

Listing Code: No. 4063 (URL: <https://www.shinetsu.co.jp/en/>)

Listing Stock Exchange: Tokyo and Nagoya

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Date of the filing of the quarterly consolidated financial statements: August 12, 2020

Date of dividend payment: -

Preparation of supplemental explanatory materials: Yes ("Appendix" is attached.)

Holding of quarterly financial results meeting: Yes (for investment analysts and institutional investors)

Amounts are stated in millions of yen by discarding fractional amounts less than 1 million.

Percentage figures indicate increase (decrease) over previous corresponding period.

**1. Consolidated Operating Performance for the First Quarter Ended June 30, 2020**

(From April 1, 2020 to June 30, 2020)

**(1) Results of consolidated operations**

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
April - June 2020	359,339 (7.0%)	90,937 (15.4%)	95,238 (12.5%)	69,312 (17.5%)
April - June 2019	386,211 0.7%	107,502 12.7%	108,902 9.5%	84,028 14.0%

(Note) Comprehensive income (Millions of yen) From April 1, 2020 to June 30, 2020: 52,159 [(35.5%)]

From April 1, 2019 to June 30, 2019: 80,928 [373.0%]

	Net income per share (yen)	Diluted net income per share (yen)
April - June 2020	166.67	166.63
April - June 2019	201.96	201.95

**(2) Consolidated financial position**

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
June 30, 2020	3,179,649	2,729,376	83.6%	6,393.85
March 31, 2020	3,230,485	2,723,141	82.1%	6,377.93

(Note) Stockholders' equity (Millions of yen) As of June 30, 2020: 2,659,039 As of March 31, 2020: 2,652,309

**2. Cash Dividends**

	Cash dividends per share in the fiscal year (yen)				
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	Year-end	Fiscal year
April 2019 - March 2020	-	110.00	-	110.00	220.00
April 2020 - March 2021	-	-	-	-	-
April 2020 - March 2021 (forecast)	-	110.00	-	-	-

(Note) Revision of the latest forecast of cash dividends: Yes

The year-end dividend per share for the current fiscal year has not been determined.

**3. Forecast of Consolidated Operating Performance for the First Half Ending September 30, 2020**

(From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
First Half	705,000 (10.4%)	182,000 (13.6%)	192,000 (12.0%)	139,000 (15.8%)	334.24

(Note) Revision of the latest forecast of consolidated operating performance: Yes

Forward-looking statements such as the forecast of results of operations made in this document involves risks and uncertainties since they are based on management's assumptions and beliefs in light of the information currently available to it. The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors. Material factors affecting the actual results may include overall economic conditions in which the businesses of our company and our group companies are involved, the relevant market trends and fluctuations in foreign exchange rates of the yen, in particular, the exchange rate between the U.S. dollar and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.

**(Notes)**

**(1) Changes in significant subsidiaries during the first quarter ended June 30, 2020: No**

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first quarter ended June 30, 2020.

**(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: No**

**(3) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement**

Changes in accounting policies applied due to revisions of accounting standards: No

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

**(4) Number of shares outstanding (common stock)**

	June 30, 2020	March 31, 2020
Number of shares outstanding at period end	416,662,793	416,662,793
Number of shares of treasury stock at period end	788,464	805,396
	April - June 2020	April - June 2019
Weighted-average number of shares outstanding over period	415,866,202	416,070,645

**(Information regarding quarterly review procedures)**

The financial information contained in this report is not subject to quarterly review procedures by independent auditors.

**(Attached Documents)**

**INDEX**

1. Qualitative Information Regarding Quarterly Results.....	2
(1) Explanation Regarding the Operating Results .....	2
(2) Explanation Regarding Information Relevant to Forecasts such as Consolidated Business Forecast.....	10
2. Consolidated Financial Statements.....	11
(1) Consolidated Balance Sheets .....	11
(2) Consolidated Statements of Income and Statements of Comprehensive Income .....	13
(3) Notes to Consolidated Financial Statements.....	15
(Notes on Premise of Going Concern).....	15
(Notes on Significant Changes in Stockholders' Equity) .....	15

**(Appendix)**

1. Quarterly Operating Results .....	16
2. Capital Expenditures and Depreciation and Amortization .....	17
3. Other Financial Items (Consolidated).....	17
4. Comparative Balance Sheets (Consolidated).....	18
5. Comparative Statements of Cash Flows (Consolidated) .....	18
6. Cash Dividends per Share .....	19
7. Sales by Region .....	19
8. Average Exchange Rate.....	20

## 1. Qualitative Information Regarding Quarterly Results

### (1) Explanation Regarding the Operating Results

During the first quarter of the fiscal year ending March 31, 2021 (from April 1, 2020 to June 30, 2020), the world economy fell sharply, hit by what became widely known as the coronavirus pandemic. During the period, the Company's business was not immune to the effects of the pandemic. Under these circumstances, the Shin-Etsu Group focused on maintaining its employees' health and safety, continuing production, securing sales and fulfilling business requirements including the protection of accounts receivables. Communicating closely with our customers, we proceeded to develop products that have value for them and ensured the stable supply of products of unwavering quality. We achieved stable operations while maintaining strict cost controls. We also carried out the scheduled investments that according to plan, and implemented timely, appropriate investments for business growth.

As a result, the business results for the first quarter of the fiscal year ending March 31, 2021 are as follows:

	(Billions of yen)		
	2019 April - June	2020 April - June	Increase (Decrease)
Net sales	386.2	<b>359.3</b>	(7.0%) (26.9)
Operating income	107.5	<b>90.9</b>	(15.4%) (16.6)
Ordinary income	108.9	<b>95.2</b>	(12.5%) (13.7)
Net income attributable to owners of parent	84.0	<b>69.3</b>	(17.5%) (14.7)
ROIC (per annum)	21.0%	<b>16.0%</b>	(5.0 points)
ROE (per annum)	13.6%	<b>10.4%</b>	(3.2 points)
ROA (per annum)	14.4%	<b>11.9%</b>	(2.5 points)
Net income per share (Yen)	202	<b>167</b>	(35)

Notes: • ROIC: Return on invested capital

Net operating income after tax / (Net assets + Interest-bearing liabilities – Cash)

• ROE: Return (Net Income) on equity

Equity used for this calculation is net assets excluding both share subscription rights and non-controlling interests in consolidated subsidiaries.

• ROA: Return (Ordinary Income) on total assets.

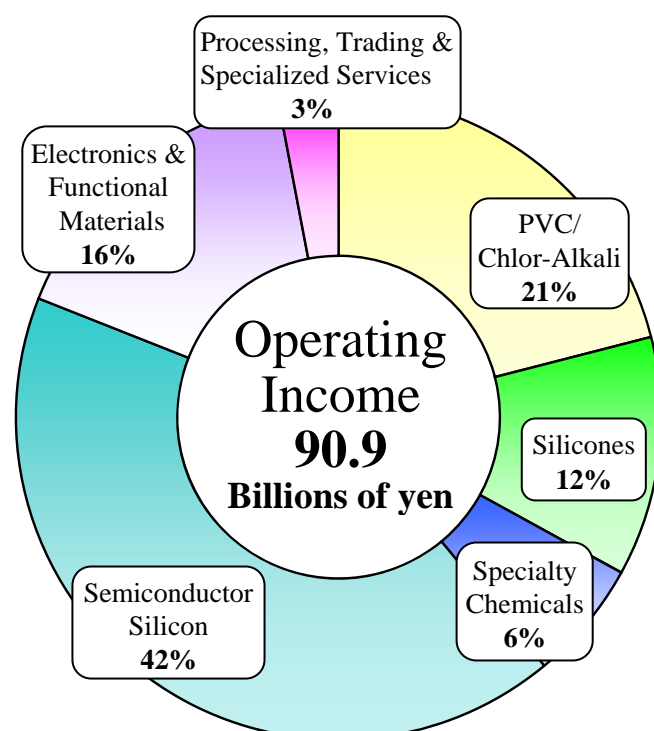
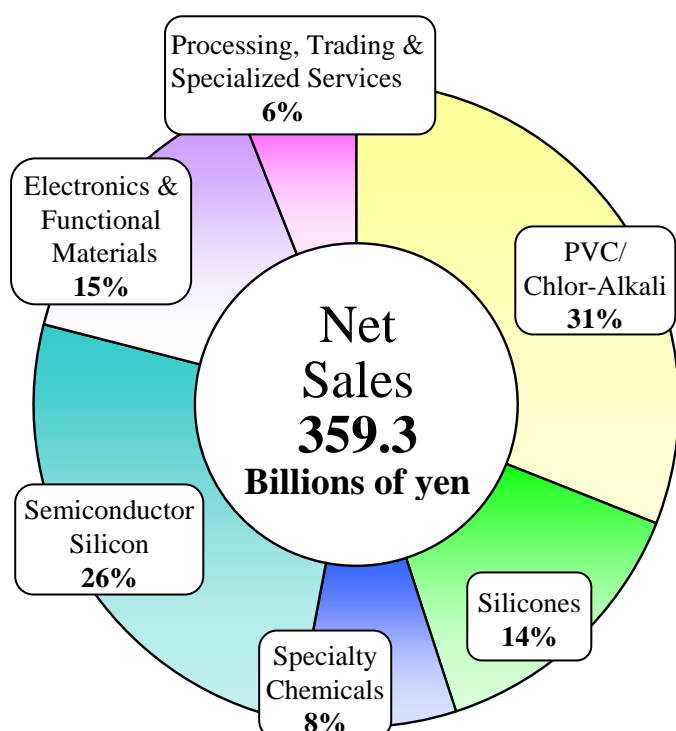
• ROIC, ROE and ROA (per annum) are calculated by multiplying net operating income after tax, net income and ordinary income for the first quarter by four, respectively.

► Amounts are stated in billions of yen by discarding fractional amounts less than 0.1 billion on this summary.

## Net Sales and Operating Income by Segment

(Billions of yen)

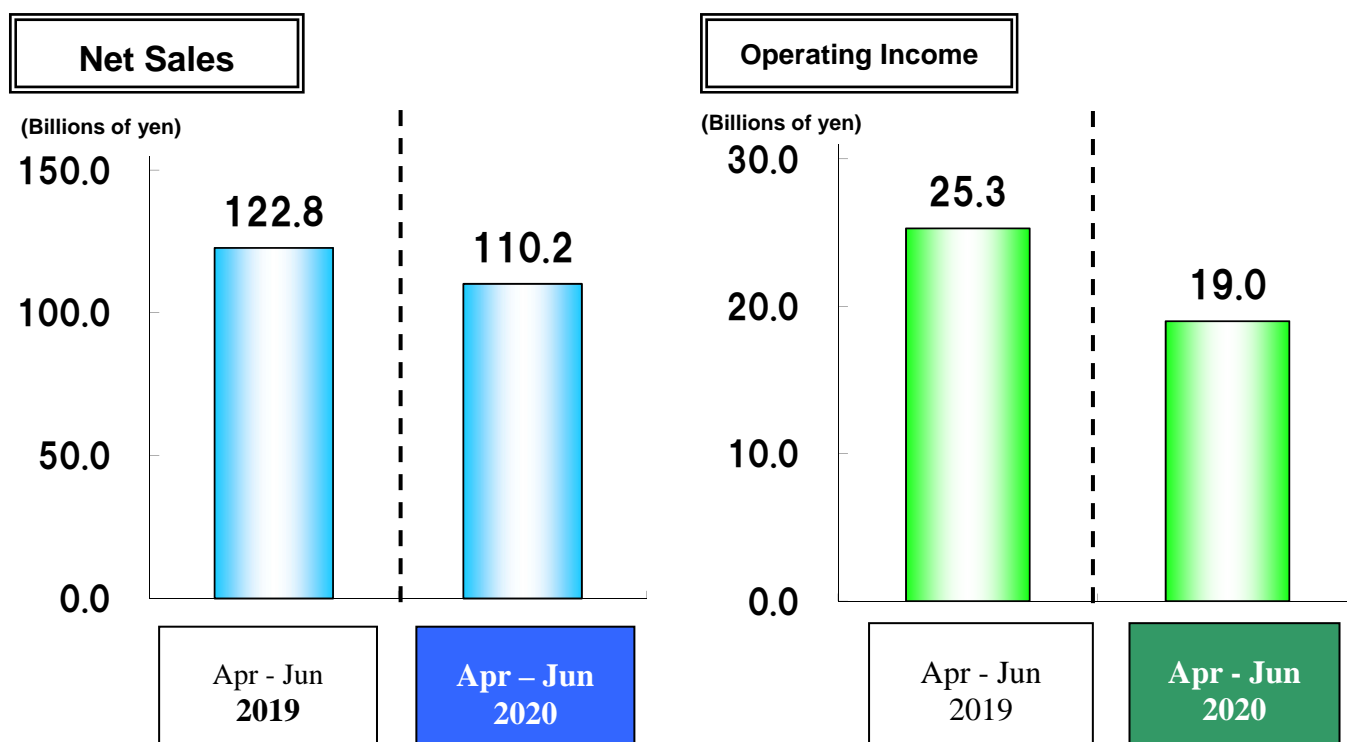
	Net Sales			Operating Income		
	2019 Apr - Jun	2020 Apr - Jun	Increase (Decrease)	2019 Apr - Jun	2020 Apr - Jun	Increase (Decrease)
PVC/Chlor-Alkali Business	122.8	<b>110.2</b>	(10.2%) (12.6)	25.3	<b>19.0</b>	(24.8%) (6.3)
Silicones Business	56.3	<b>51.2</b>	(9.1%) (5.1)	15.9	<b>10.5</b>	(34.0%) (5.4)
Specialty Chemicals Business	28.9	<b>27.4</b>	(5.3%) (1.5)	7.5	<b>5.0</b>	(33.3%) (2.5)
Semiconductor Silicon Business	99.0	<b>94.9</b>	(4.1%) (4.1)	39.4	<b>38.5</b>	(2.3%) (0.9)
Electronics & Functional Materials Business	54.7	<b>52.5</b>	(4.0%) (2.2)	16.6	<b>14.9</b>	(9.9%) (1.7)
Processing, Trading & Specialized Services Business	24.2	<b>22.8</b>	(5.8%) (1.4)	3.5	<b>2.6</b>	(24.9%) (0.9)
<b>Total</b>	<b>386.2</b>	<b>359.3</b>	(7.0%) (26.9)	<b>107.5</b>	<b>90.9</b>	(15.4%) (16.6)



### PVC/Chlor-Alkali Business

	Apr - Jun 2019 (Billions of yen)	Apr - Jun 2020 (Billions of yen)	Increase / (Decrease)
<b>Net sales</b>	122.8	<b>110.2</b>	(10.2%)
<b>Operating income</b>	25.3	<b>19.0</b>	(24.8%)

With regard to the PVC/Chlor-Alkali business, both PVC and caustic soda continued high levels of shipments at Shintech Inc. in the U.S., though affected by market conditions. We endeavored to maintain the sales volume at the European bases; however, they were also affected by market conditions as well. The business at the Japanese bases experienced a decline in sales volume due to periodic maintenance, in addition to the market conditions. The results reported for both the U.S. and the European bases during the period were for the period from January to March 2020.

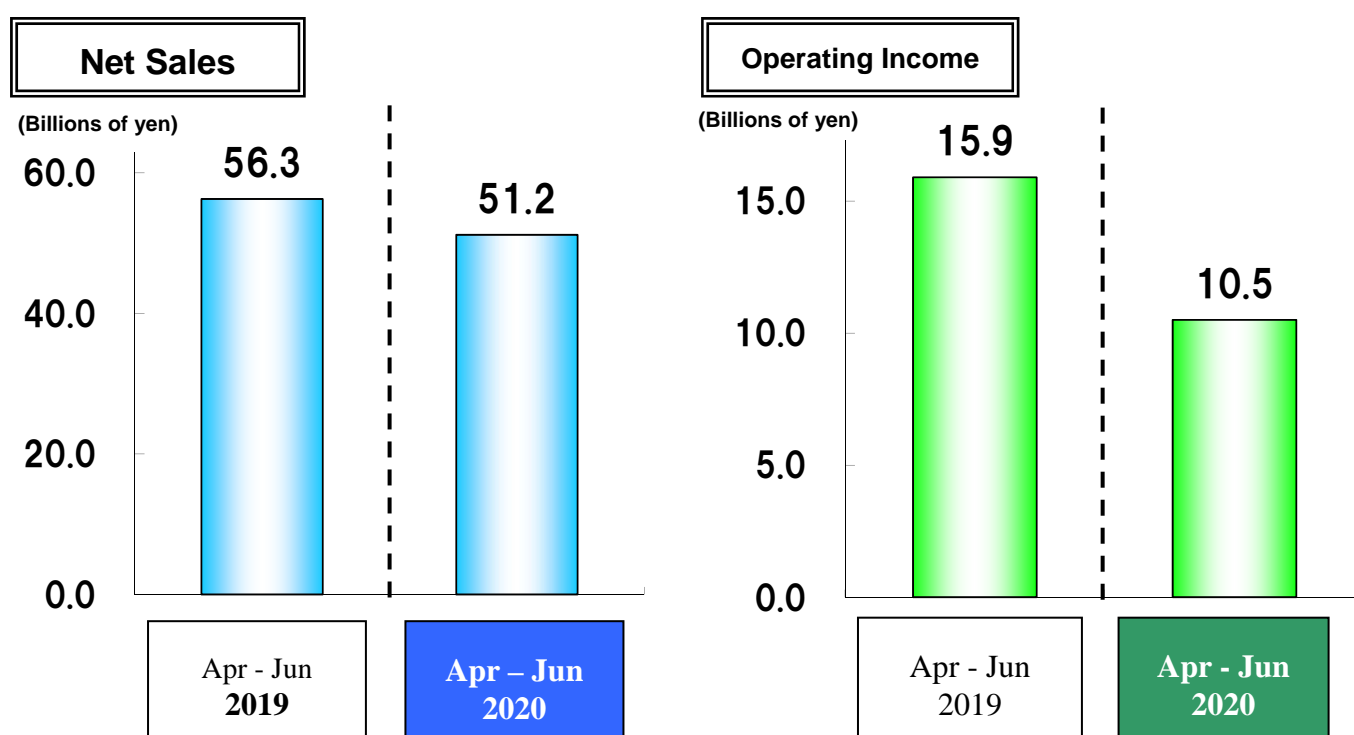


- In June, we raised the price of PVC in North America in response to a recovery in demand.
- Shipments remain steady in July as well, and we are implementing a second price increase. We already announced price increase for August shipment.
- The PVC market conditions in other regions have also turned around.
- The caustic soda market conditions recovered as well.
- We continue full production and full sales.

## Silicones Business

	Apr - Jun 2019 (Billions of yen)	Apr - Jun 2020 (Billions of yen)	Increase / (Decrease)
<b>Net sales</b>	56.3	<b>51.2</b>	(9.1%)
<b>Operating income</b>	15.9	<b>10.5</b>	(34.0%)

With regard to the silicones business, it was affected by the price decline of general-purpose products and the sluggish demand for products for automotive and cosmetics applications.

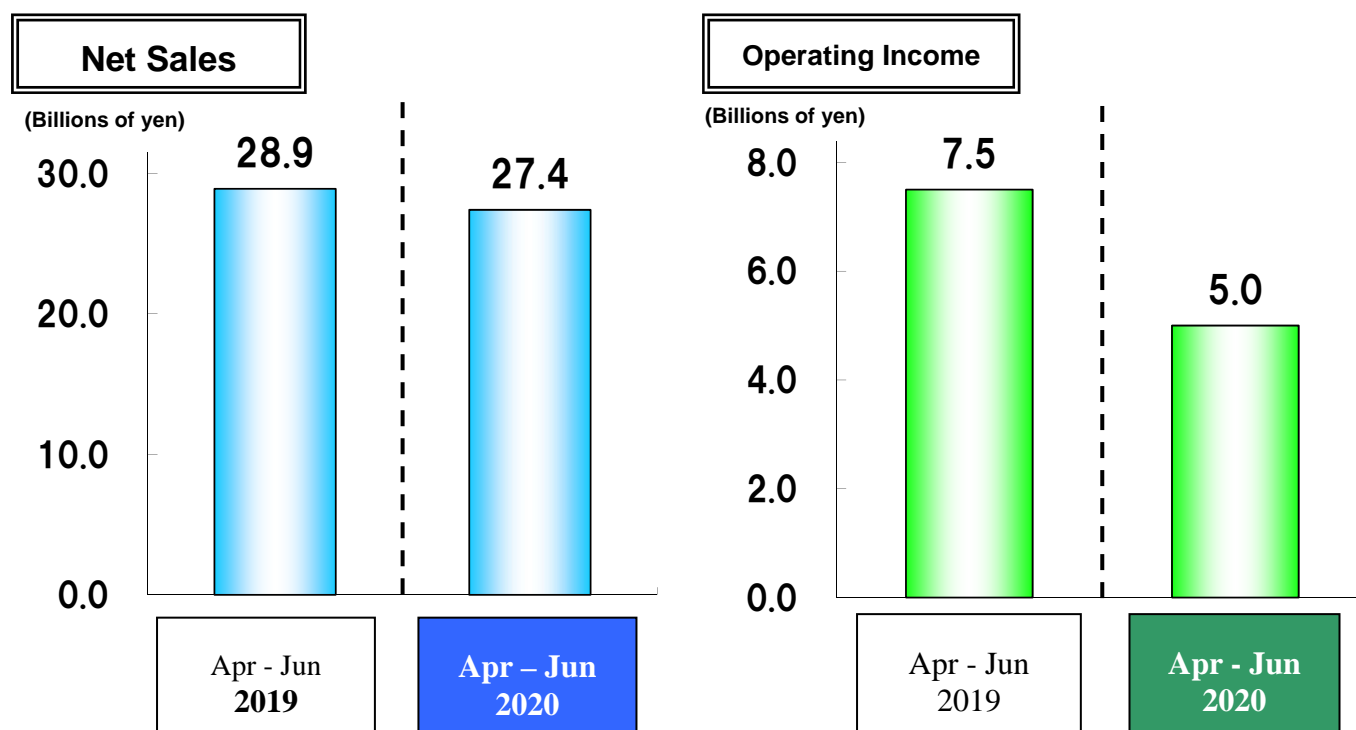


- We will immediately adapt to the fluctuations in demand by application and by region.
- We will accelerate the launch of more new products and improved products.
- We will flexibly make good use of pioneering advantage of capital investment.

### Specialty Chemicals Business

	Apr - Jun 2019 (Billions of yen)	Apr - Jun 2020 (Billions of yen)	Increase / (Decrease)
<b>Net sales</b>	28.9	<b>27.4</b>	(5.3%)
<b>Operating income</b>	7.5	<b>5.0</b>	(33.3%)

With regard to the cellulose derivatives business, the products for pharmaceutical and coating applications continued to hold steady although the sales of products for building and construction applications were weak. Shipments of the pheromone products and the POVAL products were sluggish.



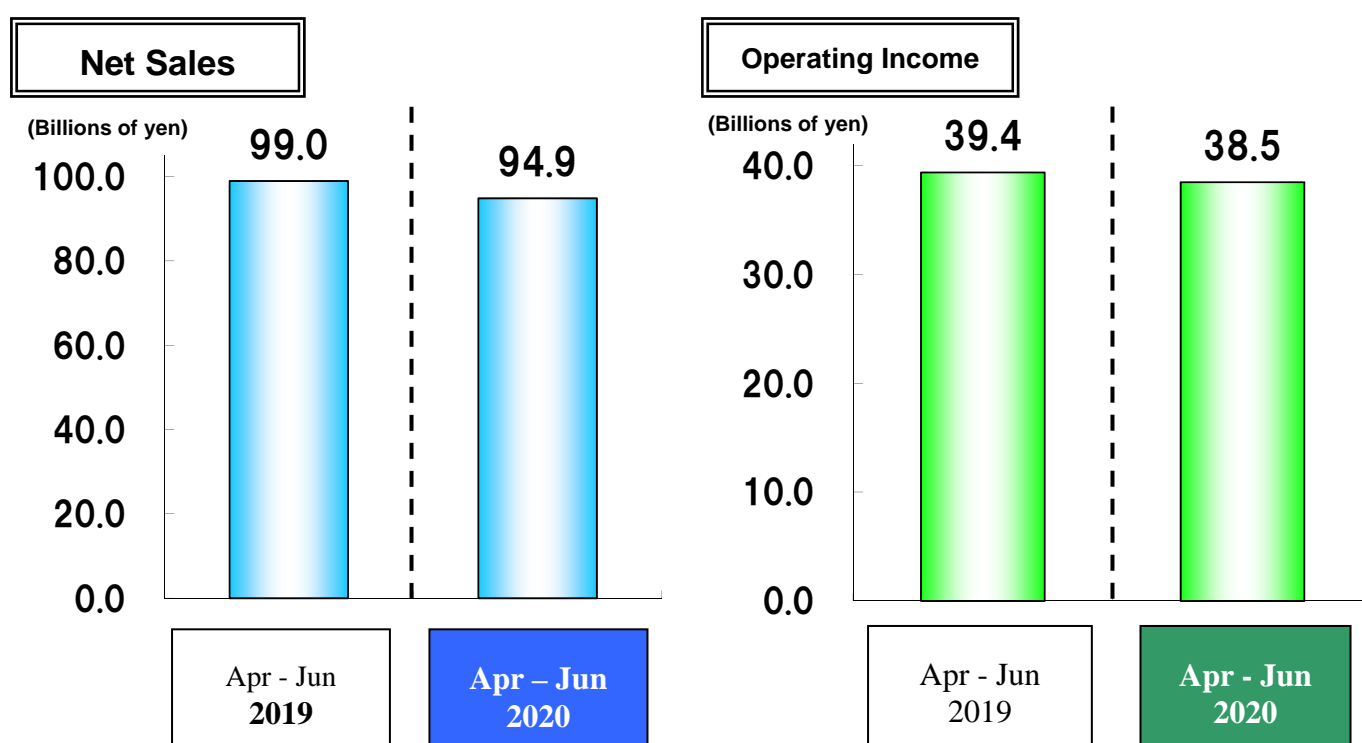
- Regarding the cellulose derivatives business, we will expand the pharmaceutical and food applications. Regarding the pharmaceutical applications, we will respond to the increase in demand for all kinds of medicines.
- We will increase product varieties for the applications of synthetic pheromone products.



## Semiconductor Silicon Business

	Apr - Jun 2019 (Billions of yen)	Apr - Jun 2020 (Billions of yen)	Increase / (Decrease)
<b>Net sales</b>	99.0	<b>94.9</b>	(4.1%)
<b>Operating income</b>	39.4	<b>38.5</b>	(2.3%)

With regard to the semiconductor silicon business, we endeavored to maintain the levels of sales prices and shipments although the semiconductor device market remained in an adjustment phase.

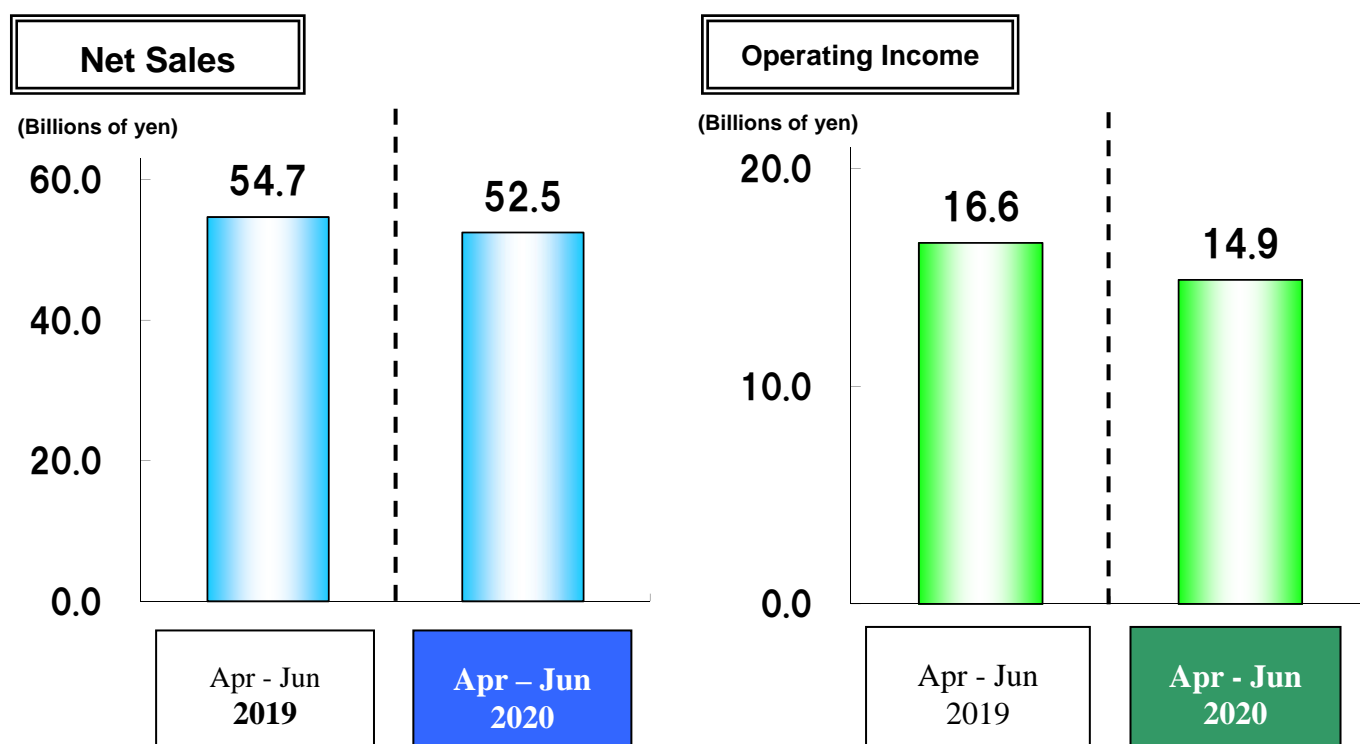


- The demand has remained robust as there has been a move to build up the inventory of wafers in the wake of the coronavirus crisis.
- Semiconductor device makers that mainly use 300 mm wafers are steadily continuing production. As a result, the ratio of our high-end products is increasing.
- We will contribute to the further expansion of the semiconductor device market including automation, robotization, standardization of work, telecommuting, online adoption and the deployment of telecommunication infrastructure by providing product quality and stable supply.
- The demand for high-end devices is growing as well as improvements in the functionality of semiconductor devices. We will continue to focus on the development of technology for high-quality wafers and stable supply.

## Electronics & Functional Materials Business

	Apr - Jun 2019 (Billions of yen)	Apr - Jun 2020 (Billions of yen)	Increase / (Decrease)
<b>Net sales</b>	54.7	<b>52.5</b>	(4.0%)
<b>Operating income</b>	16.6	<b>14.9</b>	(9.9%)

With regard to the rare earth magnets business, the operations at our overseas plants were temporarily affected by the lockdown caused by the new coronavirus in the regions, but they have gradually recovered and are currently back to their full capacity. With regard to the photoresist products business, the ArF photoresists and EUV photoresists were generally favorable. The photomask blanks business also continued to be stable due to the growth in high-end products. The optical fiber preform business experienced harsh conditions due to the impact of the deteriorating market. However, the photomask substrates business for large panel applications was solid.

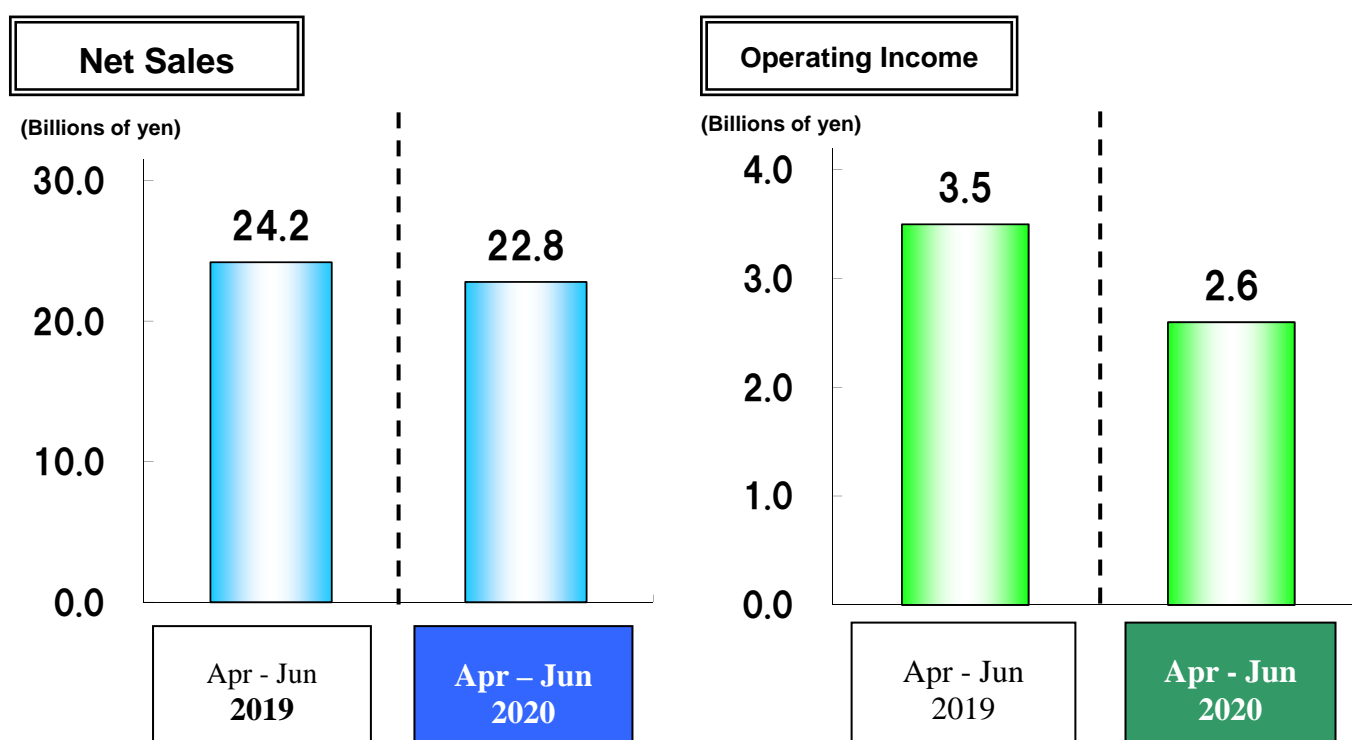


- Regarding the rare earth magnets business, we will quickly respond to the growing demand for hard disk drives for data centers and other products. We will also immediately respond to the resumption of factory automation investments and the increased demand for magnets of game equipment.
- The sales for new cars of eco-friendly cars is expected to demodulate faster than that for engine cars.
- Regarding the photoresists business, we will strengthen our bipolar production system to secure firm demand.
- Regarding the photomask blanks business, we are increasing the supply of the high-end products by adding the capacity that we started production in April of this year.

**Processing, Trading & Specialized Services Business**

	Apr - Jun 2019 (Billions of yen)	Apr - Jun 2020 (Billions of yen)	Increase / (Decrease)
<b>Net sales</b>	24.2	<b>22.8</b>	(5.8%)
<b>Operating income</b>	3.5	<b>2.6</b>	(24.9%)

The shipments of Shin-Etsu Polymer Co., Ltd.'s semiconductor wafer-related containers were steady, but the input devices for automobiles were affected by the deteriorating automobile market.



- Regarding the semiconductor wafer-related containers business, the semiconductor device makers partially resumed investments in increasing capacity, and we will ensure that we would capture the demand.

## (2) Explanation Regarding Information Relevant to Forecasts such as Consolidated

### Business Forecast

In April when we announced our operating performance for the fiscal year that ended on March 31, 2020, we stated as follows: “It is difficult for us to reasonably forecast the business performance over the next year at the present time, and therefore, the consolidated forecasts are undetermined. We will release the consolidated forecasts promptly when possible.” As we cannot foresee the end of the coronavirus crisis, it remains difficult to reasonably forecast the business performance for the period up to March 2021. Therefore, we are disclosing our consolidated operating performance for the period up to September 2020 as follows.

(Billions of yen)

	2019 Apr - Sep Actual	2020 Apr - Sep Forecast	Increase (Decrease)	2020 Apr - Jun Actual	2020 Jul - Sep Forecast
Net sales	786.5	<b>705.0</b>	(10.4%)	359.3	345.7
Operating income	210.5	<b>182.0</b>	(13.6%)	90.9	91.1
Ordinary income	218.2	<b>192.0</b>	(12.0%)	95.2	96.8
Net income attributable to owners of parent	165.0	<b>139.0</b>	(15.8%)	69.3	69.7
Net income per share (Yen)	397	<b>334</b>	(63)		
Cash Dividends per Share (Yen)	110	<b>110</b>	—		

(Note)

Forward-looking statements such as the forecast of results of operations made in this document involves risks and uncertainties since they are based on management’s assumptions and beliefs in light of the information currently available to it.

The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors. Material factors affecting the actual results may include overall economic conditions in which the businesses of our company and our group companies are involved, the relevant market trends and fluctuations in foreign exchange rates of the yen, in particular, the exchange rate between the U.S. dollars and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.

We will do our best to suppress the impact of the coronavirus crisis and strive to improve our performance. For the second half of the fiscal year from October 2020 to March 2021, we will release the consolidated forecasts promptly when possible.

The interim dividend for the fiscal year ending March 31, 2021 is forecast to be 110 yen per share.

The forecast of the Company's consolidated operating performance and dividend is disclosed separately in “Notice Regarding Operating Performance and Dividend Forecasts” today.

## **2. Consolidated Financial Statements**

### **(1) Consolidated Balance Sheets**

As of March 31 and June 30, 2020

	Millions of yen	
	March 31, 2020	June 30, 2020
<b>ASSETS</b>		
Current Assets:		
Cash and time deposits	836,448	783,181
Notes and accounts receivable-trade	325,489	319,406
Securities	251,377	258,874
Inventories	365,667	357,173
Other	52,723	54,270
Less: Allowance for doubtful accounts	(7,186)	(6,364)
Total current assets	1,824,519	1,766,541
Fixed Assets:		
Property, plant and equipment		
Machinery and equipment, net	440,595	591,936
Other, net	679,319	537,592
Total property, plant and equipment	1,119,915	1,129,528
Intangible assets	10,099	9,512
Investments and other assets:		
Investments and other assets	278,241	276,337
Less: Allowance for doubtful accounts	(2,291)	(2,270)
Total investments and other assets	275,950	274,067
Total fixed assets	1,405,965	1,413,107
<b>TOTAL ASSETS</b>	<b>3,230,485</b>	<b>3,179,649</b>

	Millions of yen	
	March 31, 2020	June 30, 2020
<b>LIABILITIES</b>		
Current Liabilities:		
Notes and accounts payable-trade	136,442	113,632
Short-term borrowings	8,295	8,342
Accrued income taxes	44,377	17,958
Allowances	4,390	3,261
Other	184,288	177,434
	377,794	320,629
Long-term Liabilities:		
Long-term debt	15,124	15,406
Net defined benefit liability	36,243	36,719
Other	78,181	77,517
	129,549	129,643
	507,343	450,273
<b>NET ASSETS</b>		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	128,323	128,374
Retained earnings	2,413,769	2,437,337
Less: Treasury stock, at cost	(7,123)	(6,973)
	2,654,388	2,678,157
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	10,296	13,737
Deferred gains (losses) on hedges	(2,799)	(2,899)
Foreign currency translation adjustments	(8,187)	(28,716)
Remeasurements of defined benefit plans	(1,387)	(1,240)
	(2,078)	(19,118)
Share subscription rights	1,904	1,877
Non-controlling interests in consolidated Subsidiaries	68,927	68,460
	2,723,141	2,729,376
	3,230,485	3,179,649

## (2) Consolidated Statements of Income and Statements of Comprehensive Income

### Consolidated Statements of Income

For the first quarter ended June 30, 2019 and 2020

	Millions of yen	
	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020
Net sales	386,211	359,339
Cost of sales	240,370	231,200
Gross profit	145,841	128,139
Selling, general and administrative expenses	38,339	37,201
Operating income	107,502	90,937
Non-operating income:		
Interest income	2,866	2,085
Other income	2,671	4,340
Total non-operating income	5,537	6,426
Non-operating expenses:		
Foreign exchange loss	2,837	1,136
Other expenses	1,299	989
Total non-operating expenses	4,137	2,126
Ordinary income	108,902	95,238
Extraordinary income:		
Gain on sales of investment securities	5,831	-
Total extraordinary income	5,831	-
Income before income taxes and non-controlling interests	114,734	95,238
Income taxes:		
Current	29,373	22,481
Deferred	410	2,935
Total income taxes	29,784	25,416
Net income	84,949	69,821
Net income attributable to non-controlling interests	920	508
Net income attributable to owners of parent	84,028	69,312

## Consolidated Statements of Comprehensive Income

For the first quarter ended June 30, 2019 and 2020

	Millions of yen	
	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020
Net income	84,949	69,821
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(3,611)	3,505
Deferred gains (losses) on hedges	(542)	(105)
Foreign currency translation adjustments	341	(21,108)
Remeasurements of defined benefit plans	(97)	151
Share of other comprehensive income of affiliates accounted for using the equity method	(111)	(104)
Total other comprehensive income	(4,021)	(17,661)
Comprehensive income	80,928	52,159
(Breakdown)		
Comprehensive income attributable to owners of parent	79,798	52,273
Comprehensive income attributable to non-controlling interests	1,130	(113)



**(3) Notes to Consolidated Financial Statements**

**(Notes on Premise of Going Concern)**

Not applicable

**(Notes on Significant Changes in Stockholders' Equity)**

Not applicable

## (Appendix)

### 1. Quarterly Operating Results

(Billions of yen)

	FY 2020 April 1, 2019 - March 31, 2020					FY 2021 April 1, 2020 - March 31, 2021
	1Q	2Q	3Q	4Q	Total	1Q
Net Sales	386.2	400.3	387.4	369.5	1,543.5	<b>359.3</b>
PVC / Chlor-Alkali	122.8	130.3	119.6	111.5	484.3	<b>110.2</b>
Silicones	56.3	58.4	57.3	54.7	226.8	<b>51.2</b>
Specialty Chemicals	28.9	29.3	29.2	27.3	114.7	<b>27.4</b>
Semiconductor Silicon	99.0	97.4	99.2	91.8	387.6	<b>94.9</b>
Electronics & Functional Materials	54.7	56.6	56.4	57.1	225.1	<b>52.5</b>
Processing, Trading & Specialized Services	24.2	28.0	25.5	26.8	104.7	<b>22.8</b>
Operating Income	107.5	103.0	108.2	87.3	406.0	<b>90.9</b>
PVC / Chlor-Alkali	25.3	26.3	25.5	14.9	92.1	<b>19.0</b>
Silicones	15.9	15.1	15.9	14.4	61.4	<b>10.5</b>
Specialty Chemicals	7.5	6.3	7.4	6.3	27.7	<b>5.0</b>
Semiconductor Silicon	39.4	35.0	37.6	31.1	143.2	<b>38.5</b>
Electronics & Functional Materials	16.6	16.7	18.1	17.0	68.5	<b>14.9</b>
Processing, Trading & Specialized Services	3.5	3.6	3.7	3.7	14.8	<b>2.6</b>
Ordinary Income	108.9	109.3	112.0	88.0	418.2	<b>95.2</b>
Net Income Attributable to Owners of Parent	84.0	80.9	81.8	67.1	314.0	<b>69.3</b>
Depreciation and Amortization	31.6	33.7	31.7	34.1	131.1	<b>31.1</b>
Capital Expenditures	56.3	60.5	62.2	85.8	265.0	<b>52.7</b>
R&D Costs	12.9	11.8	11.4	12.3	48.5	<b>12.3</b>
Overseas Sales	280.9	295.8	283.5	268.1	1,128.4	<b>264.9</b>
Ratio of Overseas Sales to Net Sales	73%	74%	73%	73%	73%	<b>74%</b>

## 2. Capital Expenditures and Depreciation and Amortization

(Billions of yen)

	2019 April - June	2020 April - June
<b>Capital Expenditures</b>	<b>56.3</b>	<b>52.7</b>
PVC/Chlor- Alkali Business	18.3	25.9
Silicones Business	8.4	5.1
Specialty Chemicals Business	5.0	3.2
Semiconductor Silicon Business	14.7	10.3
Electronics & Functional Materials Business	8.7	6.7
Processing, Trading & Specialized Services Business	1.2	1.6
<b>Depreciation and Amortization</b>	<b>31.6</b>	<b>31.1</b>
PVC/Chlor- Alkali Business	8.2	8.9
Silicones Business	3.6	3.9
Specialty Chemicals Business	2.4	3.2
Semiconductor Silicon Business	11.2	9.2
Electronics & Functional Materials Business	4.8	4.7
Processing, Trading & Specialized Services Business	1.2	1.0

## 3. Other Financial Items (Consolidated)

(Billions of yen)

	Jun 30 2019	Jun 30 2020	Mar 31 2020
Net Assets	2,561.2	2,729.3	2,723.1
Total Assets	3,028.0	3,179.6	3,230.4
Net Assets per Share (Yen)	5,998	6,394	6,378
Interest-bearing Liabilities	17.3	23.7	23.4
Number of Employees	21,827	23,148	22,783
Exchange Rate: Jan - Mar (Avg)	110.2	108.9	
(Yen/US\$) Apr - Jun (Avg)	109.9	107.6	

Note : An average exchange rate between January and March was used for the Consolidated Income Statements of overseas subsidiaries.

#### 4. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2020	Jun 30 2020	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]		Mar 31 2020	Jun 30 2020	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]
<b>Current Assets</b>	<b>1,824.5</b>	<b>1,766.5</b>	<b>(58.0)</b>	<b>(14.2)</b>	<b>(43.8)</b>	<b>Current Liabilities</b>	<b>377.7</b>	<b>320.6</b>	<b>(57.1)</b>	<b>(1.9)</b>	<b>(55.2)</b>
Cash and time deposits	836.4	783.1	(53.3)	(7.9)	(45.4)	Notes and accounts payable-trade	136.4	113.6	(22.8)	(0.8)	(22.0)
Notes and accounts receivable-trade	325.4	319.4	(6.0)	(2.1)	(3.9)	Short-term borrowings	8.2	8.3	0.1	(0.1)	0.2
Securities	251.3	258.8	7.5	0.0	7.5	Accrued income taxes	44.3	17.9	(26.4)	(0.1)	(26.3)
Inventories	365.6	357.1	(8.5)	(3.7)	(4.8)	Other	188.6	180.6	(8.0)	(0.9)	(7.1)
Other	45.5	47.9	2.4	(0.5)	2.9	Long-term Liabilities	129.5	129.6	0.1	(1.2)	1.3
						<b>Total Liabilities</b>	<b>507.3</b>	<b>450.2</b>	<b>(57.1)</b>	<b>(3.1)</b>	<b>(54.0)</b>
<b>Fixed Assets</b>	<b>1,405.9</b>	<b>1,413.1</b>	<b>7.2</b>	<b>(12.9)</b>	<b>20.1</b>	Stockholders' Equity	2,654.3	2,678.1	23.8	0.0	23.8
Property, Plant and Equipment	1,119.9	1,129.5	9.6	(12.2)	21.8	Accumulated Other Comprehensive Income	(2.0)	(19.1)	(17.1)	(23.4)	6.3
Intangible Assets	10.0	9.5	(0.5)	(0.2)	(0.3)	Other	70.8	70.3	(0.5)	(0.6)	0.1
Investments and Other Assets	275.9	274.0	(1.9)	(0.5)	(1.4)	<b>Total Net Assets</b>	<b>2,723.1</b>	<b>2,729.3</b>	<b>6.2</b>	<b>(24.0)</b>	<b>30.2</b>
<b>Total Assets</b>	<b>3,230.4</b>	<b>3,179.6</b>	<b>(50.8)</b>	<b>(27.1)</b>	<b>(23.7)</b>	<b>Total Liabilities and Net Assets</b>	<b>3,230.4</b>	<b>3,179.6</b>	<b>(50.8)</b>	<b>(27.1)</b>	<b>(23.7)</b>

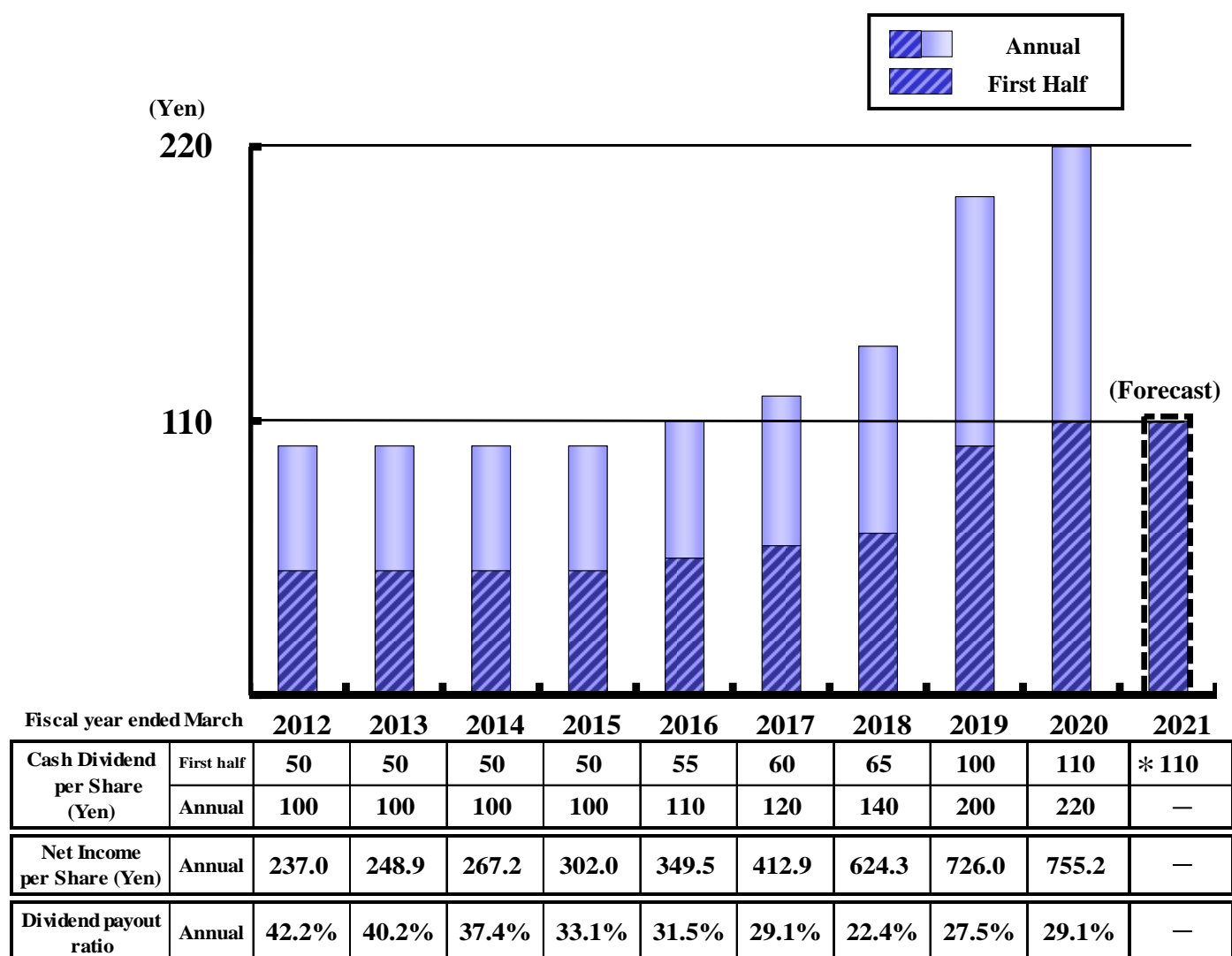
#### 5. Comparative Statements of Cash Flows (Consolidated)

(Billions of yen)

	2019 Apr-Jun	2020 Apr-Jun	Increase (Decrease)
<b>(1) Cash Flows from Operating Activities</b>	<b>80.1</b>	<b>59.9</b>	<b>(20.2)</b>
Income Before Income Taxes	114.7	95.2	(19.5)
Payments of income taxes	(43.0)	(49.2)	(6.2)
Depreciation and amortization	31.6	31.1	(0.5)
(Increase)Decrease in working capital	(23.0)	(13.3)	9.7
Other	0.0	(3.7)	(3.7)
<b>(2) Cash Flows from Investing Activities</b>	<b>(143.4)</b>	<b>28.8</b>	<b>172.2</b>
Capital expenditures	(65.4)	(53.6)	11.8
(Increase)Decrease in securities	5.6	(19.3)	(24.9)
(Increase)Decrease in time deposits	(83.8)	101.6	185.4
Other	0.1	0.1	0.0
<b>(3) Cash Flows from Financing Activities</b>	<b>(53.0)</b>	<b>(46.2)</b>	<b>6.8</b>
Increase(Decrease) in borrowings	2.6	0.5	(2.1)
Cash dividends paid	(41.6)	(45.7)	(4.1)
Purchases of treasury stock	(10.5)	0.0	10.5
Other	(3.5)	(1.0)	2.5
<b>(4) Effect of Exchange Rate Changes on Cash and Cash Equivalents, and other</b>	<b>(2.2)</b>	<b>(5.0)</b>	<b>(2.8)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(118.5)</b>	<b>37.5</b>	<b>156.0</b>
<b>Balance of Cash and Cash Equivalents</b>	<b>709.7</b>	<b>782.6</b>	<b>72.9</b>
<b>Balance of Interest-bearing Liabilities</b>	<b>17.3</b>	<b>23.7</b>	<b>6.4</b>

Note : These statements were prepared on an informal basis.

## 6. Cash Dividends per Share



(Note) The year-end dividend per share for the current fiscal year has not been determined

\*Forecast

## 7. Sales by Region

(Billions of yen)

	Japan	Overseas					Total	Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas		
			China					
2019 April - June	27%	22%	33%	10%	11%	7%	73%	386.2
	105.2	84.1	124.8	36.7	43.4	28.4	280.9	
2020 April - June	26%	22%	33%	10%	11%	8%	74%	359.3
	94.3	78.6	118.7	35.1	40.1	27.4	264.9	

(Note) % indicates the proportion of total consolidated net sales

## 8. Average Exchange Rate

		US\$ (yen/\$)					EUR (yen/€)				
		Quarterly	6 months		12 months		Quarterly	6 months		12 months	
			Jan-Jun Jul-Dec	Apr-Sep Oct-Mar	Jan-Dec	Apr-Mar		Jan-Jun Jul-Dec	Apr-Sep Oct-Mar	Jan-Dec	Apr-Mar
2019	Jan-Mar	110.2	110.1	108.6	109.1	108.7	125.1	124.3	121.4	122.1	120.8
	Apr-Jun	109.9					123.5				
	Jul-Sep	107.4	108.1				119.3	119.8			
	Oct-Dec	108.8	108.8				120.3	120.2			
2020	Jan-Mar	108.9	108.3				120.1	119.3			
	Apr-Jun	107.6					118.5				

**(Note) An average exchange rate between January and March was used for the Consolidated Income Statements of overseas subsidiaries.**