Shin-Etsu Polymer Co., Ltd.
President's Remarks at the Financial Results Briefing for the First Half of the Fiscal Year Ending March 2027

Toshiaki Deto, Representative Director, President and Chief Executive Officer

Thank you very much for taking the time out of your busy schedule to attend our financial results briefing today. We would also like to express our sincere appreciation for your continued support.

Let me begin with our financial results. During the first half of the fiscal year, although we were affected by rising raw material and energy prices amid heightened tensions in the Middle East, sales of wafer containers remained strong, supported by expanded capital investment for AI servers and solid demand for semiconductor products, particularly memory. In addition, sales of fire prevention cushions increased as the shift toward vehicle electrification continued. Moreover, sales of automotive input devices, supported by solid hybrid vehicle sales, and rollers for OA device components, reflecting a recovery trend in printer sales, both exceeded the same period of the previous fiscal year. In wrapping films, demand expanded mainly for colored wrapping films, and sales of functional compounds also increased, driven by growth in proprietary products for applications such as wire coating.

As a result, consolidated results for the first six months of the fiscal year ending March 31, 2027 were as follows:

- Net sales ¥64,325 million (up ¥8,109 million year on year)
- Operating profit ¥9,354 million (up ¥2,243 million year on year)
- Ordinary profit ¥9,132 million (up ¥1,884 million year on year)
- Profit attributable to owners of parent ¥6,095 million (up ¥612 million year on year)
- Interim dividend for this fiscal year ¥36 per share

At the Board of Directors meeting held on October 26, we revised the full-year consolidated financial results forecast announced on July 23. The revised forecast is as follows:

- Net sales ¥127.0 billion (up 10.3% year on year)
- Operating profit ¥18.2 billion (up 29.6% year on year)
- Ordinary profit ¥18.0 billion (up 28.5% year on year)
- Profit attributable to owners of parent ¥11.8 billion (up 19.2% year on year)

In light of the revised full-year forecast, we have set the annual dividend forecast for this fiscal year at ¥72 per share.

Going forward, we will continue strengthening our sales capabilities and improving productivity in our base areas while capturing new demand in growth areas. In the semiconductor market, demand for general-purpose semiconductor applications is also showing signs of recovery, and we expect overall demand for semiconductor devices to strengthen. We will proactively invest in wafer containers so as not to miss this opportunity for sales expansion. In addition, demand for electric vehicles (EVs) has recently been increasing amid policy shifts in various countries, and we believe the market has entered a phase of broader adoption. For automotive products, including fire prevention cushion, we will focus on winning orders for new products required for electrification, particularly those used around batteries. In our base areas of input devices, rollers for OA device components, and wrapping films, we will work to expand market share through proprietary products. We will also leverage the expertise we have cultivated over many years to further improve production efficiency.

By steadily advancing these initiatives, we aim to achieve our targets for the current fiscal year and the objectives of our medium-term management plan.

To further enhance our competitiveness, we have completed the acquisition of all shares of Prestige Dynamics Industries Sdn. Bhd., a Malaysian manufacturer and distributor of precision plastic products. By integrating Prestige Dynamics Industries' capabilities in designing and manufacturing molds and jigs with our resin processing technologies and sales network, we will strengthen our product development capabilities, customer responsiveness, and cost competitiveness. We will enhance the Group's corporate value by expanding our global manufacturing footprint.

This concludes my remarks.

Shin-Etsu Polymer Co., Ltd.
Summary of Q&A about the Financial Results Briefing for the First Half of the Fiscal Year Ending March 2027

Date and time	Friday, November 6, 2026 14:00-14:50	
Venue	Webinar (Live Streaming)	
Attendance	・Representative Director, President & Chief Executive Officer	Toshiaki Deto
	・Director, Managing Executive Officer	Osamu Kowada
	・Executive Officer, Division Director of Sales & Marketing Division	Kazuhiko Yamamoto

<Company-wide>

Q1. Some reports suggest that, following the outcome of the U.S. midterm elections, data center construction could be restrained. What impact does the Company expect?

A1. Various factors, including last year's tariff issues and this year's geopolitical situation involving Iran and the United States, as well as a sharp rise in raw material prices, have affected our business. As it is difficult at this point to forecast the outlook for data center investment, we will continue to respond while closely monitoring the situation.

Q2. Amid sharp fluctuations in the share prices of AI-related companies, your Company's stock has also been volatile despite strong business performance. How does management view the current share price level and its volatility?

A2. Naturally, we would like our share price to be higher. Amid significant share price volatility, we will continue to enhance shareholders' understanding of the Company through clear communication of our business situation, and we believe this will lead to a more appropriate market valuation.

Q3. Given that, could you explain your IR policy going forward?

A3. While the Company is often perceived primarily as a semiconductor-related company, earnings in our non-semiconductor businesses, including the Housing and Living Materials segment, have also improved this fiscal year. Through our IR activities, we intend to further enhance shareholders' understanding of the Company's business by communicating that both our semiconductor-related and non-semiconductor businesses are achieving growth.

<Precision Molding Products segment>

Q1. We understand that the Itoigawa Plant is operating at full capacity and that certification procedures are underway for the Tokyo Plant to reach full-scale operations. When is the Tokyo Plant expected to be fully operational?

A1. At the Itoigawa Plant, all installed molding machines are now in operation, and the plant is currently running at full production capacity. As the new building at the Tokyo Plant has space to accommodate additional equipment, we will proceed with capacity expansion as quickly as possible by installing new facilities.

Q2. When do you expect to make an investment decision on the planned capacity expansion?

A2. Customers are finalizing next year's business plans and notifying suppliers of required volumes. Based on this, we plan to expand capacity in line with market demand. While investment timing will depend on customer demand, we intend to invest proactively. In addition to fully utilizing the Tokyo Plant, we are also considering strengthening capacity at the Itoigawa Plant.

Q3. Sales of silicone rubber molded products in the Precision Molding Products segment were 99% of the level in the same period last year. Could you comment on first-half trends and the demand outlook?

A3. The year-on-year decline was mainly due to slightly weaker than expected demand for medical-related products and delays in the ramp-up of biopharmaceutical tubes. Going forward, we expect sales to increase as customers' production ramps up. We also aim to expand sales by offering higher-value-added solutions that combine molded products with silicone rubber tubes, while also leveraging PDI's technologies in combining our silicone with resin materials.

Q4. Do you plan to expand into overseas markets as well?

A4. For biopharmaceutical tubes, we have mainly focused on domestic customers. Going forward, we believe we can also expand sales of related components in overseas markets by leveraging PDI's resin molding technologies.

Q5. Regarding the decline in sales of silicone rubber molded products, do you see any possibility that customer inventories have built up?

A5. We do not believe so.

<Housing & Living Materials segment>

Q1. Sales of colored wrapping films are strong. What is driving this growth, and what are the product's competitive strengths?

A1. Colored wrapping films gained wider acceptance because blue is rarely found in natural

foods, making fragments easy to spot if mixed in with food. Customers have since developed a variety of uses for the product, expanding its applications and driving sales growth. Although priced higher than transparent wraps, many continue using them once they start. We are also expanding sales by proposing new applications and usage ideas through collaboration with media outlets and culinary professionals.

Q2. Have applications expanded beyond the food service industry into fields such as nursing care?

A2. Colored wrapping films was first adopted by restaurants, then expanded to hotels, and is now increasingly being adopted by nursing care facilities and hospitals.

<Electronic Devices segment & Acquisition of PDI>

Q1. As Japanese automakers struggle overseas, why are you strengthening your automotive business, and will you continue to consider acquisitions of resin manufacturers?

A1. Through this acquisition, we aim to expand business opportunities for automotive key switches, including keyless entry systems. Previously, we sourced resin molded products externally, but by bringing PDI into the Group, we expect to shorten lead times, expand our technological scope from silicone and resins to thermoplastic elastomers, and grow the business. As with our acquisitions of KitchNista and Hymix, we will continue to consider businesses related to our technologies, without limiting ourselves to resin processing.

Q2. With the addition of PDI, how will you utilize your existing plants, including those in China, and what is your production strategy?

A2. We plan to leverage PDI's resin molding and mold technologies across our plants in India, Malaysia, China and other locations to expand the business on a Group-wide basis. Our envisioned model is for PDI to supply resin molded products to these plants, where they will be combined with our silicone molded products to produce final products.

Q3. Do you plan to leverage PDI's sales channels for fire prevention cushions, and what is your demand outlook?

A3. Fire prevention cushions are not directly related to PDI's business. However, if any products can be sold through PDI's sales channels, there could be opportunities.
Sales of fire prevention cushions are currently growing steadily, and the product is becoming one of the core products in the Electronic Devices segment.

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