

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: November 13, 2023

Date of dividend payment: November 21, 2023

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 Half Ended September 30, 2023

(From April 1, 2023 to September 30, 2023)

(1) Results of consolidated operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
April - September 2023	1,195,902 (15.1%)	381,919 (28.8%)	427,508 (23.5%)	301,439 (23.2%)
April - September 2022	1,409,336 49.7%	536,237 79.7%	559,026 84.2%	392,324 77.6%

(Note) Comprehensive income (Millions of yen) From April 1, 2023 to September 30, 2023: 545,349 [(25.2%)]
From April 1, 2022 to September 30, 2022: 729,278 [129.2%]

	Net income per share (yen)	Diluted net income per share (yen)
April - September 2023	149.65	149.52
April - September 2022	191.20	191.08

(Note) The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2023. Based on “Accounting Standard for Earnings Per Share,” per share information for the fiscal year ended March 31, 2023 represents the amount after the stock split.

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
September 30, 2023	5,092,909	4,375,061	82.9%	2,106.41
March 31, 2023	4,730,394	4,026,209	81.8%	1,918.37

(Reference) Stockholders' equity (Millions of yen) As of September 30, 2023: 4,224,479 As of March 31, 2023: 3,870,394

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 2022 - March 2023	-	225.00	-	275.00	500.00
April 2023 - March 2024	-	50.00	-	-	-
April 2023 - March 2024 (forecast)	-	-	-	50.00	100.00

(Note 1) Revision of the latest forecast of cash dividends: No

(Note 2) The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2023. “Cash dividends per share” for April 2022 - March 2023 represents the actual amount prior to the stock split. For April 2023 - March 2024 (forecast), the amount after the stock split is shown, and the annual dividend (forecast) without reflecting the stock split would be ¥500 per share.

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Fiscal year	2,300,000 (18.1%)	700,000 (29.9%)	760,000 (25.5%)	520,000 (26.6%)	257.60

(Note) Revision of the latest forecast of consolidated operating performance: No

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 half ended September 30, 2023: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first half ended September 30, 2023.

(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)

	September 30, 2023	March 31, 2023
Number of shares outstanding at period end	2,024,122,965	2,024,122,965
Number of shares of treasury stock at period end	18,584,175	6,576,200
	April - September 2023	April - September 2022
Weighted-average number of shares outstanding over period	2,014,338,531	2,051,917,890

(Note 1) Number of shares for the fiscal year ended March 31, 2023 is calculated based on the assumption that the stock split was implemented at the beginning of the same period.

(Note 2) A resolution was made at the Board of Directors Meeting held on July 27, 2023 concerning the repurchase of up to 30 million shares (100 billion yen) by December 29, 2023 whose cancellation is scheduled to be completed on January 11, 2024. Based on this resolution, we have repurchased a total of 13,326,500 shares (60,723 million yen) as of September 30, 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 Quarterly Results

(1) Explanation Regarding the Operating Results

During the first half of the fiscal year ending March 31, 2024 (April 1 to September 30, 2023), the first and second largest economies in the world showed a stark contrast, while the economies of Japan and the Eurozone were also in contrast to a varying degree. In each industry, there were marked differences between strong and weak performances. Under this fluid situation, we maintained close communication with our customers, continued to provide a reliable supply of products with required quality, and conducted sales with agility. As a result, the profit decreased from the same period of last year, but was at about the same level as the previous quarter. We will continue working to improve our operating performance. We will accelerate the development of products that are valuable to the customers and 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 half of the fiscal year ending March 31, 2024, are as follows:

	(Billions of yen)			2023	
	2022 Apr - Sep	2023 Apr - Sep	Increase (Decrease)	Apr - Jun	Jul - Sep
Net sales	1,409.3	1,195.9	(15%) (213.4)	599.2	596.7
Operating income	536.2	381.9	(29%) (154.3)	190.8	191.0
Ordinary income	559.0	427.5	(24%) (131.5)	217.1	210.3
Net income attributable to owners of parent	392.3	301.4	(23%) (90.9)	153.6	147.8
ROIC (per annum)	36.7%	22.0%	(15 points)		
ROE (per annum)	22.1%	14.9%	(7 points)		
ROA (per annum)	25.8%	17.4%	(8 points)		
Per Share (Yen)					
Net Income	191	150	(41)		
Cash Dividends	45	50	5		

Note 1 • The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2023. “Net income per share” and “Cash dividends per share” for April - September 2022 represent the amount after the stock split.

Note 2 • 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.

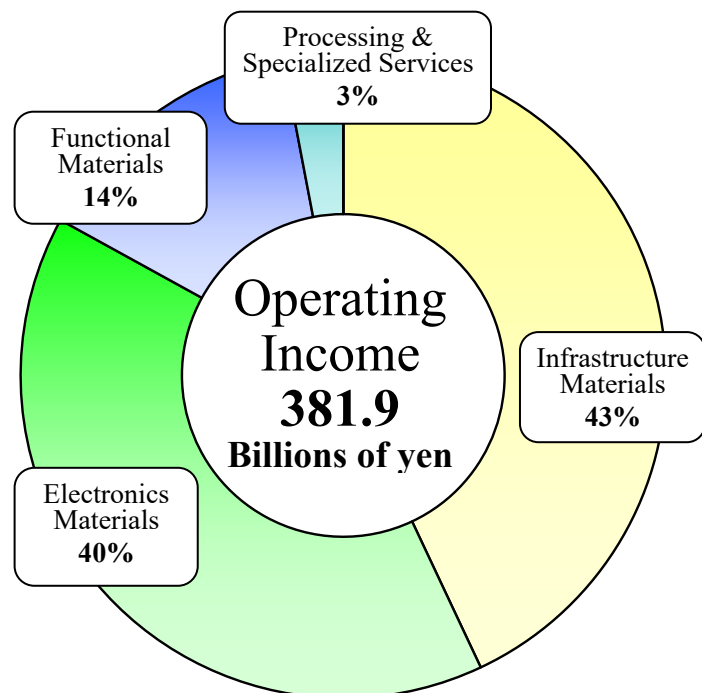
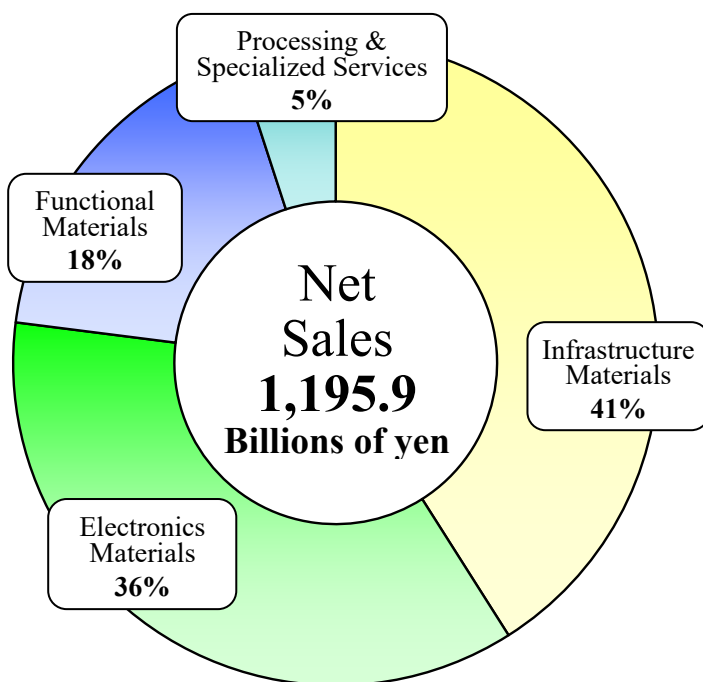
• ROIC, ROE and ROA (per annum) are calculated by doubling first-half net operating income after tax, net income and ordinary income, respectively.

► 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)

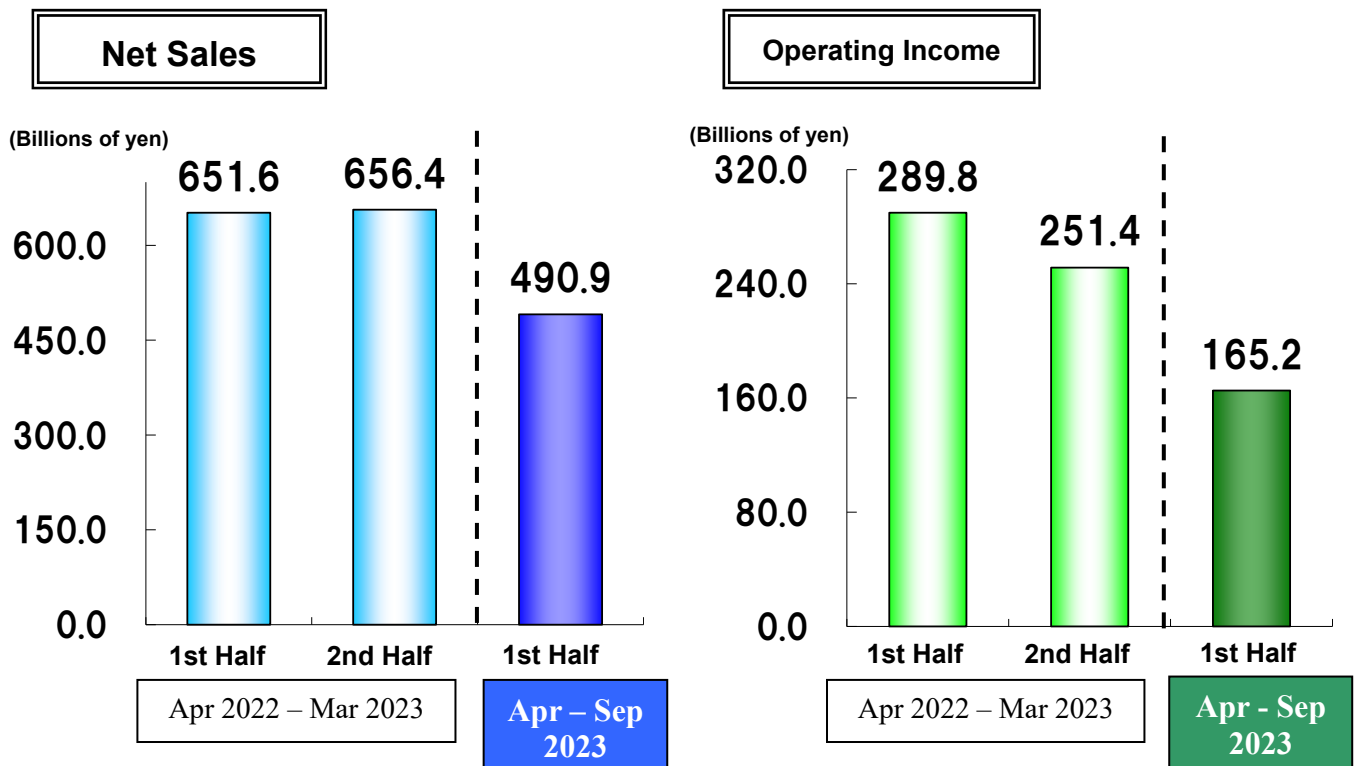
	Net Sales			Operating Income		
	2022 Apr - Sep	2023 Apr - Sep	Increase (Decrease)	2022 Apr - Sep	2023 Apr - Sep	Increase (Decrease)
Infrastructure Materials	651.6	490.9	(25%) (160.7)	289.8	165.2	(43%) (124.6)
Electronics Materials	439.3	424.8	(3%) (14.5)	159.5	154.2	(3%) (5.3)
Functional Materials	255.3	215.4	(16%) (39.9)	73.5	51.7	(30%) (21.8)
Processing & Specialized Services	63.0	64.6	3% 1.6	14.0	11.9	(15%) (2.1)
Total	1,409.3	1,195.9	(15%) (213.4)	536.2	381.9	(29%) (154.3)



Infrastructure Materials

	Apr - Sep 2022 (Billions of yen)	Apr - Sep 2023 (Billions of yen)	Increase / (Decrease)
Net sales	651.6	490.9	(25%)
Operating income	289.8	165.2	(43%)

As for PVC, export pressures from Chinese manufacturers continued due to the weakness of construction and housing investment in China, but price levels were maintained. The caustic soda market was in a similar situation.

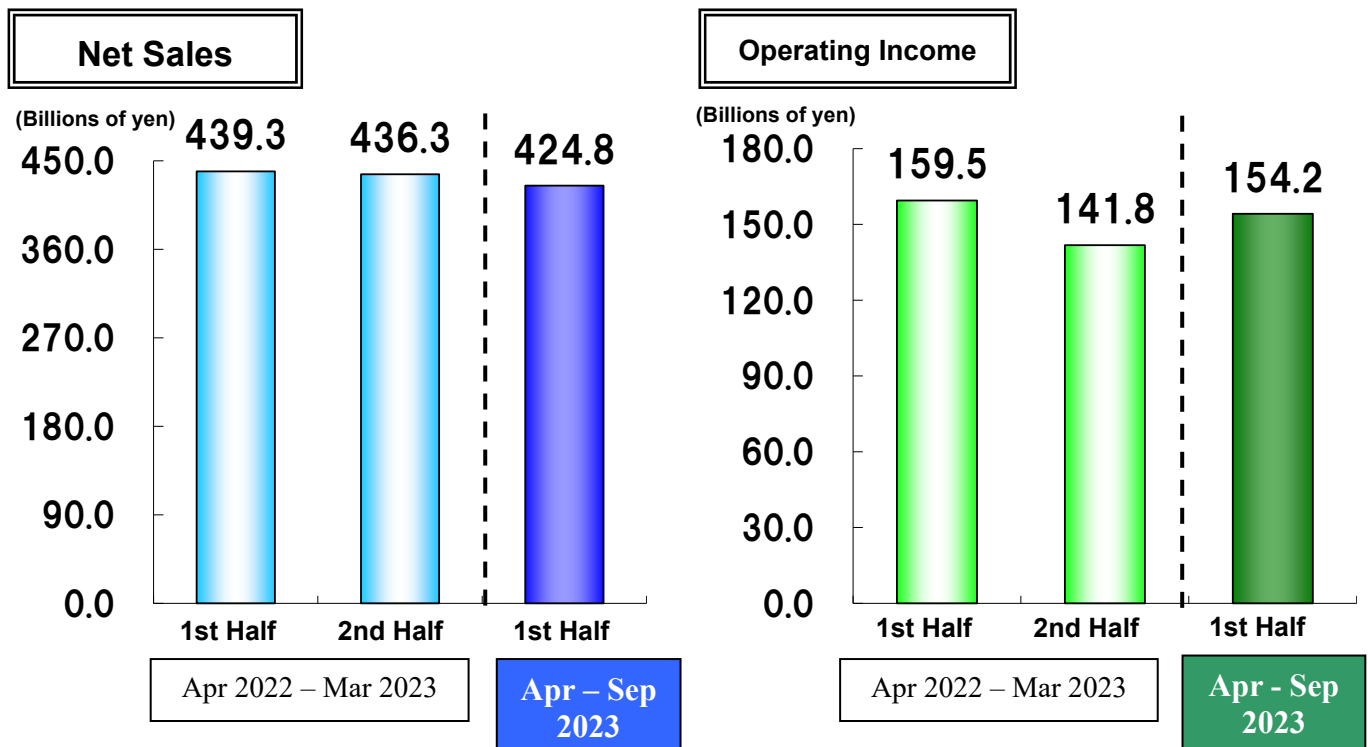


- Maintaining the price level.
- Conducting with meticulous care sales activities centered on the US operation in the global market.
- Further improvement of the comprehensive strength of PVC business.

Electronics Materials

	Apr - Sep 2022 (Billions of yen)	Apr - Sep 2023 (Billions of yen)	Increase / (Decrease)
Net sales	439.3	424.8	(3%)
Operating income	159.5	154.2	(3%)

In the semiconductor market, the adjustment phase since the autumn of last year continued during the period under review. It is expected to take some time to settle. Under these circumstances, we focused on shipping semiconductor materials such as silicon wafer, photoresist and photomask blanks as planned. As for rare earth magnets, adjustment also continued in HDD application and industrial application, but we focused on expanding sales to automotive and other markets.

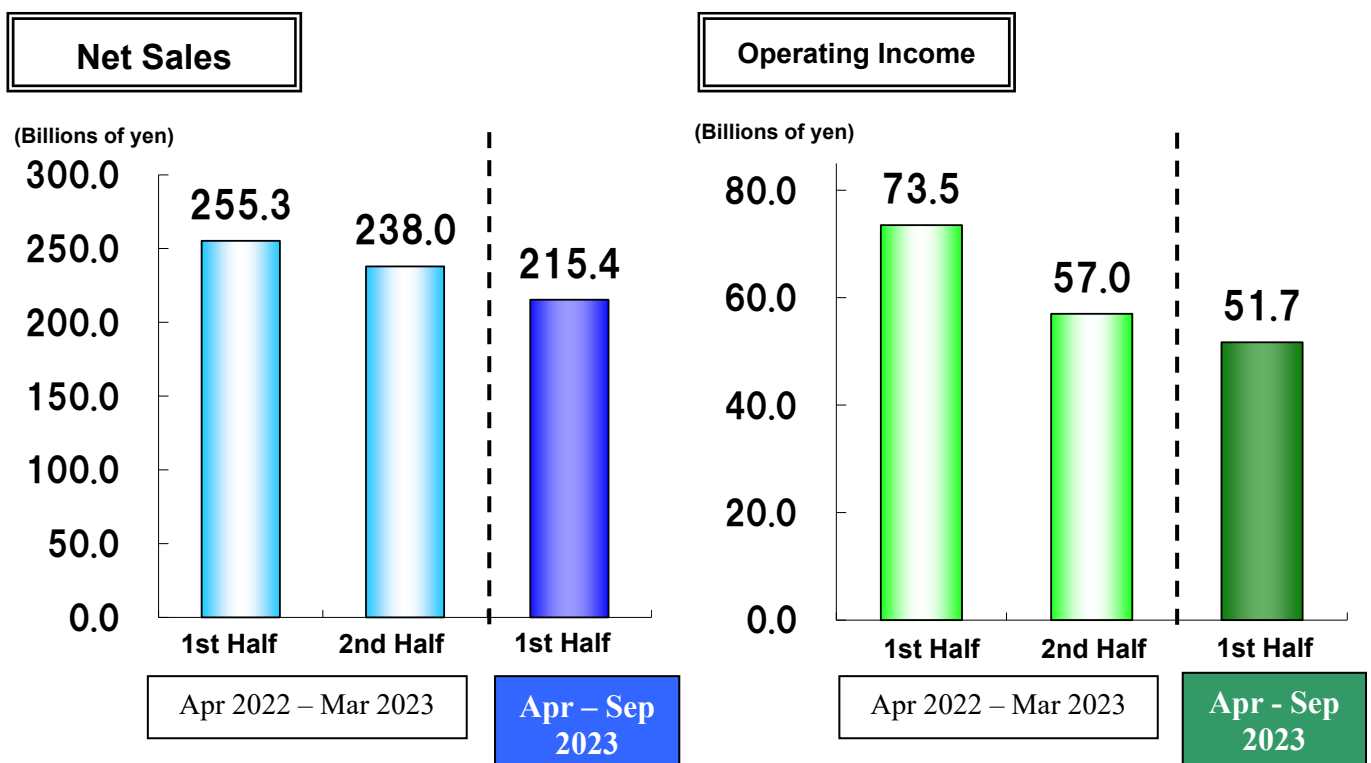


- Contributing to the growth of the device industry brought about by the spectacular evolution of AI, in addition to the expansion of semiconductor applications such as 5G, IoT and VR/AR/metaverse and of the markets for those applications.
- Expanding the magnet product lineup such as those without heavy rare earths and other products that meet customer requirements.
- Contributing to the reduction of greenhouse gas emissions by proposing technologies that enhance energy saving and electrification.
- Starting mass production on photomask blanks for EUV application.

Functional Materials

	Apr - Sep 2022 (Billions of yen)	Apr - Sep 2023 (Billions of yen)	Increase / (Decrease)
Net sales	255.3	215.4	(16%)
Operating income	73.5	51.7	(30%)

Although some commodity product groups were affected by the inventory adjustment and the slowdown in the market, we strived to make up for the loss in profit with the shipment of highly functional product groups.

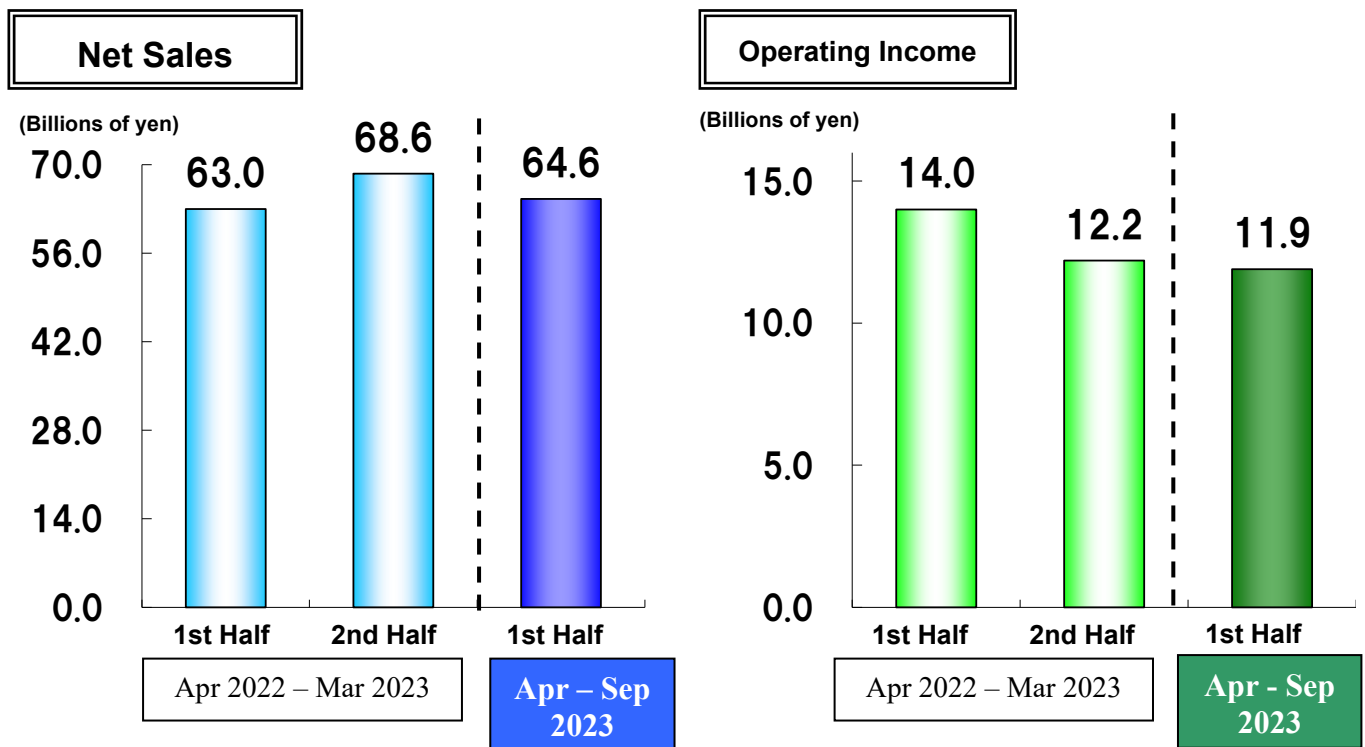


- Investing 100 billion yen to promote higher silicone product functionality and reduced environmental impact.
- Further developing highly functional products for automotive applications, personal care application, healthcare application, etc.

Processing & Specialized Services

	Apr - Sep 2022 (Billions of yen)	Apr - Sep 2023 (Billions of yen)	Increase / (Decrease)
Net sales	63.0	64.6	3%
Operating income	14.0	11.9	(15%)

The sales of semiconductor wafer-related containers were strong mainly for 300mm wafer use, and the sales of input devices for automobiles also remained strong as the automobiles industry recovered. The sales of PVC wrapping films have increased for food service industry against the background of the increase in inbound demand.



- Going ahead with the enhancement of the production capacity of semiconductor wafer-related containers, the development and market penetration of EV-related products.

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

While monetary policies aimed at calming inflation are putting downward pressure on the economy, geopolitical issues such as regional conflicts are also causing turbulence in the global economy. The Chinese economy is not recovering as expected, and the economic slowdown in other regions is also a concern. For some time yet, the headwinds facing the industries and companies are, if anything, likely to become stronger, not weaker. Under the circumstances, we have set the following earnings forecasts for the current fiscal year, which is the same as the announcement made in July, and will strive to grow each business.

(Billions of yen)

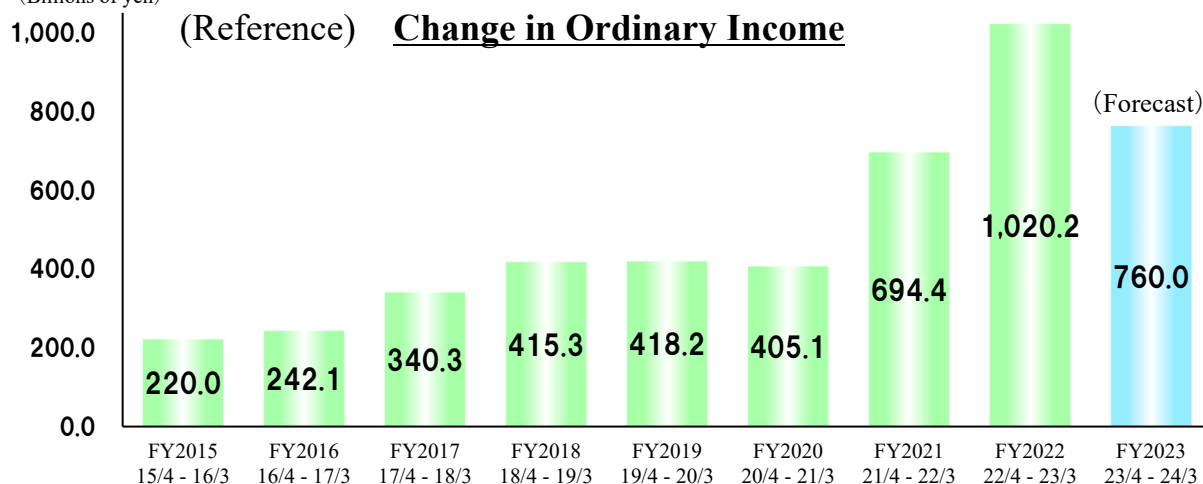
	FY 2022 Apr 2022 - Mar 2023 Actual	FY 2023 Apr 2023 - Mar 2024 Forecast	Increase (Decrease)
Net sales	2,808.8	2,300.0	(18%)
Operating income	998.2	700.0	(30%)
Ordinary income	1,020.2	760.0	(26%)
Net income attributable to owners of parent	708.2	520.0	(27%)
Net income per share (Yen)	* 348	258	(90)
Cash Dividends per Share (Yen)	* 100	100	—

* The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2023. “Net Income per Share” and “Cash Dividends per Share” for FY 2022 are calculated based on the assumption that a five-for-one stock split was implemented at the beginning of the same period.

(Note) Forward-looking statements such as the forecast of results of operations made in this document are as described on the cover page under [3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2024].

The year-end dividend for the fiscal year ending March 31, 2024 is expected to be ¥50 per share as was announced in July, 2023 as well, the same amount as the interim dividend. As a result, the dividend on an annual basis will be ¥100 per share, the same amount as the previous fiscal year (equivalent to ¥500 before the stock split).

(Billions of yen)



2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31 and September 30, 2023

	Millions of yen	
	March 31, 2023	September 30, 2023
ASSETS		
Current Assets:		
Cash and time deposits	1,449,617	1,678,432
Notes, accounts receivable-trade and contract assets	472,557	524,648
Securities	151,031	41,080
Inventories	688,477	719,684
Other	107,535	84,653
Less: Allowance for doubtful accounts	(5,695)	(7,863)
Total current assets	2,863,524	3,040,635
Fixed Assets:		
Property, plant and equipment		
Machinery and equipment, net	877,848	912,482
Other, net	640,341	778,873
Total property, plant and equipment	1,518,190	1,691,356
Intangible assets	10,351	10,343
Investments and other assets:		
Investments and other assets	344,380	357,395
Less: Allowance for doubtful accounts	(6,051)	(6,821)
Total investments and other assets	338,328	350,573
Total fixed assets	1,866,870	2,052,273
TOTAL ASSETS	4,730,394	5,092,909

	Millions of yen	
	March 31, 2023	September 30, 2023
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	185,006	161,791
Short-term borrowings	10,998	9,781
Accrued income taxes	65,459	71,237
Allowances	4,942	4,719
Other	241,403	259,144
	507,810	506,673
Long-term Liabilities:		
Long-term debt	18,812	18,414
Net defined benefit liability	36,933	38,519
Other	140,628	154,240
	196,375	211,174
	704,185	717,847
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	128,320	128,303
Retained earnings	3,310,205	3,499,807
Less: Treasury shares	(22,891)	(78,751)
	3,535,053	3,668,779
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	31,511	36,212
Deferred gains (losses) on hedges	(410)	(3,384)
Foreign currency translation adjustments	297,855	516,091
Remeasurements of defined benefit plans	6,385	6,781
	335,341	555,700
Share subscription rights	3,814	3,302
Non-controlling interests in consolidated subsidiaries	151,999	147,279
	4,026,209	4,375,061
	4,730,394	5,092,909

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

Consolidated Statements of Income

For the first half ended September 30, 2022 and 2023

	Millions of yen	
	April 1, 2022 - September 30, 2022	April 1, 2023 - September 30, 2023
Net sales	1,409,336	1,195,902
Cost of sales	764,965	711,376
Gross profit	644,371	484,526
Selling, general and administrative expenses	108,133	102,607
Operating income	536,237	381,919
Non-operating income:		
Interest income	2,386	28,368
Foreign exchange gains	17,374	13,084
Other income	7,452	8,072
Total non-operating income	27,212	49,526
Non-operating expenses:		
Loss on retirement of non-current assets	1,490	1,178
Other expenses	2,932	2,758
Total non-operating expenses	4,423	3,937
Ordinary income	559,026	427,508
Extraordinary income		
Gain on sale of investment securities	-	12,349
Total extraordinary income	-	12,349
Income before income taxes and non-controlling interests	559,026	439,857
Income taxes:		
Current	136,284	111,897
Deferred	3,282	5,773
Total income taxes	139,566	117,671
Net income	419,459	322,186
Net income attributable to non-controlling interests	27,135	20,746
Net income attributable to owners of parent	392,324	301,439

Consolidated Statements of Comprehensive Income

For the first half ended September 30, 2022 and 2023

	Millions of yen	
	April 1, 2022 - September 30, 2022	April 1, 2023 - September 30, 2023
Net income	419,459	322,186
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(2,806)	4,717
Deferred gains (losses) on hedges	(806)	(2,949)
Foreign currency translation adjustments	312,763	220,447
Remeasurements of defined benefit plans	(63)	409
Share of other comprehensive income of affiliates accounted for using the equity method	731	537
Total other comprehensive income	309,819	223,163
Comprehensive income	729,278	545,349
(Breakdown)		
Comprehensive income attributable to owners of parent	697,298	521,798
Comprehensive income attributable to non-controlling interests	31,979	23,550

(3) Consolidated Statements of Cash Flows

For the first half ended September 30, 2022 and 2023

	Millions of yen	
	April 1, 2022 - September 30, 2022	April 1, 2023 - September 30, 2023
Cash flows from operating activities:		
Income before income taxes and non-controlling interests	559,026	439,857
Depreciation and amortization	95,194	108,098
Loss (gain) on sale of investment securities	-	(12,349)
Interest and dividend income	(4,249)	(30,932)
Exchange (gain) loss	(13,613)	(4,956)
(Increase) decrease in notes and accounts receivable	(96,380)	(31,477)
(Increase) decrease in inventories	(83,014)	(6,002)
Increase (decrease) in notes and accounts payable	10,017	(28,574)
Other, net	26,616	11,076
Subtotal	493,597	444,739
Proceeds from interest and dividends	10,608	30,385
Payments of interest	(539)	(694)
Payments of income taxes	(135,072)	(93,882)
Net cash provided by operating activities	368,593	380,547
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(5,889)	(533,029)
Net (increase) decrease in marketable securities	77,617	22,000
Purchases of investments in securities	(1,950)	(1,474)
Proceeds from sales and redemption of investments in securities	-	16,272
Purchases of property, plant and equipment	(125,968)	(197,335)
Other, net	(2,797)	(1,659)
Net cash provided by (used for) investing activities	(58,989)	(695,226)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(598)	(770)
Proceeds from long-term debt	-	10
Repayments of long-term debt	(501)	(2,096)
Purchases of treasury stock	(150,942)	(60,729)
Cash dividends paid	(103,861)	(110,965)
Other, net	(22,560)	(18,919)
Net cash used for financing activities	(278,464)	(193,471)
Effect of exchange rate changes on cash and cash equivalents	90,868	46,350
Net increase (decrease) in cash and cash equivalents	122,008	(461,800)
Cash and cash equivalents at beginning of period	1,008,925	1,247,344
Cash and cash equivalents at end of period	1,130,933	785,544

(4) 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 2022 April 1, 2022 - March 31, 2023					FY 2023 April 1, 2023 - March 31, 2024		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total
Net Sales	656.7	752.6	753.9	645.5	2,808.8	599.2	596.7	1,195.9
Infrastructure Materials	289.7	361.8	357.1	299.2	1,308.0	240.4	250.5	490.9
Electronics Materials	211.1	228.2	233.1	203.1	875.6	220.5	204.3	424.8
Functional Materials	125.1	130.2	128.7	109.2	493.3	108.0	107.4	215.4
Processing & Specialized Services	30.6	32.3	34.7	33.9	131.6	30.1	34.4	64.6
Operating Income	249.6	286.6	271.9	189.9	998.2	190.8	191.0	381.9
Infrastructure Materials	128.5	161.2	149.6	101.8	541.3	80.1	85.1	165.2
Electronics Materials	77.5	82.0	83.7	58.0	301.4	80.0	74.1	154.2
Functional Materials	36.7	36.8	32.6	24.4	130.6	25.6	26.1	51.7
Processing & Specialized Services	7.0	7.0	6.8	5.4	26.3	5.4	6.5	11.9
Ordinary Income	262.6	296.3	265.1	195.9	1,020.2	217.1	210.3	427.5
Net Income Attributable to Owners of Parent	184.1	208.2	186.1	129.7	708.2	153.6	147.8	301.4
R&D Costs	16.1	16.8	15.2	18.9	67.2	15.5	16.2	31.7
Overseas Sales	520.7	614.0	615.6	519.6	2,270.0	461.3	466.0	927.3
Ratio of Overseas Sales to Net Sales	79%	82%	82%	80%	81%	77%	78%	78%

2. Capital Expenditures and Depreciation and Amortization

(Billions of yen)

	FY 2022 April 1, 2022 - March 31, 2023					FY 2023 April 1, 2023 - March 31, 2024		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total
Capital Expenditures	53.9	80.2	84.0	99.8	318.0	84.8	103.3	188.1
Infrastructure Materials	22.1	21.1	29.4	27.3	100.0	35.4	31.9	67.3
Electronics Materials	23.4	47.6	37.5	60.2	168.8	34.2	58.2	92.4
Functional Materials	6.4	8.6	13.6	11.0	39.8	9.0	11.6	20.7
Processing & Specialized Services	2.1	3.2	3.8	2.3	11.4	6.5	2.5	9.1
Depreciation and Amortization	46.7	48.4	54.3	64.1	213.6	52.0	56.0	108.0
Infrastructure Materials	17.8	16.2	18.9	19.6	72.6	18.1	19.0	37.1
Electronics Materials	19.8	22.7	25.0	34.1	101.8	24.1	26.6	50.7
Functional Materials	8.0	8.5	9.2	9.2	35.1	8.7	9.3	18.0
Processing & Specialized Services	1.1	1.1	1.3	1.4	5.0	1.2	1.3	2.6

Annual

(Billions of yen)

	Apr 2023 - Mar 2024 Forecast
Capital Expenditures	380.0
Depreciation and Amortization	240.0

3. Other Financial Items (Consolidated)

(Billions of yen)

	Sep 30 2022	Sep 30 2023	Mar 31 2023
Net Assets	3,901.4	4,375.0	4,026.2
Total Assets	4,612.4	5,092.9	4,730.3
Net Assets per Share (Yen)	1,854	2,106	1,918
Interest-bearing Liabilities	32.1	28.1	29.8
Number of Employees	25,296	25,652	25,717
Exchange Rate: Jan - Jun (Avg)	122.9	134.9	
(Yen/US\$) Apr - Sep (Avg)	134.0	141.0	

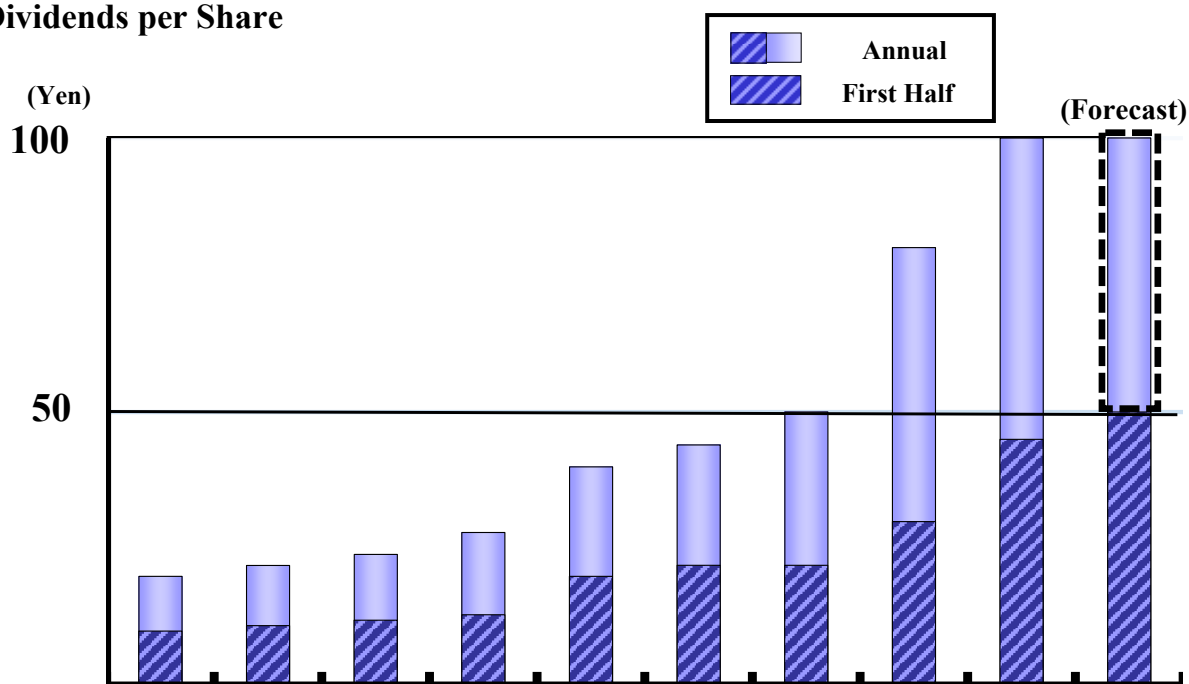
Note : An average exchange rate between January and June was used for the Consolidated Income Statements of overseas subsidiaries.

4. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2023	Sep 30 2023	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]		Mar 31 2023	Sep 30 2023	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]
Current Assets	2,863.5	3,040.6	177.1	163.2	13.9	Current Liabilities	507.8	506.6	(1.2)	16.4	(17.6)
Cash and time deposits	1,449.6	1,678.4	228.8	114.3	114.5	Notes and accounts payable-trade	185.0	161.7	(23.3)	5.2	(28.5)
Notes and accounts receivable-trade	472.5	524.6	52.1	20.8	31.3	Other	322.8	344.8	22.0	11.2	10.8
Securities	151.0	41.0	(110.0)	0.0	(110.0)	Long-term Liabilities	196.3	211.1	14.8	14.1	0.7
Inventories	688.4	719.6	31.2	24.2	7.0	Total Liabilities	704.1	717.8	13.7	30.5	(16.8)
Other	101.8	76.7	(25.1)	3.9	(29.0)	Stockholders' Equity	3,535.0	3,668.7	133.7	0.0	133.7
Fixed Assets	1,866.8	2,052.2	185.4	98.9	86.5	Accumulated Other Comprehensive Income	335.3	555.7	220.4	222.9	(2.5)
Property, Plant and Equipment and Intangible Assets	1,528.5	1,701.6	173.1	95.5	77.6	Other	155.8	150.5	(5.3)	8.7	(14.0)
Investments and Other Assets	338.3	350.5	12.2	3.4	8.8	Total Net Assets	4,026.2	4,375.0	348.8	231.6	117.2
Total Assets	4,730.3	5,092.9	362.6	262.1	100.5	Total Liabilities and Net Assets	4,730.3	5,092.9	362.6	262.1	100.5

5. Cash Dividends per Share



Fiscal year ended March		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash Dividends per Share (Yen)	First half	10	11	12	13	20	22	22	30	45	50
	Annual	20	22	24	28	40	44	50	80	100	* 100
Net Income per Share (Yen)	Annual	60	70	83	125	145	151	141	241	348	* 258
Dividend payout ratio	Annual	33%	31%	29%	22%	28%	29%	35%	33%	29%	* 39%

Note: The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2023. “Cash Dividends per Share” and “Net Income per Share” represent the amount after the stock split.

* Forecast

6. Sales by Manufacturing Location for Each Segment

(Billions of yen)

		Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total
2022 April - Sep	Goods Manufactured in Japan	64.4	343.5	153.8	43.9	605.8
	Goods Manufactured overseas	587.1	95.7	101.5	19.0	803.4
		651.6	439.3	255.3	63.0	1,409.3
2023 April - Sep	Goods Manufactured in Japan	63.0	339.6	135.2	47.8	585.8
	Goods Manufactured overseas	427.9	85.1	80.2	16.7	610.0
		490.9	424.8	215.4	64.6	1,195.9

7. Sales by Region

(Billions of yen)

	Japan	Overseas						Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas	Total	
			China					
First Half	19%	35%	28%	8%	10%	8%	81%	1,409.3
Apr - Sep 2022	274.4	487.9	393.1	112.0	142.9	110.8	1,134.8	
Second Half	19%	35%	29%	9%	10%	7%	81%	1,399.4
Oct 2022 - Mar 2023	264.2	491.9	412.0	124.2	134.7	96.4	1,135.2	
Fiscal Year ended March 2023	19%	35%	29%	8%	10%	7%	81%	2,808.8
	538.7	979.8	805.1	236.2	277.7	207.2	2,270.0	
First Half	22%	31%	31%	9%	10%	6%	78%	1,195.9
Apr - Sep 2023	268.5	367.8	368.7	102.8	119.0	71.7	927.3	

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	Apr-Sep	Jan-Dec	Apr-Mar		Jan-Jun	Apr-Sep	Jan-Dec	Apr-Mar
2022	Jan-Mar	116.2	122.9	131.4	135.5	130.4	134.3	138.0	141.0		
	Apr-Jun	129.6				138.1					
	Jul-Sep	138.4	140.0			139.3	141.8				
	Oct-Dec	141.6	137.0			144.3	143.2				
2023	Jan-Mar	132.3	134.9	141.0	157.3	142.1	145.8	153.4			
	Apr-Jun	137.4				149.5					
	Jul-Sep	144.6	141.0								

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

	US\$	EUR
Shin-Etsu's assumption for the forecast from October 2023	Around 140Yen/\$	Around 150Yen/€

9. Topics (Jan. 2023 – Sep. 2023)

Jan. 2023	Shin-Etsu Chemical has developed new process technologies, transfer parts and other equipment for Micro LED displays
Jan. 2023	Shin-Etsu Chemical has announced a 1:5 stock split effective April 1 st
Mar. 2023	Shin-Etsu Chemical has developed a silicone rubber for molding that is optimal as an insulation covering material for onboard high-voltage cable in automobiles
May 2023	Shin-Etsu Group has announced a plan to reduce greenhouse gas emissions (Scope 1 and Scope 2) to net zero, with the aim of achieving carbon neutrality by 2050
Jul. 2023	Shin-Etsu Chemical has announced decisions for the repurchase of 30 million shares (1.5% of the total shares issued and outstanding, excluding treasury shares), 100 billion Japanese Yen (maximum), and the cancellation of treasury shares
Jul. 2023	Shin-Etsu Chemical to enhance its high-performance silicones products and expand its line-up of eco-friendly products
Sep. 2023	Shin-Etsu Chemical to further drive forward its QST [®] substrate business for implementation in GaN power devices
Sep. 2023	Shin-Etsu Chemical has established a Sustainable Silicone Business Development Department within its Head Office organization

★ Please refer to news releases related to these matters on our website at <https://www.shinetsu.co.jp/en/news/>

10. Capital Investments

★ : Completion ☆ : Completion Schedule

Company	Projects	Investment Amount	2021		2022		2023		2024	
			1H	2H	1H	2H	1H	2H	1H	2H
Shintech (USA)	Establishment of a new integrated PVC plant (1st phase)	\$1.49 billion		★						
Shintech (USA)	Facility investment in PVC (2nd phase)	\$1.25 billion								☆
Shin-Etsu Chemical (Naoetsu) Shin-Etsu Electronics Materials Taiwan (Taiwan)	Facility investments in photoresists	¥30 billion	*1 ★		*2 ★					
Shin-Etsu Chemical (Takefu, Naoetsu)	Reinforcement of the production capacity for photomask blanks	¥14 billion	*3 ★							
Shin-Etsu Chemical (Naoetsu)	Capital investment for the mass production of Low Dielectric Constant Thermosetting Resins for 5G products	¥3 billion		★						
Shin-Etsu Chemical and main overseas bases (Gunma, Thailand, etc.)	Reinforcement of the production capacity for silicone monomer and polymer	¥110 billion	→		★					
Shin-Etsu Chemical (Gunma)	Capital investment for the reduction in the volume of greenhouse gas emissions in the silicones business. (gas turbine power generators, capacity increase of products that contribute to the environment.)	¥20 billion		*4	→		★			
Shin-Etsu Chemical (Gunma, Takefu, Naoetsu)	Reinforcement of the production capacity for silicone advanced functional products line	¥80 billion				*4	→			
Shin-Etsu Chemical and main overseas bases (Gunma, Thailand, etc.)	Expansion the applications of our silicones products and work to enhance the advanced functionality of our products line-up and expand our environmentally friendly silicones	¥100 billion						*4	→	

*1 Taiwan *2 Naoetsu *3 Takefu *4 Starting up gradually