



**Consolidated Financial Summary (Japanese Accounting Standards)
(For the nine months ended December 31, 2022)**

January 25, 2023

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

Listing code: No. 7970 (URL <https://www.shinpoly.co.jp/en/>)
 Listing stock exchange: Tokyo
 Representative: Yoshiaki Ono, President, Chief Executive Officer
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Scheduled date to submit the Quarterly Securities Report: February 10, 2023

Scheduled date of dividend payout: –

Supplementary documents for quarterly results: None

Quarterly results briefing: None

(Amounts under a million yen are truncated.)

**1. Consolidated Financial Highlights for the First Nine Months of the Fiscal Year Ending March 31, 2023
(April 1, 2022 to December 31, 2022)**

(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 – December 31, 2022	82,175	19.3	10,750	44.2	11,120	44.2	7,633	35.2
April – December 31, 2021	68,888	23.5	7,456	59.9	7,709	61.1	5,647	62.4

(Note) Comprehensive income (loss): December 31, 2022: ¥15,155 million (89.6%); December 31, 2021: ¥7,994 million (210.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April – December 31, 2022	94.62	94.14
April – December 31, 2021	69.90	69.68

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	143,001	107,166	74.6
As of March 31, 2022	122,577	94,337	76.7

(Reference) Equity capital: December 31, 2022: ¥106,742 million; March 31, 2022: ¥93,995 million

2. Dividends

	Dividend per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2022	–	12.00	–	14.00	26.00
March 2023	–	18.00	–	–	–
March 2023 (forecast)	–	–	–	18.00	36.00

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	108,000	16.6	12,000	23.3	12,500	23.4	8,800	39.5	109.18

(Note) Revisions to financial forecasts published most recently: None

* Notes

- (1) Any changes in important subsidiaries during the nine months ended December 31, 2022: (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.: | None |
| 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): | December 2022 | 82,623,376 shares |
| | March 2022 | 82,623,376 shares |
| 2. Number of treasury shares as of the term end: | December 2022 | 1,864,251 shares |
| | March 2022 | 2,025,709 shares |
| 3. Average number of shares during the term: | December 2022 | 80,673,084 shares |
| | December 2021 | 80,794,815 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

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.

Accompanying Materials – Contents

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1. Qualitative Information on Consolidated Results, etc. for the Nine-Month Period Ended December 31, 2022

(1) Qualitative Information on Consolidated Results

During the nine-month period ended December 31, 2022, the global economy was recovering, with social activities and movements of people increasing at the stage of living with COVID-19. However, the economic recovery slowed due to surging energy prices and rapid hikes in interest rates. In the United States, the economy picked up, reflecting an increase in employment and a rise in income. However, the risk of an economic slowdown increased following a series of interest rate increases designed to control inflation. In Europe, concern remained over energy supply and the economic recovery was slow. In Asia, production and consumption were sluggish in China due to continued strict restrictions on the movement of people. In India and ASEAN countries, however, economies recovered to their pre-COVID-19 levels.

In the Japanese economy, the pace of recovery in production slowed due to surging resources prices. However, corporate capital expenditure recovered and consumer spending picked up moderately. The Group's business environment remained favorable overall, thanks to continued strong demand in the semiconductor industry and an increase in demand in the automotive-related industry.

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 ¥82,175 million (up 19.3% year on year). Operating profit amounted to ¥10,750 million (up 44.2% year on year), ordinary profit was ¥11,120 million (up 44.2% year on year), and profit attributable to owners of parent stood at ¥7,633 million (up 35.2% year on year) for the nine months under review.

Consolidated results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, overall sales were higher than the year-ago level, reflecting an increase in shipments of automotive input devices chiefly due to an easing of shortages of procurable parts in the automotive industry and the impact of exchange rates.

Overall sales for input devices grew, owing to increased shipments of automotive key switches and strong shipments of touchpads for slim notebook personal computers.

Overall sales for display-related products remained flat from a year ago, reflecting strong shipments of view/light path control film (VCF) and sluggish shipments of LCD connectors.

Sales for component-related products grew, reflecting strong shipments of in-vehicle silicone molded products and automotive windshield wipers, despite a significant decline in shipments of electronic-part testing connectors.

As a result, segment sales stood at ¥18,725 million (up 12.5% year on year) and operating profit was ¥1,439 million (up 42.9% year on year).

2) Precision Molding Products segment

In the Precision Molding Products segment, overall sales far surpassed the year-ago level, reflecting continued strength in shipments of semiconductor-related containers, office automation equipment parts, and silicon rubber molded products, coupled partly with the impact of exchange rates.

Overall sales for semiconductor-related containers grew sharply, reflecting strong shipments of 300-mm wafer containers and other products.

Sales of office automation equipment increased significantly due to the recovery in shipments of rollers for laser printers, which are mainstay products.

Sales of carrier tape-related products decreased. Shipments of carrier tapes for micro electronic parts saw sluggish growth.

Sales of silicone rubber molded products rose significantly overall, reflecting a recovery in sales of mainstay medical equipment due to the normalization of medical services in the living-with-COVID-19 condition.

As a result, segment sales stood at ¥38,404 million (up 23.5% year on year) and operating profit was ¥8,195 million (up 47.6% year on year).

3) Housing & Living Materials segment

In the Housing & Living Materials segment, the Company revised sales prices and carried out M&A in the extremely difficult market environment for PVC products. Overall sales for the segment rose significantly from a year earlier.

Sales of packing materials such as wrapping films increased significantly, reflecting the consolidation of Kitche Nista Co., Ltd.

Shipments of PVC pipes and related products were sluggish, but sales climbed due to price revisions.

Sales of functional compounds rose significantly because shipments to new customers expanded and demand for applications in robot cables for industrial machinery remained strong.

Overall sales for exterior materials remained at the year-earlier level, despite sluggish growth in demand, due to revisions to sales prices.

Sales for conductive polymer rose due to strong demand for automotive electronic component applications, which more than offset sluggish demand for liquid crystal display applications.

As a result, segment sales stood at ¥20,005 million (up 25.5% year on year) and operating profit was ¥905 million (up 35.3% year on year).

4) Others segment

Overall sales were maintained on a par with the year-ago level, reflecting solid orders for the interior construction of commercial facilities and public facilities in the construction business.

As a result, segment sales amounted to ¥5,040 million (down 3.2% year on year) and operating profit was ¥209 million (down 7.5% 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, 2023 published on July 26, 2022 remain unchanged.

2. Consolidated Quarterly Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Million yen)

	Year ended March 31, 2022 (As of March 31, 2022)	Third quarter of year ending March 31, 2023 (As of December 31, 2022)
Assets		
Current assets		
Cash and deposits	48,749	48,925
Notes and accounts receivable - trade, and contract assets	22,525	28,628
Electronically recorded monetary claims - operating	2,571	3,941
Merchandise and finished goods	8,152	10,615
Work in process	1,720	1,980
Raw materials and supplies	5,025	6,633
Accounts receivable - other	1,911	2,665
Other	583	967
Allowance for doubtful accounts	(293)	(277)
Total current assets	90,945	104,080
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,965	13,390
Machinery, equipment and vehicles, net	5,243	6,051
Land	6,864	6,981
Construction in progress	4,049	5,621
Other, net	2,041	2,169
Total property, plant and equipment	27,164	34,214
Intangible assets		
Software	114	126
Goodwill	1,574	1,426
Other	612	693
Total intangible assets	2,301	2,246
Investments and other assets		
Investment securities	895	908
Deferred tax assets	293	333
Other	977	1,217
Total investments and other assets	2,165	2,459
Total non-current assets	31,632	38,920
Total assets	122,577	143,001

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the nine months ended December 31, 2022)

(Million yen)

	Year ended March 31, 2022 (As of March 31, 2022)	Third quarter of year ending March 31, 2023 (As of December 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,817	17,012
Electronically recorded obligations - operating	2,885	3,226
Accounts payable - other	2,906	3,626
Income taxes payable	1,670	1,632
Accrued expenses	2,081	2,716
Provision for bonuses	1,506	1,332
Provision for bonuses for directors (and other officers)	31	25
Other	1,808	2,497
Total current liabilities	25,707	32,070
Non-current liabilities		
Net defined benefit liability	1,303	1,347
Other	1,229	2,417
Total non-current liabilities	2,533	3,764
Total liabilities	28,240	35,835
Net Assets		
Shareholders' equity		
Capital stock	11,635	11,635
Capital surplus	10,718	10,718
Retained earnings	73,670	78,736
Treasury shares	(1,988)	(1,830)
Total shareholders' equity	94,036	99,261
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	303	315
Foreign currency translation adjustment	(357)	7,151
Remeasurements of defined benefit plans, net of tax	12	14
Total accumulated other comprehensive income	(41)	7,481
Share acquisition rights	341	423
Total net assets	94,337	107,166
Total liabilities and net assets	122,577	143,001

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

Consolidated Statements of Income

Nine months ended December 31

(Million yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Net sales	68,888	82,175
Cost of sales	47,194	55,794
Gross profit	21,694	26,380
Selling, general and administrative expenses	14,238	15,630
Operating profit	7,456	10,750
Non-operating income		
Interest income	78	88
Foreign exchange gains	130	378
Other	109	125
Total non-operating income	318	592
Non-operating expenses		
Interest expenses	12	18
Loss on retirement of non-current assets	9	187
Other	42	15
Total non-operating expenses	65	221
Ordinary profit	7,709	11,120
Extraordinary profit		
Gain on reversal of share acquisition rights	27	2
Total extraordinary profit	27	2
Profit before income taxes	7,737	11,122
Income taxes - current	1,897	2,928
Income taxes - deferred	192	561
Total income taxes	2,089	3,489
Profit	5,647	7,633
Profit attributable to owners of parent	5,647	7,633

Consolidated Statement of Comprehensive Income

Nine months ended December 31

(Million yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Profit	5,647	7,633
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	11
Foreign currency translation adjustment	2,395	7,508
Remeasurements of defined benefit plans, net of tax	3	2
Total other comprehensive income	2,346	7,522
Comprehensive income	7,994	15,155
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,994	15,155

(3) 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

(Segment Information)

Information on net sales and profits or losses by reported segment

Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	16,650	31,087	15,943	63,681	5,206	68,888
Inter-segment sales or transfers	–	–	–	–	–	–
Total	16,650	31,087	15,943	63,681	5,206	68,888
Segment profit (Operating profit)	1,007	5,552	669	7,229	227	7,456

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

Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	18,725	38,404	20,005	77,135	5,040	82,175
Inter-segment sales or transfers	–	–	–	–	–	–
Total	18,725	38,404	20,005	77,135	5,040	82,175
Segment profit (Operating profit)	1,439	8,195	905	10,540	209	10,750

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