

2nd Quarter of Financial Year
Ended March 2022

Business Result

November 5th, 2021

Shin-Etsu

Shin-Etsu Polymer Co., Ltd.
Listing code : 7970



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1. Main Points of Consolidated Financial Results

Demand in the automotive industry was recovered.



Sales of automotive input devices and material products were steady.

Demand in the semiconductor industry and the electronic component industry were expanded.



Sales of semiconductor-related containers and carrier tape-related products were strong.

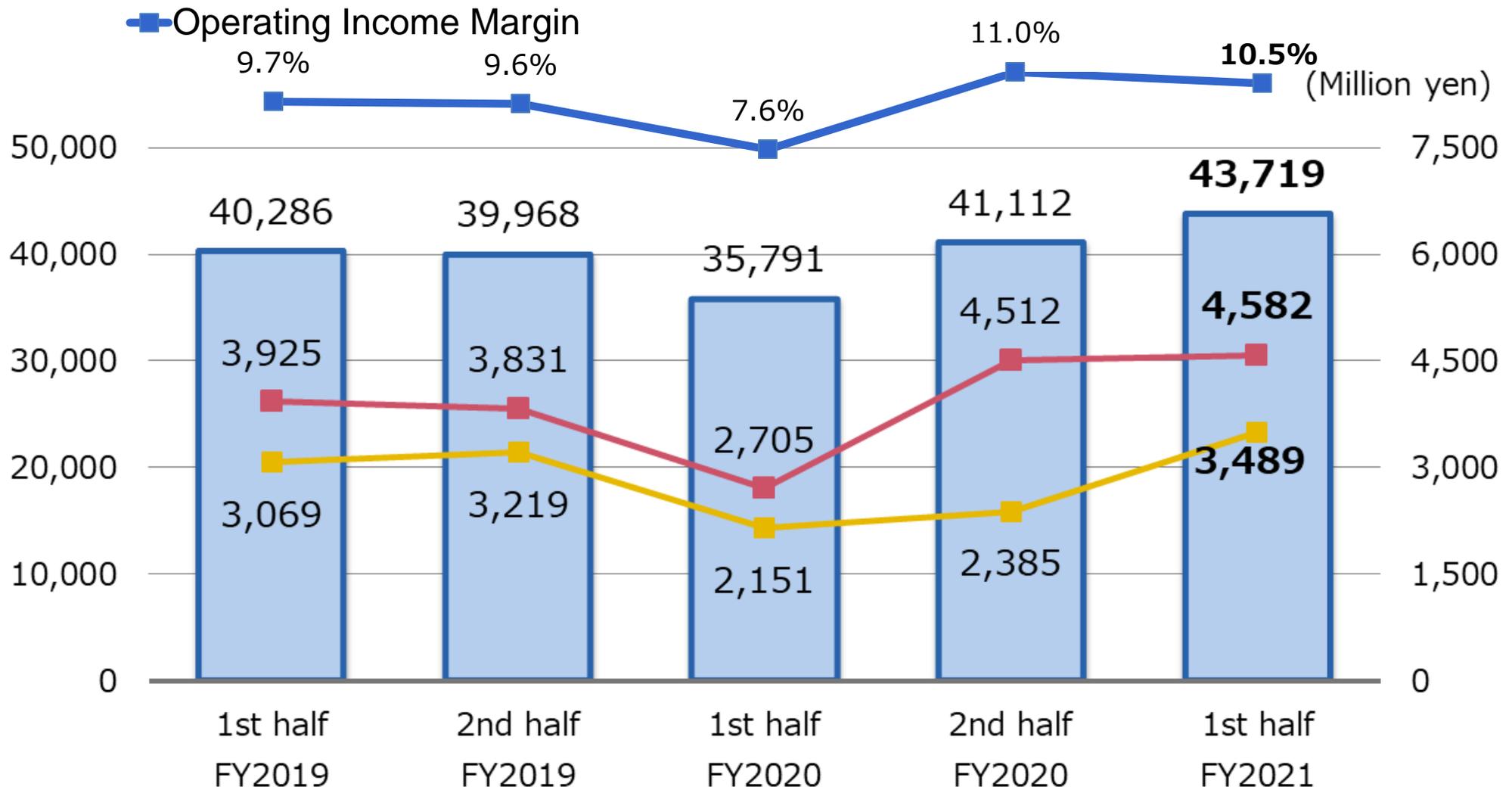
2. Summary of Consolidated Financial Results

(Million yen)

	1st half FY2020	1st half FY2021	Change	
Net sales	35,791	43,719	7,928	22.2%
Operating income	2,705	4,582	1,877	69.4%
Ordinary income	2,927	4,704	1,777	60.7%
Net income	2,151	3,489	1,338	62.2%
Net Income per share (yen)	26.6	43.1	16.5	62.1%
Dividend per share (yen)	9.0	12.0	3.0	33.3%
Exchange Rate (yen/US dollar)	Jan.-Jun. (Avg.)	108.3	107.7	△ 0.6
	Apr.-Sep. (Avg.)	106.9	109.8	2.9

Notes: Average exchange rates for January-June are used when converting the income statements of overseas subsidiaries into yen.

3. Changes in Consolidated Financial Results



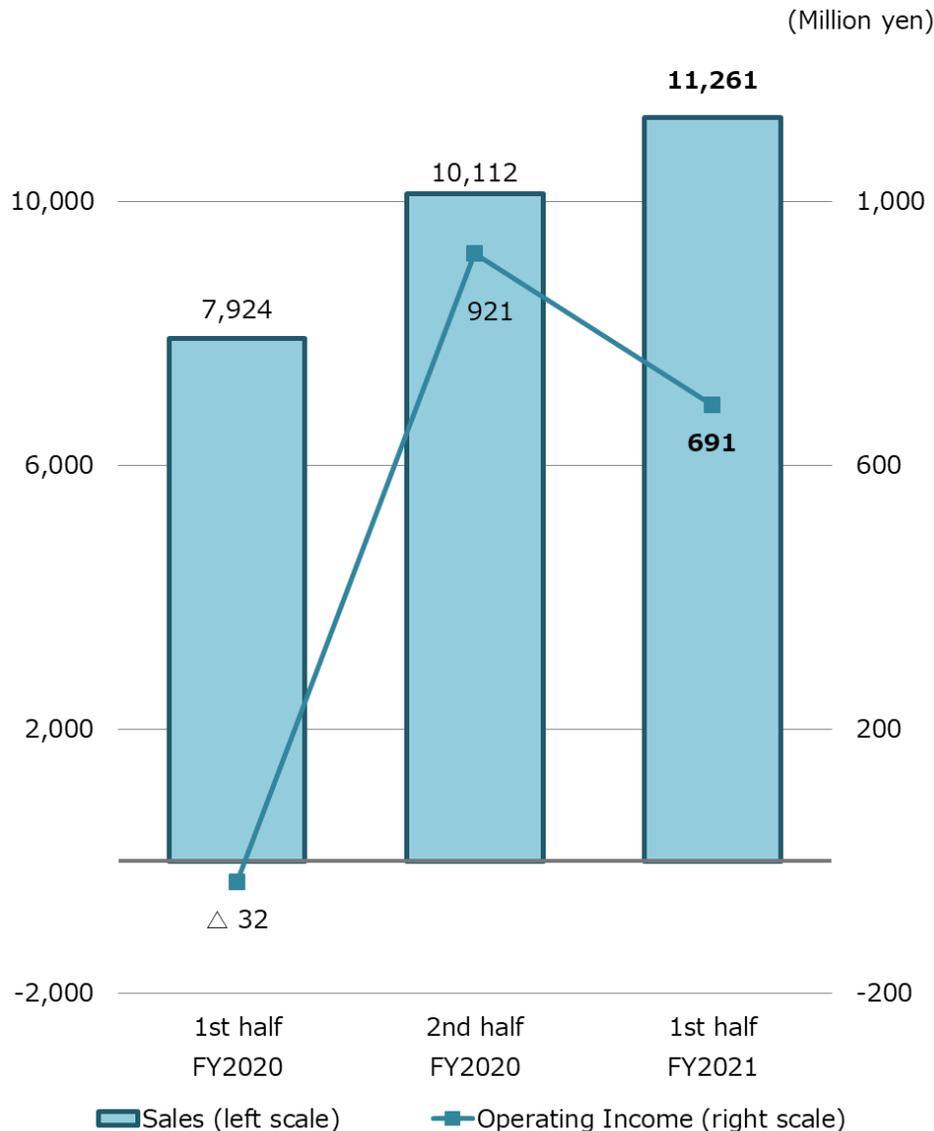
■ Sales (left scale)
 ■ Operating Income (right scale)
 ■ Net Income (right scale)

4. Summary of Performance by Business Segment

(Million yen)

	Sales				Operating Income			
	1st half FY2020	1st half FY2021	Change		1st half FY2020	1st half FY2021	Change	
Electronic Devices	7,924	11,261	3,337	42.1%	△ 32	691	723	-
Precision Molding Products	16,673	19,525	2,852	17.1%	2,554	3,381	827	32.4%
Housing & Living Materials	8,445	9,683	1,238	14.7%	89	363	274	307.9%
Others	2,748	3,248	500	18.2%	93	145	52	55.9%
Total	35,791	43,719	7,928	22.2%	2,705	4,582	1,877	69.4%

5. Financial Results by Business Segment Electronic Devices



■ Input devices

Shipments of mainstay automotive key switches were recovered, and shipments of touchpads for slim notebook personal computers were also strong.

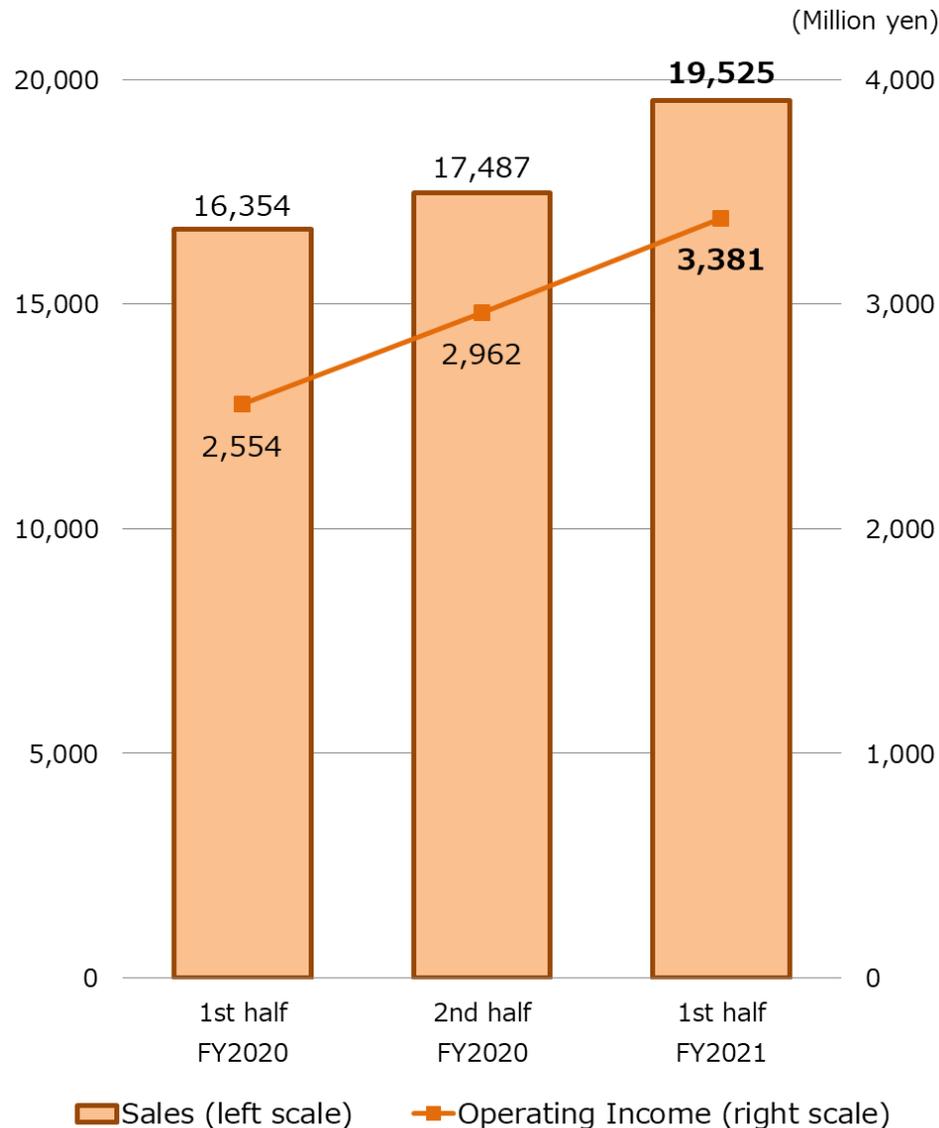
■ Display-related products

Shipments of LCD connectors were strong. Sales of view control film (VCF) were on a par with the year-ago level.

■ Component-related products

Shipments of electronic-part testing connectors remained well. Sales of automotive-related products were strong.

5. Financial Results by Business Segment Precision Molding Products



■ Semiconductor-related containers

Shipments of 300-mm wafer shipping containers and other products were strong.

■ OA device components

Shipments of mainstay rollers for laser printers were recovered.

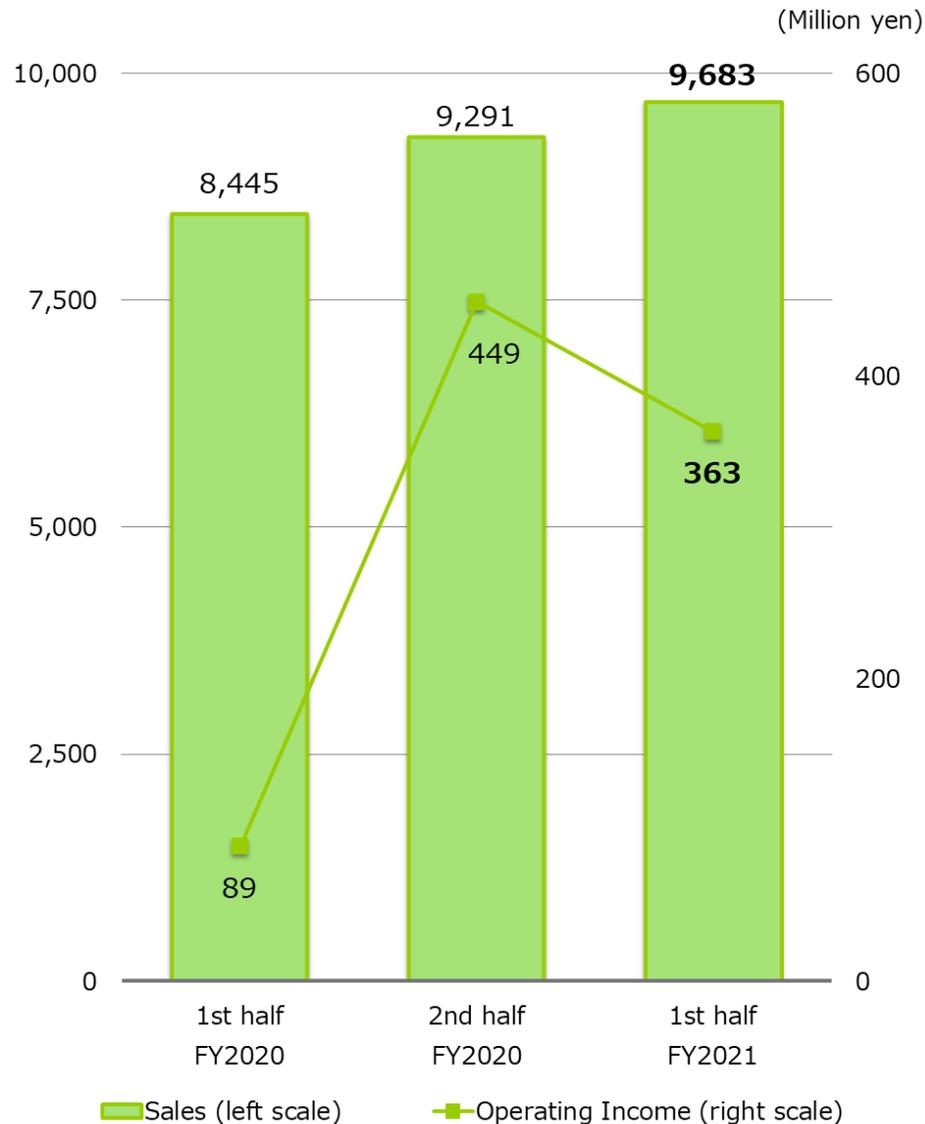
■ Carrier tape-related products

Demand for electronic components was continued strong.

■ Silicone rubber molded products

Sales of mainstay medical-related products showed slow growth.

5. Financial Results by Business Segment Housing & Living Materials



■ Wrapping films

Sales to supermarkets were firm, but the recovery of demand for products for the food service industry was slow.

■ Functional compounds

Demand for robot cables and for automobiles was recovered. Sales to new customers has also progressed.

■ Exterior material-related products

Demand for corrugated sheets was sluggish for existing customers.

■ Conductive polymers

Orders for display and automotive electronic components were increased.

6. Financial Statements Comparative Balance Sheet

		(Million yen)		
		As of End of Mar. 2021	As of End of Sep. 2021	Change
Current Assets	Cash and deposits	47,620	47,038	△ 582
	Notes and accounts receivable - trade	22,043	24,639	2,596
	Electronically recorded monetary claims -operating	10,877	12,947	2,070
	Inventory assets	1,650	1,962	312
	Total	82,191	86,587	4,396
Non-current Assets	Property, plant and equipment	22,292	24,538	2,246
	Intangible assets	145	2,075	1,930
	Other	3,583	2,548	△ 1,035
	Total	26,021	29,161	3,140
Total assets		108,212	115,749	7,537
Current Liabilities	Notes and accounts payable - trade	12,625	14,310	1,685
	Electronically recorded obligations - operating	7,009	7,841	832
	Other	1,167	1,310	143
	Total	19,635	22,152	2,517
Non-current Liabilities	Net defined benefit liability	732	743	11
	Other	1,899	2,053	154
	Total	1,899	2,053	154
Total liabilities		21,535	24,205	2,670
Total net assets		86,677	91,543	4,866
Total liabilities and net assets		108,212	115,749	7,537

6. Financial Statements Comparative Statement of Income

(Million yen)

	1st half FY2020	1st half FY2021	Change	
Net sales	35,791	43,719	7,928	22.2%
Cost of sales	24,705	29,949	5,244	21.2%
Selling, general and administrative expenses	8,381	9,187	806	9.6%
Operating income	2,705	4,582	1,877	69.4%
Non-operating income	239	161	△ 78	△ 32.6%
Non-operating expenses	17	39	22	129.4%
Ordinary income	2,927	4,704	1,777	60.7%
Extraordinary income	0	27	27	-
Income before income taxes and minority interests	2,927	4,731	1,804	61.6%
Income taxes - current	785	1,220	435	55.4%
Income taxes - deferred	△ 9	20	29	△ 322.2%
Net income	2,151	3,489	1,338	62.2%

6. Financial Statements Statement of Cash Flows

		(Million yen)
	1st half FY2020	1st half FY2021
Cash flows from operating activities	5,957	3,809
Cash flows from investing activities	△ 1,435	△ 4,865
Cash flows from financing activities	△ 882	△ 928
Cash and cash equivalents at end of period	44,769	45,274

7. Financial Forecasts

(Million yen)

	FY2020	FY2021 (Forecast)	Change	
Net sales	76,904	86,000	9,096	11.8%
Operating income	7,217	8,800	1,583	21.9%
Ordinary income	7,021	9,000	1,979	28.2%
Net income	4,536	6,400	1,864	41.1%
Net income per share (yen)	56.1	79.1	23.0	41.0%
Dividend per share (yen)	20.0	24.0	4.0	20.0%

8. Financial Forecasts by Business Segment

(Million yen)

	Sales				Operating Income			
	FY2020	FY2021 (Forecast)	Change		FY2020	FY2021 (Forecast)	Change	
Electronic Devices	18,037	22,000	3,963	22.0%	889	1,300	411	46.2%
Precision Molding Products	34,160	39,300	5,140	15.0%	5,517	6,700	1,183	21.4%
Housing & Living Materials	17,736	18,300	564	3.2%	539	600	61	11.3%
Others	6,969	6,400	△ 569	△ 8.2%	272	200	△ 72	△ 26.5%
Total	76,904	86,000	9,096	11.8%	7,217	8,800	1,583	21.9%

9 . Capital Expenditure, Depreciation, Research & Development Costs

	(Million yen)			
	FY2018	FY2019	FY2020	FY2021 (Forecast)
Capital Expenditure	6,023	3,032	3,147	4,900
Depreciation	3,790	3,939	3,511	3,200
R&D Costs	4,249	3,896	3,588	3,500

<TOPIX>

- PVC Wrapping films : Made Kitche Nista Co., Ltd. our wholly owned subsidiary
- Semiconductor-related containers : Increased production capacity
at Itoigawa Plant

The slide features a light blue background with a grid pattern. A large, semi-transparent globe is centered on the left side, showing the Americas. A dark blue horizontal bar with a white border is positioned across the middle of the globe. To the right of the globe, there are several glowing green and yellow circuit-like lines and nodes, suggesting a digital or technological theme. A thick, dark green curved line arches over the globe and extends towards the right side of the slide.

Company Overview

【Company Overview】 Profile

Shin-Etsu Polymer was established in 1960 as a manufacturer of polyvinyl chloride (PVC) products. Since then, we have developed applications using silicone and various plastics for our fundamental technologies 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.

Established	September 15, 1960, as a wholly owned subsidiary of Shin-Etsu Chemical Co., Ltd.
Main businesses	Manufacture and sale of resin processed products Operates businesses in a wide array of fields from electric and electronic devices to construction materials
Paid-in capital	11,635 million yen
Number of subsidiaries	16
Number of employees	5,095 (consolidated), 1,004 (non-consolidated) (As of September 30, 2021)

【Company Overview】 Business Segment

Housing & Living Materials

Providing wrapping films for the retail and food service industry, construction materials such as PVC pipes and functional compounds



Others

7%

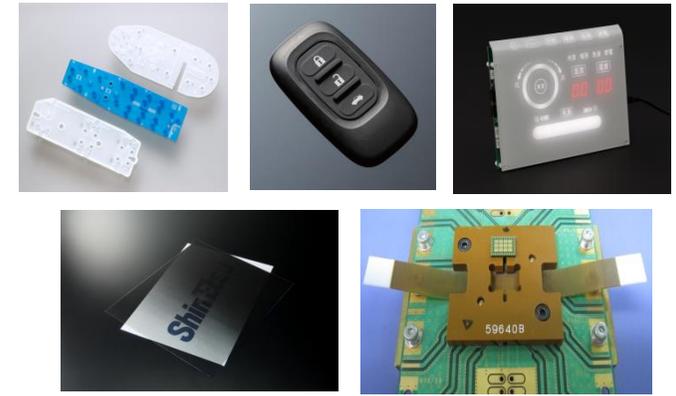
22%

2nd Quarter of
Financial Year
**Net Sales by
Segments**

26%

Electronic Devices

Leading company-wide overseas business in electronics fields such as input components for automobiles and information devices



45%

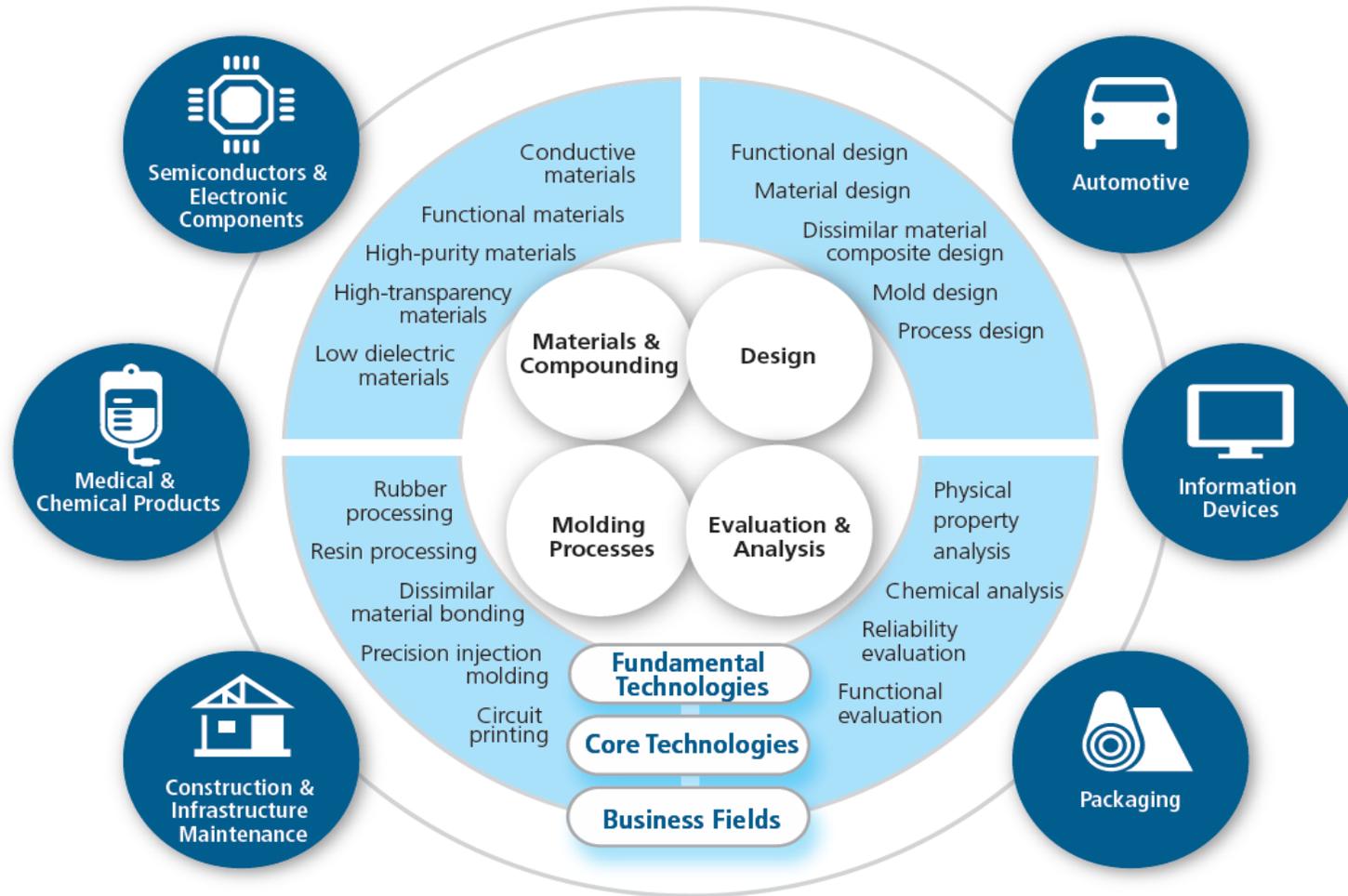
Precision Molding Products

Providing shipping and carrying containers for semiconductor silicon wafers and parts for medical equipment using silicone rubber



【Company Overview】 Technological Development

Technological Strengths as a Manufacturer of Molded Plastic Products



【Company Overview】 Global Network

Ability to Meet Global Needs

(As of September 30, 2020)

Overseas

14 Locations

- Shin-Etsu Polymer Europe B.V.
- Shin-Etsu Polymer Hungary Kft.

Shin-Etsu Polymer Shanghai Co., Ltd.
Suzhou Shin-Etsu Polymer Co., Ltd.

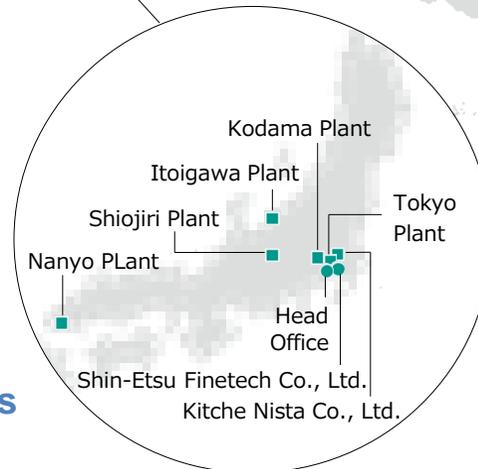
- Dongguan Shin-Etsu Polymer Co., Ltd.
- Shin-Etsu Polymer Vietnam Co., Ltd.
- Shin-Etsu Polymer Hong Kong Co., Ltd.
- Shin-Etsu Polymer (Thailand) Ltd.
- Hymix Co., Ltd.
- Shin-Etsu Polymer India Pvt. Ltd.
- Shin-Etsu Polymer (Malaysia) Sdn. Bhd.
- Shin-Etsu Polymer Singapore Pte. Ltd.
- PT. Shin-Etsu Polymer Indonesia

Shin-Etsu Polymer America, Inc.

Japan

8 Locations

- Production
- Sales



The graphic features a central white globe showing the Americas, set against a teal background with a grid and circuit-like patterns. A dark teal banner is overlaid on the left side of the globe. The text "Reference Materials" is written in white, bold, sans-serif font on this banner. A thick, dark teal arc curves around the right side of the globe.

Reference Materials

【Reference Materials】 Financial Summary

(Million yen)

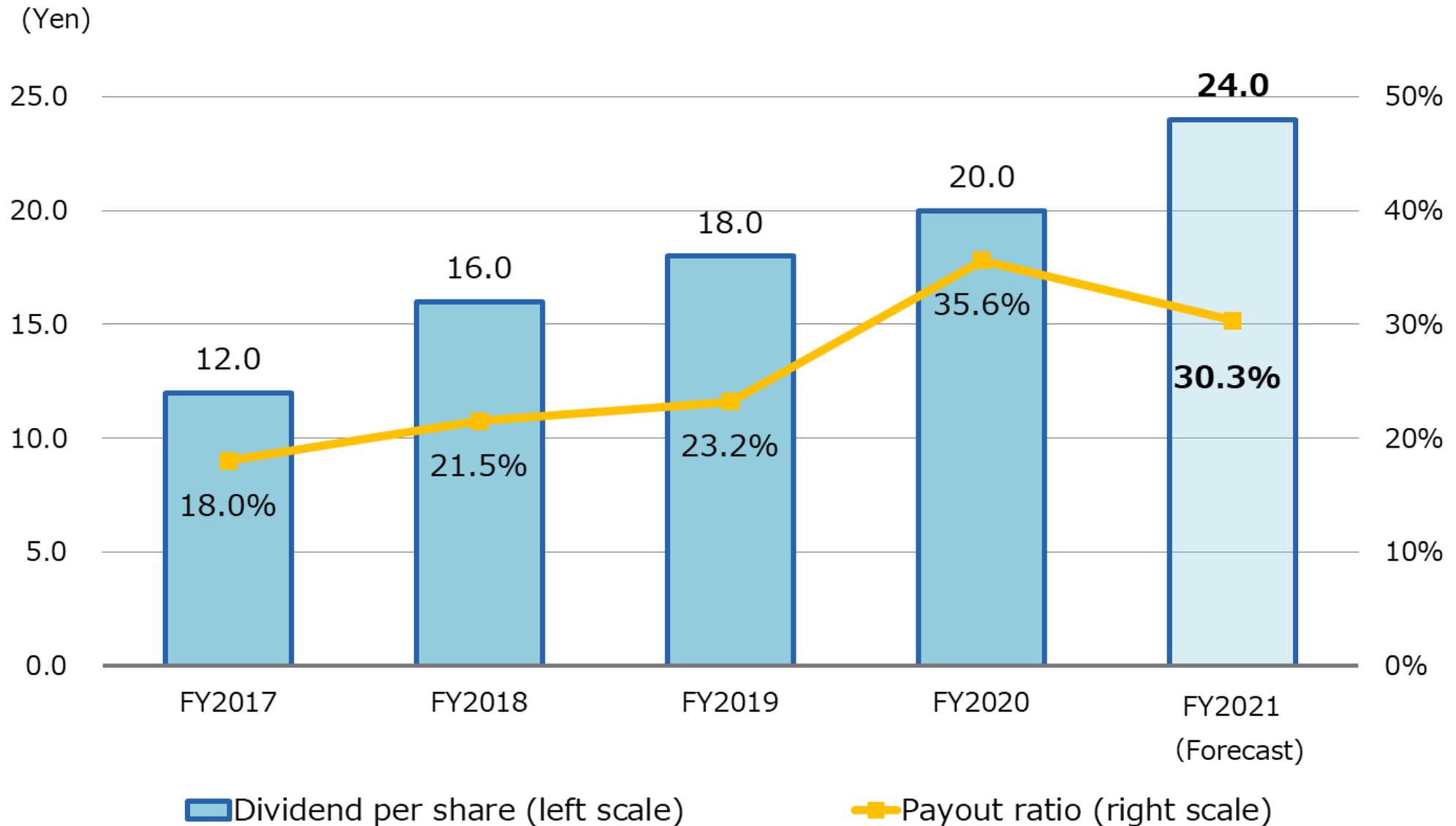
	FY2016	FY2017	FY2018	FY2019	FY2020
Net sales	73,979	79,343	85,460	80,254	76,904
Operating income	5,511	7,206	8,153	7,756	7,217
Ordinary income	5,934	7,274	8,026	8,097	7,021
Net income	4,230	5,455	6,049	6,288	4,536
Total assets	96,061	103,667	107,032	105,378	108,212
Net assets	72,890	77,510	80,560	84,538	86,677
Equity ratio	75.8%	74.6%	75.1%	80.0%	79.8%
Net income per share (yen)	51.60	66.48	74.27	77.55	56.09
Dividend per share (yen)	12.00	12.00	16.00	18.00	20.00
Operating margin	7.5%	9.1%	9.5%	9.7%	9.4%
ROE - Return (Net income) on equity	5.9%	7.3%	7.7%	7.6%	5.3%
ROA - Return (Ordinary income) on assets	6.3%	7.3%	7.6%	7.6%	6.6%
Number of employees	4,144	4,407	4,614	4,655	5,089

【Reference Materials】 Quarterly Changes by Business Segment

(Million yen)

		FY2020					FY2021			
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half
Electronic Devices	Net Sales	4,417	3,507	7,924	4,828	5,283	10,112	5,598	5,663	11,261
	Operating Income	103	△ 135	△ 32	267	653	921	338	353	691
Precision Molding Products	Net Sales	8,328	8,344	16,673	8,407	9,079	17,487	9,264	10,260	19,525
	Operating Income	1,152	1,401	2,554	1,305	1,657	2,962	1,618	1,762	3,381
Housing & Living Materials	Net Sales	4,126	4,319	8,445	4,711	4,580	9,291	4,823	4,860	9,683
	Operating Income	32	57	89	277	172	449	231	131	363
Others	Net Sales	1,460	1,288	2,748	2,042	2,179	4,221	1,349	1,898	3,248
	Operating Income	70	22	93	108	70	178	49	95	145
Total	Net Sales	18,332	17,459	35,791	19,990	21,122	41,112	21,036	22,682	43,719
	Operating Income	1,359	1,345	2,705	1,958	2,554	4,512	2,239	2,342	4,582

【Reference Materials】 Changes in Dividends





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.