

# Ten-Year Summary

SHIN-ETSU CHEMICAL CO., LTD AND SUBSIDIARIES

For the fiscal years ended March 31, 2008 to 2017

For more detailed information, please see the Financial &amp; IR Information on the Group's Web site

[WEB https://www.shinetsu.co.jp/en/ir/ir\\_data.html](https://www.shinetsu.co.jp/en/ir/ir_data.html)

	2008	2009	2010	2011
<b>For the year:</b>				
Net sales	¥1,376,364	¥1,200,813	¥ 916,837	¥1,058,257
Cost of sales	946,940	853,433	700,902	803,574
Selling, general and administrative expenses	142,278	114,453	98,718	105,460
Operating income	287,145	232,927	117,215	149,221
Ordinary income	300,040	250,533	127,019	160,338
Profit attributable to owners of parent	183,580	154,731	83,852	100,119
Capital expenditures	268,479	159,406	123,793	119,884
R&D costs	47,944	37,469	33,574	37,321
Depreciation and amortization	141,269	119,457	87,722	93,732
<b>At year-end:</b>				
Total assets	¥1,918,544	¥1,684,944	¥1,769,139	¥1,784,166
Working capital (Current assets - Current liabilities)	638,806	606,632	612,447	638,493
Common stock	119,419	119,419	119,419	119,419
Net assets	1,483,669	1,407,353	1,474,212	1,469,429
Interest-bearing debt	34,045	23,827	20,052	14,574
<b>Per share (Yen and U.S. dollars):</b>				
Earnings per share—basic	¥ 426.63	¥ 362.39	¥ 197.53	¥ 235.80
Earnings per share—fully diluted <sup>2</sup>	426.35	362.35	197.50	235.80
Cash dividends	90.00	100.00	100.00	100.00
Payout ratio (%)	21.1	27.6	50.6	42.4
Net assets	3,344.17	3,218.28	3,370.56	3,360.39
<b>General:</b>				
Operating income to net sales ratio (%)	20.9	19.4	12.8	14.1
Profit attributable to owners of parent to net sales ratio (%)	13.3	12.9	9.1	9.5
ROE (%)	13.3	11.0	6.0	7.0
ROA (%)	15.9	13.9	7.4	9.0
Equity ratio (%)	75.0	81.1	80.9	80.0
Number of employees	20,241	19,170	16,955	16,302
Number of shares issued (Thousands)	432,106	432,106	432,106	432,106

Notes: 1. The U.S. dollar amounts represent conversion of yen, for convenience only, at the rate of ¥112 = US\$1, the approximate rate of exchange on March 31, 2017.

2. Diluted earnings per share for the fiscal year ended March 31, 2012 is not presented as there were no securities with dilutive effect.

					Millions of yen	Millions of U.S. dollars <sup>1</sup>
2012	2013	2014	2015	2016	2017	2017
¥ 1,047,731	¥ 1,025,409	¥ 1,165,819	¥ 1,255,543	¥ 1,279,807	¥ 1,237,405	\$ 11,048
798,592	769,427	873,879	940,399	930,019	868,404	7,753
99,505	98,938	118,130	129,814	141,262	130,383	1,164
149,632	157,043	173,809	185,329	208,525	238,617	2,130
165,237	170,207	180,605	198,025	220,005	242,133	2,161
100,643	105,714	113,617	128,606	148,840	175,912	1,570
87,165	86,841	83,155	109,903	134,753	145,647	1,300
35,725	37,671	43,546	47,165	53,165	49,020	437
82,868	80,961	91,445	96,918	100,466	93,087	831
¥ 1,809,841	¥ 1,920,903	¥ 2,198,912	¥ 2,452,306	¥ 2,510,085	¥ 2,655,636	\$ 23,711
694,803	832,878	981,667	1,100,999	1,170,679	1,232,607	11,005
119,419	119,419	119,419	119,419	119,419	119,419	1,066
1,494,573	1,623,176	1,822,135	2,012,711	2,080,465	2,190,082	19,554
15,732	13,929	15,638	14,328	13,470	14,642	130
¥ 237.03	¥ 248.94	¥ 267.20	¥ 302.05	¥ 349.46	¥ 412.86	\$ 3.686
—	248.92	267.07	301.98	349.42	412.83	3.685
100.00	100.00	100.00	100.00	110.00	120.00	1.071
42.2	40.2	37.4	33.1	31.5	29.1	29.1
3,422.93	3,709.19	4,165.28	4,602.80	4,761.48	5,002.16	44.662
14.3	15.3	14.9	14.8	16.3	19.3	19.3
9.6	10.3	9.7	10.2	11.6	14.2	14.2
7.0	7.0	6.8	6.9	7.5	8.5	8.5
9.2	9.1	8.8	8.5	8.9	9.4	9.4
80.3	82.0	80.6	79.9	80.8	80.3	80.3
16,167	17,712	17,892	18,276	18,407	19,206	19,206
432,106	432,106	432,106	432,106	432,106	432,106	432,106

## Consolidated Balance Sheet

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
As of March 31, 2016 and 2017

		Millions of yen		Millions of U.S. dollars
	2016	2017	2017	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and time deposits	¥ 597,048	¥ 752,675	\$ 6,720	
Notes and accounts receivable-trade	268,905	287,853	2,570	
Securities	236,486	186,591	1,665	
Merchandise and finished goods	133,664	126,026	1,125	
Work in process	13,367	12,234	109	
Raw materials and supplies	133,981	128,896	1,150	
Deferred taxes, current	36,330	35,937	320	
Other	47,689	33,941	303	
Less: Allowance for doubtful accounts	(14,840)	(14,549)	(129)	
Total current assets	1,452,633	1,549,607	13,835	
<b>Fixed Assets:</b>				
<b>Property, Plant and Equipment:</b>				
Buildings and structures, net	170,478	174,923	1,561	
Machinery and equipment, net	410,322	437,775	3,908	
Land	83,108	86,953	776	
Construction in progress	133,551	139,180	1,242	
Other, net	7,510	7,737	69	
Total property, plant and equipment	804,972	846,570	7,558	
<b>Intangible Assets</b>	13,152	10,229	91	
<b>Investments and Other Assets:</b>				
Investments in securities	130,202	135,311	1,208	
Net defined benefit asset	1,551	1,928	17	
Deferred taxes, non-current	16,458	22,562	201	
Other	92,923	91,265	814	
Less: Allowance for doubtful accounts	(1,807)	(1,840)	(16)	
Total investments and other assets	239,327	249,228	2,225	
Total fixed assets	1,057,451	1,106,028	9,875	
<b>Total Assets</b>	¥ 2,510,085	¥ 2,655,636	\$ 23,711	

	Millions of yen		Millions of U.S. dollars
	2016	2017	2017
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Notes and accounts payable—trade	¥ 115,557	¥ 123,823	\$ 1,105
Short-term borrowings	7,873	12,788	114
Accounts payable—other	49,071	54,671	488
Accrued expenses	56,824	61,611	550
Accrued income taxes	29,519	32,711	292
Accrued bonuses for employees	2,627	2,898	25
Accrued bonuses for directors	547	612	5
Other	19,933	27,881	248
<b>Total current liabilities</b>	<b>281,954</b>	<b>317,000</b>	<b>2,830</b>
<b>Long-Term Liabilities:</b>			
Long-term debt	5,288	1,578	14
Deferred taxes, non-current	96,183	98,228	877
Net defined benefit liability	33,319	35,809	319
Other	12,872	12,936	115
<b>Total long-term liabilities</b>	<b>147,665</b>	<b>148,553</b>	<b>1,326</b>
<b>Total Liabilities</b>	<b>429,619</b>	<b>465,553</b>	<b>4,156</b>
<b>NET ASSETS</b>			
<b>Stockholders' Equity:</b>			
Common stock	119,419	119,419	1,066
Additional paid-in capital	128,759	129,626	1,157
Retained earnings	1,731,042	1,857,857	16,588
Less: Treasury stock, at cost	(33,407)	(31,213)	(278)
<b>Total stockholders' equity</b>	<b>1,945,813</b>	<b>2,075,690</b>	<b>18,532</b>
<b>Accumulated Other Comprehensive Income:</b>			
Unrealized gains (losses) on available-for-sale securities	13,780	22,887	204
Deferred gains (losses) on hedges	1,611	862	7
Foreign currency translation adjustments	68,566	35,154	313
Remeasurements of defined benefit plans	(1,480)	(1,761)	(15)
<b>Total accumulated other comprehensive income</b>	<b>82,478</b>	<b>57,142</b>	<b>510</b>
<b>Share Subscription Rights</b>	<b>237</b>	<b>152</b>	<b>1</b>
<b>Non-Controlling Interests in Consolidated Subsidiaries</b>	<b>51,936</b>	<b>57,096</b>	<b>509</b>
<b>Total net assets</b>	<b>2,080,465</b>	<b>2,190,082</b>	<b>19,554</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 2,510,085</b>	<b>¥ 2,655,636</b>	<b>\$ 23,711</b>

## Consolidated Statement of Income

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
For the fiscal years ended March 31, 2016 and 2017

	Millions of yen		Millions of U.S. dollars
	2016	2017	2017
<b>Net Sales</b>	¥ 1,279,807	¥ 1,237,405	\$ 11,048
<b>Cost of Sales</b>	930,019	868,404	7,753
Gross profit	349,787	369,001	3,294
<b>Selling, General and Administrative Expenses</b>	141,262	130,383	1,164
Operating income	208,525	238,617	2,130
<b>Other Income (Expenses):</b>			
Interest income	4,011	4,714	42
Dividend income	4,506	2,602	23
Equity in earnings (losses) of affiliates	3,302	2,788	24
Subsidy income	2,837	—	—
Interest expenses	(452)	(529)	(4)
Loss on disposal of property, plant and equipment	(1,329)	(974)	(8)
Foreign exchange gain (loss)	(2,760)	(3,697)	(33)
Other, net	1,363	(1,388)	(12)
Ordinary income	220,005	242,133	2,161
Income before income taxes and non-controlling interests	220,005	242,133	2,161
<b>Income Taxes:</b>			
Current	65,342	67,187	599
Deferred	4,284	(3,363)	(30)
	69,627	63,823	569
<b>Profit</b>	150,377	178,309	1,592
<b>Profit Attributable to Non-Controlling Interests</b>	(1,537)	(2,397)	(21)
<b>Profit Attributable to Owners of Parent</b>	¥ 148,840	¥ 175,912	\$ 1,570
<b>Earnings per Share:</b>		Yen	U.S. dollars
Profit attributable to owners of parent—basic	¥ 349.46	¥ 412.86	\$ 3.686
Profit attributable to owners of parent—fully diluted	349.42	412.83	3.685
Cash dividends	110.00	120.00	1.071
<b>Weighted-Average Number of Shares Outstanding (Thousands)</b>	425,919	426,086	426,086

## Consolidated Statement of Comprehensive Income

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
For the fiscal years ended March 31, 2016 and 2017

	Millions of yen		Millions of U.S. dollars
	2016	2017	2017
<b>Profit</b>	¥ 150,377	¥ 178,309	\$ 1,592
<b>Other Comprehensive Income:</b>			
Unrealized gains (losses) on available-for-sale securities	(8,589)	9,149	81
Deferred gains (losses) on hedges	1,703	(753)	(6)
Foreign currency translation adjustments	(33,370)	(34,265)	(305)
Remeasurements of defined benefit plans	1,905	(280)	(2)
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	(141)	(205)	(1)
Total other comprehensive income (loss)	(38,491)	(26,356)	(235)
<b>Comprehensive Income</b>	¥ 111,885	¥ 151,953	\$ 1,356
(Breakdown)			
Comprehensive income attributable to owners of parent	¥ 112,017	¥ 150,576	\$ 1,344
Comprehensive income attributable to non-controlling interests	(132)	1,376	12

# Consolidated Statement of Changes in Net Assets

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES

	Thousands					Millions of yen
	Stockholders' Equity					Total
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
<b>Balance at April 1, 2015</b>	432,106	¥119,419	¥128,572	¥1,626,873	¥(33,837)	¥1,841,029
Cash dividends				(44,720)		(44,720)
Profit attributable to owners of parent				148,840		148,840
Purchase of treasury stock					(16)	(16)
Disposal of treasury stock			(19)		445	425
Others			206	49		255
Net changes of items other than stockholders' equity						
<b>Balance at March 31, 2016</b>	432,106	¥119,419	¥128,759	¥1,731,042	¥(33,407)	¥1,945,813

	Millions of yen							
	Accumulated Other Comprehensive Income							
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
<b>Balance at April 1, 2015</b>	¥22,349	¥(91)	¥100,425	¥(3,382)	¥119,300	¥139	¥52,242	¥2,012,711
Cash dividends								(44,720)
Profit attributable to owners of parent								148,840
Purchase of treasury stock								(16)
Disposal of treasury stock								425
Others								255
Net changes of items other than stockholders' equity	(8,568)	1,703	(31,858)	1,901	(36,822)	97	(306)	(37,030)
<b>Balance at March 31, 2016</b>	¥13,780	¥1,611	¥68,566	¥(1,480)	¥82,478	¥237	¥51,936	¥2,080,465

	Thousands					Millions of yen
	Stockholders' Equity					Total
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
<b>Balance at April 1, 2016</b>	432,106	¥119,419	¥128,759	¥1,731,042	¥(33,407)	¥1,945,813
Cash dividends				(48,987)		(48,987)
Profit attributable to owners of parent				175,912		175,912
Purchase of treasury stock					(19)	(19)
Disposal of treasury stock			878		2,213	3,092
Others			(11)	(109)		(121)
Net changes of items other than stockholders' equity						
<b>Balance at March 31, 2017</b>	432,106	¥119,419	¥129,626	¥1,857,857	¥(31,213)	¥2,075,690

	Millions of yen							
	Accumulated Other Comprehensive Income							
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
<b>Balance at April 1, 2016</b>	¥13,780	¥1,611	¥68,566	¥(1,480)	¥82,478	¥237	¥51,936	¥2,080,465
Cash dividends								(48,987)
Profit attributable to owners of parent								175,912
Purchase of treasury stock								(19)
Disposal of treasury stock								3,092
Others								(121)
Net changes of items other than stockholders' equity	9,106	(749)	(33,412)	(280)	(25,335)	(84)	5,160	(20,259)
<b>Balance at March 31, 2017</b>	¥22,887	¥862	¥35,154	¥(1,761)	¥57,142	¥152	¥57,096	¥2,190,082

# Consolidated Statement of Changes in Net Assets

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES

	Thousands		Millions of U.S. dollars			
	Stockholders' Equity					Total
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	
<b>Balance at April 1, 2016</b>	432,106	\$1,066	\$1,149	\$15,455	\$(298)	\$17,373
Cash dividends				(437)		(473)
Profit attributable to owners of parent				1,570		1,570
Purchase of treasury stock					(0)	(0)
Disposal of treasury stock			7		19	27
Others			(0)	(0)		(1)
Net changes of items other than stockholders' equity						
<b>Balance at March 31, 2017</b>	432,106	\$1,066	\$1,157	\$16,588	\$(278)	\$18,532

	Millions of U.S. dollars							
	Accumulated Other Comprehensive Income							Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Share subscription rights	Non-controlling interests in consolidated subsidiaries	
<b>Balance at April 1, 2016</b>	\$123	\$14	\$612	\$(13)	\$736	\$2	\$463	\$18,575
Cash dividends								(437)
Profit attributable to owners of parent								1,570
Purchase of treasury stock								0
Disposal of treasury stock								27
Others								(1)
Net changes of items other than stockholders' equity	81	(6)	(298)	(2)	(226)	0	46	(180)
<b>Balance at March 31, 2017</b>	\$204	\$7	\$313	\$(15)	\$510	\$1	\$509	\$19,554

The accompanying notes are an integral part of the consolidated financial statements.

# Consolidated Statement of Cash Flows

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
For the fiscal years ended March 31, 2016 and 2017

	Millions of yen		Millions of U.S. dollars
	2016	2017	2017
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and non-controlling interests	¥ 220,005	¥242,133	\$ 2,161
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	100,466	93,087	831
Loss on impairment of fixed assets	3,343	2,028	18
Increase (decrease) in net defined benefit liability	2,461	1,384	12
(Gain) loss on sales of investments in securities	(145)	(0)	0
(Gain) loss on write-down of investments in securities	40	—	—
Increase (decrease) in allowance for doubtful accounts	4,128	(165)	(1)
Interest and dividend income	(8,517)	(7,317)	(65)
Interest expenses	452	529	4
Exchange (gain) loss	4,451	2,370	21
Equity in (earnings) losses of affiliates	(3,302)	(2,788)	(24)
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable	20,180	(23,501)	(209)
(Increase) decrease in inventories	(8,510)	10,621	94
(Increase) decrease in long-term advance payment	3,900	3,180	28
Increase (decrease) in notes and accounts payable	(4,610)	9,606	85
Other, net	12,270	15,351	137
Subtotal	346,614	346,522	3,093
Proceeds from interest and dividends	9,133	7,774	69
Payments of interest	(468)	(528)	(4)
Payments of income taxes	(73,635)	(62,895)	(561)
<b>Net cash provided by operating activities</b>	<b>281,643</b>	<b>290,872</b>	<b>2,597</b>
<b>Cash Flows from Investing Activities:</b>			
(Increase) decrease in time deposits	(79,555)	30,289	270
Purchases of securities	(190,901)	(74,001)	(660)
Proceeds from redemption of securities	265,146	186,381	1,664
Purchases of property, plant and equipment	(147,227)	(134,897)	(1,204)
Proceeds from sales of property, plant and equipment	271	235	2
Purchases of intangible fixed assets	(818)	(1,377)	(12)
Purchases of investments in securities	(1,854)	(1,613)	(14)
Proceeds from sales of investments in securities	310	53	0
Proceeds from redemption of investments in securities	5,000	0	0
Purchases of investments in subsidiaries resulting in change in scope of consolidation	(2,516)	—	—
Payments of loans	(2,858)	(481)	(4)
Proceeds from collection of loans	698	3,494	31
Other, net	(12,294)	(6,802)	(60)
<b>Net cash used for investing activities</b>	<b>(166,599)</b>	<b>1,281</b>	<b>11</b>
<b>Cash Flows from Financing Activities:</b>			
Net increase (decrease) in short-term borrowings	151	520	4
Proceeds from long-term debt	—	25	0
Repayments of long-term debt	(875)	(212)	(1)
Purchases of treasury stock	(16)	(19)	0
Proceeds from sales of treasury stock	361	2,979	26
Cash dividends paid	(44,720)	(48,987)	(437)
Cash dividends paid to non-controlling interests	(576)	(615)	(5)
Other, net	6,733	9,110	81
<b>Net cash used for financing activities</b>	<b>(38,941)</b>	<b>(37,199)</b>	<b>(332)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(12,513)</b>	<b>(13,584)</b>	<b>(121)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>63,589</b>	<b>241,369</b>	<b>2,155</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>423,846</b>	<b>487,604</b>	<b>4,353</b>
<b>Increase (Decrease) in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation</b>	<b>167</b>	<b>4,332</b>	<b>38</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>¥ 487,604</b>	<b>¥733,306</b>	<b>\$ 6,547</b>