



**ShinEtsu**

Shin-Etsu Polymer Co., Ltd.

Listing code : 7970

Financial Year  
Ended March 2019

# Business Result

May 9, 2019

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- Quarterly Changes by Business Segment
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## 1. Main Points of Consolidated Performance

- **Sales benefited from remaining actively in the semiconductor industry and remaining steady demand in the automotive sector generally.**
  - 1) Sales of automotive input devices increased steadily.
  - 2) Sales of semiconductor-related containers increased strongly and sales of office automation device components did not grow.
  - 3) Sales of new material products increased strongly.

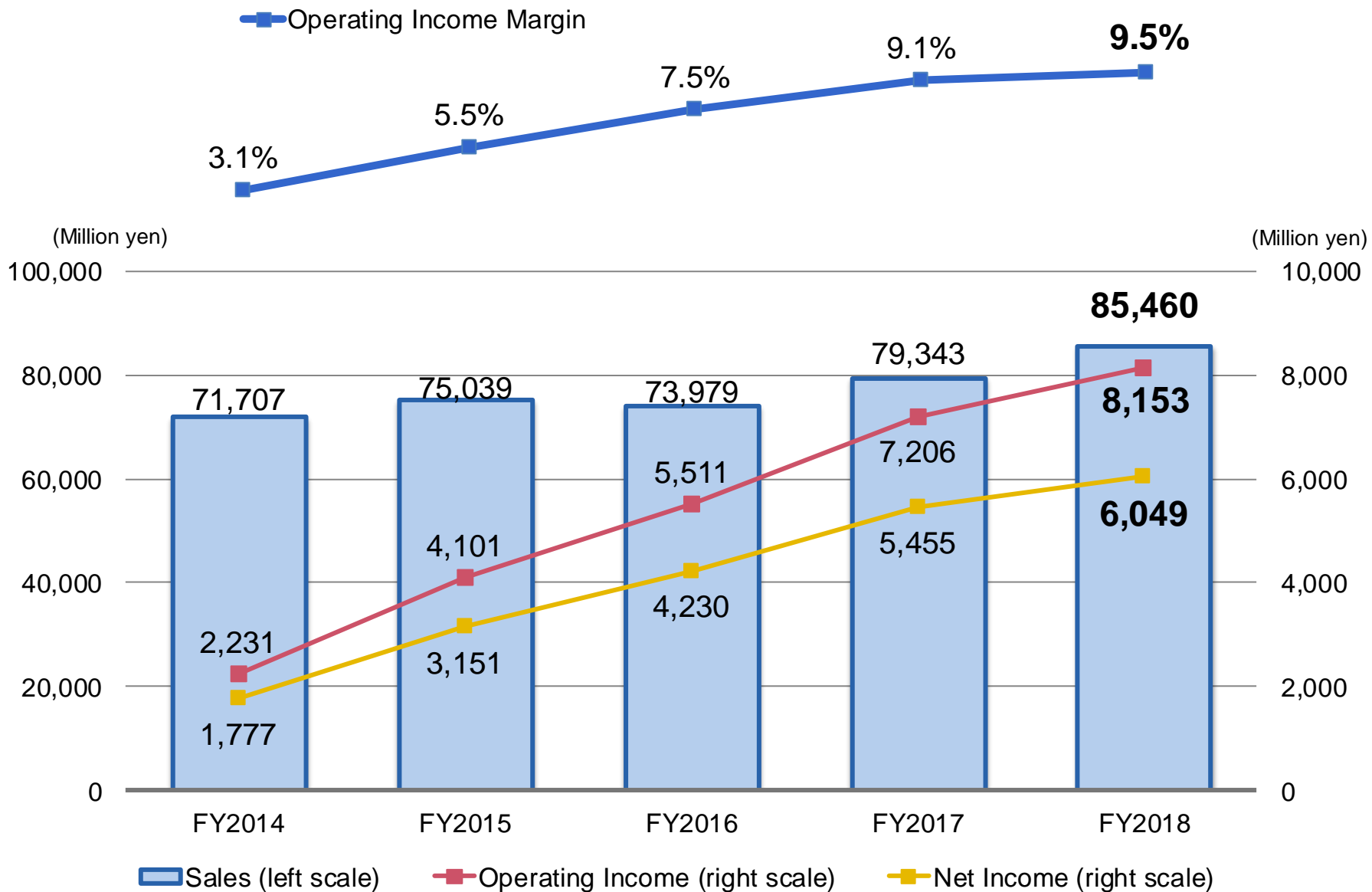
## 2. Summary of Consolidated Performance

(Million yen)

	FY2017	FY2018	Change	
<b>Net Sales</b>	<b>79,343</b>	<b>85,460</b>	<b>6,117</b>	<b>7.7%</b>
<b>Operating Income</b>	<b>7,206</b>	<b>8,153</b>	<b>947</b>	<b>13.1%</b>
<b>Ordinary Income</b>	<b>7,274</b>	<b>8,026</b>	<b>752</b>	<b>10.3%</b>
<b>Net Income</b>	<b>5,455</b>	<b>6,049</b>	<b>594</b>	<b>10.9%</b>
<b>Net Income per Share (yen)</b>	<b>66.48</b>	<b>74.27</b>	<b>7.79</b>	<b>11.7%</b>
<b>Dividend per Share (yen)</b>	<b>12.0</b>	<b>16.0</b>	<b>4.0</b>	<b>33.3%</b>
<b>Exchange Rate</b> (yen/US dollar)	Jan.-Dec.(Ave)	<b>112</b>	<b>Δ 2</b>	<b>Δ 1.6%</b>
	Apr.-Mar.(Ave)	<b>111</b>	<b>0</b>	<b>0.1%</b>

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



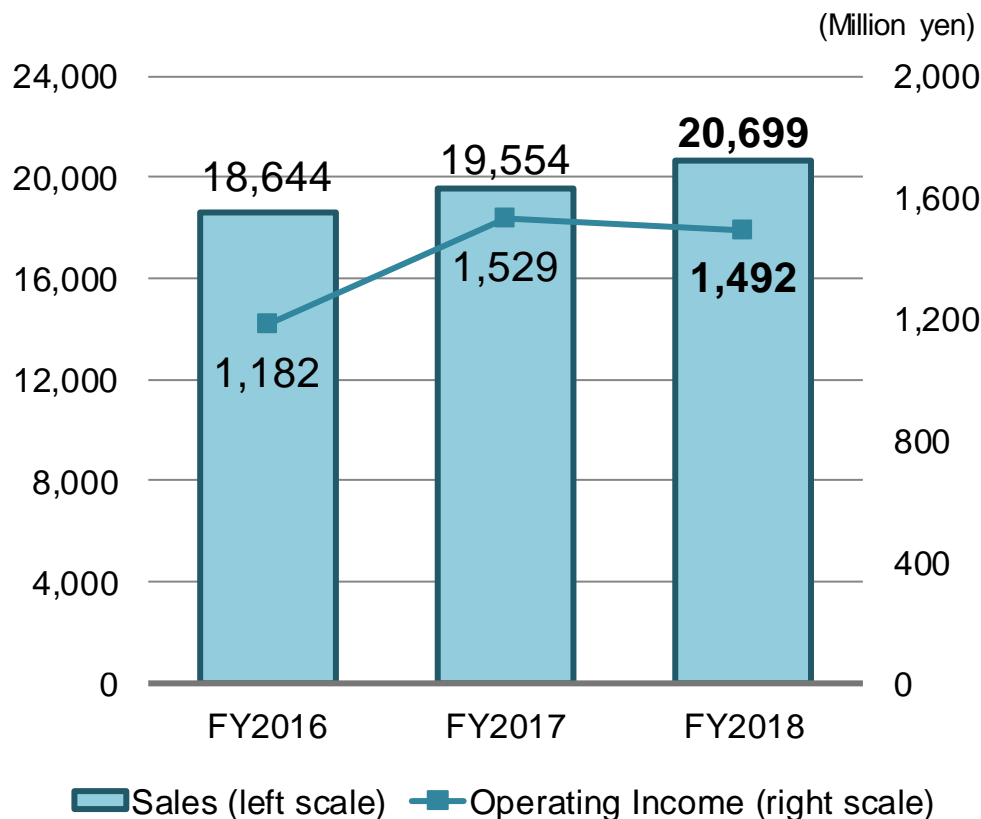
## 4. Summary of Performance by Business Segment

(Million yen)

	Sales				Operating Income			
	FY2017	FY2018	Change		FY2017	FY2018	Change	
Electronic Devices	19,554	20,699	1,145	5.9%	1,529	1,492	△ 37	△ 2.4%
Precision Molding Products	34,369	37,089	2,720	7.9%	5,057	5,904	847	16.7%
Housing & Living Materials	18,703	19,931	1,228	6.6%	448	535	87	19.4%
Others	6,715	7,740	1,025	15.3%	171	220	49	28.7%
Total	79,343	85,460	6,117	7.7%	7,206	8,153	947	13.1%

# 5. Performance by Business Segment

## Electronic Devices



### ■ Input devices

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

### ■ Display-related products

Sales of inter-connectors for LCD connections were sluggish.

Sales of view control film (VCF) for optical use increased.

### ■ Component-related products

Testing connectors for electronic components of smartphones were recovered.

# 5. Performance by Business Segment

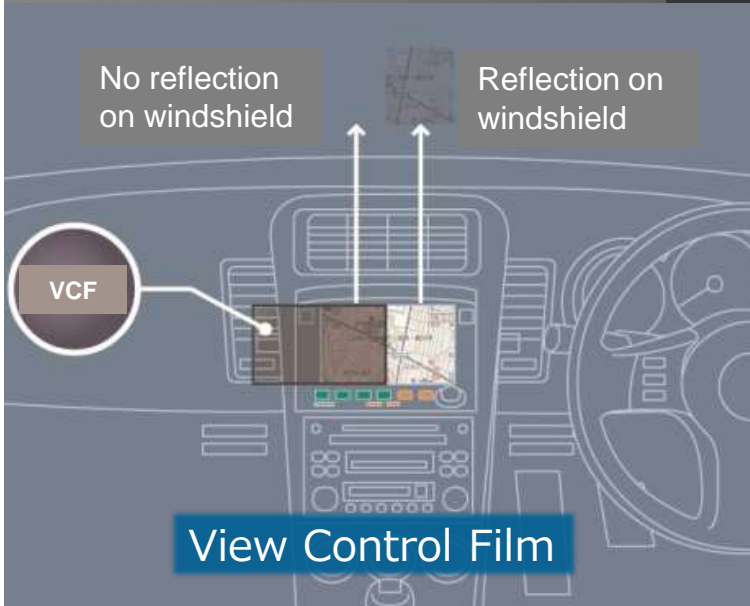
## Electronic Devices



Keypad switch (Automotive)



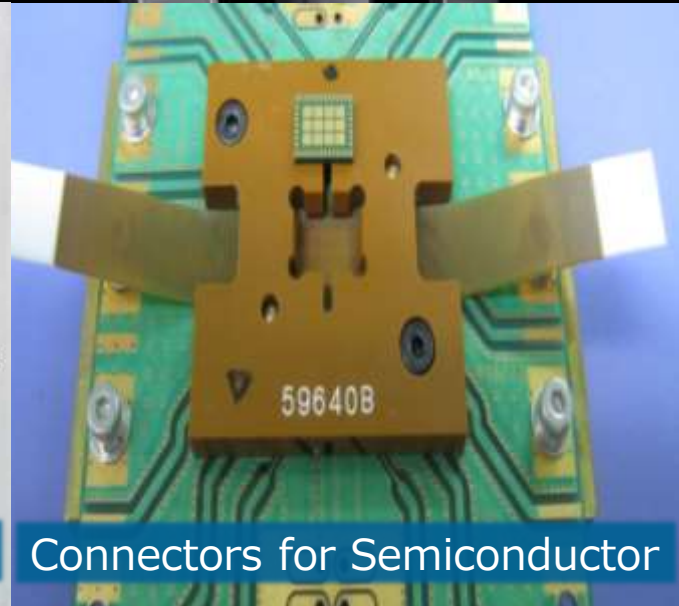
Touch switch (Automotive)



View Control Film



Connectors for LCD

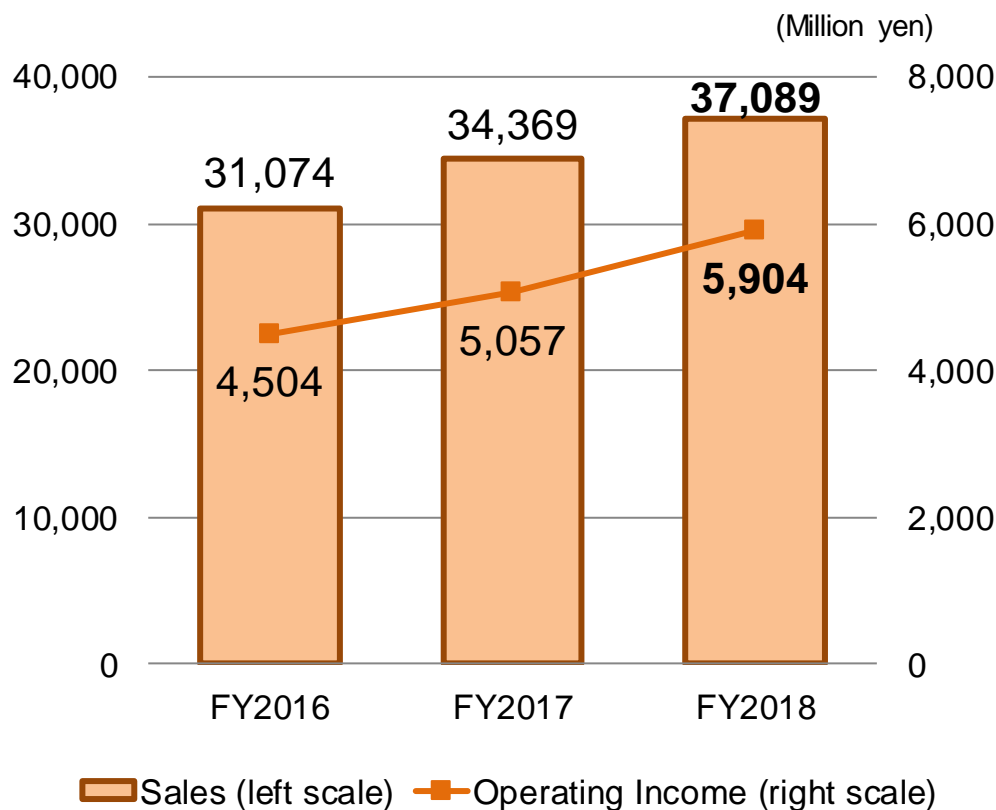


Connectors for Semiconductor



# 5. Performance by Business Segment

## Precision Molding Products



### ■ Semiconductor-related containers

Both 300 mm wafer containers and those for small-diameter wafers rose.

### ■ OA device components

Sales for development rollers were flat.

### ■ Carrier tapes

Shipments for automotive were solid but sales of micro components for smartphones were sluggish late the year.

### ■ Silicone rubber molded products

Sales of medical products grew steadily.

# 5. Performance by Business Segment

## Precision Molding Products

Silicone wafer container



Carrier tapes



Rollers for OA devices

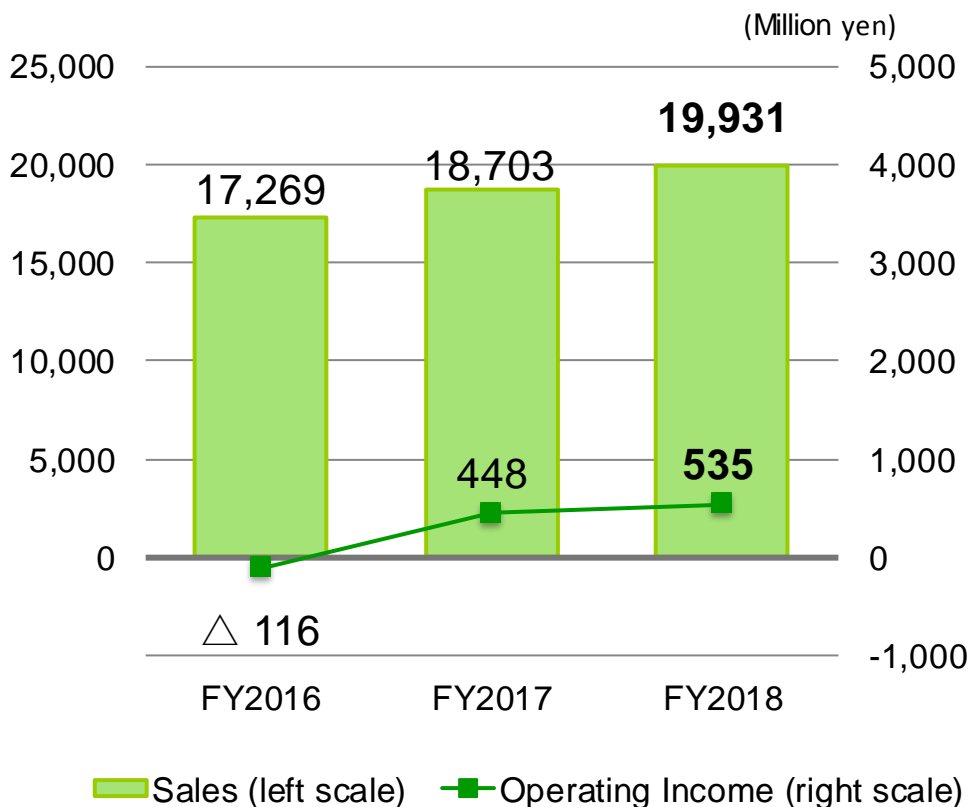


Medical equipment (Catheter)



# 5. Performance by Business Segment

## Housing & Living Materials



### ■ Wrapping films

Sales for food supermarkets and food services struggled to grow even some price revisions.

### ■ PVC pipes and related products

Sales were flat despite price revisions in certain areas.

### ■ Functional compounds

Sales for robot cables were solid but for automobiles slowed down in the last quarter.

### ■ Material products

Sales of conductive polymers grew significantly for use in electronic components.

# 5. Performance by Business Segment

## Housing & Living Materials

Wrapping films



PVC pipes



Functional compounds



Exterior products  
(Corrugated sheets)



# 6. Financial Statements

## Comparative Balance Sheet

		(Million yen)		
		FY2017	FY2018	Change
<b>Current Assets</b>	Cash and deposits	43,107	41,974	△ 1,133
	Notes and accounts receivable—trade			
	Electronically recorded monetary claims - operating	22,267	23,621	1,354
	Inventory assets	10,595	11,109	514
	Other	1,842	1,686	△ 156
	<b>Total</b>	<b>77,813</b>	<b>78,391</b>	<b>578</b>
<b>Noncurrent Assets</b>	Property, plant and equipment	22,200	24,106	1,906
	Intangible assets	174	172	△ 2
	Other	3,478	4,362	884
	<b>Total</b>	<b>25,854</b>	<b>28,641</b>	<b>2,787</b>
<b>Total assets</b>	<b>103,667</b>	<b>107,032</b>	<b>3,365</b>	
<b>Current Liabilities</b>	Notes and accounts payable—trade			
	Electronically recorded obligations - operating	14,926	14,709	△ 217
	Short-term loans payable	0	0	0
	Other	9,229	9,562	333
<b>Total</b>	<b>24,155</b>	<b>24,272</b>	<b>117</b>	
<b>Noncurrent Liabilities</b>	Long-term loans payable	0	0	0
	Net defined benefit liability	1,675	1,512	△ 163
	Other	326	687	361
	<b>Total</b>	<b>2,001</b>	<b>2,200</b>	<b>199</b>
<b>Total liabilities</b>	<b>26,156</b>	<b>26,472</b>	<b>316</b>	
<b>Total net assets</b>	<b>77,510</b>	<b>80,560</b>	<b>3,050</b>	
<b>Total liabilities and net assets</b>	<b>103,667</b>	<b>107,032</b>	<b>3,365</b>	

# 6. Financial Statements

## Comparative Statement of Income

(Million yen)

	FY2017	FY2018	Change	
<b>Net sales</b>	<b>79,343</b>	<b>85,460</b>	<b>6,117</b>	<b>7.7%</b>
Cost of sales	54,715	58,697	3,982	7.3%
Selling, general and administrative expenses	17,421	18,608	1,187	6.8%
<b>Operating income</b>	<b>7,206</b>	<b>8,153</b>	<b>947</b>	<b>13.1%</b>
Non-operating income	384	602	218	56.8%
Non-operating expenses	316	730	414	131.0%
<b>Ordinary income</b>	<b>7,274</b>	<b>8,026</b>	<b>752</b>	<b>10.3%</b>
<b>Income before income taxes and minority interests</b>	<b>7,274</b>	<b>8,026</b>	<b>752</b>	<b>10.3%</b>
Income taxes—current	1,610	1,933	323	20.1%
Income taxes—deferred	208	43	△ 165	△ 79.3%
<b>Net income</b>	<b>5,455</b>	<b>6,049</b>	<b>594</b>	<b>10.9%</b>

# 6. Financial Statements

## Cash Flow Statement

(Million yen)

	FY2017	FY2018
Cash flow provided by (used in) operating activities	8,447	9,498
Net cash provided by (used in) investing activities	△ 4,437	△ 6,745
Net cash provided by (used in ) financing activities	△ 1,670	△ 3,204
Cash and cash equivalents at end of period	41,982	40,802

## 7. Capital Expenditure, Depreciation, Research & Development

(Million yen)

	FY2015	FY2016	FY2017	FY2018
<b>Capital Expenditure</b>	<b>4,424</b>	<b>3,721</b>	<b>5,420</b>	<b>6,023</b>
<b>Depreciation</b>	<b>3,315</b>	<b>2,872</b>	<b>3,011</b>	<b>3,790</b>
<b>R&amp;D Costs</b>	<b>3,609</b>	<b>3,572</b>	<b>3,382</b>	<b>4,249</b>

### CAPEX Topics:

- ◆ Expansion of Itoigawa Factory:  
Completion ceremony was held last July. Operation was started last December.
- ◆ Expansion of Shin-Etsu Polymer India:  
Machine capability for Key switches has been increased 20% since last December.
- ◆ M&A:  
Hymix Co.,Ltd., PVC compounder In Thailand has been taken over since last December.





# Company Overview

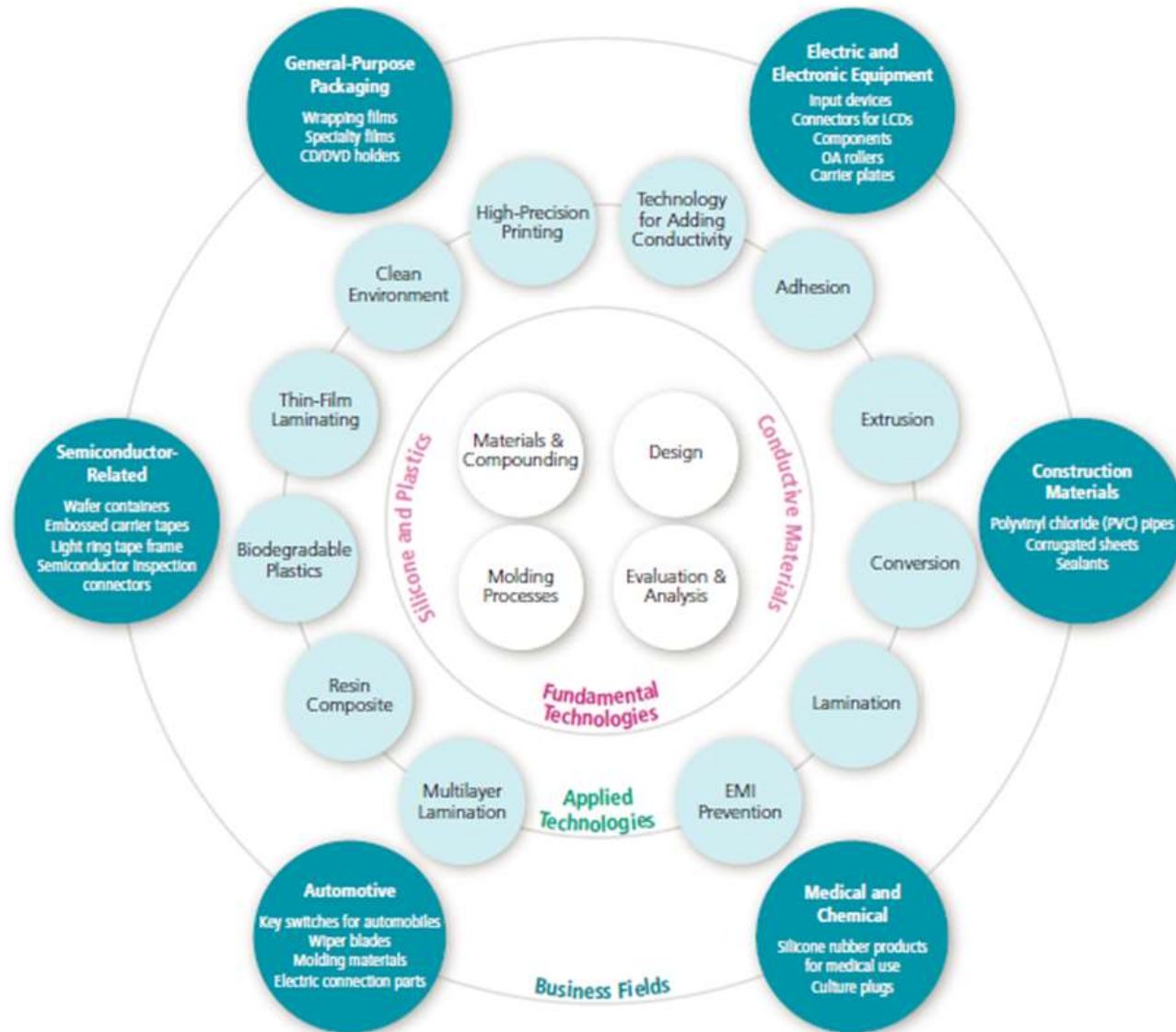
**Shin-Etsu Polymer was established in 1960 as a manufacturer of polyvinyl chloride (PVC) products. Since then, we have developed applications for our fundamental technologies using silicone and various plastics involving materials and compounding, design, molding processes, and evaluation and analysis.**

**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.**

<b>Established</b>	September 15, 1960, as a wholly owned subsidiary of Shin-Etsu Chemical Co., Ltd.
<b>Main businesses</b>	Manufacture and sale of resin processed products Operates businesses in a wide array of fields from electric and electronic devices to construction materials
<b>Paid-in capital</b>	¥11,635.95 million
<b>Number of consolidated subsidiaries</b>	14
<b>Number of employees</b>	4,614 (consolidated), 1,034 (non-consolidated) (As of March 31, 2019)

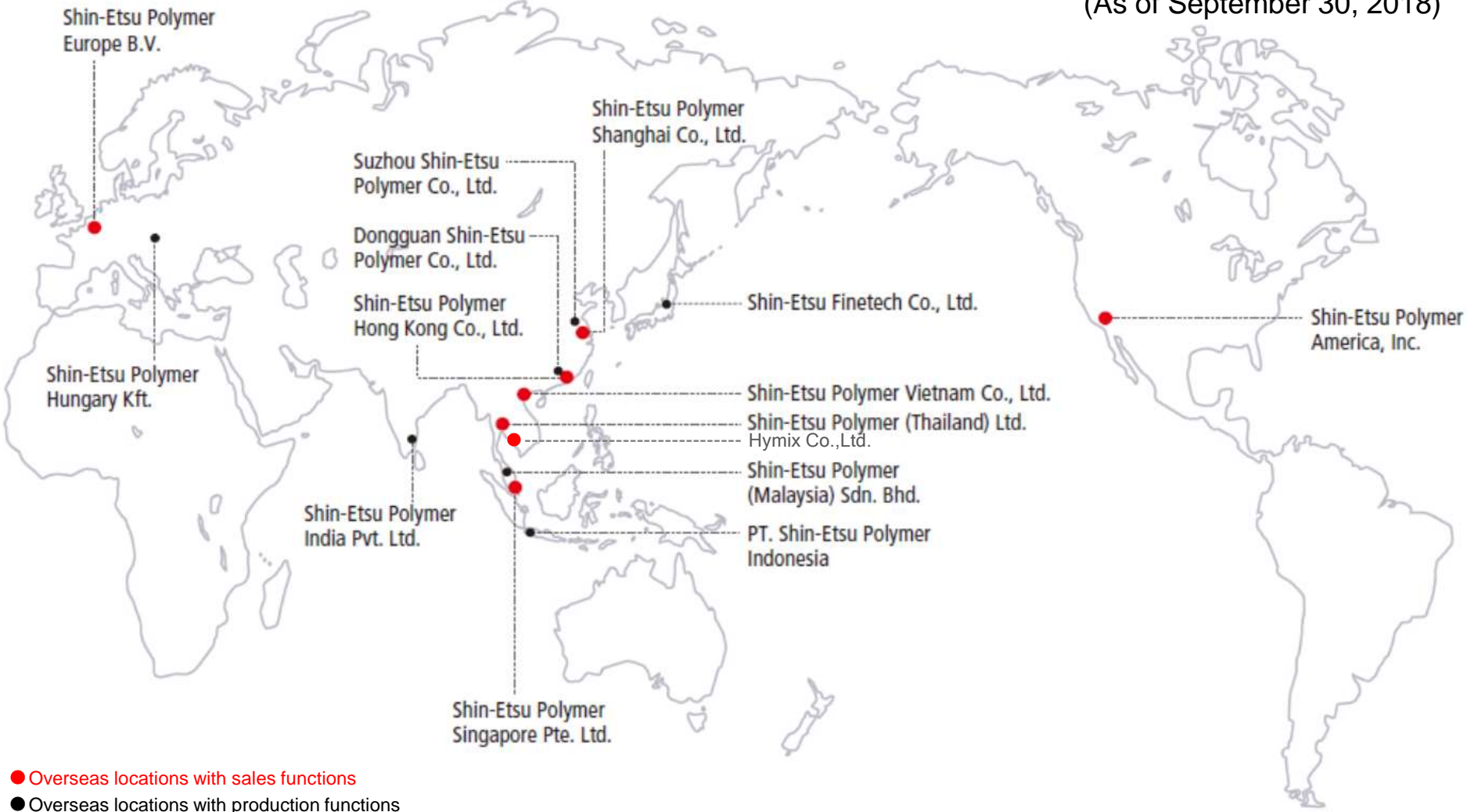
# Company Overview

## Technological Development



# Ability to Meet Global Needs

(As of September 30, 2018)



- Overseas locations with sales functions
- Overseas locations with production functions



# Reference Materials

# Reference Materials

## Financial Summary

(Million yen)

	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales	71,707	75,039	73,979	79,343	85,460
Operating income	2,231	4,101	5,511	7,206	8,153
Ordinary income	2,865	4,532	5,934	7,274	8,026
Current net income	1,777	3,151	4,230	5,455	6,049
Total assets	93,889	92,845	96,061	103,667	107,032
Net assets	72,250	71,253	72,890	77,510	80,560
Equity ratio	76.0%	76.7%	75.8%	74.6%	75.1%
Current net income per share(yen)	21.85	38.55	51.60	66.48	74.27
Annual dividend per share(yen)	9.00	9.00	12.00	12.00	16.00
Operating margin	3.1%	5.5%	7.5%	9.1%	9.5%
ROE - Return (Net income on equity)	2.6%	4.4%	5.9%	7.3%	7.7%
ROA - Return (Ordinary income on assets)	3.1%	4.9%	6.3%	7.3%	7.6%
Number of employees	3,962	3,942	4,144	4,407	4,614

# Reference Materials

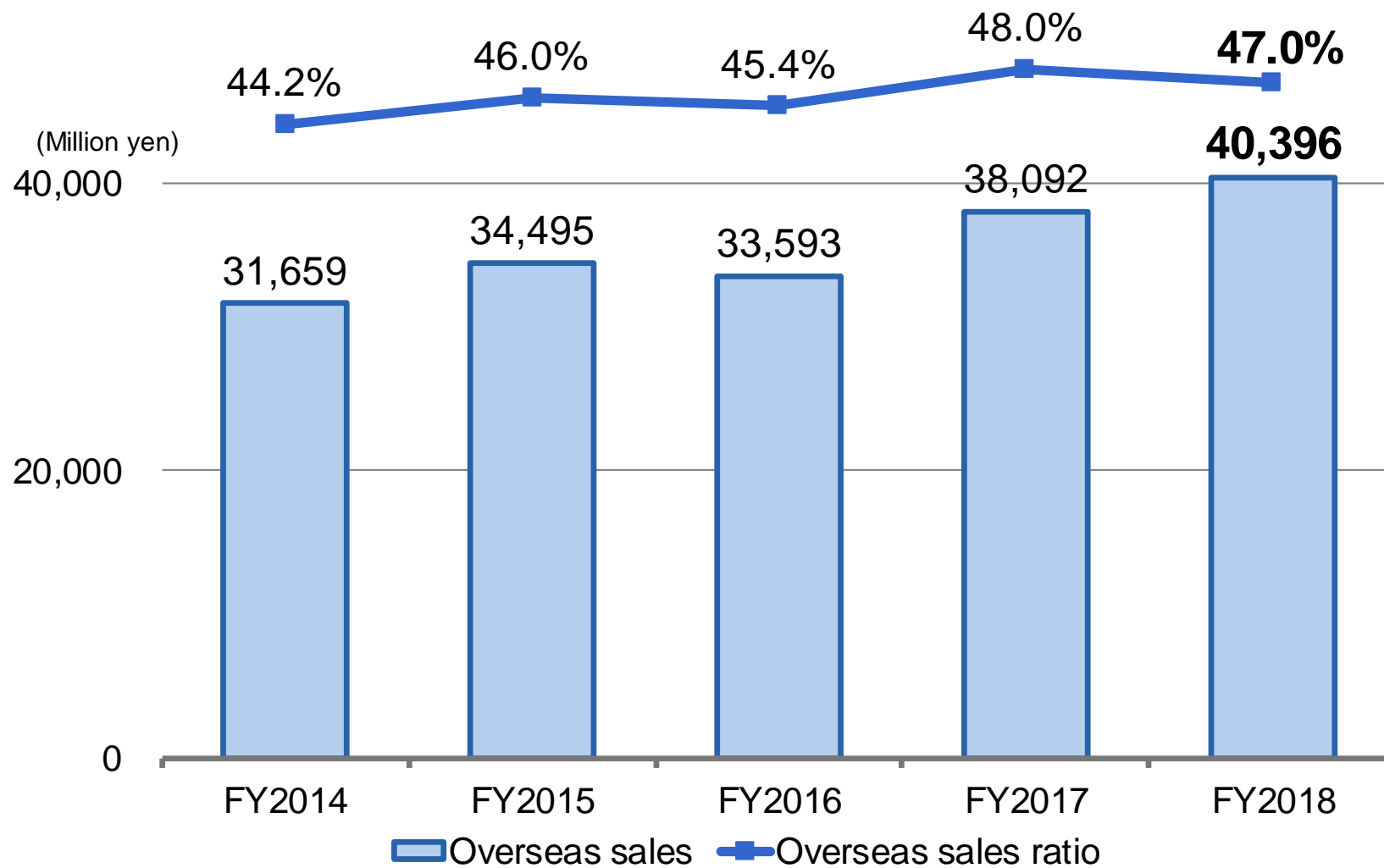
## Quarterly Changes by Business Segment

(Million yen)

		FY2017						FY2018					
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half	3Q	4Q	2nd half
<b>Electronic Devices</b>	Net Sales	4,821	4,876	9,698	5,011	4,844	9,856	4,968	5,311	10,280	5,404	5,014	10,418
	Operating Income	397	453	851	325	352	678	316	380	696	437	358	795
<b>Precision Molding Products</b>	Net Sales	8,093	8,677	16,770	8,675	8,923	17,598	9,070	9,382	18,452	9,893	8,743	18,636
	Operating Income	1,180	1,328	2,508	1,330	1,218	2,548	1,338	1,425	2,764	1,739	1,401	3,140
<b>Housing &amp; Living Materials</b>	Net Sales	4,387	4,707	9,094	4,988	4,620	9,608	4,954	4,835	9,790	5,612	4,528	10,140
	Operating Income	36	44	80	167	200	367	90	99	189	345	0	346
<b>Others</b>	Net Sales	1,681	1,746	3,428	1,622	1,664	3,287	1,703	2,078	3,782	2,009	1,949	3,958
	Operating Income	68	△ 38	29	104	36	141	68	61	129	130	△ 39	90
<b>Total</b>	Net Sales	18,983	20,008	38,991	20,298	20,053	40,351	20,697	21,608	42,306	22,919	20,235	43,154
	Operating Income	1,682	1,787	3,470	1,928	1,807	3,736	1,813	1,966	3,780	2,653	1,720	4,373

# Reference Materials

## Net Sales for Overseas







## **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.