

Shin-Etsu Polymer Co., Ltd.
President's Remarks at the Financial Results Briefing
for the Fiscal Year Ended March 31, 2026

Toshiaki Deto, Representative Director, President and Chief Executive Officer

Thank you so much for joining today's financial results briefing despite your busy schedule. I would like to take this opportunity to express my sincere appreciation for your continued support and interest in our company.

Let me begin with our financial results for the fiscal year under review.

During the fiscal year ended March 31, 2026, sales of semiconductor-related containers remained solid, supported by strong global demand for semiconductors, including in Japan. In addition, sales of automotive silicone molded products, such as wipers and fire prevention cushions, increased significantly as we captured new demand. Automotive input devices also showed a recovery trend, supported by firm sales of hybrid vehicles. Furthermore, in wrapping films, the shift from transparent wraps to our proprietary-colored wrapping films continued to progress. Demand for functional compounds also improved, particularly for wire coating applications for FA equipment, as market inventories were gradually absorbed.

Results in the fiscal year ended March 2026 were

- Net sales 115,116 million yen (up 4,534 million yen year on year)
- Operating profit 14,040 million yen (up 769 million yen year on year)
- Ordinary profit 14,008 million yen (up 790 million yen year on year)
- Profit attributable to owners of parent 9,899 million yen
(up 469 million yen year on year)
- Year-end dividends 32 yen per share, total annual dividends 62 yen per share.

Let me now turn to our outlook.

As an immediate priority, with respect to risks associated with instability in the Middle East, we will maintain close communication with our customers and business partners, gather information swiftly, and respond appropriately as needed. At the same time, we will continue to advance our business in line with the medium-term management plan revised last year. Our strategic direction remains unchanged: strengthening sales capabilities and improving productivity in our base areas, capturing new demand in

growth areas, and further increasing the ratio of overseas sales.

The semiconductor market is expected to expand further, and we intend to seize this opportunity to capture new demand. While EV adoption has recently shown signs of slowing due to policy changes in various countries, EVs continue to penetrate the market gradually, and we believe they will become one of the major transportation infrastructures in the future. Accordingly, we will continue development of products related to next-generation vehicles without slowing the pace, while also making proactive investments.

We will also continue to develop differentiated products and aim to achieve the top share in niche markets for our products.

As for our earnings forecast for the fiscal year ending March 31, 2027, uncertainty is expected to persist, particularly with respect to foreign exchange trends, as well as energy and raw material prices affected by the situation in the Middle East. Accordingly, as it is difficult to make a reasonable estimate at this time, the earnings forecast remains undetermined. We will promptly disclose our earnings forecast as soon as we are able to make a reasonable estimate.

This concludes my remarks.

Next, Mr. Kowada, General Manager of Accounting & Finance Department, will provide a more detailed explanation. After that, we will be happy to answer your questions.

Shin-Etsu Polymer Co., Ltd.
Summary of Q&A about the Financial Results Briefing
for the Fiscal Year Ended March 31, 2026

Date and time	Friday, May 15, 2026 14:00 - 14:50	
Venue	Webinar (Live Streaming)	
Attendance	<ul style="list-style-type: none"> •Chairman and Director, Chief Executive Officer Yoshiaki Ono •Representative Director, President & Chief Executive Officer Toshiaki Deto •Director, Managing Executive Officer and Development Division Manager Satoru Sugano •Executive Officer, General Manager of Corporate Planning Department and Accounting & Finance Department Osamu Kowada •Executive Officer, Division Director of Sales & Marketing Division III Kazuhiko Yamamoto 	

<Company-wide>

- Q1.** The Company has withheld its earnings forecast for this fiscal year due to the Middle East crisis. What is your plan for capital expenditures?
- A1.** Strong demand for semiconductor-related containers is expected to continue. Therefore, we plan to make capital expenditures centered on semiconductor-related containers at a level exceeding the previous fiscal year. Our building expansion has already been completed, and going forward, we will further enhance production capacity ahead of future demand growth.
- Q2.** Has the situation in the Middle East affected your procurement of silicone rubber materials?
- A2.** At this point, we have not seen any major impact. We expect stable procurement for both medical and automotive applications through the first half of this fiscal year. However, the outlook for the second half remains uncertain. I.
- Q3.** Shin-Etsu Chemical recently held a briefing on AI. How do you see AI-related growth creating business opportunities for your company?
- A3.** Our semiconductor-related containers are not used only for AI applications. However, device manufacturers, especially those investing in AI-related areas, are increasing

capital spending, and this is driving demand for FOUPs, which are wafer containers used in production processes. We also expect growth in demand for containers used in back-end semiconductor processes and for carrier tape-related products for large MLCCs used in data centers.

Q4. What is your view on being listed while Shin-Etsu Chemical is your parent company? What is the significance of remaining listed?

A4. This relates to the parent company's capital policy, so we would like to refrain from commenting on that. From our standpoint, being listed helps maintain a certain level of independence. We believe this allows us to sell semiconductor-related containers not only to our parent company but to all wafer manufacturers. Maintaining that independence also helps us earn customer trust, so our basic policy is to remain listed.

Q5. Shin-Etsu Chemical recently announced revisions to raw material prices. How are you dealing with product price increases caused by rising raw material costs?

A5. It is difficult for us to absorb higher costs for raw materials such as silicone and PVC entirely on our own. Therefore, we are explaining the situation carefully to customers and moving ahead with price revisions with their understanding. For PVC products, price revisions have already progressed to some extent for general-purpose items such as wrapping films. Going forward, we will also work on price revisions for semiconductor-related containers and other products.

<Precision Molding Products segment>

Q1. Please explain demand trends and the outlook for silicone rubber molded products in the Precision Molding Products Business?

A1. Demand is growing mainly in medical applications, and we plan to continue expanding in this area. In addition, our Electronic Devices business includes silicone rubber molded products for automotive applications, and we aim to grow these businesses together.

<Housing & Living Materials segment>

Q1. Since you have consumer-related businesses such as wrapping films, how far are you considering risk scenarios for this fiscal year based on the situation in the Middle East?

A1. Raw material prices have risen sharply, and we are quickly moving to revise prices for consumer-related products such as wrapping films. However, the latest raw material price increases are very large, at several tens of percent. As product prices will rise significantly, we believe demand could slow from July onward because of the higher prices. Now, we are seeing some temporary demand ahead of those price increases.

Q2. What is the current situation for functional compounds, and what is your outlook?

A2. Functional compounds are used in FA and robotics-related applications because they have excellent sliding properties. Demand has recently been recovering, and we expect solid performance to continue, including in semiconductor equipment-related applications.

Q3. Please tell us about the operating status of Hymix Co., Ltd. in Thailand and whether you have any investment plans going forward?

A3. Hymix in Thailand supplies functional compounds for the Southeast Asian market, and its utilization rate has recently been improving. Going forward, we will consider investments as needed while monitoring demand trends.

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