



Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Under Japanese GAAP]

January 28, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 7970
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(% indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	83,518	4.0	10,860	21.7	10,472	12.9	7,332	7.0
December 31, 2023	80,289	(2.3)	8,926	(17.0)	9,277	(16.6)	6,850	(10.2)

(Note) Comprehensive income: For the nine months ended December 31, 2024: ¥ 9,272 million [(19.0) %]
 For the nine months ended December 31, 2023: ¥ 11,443 million [(24.5) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	90.89	90.41
December 31, 2023	84.69	84.20

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	146,637	117,594	79.9
March 31, 2024	140,778	112,967	80.0

(Reference) Equity: As of December 31, 2024: ¥ 117,162 million
 As of March 31, 2024: ¥ 112,578 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	22.00	-	24.00	46.00
Fiscal year ending March 31, 2025	-	25.00	-		
Fiscal year ending March 31, 2025 (Forecast)				25.00	50.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	106,000	1.6	12,800	15.8	13,000	12.7	8,800	1.4	108.99

(Note) Revisions to the financial forecast most recently announced: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - Companies

Excluded: - Companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2024: 82,623,376 shares

As of March 31, 2024: 82,623,376 shares

2) Number of treasury shares at the end of the period:

As of December 31, 2024: 2,304,285 shares

As of March 31, 2024: 1,882,281 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Nine months ended December 31, 2024: 80,679,613 shares

Nine months ended December 31, 2023: 80,892,487 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of financial forecast and other special matters

(Caution regarding forward-looking statements)

The financial forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee that they will be achieved by the Company. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2024, the global economy saw easing inflationary pressure, coupled with strong consumer spending in Europe and the U.S. thanks to a favorable employment climate. The Chinese economy continued to slow down in the face of sluggish domestic demand, despite strong exports. In addition, geopolitical risks increased as a consequence of prolonged conflicts in Ukraine and the Middle East, keeping the situation unstable.

The Japanese economy saw a recovery trend in exports with corporate production activities recovering moderately and capital investments remaining firm, backed by strong demand for semiconductors worldwide.

Industries related to Shin-Etsu Polymer Group performed well. For instance in the automotive industry, sales of environmentally friendly vehicles remained strong, while, in the semiconductor industry, excess inventories decreased gradually and the demand primarily for cutting-edge semiconductors remained on a recovery trajectory.

In this operating environment, the Group continued to focus its sales activities on expanding sales of key products and products for new businesses both at home and abroad to expand the production/supply systems. The Group also continued efforts to expand the production capacity of semiconductor-related containers. Moreover, the Group started to mass-produce fire prevention cushions for EV batteries, for which demand is expected to grow in the years ahead.

As a result, for the nine months ended December 31, 2024, net sales totaled ¥83,518 million (up 4.0% year on year), operating profit amounted to ¥10,860 million (up 21.7% year on year), ordinary profit was ¥10,472 million (up 12.9% year on year), and profit attributable to owners of parent was ¥7,332 million (up 7.0% year on year).

Operating results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, operating results remained roughly unchanged year on year. While sales of in-vehicle silicone molded products and view/light path control film (VCF) grew, sales of automotive input devices remained sluggish due to an increasingly challenging demand environment in the automotive industry.

Regarding non-automotive industry in this segment, operating results improved year on year, backed by firm demand for connectors for LCDs used in the consumer equipment and connectors for testing electronic components, although sales of touch pads for laptop computers were sluggish.

As a result, for this business segment, net sales totaled ¥18,977 million (up 0.3% year on year), and operating profit amounted to ¥1,219 million (down 18.4% year on year).

2) Precision Molding Products segment

In the Precision Molding Products segment, operating results for semiconductor-related containers generally remained firm, although there were some disparities among regions including Japan. Sales of OA device components were strong as demand from printers was firm, and the replacement demand from multifunction printers was also firm. Sales of carrier tape-related products for large-sized electronic components, such as server components, were firm. Sales of silicone rubber molded products increased year on year, backed by the growth of tubes for the pharmaceutical industry.

As a result, for this business segment, net sales totaled ¥42,066 million (up 14.8% year on year), and operating profit amounted to ¥8,121 million (up 37.5% year on year).

3) Housing and Living Materials segment

In the Housing and Living Materials segment, demand of cling wraps for the food industry remained firm thanks to an increase in demand for colored products and other factors. However, net sales decreased year

on year due in part to a prolonged inventory adjustment in the functional compounds market and the transfer of the PVC pipes and other businesses.

As a result, for this business segment, net sales totaled ¥16,944 million (down 11.6% year on year), and operating profit amounted to ¥1,189 million (up 0.8% year on year).

4) Others segment

In the Others segment, net sales totaled ¥5,530 million (down 0.8% year on year), and operating profit amounted to ¥329 million (down 4.2% year on year).

(2) Explanation of Financial Position

Total assets as of the end of the nine months under review amounted to ¥146,637 million (an increase of ¥5,858 million from the end of the previous fiscal year). This was mainly attributable to increases of ¥9,975 million in buildings and structures, net; ¥2,405 million in notes and accounts receivable – trade, and contract assets; ¥1,414 million in machinery, equipment and vehicles, net; ¥559 million in raw materials and supplies; ¥549 million in accounts receivable – other; and ¥446 million in other, net of non-current assets, more than offsetting decreases of ¥6,724 million in construction in progress; ¥1,345 million in cash and deposits; ¥1,056 million in merchandise and finished goods; and ¥554 million in other of current assets.

Liabilities as of the end of the nine months under review stood at ¥29,043 million (an increase of ¥1,231 million from the end of the previous fiscal year). This result was mainly due to increases of ¥987 million in income taxes payable; ¥744 million in accrued expenses; ¥739 million in electronically recorded obligations – operating; and ¥387 million in other of current liabilities, more than offsetting a decrease of ¥1,486 million in notes and accounts payable – trade.

Net assets as of the end of the nine months under review stood at ¥117,594 million (an increase of ¥4,627 million from the end of the previous fiscal year), mainly reflecting an increase of ¥3,374 million in retained earnings, as well as an increase of ¥1,960 million in foreign currency translation adjustment due to the weaker yen against the accounting currencies of major consolidated subsidiaries overseas compared to the end of the previous fiscal year.

As a result, the equity ratio decreased to 79.9% from 80.0% at the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Consolidated financial results forecast for the fiscal year ending March 31, 2025 announced on July 25, 2024 remains unchanged.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	42,453	41,107
Notes and accounts receivable - trade, and contract assets	22,145	24,551
Electronically recorded monetary claims - operating	3,934	4,098
Merchandise and finished goods	12,833	11,776
Work in process	1,628	1,697
Raw materials and supplies	5,751	6,310
Accounts receivable - other	2,823	3,373
Other	1,294	740
Allowance for doubtful accounts	(153)	(116)
Total current assets	92,712	93,539
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,181	27,156
Machinery, equipment and vehicles, net	6,865	8,279
Land	6,696	6,752
Construction in progress	11,487	4,763
Other, net	2,190	2,636
Total property, plant and equipment	44,420	49,588
Intangible assets		
Software	776	644
Goodwill	144	96
Other	65	238
Total intangible assets	986	978
Investments and other assets		
Investment securities	1,112	1,129
Deferred tax assets	501	511
Other	1,044	890
Total investments and other assets	2,658	2,531
Total non-current assets	48,066	53,098
Total assets	140,778	146,637

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,333	11,846
Electronically recorded obligations - operating	2,917	3,656
Accounts payable - other	1,648	1,498
Income taxes payable	888	1,875
Accrued expenses	2,182	2,926
Provision for bonuses	1,526	1,283
Provision for bonuses for directors (and other officers)	43	40
Other	2,330	2,717
Total current liabilities	24,870	25,846
Non-current liabilities		
Retirement benefit liability	1,369	1,345
Other	1,571	1,851
Total non-current liabilities	2,941	3,196
Total liabilities	27,811	29,043
Net assets		
Shareholders' equity		
Share capital	11,635	11,635
Capital surplus	10,755	10,749
Retained earnings	85,022	88,397
Treasury shares	(2,052)	(2,777)
Total shareholders' equity	105,361	108,005
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	477	489
Foreign currency translation adjustment	6,719	8,680
Remeasurements of defined benefit plans	19	(12)
Total accumulated other comprehensive income	7,217	9,157
Share acquisition rights	388	431
Total net assets	112,967	117,594
Total liabilities and net assets	140,778	146,637

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	80,289	83,518
Cost of sales	56,467	57,127
Gross profit	23,822	26,391
Selling, general and administrative expenses	14,895	15,530
Operating profit	8,926	10,860
Non-operating income		
Interest income	103	213
Foreign exchange gains	91	-
Other	240	243
Total non-operating income	435	456
Non-operating expenses		
Interest expenses	25	22
Foreign exchange losses	-	794
Other	60	27
Total non-operating expenses	85	845
Ordinary profit	9,277	10,472
Extraordinary income		
Settlement income	40	-
Gain on reversal of share acquisition rights	35	17
Gain on sale of businesses	348	-
Total extraordinary income	424	17
Extraordinary losses		
Impairment losses	62	-
Loss on sale of business	125	-
Total extraordinary losses	187	-
Profit before income taxes	9,513	10,489
Income taxes - current	2,164	3,126
Income taxes - deferred	497	30
Total income taxes	2,662	3,156
Profit	6,850	7,332
Profit attributable to owners of parent	6,850	7,332

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	6,850	7,332
Other comprehensive income		
Valuation difference on available-for-sale securities	20	12
Foreign currency translation adjustment	4,570	1,960
Remeasurements of defined benefit plans, net of tax	0	(32)
Total other comprehensive income	4,592	1,939
Comprehensive income	11,443	9,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,443	9,272

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes in case of significant changes in shareholders' equity)

Not applicable

(Segment information, etc.)

Information on net sales and profits or losses by reportable segments

For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segment				Others (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Electronic Devices	Precision Molding Products	Housing and Living Materials	Total		
Net sales						
Net sales to outside customers	18,914	36,629	19,171	74,715	5,574	80,289
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	18,914	36,629	19,171	74,715	5,574	80,289
Segment profit (Operating profit)	1,495	5,906	1,180	8,583	344	8,926

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

For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment				Others (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Electronic Devices	Precision Molding Products	Housing and Living Materials	Total		
Net sales						
Net sales to outside customers	18,977	42,066	16,944	77,988	5,530	83,158
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	18,977	42,066	16,944	77,988	5,530	83,158
Segment profit (Operating profit)	1,219	8,121	1,189	10,531	329	10,860

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

(Notes on Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared quarterly consolidated statements of cash flows for the nine months ended December 31, 2024.

Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended December 31, 2024 as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	3,326	3,984
Amortization of goodwill	52	55