



**Consolidated Financial Summary (Japanese Accounting Standards)  
(For the six months ended September 30, 2019)**

October 24, 2019

**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: November 8, 2019  
 Scheduled date of dividend payout: November 25, 2019  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (for analysts)

(Amounts under a million yen are truncated.)

**1. Consolidated Financial Highlights for the First Half of the Fiscal Year Ending March 31, 2020  
(April 1, 2019 to September 30, 2019)**

**(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 – September 30, 2019	40,286	(4.8)	3,925	3.8	4,033	(3.4)	3,069	3.0
April – September 30, 2018	42,306	8.5	3,780	8.9	4,177	14.8	2,980	16.7

(Note) Comprehensive income (loss): September 30, 2019: ¥2,087 million (7.4%); September 30, 2018: ¥1,944 million (-9.6%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April – September 30, 2019	37.78	37.77
April – September 30, 2018	36.53	36.46

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended September 30, 2019	103,666	82,063	78.9
Year ended March 31, 2019	107,032	80,560	75.1

(Reference) Equity capital: September 30, 2019: ¥81,825 million; March 31, 2019: ¥80,388 million

**2. Dividends**

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2019	–	8.00	–	8.00	16.00
March 2020	–	8.00	–	–	–
March 2020 (forecast)	–	–	–	8.00	16.00

(Note) Revisions to dividend forecasts published most recently: No

**3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)**

(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	
Full year	83,000	(2.9)	7,800	(4.3)	8,000	(0.3)	6,000	(0.8)	73.85	

(Note) Revisions to financial forecasts published most recently: No

\* Notes

- (1) Any changes in important subsidiaries during the six months ended September 30, 2019 (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.: | Yes  |
| 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): | September 2019 | 82,623,376 shares |
|  | March 2019     | 82,623,376 shares |
| 2. Number of treasury shares as of the term end:                           | September 2019 | 1,377,441 shares  |
|  | March 2019     | 1,377,302 shares  |
| 3. Average number of shares during the term:                               | September 2019 | 81,246,007 shares |
|  | September 2018 | 81,606,481 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

(Caution regarding forward-looking statements)

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.

(Method of obtaining presentation material for business result meeting)

The Company will hold a business result meeting for analysts on November 8, 2019. The presentation material distributed at this meeting will be posted promptly on the Company's website after the meeting.

Accompanying Materials – Contents

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1. Qualitative Information on Consolidated Results, etc. for the Six-Month Period Ended September 30, 2019

(1) Qualitative Information on the Consolidated Results

The global economy continued to experience a moderate recovery, particularly in developed countries, during the six-month period ended September 30, 2019, although the sense of uncertainty about the future outlook further increased, primarily due to the escalation of trade friction attributable to protectionist economic policies.

In the U.S., employment circumstances continued to improve and consumer spending remained firm, despite the slowdown in export growth. European economies continued to see strong domestic demand but showed a slowdown in growth mainly in the manufacturing industry. In Asia, although the economies were generally firm, the Chinese economy continued to slow.

In the Japanese economy, while corporate capital expenditure and consumer spending increased at a moderate pace, production remained unchanged and exports continued to show weakness.

The Group's business environment remained weak overall, because the semiconductor and electronics component industries temporarily experienced sluggish businesses and demand in the automotive sector remained flat from a year ago.

In this operating environment, the Group continued to focus its sales activities on boosting sales of both key products and new businesses in Japan and overseas, to expand the production/supply systems as well.

As a result, consolidated net sales stood at ¥40,286 million (down 4.8% year on year). Operating profit amounted to ¥3,925 million (up 3.8% year on year), ordinary profit was ¥4,033 million (down 3.4% year on year), and profit attributable to owners of parent stood at ¥3,069 million (up 3.0% year on year) for the six months under review.

Consolidated results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, overall sales remained flat despite steady shipments at the year-ago level particularly of automotive input devices.

In the business of input devices, shipments of car-mounted electronic switches remained stable and sales were at the year-ago level despite a decline in the growth of shipments of slim notebook personal computer touchpads. Sales of display-related products remained at a low level due to a fall in demand caused by weak market conditions.

Sales of component-related products increased due to the sales expansion of products for applications in other components, which offset the sluggish growth of electronic-part testing connectors.

As a result, segment sales amounted to ¥10,115 million, down 1.6% year on year, and segment operating profit was ¥792 million, up 13.7% year on year.

2) Precision Molding Products segment

In the Precision Molding Products segment, overall sales were lower than the year-ago level due to sluggish shipments of semiconductor-related containers and carrier tape-related products.

Sales of semiconductor-related containers decreased because of sluggish shipments for 300-mm wafer in-process containers due to an investment slowdown in the semiconductor industry.

Sales of office automation equipment remained at the level of a year earlier due to absent growth in demand for development rollers for laser printers as mainstay products.

Sales of carrier tape-related products remained low due to a lack of recovery in demand for components for high-end smartphones.

Sales of silicone rubber molded products were generally weak despite the strong sales of mainstay medical equipment.

As a result, segment sales stood at ¥16,354 million (down 11.4% year on year) and operating profit was ¥2,603 million (down 5.8% 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, which resulted in overall sales at the level equivalent to the previous year.

In the segment of packing materials such as wrapping films, sales remained at the level of a year earlier, reflecting poor shipments overall, despite price revisions in certain areas.

Sales of PVC pipes and related products fell short of the level a year earlier due to the failure to maintain the shipment volume despite the successful implementation of new pricing for some products amid intensifying market competition.

Sales of functional plastic compounds did not rise as expected, reflecting sluggish shipments of robot cables since the beginning of the year, coupled with a slowdown in the growth of automobile-related demand.

Sales of exterior materials grew thanks to special demand caused by disaster recovery, the expansion of sales to new customers, implementation of price revisions, and enhancement of product lines.

Sales of conductive polymer, a new business product, declined year on year due to a sharp drop in demand for use in smartphone components, which did not offset strong demand for use in automotive electronic components. As a result, segment sales stood at ¥9,665 million (down 1.3% year on year) and segment operating profit was ¥363 million (up 92.0% year on year).

### 4) Others segment

Overall sales remained strong due to an increase 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.

As a result, segment sales amounted to ¥4,149 million (up 9.7% year on year) and operating profit was ¥165 million (up 27.3% year on year).

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

Consolidated financial forecasts for the fiscal year ending March 31, 2020 published on July 23, 2019 remain unchanged.

## 2. Consolidated Quarterly Financial Statements and Key Notes

## (1) Consolidated Balance Sheets

(Million yen)

	Year ended March 31, 2019 (As of March 31, 2019)	Six months ended September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	41,974	41,313
Notes and accounts receivable - trade	20,228	18,929
Electronically recorded monetary claims - operating	3,392	2,665
Merchandise and finished goods	6,316	6,903
Work in process	1,557	1,338
Raw materials and supplies	3,236	3,297
Accounts receivable - other	1,629	1,235
Other	383	238
Allowance for doubtful accounts	(326)	(292)
Total current assets	78,391	75,629
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,753	8,665
Machinery, equipment and vehicles, net	5,805	5,333
Land	6,666	6,651
Construction in progress	1,139	1,553
Other, net	1,741	1,706
Total property, plant and equipment	24,106	23,910
Intangible assets		
Software	101	91
Other	70	74
Total intangible assets	172	165
Investments and other assets		
Investment securities	2,244	2,115
Deferred tax assets	1,195	1,027
Other	923	818
Total investments and other assets	4,362	3,960
Total non-current assets	28,641	28,036
Total assets	107,032	103,666

(Million yen)

	Year ended March 31, 2019 (As of March 31, 2019)	Six months ended September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,399	10,579
Electronically recorded obligations - operating	2,309	2,146
Accounts payable - other	2,384	1,531
Income taxes payable	1,049	624
Accrued expenses	2,460	2,086
Provision for bonuses	1,336	1,434
Provision for bonuses for directors (and other officers)	52	28
Other	2,277	1,233
<b>Total current liabilities</b>	<b>24,272</b>	<b>19,665</b>
Non-current liabilities		
Retirement benefit liability	1,512	1,305
Other	687	632
<b>Total non-current liabilities</b>	<b>2,200</b>	<b>1,938</b>
<b>Total liabilities</b>	<b>26,472</b>	<b>21,603</b>
<b>Net Assets</b>		
Shareholders' equity		
Share capital	11,635	11,635
Capital surplus	10,718	10,718
Retained earnings	61,284	63,704
Treasury shares	(1,329)	(1,329)
<b>Total shareholders' equity</b>	<b>82,310</b>	<b>84,729</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	375	304
Foreign currency translation adjustment	(2,260)	(3,177)
Remeasurements of defined benefit plans	(36)	(31)
<b>Total accumulated other comprehensive income</b>	<b>(1,922)</b>	<b>(2,904)</b>
Share acquisition rights	172	238
<b>Total net assets</b>	<b>80,560</b>	<b>82,063</b>
<b>Total liabilities and net assets</b>	<b>107,032</b>	<b>103,666</b>

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

## Consolidated Statements of Income

Six months ended September 30

(Million yen)

	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Net sales	42,306	40,286
Cost of sales	29,289	27,498
Gross profit	13,016	12,787
Selling, general and administrative expenses	9,235	8,861
Operating profit	3,780	3,925
Non-operating income		
Interest income	163	163
Foreign exchange gains	205	–
Gain on sales of investment securities	0	76
Other	47	75
Total non-operating income	416	315
Non-operating expenses		
Interest expenses	11	9
Foreign exchange losses	–	173
Other	8	23
Total non-operating expenses	20	207
Ordinary profit	4,177	4,033
Profit before income taxes	4,177	4,033
Income taxes - current	1,142	782
Income taxes - deferred	53	181
Total income taxes	1,196	963
Profit	2,980	3,069
Profit attributable to owners of parent	2,980	3,069



Consolidated Statement of Comprehensive Income

Six months ended September 30

(Million yen)

	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Profit	2,980	3,069
Other comprehensive income		
Valuation difference on available-for-sale securities	34	(70)
Foreign currency translation adjustment	(1,070)	(917)
Remeasurements of defined benefit plans, net of tax	(1)	5
Total other comprehensive income	(1,036)	(982)
Comprehensive income	1,944	2,087
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,944	2,087

## (3) Consolidated Statement of Cash Flows

(Million yen)

	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Net cash provided by (used in) operating activities		
Profit before income taxes	4,177	4,033
Depreciation and amortization	1,626	1,861
Interest and dividend income	(180)	(181)
Interest expenses	11	9
Foreign exchange losses (gains)	(106)	144
Decrease (increase) in notes and accounts receivable-trade	(2,023)	1,713
Decrease (increase) in inventories	107	(557)
Increase (decrease) in notes and accounts payable-trade	(566)	(1,785)
Loss (gain) on sales of investment securities	(0)	(76)
Increase (decrease) in net defined benefit liability	(195)	(200)
Decrease (increase) in consumption taxes receivable/payable	422	430
Other, net	759	(1,045)
Subtotal	4,031	4,346
Interest and dividends income received	184	176
Interest expenses paid	(11)	(11)
Repayment (payment) of corporate taxes	(976)	(1,168)
Net cash provided by (used in) operating activities	3,228	3,343
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(5)	80
Purchase of property, plant and equipment	(3,578)	(2,873)
Other, net	(31)	195
Net cash provided by (used in) investing activities	(3,614)	(2,596)
Net cash provided by (used in) financing activities		
Cash dividends paid	(491)	(650)
Other, net	27	(0)
Net cash provided by (used in) financing activities	(464)	(650)
Effect of exchange rate change on cash and cash equivalents	(454)	(660)
Net increase (decrease) in cash and cash equivalents	(1,304)	(563)
Cash and cash equivalents at beginning of period	41,982	40,802
Cash and cash equivalents at end of period	40,677	40,239

(4) 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

(Change in Accounting Policy)

Starting from the first quarter of the consolidated fiscal year ending March 31, 2020, IFRS 16 (leases) will be adopted by some consolidated subsidiaries. The adoption of this accounting policy will have an immaterial impact on the quarterly consolidated financial statements.

(Segment Information)

Information on net sales and profits or losses by reported segment

Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	10,280	18,452	9,790	38,523	3,782	42,306
Inter-segment sales or transfers	–	–	–	–	–	–
Total	10,280	18,452	9,790	38,523	3,782	42,306
Segment profit (Operating profit)	696	2,764	189	3,650	129	3,780

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

Six months ended September 30, 2019 (April 1, 2019 to September 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	10,115	16,354	9,665	36,136	4,149	40,286
Inter-segment sales or transfers	–	–	–	–	–	–
Total	10,115	16,354	9,665	36,136	4,149	40,286
Segment profit (Operating profit)	792	2,603	363	3,760	165	3,925

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