

Shin-Etsu Polymer Co., Ltd.
President's Address at the Financial Results Briefing
for the Fiscal Year ended March 31, 2025

My name is Toshiaki Deto, and I am the President and Chief Operating Officer. Thank you for attending our company's financial results briefing. I would like to take this opportunity to thank you all for your warm support as always.

During the fiscal year ended March 31, 2025, wafer container sales remained strong, mainly due to an increase in demand for advanced semiconductors which was a result of the practical utilization of generative AI, and also because overseas production of legacy semiconductors was maintained at a certain level. In addition, sales of rollers for OA devices increased, amid strong printer sales and brisk replacement demand for multifunction printers. On the other hand, although we worked to optimize and streamline production, automotive input devices, automotive silicone molded products, and other products were affected by automotive manufacturers in Europe and the United States slowing their production. Among our wrapping films, sales of cling wrap for commercial use, especially colored ones, remained strong amid the brisk demand for products for the food-service industry. Medical products were also steady, with sales of new products growing.

Results in the fiscal year ended March 2025 were

- Net sales 110,582 million yen (an increase of 6,203 million yen from a year ago)
- Operating income 13,271 million yen (an increase of 2,220 million yen from a year ago)
- Ordinary income 13,218 million yen (an increase of 1,688 million yen from a year ago)
- Profit attributable to owners of parent 9,430 million yen (an increase of 756 million yen from a year ago)
- Year-end dividends 27 yen per share, Total annual dividends 52 yen per share.

Under the Medium-term Management Plan, we will continue to strive to boost our sales capabilities, improve productivity in our base areas, and capture new demand in growth areas.

In the semiconductor market, demand for semiconductor devices shows a sign of recovery and the excess inventory is expected to decline gradually. Demand for products related to generative AI has also begun to increase, and we expect the semiconductor market to recover moderately. In anticipation of the increase of demand in the future,

we have been working to increase our production capacity for a long time. The new semiconductor container factory which was being constructed within the Tokyo Plant was completed in August last year. This fiscal year, we will capture new demand without missing the timing of the market turnaround, aiming to further expand and develop our business.

In April this year, we started the full-scale production of fire prevention cushions for EV batteries, which are new automobile-related products. We aim to complete the development of heat-resistant thin films for film capacitors as soon as possible with a view toward mass production. While EVs have slowed down at present, automotive manufacturers are continuing their EV-related investments. Therefore, we expect that EVs will grow over the long term. We will continue to pursue functionality and strive to expand the business by developing new products in fields related to eco-friendly vehicles.

For input devices, rollers for OA devices, and wrapping films, which we position as base areas, we will take thorough measures to differentiate the products in terms of functionality and increase our market share by launching unique products in our efforts to further step up our sales capabilities. Regarding KitcheNista, which we absorbed on April 1, we will streamline its management and launch new products that meet customers' needs in a timely manner as we work to develop the business.

We will continuously and actively carry out these activities to achieve the targets set in the medium-term management plan.

We will appropriately address the risks associated with the policies of the administration in the US by communicating closely with customers, business partners, and others to collect information.

Regarding the financial forecasts for this fiscal year, the situation is expected to remain uncertain, mainly due to the prolonged conflicts in Ukraine and the Middle East, coupled with the US policy trends. This has made it difficult to make reasonable assessments at the moment, so the forecasts have yet to be determined. We will promptly announce the financial results forecasts when it becomes possible to calculate them.

This concludes my report.

Shin-Etsu Polymer Co., Ltd.
Summary of Q&A about the Financial Results Briefing
for the Fiscal Year Ended March 31, 2025

Date and time	Friday, May 9, 2025 14:00 - 14:50	
Venue	Webinar (Live Streaming)	
Attendance	<ul style="list-style-type: none"> •Chairman, Chief Executive Officer •President, Chief Operating Officer •Director, Managing Executive Officer and Development Division Manager •Executive Officer, General Manager of Corporate Planning Department and Accounting & Finance Department •Executive Officer, Division Director of Sales & Marketing Division III 	<ul style="list-style-type: none"> Yoshiaki Ono Toshiaki Deto Satoru Sugano Osamu Kowada Kazuhiko Yamamoto

<Company-wide>

Q1. What impact will US tariff policy have on you? What countermeasures will you take?

A1. We believe that the impact will be minor because we directly export around 2% to 3% of our products to the US. However, we cannot determine countermeasure as the automotive manufacturers, printer manufacturers and semiconductor manufacturers that are the end users of our products have yet to announce clear guidelines. However, we have production bases for automotive products, such as key switches, in India, Malaysia, China and Japan, which means there is room for us to select where we produce them. Therefore, we would like to handle the situation by communicating closely with customers.

Q2. You have a high equity ratio and a solid balance sheet. You also maintain a high cash to equity ratio. While Shin-Etsu Chemical has conducted a large-scale share buyback, what is your view on shareholder returns, including matters such as the review of the balance sheet and management that is conscious of the stock price and the cost of capital?

A2. We aim to achieve a dividend payout ratio of 50% in steps according to the Medium-term Management Plan. Under the Medium-term Management Plan we increased dividends in the previous fiscal year, and we will continue to increase dividends this fiscal year again according to the business performance, aiming for a dividend payout ratio of 50%. We intend to provide shareholder returns basically in the form of dividends instead

of a buyback.

- Q3.** There is a trend of dissolving parent-subsidary listings, which is exemplified by the fact that Tokyo Stock Exchange has published documents such as “The Investor’s Perspective on Such Matters as Parent-Subsidiary Listings.” Further, Shin-Etsu Chemical made Mimasu Semiconductor Industry a wholly owned subsidiary last year. Do you think that your parent company is an appropriate partner, from your perspective as its subsidiary? What is the status of your relationship with your parent company and what is your opinion on the necessity of a parent-subsidary listing?
- A3.** The parent-subsidary listing is the parent company’s management policy. For us, the benefit is that we can remain listed. For example, one of the benefits is that we are now able to sell semiconductor-related containers to customers other than our customers within the Shin-Etsu Chemical Group. So we would like to remain listed partly to maintain these benefits.

<Electronic Devices segment>

- Q1.** You said that you cannot disclose your full-year financial forecasts at the moment due to the high degree of uncertainty. What business inquiries have you received from customers regarding your automotive product business? What is the outlook for automotive products for this fiscal year, including the fire prevention cushions for EV batteries that you have started to mass-produce?
- A1.** In the previous fiscal year, key switches declined due to automotive manufacturers in Europe and the United States reducing their production. However, we started the full-scale production of fire prevention cushions and LED light guides for headlights. In addition, new business inquiries regarding silicone wipers and other products have been increasing. While we expect that we will continue to have a hard time with key switches, business inquiries regarding new products have been increasing. We believe that the decline of key switches will be offset by new products. Regarding the outlook for the performance of automotive products for this fiscal year, we believe that it will be on par with or exceed the level of the previous fiscal year.

<Precision Molding Products segment>

- Q1.** Regarding semiconductor-related containers, I believe that the added value of the containers will increase due to the increase in the advanced semiconductor ratio. What is the current situation regarding the reuse of FOSBs and what is the outlook for this in the current fiscal year? Will the FOSBs that have been stored by device manufacturers for a long time be fully usable when they are returned as boxes to be reused. Is there a risk

that this might reduce the shipping quantity?

- A1.** We assume various future situations, but at present, the wafer inventory has accumulated between wafer manufacturers and device manufacturers. Our view is that the level has remained unchanged. Accordingly, reuse has not affected our shipping quantity at present. Reuse itself is a deal between the wafer manufacturer and the device manufacturer, so we have no way to be involved in that. Therefore, we will continue to strive to ensure optimal production by communicating with customers.
- Q2.** What are the trends regarding the replacement of FOSB materials?
- A2.** We are preparing FOSBs with new specifications. Currently, however, our customers had evaluated and said that the existing FOSBs fully withstand the transportation of advanced wafers. Therefore, we think that it is not the right time to launch the so-called next-generation of wafer containers onto the market at this moment.
- Q3.** What are the prospects regarding the performance of silicone rubber molded products in Precision Molding Products during the current fiscal year?
- A3.** Medical products are a large proportion of the silicone rubber molded products. In FY2024, among products for medical use, silicone tubes for manufacturing biological drugs, sales of which have been expanding, grew significantly compared to the level in FY2023. We expect demand to grow in the future because customers are switching from products procured from overseas sources to ones manufactured in Japan. We believe that medical products as a whole will also grow steadily.

<Housing & Living Materials segment>

- Q1.** Automotive production in Asia has been stagnant. What is the operational status of Hymix Co., Ltd. in Thailand?
- A1.** The shipping volume of PVC compounds declined, hitting bottom in the previous fiscal year, but it has been recovering gradually. It is true that automotive production in Thailand has been continuing to decline, but demand other than automotive demand has been growing. The company is therefore intensively increasing its operation rate. Demand from existing customers is recovering, and the current operation rate is 70% to 80%.
- Q2.** Do you expect the situation will improve in FY2025 compared to FY2024?
- A2.** Your understanding is correct. We are transferring production to Hymix Co., Ltd. from other production bases. We expect the operating rate in FY2025 will exceed FY2024.