

Ten-Year Summary

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES For the fiscal years ended March 31, 2011 through 2020

For more detailed information, please see the Investor Information on our corporate website. [WEB https://www.shinetsu.co.jp/jp/ir/ir_data.html](https://www.shinetsu.co.jp/jp/ir/ir_data.html)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020	
	Millions of yen										Millions of U.S. dollars (Note 1)	
For the year:												
Net sales	¥1,058,257	¥1,047,731	¥1,025,409	¥1,165,819	¥1,255,543	¥1,279,807	¥1,237,405	¥1,441,432	¥1,594,036	¥1,543,525	\$14,160	
Cost of sales	803,574	798,592	769,427	873,879	940,399	930,019	868,404	963,008	1,039,979	987,782	9,062	
Selling, general and administrative expenses	105,460	99,505	98,938	118,130	129,814	141,262	130,383	141,601	150,352	149,702	1,373	
Operating income	149,221	149,632	157,043	173,809	185,329	208,525	238,617	336,822	403,705	406,041	3,725	
Ordinary income	160,338	165,237	170,207	180,605	198,025	220,005	242,133	340,308	415,311	418,242	3,837	
Net income attributable to owners of parent	100,119	100,643	105,714	113,617	128,606	148,840	175,912	266,235	309,125	314,027	2,880	
Capital expenditures	119,884	87,165	86,841	83,155	109,903	134,753	145,647	176,283	240,618	265,018	2,431	
R&D costs	37,321	35,725	37,671	43,546	47,165	53,165	49,020	51,768	56,436	48,536	445	
Depreciation and amortization	93,732	82,868	80,961	91,445	96,918	100,466	93,087	112,016	137,570	131,172	1,203	
At year-end:												
Total assets	¥1,784,166	¥1,809,841	¥1,920,903	¥2,198,912	¥2,452,306	¥2,510,085	¥2,655,636	¥2,903,137	¥3,038,717	¥3,230,485	\$29,637	
Working capital (Current assets - Current liabilities)	638,493	694,803	832,878	981,667	1,100,999	1,170,679	1,232,607	1,324,495	1,358,614	1,446,724	13,272	
Common stock	119,419	119,419	119,419	119,419	119,419	119,419	119,419	119,419	119,419	119,419	1,095	
Net assets	1,469,429	1,494,573	1,623,176	1,822,135	2,012,711	2,080,465	2,190,082	2,413,025	2,532,556	2,723,141	24,982	
Interest-bearing debt	14,574	15,732	13,929	15,638	14,328	13,470	14,642	15,814	14,920	30,383	278	
Per share (Yen and U.S. dollars):												
Net income per share	¥ 235.80	¥ 237.03	¥ 248.94	¥ 267.20	¥ 302.05	¥ 349.46	¥ 412.86	¥ 624.28	¥ 725.99	¥ 755.17	\$ 6.928	
Diluted net income per share ²	235.80	—	248.92	267.07	301.98	349.42	412.83	624.10	725.92	755.01	6.927	
Cash dividends	100.00	100.00	100.00	100.00	100.00	110.00	120.00	140.00	200.00	220.00	2.018	
Payout ratio (%)	42.4	42.2	40.2	37.4	33.1	31.5	29.1	22.4	27.5	29.1	29.1	
Net assets	3,360.39	3,422.93	3,709.19	4,165.28	4,602.80	4,761.48	5,002.16	5,511.98	5,915.47	6,377.93	58.513	
General:												
Operating income to net sales ratio (%)	14.1	14.3	15.3	14.9	14.8	16.3	19.3	23.4	25.3	26.3	26.3	
Net income attributable to owners of parent to net sales ratio (%)	9.5	9.6	10.3	9.7	10.2	11.6	14.2	18.5	19.4	20.3	20.3	
ROE (%)	7.0	7.0	7.0	6.8	6.9	7.5	8.5	11.9	12.8	12.3	12.3	
ROA (%)	9.0	9.2	9.1	8.8	8.5	8.9	9.4	12.2	14.0	13.3	13.3	
Equity ratio (%)	80.0	80.3	82.0	80.6	79.9	80.8	80.3	81.0	81.1	82.1	82.1	
Number of employees	16,302	16,167	17,712	17,892	18,276	18,407	19,206	20,155	21,735	22,783	22,783	
Number of shares issued (Thousands)	432,106	432,106	432,106	432,106	432,106	432,106	432,106	432,106	427,606	416,662	416,662	

Notes: 1. The U.S. dollar amounts represent conversion of yen, for convenience only, at the rate of ¥109 = US\$1, the approximate rate of exchange on March 31, 2020.

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.

Consolidated Balance Sheet

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES
As of March 31, 2019 and 2020

	Millions of yen		Millions of U.S. dollars
	2019	2020	2020
ASSETS			
Current Assets:			
Cash and time deposits	¥ 826,680	¥ 836,448	\$ 7,673
Notes and accounts receivable-trade	338,701	325,489	2,986
Securities	215,444	251,377	2,306
Merchandise and finished goods	158,717	173,358	1,590
Work in process	16,711	16,828	154
Raw materials and supplies	154,064	175,479	1,609
Other	47,527	52,723	483
Less: Allowance for doubtful accounts	(7,379)	(7,186)	(65)
Total current assets	1,750,469	1,824,519	16,738
Fixed Assets:			
Property, Plant and Equipment:			
Buildings and structures, net	188,268	202,848	1,860
Machinery and equipment, net	445,974	440,595	4,042
Land	88,806	92,577	849
Construction in progress	255,232	367,309	3,369
Other, net	9,678	16,584	152
Total property, plant and equipment	987,960	1,119,915	10,274
Intangible Assets			
	8,740	10,099	92
Investments and Other Assets:			
Investments in securities	141,685	126,060	1,156
Net defined benefit asset	3,841	3,788	34
Deferred tax assets	59,154	63,735	584
Other	89,491	84,657	776
Less: Allowance for doubtful accounts	(2,624)	(2,291)	(21)
Total investments and other assets	291,548	275,950	2,531
Total fixed assets	1,288,248	1,405,965	12,898
Total Assets	¥ 3,038,717	¥ 3,230,485	\$ 29,637

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

	Millions of yen		Millions of U.S. dollars
	2019	2020	2020
LIABILITIES			
Current Liabilities:			
Notes and accounts payable—trade	¥ 141,027	¥ 136,442	\$ 1,251
Short-term borrowings	7,008	8,295	76
Accounts payable—other	75,128	75,094	688
Accrued expenses	74,354	73,292	672
Accrued income taxes	45,739	44,377	407
Accrued bonuses for employees	3,551	3,661	33
Accrued bonuses for directors	694	728	6
Other	44,350	35,901	329
Total current liabilities	391,854	377,794	3,466
Long-Term Liabilities:			
Long-term debt	7,624	15,124	138
Deferred tax liabilities	62,669	59,378	544
Net defined benefit liability	30,473	36,243	332
Other	13,540	18,803	172
Total long-term liabilities	114,306	129,549	1,188
Total Liabilities	506,161	507,343	4,654
NET ASSETS			
Stockholders' Equity:			
Common stock	119,419	119,419	1,095
Additional paid-in capital	128,299	128,323	1,177
Retained earnings	2,283,760	2,413,769	22,144
Less: Treasury stock, at cost	(94,702)	(7,123)	(65)
Total stockholders' equity	2,436,777	2,654,388	24,352
Accumulated Other Comprehensive Income:			
Unrealized gains (losses) on available-for-sale securities	22,955	10,296	94
Deferred gains (losses) on hedges	(266)	(2,799)	(25)
Foreign currency translation adjustments	5,143	(8,187)	(75)
Remeasurements of defined benefit plans	987	(1,387)	(12)
Total accumulated other comprehensive income	28,820	(2,078)	(19)
Share Subscription Rights	1,143	1,904	17
Non-Controlling Interests in Consolidated Subsidiaries	65,814	68,927	632
Total Net Assets	2,532,556	2,723,141	24,982
Total Liabilities and Net Assets	¥ 3,038,717	¥ 3,230,485	\$ 29,637

Consolidated Statement of Income

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES
For the fiscal years ended March 31, 2019 and 2020

	Millions of yen		Millions of U.S. dollars
	2019	2020	2020
Net Sales	¥1,594,036	¥1,543,525	\$14,160
Cost of Sales	1,039,979	987,782	9,062
Gross profit	554,057	555,743	5,098
Selling, General and Administrative Expenses	150,352	149,702	1,373
Operating income	403,705	406,041	3,725
Other Income (Expenses):			
Interest income	9,093	10,777	98
Dividend income	5,896	7,388	67
Equity in earnings (losses) of affiliates	4,669	4,327	39
Interest expenses	(746)	(749)	(6)
Foreign exchange gain (loss)	(217)	(5,650)	(51)
Other, net	(7,088)	(3,892)	(35)
Ordinary income	415,311	418,242	3,837
Extraordinary income:			
Gain on sales of investment securities	—	7,774	71
Income before income taxes and non-controlling interests	415,311	426,017	3,908
Income Taxes:			
Current	104,186	108,290	993
Deferred	(2,861)	(564)	(5)
Total Income Taxes	101,325	107,726	988
Net Income	313,986	318,290	2,920
Net Income Attributable to Non-Controlling Interests	(4,860)	(4,263)	(39)
Net Income Attributable to Owners of Parent	¥ 309,125	¥ 314,027	\$ 2,880

	Yen		U.S. dollars
	2019	2020	2020
Earnings per Share:			
Net income attributable to owners of parent—basic	¥ 725.99	¥ 755.17	\$ 6.928
Net income attributable to owners of parent—fully diluted	725.92	755.01	6.927
Cash dividends	200.00	220.00	2.018
Weighted-Average Number of Shares Outstanding (Thousands)	425,797	415,838	415,838

Consolidated Statement of Comprehensive Income

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES
For the fiscal years ended March 31, 2019 and 2020

	Millions of yen		Millions of U.S. dollars
	2019	2020	2020
Net Income	¥ 313,986	¥ 318,290	\$ 2,920
Other Comprehensive Income:			
Unrealized gains (losses) on available-for-sale securities	(3,499)	(12,732)	(116)
Deferred gains (losses) on hedges	(1,928)	(2,530)	(23)
Foreign currency translation adjustments	(30,861)	(13,642)	(125)
Remeasurements of defined benefit plans	2,383	(2,371)	(21)
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	(134)	(125)	(1)
Total other comprehensive income (loss)	(34,040)	(31,401)	(288)
Comprehensive Income	¥ 279,945	¥ 286,889	\$ 2,632
(Breakdown)			
Comprehensive income attributable to owners of parent	¥ 276,632	¥ 283,128	\$ 2,597
Comprehensive income attributable to non-controlling interests	3,312	3,760	34

Consolidated Statement of Changes in Net Assets

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES

	Thousands	Stockholders' Equity				Millions of yen
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
Balance at April 1, 2018	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						
Balance at March 31, 2019	427,606	¥119,419	¥128,299	¥2,283,760	¥(94,702)	¥2,436,777

	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
Balance at April 1, 2018	¥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)
Balance at March 31, 2019	¥22,955	¥(266)	¥5,143	¥987	¥28,820	¥1,143	¥65,814	¥2,532,556

	Thousands	Stockholders' Equity				Millions of yen
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
Balance at April 1, 2019	427,606	¥119,419	¥128,299	¥2,283,760	¥(94,702)	¥2,436,777
Cash dividends				(87,410)		(87,410)
Net income attributable to owners of parent				314,027		314,027
Purchase of treasury stock					(10,566)	(10,566)
Disposal of treasury stock			145		1,391	1,537
Retirement of treasury stock	(10,943)		(96,753)		96,753	
Transfer to additional paid-in capital from retained earnings			96,608	(96,608)		
Others			23			23
Net changes of items other than stockholders' equity						
Balance at March 31, 2020	416,662	¥119,419	¥128,323	¥2,413,769	¥(7,123)	¥2,654,388

	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
Balance at April 1, 2019	¥22,955	¥(266)	¥5,143	¥987	¥28,820	¥1,143	¥65,814	¥2,532,556
Cash dividends								(87,410)
Net income attributable to owners of parent								314,027
Purchase of treasury stock								(10,566)
Disposal of treasury stock								1,537
Retirement of treasury stock								
Transfer to additional paid-in capital from retained earnings								
Others								23
Net changes of items other than stockholders' equity	(12,659)	(2,533)	(13,331)	(2,375)	(30,899)	760	3,112	(27,026)
Balance at March 31, 2020	¥10,296	¥(2,799)	¥(8,187)	¥(1,387)	¥(2,078)	¥1,904	¥68,927	¥2,723,141

Consolidated Statement of Changes in Net Assets

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES

	Thousands		Millions of U.S. dollars			
	Number of shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
Balance at April 1, 2019	427,606	\$1,095	\$1,177	\$20,951	\$(868)	\$22,355
Cash dividends				(801)		(801)
Net income attributable to owners of parent				2,880		2,880
Purchase of treasury stock					(96)	(96)
Disposal of treasury stock			1		12	14
Retirement of treasury stock	(10,943)		(887)		887	
Transfer to additional paid-in capital from retained earnings			886	(886)		
Others			0			0
Net changes of items other than stockholders' equity						
Balance at March 31, 2020	416,662	\$1,095	\$1,177	\$22,144	\$(65)	\$24,352

	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
Balance at April 1, 2019	\$210	\$(2)	\$47	\$9	\$264	\$10	\$603	\$23,234
Cash dividends								(801)
Net income attributable to owners of parent								2,880
Purchase of treasury stock								(96)
Disposal of treasury stock								14
Retirement of treasury stock								
Transfer to additional paid-in capital from retained earnings								
Others								0
Net changes of items other than stockholders' equity	(116)	(23)	(122)	(21)	(283)	6	28	(247)
Balance at March 31, 2020	\$94	\$(25)	\$(75)	\$(12)	\$(19)	\$17	\$632	\$24,982

Consolidated Statement of Cash Flows

SHIN-ETSU CHEMICAL CO., LTD. AND SUBSIDIARIES
For the fiscal years ended March 31, 2019 and 2020

	Millions of yen		Millions of U.S. dollars
	2019	2020	2020
Cash Flows from Operating Activities:			
Income before income taxes and non-controlling interests	¥ 415,311	¥ 426,017	\$ 3,908
Depreciation and amortization	137,570	131,172	1,203
Loss on impairment of fixed assets	2,232	912	8
Increase (decrease) in net defined benefit liability	(126)	2,723	24
(Gain) loss on sales of investments in securities	(3)	(7,774)	(71)
(Gain) loss on revaluation of investments in securities	1,565	—	—
Increase (decrease) in allowance for doubtful accounts	(4,281)	(493)	(4)
Interest and dividend income	(14,989)	(18,166)	(166)
Interest expenses	746	749	6
Exchange (gain) loss	(2,060)	3,464	31
Equity in (earnings) losses of affiliates	(4,669)	(4,327)	(39)
(Increase) decrease in notes and accounts receivable	(8,697)	11,215	102
(Increase) decrease in inventories	(49,109)	(36,910)	(338)
(Increase) decrease in long-term advance payment	3,838	3,579	32
Increase (decrease) in notes and accounts payable	3,270	(3,892)	(35)
Other, net	25,803	(7,404)	(67)
Subtotal	506,400	500,865	4,595
Proceeds from interest and dividends	16,627	19,852	182
Payments of interest	(751)	(508)	(4)
Payments of income taxes	(121,589)	(107,824)	(989)
Net cash provided by operating activities	400,687	412,384	3,783
Cash Flows from Investing Activities:			
(Increase) decrease in time deposits	55,116	(127,525)	(1,169)
Purchases of securities	(83,830)	(117,000)	(1,073)
Proceeds from redemption of securities	82,660	115,936	1,063
Purchases of property, plant and equipment	(226,768)	(268,365)	(2,462)
Proceeds from sales of property, plant and equipment	238	65	0
Purchases of intangible fixed assets	(1,334)	(1,063)	(9)
Purchases of investments in securities	(2,563)	(6,520)	(59)
Proceeds from sales of investments in securities	434	12,606	115
Payments of loans	(4)	(74)	(0)
Purchases of investments in subsidiaries resulting in change in scope of consolidation	—	(1,966)	(18)
Proceeds from collection of loans	542	615	5
Other, net	(6,045)	(1,256)	(11)
Net cash provided by (used for) investing activities	(181,553)	(394,547)	(3,619)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	(298)	1,265	11
Proceeds from long-term debt	51	8,384	76
Repayments of long-term debt	(227)	(743)	(6)
Purchases of treasury stock	(89,475)	(10,566)	(96)
Proceeds from sales of treasury stock	573	1,398	12
Cash dividends paid	(74,655)	(87,410)	(801)
Cash dividends paid to non-controlling interests	(896)	(1,077)	(9)
Other, net	389	(5,306)	(48)
Net cash used for financing activities	(164,538)	(94,055)	(862)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(7,917)	(7,001)	(64)
Net Increase (Decrease) in Cash and Cash Equivalents	46,678	(83,220)	(763)
Cash and Cash Equivalents at Beginning of Year	780,449	828,345	7,599
Increase (Decrease) in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation	1,217	—	—
Cash and Cash Equivalents at End of Year	¥ 828,345	¥ 745,125	\$ 6,836