

Press Release

Consolidated Financial Results for the First Quarter Ended June 30, 2022



Shin-Etsu Chemical Co., Ltd.

(JP GAAP)

July 27, 2022

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

Listing Stock Exchange: Tokyo and Nagoya

Representative: Yasuhiko Saitoh (Mr.) Representative Director/President

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Date of the filing of the quarterly consolidated financial statements: August 9, 2022

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, 2022

(From April 1, 2022 to June 30, 2022)

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April - June 2022	656,707	51.2%	249,620	93.8%	262,633	100.7%	184,124	92.3%
April - June 2021	434,239	20.8%	128,818	41.7%	130,831	37.4%	95,725	38.1%

(Note) Comprehensive income (Millions of yen) From April 1, 2022 to June 30, 2022: 305,432 [67.1%]

From April 1, 2021 to June 30, 2021: 182,795 [250.5%]

	Net income per share (yen)	Diluted net income per share (yen)
April - June 2022	446.28	445.98
April - June 2021	230.35	230.13

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
June 30, 2022	4,173,111	3,532,947	81.8%	8,333.36
March 31, 2022	4,053,412	3,429,208	82.1%	8,007.24

(Note) Stockholders' equity (Millions of yen) As of June 30, 2022: 3,414,477 As of March 31, 2022: 3,326,564

2. Cash Dividends

	Cash dividends per share in the fiscal year (yen)				
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Fiscal year
April 2021 - March 2022	-	150.00	-	250.00	400.00
April 2022 - March 2023	-				
April 2022 - March 2023 (forecast)		225.00	-	225.00	450.00

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

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (yen)
Fiscal year	2,550,000	22.9%	825,000	22.0%	840,000	21.0%	588,000	17.6%	1,432.59

(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, 2022: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first quarter ended June 30, 2022.

(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: Yes

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(Note) Please see [2. Consolidated Financial Statements (3) Notes to Consolidated Financial Statements, “Changes in Accounting Policies”] on page 13 for further details.

(4) Number of shares outstanding (common stock)

	June 30, 2022	March 31, 2022
Number of shares outstanding at period end	416,662,793	416,662,793
Number of shares of treasury stock at period end	6,926,727	1,218,008
	April - June 2022	April - June 2021
Weighted-average number of shares outstanding over period	412,574,246	415,565,972

(Note) Based on the resolution of the Board of Directors Meeting held on April 27, 2022, we repurchased a total of 5,717,200 shares (99,998 million yen) between April 28 and June 20, 2022. The cancellation of all the shares acquired based on this resolution will be completed on November 8, 2022.

(Information regarding quarterly review procedures)

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

(Attached Documents)

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1. Qualitative Information Regarding Quarterly Results

(1) Explanation Regarding the Operating Results

During the first quarter of the fiscal year ending March 31, 2023 (April 1, 2022 to June 30, 2022), according to the forecasts of the International Monetary Fund and other major international organizations, the world economy seems to be at a crossroads. The main factors are the US economy, which is undergoing a combination of cyclical adjustments and unconditional monetary tightening to curb inflation, and the Chinese economy under the Zero-COVID policy. We intend to be more agile and skillful to respond to changes and fluctuations in the economy and markets. We will maintain close communication with our customers, accelerate the development of products that are valuable to our customers, and continue to provide a stable supply of products of unwavering quality. As a result of these efforts, we maintain our comparative advantage.

The business results for the first quarter of the fiscal year ending March 31, 2023 are as follows:

	(Billions of yen)		
	2021 April - June	2022 April - June	Increase (Decrease)
Net sales	434.2	656.7	51.2% 222.5
Operating income	128.8	249.6	93.8% 120.8
Ordinary income	130.8	262.6	2.0 times 131.8
Net income attributable to owners of parent	95.7	184.1	92.3% 88.4
ROIC (per annum)	21.5%	35.4%	13.9 points
ROE (per annum)	13.3%	21.9%	8.6 points
ROA (per annum)	15.2%	25.5%	10.3 points
Net income per share (Yen)	230	446	216

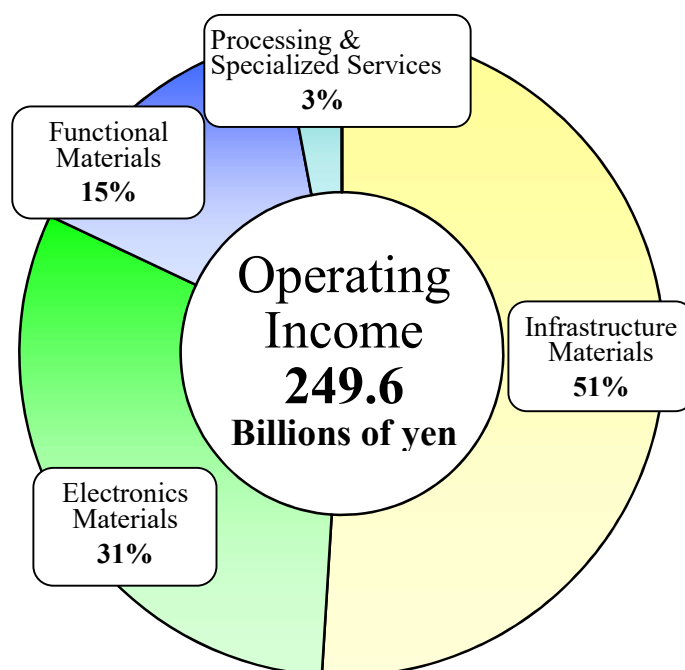
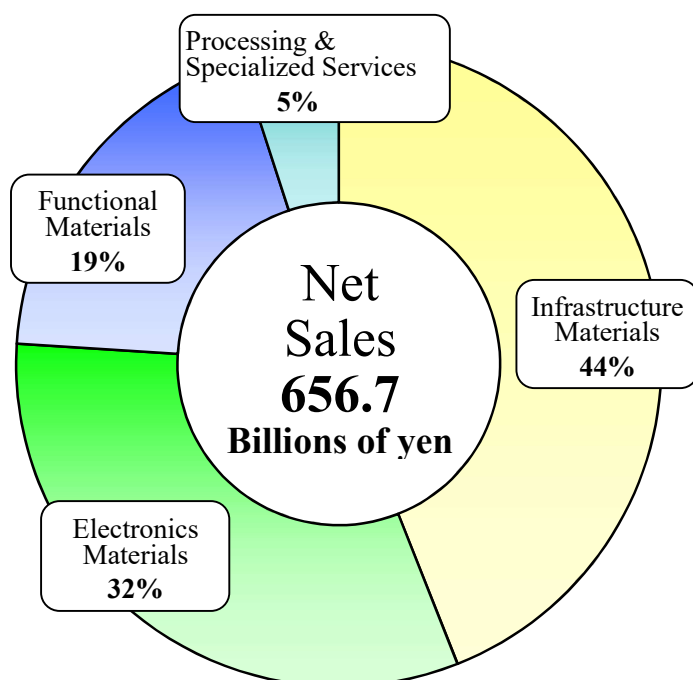
- Notes:
- ROIC: Return on invested capital
Net operating income after tax / (Net assets + Interest-bearing liabilities – Cash)
 - ROE: Return (Net Income) on equity
Equity used for this calculation is net assets excluding both share subscription rights and non-controlling interests in consolidated subsidiaries.
 - 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)

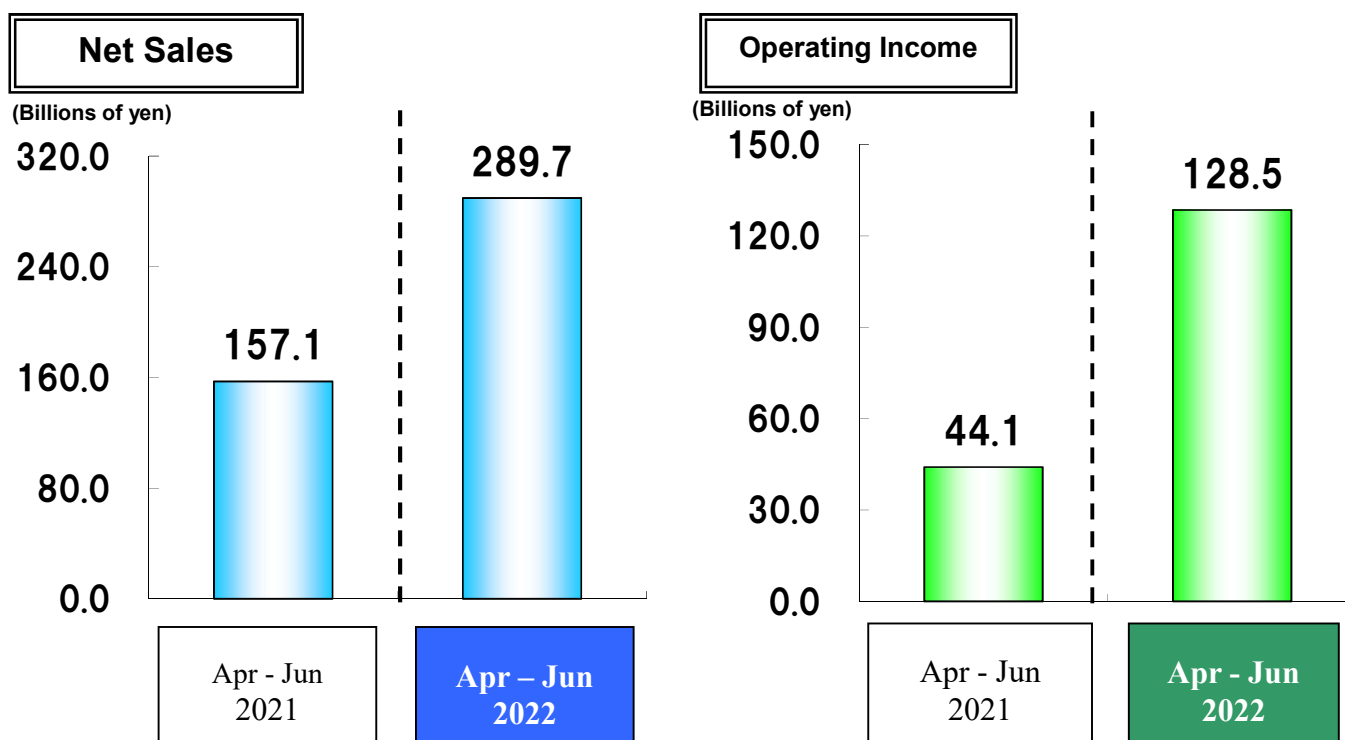
	Net Sales			Operating Income		
	2021 Apr - Jun	2022 Apr - Jun	Increase (Decrease)	2021 Apr - Jun	2022 Apr - Jun	Increase (Decrease)
Infrastructure Materials	157.1	289.7	84.4% 132.6	44.1	128.5	2.9 times 84.4
Electronics Materials	161.1	211.1	31.0% 50.0	56.7	77.5	36.6% 20.8
Functional Materials	91.6	125.1	36.5% 33.5	22.7	36.7	61.6% 14.0
Processing & Specialized Services	24.3	30.6	25.9% 6.3	5.3	7.0	31.1% 1.7
Total	434.2	656.7	51.2% 222.5	128.8	249.6	93.8% 120.8



Infrastructure Materials

	Apr - Jun 2021 (Billions of yen)	Apr - Jun 2022 (Billions of yen)	Increase / (Decrease)
Net sales	157.1	289.7	84.4%
Operating income	44.1	128.5	2.9 times

Demand for PVC remained strong until April, with adjustments in the Asian region in May. On the other hand, the caustic soda market remained firm. We strove for agile and finely-tuned sales, and continued full operation at all bases including Shintech in the United States, except for the scheduled maintenance period of the plants.

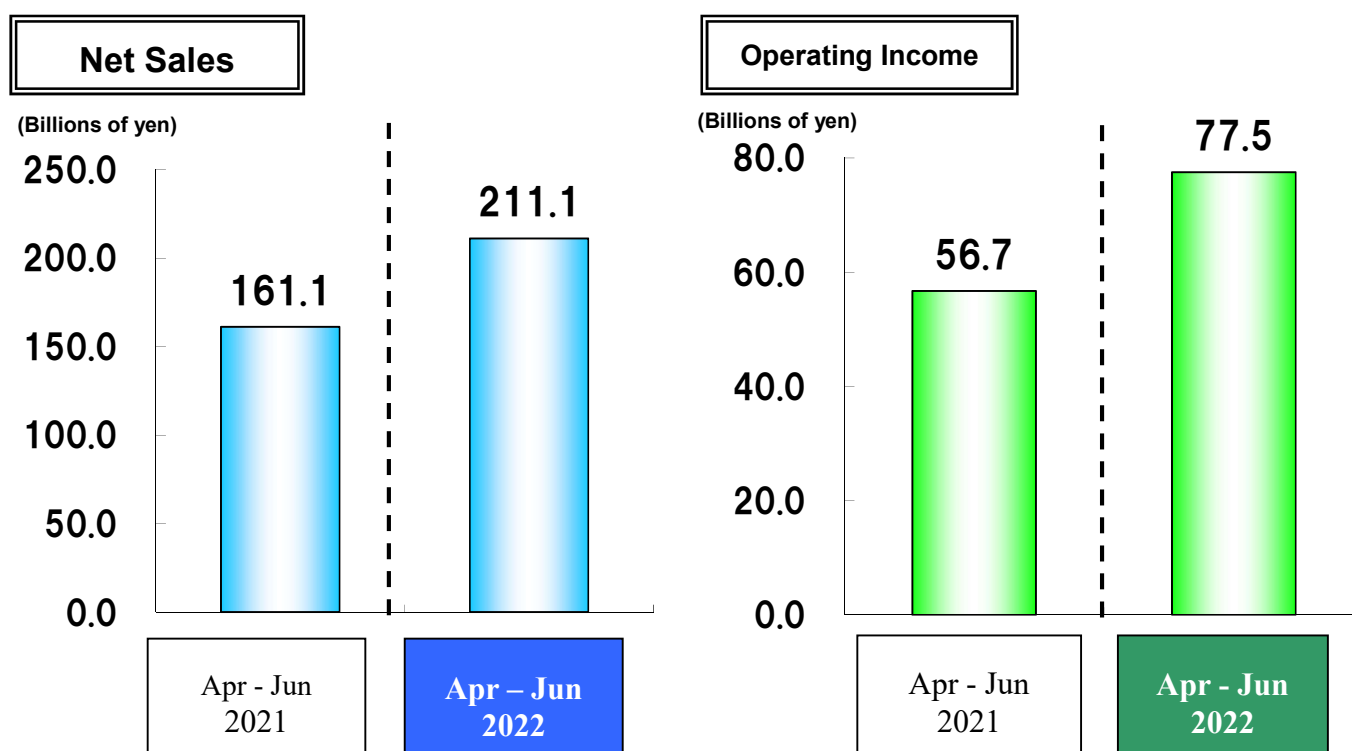


- The second phase of the new expansion work is underway at Shintech as planned.
- Dealing with business cycle phenomena with PVC resin demand in mind against the backdrop of housing shortages that are still unresolved in major countries and financial investment in social infrastructure.
- Utilizing the competitiveness of US business bases.

Electronics Materials

	Apr - Jun 2021 (Billions of yen)	Apr - Jun 2022 (Billions of yen)	Increase / (Decrease)
Net sales	161.1	211.1	31.0%
Operating income	56.7	77.5	36.6%

The semiconductor market, which grew significantly last year, continued its momentum in the first quarter of this fiscal year. To meet the strong demand from our customers, we have shipped the maximum number of semiconductor materials such as silicon wafers, photoresists and photomask blanks. Rare earth magnets have been in strong demand despite the operational restrictions of customers due to the lockdown in China and the shortage of semiconductors, and we have operated and shipped to the maximum extent possible.

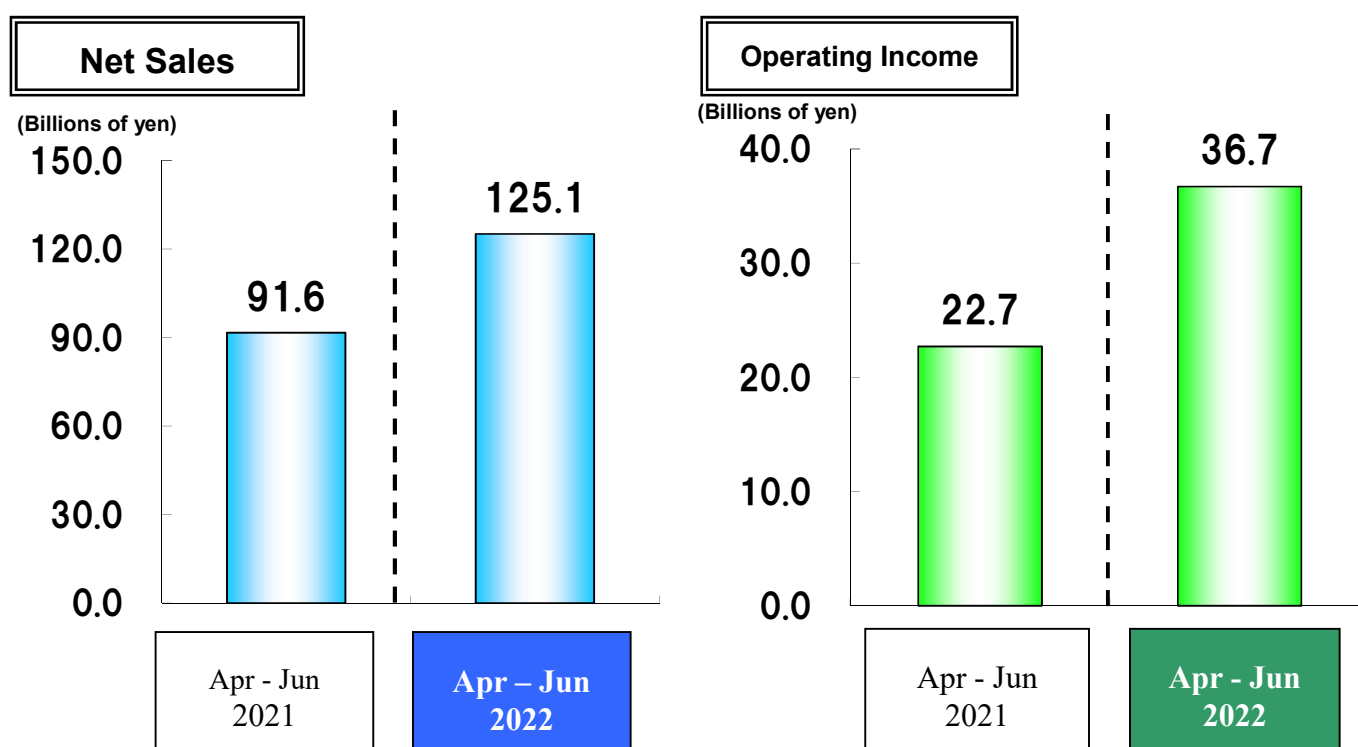


- Accurate understanding of customer conditions and fulfillment of supply responsibilities.
- Closely monitor and respond to various technological developments that may exceed Moore's Law.
- Establish the magnet product lineup such as those with significantly reduced or without heavy rare earths and other products that meet customer requirements.
- Proposal of technologies essential for efficiency and electrification, which are essential for greenhouse gas reduction, and strengthening of the supply system.

Functional Materials

	Apr - Jun 2021 (Billions of yen)	Apr - Jun 2022 (Billions of yen)	Increase / (Decrease)
Net sales	91.6	125.1	36.5%
Operating income	22.7	36.7	61.6%

We were able to significantly expand in-vehicle applications, personal care and healthcare applications. In addition, we launched a large number of unique products to increase sales.

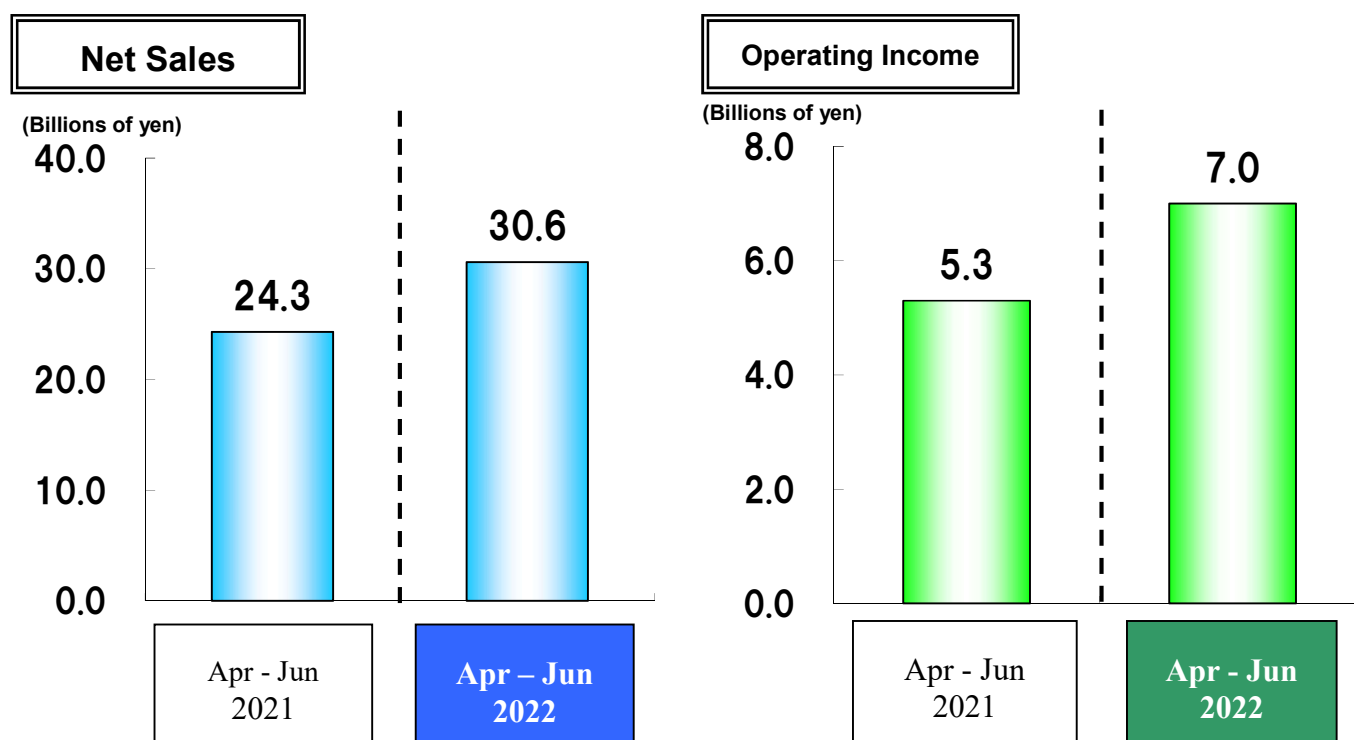


- Advance investment to expand problem solving capacity and strengthen supply networks using silicone technology.
- Product development and supply synchronized with the growth of the environmentally friendly vehicle market and the wind power generation market.
- Expansion of personal care applications.
- Acquisition of large-scale pharmaceutical products.

Processing & Specialized Services

	Apr - Jun 2021 (Billions of yen)	Apr - Jun 2022 (Billions of yen)	Increase / (Decrease)
Net sales	24.3	30.6	25.9%
Operating income	5.3	7.0	31.1%

Sales of semiconductor wafer-related containers were strong for both shipping and in-process use, and sales of input devices for automobiles were also strong. We have revised the prices of PVC-related products such as PVC wrapping films for food packaging and construction materials.



- Expansion of production capacity for semiconductor wafer-related containers is scheduled to be completed by the end of 2022.

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

Due to the complexity of the situation involving a combination of various factors, it is still difficult for us to forecast the full-year business results for the fiscal year ending March 2023.

Under these circumstances, we have set the following earnings forecasts for the current fiscal year and will strive to grow each business.

(Billions of yen)

	FY 2021 21/4 - 22/3 Actual	FY 2022 22/4 - 23/3 Forecast	Increase (Decrease)
Net sales	2,074.4	2,550.0	22.9%
Operating income	676.3	825.0	22.0%
Ordinary income	694.4	840.0	21.0%
Net income attributable to owners of parent	500.1	588.0	17.6%
Net income per share (Yen)	1,204	1,433	229
Cash Dividends per Share (Yen)	400	450	50

(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 expect to pay a dividend of ¥225 per share for both the interim and year-end dividends. As a result, the dividend will register an increase for eight consecutive terms, and the total annual dividend forecast will be ¥450 per share, an increase of ¥50 from the previous term.

The forecast of our 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, 2022

	Millions of yen	
	March 31, 2022	June 30, 2022
ASSETS		
Current Assets:		
Cash and time deposits	1,112,775	1,096,908
Notes, accounts receivable-trade and contract assets	473,513	548,752
Securities	323,305	250,989
Inventories	453,660	498,855
Other	80,539	101,779
Less: Allowance for doubtful accounts	(5,818)	(6,448)
Total current assets	2,437,975	2,490,837
Fixed Assets:		
Property, plant and equipment		
Machinery and equipment, net	788,524	824,197
Other, net	501,641	532,460
Total property, plant and equipment	1,290,165	1,356,658
Intangible assets	10,535	10,965
Investments and other assets:		
Investments and other assets	320,557	321,158
Less: Allowance for doubtful accounts	(5,822)	(6,507)
Total investments and other assets	314,734	314,650
Total fixed assets	1,615,436	1,682,274
TOTAL ASSETS	4,053,412	4,173,111

	Millions of yen	
	March 31, 2022	June 30, 2022
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	177,682	177,828
Short-term borrowings	13,461	13,333
Accrued income taxes	73,756	64,374
Allowances	4,747	3,624
Other	208,111	220,085
	<hr/>	<hr/>
Total current liabilities	477,759	479,246
	<hr/>	<hr/>
Long-term Liabilities:		
Long-term debt	16,940	17,663
Net defined benefit liability	41,469	43,195
Other	88,034	100,059
	<hr/>	<hr/>
Total long-term liabilities	146,444	160,918
	<hr/>	<hr/>
TOTAL LIABILITIES	624,204	640,164
	<hr/>	<hr/>
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	129,090	129,065
Retained earnings	2,993,026	3,073,289
Less: Treasury stock, at cost	(15,702)	(115,563)
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Total stockholders' equity	3,225,834	3,206,210
	<hr/>	<hr/>
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	26,841	26,208
Deferred gains (losses) on hedges	(2,535)	(2,660)
Foreign currency translation adjustments	75,374	183,706
Remeasurements of defined benefit plans	1,049	1,013
	<hr/>	<hr/>
Total accumulated other comprehensive income	100,729	208,266
	<hr/>	<hr/>
Share subscription rights	2,733	2,710
Non-controlling interests in consolidated Subsidiaries	99,910	115,759
	<hr/>	<hr/>
TOTAL NET ASSETS	3,429,208	3,532,947
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	4,053,412	4,173,111
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(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated Statements of Income

For the first quarter ended June 30, 2021 and 2022

	Millions of yen	
	April 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022
Net sales	434,239	656,707
Cost of sales	264,383	356,189
Gross profit	169,856	300,517
Selling, general and administrative expenses	41,037	50,897
Operating income	128,818	249,620
Non-operating income:		
Foreign exchange gain	-	10,244
Other income	3,607	4,531
Total non-operating income	3,607	14,776
Non-operating expenses:		
Loss on retirement of non-current assets	538	493
Foreign exchange loss	365	-
Other expenses	689	1,270
Total non-operating expenses	1,593	1,763
Ordinary income	130,831	262,633
Income before income taxes and non-controlling interests	130,831	262,633
Income taxes:		
Current	27,143	61,240
Deferred	4,864	5,479
Total income taxes	32,007	66,719
Net income	98,823	195,913
Net income attributable to non-controlling interests	3,097	11,789
Net income attributable to owners of parent	95,725	184,124

Consolidated Statements of Comprehensive Income

For the first quarter ended June 30, 2021 and 2022

	Millions of yen	
	April 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022
Net income	98,823	195,913
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	1,479	(646)
Deferred gains (losses) on hedges	1,082	(109)
Foreign currency translation adjustments	80,846	110,056
Remeasurements of defined benefit plans	266	(37)
Share of other comprehensive income of affiliates accounted for using the equity method	297	255
Total other comprehensive income	83,971	109,518
Comprehensive income	182,795	305,432
(Breakdown)		
Comprehensive income attributable to owners of parent	177,826	291,661
Comprehensive income attributable to non-controlling interests	4,969	13,771

(3) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Significant Changes in Stockholders' Equity)

Not applicable

(Changes in Accounting Policies)

(Application of “Implementation Guidance on Accounting Standard for Fair Value Measurement”)

The “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) is applied from the first quarter of the fiscal year ending March 31, 2023. Based on the transitional treatment prescribed in Paragraph 27-2 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement”, we have decided to apply the new accounting policies set forth by the “Implementation Guidance on Accounting Standard for Fair Value Measurement” into the future. This application had no impact on the quarterly consolidated financial statements.

(Application of ASC Topic 842 Leases)

At overseas subsidiaries adopting US GAAP, ASC Topic 842 Leases is applied from the first quarter of the fiscal year ending March 31, 2023. The impact of the application of this accounting standard on the quarterly consolidated financial statements was immaterial.

(Appendix)

1. Quarterly Operating Results

(Billions of yen)

	FY 2021 April 1, 2021 - March 31, 2022					FY 2022 April 1, 2022 - March 31, 2023
	1Q	2Q	3Q	4Q	Total	1Q
Net Sales	434.2	507.1	542.3	590.7	2,074.4	656.7
Infrastructure Materials	157.1	206.8	231.8	261.3	857.1	289.7
Electronics Materials	161.1	174.4	181.2	192.1	708.9	211.1
Functional Materials	91.6	96.8	100.7	106.4	395.6	125.1
Processing & Specialized Services	24.3	28.9	28.5	30.7	112.6	30.6
Operating Income	128.8	169.5	181.7	196.2	676.3	249.6
Infrastructure Materials	44.1	79.1	89.0	105.4	317.7	128.5
Electronics Materials	56.7	62.0	65.1	60.8	244.7	77.5
Functional Materials	22.7	23.7	21.8	26.4	94.7	36.7
Processing & Specialized Services	5.3	5.0	5.9	4.5	20.9	7.0
Ordinary Income	130.8	172.6	186.7	204.1	694.4	262.6
Net Income Attributable to Owners of Parent	95.7	125.1	132.2	146.9	500.1	184.1
R&D Costs	14.0	13.3	18.9	16.1	62.4	16.1
Overseas Sales	327.1	393.7	422.3	463.7	1,607.1	520.7
Ratio of Overseas Sales to Net Sales	75%	78%	78%	79%	77%	79%

2. Capital Expenditures and Depreciation and Amortization

(Billions of yen)

	FY 2021 April 1, 2021 - March 31, 2022					FY 2022 April 1, 2022 - March 31, 2023
	1Q	2Q	3Q	4Q	Total	1Q
Capital Expenditures	46.7	51.7	53.0	62.2	213.9	53.9
Infrastructure Materials	15.7	20.4	14.8	11.1	62.1	22.1
Electronics Materials	21.6	20.1	27.6	37.1	106.5	23.4
Functional Materials	8.3	8.9	8.6	11.4	37.3	6.4
Processing & Specialized Services	1.2	2.6	2.4	3.1	9.4	2.1
Depreciation and Amortization	35.2	40.3	44.2	48.8	168.7	46.7
Infrastructure Materials	11.5	12.7	12.8	14.1	51.3	17.8
Electronics Materials	15.3	18.9	21.6	24.8	80.7	19.8
Functional Materials	7.5	7.7	8.7	8.7	32.7	8.0
Processing & Specialized Services	0.9	1.0	1.2	1.3	4.5	1.1

Annual

(Billions of yen)

	Apr 2022 - Mar 2023 Forecast
Capital Expenditures	270.0
Depreciation and Amortization	206.0

3. Other Financial Items (Consolidated)

(Billions of yen)

	Jun 30 2021	Jun 30 2022	Mar 31 2022
Net Assets	3,009.8	3,532.9	3,429.2
Total Assets	3,499.4	4,173.1	4,053.4
Net Assets per Share (Yen)	7,052	8,333	8,007
Interest-bearing Liabilities	28.8	30.9	30.4
Number of Employees	24,196	25,134	24,954
Exchange Rate: Jan - Mar (Avg) (Yen/US\$)	105.9	116.2	
Apr - Jun (Avg)	109.5	129.6	

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)

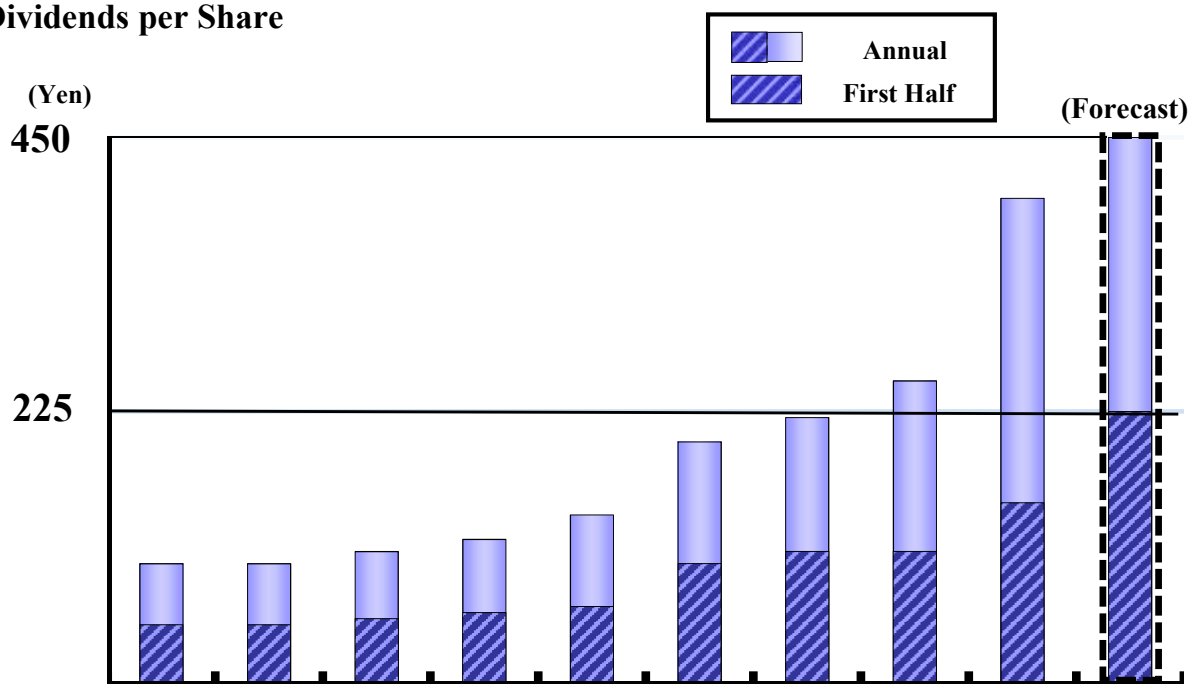
	Mar 31 2022	Jun 30 2022	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]		Mar 31 2022	Jun 30 2022	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]
Current Assets	2,437.9	2,490.8	52.9	77.3	(24.4)	Current Liabilities	477.7	479.2	1.5	10.5	(9.0)
Cash and time deposits	1,112.7	1,096.9	(15.8)	46.4	(62.2)	Notes and accounts payable-trade	177.6	177.8	0.2	4.3	(4.1)
Notes and accounts receivable-trade	473.5	548.7	75.2	16.5	58.7	Short-term borrowings	13.4	13.3	(0.1)	0.1	(0.2)
Securities	323.3	250.9	(72.4)	0.0	(72.4)	Accrued income taxes	73.7	64.3	(9.4)	1.8	(11.2)
Inventories	453.6	498.8	45.2	13.2	32.0	Other	212.8	223.7	10.9	4.3	6.6
Other	74.7	95.3	20.6	1.2	19.4	Long-term Liabilities	146.4	160.9	14.5	6.6	7.9
						Total Liabilities	624.2	640.1	15.9	17.1	(1.2)
Fixed Assets	1,615.4	1,682.2	66.8	57.1	9.7	Stockholders' Equity	3,225.8	3,206.2	(19.6)	0.0	(19.6)
Property, Plant and Equipment	1,290.1	1,356.6	66.5	55.3	11.2	Accumulated Other Comprehensive Income	100.7	208.2	107.5	112.8	(5.3)
Intangible Assets	10.5	10.9	0.4	0.2	0.2	Other	102.6	118.4	15.8	4.5	11.3
Investments and Other Assets	314.7	314.6	(0.1)	1.6	(1.7)	Total Net Assets	3,429.2	3,532.9	103.7	117.3	(13.6)
Total Assets	4,053.4	4,173.1	119.7	134.4	(14.7)	Total Liabilities and Net Assets	4,053.4	4,173.1	119.7	134.4	(14.7)

5. Comparative Statements of Cash Flows (Consolidated)

(Billions of yen)

	2021 Apr-Jun	2022 Apr-Jun	Increase (Decrease)
(1) Cash Flows from Operating Activities	85.0	140.4	55.4
Income Before Income Taxes	130.8	262.6	131.8
Payments of income taxes	(47.0)	(72.3)	(25.3)
Depreciation and amortization	35.2	46.7	11.5
(Increase)Decrease in working capital	(18.1)	(94.9)	(76.8)
Other	(15.9)	(1.5)	14.4
(2) Cash Flows from Investing Activities	(72.6)	(113.0)	(40.4)
Capital expenditures	(51.1)	(59.3)	(8.2)
(Increase)Decrease in securities	(0.7)	9.1	9.8
(Increase)Decrease in time deposits	(20.1)	(61.9)	(41.8)
Other	(0.6)	(0.8)	(0.2)
(3) Cash Flows from Financing Activities	(57.4)	(217.4)	(160.0)
Increase(Decrease) in borrowings	0.0	(0.6)	(0.6)
Cash dividends paid	(58.1)	(103.8)	(45.7)
Purchases of treasury stock	0.0	(100.0)	(100.0)
Other	0.6	(12.9)	(13.5)
(4) Effect of Exchange Rate Changes on Cash and Cash Equivalents, and other	12.2	30.0	17.8
Net Increase (Decrease) in Cash and Cash Equivalents	(32.8)	(159.9)	(127.1)
Balance of Cash and Cash Equivalents	768.7	849.0	80.3
Balance of Interest-bearing Liabilities	28.8	30.9	2.1

6. Cash Dividends per Share



Fiscal year ended March		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash Dividend per Share (Yen)	First half	50	50	55	60	65	100	110	110	150	* 225
	Annual	100	100	110	120	140	200	220	250	400	* 450
Net Income per Share (Yen)	Annual	267.2	302.0	349.5	412.9	624.3	726.0	755.2	706.8	1,203.8	* 1,432.6
Dividend payout ratio	Annual	37.4%	33.1%	31.5%	29.1%	22.4%	27.5%	29.1%	35.4%	33.2%	* 31.4%

* Forecast

7. Sales by Manufacturing Location for Each Segment

(Billions of yen)

		Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total
2021 April - June	Goods Manufactured in Japan	24.0	125.7	57.2	16.0	223.1
	Goods Manufactured overseas	133.0	35.3	34.4	8.2	211.1
		157.1	161.1	91.6	24.3	434.2
2022 April - June	Goods Manufactured in Japan	29.9	163.0	73.3	21.6	288.0
	Goods Manufactured overseas	259.8	48.0	51.8	8.9	368.6
		289.7	211.1	125.1	30.6	656.7

8. Sales by Region

(Billions of yen)

	Japan	Overseas					Total	Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas		
			China					
2021 April - June	25%	26%	31%	9%	10%	9%	75%	434.2
	107.0	111.7	136.2	38.5	41.8	37.2	327.1	
2022 April - June	21%	33%	28%	8%	10%	8%	79%	656.7
	135.9	215.9	186.6	54.2	67.1	50.9	520.7	

Note: % indicates the proportion of total consolidated net sales

9. 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
2021	Jan-Mar	105.9	107.7	109.8	109.8	112.4	127.7	129.8	130.9	129.9	130.6
	Apr-Jun	109.5					132.0				
	Jul-Sep	110.1	111.9	130.1	130.0						
	Oct-Dec	113.7	115.0	130.4	130.2						
2022	Jan-Mar	116.2	122.9				130.4	134.3			
	Apr-Jun	129.6					138.1				

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

	US\$	EUR
Shin-Etsu's assumption for the forecast from July 2022	125Yen/\$	130Yen/€