



**Consolidated Financial Results
for the Three Months Ended June 30, 2024
(Under Japanese GAAP)**

July 25, 2024

Company name: **Shin-Etsu Polymer Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 7970
 URL: <https://www.shinpoly.co.jp/en/>
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Amounts under a million yen are truncated.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025
(from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) (% indicates changes from previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2024	25,625	(3.6)	3,218	5.7	3,424	2.3	2,265	(1.5)
June 30, 2023	26,587	5.4	3,046	(12.2)	3,345	(15.8)	2,300	(14.9)

Note: Comprehensive income For the three months ended June 30, 2024: ¥4,890 million (66.5%)
 For the three months ended June 30, 2023: ¥2,937 million (-43.9%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	28.05	27.90
June 30, 2023	28.41	28.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	146,031	115,940	79.1
March 31, 2024	140,778	112,967	80.0

Reference: Equity: As of June 30, 2024: ¥115,576 million
 As of March 31, 2024: ¥112,578 million

2. Dividends

	Dividend 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	—				
Fiscal year ending March 31 2025 (forecast)		24.00	—	24.00	48.00

Note: Revisions to dividend forecasts published most recently: Yes

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2025
(From April 1, 2024 to March 31, 2025)

(% indicates changes from previous corresponding period.)

	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	106,000	1.6	12,800	15.8	13,000	12.7	8,800	1.4	108.99

Note: Revisions to financial results forecast published most recently: Yes

* Notes

(1) Significant changes in important subsidiaries during the three months ended June 30, 2024: None

Newly included: — companies

Excluded: — companies

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements:

None

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

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

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2024	82,623,376 shares
As of March 31, 2024	82,623,376 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	1,832,461 shares
As of March 31, 2024	1,882,281 shares

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

Three months ended June 30, 2024	80,757,661 shares
Three months ended June 30, 2023	80,959,422 shares

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

* Explanation for the appropriate use of performance forecasts and other special notes:

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Table of Contents of Appendix

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(Quarterly Consolidated Statements of Income).....	6
(Quarterly Consolidated Statements of Comprehensive Income).....	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes to Premise of a Going Concern).....	8
(Notes to Significant Changes in the Amount of Shareholders' Equity)	8
(Segment Information).....	8
(Notes to Quarterly Consolidated Statement of Cash Flows).....	8

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations

During the first quarter of the consolidated fiscal year under review, consumer spending remained strong in Europe and the United States due to moderated inflationary pressure. In China, however, the economy continued to slowdown due to weak domestic demand. Geopolitical risks are increasing due to prolonged conflicts in Ukraine and the Middle East.

Looking at the Japanese economy, exports recovered, particularly in the automotive industry. Production activities showed a moderate recovery and capital expenditure remained stable.

In the automotive industry, which affects the Group's business, sales at Japanese manufacturers were solid, supported by the depreciation of the Yen. In the semiconductor industry, there were indications of a recovery in demand as inventory adjustments is gradually moving to normalize.

In this operating environment, the Group continued to focus its sales activities on boosting sales of both key products and new businesses in domestic and overseas markets, to expand the production/supply systems as well. Additionally, the Group prepared for mass production of new products, including heat dissipation products for automotive devices, for which demand is expected to increase.

The consolidated net sales during the first quarter ended Jun 30, 2024 was ¥25,625 million (down 3.6% year on year). Operating profit amounted to ¥3,218 million (up 5.7% year on year), ordinary profit was ¥3,424 million (up 2.3% year on year), and profit attributable to owners of parent stood at ¥2,265 million (down 1.5% year on year).

Consolidated results by segment are as follows.

1) Electronic Devices segment

In the Electronic Devices segment, there was an increase in shipments of automotive input devices, in-vehicle silicone molded products, and view/light path control films (VCF) due to solid demand in the automotive industry. Overall shipments surpassed the year-ago level.

Products for non-automotive industry in this segment, results of electronic-part testing connectors significantly exceeded the year-ago level due to a recovery in demand for electronic parts.

As a result, segment sales stood at ¥6,143 million (up 7.5% year on year) and segment profit (operating profit) was ¥485 million (up 50.0% year on year).

2) Precision Molding Products segment

In the Precision Molding Products segment, Sales of semiconductor-related containers declined than the previous year. However, there were indications of an improvement in shipments due to progress in inventory adjustment in the market. For OA device components surpassed the year-ago level, reflecting progress in inventory adjustment in the market. Carrier tape-related products increased from a year ago due to a recovery in demand.

As a result, segment sales stood at 12,479 million (up 0.3% year on year) and segment profit (operating profit) was ¥2,284 million (up 0.7% year on year).

3) Housing & Living Materials segment

In the Housing & Living Materials segment, sales declined from a year ago caused by prolonged inventory adjustment in the functional compounds market and the transfer of the PVC pipes business. However, segment profit (operating profit) rose from a year ago mainly due to increased sales of small color wrapping rolls.

As a result, segment sales stood at ¥5,520 million (down 15.9% year on year) and segment profit (operating profit) was ¥367 million (up 9.7% year on year).

4) Others segment

Segment sales amounted to ¥1,481 million (down 20.8% year on year) and segment profit (operating profit) was ¥81 million (down 31.3% year on year).

(2) Explanation of Financial Position

Total assets at the end of the fiscal quarter under review amounted to ¥146,031 million (an increase of ¥5,252 million from the end of the previous fiscal year). This was mainly attributable to increases of ¥8,992 million in buildings and structures, net, ¥1,168 million in accounts receivable - other, ¥487 million in notes and accounts receivable - trade, and contract assets, ¥285 million in machinery, equipment and vehicles, net, and ¥263 million in other, net in non-current assets, more than offsetting decreases of ¥5,206 million in construction in progress, ¥466 million in merchandise and finished goods, and ¥289 million in electronically recorded monetary claims - operating.

Liabilities at the end of the first quarter under review stood at ¥30,090 million (an increase of ¥2,278 million from the end of the previous fiscal year). This result was mainly due to increases of ¥2,920 million in accounts payable - other and ¥344 million in accrued expenses, more than offsetting decreases of ¥565 million in provision for bonuses, ¥324 million in notes and accounts payable - trade, and ¥322 million in electronically recorded obligations - operating.

Net assets at the end of the first quarter under review amounted to ¥115,940 million (an increase of ¥2,973 million from the end of the previous fiscal year), mainly reflecting increases of ¥327 million in retained earnings and ¥2,584 million in foreign currency translation adjustment resulting from the weaker yen against the accounting currencies of major consolidated subsidiaries overseas than at the end of the previous fiscal year.

The equity ratio decreased to 79.1% from 80.0% at the end of the previous fiscal year.

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

The consolidated results for the fiscal year ending March 31, 2025 are expected to include sales of ¥106,000 million, operating profit of ¥12,800 million, ordinary profit of ¥13,000 million, and profit attributable to owners of parent of ¥8,800 million. With respect to forecasts of dividends, the annual dividend per share will increase ¥2 from the previous fiscal year, to ¥48 (the end of the second quarter: ¥24; the end of the fiscal year: ¥24).

2. Quarterly Consolidated Financial Statements and Principal Notes**(1) Quarterly Consolidated Balance Sheets**

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	42,453	42,246
Notes and accounts receivable - trade, and contract assets	22,145	22,633
Electronically recorded monetary claims - operating	3,934	3,645
Merchandise and finished goods	12,833	12,366
Work in process	1,628	1,786
Raw materials and supplies	5,751	5,885
Accounts receivable - other	2,823	3,991
Other	1,294	1,165
Allowance for doubtful accounts	(153)	(145)
Total current assets	92,712	93,575
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,181	26,173
Machinery, equipment and vehicles, net	6,865	7,150
Land	6,696	6,735
Construction in progress	11,487	6,280
Other, net	2,190	2,453
Total property, plant and equipment	44,420	48,793
Intangible assets		
Software	776	737
Goodwill	144	127
Other	65	127
Total intangible assets	986	991
Investments and other assets		
Investment securities	1,112	1,162
Deferred tax assets	501	476
Other	1,044	1,030
Total investments and other assets	2,658	2,669
Total non-current assets	48,066	52,455
Total assets	140,778	146,031

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the Three Months Ended June 30, 2024)

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,333	13,008
Electronically recorded obligations - operating	2,917	2,595
Accounts payable - other	1,648	4,568
Income taxes payable	888	1,107
Accrued expenses	2,182	2,527
Provision for bonuses	1,526	960
Provision for bonuses for directors (and other officers)	43	13
Other	2,330	2,354
Total current liabilities	24,870	27,135
Non-current liabilities		
Net defined benefit liability	1,369	1,310
Other	1,571	1,644
Total non-current liabilities	2,941	2,954
Total liabilities	27,811	30,090
Net Assets		
Shareholders' equity		
Capital stock	11,635	11,635
Capital surplus	10,755	10,746
Retained earnings	85,022	85,350
Treasury shares	(2,052)	(1,998)
Total shareholders' equity	105,361	105,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	477	512
Foreign currency translation adjustment	6,719	9,303
Remeasurements of defined benefit plans, net of tax	19	26
Total accumulated other comprehensive income	7,217	9,842
Share acquisition rights	388	363
Total net assets	112,967	115,940
Total liabilities and net assets	140,778	146,031

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

(Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	26,587	25,625
Cost of sales	18,645	17,385
Gross profit	7,941	8,240
Selling, general and administrative expenses	4,895	5,021
Operating profit	3,046	3,218
Non-operating income		
Interest income	34	71
Foreign exchange gains	252	91
Other	46	59
Total non-operating income	333	222
Non-operating expenses		
Interest expenses	7	6
Loss on retirement of non-current assets	7	5
Other	19	4
Total non-operating expenses	33	16
Ordinary profit	3,345	3,424
Extraordinary profit		
Gain on reversal of share acquisition rights	35	17
Total extraordinary profit	35	17
Profit before income taxes	3,381	3,441
Income taxes - current	788	1,071
Income taxes - deferred	292	104
Total income taxes	1,081	1,176
Profit	2,300	2,265
Profit attributable to owners of parent	2,300	2,265

Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the Three Months Ended June 30, 2024)

(Quarterly Consolidated Statements of Comprehensive Income)

(Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	2,300	2,265
Other comprehensive income		
Valuation difference on available-for-sale securities	45	34
Foreign currency translation adjustment	591	2,584
Remeasurements of defined benefit plans, net of tax	0	6
Total other comprehensive income	637	2,625
Comprehensive income	2,937	4,890
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,937	4,890

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Premise of a Going Concern)

Not applicable

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Notes to Segment Information, etc.)

Information on net sales and profits or losses by reportable segments

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

(Million yen)

	Reportable 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.

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Million yen)

	Reportable segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Total		
Net sales						
Sales to outside customers	6,143	12,479	5,520	24,144	1,481	25,625
Inter-segment sales or transfers	–	–	–	–	–	–
Total	6,143	12,479	5,520	24,144	1,481	25,625
Segment profit (Operating profit)	485	2,284	367	3,137	81	3,218

(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 three months ended June 30, 2024. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended June 30, 2024 as follows.

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	¥1,017 million	¥1,171 million
Amortization of goodwill	¥17 million	¥18 million