

Press Release

Consolidated Financial Results for the First Three Quarters Ended December 31, 2022



Shin-Etsu Chemical Co., Ltd.

(JP GAAP)

January 26, 2023

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: February 13, 2023

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 Three Quarters Ended December 31, 2022

(From April 1, 2022 to December 31, 2022)

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April - December 2022	2,163,237	45.8%	808,227	68.3%	824,217	68.1%	578,519	63.8%
April - December 2021	1,483,703	36.1%	480,112	68.4%	490,304	67.3%	353,135	65.5%

(Note) Comprehensive income (Millions of yen) From April 1, 2022 to December 31, 2022: 1,051,463 [123.9%]

From April 1, 2021 to December 31, 2021: 469,524 [145.8%]

	Net income per share (yen)	Diluted net income per share (yen)
April - December 2022	1,416.49	1,415.68
April - December 2021	850.00	849.18

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
December 31, 2022	4,771,523	4,086,676	82.5%	9,749.12
March 31, 2022	4,053,412	3,429,208	82.1%	8,007.24

(Note) Stockholders' equity (Millions of yen) As of December 31, 2022: 3,935,368 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	-	225.00	-		
April 2022 - March 2023 (forecast)				275.00	500.00

(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	2,780,000	34.0%	995,000	47.1%	1,020,000	46.9%	708,000	41.6%		1,738.83

(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 three quarters ended December 31, 2022: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first three quarters ended December 31, 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)

	December 31, 2022	March 31, 2022
Number of shares outstanding at period end	410,945,593	416,662,793
Number of shares of treasury stock at period end	7,281,564	1,218,008
	April - December 2022	April - December 2021
Weighted-average number of shares outstanding over period	408,415,611	415,454,846

(Note) Based on a resolution at the Board of Directors Meeting held on April 27, 2022, we repurchased a maximum of 5,717,200 shares (99,998 million yen) and the cancellation was completed on November 8, 2022.

Moreover, based on a resolution at the Board of Directors Meeting held on July 27, 2022, we repurchased a maximum of 6,121,000 shares (99,998 million yen) and the cancellation was completed on January 11, 2023.

(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 the Quarterly Results

(1) Explanation Regarding the Operating Results

During the first nine months of the fiscal year ending March 31, 2023 (April 1, 2022, to December 31, 2022), it is noteworthy that the International Monetary Fund revised its economic growth forecasts downward multiple times, resulting in many surprises defying any expectation, described by some as “the first phenomenon to be observed in decades.” While monetary policies aimed at calming inflation are putting downward pressure on the economy, a variety of changes are causing turbulence in the global economy. In addition, industrial policies are proceeding apace aimed at carbon neutrality, economic security, and other goals. Under these circumstances, we will maintain close communication with our customers, expedite the development of products that are valuable to them, and continue to provide a reliable supply of products of unwavering quality. We will skillfully weather short-term fluctuations and will continue capital investments and R&D activities so as to meet the needs and demands of customers and markets in a timely manner.

The business results for the first nine months of the fiscal year ending March 31, 2023, are as follows.

	(Billions of yen)			2022		
	2021 Apr - Dec	2022 Apr - Dec	Increase (Decrease)	Apr - Jun	Jul - Sep	Oct - Dec
Net sales	1,483.7	2,163.2	45.8% 679.5	656.7	752.6	753.9
Operating income	480.1	808.2	68.3% 328.1	249.6	286.6	271.9
Ordinary income	490.3	824.2	68.1% 333.9	262.6	296.3	265.1
Net income attributable to owners of parent	353.1	578.5	63.8% 225.4	184.1	208.2	186.1
ROIC (per annum)	25.9%	35.5%	9.6 points			
ROE (per annum)	15.8%	21.2%	5.4 points			
ROA (per annum)	18.3%	24.9%	6.6 points			
Net income per share (Yen)	850	1,416	566			

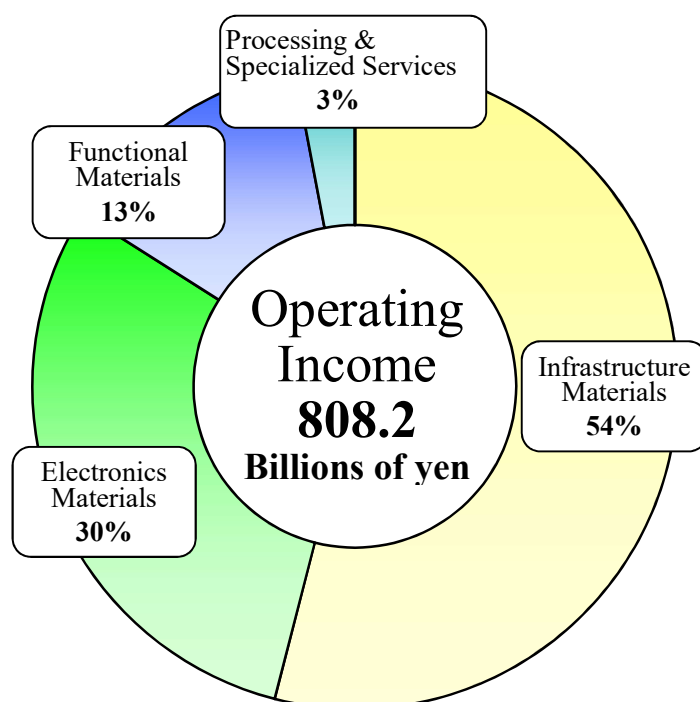
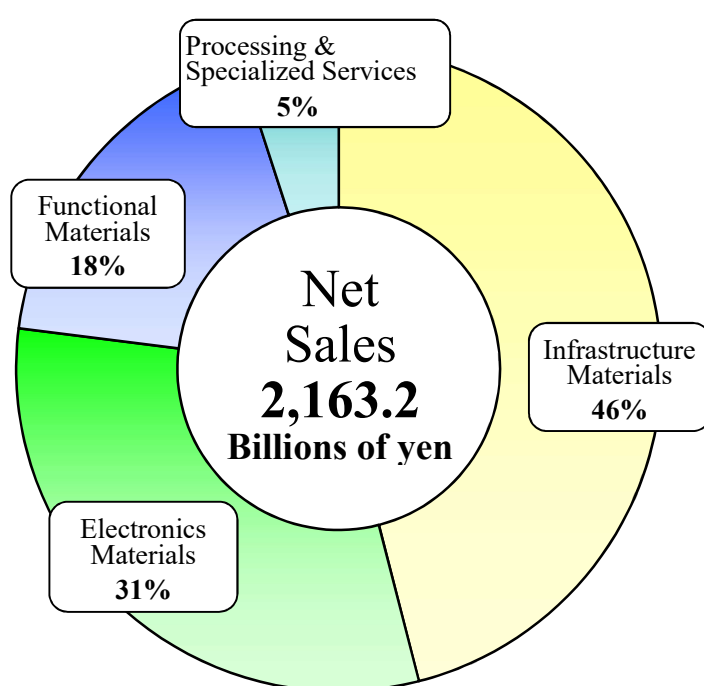
- Notes:
- ROIC: Return on invested capital
Net operating income after tax / (Net assets + Interest-bearing liabilities – Cash)
 - ROE: Return (Net Income) on equity
Equity used for this calculation is net assets excluding both share subscription rights and non-controlling interests in consolidated subsidiaries.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

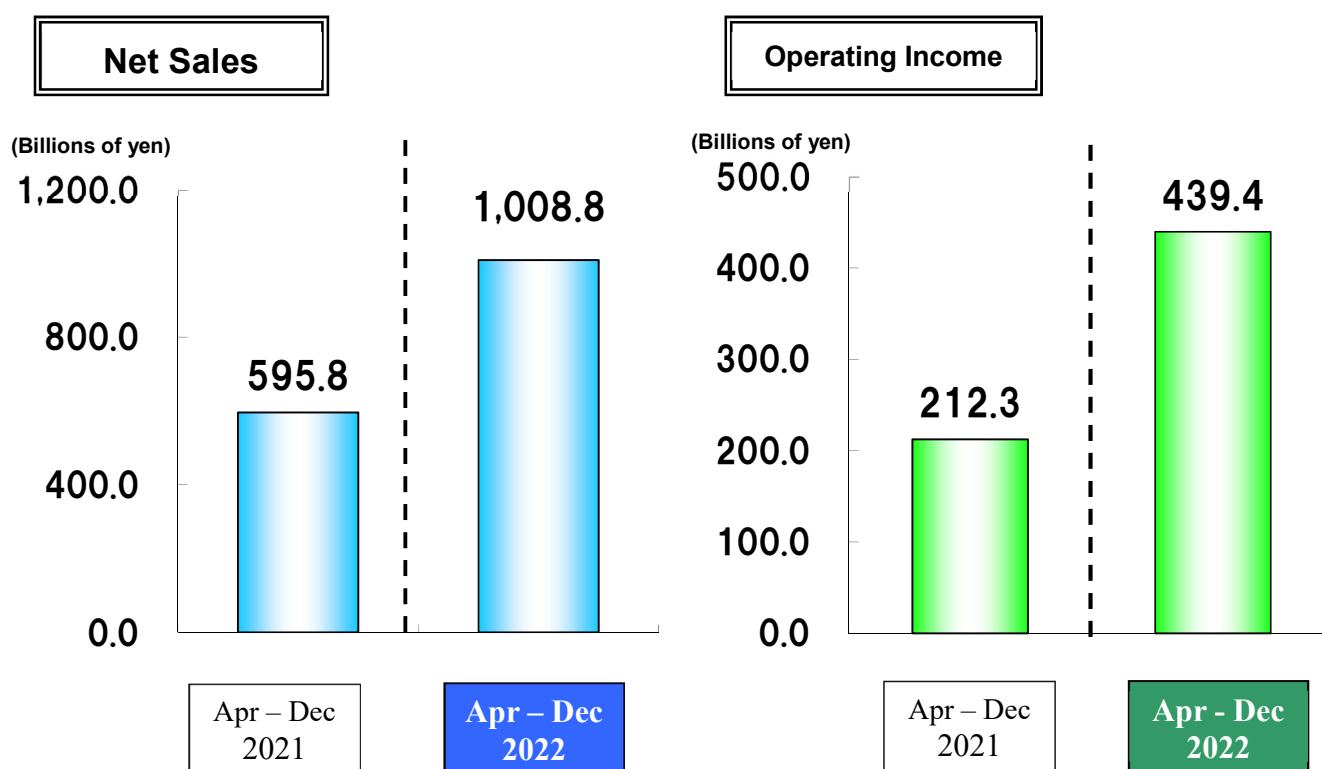
	Net Sales			Operating Income		
	2021 Apr - Dec	2022 Apr - Dec	Increase (Decrease)	2021 Apr - Dec	2022 Apr - Dec	Increase (Decrease)
Infrastructure Materials	595.8	1,008.8	69.3% 413.0	212.3	439.4	2.1 times 227.1
Electronics Materials	516.8	672.5	30.1% 155.7	183.8	243.3	32.3% 59.5
Functional Materials	289.1	384.1	32.8% 95.0	68.3	106.1	55.4% 37.8
Processing & Specialized Services	81.8	97.7	19.4% 15.9	16.3	20.9	27.8% 4.6
Total	1,483.7	2,163.2	45.8% 679.5	480.1	808.2	68.3% 328.1



Infrastructure Materials

	Apr - Dec 2021 (Billions of yen)	Apr - Dec 2022 (Billions of yen)	Increase / (Decrease)
Net sales	595.8	1,008.8	69.3%
Operating income	212.3	439.4	2.1 times

As for PVC, the signs of a global economic recession appeared in the market, but it bottomed out at the end of 2022. On the other hand, the caustic soda market remained firm.

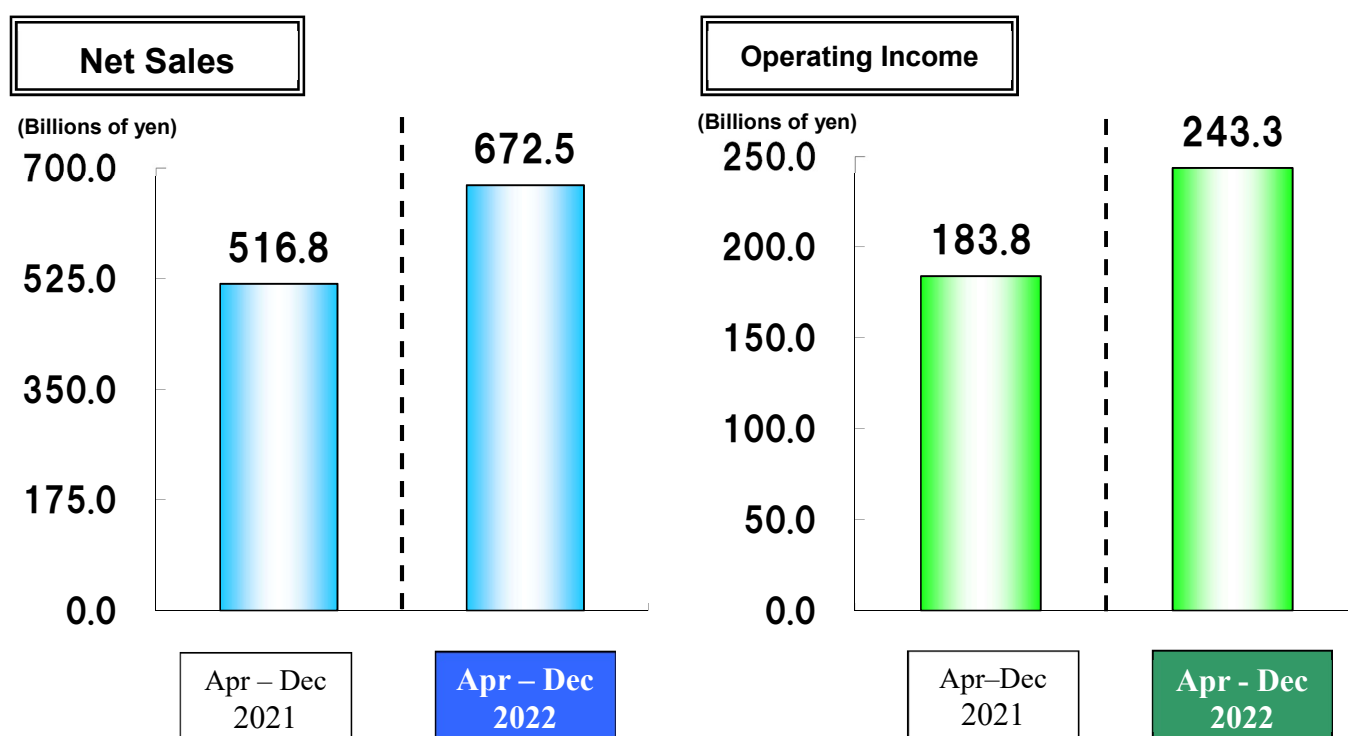


- The second phase of the new expansion is underway at Shintech.
- Taking advantage of the competitive edge of the US operation and conducting sales activities in the global market with meticulous care.

Electronics Materials

	Apr - Dec 2021 (Billions of yen)	Apr - Dec 2022 (Billions of yen)	Increase / (Decrease)
Net sales	516.8	672.5	30.1%
Operating income	183.8	243.3	32.3%

The semiconductor market had entered an adjustment phase since the autumn of last year, but in the period under review, the shipments of semiconductor materials such as silicon wafers, photoresists and photomask blanks went almost as planned. Rare earth magnets were also affected by the adjustments in data center investment, but the shipments to other markets made up for it.

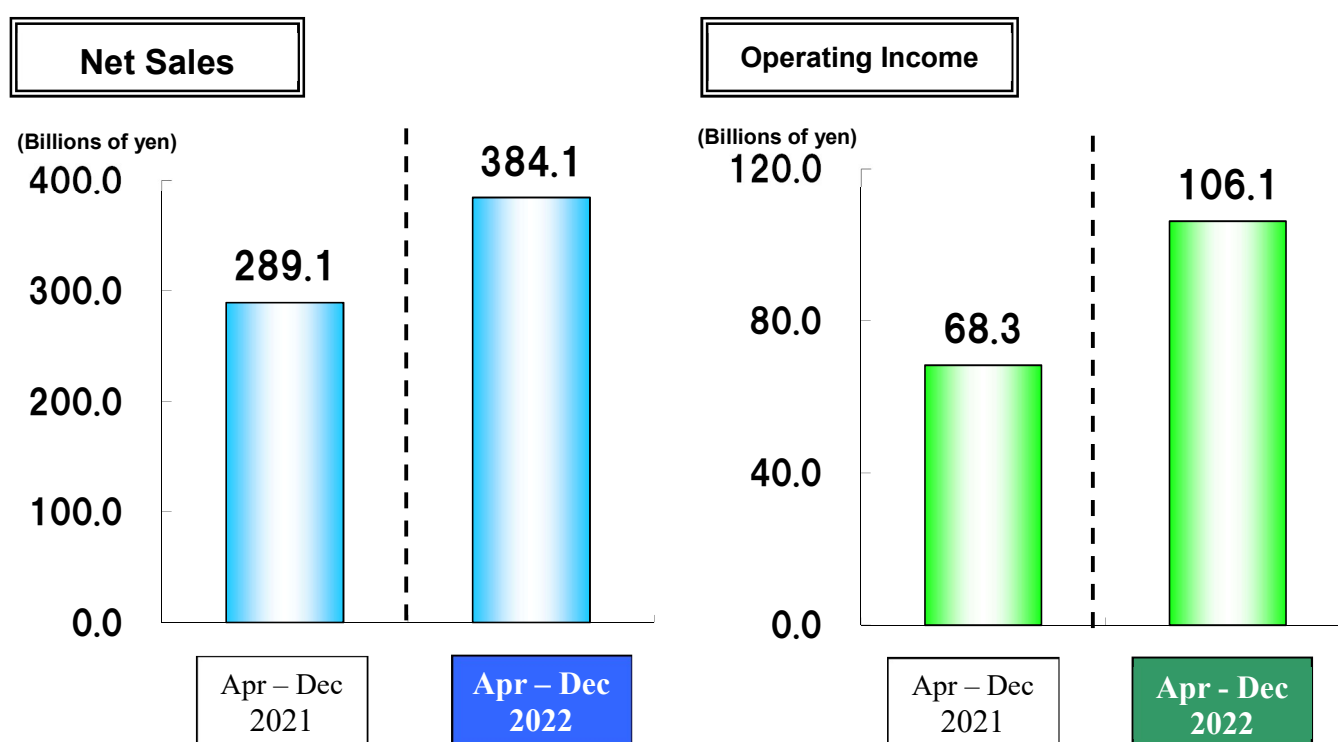


- Enhancing relationships with customers.
- Utilizing the industrial policies and economic security policies of major countries.
- Making indispensable contribution to all kinds of functional improvements in semiconductors.
- Broadening the magnet product lineup such as those without heavy rare earths and other products that meet customer requirements.
- Contributing to the reduction of greenhouse gases by proposing technologies that enhance energy saving and electrification.

Functional Materials

	Apr - Dec 2021 (Billions of yen)	Apr - Dec 2022 (Billions of yen)	Increase / (Decrease)
Net sales	289.1	384.1	32.8%
Operating income	68.3	106.1	55.4%

Although there was an inventory adjustment for some product groups, we made up for it with the shipment of highly functional product groups and worked to maintain profitability.

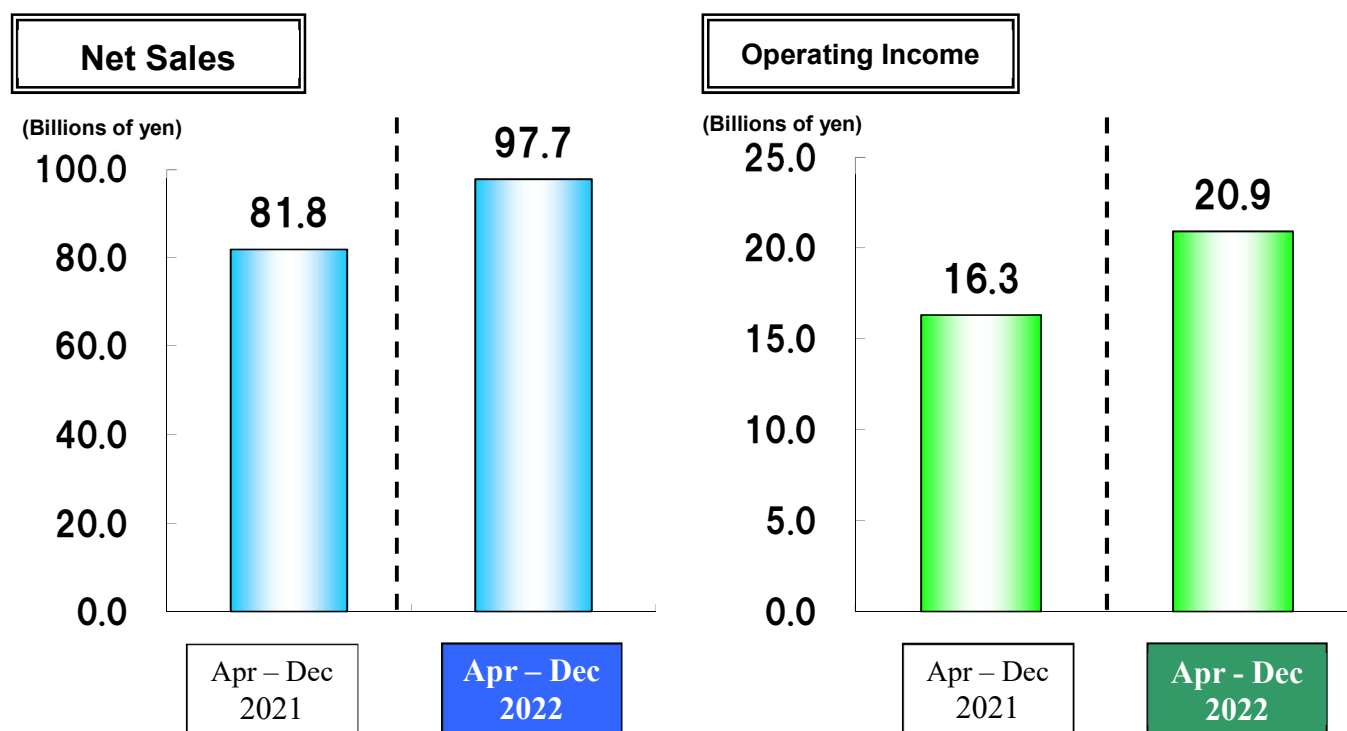


- Promoting the development and marketing of products with reduced environmental impact.
- Further developing highly functional products for automotive applications, personal care applications, etc.

Processing & Specialized Services

	Apr – Dec 2021 (Billions of yen)	Apr - Dec 2022 (Billions of yen)	Increase / (Decrease)
Net sales	81.8	97.7	19.4%
Operating income	16.3	20.9	27.8%

The sales of semiconductor wafer-related containers were strong mainly for 300mm wafer use, and the sales of input devices for automobiles increased. The sales of PVC-related products such as PVC wrapping films for food packaging and construction materials increased due to the permeation of revised prices.



- Going ahead with the plan to gradually increase the production capacity of semiconductor wafer-related containers by 2024.

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

According to the World Economic Outlook released this month by the World Bank, the global economic growth rate (real GDP growth rate) in 2023 was revised down to 1.7%, the third lowest in the past 30 years. Such being the case, based on the results from October to December and the outlook until this coming March, we have revised upward our financial forecasts for the full year ending March 31, 2023 as follows.

(Billions of yen)

	FY 2021 Apr 2021 - Mar 2022 Actual	FY 2022 Apr 2022 - Mar 2023 Forecast	Increase (Decrease)
Net sales	2,074.4	2,780.0	34.0%
Operating income	676.3	995.0	47.1%
Ordinary income	694.4	1,020.0	46.9%
Net income attributable to owners of parent	500.1	708.0	41.6%
Net income per share (Yen)	1,204	1,739	535
Cash Dividends per Share (Yen)	400	500	100

(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.

The year-end dividend for the fiscal year ending March 31, 2023 is expected to be ¥275 per share, an increase of ¥50 per share from the interim dividend of ¥225 per share. As a result, we project that the dividend on an annual basis will be ¥500 per share, an increase of ¥100 per share from the dividend for the previous year.

A resolution was made at the Board of Directors Meeting held on January 26, 2023 concerning a five-for-one share split of common stock with an effective date of April 1, 2023 in order to create an environment where individual investors can more easily invest in the Company's shares, thereby expanding the investor base.

Please refer to "Notice Regarding Stock Split and Partial Amendment of Articles of Incorporation" announced today for more details.

In addition, "Net income per share" and "Cash Dividends per Share" in the above table present the amounts prior to the stock split.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31 and December 31, 2022

	Millions of yen	
	March 31, 2022	December 31, 2022
ASSETS		
Current Assets:		
Cash and time deposits	1,112,775	1,349,016
Notes, accounts receivable-trade and contract assets	473,513	606,353
Securities	323,305	174,724
Inventories	453,660	649,551
Other	80,539	88,807
Less: Allowance for doubtful accounts	(5,818)	(7,539)
Total current assets	2,437,975	2,860,913
Fixed Assets:		
Property, plant and equipment		
Machinery and equipment, net	788,524	930,984
Other, net	501,641	640,290
Total property, plant and equipment	1,290,165	1,571,274
Intangible assets	10,535	12,441
Investments and other assets:		
Investments and other assets	320,557	333,281
Less: Allowance for doubtful accounts	(5,822)	(6,387)
Total investments and other assets	314,734	326,894
Total fixed assets	1,615,436	1,910,610
TOTAL ASSETS	4,053,412	4,771,523

	Millions of yen	
	March 31, 2022	December 31, 2022
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	177,682	200,102
Short-term borrowings	13,461	14,204
Accrued income taxes	73,756	41,278
Allowances	4,747	4,665
Other	208,111	236,949
	477,759	497,200
Long-term Liabilities:		
Long-term debt	16,940	18,968
Net defined benefit liability	41,469	46,024
Other	88,034	122,653
	146,444	187,646
	624,204	684,846
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	129,090	128,324
Retained earnings	2,993,026	3,282,770
Less: Treasury stock, at cost	(15,702)	(120,794)
	3,225,834	3,409,720
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	26,841	27,575
Deferred gains (losses) on hedges	(2,535)	1,785
Foreign currency translation adjustments	75,374	495,317
Remeasurements of defined benefit plans	1,049	969
	100,729	525,648
Share subscription rights	2,733	2,722
Non-controlling interests in consolidated subsidiaries	99,910	148,586
	3,429,208	4,086,676
	4,053,412	4,771,523

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

Consolidated Statements of Income

For the first three quarters ended December 31, 2021 and 2022

	Millions of yen	
	April 1, 2021 - December 31, 2021	April 1, 2022 - December 31, 2022
Net sales	1,483,703	2,163,237
Cost of sales	866,774	1,193,098
Gross profit	616,929	970,139
Selling, general and administrative expenses	136,816	161,911
Operating income	480,112	808,227
Non-operating income:		
Interest income	1,808	7,066
Equity in earnings of affiliates	5,161	6,864
Foreign exchange gain	2,573	-
Other income	3,778	10,860
Total non-operating income	13,322	24,791
Non-operating expenses:		
Foreign exchange loss	-	3,937
Loss on retirement of non-current assets	964	2,205
Other expenses	2,165	2,659
Total non-operating expenses	3,130	8,801
Ordinary income	490,304	824,217
Income before income taxes and non-controlling interests	490,304	824,217
Income taxes:		
Current	116,643	196,124
Deferred	4,757	6,969
Total income taxes	121,400	203,093
Net income	368,903	621,123
Net income attributable to non-controlling interests	15,768	42,604
Net income attributable to owners of parent	353,135	578,519

Consolidated Statements of Comprehensive Income

For the first three quarters ended December 31, 2021 and 2022

	Millions of yen	
	April 1, 2021 - December 31, 2021	April 1, 2022 - December 31, 2022
Net income	368,903	621,123
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	2,758	719
Deferred gains (losses) on hedges	3,336	4,318
Foreign currency translation adjustments	93,544	424,708
Remeasurements of defined benefit plans	553	(79)
Share of other comprehensive income of affiliates accounted for using the equity method	426	673
Total other comprehensive income	100,620	430,339
Comprehensive income	469,524	1,051,463
(Breakdown)		
Comprehensive income attributable to owners of parent	451,224	1,003,437
Comprehensive income attributable to non-controlling interests	18,300	48,025

(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.

(Major Subsequent Events)

(Stock Split and Partial Amendment of Articles of Incorporation)

As noted in [1. Qualitative Information Regarding Quarterly Results (2) Explanation Regarding Information Relevant to Forecasts such as Consolidated Business Forecast] on Page 8, a resolution was made at the Board of Directors Meeting held on January 26, 2023 concerning a five-for-one share split of common stock with an effective date of April 1, 2023.

Please refer to "Notice Regarding Stock Split and Partial Amendment of Articles of Incorporation" announced today for more details.

Assuming that the stock split was implemented at the beginning of the previous fiscal year, per share information is as follows.

	2021 Apr - Dec	2022 Apr - Dec	Apr 2022 - Mar 2023 Forecast
Net income per share (yen)	170.00	283.30	347.77
Diluted net income per share (yen)	169.84	283.14	

(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	2Q	3Q	Total
Net Sales	434.2	507.1	542.3	590.7	2,074.4	656.7	752.6	753.9	2,163.2
Infrastructure Materials	157.1	206.8	231.8	261.3	857.1	289.7	361.8	357.1	1,008.8
Electronics Materials	161.1	174.4	181.2	192.1	708.9	211.1	228.2	233.1	672.5
Functional Materials	91.6	96.8	100.7	106.4	395.6	125.1	130.2	128.7	384.1
Processing & Specialized Services	24.3	28.9	28.5	30.7	112.6	30.6	32.3	34.7	97.7
Operating Income	128.8	169.5	181.7	196.2	676.3	249.6	286.6	271.9	808.2
Infrastructure Materials	44.1	79.1	89.0	105.4	317.7	128.5	161.2	149.6	439.4
Electronics Materials	56.7	62.0	65.1	60.8	244.7	77.5	82.0	83.7	243.3
Functional Materials	22.7	23.7	21.8	26.4	94.7	36.7	36.8	32.6	106.1
Processing & Specialized Services	5.3	5.0	5.9	4.5	20.9	7.0	7.0	6.8	20.9
Ordinary Income	130.8	172.6	186.7	204.1	694.4	262.6	296.3	265.1	824.2
Net Income Attributable to Owners of Parent	95.7	125.1	132.2	146.9	500.1	184.1	208.2	186.1	578.5
R&D Costs	14.0	13.3	18.9	16.1	62.4	16.1	16.8	15.2	48.2
Overseas Sales	327.1	393.7	422.3	463.7	1,607.1	520.7	614.0	615.6	1,750.4
Ratio of Overseas Sales to Net Sales	75%	78%	78%	79%	77%	79%	82%	82%	81%

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	2Q	3Q	Total
	Capital Expenditures	46.7	51.7	53.0	62.2	213.9	53.9	80.2	84.0
Infrastructure Materials	15.7	20.4	14.8	11.1	62.1	22.1	21.1	29.4	72.7
Electronics Materials	21.6	20.1	27.6	37.1	106.5	23.4	47.6	37.5	108.6
Functional Materials	8.3	8.9	8.6	11.4	37.3	6.4	8.6	13.6	28.7
Processing & Specialized Services	1.2	2.6	2.4	3.1	9.4	2.1	3.2	3.8	9.1
Depreciation and Amortization	35.2	40.3	44.2	48.8	168.7	46.7	48.4	54.3	149.4
Infrastructure Materials	11.5	12.7	12.8	14.1	51.3	17.8	16.2	18.9	53.0
Electronics Materials	15.3	18.9	21.6	24.8	80.7	19.8	22.7	25.0	67.6
Functional Materials	7.5	7.7	8.7	8.7	32.7	8.0	8.5	9.2	25.9
Processing & Specialized Services	0.9	1.0	1.2	1.3	4.5	1.1	1.1	1.3	3.6

Annual

(Billions of yen)

	Apr 2022 - Mar 2023 Forecast
Capital Expenditures	300.0
Depreciation and Amortization	215.0

3. Other Financial Items (Consolidated)

(Billions of yen)

	Dec 31 2021	Dec 31 2022	Mar 31 2022
Net Assets	3,228.9	4,086.6	3,429.2
Total Assets	3,759.1	4,771.5	4,053.4
Net Assets per Share (Yen)	7,553	9,749	8,007
Interest-bearing Liabilities	27.9	33.1	30.4
Number of Employees	24,629	25,625	24,954
Exchange Rate: Jan - Sep (Avg) (Yen/US\$)	108.5	128.0	
Apr - Dec (Avg)	111.1	136.5	

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

4. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2022	Dec 31 2022	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]		Mar 31 2022	Dec 31 2022	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]
Current Assets	2,437.9	2,860.9	423.0	294.4	128.6	Current Liabilities	477.7	497.2	19.5	29.7	(10.2)
Cash and time deposits	1,112.7	1,349.0	236.3	188.2	48.1	Notes and accounts payable-trade	177.6	200.1	22.5	14.6	7.9
Notes and accounts receivable-trade	473.5	606.3	132.8	52.3	80.5	Other	300.0	297.0	(3.0)	15.1	(18.1)
Securities	323.3	174.7	(148.6)	0.1	(148.7)	Long-term Liabilities	146.4	187.6	41.2	25.4	15.8
Inventories	453.6	649.5	195.9	48.7	147.2	Total Liabilities	624.2	684.8	60.6	55.1	5.5
Other	74.7	81.2	6.5	5.1	1.4	Stockholders' Equity	3,225.8	3,409.7	183.9	0.0	183.9
Fixed Assets	1,615.4	1,910.6	295.2	214.3	80.9	Accumulated Other Comprehensive Income	100.7	525.6	424.9	436.2	(11.3)
Property, Plant and Equipment	1,300.7	1,583.7	283.0	207.4	75.6	Other	102.6	151.3	48.7	17.4	31.3
Investments and Other Assets	314.7	326.8	12.1	6.9	5.2	Total Net Assets	3,429.2	4,086.6	657.4	453.6	203.8
Total Assets	4,053.4	4,771.5	718.1	508.7	209.4	Total Liabilities and Net Assets	4,053.4	4,771.5	718.1	508.7	209.4

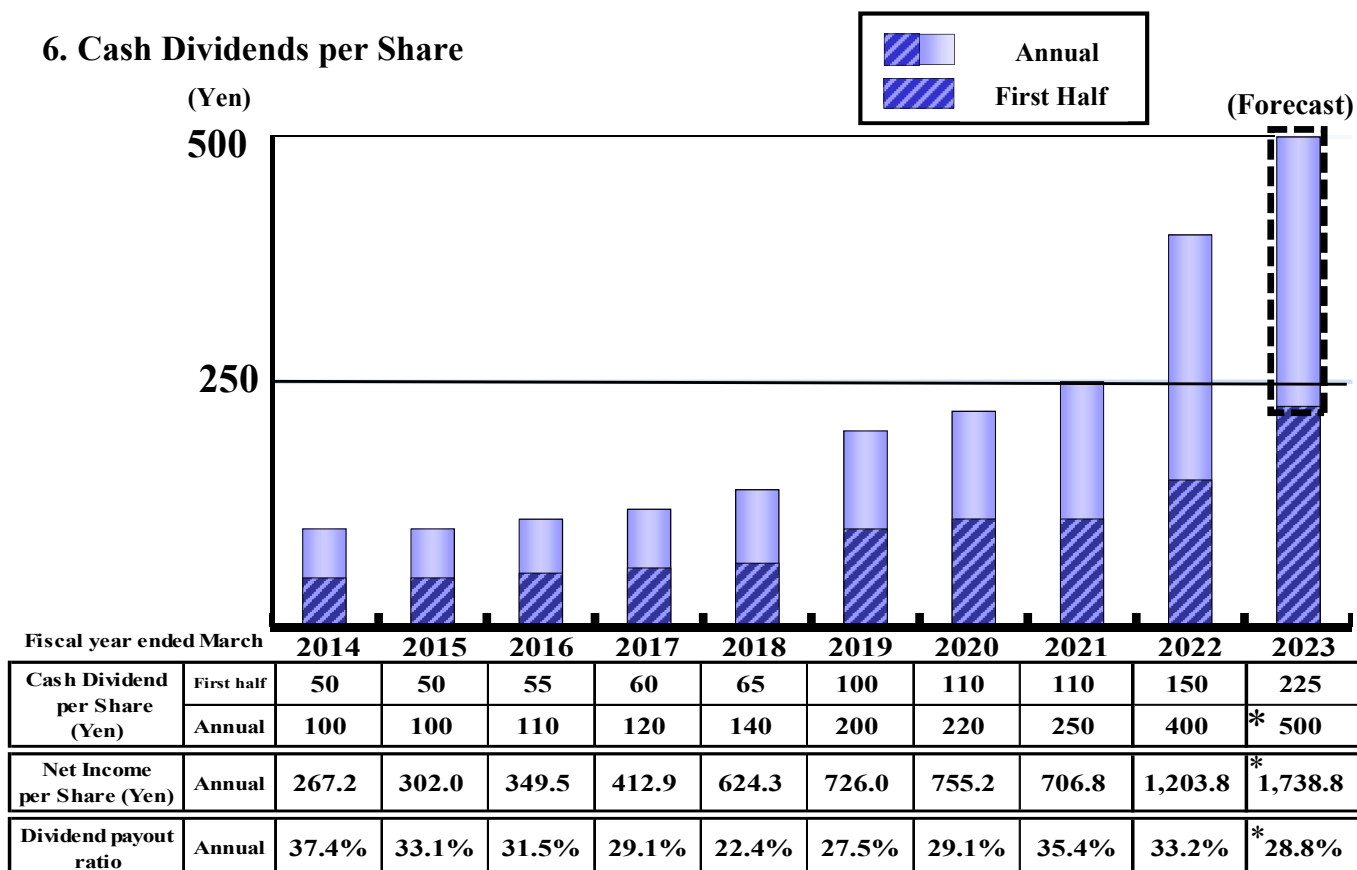
5. Comparative Statements of Cash Flows (Consolidated)

(Billions of yen)

	2021 Apr-Dec	2022 Apr-Dec	Increase (Decrease)
(1) Cash Flows from Operating Activities	360.3	520.5	160.2
Income Before Income Taxes	490.3	824.2	333.9
Payments of income taxes	(126.1)	(233.1)	(107.0)
Depreciation and amortization	119.9	149.4	29.5
(Increase)Decrease in working capital	(115.3)	(220.9)	(105.6)
Other	(8.3)	0.8	9.1
(2) Cash Flows from Investing Activities	(173.0)	17.6	190.6
Capital expenditures	(153.6)	(201.9)	(48.3)
(Increase)Decrease in securities	(7.8)	89.3	97.1
(Increase)Decrease in time deposits	(6.8)	133.0	139.8
Other	(4.6)	(2.8)	1.8
(3) Cash Flows from Financing Activities	(126.6)	(420.7)	(294.1)
Increase(Decrease) in borrowings	(1.2)	(0.9)	0.3
Cash dividends paid	(120.4)	(195.3)	(74.9)
Purchases of treasury stock	(5.9)	(200.0)	(194.1)
Other	1.0	(24.4)	(25.4)
(4) Effect of Exchange Rate Changes on Cash and Cash Equivalents, and other	17.3	148.2	130.9
Net Increase (Decrease) in Cash and Cash Equivalents	77.9	265.5	187.6
Balance of Cash and Cash Equivalents	879.5	1,274.5	395.0
Balance of Interest-bearing Liabilities	27.9	33.1	5.2

Note : These statements were prepared on an informal basis.

6. Cash Dividends per Share



*Forecast

7. Sales by Manufacturing Location for Each Segment

(Billions of yen)

		Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total
2021 Apr - Dec	Goods Manufactured in Japan	94.1	409.9	180.0	58.7	742.9
	Goods Manufactured overseas	501.6	106.8	109.1	23.1	740.7
		595.8	516.8	289.1	81.8	1,483.7
2022 Apr - Dec	Goods Manufactured in Japan	102.4	523.5	237.4	68.4	931.8
	Goods Manufactured overseas	906.3	149.0	146.7	29.3	1,231.3
		1,008.8	672.5	384.1	97.7	2,163.2

8. Sales by Region

(Billions of yen)

	Japan	Overseas					Total	Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas		
			China					
2021 Apr - Dec	23%	28%	31%	9%	10%	8%	77%	1,483.7
	340.3	419.7	459.6	128.4	148.4	115.4	1,143.3	
2022 Apr - Dec	19%	35%	28%	8%	10%	8%	81%	2,163.2
	412.7	757.9	610.0	177.2	217.1	165.3	1,750.4	

Note: % indicates the proportion of total consolidated net sales

9. Average Exchange Rate

		US\$ (yen/\$)				EUR (yen/€)					
		Quarterly	9 months		12 months		Quarterly	9 months		12 months	
			Jan-Sep	Apr-Dec	Jan-Dec	Apr-Mar		Jan-Sep	Apr-Dec	Jan-Dec	Apr-Mar
2021	Jan-Mar	105.9				127.7					
	Apr-Jun	109.5	108.5		109.8	132.0	129.8		129.9		
	Jul-Sep	110.1		111.1		129.8		130.6		130.6	
	Oct-Dec	113.7				130.1					
2022	Jan-Mar	116.2				130.4					
	Apr-Jun	129.6	128.0		131.4	138.1	135.9		138.0		
	Jul-Sep	138.4		136.5		139.3		140.6			
	Oct-Dec	141.6				144.3					

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