



**Consolidated Financial Summary (Japanese Accounting Standards)
(For the first quarter ended June 30, 2023)**

July 26, 2023

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

Listing code: No. 7970 (URL <https://www.shinpoly.co.jp/en/>)
 Listing stock exchange: Tokyo
 Representative: Toshiaki Deto, President and Chief Operating Officer
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Scheduled date to submit the Quarterly Securities Report: August 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 Quarter of the Fiscal Year Ending March 31, 2024

(April 1, 2023 to June 30, 2023)

(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 – June 30, 2023	26,587	5.4	3,046	(12.2)	3,345	(15.8)	2,300	(14.9)
April – June 30, 2022	25,226	19.9	3,470	55.0	3,973	67.5	2,703	49.1

(Note) Comprehensive income: June 30, 2023: ¥2,937 million (-43.9%); June 30, 2022: ¥5,238 million (35.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April – June 30, 2023	28.41	28.23
April – June 30, 2022	33.53	33.42

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Three months ended June 30, 2023	139,475	106,447	76.1
Year ended March 31, 2023	135,364	105,128	77.4

(Reference) Equity capital: June 30, 2023: ¥106,096 million; March 31, 2023: ¥104,734 million

2. Dividends

	Dividend per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2023	–	18.00	–	20.00	38.00
March 2024	–				
March 2024 (forecast)		22.00	–	22.00	44.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	111,000	2.5	13,000	2.0	13,000	0.1	9,000	5.5	111.20

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

* Notes

- (1) Any changes in important subsidiaries during the three months ended June 30, 2023 (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): | June 2023 | 82,623,376 shares |
| | March 2023 | 82,623,376 shares |
| 2. Number of treasury shares as of the term end: | June 2023 | 1,647,954 shares |
| | March 2023 | 1,690,917 shares |
| 3. Average number of shares during the term: | June 2023 | 80,959,422 shares |
| | June 2022 | 80,604,292 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

1. Qualitative Information on Consolidated Results, etc. for the First Quarter Ended June 30, 2023	2
(1) Qualitative Information on Consolidated Results	2
(2) Explanation of Information on Future Forecasts Such as Consolidated Financial Forecasts	3
2. Consolidated Quarterly Financial Statements and Key Notes.....	4
(1) Consolidated Balance Sheet.....	4
(2) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income	6
(3) Explanatory Notes to Consolidated Financial Statements	8
(Notes on the Premise of a Going Concern)	8
(Notes on Significant Changes in Shareholders' Equity (if any)).....	8
(Segment Information).....	8

1. Qualitative Information on Consolidated Results, etc. for the First Quarter Ended June 30, 2023

(1) Qualitative Information on Consolidated Results

During the first quarter of the consolidated fiscal year under review, the global economy experienced a moderate recovery due to an increase in the movement of people and the normalization of supply chains, although the surge in energy prices and the rise in the cost of living continued. In the United States, consumer spending remained firm, but companies reduced production activities in response to monetary tightening. In Europe, consumer spending remained sluggish, reflecting the high cost of living. In Asia, consumer spending picked up in China with the increase in the movement of people, while in India and ASEAN, business recovered, helped primarily by the growth in domestic demand and inbound tourism-related demand.

Looking at the Japanese economy, production activities recovered at many companies thanks to the easing of parts shortages. In addition, capital expenditure and consumer spending started to pick up again.

The Group's business environment remained firm overall, reflecting an increase in demand in the automotive-related industry and continued solid demand in the semiconductor 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 during the first quarter under review stood at ¥26,587 million (up 5.4% year on year). Operating profit amounted to ¥3,046 million (down 12.2% year on year), ordinary profit was ¥3,345 million (down 15.8% year on year), and profit attributable to owners of parent stood at ¥2,300 million (down 14.9% year on year).

Consolidated results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, shipments of products for automotive applications such as automotive input devices remained solid given a recovery in demand in the automotive industry. However, with shipments of electronic device-related products remaining sluggish, overall sales stood at the year-ago level.

Overall sales for input devices remained at the year-ago level due to weak shipments of touchpads for slim notebook personal computers, although shipments of automotive key switches and touch switches were solid.

Overall sales for display-related products remained firm thanks to growth in shipments of view/light path control films (VCF), although LCD connector shipments were sluggish.

Sales of component-related products did not increase as expected, reflecting a sharp decline in shipments of electronic-part testing connectors, although shipments of in-vehicle silicon molded products increased significantly.

As a result, segment sales stood at ¥5,712 million (up 2.0% year on year) and operating profit was ¥323 million (down 12.2% year on year).

2) Precision Molding Products segment

In the Precision Molding Products segment, overall sales remained solid, supported by continued strong shipments of semiconductor-related containers, office automation equipment parts and silicon rubber molded products.

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

With respect to parts for office automation equipment, shipments of rollers for fuser units of multi-functional printers increased sharply and sales of semi-conductive rollers grew due to the positive impact of foreign exchange rates.

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

Overall sales of silicone rubber molded products remained firm, reflecting an increase in shipments of mainstay medical equipment.

As a result, segment sales stood at ¥12,436 million (up 8.9% year on year) and operating profit was ¥2,268 million (down 15.7% year on year).

3) Housing & Living Materials segment

In the Housing & Living Materials segment, overall sales remained at the year-ago level, reflecting a recovery in shipments of wrapping films attributable to a rebound in the movement of people, despite extremely difficult market conditions for PVC products.

Sales of packing materials such as wrapping films increased steadily as the restaurant industry was recovering to the pre-COVID-19 level and demand for mainstay small wrapping rolls was also beginning to improve.

Sales for functional compounds were stagnant with strong shipments for applications in cables for industrial machines and automotive applications offset by sluggish shipments for other applications.

Sales of PVC pipes and related products decreased due to weak shipments, although efforts were made to maintain sales prices.

Overall sales for exterior materials remained weak because demand for corrugate panels and other products continued to fall.

Sales of functional materials remained at the year-ago level with almost flat sales for automotive electronic component applications and sluggish shipments for displays.

As a result, segment sales stood at ¥6,567 million (up 1.4% year on year) and operating profit was ¥334 million (up 3.6% year on year).

4) Others segment

Overall sales were solid, reflecting strong orders for the interior construction of commercial facilities and public facilities in the construction business.

As a result, segment sales amounted to ¥1,869 million (up 8.3% year on year) and operating profit was ¥118 million (up 38.8% 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, 2024 published on April 26, 2023 remain unchanged.

2. Consolidated Quarterly Financial Statements and Key Notes**(1) Consolidated Balance Sheet**

(Million yen)

	Year ended March 31, 2023 (As of March 31, 2023)	First quarter ended June 30, 2023 (As of June 30, 2023)
Assets		
Current assets		
Cash and deposits	46,900	44,099
Notes and accounts receivable - trade, and contract assets	24,745	24,798
Electronically recorded monetary claims - operating	3,509	3,694
Merchandise and finished goods	11,291	11,875
Work in process	2,006	1,905
Raw materials and supplies	6,333	6,572
Accounts receivable - other	2,723	3,127
Other	922	1,336
Allowance for doubtful accounts	(360)	(289)
Total current assets	98,072	97,119
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,885	12,982
Machinery, equipment and vehicles, net	7,245	6,979
Land	6,975	6,991
Construction in progress	4,457	9,606
Other, net	2,125	2,169
Total property, plant and equipment	33,689	38,729
Intangible assets		
Software	126	578
Goodwill	199	187
Other	546	347
Total intangible assets	872	1,114
Investments and other assets		
Investment securities	934	999
Deferred tax assets	639	337
Other	1,155	1,174
Total investments and other assets	2,730	2,511
Total non-current assets	37,292	42,355
Total assets	135,364	139,475

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the first quarter ended June 30, 2023)

(Million yen)

	Year ended March 31, 2023 (As of March 31, 2023)	First quarter ended June 30, 2023 (As of June 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,065	14,830
Electronically recorded obligations - operating	2,948	3,237
Accounts payable - other	735	5,918
Income taxes payable	1,719	709
Accrued expenses	2,361	2,080
Provision for bonuses	1,713	987
Provision for bonuses for directors (and other officers)	34	10
Other	2,911	2,482
Total current liabilities	27,489	30,255
Non-current liabilities		
Net defined benefit liability	1,335	1,343
Other	1,410	1,427
Total non-current liabilities	2,746	2,771
Total liabilities	30,236	33,027
Net Assets		
Shareholders' equity		
Capital stock	11,635	11,635
Capital surplus	10,764	10,764
Retained earnings	79,619	80,302
Treasury shares	(1,660)	(1,617)
Total shareholders' equity	100,360	101,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	338	383
Foreign currency translation adjustment	4,030	4,622
Remeasurements of defined benefit plans, net of tax	4	4
Total accumulated other comprehensive income	4,373	5,011
Share acquisition rights	394	351
Total net assets	105,128	106,447
Total liabilities and net assets	135,364	139,475

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

Consolidated Statements of Income

Three months ended June 30

(Million yen)

	First quarter ended June 30, 2022 (April 1, 2022 to June 30, 2022)	First quarter ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Net sales	25,226	26,587
Cost of sales	16,760	18,645
Gross profit	8,465	7,941
Selling, general and administrative expenses	4,995	4,895
Operating profit	3,470	3,046
Non-operating income		
Interest income	27	34
Foreign exchange gains	445	252
Other	39	46
Total non-operating income	512	333
Non-operating expenses		
Interest expenses	6	7
Loss on retirement of non-current assets	0	7
Disaster recovery expenses	–	19
Other	2	0
Total non-operating expenses	9	33
Ordinary profit	3,973	3,345
Extraordinary profit		
Gain on reversal of share acquisition rights	2	35
Total extraordinary profit	2	35
Profit before income taxes	3,975	3,381
Income taxes - current	971	788
Income taxes - deferred	300	292
Total income taxes	1,272	1,081
Profit	2,703	2,300
Profit attributable to owners of parent	2,703	2,300

Consolidated Statement of Comprehensive Income
Three months ended June 30

(Million yen)

	First quarter ended June 30, 2022 (April 1, 2022 to June 30, 2022)	First quarter ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Profit	2,703	2,300
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	45
Foreign currency translation adjustment	2,541	591
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	2,535	637
Comprehensive income	5,238	2,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,238	2,937

(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

Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Total		
Net sales						
Sales to outside customers	5,600	11,420	6,478	23,499	1,727	25,226
Inter-segment sales or transfers	–	–	–	–	–	–
Total	5,600	11,420	6,478	23,499	1,727	25,226
Segment profit (Operating profit)	368	2,692	322	3,384	85	3,470

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

Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Million yen)

	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Total		
Net sales						
Sales to outside customers	5,712	12,436	6,567	24,717	1,869	26,587
Inter-segment sales or transfers	–	–	–	–	–	–
Total	5,712	12,436	6,567	24,717	1,869	26,587
Segment profit (Operating profit)	323	2,268	334	2,927	118	3,046

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