



**Consolidated Financial Summary (Japanese Accounting Standards)
(For the fiscal year ended March 31, 2019)**

April 25, 2019

Listed company: Shin-Etsu Polymer Co., Ltd.

Listing code: No. 7970 (URL <https://www.shinpoly.co.jp/>)
 Listing stock exchange: Tokyo
 Representative: Yoshiaki Ono, Representative Director, President
 Person to contact: Hideaki Hirasawa, General Manager of Accounting & Finance Department
 TEL: +81-3-5289-3716

Scheduled date of annual shareholders' meeting: June 25, 2019
 Scheduled date of dividend payout: June 26, 2019
 Scheduled date to submit the Securities Report (*Yukashoken Hokokusho*): June 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 (April 1, 2018 to March 31, 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 | % |
| March 2019 | 85,460 | 7.7 | 8,153 | 13.1 | 8,026 | 10.3 | 6,049 | 10.9 |
| March 2018 | 79,343 | 7.3 | 7,206 | 30.7 | 7,274 | 22.6 | 5,455 | 28.9 |

(Note) Comprehensive income (loss): March 2019: ¥4,468 million (-28.4%); March 2018: ¥6,239 million (164.2%)

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ordinary profit to total assets | Operating profit to net sales |
|------------|--------------------------|----------------------------|------------------|---------------------------------|-------------------------------|
| | Yen | Yen | % | % | % |
| March 2019 | 74.27 | 74.17 | 7.7 | 7.6 | 9.5 |
| March 2018 | 66.48 | 66.32 | 7.3 | 7.3 | 9.1 |

(Reference) Equity in income of affiliates accounted for by the equity method: March 2019: ¥- million; March 2018: ¥- million

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| March 2019 | 107,032 | 80,560 | 75.1 | 989.44 |
| March 2018 | 103,667 | 77,510 | 74.6 | 948.31 |

(Reference) Equity capital: March 2019: ¥80,388 million; March 2018: ¥77,383

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the term |
|------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| March 2019 | 9,498 | (6,745) | (3,204) | 40,802 |
| March 2018 | 8,447 | (4,437) | (1,670) | 41,982 |

2. Dividends

| | Dividend per share | | | | | Total dividends paid (annual) | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|-----------------------|--------------------|-------------|-------------|----------|--------|-------------------------------|-----------------------------|--|
| | 1st quarter | 2nd quarter | 3rd quarter | Year-end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Million yen | % | % |
| March 2018 | – | 6.00 | – | 6.00 | 12.00 | 982 | 18.0 | 1.3 |
| March 2019 | – | 8.00 | – | 8.00 | 16.00 | 1,303 | 21.5 | 1.7 |
| March 2020 (forecast) | – | – | – | – | – | | – | |

(Note) Dividends for the fiscal year ending March 31, 2020 are not yet decided. The dividends will be disclosed as soon as the Company's performance for the fiscal year ending March 31, 2020 can be estimated.

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

Consolidated financial forecasts for the fiscal year ending March 31, 2020 are not announced, as it is difficult to reasonably estimate consolidated financial results at this point. Going forward, the consolidated performance forecast will be disclosed promptly when such data becomes available.

* Notes

(1) Any change in important subsidiaries during the year

(any changes in specific subsidiaries accompanied by a change in the scope of consolidating): None
 Newly added: None (Company name:) Eliminated: None (Company name:)

(2) 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.: None
2. Changes in accounting policies other than the above: None
3. Changes in accounting estimates: None
4. Restatement: None

(3) Number of shares issued (common stock)

| | | |
|--|------------|-------------------|
| 1. Number of shares issued as of the term end (including treasury shares): | March 2019 | 82,623,376 shares |
| | March 2018 | 82,623,376 shares |
| 2. Number of treasury shares as of the term end: | March 2019 | 1,377,302 shares |
| | March 2018 | 1,022,252 shares |
| 3. Average number of shares during the term: | March 2019 | 81,446,617 shares |
| | March 2018 | 82,050,497 shares |

Reference: Non-Consolidated Financial Summary

1. Non-Consolidated Financial Highlights (April 1, 2018 to March 31, 2019)

(1) Non-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 | |
|------------|-------------|------|------------------|------|-----------------|------|-------------|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 2019 | 59,795 | 17.0 | 3,544 | 28.7 | 5,207 | 27.7 | 4,272 | (14.6) |
| March 2018 | 51,120 | 10.0 | 2,753 | 66.2 | 4,077 | 40.0 | 5,004 | 132.7 |

| | Basic earnings per share | Diluted earnings per share |
|------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 2019 | 52.46 | 52.39 |
| March 2018 | 60.99 | 60.84 |

(2) Non-Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| March 2019 | 74,355 | 49,224 | 66.0 | 603.76 |
| March 2018 | 71,194 | 46,458 | 65.1 | 567.77 |

(Reference) Equity capital: March 2019: ¥49,052 million; March 2018: ¥46,330 million

This report on summaries of accounts is not subject to audits by certified public accountants or auditing firms.

Statement regarding the proper use of financial forecasts and other special remarks

The Company plans to hold a results briefing for analysts on May 9, 2019 (Thursday). Documents to be distributed at the results briefing will be posted on the Company's website immediately after the briefing was held.

Accompanying Materials – Contents

| | |
|---|----|
| 1. Outline of Consolidated Financial Results, etc..... | 2 |
| (1) Outline of consolidated financial results for the fiscal year under review | 2 |
| (2) Outline of financial position for the consolidated fiscal year under review | 3 |
| (3) Outline of cash flows for the consolidated fiscal year under review..... | 3 |
| (4) Future outlook | 4 |
| 2. Basic Concept of the Selection of Accounting Standards | 4 |
| 3. Consolidated Financial Statements and Key Notes..... | 5 |
| (1) Consolidated Balance Sheets | 5 |
| (2) Consolidated Statements of Income / Consolidated Statement of Comprehensive Income..... | 7 |
| (3) Consolidated Statements of Changes in Net Assets | 9 |
| (4) Consolidated Statements of Cash Flows | 12 |
| (5) Explanatory Notes to Consolidated Financial Statements..... | 13 |
| (Segment Information) | 13 |

1. Outline of Consolidated Financial Results, etc.

(1) Outline of consolidated financial results for the fiscal year under review

The global economy experienced a moderate economic expansion, particularly in advanced countries, which continued during the consolidated fiscal ended March 31, 2019, although there were uncertainties about the future outlook due principally to the rise of protectionist economic policies and the resultant growing concerns over trade friction. In the United States, employment circumstances continued to improve and consumer spending remained firm, despite the downward trend in exports. European economies continued to see strong domestic demand but showed signs of slowing given the political instability in certain countries. In addition, in Asia, although the economies were generally firm, actual signs of a slowing economy were seen in China.

In the Japanese economy, companies recorded solid exports, production activities and capital expenditure, and consumer spending also remained firm. Since the start of 2019, however, the outlook has become increasingly uncertain, mainly due to the slowdown of overseas economies.

In the Group's business environment, the semiconductor industry remained active and demand in the automotive sector remained generally strong.

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 during the fiscal year under review increased 7.7% year on year, to ¥85,460 million, operating profit rose 13.1% year on year, to ¥8,153 million, ordinary profit grew 10.3% year on year, to ¥8,026 million, and profit attributable to owners of parent was up 10.9% year on year, to ¥6,049 million.

Consolidated results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, overall sales increased from a year ago as a result of continued steady shipments, particularly of automotive input devices, which contributed to income growth.

In the business of input devices, which constitute our core products, shipments of automotive key switches and capacitive touch switches remained strong thanks to growth in demand for these components following an increase in the number of car-mounted electronic switches and automobile models installing the switches. Meanwhile, with respect to slim notebook personal computer touchpads, shipments of new products launched while existing products were ending. As for display-related devices, sales of LCD connectors were sluggish, but sales of view control films (VCFs) increased with the additions of sales for new optical applications. In component-related products, shipments of electronic-part testing connectors grew, reflecting a recovery in demand for components for smartphones.

As a result, segment sales amounted to ¥20,699 million (up 5.9% year on year), and segment operating profit was ¥1,492 million (down 2.4% year on year).

2) Precision Molding Products segment

In the Precision Molding Products segment, strong shipments of semiconductor-related containers resulted in year-on-year growth in overall sales, which helped profits increase.

Sales of semiconductor-related containers increased significantly, reflecting the continued shipments of products for 300-mm wafer containers and small-diameter wafers, which remained at a high level on the back of robust demand in the semiconductor industry. Sales of components for office automation equipment remained flat in the absence of growth in demand for development rollers for laser printers as mainstay products. Sales of carrier tape-related products fell year on year, despite a recovery in demand for electronic components for high-end smartphones. In silicone rubber molded products, shipments of mainstay products for medical equipment grew steadily, and sales increased.

As a result, segment sales stood at ¥37,089 million (up 7.9% year on year), and operating profit was ¥5,904 million (up 16.8% year on year).

3) Housing & Living Materials segment

Overall sales in the Housing & Living Materials segment exceeded the segment sales of a year earlier,

contributing to significant earnings growth, thanks to new pricing, efforts to increase production efficiency, and sales promotions for products in new businesses, despite the extremely harsh market environment for PVC products.

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. Shipments of PVC pipes and related products did not expand and sales remained flat, even as prices were revised for some products, amid intensifying market competition. Sales of functional plastic compounds were unchanged year on year due to a slight slowing in demand for automobiles despite continued strong shipments for robot cables. While the market remained sluggish, sales of exterior materials grew significantly, partly thanks to demand for disaster recovery and also due to the expansion of sales to new customers, the revision of prices and the expansion of product lines. Sales of conductive polymer, a new business product, grew significantly for use in electrostatic products and electronic components.

As a result, segment sales stood at ¥19,931 million (up 6.6% year on year) and operating profit was ¥535 million, (up 19.4% year on year).

4) Others segment

In the Others segment, orders increased with respect to the new construction and renovation of commercial facilities, particularly in Tokyo and neighboring areas, and the interior construction of public facilities.

New business development-related projects that are not included in any of the above business segments are also included in the Others segment.

As a result, segment sales amounted to ¥7,740 million (up 15.3% year on year) and operating profit was ¥220 million (up 28.9% year on year).

(2) Outline of financial position for the consolidated fiscal year under review

Total assets at the end of the consolidated fiscal year under review increased ¥3,365 million from the end of the previous fiscal year, to ¥107,032 million. This result was mainly attributable to increases of ¥1,972 million in building and structures, net, ¥1,022 million in investment securities, ¥877 million in machinery, equipment and vehicles, net, ¥870 million in notes and accounts receivable – trade, ¥483 million in electronically recorded monetary claims - operating, and ¥476 million in raw materials and supplies, despite decreases of ¥1,330 million in construction in progress and ¥1,133 million in cash and deposits.

Liabilities at the end of the consolidated fiscal year under review increased ¥315 million from the end of the previous fiscal year, to ¥26,472 million. This result was mainly due to increases of ¥1,051 million in electronically recorded obligations – operating, and ¥766 million in other of current liabilities, despite decreases of ¥1,268 million in notes and accounts payable - trade, and ¥802 million in accounts payable – other.

Net assets at the end of the consolidated fiscal year under review increased ¥3,049 million from the end of the previous fiscal year, to ¥80,560 million, mainly reflecting an increase of ¥4,880 million in retained earnings, despite a decrease of ¥1,452 million in foreign currency translation adjustment.

(3) Outline of cash flows for the consolidated fiscal year under review

Cash and cash equivalents (hereinafter “cash”) at the end of the consolidated fiscal year under review decreased ¥1,179 million from the end of the previous fiscal year, to ¥40,802 million.

Cash flows by activities and contributing factors were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥9,498 million for the consolidated fiscal year under review, an increase of ¥1,050 million from the previous fiscal year. Contributing factors included profit before income taxes of ¥8,026 million, depreciation of ¥3,790 million, and a loss on valuation of shares of subsidiaries and associates of ¥561 million yen, as well as factors that contributed to a decrease, including ¥1,987 million for corporate taxes paid, an increase of ¥1,730 million in notes and accounts receivable-trade, and an increase of ¥740 million in inventories.

(Cash flows from investing activities)

Net cash used in investing activities in the consolidated fiscal year under review was ¥ 6,745 million (a year-on-year increase in net cash used of ¥ 2,308 million), which was primarily attributable to the payment of ¥ 6,596 million for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was ¥3,204 million in the consolidated fiscal year under review, a year-on-year increase in net cash used of ¥1,534 million. This result mainly reflected the payment of ¥1,740 million for the acquisition of shares of subsidiaries that does not result in change in scope of consolidation and ¥1,143 million for dividends paid.

(4) Future outlook

With respect to the future business environment, there is an increasing sense of global economic uncertainty mainly due to trade friction between the United States and China as well as Europe's political woes. Meanwhile, in the Japanese economy, although corporate capital spending is increasing, the pace of growth is expected to slow, and there is concern over the impact of weak consumer spending due to stagnant wage growth and the consumption tax rate hike planned this autumn, and labor shortages.

Under these circumstances, the Group will accelerate the global expansion of its business through sales efforts that accurately anticipate growth in demand in the worldwide market, and by ensuring optimal production locations. At the same time, however, the future business environment surrounding the electric and electronic device and semiconductor industries, etc., the Group's business domains, remains uncertain and does not permit optimism. This reflects the unpredictable production trends of the Group's customers and intensifying competition with rival companies.

In addition, the Group's mainstay products include those whose material prices are significantly affected by the market conditions and demand fluctuations and those that are traded in foreign currencies and are subject to exchange fluctuations. Accordingly, we have decided not to state our results forecast for the next fiscal year as of the time of the announcement of this consolidated financial summary, as it is difficult to reasonably estimate the business performance of the Group. We will announce our consolidated forecast as soon as it can be estimated.

2. Basic Concept of the Selection of Accounting Standards

The Group has decided to continue using the Japanese accounting standards, taking into account the year-on-year comparability and intercompany comparability of the consolidated financial statements. Meanwhile, we will examine the application of the Introduction of International Financial Reporting Standards (IFRS) by considering the conditions in Japan and abroad.

3. Consolidated Financial Statements and Key Notes**(1) Consolidated Balance Sheets**

(Million yen)

| | Year ended March 31, 2018 (As of March 31, 2018) | Year ended March 31, 2019 (As of March 31, 2019) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 43,107 | 41,974 |
| Notes and accounts receivable - trade | 19,358 | 20,228 |
| Electronically recorded monetary claims - operating | 2,909 | 3,392 |
| Merchandise and finished goods | 6,494 | 6,316 |
| Work in process | 1,341 | 1,557 |
| Raw materials and supplies | 2,759 | 3,236 |
| Accounts receivable - other | 1,677 | 1,629 |
| Other | 514 | 383 |
| Allowance for doubtful accounts | (350) | (326) |
| Total current assets | 77,813 | 78,391 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 6,780 | 8,753 |
| Machinery, equipment and vehicles, net | 4,928 | 5,805 |
| Land | 6,715 | 6,666 |
| Construction in progress | 2,470 | 1,139 |
| Other, net | 1,305 | 1,741 |
| Total property, plant and equipment | 22,200 | 24,106 |
| Intangible assets | | |
| Software | 102 | 101 |
| Other | 72 | 70 |
| Total intangible assets | 174 | 172 |
| Investments and other assets | | |
| Investment securities | 1,221 | 2,244 |
| Long-term loans receivable | 5 | 4 |
| Deferred tax assets | 1,267 | 1,195 |
| Other | 984 | 918 |
| Total investments and other assets | 3,478 | 4,362 |
| Total non-current assets | 25,854 | 28,641 |
| Total assets | 103,667 | 107,032 |

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the fiscal year ended March 31, 2019)

(Million yen)

| | Year ended March 31, 2018 (As of March 31, 2018) | Year ended March 31, 2019 (As of March 31, 2019) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 13,667 | 12,399 |
| Electronically recorded obligations - operating | 1,258 | 2,309 |
| Short-term loans payable | 0 | - |
| Accounts payable - other | 3,187 | 2,384 |
| Income taxes payable | 914 | 1,049 |
| Accrued expenses | 2,323 | 2,460 |
| Provision for bonuses | 1,254 | 1,336 |
| Provision for directors' bonuses | 37 | 52 |
| Other | 1,511 | 2,277 |
| Total current liabilities | 24,155 | 24,272 |
| Non-current liabilities | | |
| Net defined benefit liability | 1,675 | 1,512 |
| Other | 326 | 687 |
| Total non-current liabilities | 2,001 | 2,200 |
| Total liabilities | 26,156 | 26,472 |
| Net Assets | | |
| Shareholders' equity | | |
| Capital stock | 11,635 | 11,635 |
| Capital surplus | 10,718 | 10,718 |
| Retained earnings | 56,403 | 61,284 |
| Treasury shares | (1,033) | (1,329) |
| Total shareholders' equity | 77,724 | 82,310 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 463 | 375 |
| Foreign currency translation adjustment | (807) | (2,260) |
| Remeasurements of defined benefit plans, net of tax | 2 | (36) |
| Total accumulated other comprehensive income | (341) | (1,922) |
| Share acquisition rights | 127 | 172 |
| Total net assets | 77,510 | 80,560 |
| Total liabilities and net assets | 103,667 | 107,032 |

(2) Consolidated Statements of Income / Consolidated Statement of Comprehensive Income

Consolidated Statements of Income

(Million yen)

| | Year ended March 31, 2018 (April 1, 2017 to March 31, 2018) | Year ended March 31, 2019 (April 1, 2018 to March 31, 2019) |
|--|--|--|
| Net sales | 79,343 | 85,460 |
| Cost of sales | 54,715 | 58,697 |
| Gross profit | 24,627 | 26,762 |
| Selling, general and administrative expenses | 17,421 | 18,608 |
| Operating profit | 7,206 | 8,153 |
| Non-operating income | | |
| Interest income | 264 | 341 |
| Foreign exchange gains | – | 127 |
| Other | 120 | 133 |
| Total non-operating income | 384 | 602 |
| Non-operating expenses | | |
| Interest expenses | 24 | 24 |
| Foreign exchange losses | 220 | – |
| Loss on valuation of shares of subsidiaries and associates | – | 561 |
| Impairment loss | – | 88 |
| Other | 71 | 55 |
| Total non-operating expenses | 316 | 730 |
| Ordinary profit | 7,274 | 8,026 |
| Profit before income taxes | 7,274 | 8,026 |
| Income taxes - current | 1,610 | 1,933 |
| Income taxes - deferred | 208 | 43 |
| Total income taxes | 1,819 | 1,976 |
| Profit | 5,455 | 6,049 |
| Profit attributable to owners of parent | 5,455 | 6,049 |

Consolidated Statement of Comprehensive Income

(Million yen)

| | Year ended March 31, 2018 (April 1, 2017 to March 31, 2018) | Year ended March 31, 2019 (April 1, 2018 to March 31, 2019) |
|---|--|--|
| Profit | 5,455 | 6,049 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 27 | (88) |
| Foreign currency translation adjustment | 752 | (1,452) |
| Remeasurements of defined benefit plans, net of tax | 3 | (38) |
| Total other comprehensive income | 783 | (1,580) |
| Comprehensive income | 6,239 | 4,468 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 6,239 | 4,468 |

(3) Consolidated Statements of Changes in Net Assets

(Million yen)

| | Year ended March 31, 2018 (April 1, 2017 to March 31, 2018) | Year ended March 31, 2019 (April 1, 2018 to March 31, 2019) |
|---|--|--|
| Shareholders' equity: | | |
| Capital stock: | | |
| Balance at the beginning of the year | 11,635 | 11,635 |
| Changes during the fiscal year: | | |
| Total changes during the fiscal year | – | – |
| Balance at the year-end | 11,635 | 11,635 |
| Capital surplus: | | |
| Balance at the beginning of the year | 10,718 | 10,718 |
| Changes during the fiscal year: | | |
| Total changes during the fiscal year | – | – |
| Balance at the year-end | 10,718 | 10,718 |
| Retained earnings: | | |
| Balance at the beginning of the year | 51,970 | 56,403 |
| Changes during the fiscal year: | | |
| Dividends of surplus | (985) | (1,142) |
| Profit attributable to owners of parent | 5,455 | 6,049 |
| Disposal of treasury shares | (12) | – |
| Change of scope of consolidation | (23) | (25) |
| Total changes during the fiscal year | 4,433 | 4,880 |
| Balance at the year-end | 56,403 | 61,284 |
| Treasury shares: | | |
| Balance at the beginning of the year | (360) | (1,033) |
| Changes during the fiscal year: | | |
| Purchase of treasury shares | (700) | (438) |
| Disposal of treasury shares | 27 | 142 |
| Total changes during the fiscal year | (673) | (295) |
| Balance at the year-end | (1,033) | (1,329) |
| Total shareholders' equity: | | |
| Balance at the beginning of the year | 73,964 | 77,724 |
| Changes during the fiscal year: | | |
| Dividends of surplus | (985) | (1,142) |
| Profit attributable to owners of parent | 5,455 | 6,049 |
| Purchase of treasury shares | (700) | (438) |
| Disposal of treasury shares | 14 | 117 |
| Change of scope of consolidation | (23) | – |
| Total changes during the fiscal year | 3,759 | 4,585 |
| Balance at the year-end | 77,724 | 82,310 |

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the fiscal year ended March 31, 2019)

(Million yen)

| | Year ended March 31, 2018 (April 1, 2017 to March 31, 2018) | Year ended March 31, 2019 (April 1, 2018 to March 31, 2019) |
|--|--|--|
| Accumulated other comprehensive income: | | |
| Valuation difference on available-for-sale securities: | | |
| Balance at the beginning of the year | 436 | 463 |
| Changes during the fiscal year: | | |
| Net changes of items other than shareholders' equity | 27 | (88) |
| Total changes during the fiscal year | 27 | (88) |
| Balance at the year-end | 463 | 375 |
| Foreign currency translation adjustment: | | |
| Balance at the beginning of the year | (1,560) | (807) |
| Changes during the fiscal year: | | |
| Net changes of items other than shareholders' equity | 752 | (1,452) |
| Total changes during the fiscal year | 752 | (1,452) |
| Balance at the year-end | (807) | (2,260) |
| Remeasurements of defined benefit plans, net of tax: | | |
| Balance at the beginning of the year | (1) | 2 |
| Changes during the fiscal year: | | |
| Net changes of items other than shareholders' equity | 3 | (38) |
| Total changes during the fiscal year | 3 | (38) |
| Balance at the year-end | 2 | (36) |
| Total accumulated other comprehensive income: | | |
| Balance at the beginning of the year | (1,125) | (341) |
| Changes during the fiscal year: | | |
| Net changes of items other than shareholders' equity | 783 | (1,580) |
| Total changes during the fiscal year | 783 | (1,580) |
| Balance at the year-end | (341) | (1,922) |
| Share acquisition rights: | | |
| Balance at the beginning of the year | 51 | 127 |
| Changes during the fiscal year: | | |
| Net changes of items other than shareholders' equity | 76 | 44 |
| Total changes during the fiscal year | 76 | 44 |
| Balance at the year-end | 127 | 172 |

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the fiscal year ended March 31, 2019)

(Million yen)

| | Year ended March 31, 2018 (April 1, 2017 to March 31, 2018) | Year ended March 31, 2019 (April 1, 2018 to March 31, 2019) |
|--|--|--|
| Total net assets: | | |
| Balance at the beginning of the year | 72,890 | 77,510 |
| Changes during the fiscal year: | | |
| Dividends of surplus | (985) | (1,142) |
| Profit attributable to owners of parent | 5,455 | 6,049 |
| Purchase of treasury shares | (700) | (438) |
| Disposal of treasury shares | 14 | 117 |
| Change of scope of consolidation | (23) | – |
| Net changes of items other than shareholders' equity | 860 | (1,536) |
| Total changes during the fiscal year | 4,620 | 3,049 |
| Balance at the year-end | 77,510 | 80,560 |

(4) Consolidated Statements of Cash Flows

(Million yen)

| | Year ended March 31, 2018 (April 1, 2017 to March 31, 2018) | Year ended March 31, 2019 (April 1, 2018 to March 31, 2019) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 7,274 | 8,026 |
| Depreciation | 3,011 | 3,790 |
| Impairment loss | – | 88 |
| Increase (decrease) in net defined benefit liability | 447 | (200) |
| Interest and dividend income | (290) | (372) |
| Interest expenses | 24 | 24 |
| Foreign exchange losses (gains) | (5) | 31 |
| Loss on valuation of shares of subsidiaries and associates | – | 561 |
| Decrease (increase) in notes and accounts receivable - trade | (1,096) | (1,730) |
| Decrease (increase) in inventories | (1,333) | (740) |
| Increase (decrease) in notes and accounts payable - trade | 1,834 | 76 |
| Decrease/increase in consumption taxes receivable/payable | (472) | 182 |
| Other, net | 390 | 1,393 |
| Subtotal | 9,785 | 11,132 |
| Interest and dividend income received | 288 | 376 |
| Interest expenses paid | (24) | (23) |
| Income taxes (paid) refund | (1,602) | (1,987) |
| Net cash provided by (used in) operating activities | 8,447 | 9,498 |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | 146 | (88) |
| Purchase of property, plant and equipment | (4,546) | (6,596) |
| Purchase of intangible assets | (18) | (48) |
| Proceeds from sales of investment securities | 26 | 31 |
| Other, net | (44) | (43) |
| Net cash provided by (used in) investing activities | (4,437) | (6,745) |
| Cash flows from financing activities | | |
| Purchase of treasury shares | (700) | (438) |
| Cash dividends paid | (984) | (1,143) |
| Payments from changes in ownership interests in subsidiaries that does not result in change in scope of consolidation | – | (1,740) |
| Other, net | 14 | 116 |
| Net cash provided by (used in) financing activities | (1,670) | (3,204) |
| Effect of exchange rate change on cash and cash equivalents | 310 | (727) |
| Net increase (decrease) in cash and cash equivalents | 2,649 | (1,179) |
| Cash and cash equivalents at the beginning of the year | 38,981 | 41,982 |
| Increase in cash and cash equivalents resulting from new consolidation | 350 | – |
| Cash and cash equivalents at the end of the year | 41,982 | 40,802 |

(5) Explanatory Notes to Consolidated Financial Statements

Segment Information**Information on net sales, profits or losses, assets, liabilities and other amounts by reported segment**

Previous term: Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Million yen)

| Item | Reported segments | | | | Others (Note 1) | Total |
|-----------------------------------|-----------------------|----------------------------------|----------------------------------|-----------|--------------------|--------|
| | Electronic Devices | Precision Molding Products | Housing & Living Materials | Sub-total | | |
| Net sales | | | | | | |
| Sales to outside customers | 19,554 | 34,369 | 18,703 | 72,627 | 6,715 | 79,343 |
| Inter-segment sales or transfers | – | – | – | – | – | – |
| Total | 19,554 | 34,369 | 18,703 | 72,627 | 6,715 | 79,343 |
| Segment profit (Operating profit) | 1,529 | 5,057 | 448 | 7,035 | 171 | 7,206 |
| Other items | | | | | | |
| Depreciation | 885 | 1,626 | 330 | 2,842 | 169 | 3,011 |
| Impairment loss (Note 2) | 66 | 315 | – | 382 | – | 382 |

(Notes) 1. “Others” is a business segment that is not included in the reported segments and includes the constructing business, etc.

2. In the Electronic Devices segment, the Group posted an impairment loss incurred at Suzhou Shin-Etsu Polymer Co., Ltd., a foreign subsidiary, under operating expenses in the consolidated statement of income.

In the Precision Molding Products segment, the Group posted an impairment loss at Shin-Etsu Polymer (Malaysia) Sdn. Bhd., a foreign subsidiary, under operating expenses in the consolidated statement of income.

The impairment losses of these two companies are recorded in accordance with the International Financial Reporting Standards.

Current term: Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Million yen)

| Item | Reported segments | | | | Others (Note 1) | Total |
|-----------------------------------|-----------------------|----------------------------------|----------------------------------|-----------|--------------------|--------|
| | Electronic Devices | Precision Molding Products | Housing & Living Materials | Sub-total | | |
| Net sales | | | | | | |
| Sales to outside customers | 20,699 | 37,089 | 19,931 | 77,719 | 7,740 | 85,460 |
| Inter-segment sales or transfers | – | – | – | – | – | – |
| Total | 20,699 | 37,089 | 19,931 | 77,719 | 7,740 | 85,460 |
| Segment profit (Operating profit) | 1,492 | 5,904 | 535 | 7,933 | 220 | 8,153 |
| Other items | | | | | | |
| Depreciation | 1,082 | 1,998 | 426 | 3,506 | 284 | 3,790 |
| Impairment loss (Note 2) | 131 | – | 93 | 225 | 39 | 264 |

(Notes) 1. “Others” is a business segment that is not included in the reported segments and includes the constructing business, etc.

2. In the Electronic Devices segment, the Group posted an impairment loss incurred at Suzhou Shin-Etsu Polymer Co., Ltd., a foreign subsidiary, under operating expenses in the consolidated statement of income.

In the Housing & Living Materials segment, the Group posted an impairment loss of 4 million yen in relation to Shin-Etsu Polymer (Malaysia) Sdn. Bhd., a foreign subsidiary, under operating expenses in the consolidated statement of income.

In the Other segment, the Group posted an impairment loss incurred in relation to new business development at Shin-Etsu Polymer (Malaysia) Sdn. Bhd., a foreign subsidiary, under operating expenses in the consolidated statement of income.

The impairment losses of these two companies are recorded in accordance with the International Financial Reporting Standards.