment

Housing & Living Materials

Wrapping films



Exterior products
(Corrugated sheets)



Functional compounds



Conductive polymer



6. Financial Statements

Comparative Balance Sheet

		(Million yen)		
		FY2018	FY2019	Change
Current Assets	Cash and deposits	41,974	42,514	540
	Notes and accounts receivable— trade	23,621	22,121	△ 1,500
	Electronically recorded monetary claims - operating	11,109	11,696	587
	Inventory assets	1,686	1,344	△ 342
	Other	78,391	77,676	△ 715
	Total	24,106	23,579	△ 527
Noncurrent Assets	Property, plant and equipment	172	156	△ 16
	Intangible assets	4,362	3,966	△ 396
	Other	28,641	27,701	△ 940
Total	107,032	105,378	△ 1,654	
Total assets				
Current Liabilities	Notes and accounts payable—trade	14,709	12,649	△ 2,060
	Electronically recorded obligations - operating	0	0	0
	Short-term loans payable	9,562	6,122	△ 3,440
	Other	24,272	18,771	△ 5,501
Total	0	0	0	
Noncurrent Liabilities	Long-term loans payable	1,512	1,341	△ 171
	Net defined benefit liability	687	726	39
	Other	2,200	2,068	△ 132
Total	26,472	20,839	△ 5,633	
Total liabilities				
Total net assets		80,560	84,538	3,978
Total liabilities and net assets		107,032	105,378	△ 1,654

6. Financial Statements

Comparative Statement of Income

(Million yen)

	FY2018	FY2019	Change	
Net sales	85,460	80,254	△ 5,206	△ 6.1%
Cost of sales	58,697	54,561	△ 4,136	△ 7.0%
Selling, general and administrative expenses	18,608	17,936	△ 672	△ 3.6%
Operating income	8,153	7,756	△ 397	△ 4.9%
Non-operating income	602	666	64	10.6%
Non-operating expenses	730	326	△ 404	△ 55.3%
Ordinary income	8,026	8,097	71	0.9%
Income before income taxes and minority interests	8,026	8,097	71	0.9%
Income taxes—current	1,933	1,601	△ 332	△ 17.2%
Income taxes—deferred	43	207	164	381.4%
Net income	6,049	6,288	239	4.0%

6. Financial Statements

Cash Flow Statement

(Million yen)

	FY2018	FY2019
Cash flow provided by (used in) operating activities	9,498	7,688
Net cash provided by (used in) investing activities	△ 6,745	△ 4,629
Net cash provided by (used in) financing activities	△ 3,204	△ 1,813
Cash and cash equivalents at end of period	40,802	41,675

7. Capital Expenditure, Depreciation, Research & Development

(Million yen)

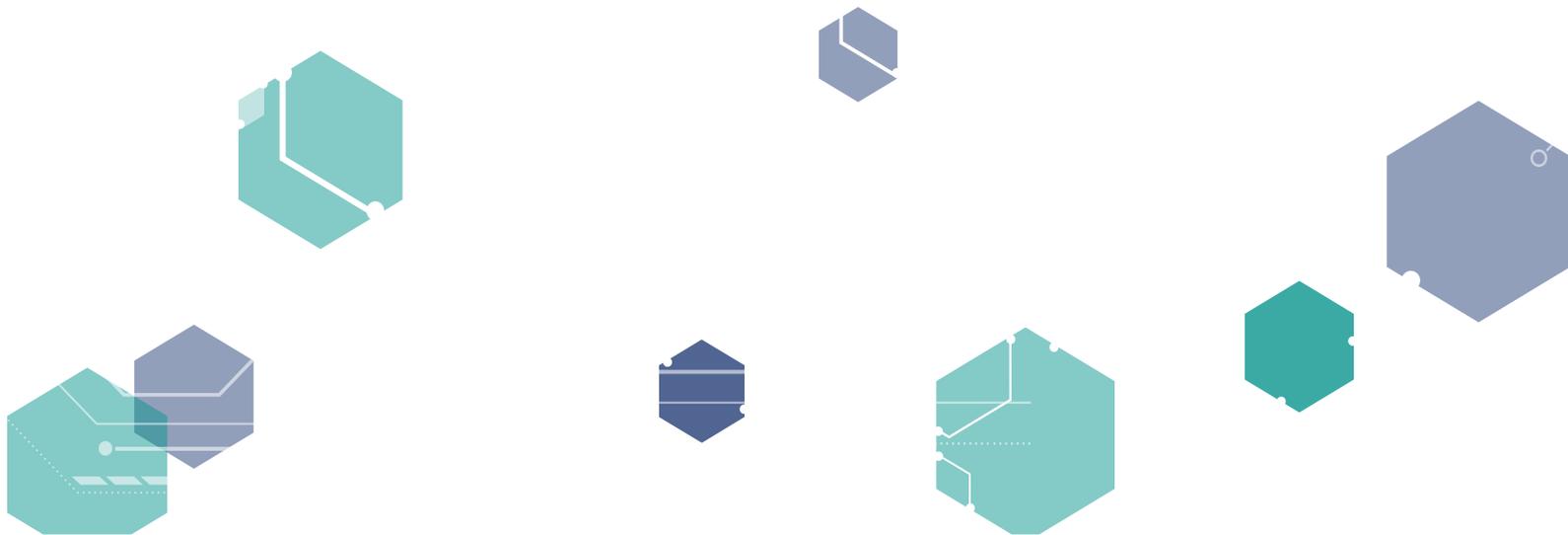
	FY2016	FY2017	FY2018	FY2019
Capital Expenditure	3,721	5,420	6,023	3,032
Depreciation	2,872	3,011	3,790	3,939
R&D Costs	3,572	3,382	4,249	3,896

CAPEX Topics:

◆ Expansion of Shin-Etsu Polymer India

Machine capability for Key switches have been increased approx. 20% since last month.

Company Overview



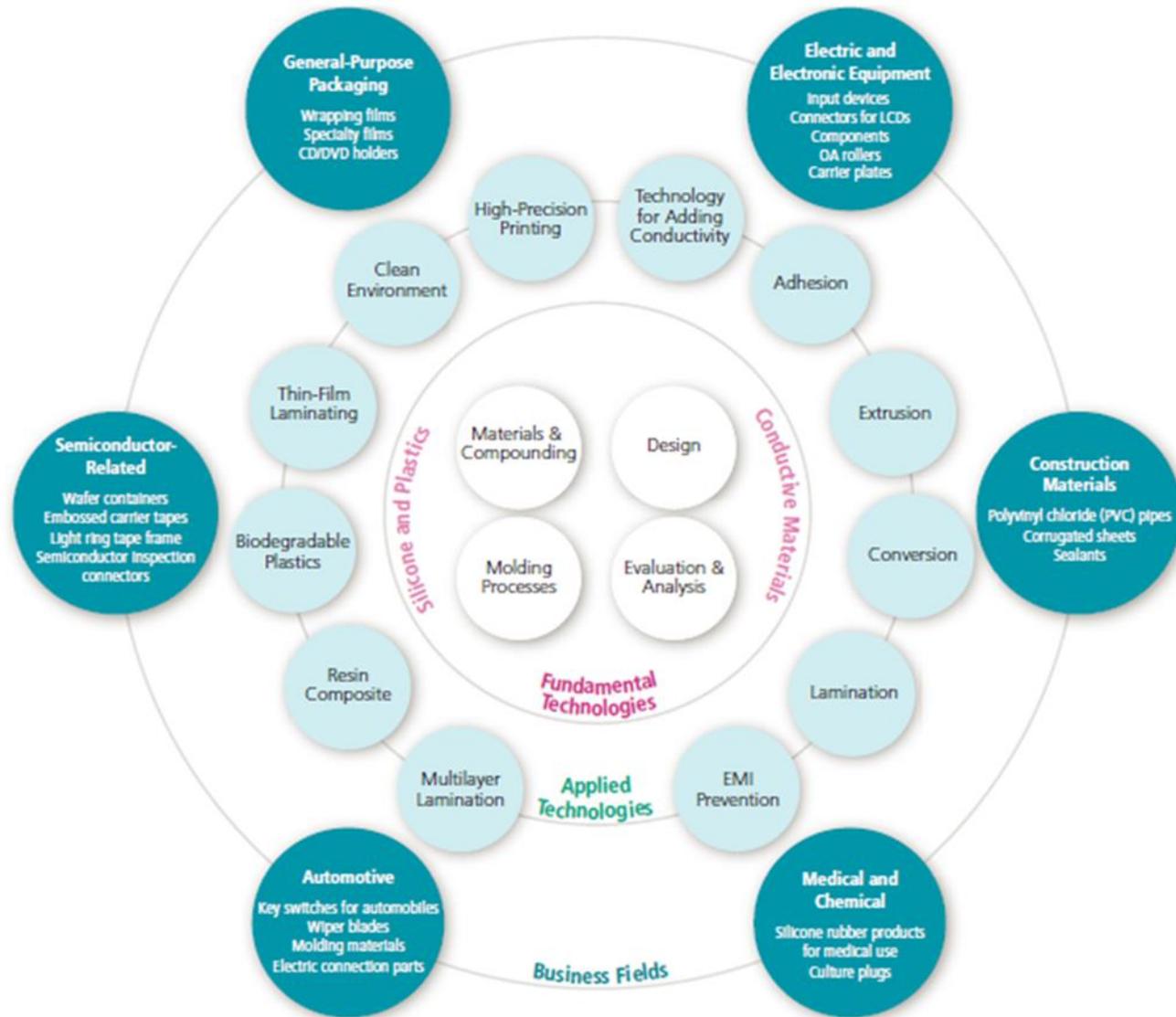
Shin-Etsu Polymer was established in 1960 as a manufacturer of polyvinyl chloride (PVC) products. Since then, we have developed applications for our fundamental technologies using silicone and various plastics involving materials and compounding, design, molding processes, and evaluation and analysis.

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.

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	¥11,635.95 million
Number of consolidated subsidiaries	14
Number of employees	4,655 (consolidated), 1,030 (non-consolidated) (As of March 31, 2020)

Company Overview

Technological Development

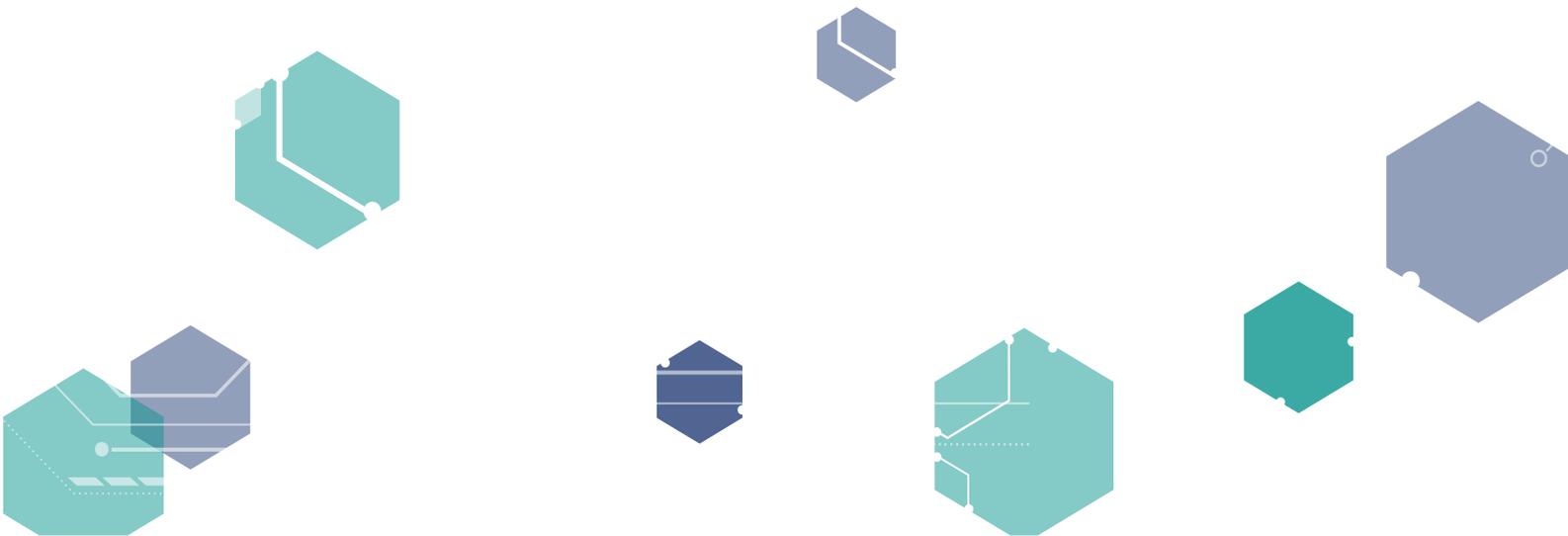


Ability to Meet Global Needs

(As of March 31, 2020)



Reference Materials



Reference Materials

Financial Summary

(Million yen)

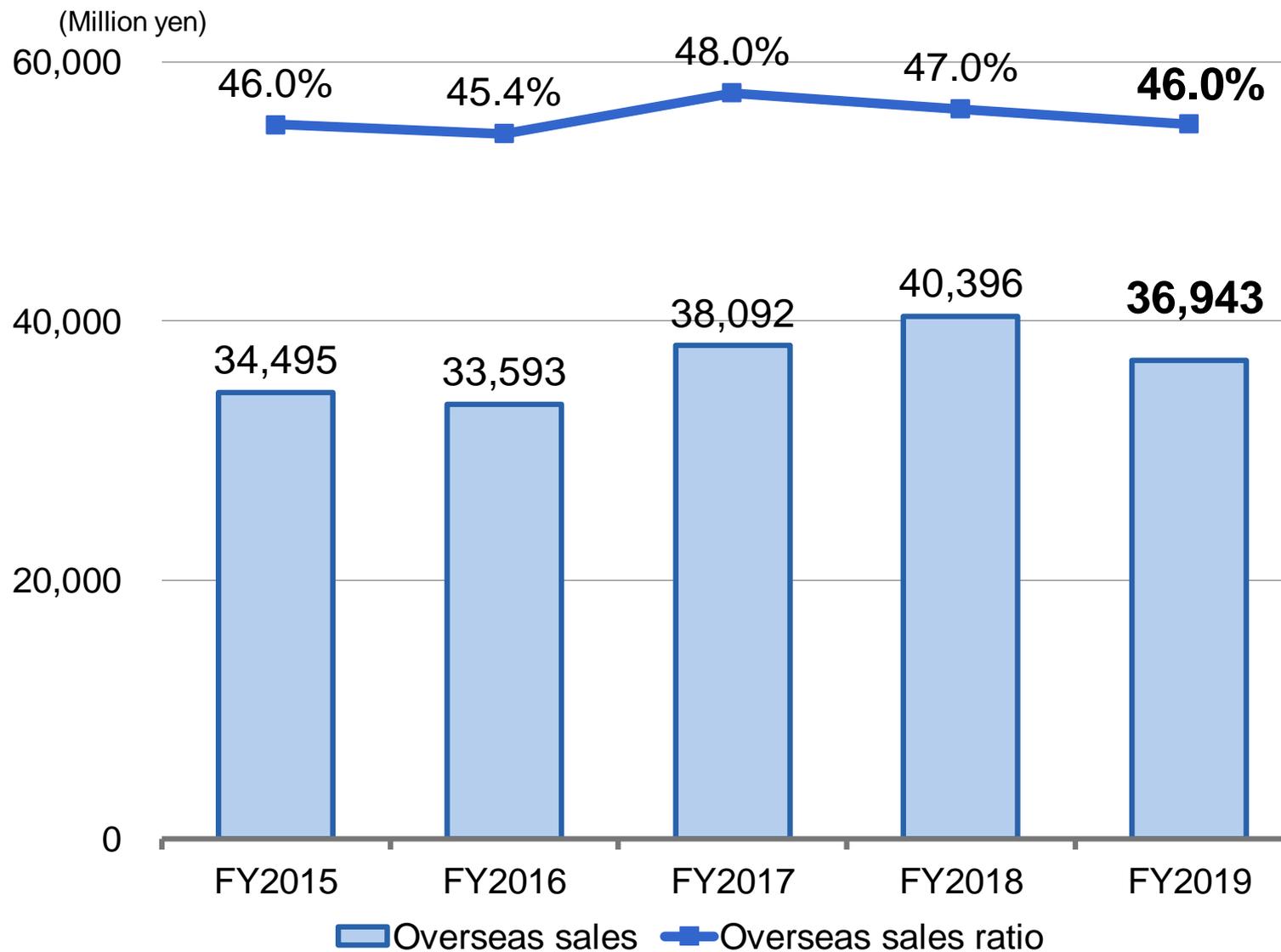
	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales	75,039	73,979	79,343	85,460	80,254
Operating income	4,101	5,511	7,206	8,153	7,756
Ordinary income	4,532	5,934	7,274	8,026	8,097
Current net income	3,151	4,230	5,455	6,049	6,288
Total assets	92,845	96,061	103,667	107,032	105,378
Net assets	71,253	72,890	77,510	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

Quarterly Changes by Business Segment

(Million yen)

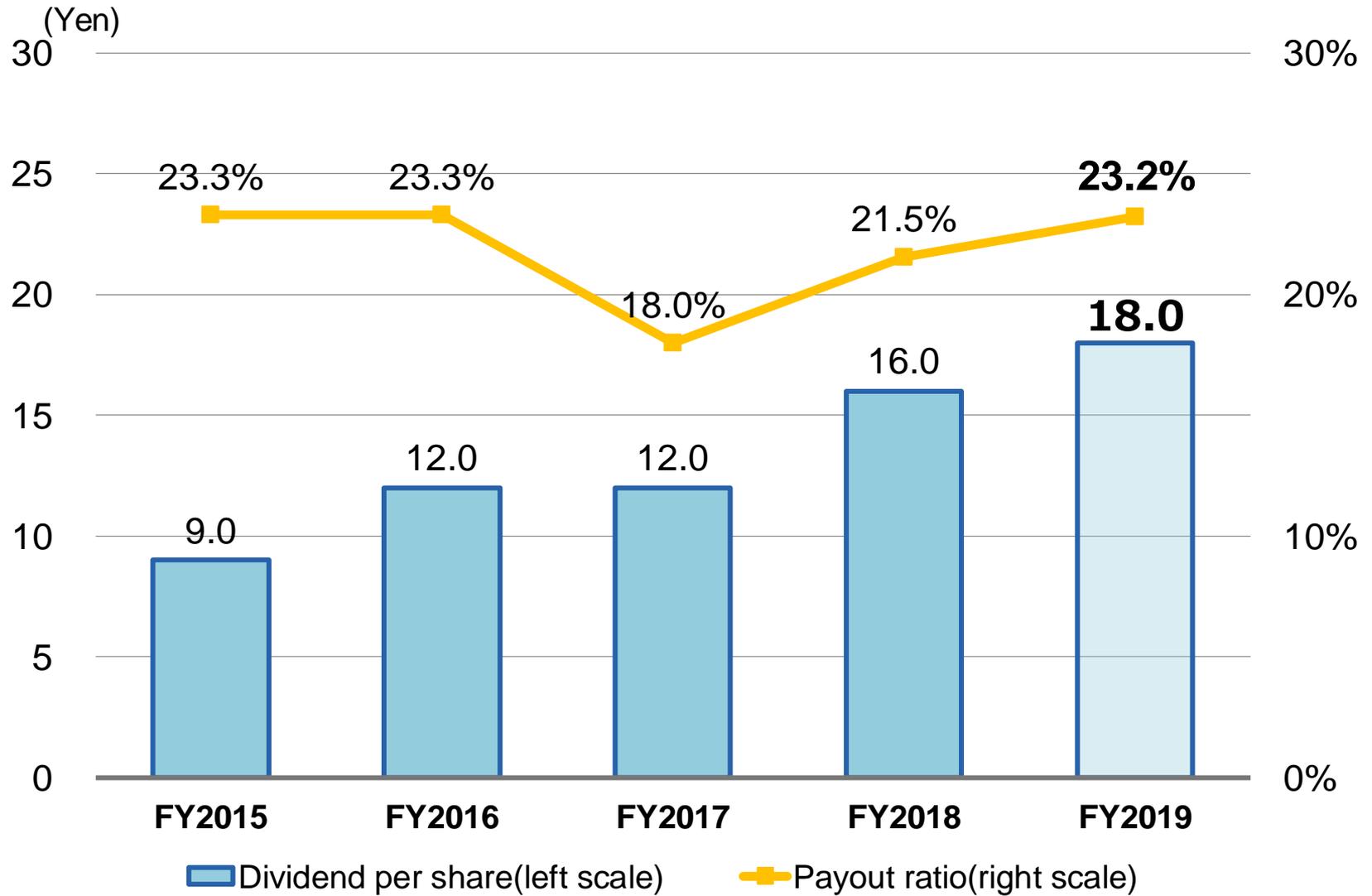
		FY2018						FY2019					
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half	3Q	4Q	2nd half
Electronic Devices	Net Sales	4,968	5,311	10,280	5,404	5,014	10,418	4,894	5,220	10,115	4,972	4,636	9,609
	Operating Income	316	380	696	437	358	795	376	415	792	445	406	851
Precision Molding Products	Net Sales	9,070	9,382	18,452	9,893	8,743	18,636	7,979	8,375	16,354	8,698	8,398	17,096
	Operating Income	1,338	1,425	2,764	1,739	1,401	3,140	1,195	1,408	2,603	1,219	1,302	2,521
Housing & Living Materials	Net Sales	4,954	4,835	9,790	5,612	4,528	10,140	4,767	4,898	9,665	4,972	4,371	9,343
	Operating Income	90	99	189	345	0	346	161	202	363	87	57	144
Others	Net Sales	1,703	2,078	3,782	2,009	1,949	3,958	1,796	2,353	4,149	1,794	2,123	3,918
	Operating Income	68	61	129	130	△ 39	90	86	78	165	165	148	313
Total	Net Sales	20,697	21,608	42,306	22,919	20,235	43,154	19,438	20,848	40,286	20,438	19,529	39,968
	Operating Income	1,813	1,966	3,780	2,653	1,720	4,373	1,820	2,105	3,925	1,917	1,913	3,831

Reference Materials Net Sales for Overseas



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.