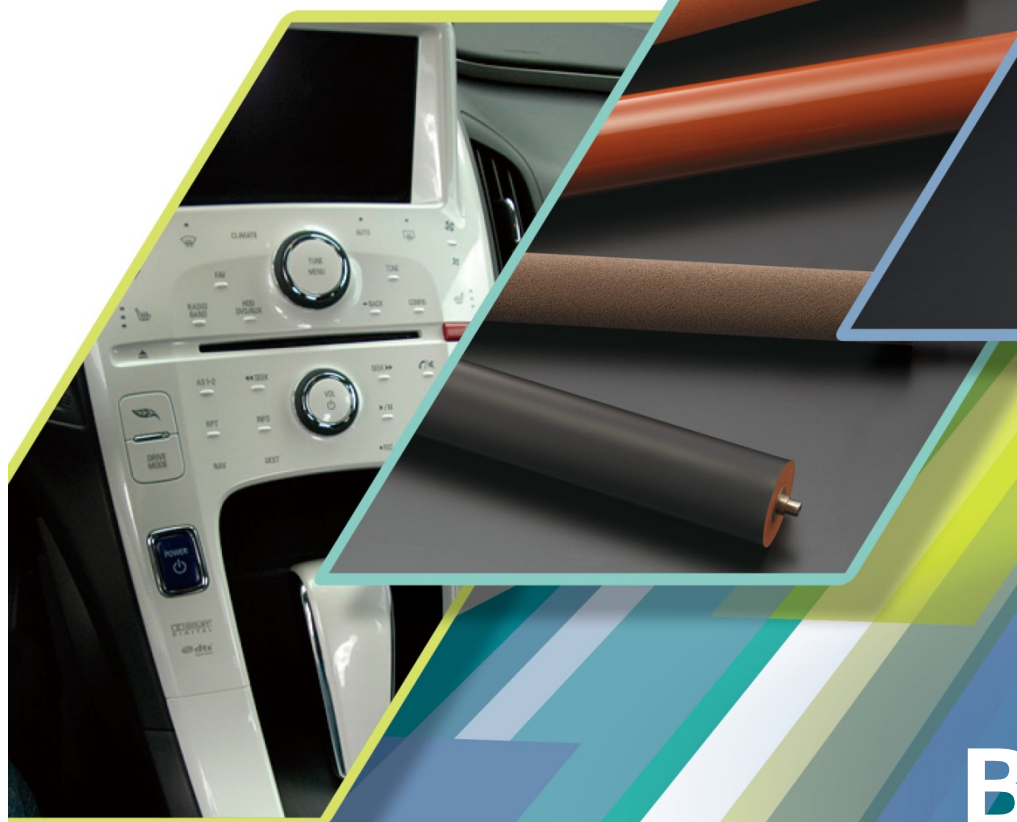


The logo for Shin-Etsu, featuring the company name in a bold, blue, sans-serif font with a stylized starburst graphic between the 'i' and 'n'.

Shin-Etsu Polymer Co., Ltd.

Listing code: 7970



Financial Year
Ended March 2016

Business Result

May 17, 2016

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- Profile
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1. Main Points of Consolidated Performance

➤ **Third straight year of increased sales and increased profits**

- 1) Sales of automotive input devices grew steadily.
- 2) Sales of semiconductor-related containers increased and sales of office automation device components were solid.
- 3) Profitability was improved for PVC-related products.

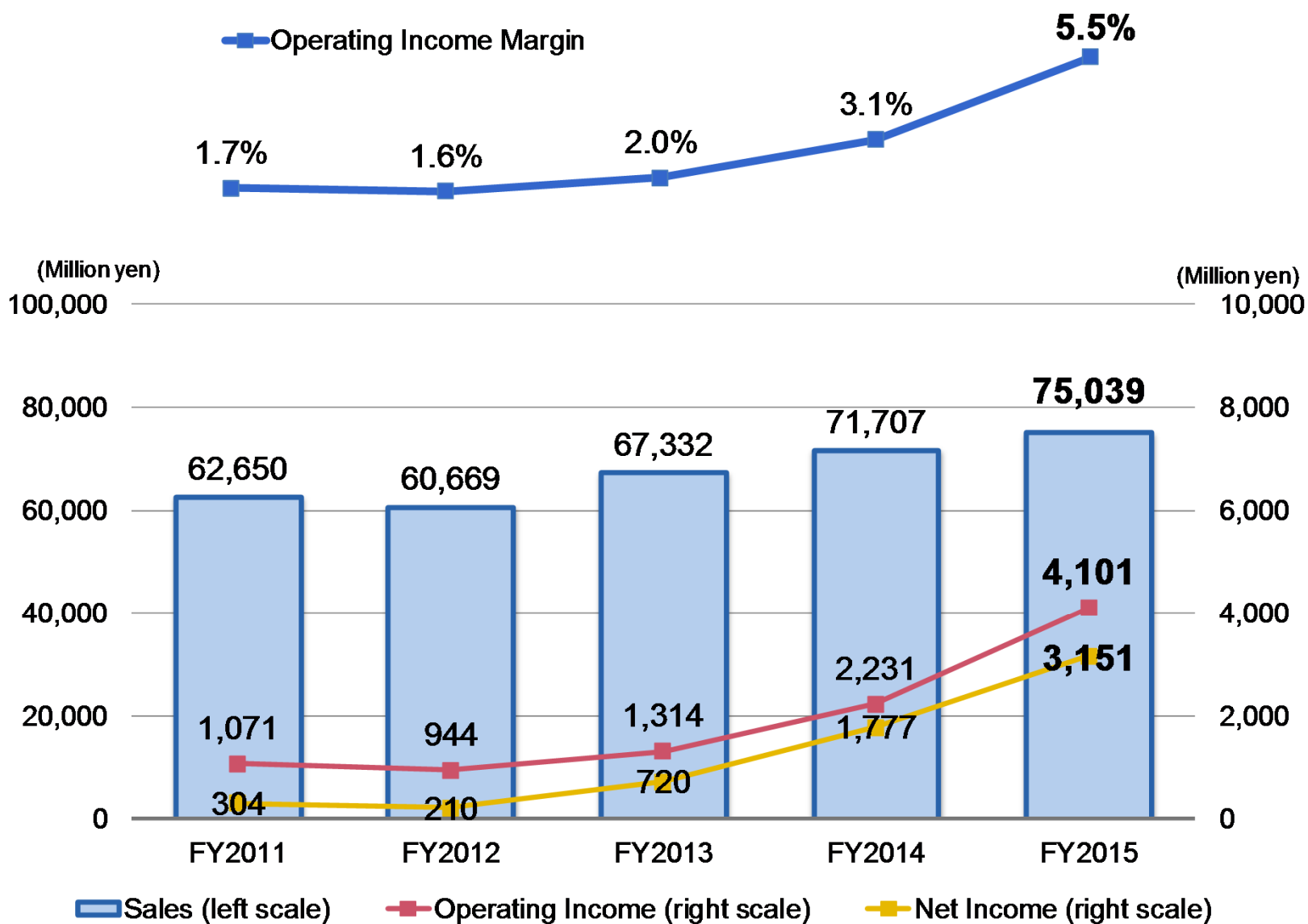
2. Summary of Consolidated Performance

(Million yen)

	FY2014	FY2015	Change	
Net Sales	71,707	75,039	3,332	4.6%
Operating Income	2,231	4,101	1,870	83.8%
Ordinary Income	2,865	4,532	1,667	58.2%
Net Income	1,777	3,151	1,374	77.3%
Net Income per Share (yen)	21.85	38.55	16.70	76.4%
Dividend per Share (yen)	9.0	9.0	0.0	-
Exchange Rate	Jan.-Dec.(Ave)	105.9	121.1	-
(yen/US dollar)	Apr.-Mar.(Ave)	109.9	120.1	-

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

3. Changes in Consolidated Financial Results



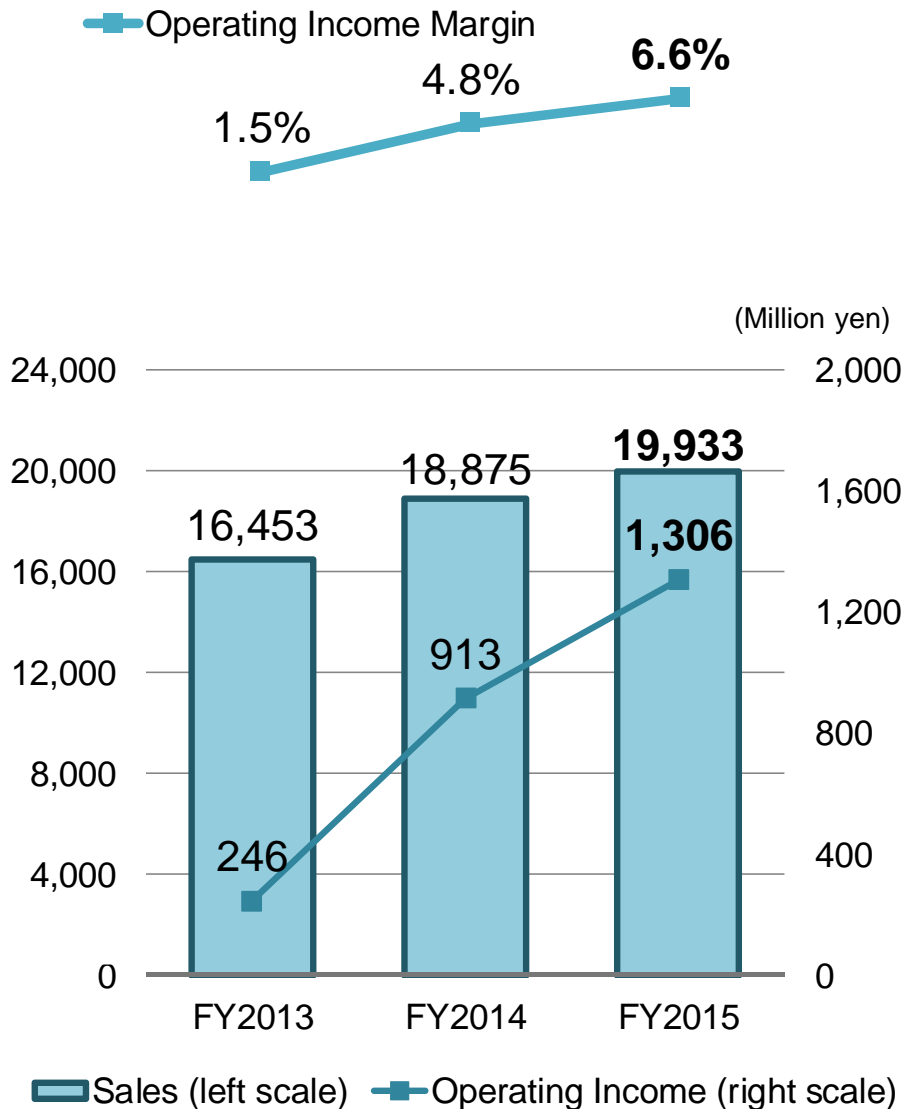
4. Summary of Performance by Business Segment

(Million yen)

	Sales				Operating Income			
	FY2014	FY2015	Change		FY2014	FY2015	Change	
Electronic Devices	18,875	19,933	1,058	5.6%	913	1,306	393	43.0%
Precision Molding Products	28,644	30,377	1,733	6.1%	2,188	3,629	1,441	65.9%
Housing & Living Materials	18,435	18,205	△ 230	△ 1.2%	△ 712	△ 50	662	-
Others	5,753	6,522	769	13.4%	△ 115	△ 740	△ 625	-
Total	71,707	75,039	3,332	4.6%	2,231	4,101	1,870	83.8%

5. Performance by Business Segment

Electronic Devices



■ Input devices

Sales of automotive key switches expanded, and sales of touch switches were solid.

Sales of touch pads for slim notebook PCs were also solid.

■ Display-related products

Sales of inter-connectors for LCD connections were solid.

■ Component-related products

Sales of inter-connectors for semiconductor testing increased.

5. Performance by Business Segment

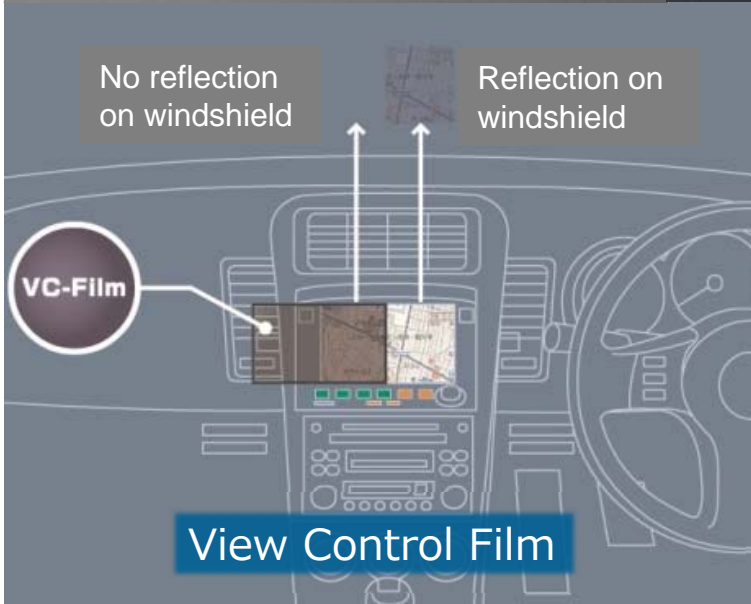
Electronic Devices



Keypad switch (Automotive)



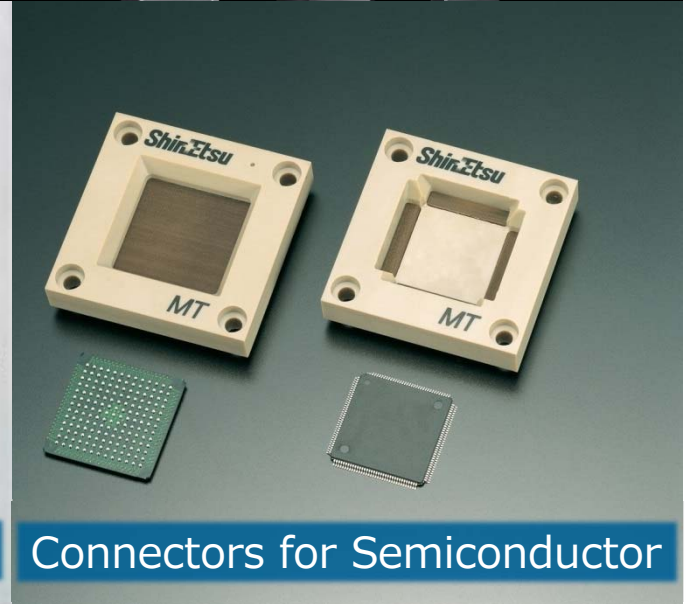
Touch switch (Automotive)



View Control Film



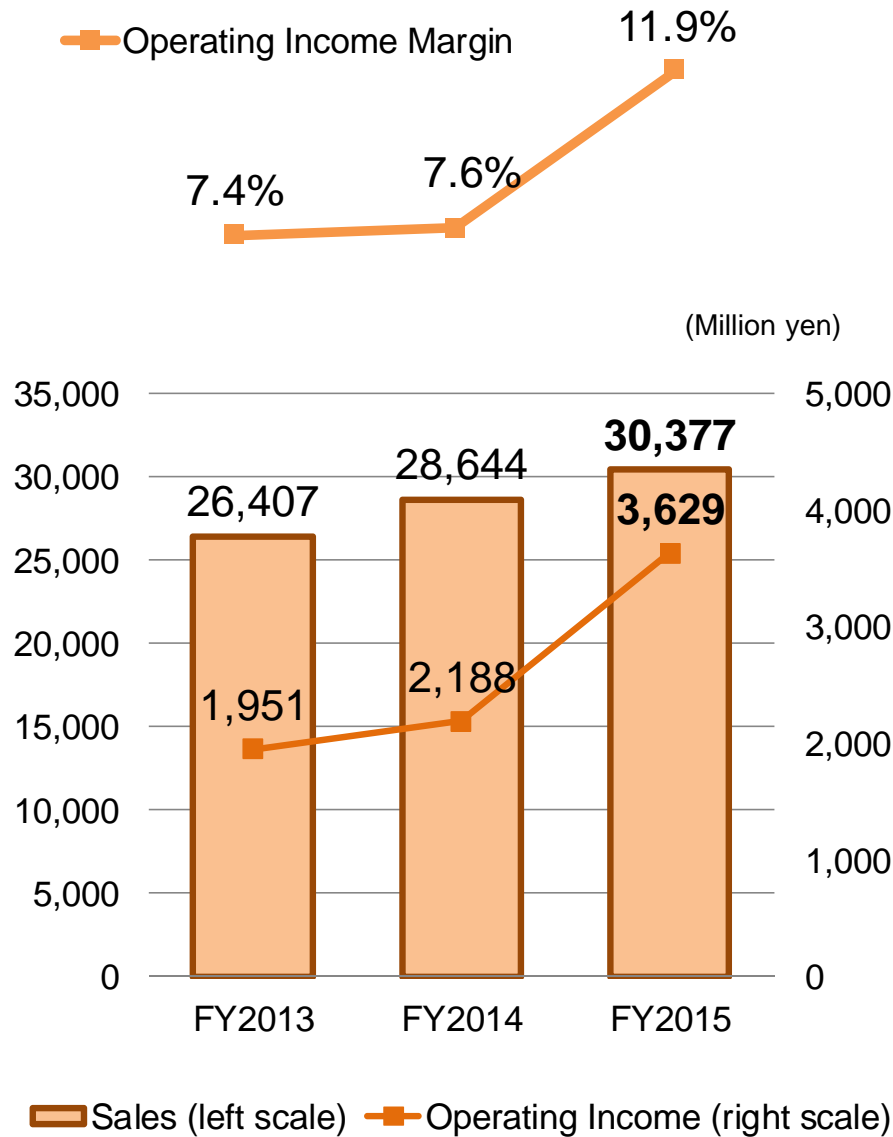
Connectors for LCD



Connectors for Semiconductor

5. Performance by Business Segment

Precision Molding Products



■ Semiconductor-related containers

Sales increased with strong demand in the semiconductor industry.

■ OA device components

Sales of products for key users recovered.

■ Carrier tapes

Demand remained brisk for electronic components for automobiles, smartphones, etc.

■ Silicone rubber molded products

Sales of medical products and others remained solid generally.

5. Performance by Business Segment

Precision Molding Products



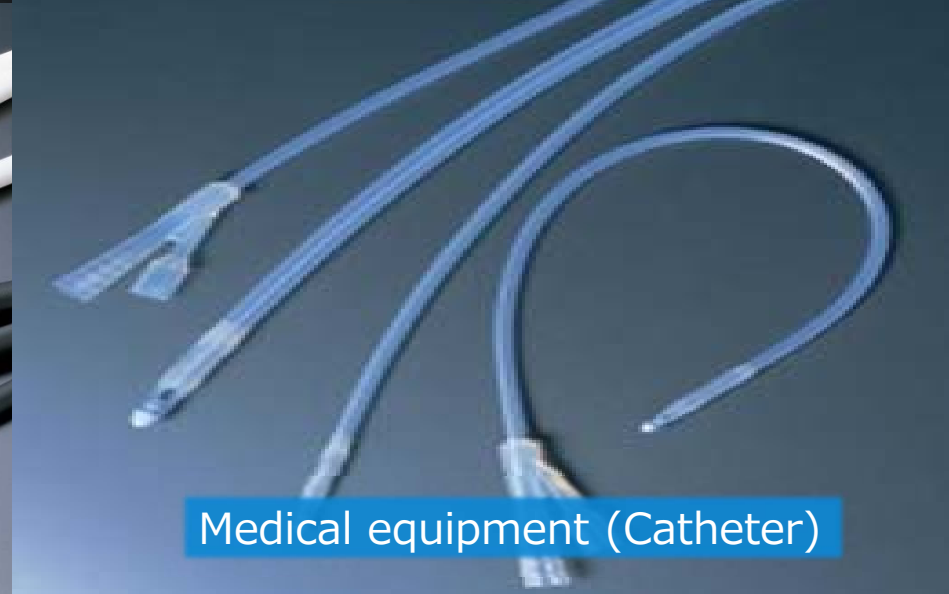
Silicone wafer container



Carrier tapes



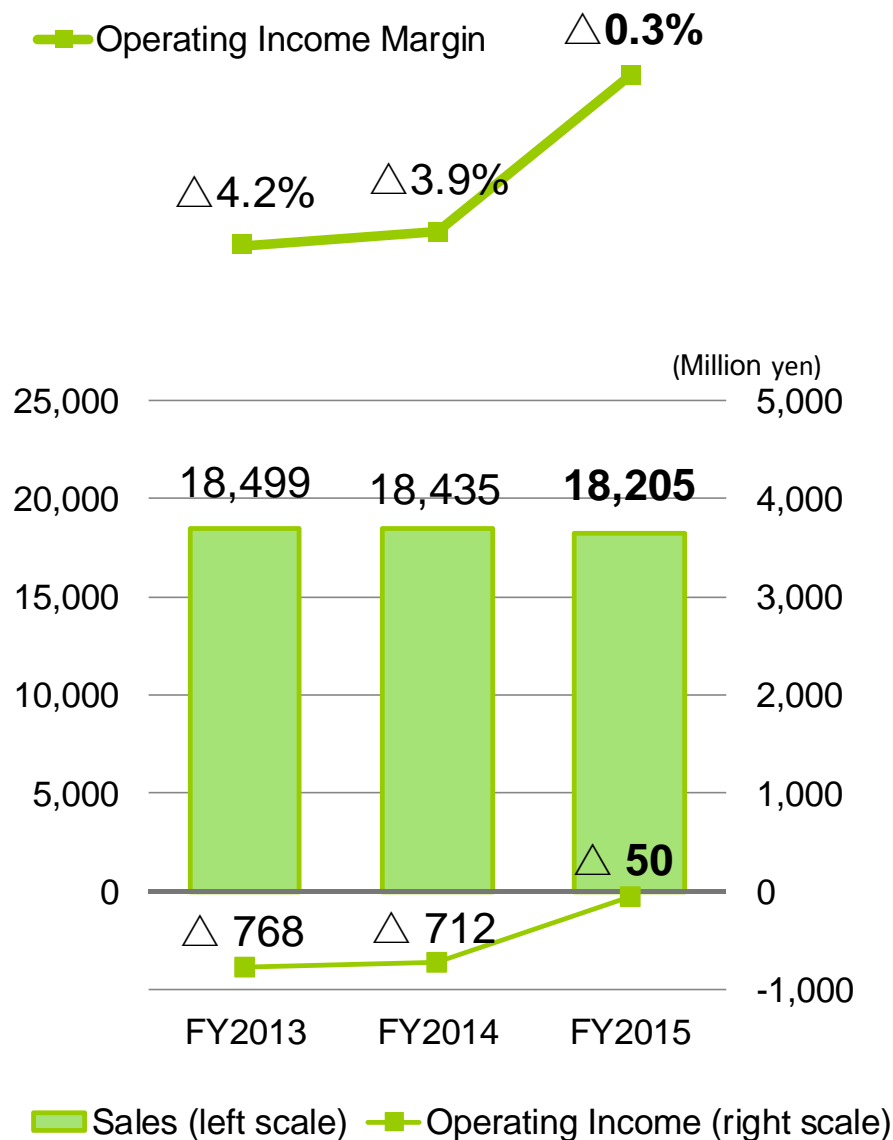
Rollers for OA devices



Medical equipment (Catheter)

5. Performance by Business Segment

Housing & Living Materials



■ Wrapping films

Sales of products for the food service industry increased and prices were stable.

■ PVC pipes and related products

Sales declined due to a slowdown in housing starts but profitability was improved.

■ Functional compounds

Sales of products for automotive were stable but electrical wiring were weak.

■ Exterior products

Sales were sluggish due to slowdown in demand and price competition.

5. Performance by Business Segment

Housing & Living Materials



6. Financial Statements

Comparative Balance Sheet

		(Million yen)		
		FY2013	FY2014	Change
Current Assets	Cash and deposits	37,333	38,725	1,392
	Notes and accounts receivable—trade	19,050	17,037	△ 2,013
	Inventory assets	9,448	9,367	△ 81
	Other	3,831	4,822	991
	Total	69,663	69,953	290
Noncurrent Assets	Property, plant and equipment	20,693	19,771	△ 922
	Intangible assets	530	412	△ 118
	Other	3,001	2,708	△ 293
	Total	24,225	22,892	△ 1,333
Total assets	93,889	92,845	△ 1,044	
Current Liabilities	Notes and accounts payable—trade	13,338	12,621	△ 717
	Short-term loans payable	0	0	0
	Other	6,526	7,413	887
	Total	19,864	20,035	171
Noncurrent Liabilities	Long-term loans payable	1	0	△ 1
	Net defined benefit liability	1,331	1,327	△ 4
	Other	441	228	△ 213
	Total	1,774	1,556	△ 218
Total liabilities	21,638	21,592	△ 46	
Total net assets	72,250	71,253	△ 997	
Total liabilities and net assets	93,889	92,845	△ 1,044	

6. Financial Statements

Comparative Statement of Income

(Million yen)

	FY2014	FY2015	Change	
Net sales	71,707	75,039	3,332	4.6%
Cost of sales	53,173	54,143	970	1.8%
Selling, general and administrative expenses	16,303	16,795	492	3.0%
Operating income	2,231	4,101	1,870	83.8%
Non-operating income	945	818	△ 127	△ 13.4%
Non-operating expenses	311	387	76	24.4%
Ordinary income	2,865	4,532	1,667	58.2%
Extraordinary income	62	0	△ 62	△ 100.0%
Extraordinary loss	541	158	△ 383	△ 70.8%
Income before income taxes and minority interests	2,386	4,373	1,987	83.3%
Income taxes—current	823	1,353	530	64.4%
Income taxes—deferred	△ 154	△ 140	14	△ 9.1%
Minority interests	△ 60	8	68	△ 113.3%
Net income	1,777	3,151	1,374	77.3%

6. Financial Statements

Cash Flow Statement

		(Million yen)
	FY2014	FY2015
Cash flow provided by (used in) operating activities	4,656	7,682
Net cash provided by (used in) investing activities	△ 1,572	△ 4,768
Net cash provided by (used in) financing activities	△ 604	△ 1,179
Cash and cash equivalents at end of period	34,823	35,377

7. Capital Investment, Depreciation, Research & Development

	(Million yen)			
	FY2012	FY2013	FY2014	FY2015
Capital Expenditure	3,015	2,571	3,877	4,424
Depreciation	2,527	3,039	3,868	3,315
R&D Costs	2,601	2,807	3,225	3,609



Company Overview

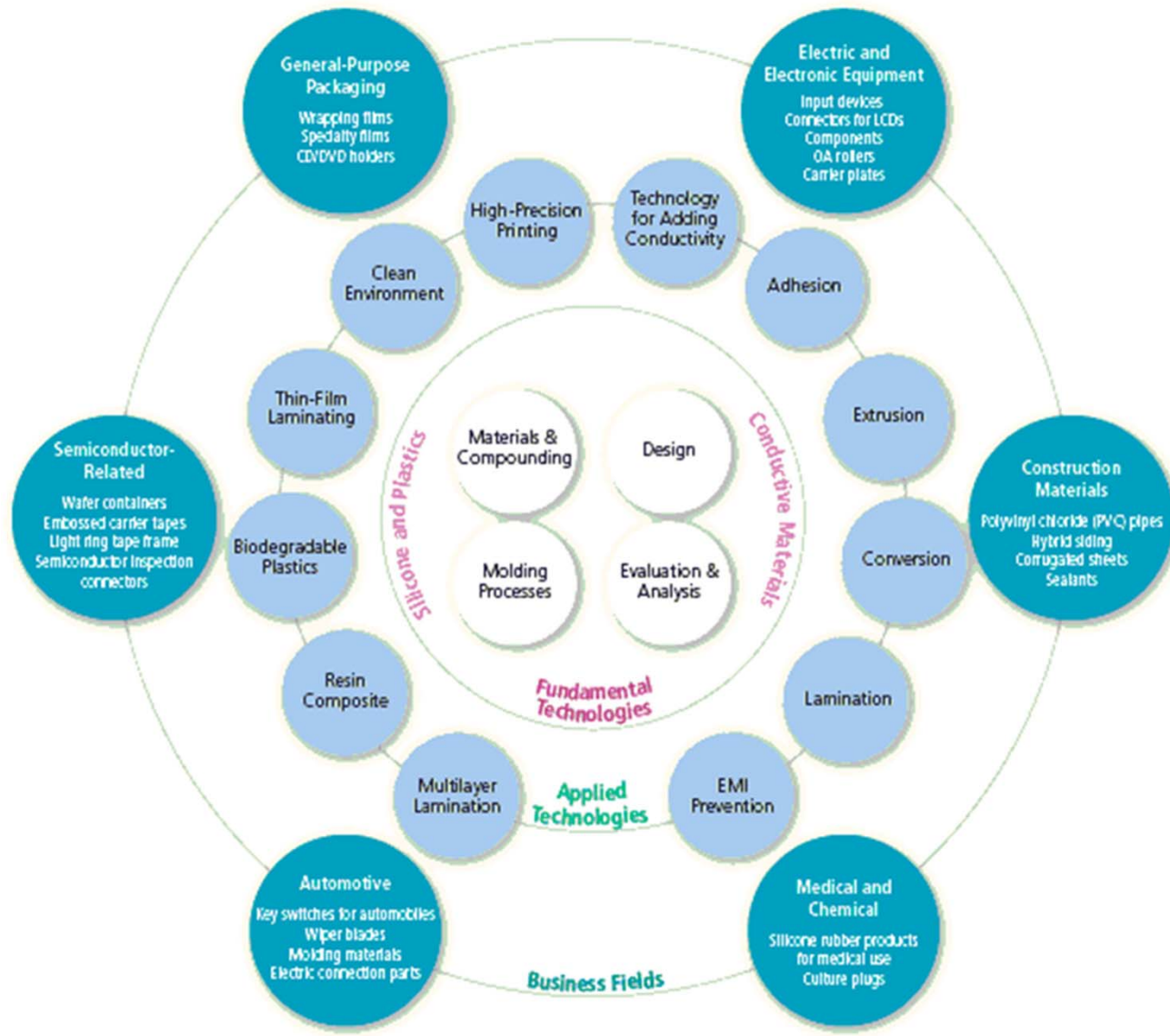
Shin-Etsu Polymer was established in 1960 as a manufacturer of polyvinyl chloride (PVC) products. Since then, we have developed applications for our fundamental technologies using silicone and various plastics involving materials and compounding, design, molding processes, and evaluation and analysis.

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	¥11,635.95 million
Number of consolidated subsidiaries	17
Number of employees	3,942 (consolidated), 612 (non-consolidated) (As of March 31, 2016)

Company Overview

Technological Development



Company Overview

Main Products

We develop products in a wide array of fields utilizing our technological strengths as a manufacturer of molded plastic products.

Electronic Devices

- Input devices
- Display-related products
- Component-related products



Precision Molding Products

- Semiconductor-related containers
- Office automation device components
- Carrier tapes
- Silicon rubber molded products

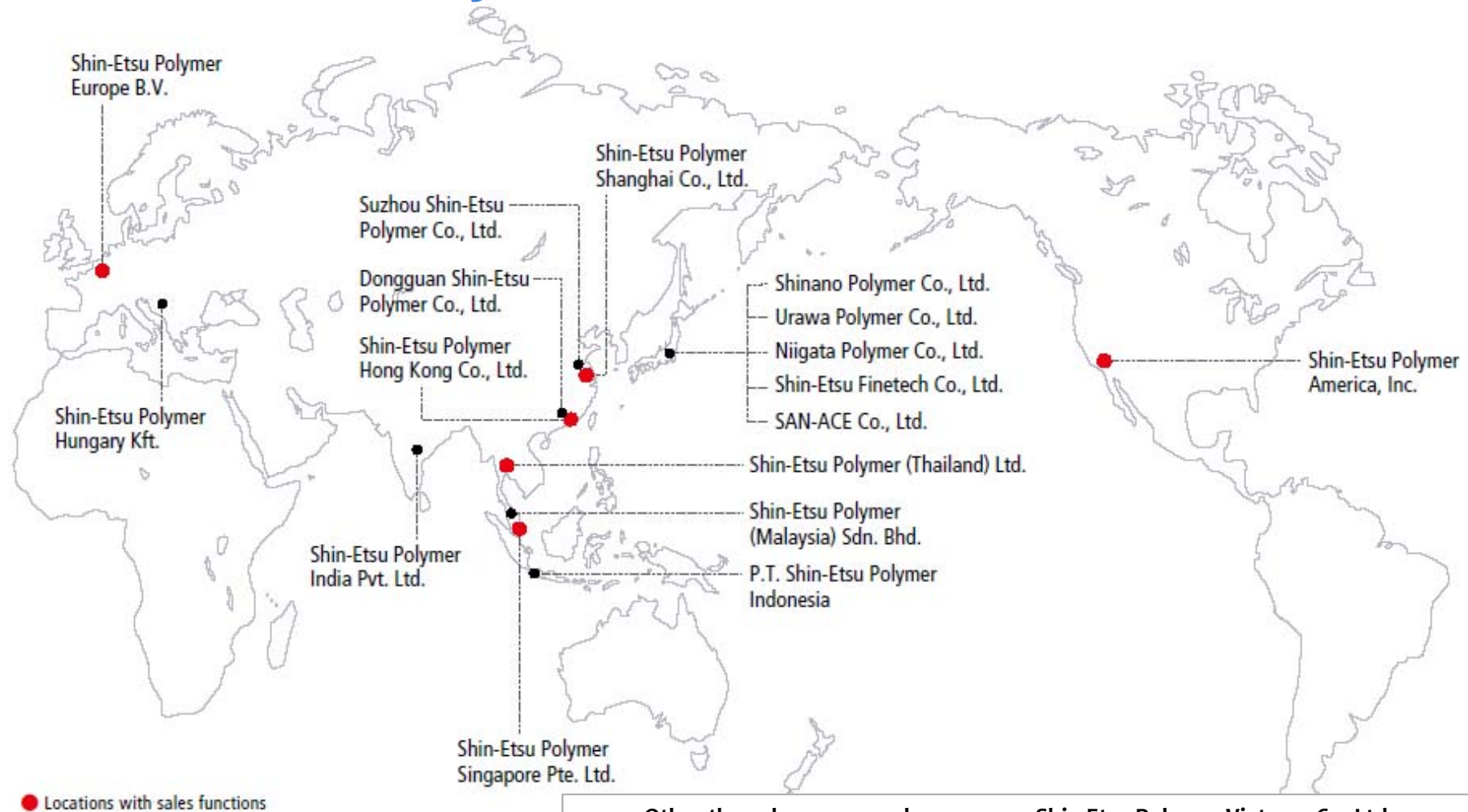


Housing and Living Materials

- Wrapping films
- PVC pipes and related products
- Functional compounds
- Exterior products
- Plastic sheet related products



Ability to Meet Global Needs



Other than above, new sales company Shin-Etsu Polymer Vietnam Co.,Ltd. was established this February.



Reference Materials

Reference Materials

Financial Summary

(Million yen)

	FY2011	FY2012	FY2013	FY2014	FY2015
Net sales	62,650	60,669	67,332	71,707	75,039
Operating income	1,071	944	1,314	2,231	4,101
Ordinary income	1,248	1,291	1,662	2,865	4,532
Current net income	304	210	720	1,777	3,151
Total assets	81,017	81,342	88,644	93,889	92,845
Net assets	60,749	63,020	68,088	72,250	71,253
Equity ratio	73.9%	76.4%	75.7%	76.0%	76.7%
Current net income per share(yen)	3.74	2.59	8.86	21.85	38.55
Annual dividend per share(yen)	9.00	9.00	9.00	9.00	9.00
Operating margin	1.7%	1.6%	2.0%	3.1%	5.5%
ROE - Return (Net income on equity)	0.5%	0.3%	1.1%	2.6%	4.4%
ROA - Return (Ordinary income on assets)	1.5%	1.6%	2.0%	3.1%	4.9%
Number of employees	3,665	3,547	3,628	3,962	3,942

Reference Materials

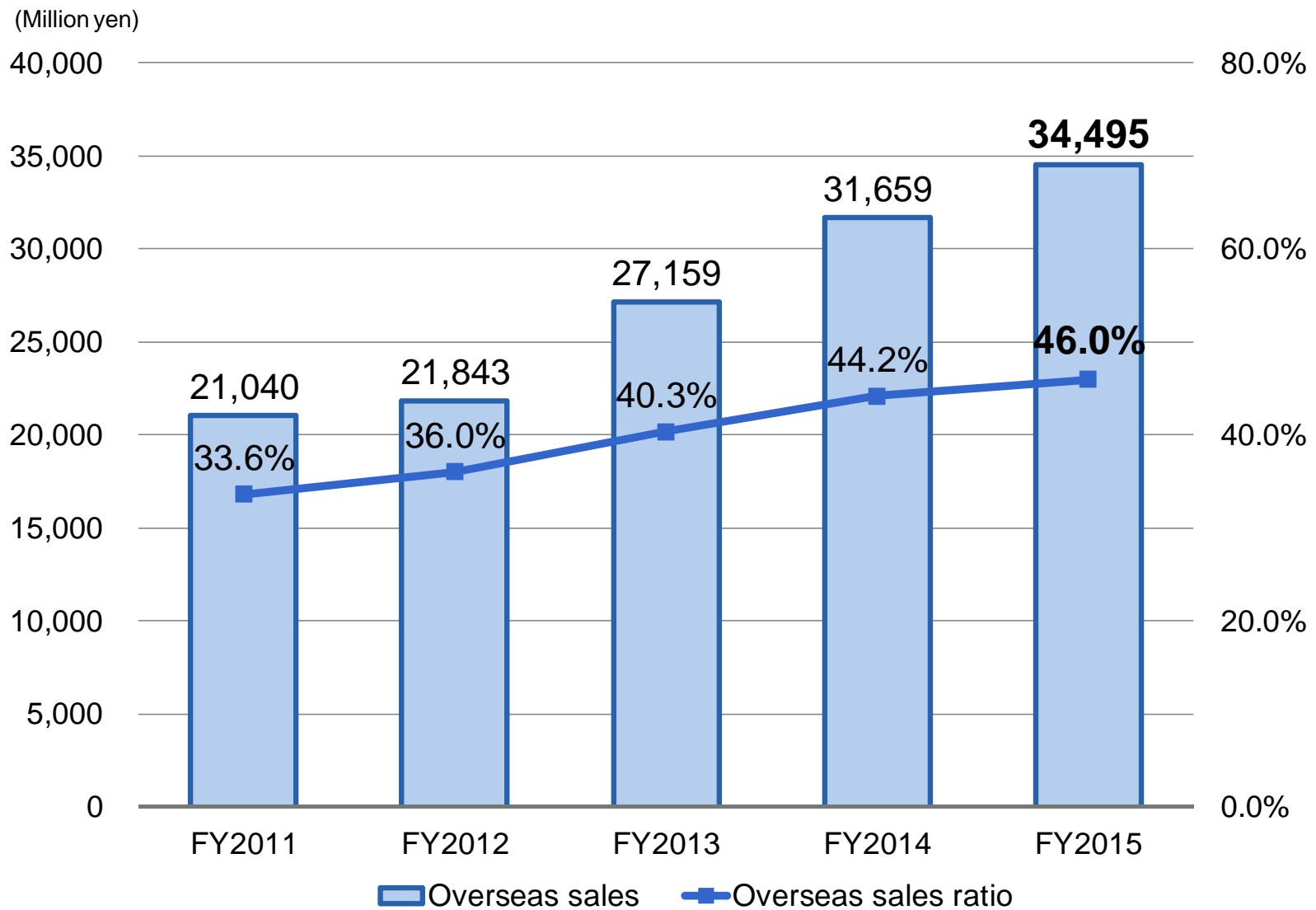
Quarterly Changes by Business Segment

(Million yen)

		FY2014						FY2015					
		1Q	2Q	1st half	3Q	4Q	2nd half	1Q	2Q	1st half	3Q	4Q	2nd half
Electronic Devices	Net Sales	4,274	4,386	8,660	4,960	5,254	10,214	4,810	5,267	10,077	5,005	4,850	9,855
	Operating Income	238	224	462	422	28	451	251	538	790	388	127	516
Precision Molding Products	Net Sales	7,295	7,120	14,415	6,967	7,261	14,228	7,488	7,627	15,115	7,941	7,320	15,262
	Operating Income	650	514	1,165	485	537	1,022	744	688	1,432	856	1,339	2,196
Housing & Living Materials	Net Sales	4,541	4,655	9,196	4,775	4,463	9,238	4,319	4,647	8,967	4,959	4,278	9,238
	Operating Income	△ 164	△ 209	△ 374	△ 235	△ 102	△ 338	△ 238	△ 91	△ 330	119	160	279
Others	Net Sales	1,177	1,420	2,598	1,575	1,579	3,154	1,522	1,550	3,072	1,810	1,640	3,450
	Operating Income	△ 6	△ 37	△ 44	△ 3	△ 66	△ 70	51	44	96	△ 466	△ 370	△ 836
Adjustment	Net Sales	0	0	0	0	0	0	0	0	0	0	0	0
	Operating Income	0	25	24	△ 59	△ 8	△ 67	△ 55	△ 28	△ 83	104	△ 64	40
Total	Net Sales	17,289	17,582	34,871	18,278	18,558	36,836	18,140	19,092	37,233	19,715	18,090	37,806
	Operating Income	716	516	1,233	609	388	998	753	1,151	1,904	1,002	1,193	2,196

Reference Materials

Net Sales for Overseas





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.