

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES

For the fiscal years ended March 31, 2010 through 2019

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)

	2010	2011	2012	2013
<b>For the year:</b>				
Net sales	¥ 916,837	¥1,058,257	¥1,047,731	¥1,025,409
Cost of sales	700,902	803,574	798,592	769,427
Selling, general and administrative expenses	98,718	105,460	99,505	98,938
Operating income	117,215	149,221	149,632	157,043
Ordinary income	127,019	160,338	165,237	170,207
Net income attributable to owners of parent	83,852	100,119	100,643	105,714
Capital expenditures	123,793	119,884	87,165	86,841
R&D costs	33,574	37,321	35,725	37,671
Depreciation and amortization	87,722	93,732	82,868	80,961
<b>At year-end:</b>				
Total assets	¥ 1,769,139	¥1,784,166	¥1,809,841	¥1,920,903
Working capital (Current assets - Current liabilities)	612,447	638,493	694,803	832,878
Common stock	119,419	119,419	119,419	119,419
Net assets	1,474,212	1,469,429	1,494,573	1,623,176
Interest-bearing debt	20,052	14,574	15,732	13,929
<b>Per share (Yen and U.S. dollars):</b>				
Net income per share	¥ 197.53	¥ 235.80	¥ 237.03	¥ 248.94
Diluted net income per share <sup>2</sup>	197.50	235.80	—	248.92
Cash dividends	100.00	100.00	100.00	100.00
Payout ratio (%)	50.6	42.4	42.2	40.2
Net assets	3,370.56	3,360.39	3,422.93	3,709.19
<b>General:</b>				
Operating income to net sales ratio (%)	12.8	14.1	14.3	15.3
Net income attributable to owners of parent to net sales ratio (%)	9.1	9.5	9.6	10.3
ROE (%)	6.0	7.0	7.0	7.0
ROA (%)	7.4	9.0	9.2	9.1
Equity ratio (%)	80.9	80.0	80.3	82.0
Number of employees	16,955	16,302	16,167	17,712
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 ¥111 = US\$1, the approximate rate of exchange on March 31, 2019.

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

3. \* Partial Amendments to "Accounting Standard for Tax-Effect Accounting", etc. (ASBJ Statement No. 28, February 16, 2018) were applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, the main management indicators, etc., for the previous fiscal year are those after retroactive application of said Accounting Standard, etc.

					Millions of yen	Millions of U.S. dollars [Note 1]
2014	2015	2016	2017	2018	2019	2019
¥1,165,819	¥1,255,543	¥1,279,807	¥1,237,405	¥1,441,432	¥1,594,036	\$ 14,360
873,879	940,399	930,019	868,404	963,008	1,039,979	9,369
118,130	129,814	141,262	130,383	141,601	150,352	1,354
173,809	185,329	208,525	238,617	336,822	403,705	3,636
180,605	198,025	220,005	242,133	340,308	415,311	3,741
113,617	128,606	148,840	175,912	266,235	309,125	2,784
83,155	109,903	134,753	145,647	176,283	240,618	2,167
43,546	47,165	53,165	49,020	51,768	56,436	508
91,445	96,918	100,466	93,087	112,016	137,570	1,239
¥2,198,912	¥2,452,306	¥2,510,085	¥2,655,636	¥2,903,137	¥3,038,717	\$ 27,375
981,667	1,100,999	1,170,679	1,232,607	1,324,495	1,358,614	12,239
119,419	119,419	119,419	119,419	119,419	119,419	1,075
1,822,135	2,012,711	2,080,465	2,190,082	2,413,025	2,532,556	22,815
15,638	14,328	13,470	14,642	15,814	14,920	134
¥ 267.20	¥ 302.05	¥ 349.46	¥ 412.86	¥ 624.28	¥ 725.99	\$ 6.540
267.07	301.98	349.42	412.83	624.10	725.92	6.540
100.00	100.00	110.00	120.00	140.00	200.00	1.802
37.4	33.1	31.5	29.1	22.4	27.5	27.5
4,165.28	4,602.80	4,761.48	5,002.16	5,511.98	5,915.47	53.293
14.9	14.8	16.3	19.3	23.4	25.3	25.3
9.7	10.2	11.6	14.2	18.5	19.4	19.4
6.8	6.9	7.5	8.5	11.9	12.8	12.8
8.8	8.5	8.9	9.4	12.2	14.0	14.0
80.6	79.9	80.8	80.3	81.0	81.1	81.1
17,892	18,276	18,407	19,206	20,155	21,735	21,735
432,106	432,106	432,106	432,106	432,106	427,606	427,606

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
As of March 31, 2018 and 2019

	Millions of yen		Millions of U.S. dollars
	2018	2019	2019
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and time deposits	¥ 854,506	¥ 826,680	\$ 7,447
Notes and accounts receivable-trade	332,880	338,701	3,051
Securities	197,339	215,444	1,940
Merchandise and finished goods	135,033	158,717	1,429
Work in process	13,235	16,711	150
Raw materials and supplies	133,808	154,064	1,387
Other	48,313	47,527	428
Less: Allowance for doubtful accounts	(12,201)	(7,379)	(66)
Total current assets	1,702,916	1,750,469	15,769
<b>Fixed Assets:</b>			
<b>Property, Plant and Equipment:</b>			
Buildings and structures, net	176,323	188,268	1,696
Machinery and equipment, net	454,846	445,974	4,017
Land	88,746	88,806	800
Construction in progress	170,810	255,232	2,299
Other, net	9,001	9,678	87
Total property, plant and equipment	899,728	987,960	8,900
<b>Intangible Assets</b>	9,405	8,740	78
<b>Investments and Other Assets:</b>			
Investments in securities	145,455	141,685	1,276
Net defined benefit asset	2,440	3,841	34
Deferred tax assets	52,869	59,154	532
Other	92,518	89,491	806
Less: Allowance for doubtful accounts	(2,197)	(2,624)	(23)
Total investments and other assets	291,086	291,548	2,626
Total fixed assets	1,200,220	1,288,248	11,605
<b>Total Assets</b>	¥ 2,903,137	¥ 3,038,717	\$ 27,375

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



	Millions of yen		Millions of U.S. dollars
	2018	2019	2019
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Notes and accounts payable—trade	¥ 136,834	¥ 141,027	\$ 1,270
Short-term borrowings	7,094	7,008	63
Accounts payable—other	65,750	75,128	676
Accrued expenses	68,805	74,354	669
Accrued income taxes	58,972	45,739	412
Accrued bonuses for employees	3,147	3,551	31
Accrued bonuses for directors	674	694	6
Other	37,142	44,350	399
<b>Total current liabilities</b>	<b>378,421</b>	<b>391,854</b>	<b>3,530</b>
<b>Long-Term Liabilities:</b>			
Long-term debt	8,430	7,624	68
Deferred tax liabilities	61,476	62,669	564
Net defined benefit liability	32,282	30,473	274
Other	9,499	13,540	121
<b>Total long-term liabilities</b>	<b>111,690</b>	<b>114,306</b>	<b>1,029</b>
<b>Total Liabilities</b>	<b>490,112</b>	<b>506,161</b>	<b>4,560</b>
<b>NET ASSETS</b>			
<b>Stockholders' Equity:</b>			
Common stock	119,419	119,419	1,075
Additional paid-in capital	129,937	128,299	1,155
Retained earnings	2,070,779	2,283,760	20,574
Less: Treasury stock, at cost	(30,207)	(94,702)	(853)
<b>Total stockholders' equity</b>	<b>2,289,929</b>	<b>2,436,777</b>	<b>21,952</b>
<b>Accumulated Other Comprehensive Income:</b>			
Unrealized gains (losses) on available-for-sale securities	26,446	22,955	206
Deferred gains (losses) on hedges	1,671	(266)	(2)
Foreign currency translation adjustments	34,611	5,143	46
Remeasurements of defined benefit plans	(1,416)	987	8
<b>Total accumulated other comprehensive income</b>	<b>61,313</b>	<b>28,820</b>	<b>259</b>
<b>Share Subscription Rights</b>	<b>524</b>	<b>1,143</b>	<b>10</b>
<b>Non-Controlling Interests in Consolidated Subsidiaries</b>	<b>61,258</b>	<b>65,814</b>	<b>592</b>
<b>Total Net Assets</b>	<b>2,413,025</b>	<b>2,532,556</b>	<b>22,815</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 2,903,137</b>	<b>¥ 3,038,717</b>	<b>\$ 27,375</b>

## Consolidated Statement of Income

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
For the fiscal years ended March 31, 2018 and 2019

	Millions of yen		Millions of U.S. dollars
	2018	2019	2019
<b>Net Sales</b>	¥1,441,432	¥1,594,036	\$ 14,360
<b>Cost of Sales</b>	963,008	1,039,979	9,369
Gross profit	478,424	554,057	4,991
<b>Selling, General and Administrative Expenses</b>	141,601	150,352	1,354
Operating income	336,822	403,705	3,636
<b>Other Income (Expenses):</b>			
Interest income	6,122	9,093	81
Dividend income	4,817	5,896	53
Equity in earnings (losses) of affiliates	3,762	4,669	42
Interest expenses	(621)	(746)	(6)
Loss on disposal of property, plant and equipment	(3,239)	(2,611)	(14)
Loss on revaluation of investments in securities	(143)	(1,565)	(23)
Other, net	(7,212)	(3,129)	(28)
Ordinary income	340,308	415,311	3,741
Income before income taxes and non-controlling interests	340,308	415,311	3,741
<b>Income Taxes:</b>			
Current	103,240	104,186	938
Deferred	(32,990)	(2,861)	(25)
Total Income Taxes	70,249	101,325	912
<b>Net Income</b>	270,058	313,986	2,828
<b>Net Income Attributable to Non-Controlling Interests</b>	(3,822)	(4,860)	(43)
<b>Net Income Attributable to Owners of Parent</b>	¥ 266,235	¥ 309,125	\$ 2,784

	Yen		U.S. dollars
<b>Earnings per Share:</b>			
Net income attributable to owners of parent—basic	¥ 624.28	¥ 725.99	\$ 6.540
Net income attributable to owners of parent—fully diluted	624.10	725.92	6.540
Cash dividends	140.00	200.00	1.802
<b>Weighted-Average Number of Shares Outstanding (Thousands)</b>	426,470	425,797	425,797

## Consolidated Statement of Comprehensive Income

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
For the fiscal years ended March 31, 2018 and 2019

	Millions of yen		Millions of U.S. dollars
	2018	2019	2019
<b>Net Income</b>	¥ 270,058	¥ 313,986	\$ 2,828
<b>Other Comprehensive Income:</b>			
Unrealized gains (losses) on available-for-sale securities	3,549	(3,499)	(31)
Deferred gains (losses) on hedges	806	(1,928)	(17)
Foreign currency translation adjustments	14	(30,861)	(278)
Remeasurements of defined benefit plans	337	2,383	21
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	370	(134)	(1)
Total other comprehensive income (loss)	5,078	(34,040)	(306)
<b>Comprehensive Income</b>	¥ 275,137	¥ 279,945	\$ 2,522
(Breakdown)			
Comprehensive income attributable to owners of parent	¥ 270,406	¥ 276,632	\$ 2,492
Comprehensive income attributable to non-controlling interests	4,730	3,312	29

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	
<b>Balance at April 1, 2017</b>	432,106	¥119,419	¥129,626	¥1,857,857	¥(31,213)	¥2,075,690
Cash dividends				(53,301)		(53,301)
Net income attributable to owners of parent				266,235		266,235
Purchase of treasury stock					(30)	(30)
Disposal of treasury stock			410		1,036	1,447
Others			(99)	(12)		(112)
Net changes of items other than stockholders' equity						
<b>Balance at March 31, 2018</b>	432,106	¥119,419	¥129,937	¥2,070,779	¥(30,207)	¥2,289,929

	Millions of yen							
	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, 2017</b>	¥22,887	¥862	¥35,154	¥(1,761)	¥57,142	¥152	¥57,096	¥2,190,082
Cash dividends								(53,301)
Net income attributable to owners of parent								266,235
Purchase of treasury stock								(30)
Disposal of treasury stock								1,447
Others								(112)
Net changes of items other than stockholders' equity	3,559	809	(543)	344	4,171	371	4,161	8,703
<b>Balance at March 31, 2018</b>	¥26,446	¥1,671	¥34,611	¥(1,416)	¥61,313	¥524	¥61,258	¥2,413,025

	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	
<b>Balance at April 1, 2018</b>	432,106	¥119,419	¥129,937	¥2,070,779	¥(30,207)	¥2,289,929
Cash dividends				(74,655)		(74,655)
Net income attributable to owners of parent				309,125		309,125
Purchase of treasury stock					(89,475)	(89,475)
Disposal of treasury stock			166		429	596
Retirement of treasury stock	(4,500)		(24,551)		24,551	
Transfer to additional paid-in capital from retained earnings			22,719	(22,719)		
Others			27	1,230		1,257
Net changes of items other than stockholders' equity						
<b>Balance at March 31, 2019</b>	427,606	¥119,419	¥128,299	¥2,283,760	¥(94,702)	¥2,436,777

	Millions of yen							
	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, 2018</b>	¥26,446	¥1,671	¥34,611	¥(1,416)	¥61,313	¥524	¥61,258	¥2,413,025
Cash dividends								(74,655)
Net income attributable to owners of parent								309,125
Purchase of treasury stock								(89,475)
Disposal of treasury stock								596
Retirement of treasury stock								
Transfer to additional paid-in capital from retained earnings								
Others								1,257
Net changes of items other than stockholders' equity	(3,491)	(1,938)	(29,467)	2,403	(32,493)	619	4,556	(27,317)
<b>Balance at March 31, 2019</b>	¥22,955	¥(266)	¥5,143	¥987	¥28,820	¥1,143	¥65,814	¥2,532,556

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES

	Thousands		Millions of U.S. dollars			
	Stockholders' Equity					
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
<b>Balance at April 1, 2018</b>	432,106	\$1,075	\$1,170	\$18,655	\$(272)	\$20,629
Cash dividends				(672)		(672)
Net income attributable to owners of parent				2,784		2,784
Purchase of treasury stock					(806)	(806)
Disposal of treasury stock			1		3	5
Retirement of treasury stock	(4,500)		(221)		221	
Transfer to additional paid-in capital from retained earnings			204	(204)		
Others			0	11		11
Net changes of items other than stockholders' equity						
<b>Balance at March 31, 2019</b>	427,606	\$1,075	\$1,155	\$20,574	\$(853)	\$21,952

	Millions of U.S. dollars							
	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, 2018</b>	\$238	\$15	\$311	\$(12)	\$552	\$4	\$551	\$21,738
Cash dividends								(672)
Net income attributable to owners of parent								2,784
Purchase of treasury stock								(806)
Disposal of treasury stock								5
Retirement of treasury stock								
Transfer to additional paid-in capital from retained earnings								
Others								11
Net changes of items other than stockholders' equity	(31)	(17)	(265)	21	(292)	5	41	(246)
<b>Balance at March 31, 2019</b>	\$206	\$(2)	\$46	\$8	\$259	\$10	\$592	\$22,815

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES  
For the fiscal years ended March 31, 2018 and 2019

		Millions of yen	Millions of U.S. dollars
	2018	2019	2019
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and non-controlling interests	¥ 340,308	¥ 415,311	\$ 3,741
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	112,016	137,570	1,239
Loss on impairment of fixed assets	1,460	2,232	20
Increase (decrease) in net defined benefit liability	(4,469)	(126)	(1)
(Gain) loss on sales of investments in securities	(17)	(3)	(0)
(Gain) loss on revaluation of investments in securities	143	1,565	14
Increase (decrease) in allowance for doubtful accounts	(2,019)	(4,281)	(38)
Interest and dividend income	(10,939)	(14,989)	(135)
Interest expenses	621	746	6
Exchange (gain) loss	6,148	(2,060)	(18)
Equity in (earnings) losses of affiliates	(3,762)	(4,669)	(42)
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable	(42,287)	(8,697)	(78)
(Increase) decrease in inventories	(13,595)	(49,109)	(442)
(Increase) decrease in long-term advance payment	3,196	3,838	34
Increase (decrease) in notes and accounts payable	12,017	3,270	29
Other, net	(2,400)	25,803	232
Subtotal	396,420	506,400	4,562
Proceeds from interest and dividends	11,746	16,627	149
Payments of interest	(599)	(751)	(6)
Payments of income taxes	(74,791)	(121,589)	(1,095)
<b>Net cash provided by operating activities</b>	<b>332,776</b>	<b>400,687</b>	<b>3,609</b>
<b>Cash Flows from Investing Activities:</b>			
(Increase) decrease in time deposits	(22,649)	55,116	496
Purchases of securities	(95,000)	(83,830)	(755)
Proceeds from redemption of securities	50,560	82,660	744
Purchases of property, plant and equipment	(162,311)	(226,768)	(2,042)
Proceeds from sales of property, plant and equipment	2,390	238	2
Purchases of intangible fixed assets	(1,407)	(1,334)	(12)
Purchases of investments in securities	(7,516)	(2,563)	(23)
Proceeds from sales of investments in securities	26	434	3
Proceeds from redemption of investments in securities	5,000	-	-
Payments of loans	(809)	(4)	(0)
Proceeds from collection of loans	1,301	542	4
Other, net	(7,188)	(6,045)	(54)
<b>Net cash provided by (used for) investing activities</b>	<b>(237,602)</b>	<b>(181,553)</b>	<b>(1,635)</b>
<b>Cash Flows from Financing Activities:</b>			
Net increase (decrease) in short-term borrowings	(114)	(298)	(2)
Proceeds from long-term debt	2,012	51	0
Repayments of long-term debt	(792)	(227)	(2)
Purchases of treasury stock	(30)	(89,475)	(806)
Proceeds from sales of treasury stock	1,394	573	5
Cash dividends paid	(53,301)	(74,655)	(672)
Cash dividends paid to non-controlling interests	(750)	(896)	(8)
Other, net	1,575	389	3
<b>Net cash used for financing activities</b>	<b>(50,006)</b>	<b>(164,538)</b>	<b>(1,482)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>1,952</b>	<b>(7,917)</b>	<b>(71)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>47,119</b>	<b>46,678</b>	<b>420</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>733,306</b>	<b>780,449</b>	<b>7,031</b>
<b>Increase (Decrease) in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation</b>	<b>24</b>	<b>1,217</b>	<b>10</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>¥ 780,449</b>	<b>¥ 828,345</b>	<b>\$ 7,462</b>