

Press Release

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

Shin-Etsu Chemical Co., Ltd.

(JP GAAP)



April 25, 2024

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

Listing Stock Exchange: Tokyo and Nagoya

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

Personnel to contact: Toshiyuki Kasahara (Mr.) Corporate Officer, General Manager of Finance & Accounting Department

Tel: +81-3-6812-2350

Date of the annual shareholders' meeting June 27, 2024

Date of the filing of the consolidated financial statements June 20, 2024

Date of year-end dividend payment June 28, 2024

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

Holding of 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 fiscal year.

1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2024

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

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April 2023 - March 2024	2,414,937	(14.0%)	701,038	(29.8%)	787,228	(22.8%)	520,140	(26.6%)
April 2022 - March 2023	2,808,824	35.4%	998,202	47.6%	1,020,211	46.9%	708,238	41.6%

(Note) Comprehensive income (Millions of yen) April 2023 - March 2024: 746,804[(25.4%)]

April 2022 - March 2023: 1,000,984[49.8%]

	Net income per share (yen)	Diluted net income per share (yen)	Ratio of net income to stockholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
April 2023 - March 2024	259.41	259.13	12.8%	15.9%	29.0%
April 2022 - March 2023	347.84	347.61	19.7%	23.2%	35.5%

(Reference) Equity in earnings (losses) of affiliates (Millions of yen) April 2023 - March 2024: 8,607

April 2022 - March 2023: 9,522

(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)
March 31, 2024	5,147,974	4,424,073	82.7%	2,133.17
March 31, 2023	4,730,394	4,026,209	81.8%	1,918.37

(Reference) Stockholders' equity (Millions of yen) As of March 31, 2024: 4,257,922 As of March 31, 2023: 3,870,394

(3) Consolidated cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
April 2023 - March 2024	755,183	(1,099,208)	(369,466)	590,135
April 2022 - March 2023	788,013	(186,488)	(423,559)	1,247,344

2. Cash Dividends

	Cash dividends per share for the fiscal year (yen)					Total annual cash dividend paid (Millions of yen)	Dividend payout ratio	Ratio of dividend payout to net assets
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Fiscal year			
April 2022 - March 2023	-	225.00	-	275.00	500.00	202,469	28.7%	5.7%
April 2023 - March 2024	-	50.00	-	50.00	100.00	200,079	38.5%	4.9%

(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" for April 2022 - March 2023 represents the actual amount prior to the stock split, and the annual dividend for April 2022 - March 2023 reflecting the stock split would be ¥100 per share.

3. Forecast of Consolidated Operating Performance for the First Quarter Ended June 30, 2024

(From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (yen)	
1 st quarter	585,000	(2.4%)	165,000	(13.5%)	190,000	(12.5%)	120,000	(21.9%)	60.10	

(Note) As it is difficult to make a reasonable prediction of the performance in the fiscal year ending in March 2025 at this point, we only release the forecast for the first quarter. Please see [1. Results of Operations and Financial Overview (2) Business Prospects] on page 10 for further details.

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 which affected the scope of consolidation during the current fiscal year: No

(2) Changes of accounting policies applied, changes in accounting estimates and retrospective restatement

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

Changes of accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(3) Number of shares outstanding (common stock)

	March 31, 2024	March 31, 2023
Number of shares outstanding at the year end	2,001,691,765	2,024,122,965
Number of shares of treasury stock at the year end	5,637,568	6,576,200
	April 2023 - March 2024	April 2022 - March 2023
Weighted-average number of shares outstanding over the year	2,005,085,165	2,036,096,654

(Note) Number of shares after the stock split is shown.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2024

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

(1) Results of non-consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
April 2023 - March 2024	730,352	(8.6%)	160,431	(13.9%)	342,832	29.3%	303,739	40.4%
April 2022 - March 2023	799,346	15.2%	186,327	14.3%	265,224	31.8%	216,344	43.4%

	Net income per share (yen)	Diluted net income per share (yen)
April 2023 - March 2024	151.48	151.34
April 2022 - March 2023	106.25	106.19

(Note) 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) Non-consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
March 31, 2024	1,462,097	707,892	48.1%	352.41
March 31, 2023	1,342,714	705,368	52.3%	347.92

(Note) Stockholders' equity (Millions of yen) As of March 31, 2024: 703,439 As of March 31, 2023: 701,948
Stockholders' equity used for the calculation of indices is net assets excluding share subscription rights.

(Information regarding audit procedures)

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

(Attached Documents)

INDEX

1. Results of Operations and Financial Overview	2
(1) Results of Operations and Financial Position Overview	2
(2) Business Prospects	10
(3) Management Policies.....	11
2. Basic Approach to the Selection of Accounting Standards	11
3. Consolidated Financial Statements	12
(1) Consolidated Balance Sheets	12
(2) Consolidated Statements of Income and Statements of Comprehensive Income	14
(3) Consolidated Statements of Changes in Net Assets.....	16
(4) Consolidated Statements of Cash Flows	18
(5) Notes to Consolidated Financial Statements	19
(Notes on Premise of Going Concern).....	19
(Segment Information).....	19
(Per Share Information)	21
(Major Subsequent Events).....	21

(Appendix)

1. Quarterly Operating Results	22
2. Capital Expenditures and Depreciation and Amortization	23
3. Forecast of Investments and Depreciation and Amortization of FY 2024 (Annual)	23
4. Other Financial Items (Consolidated)	24
5. Comparative Balance Sheets (Consolidated)	24
6. Cash Dividends per Share	25
7. Sales by Manufacturing Location for Each Segment	25
8. Sales by Region	26
9. Assets by Segments	26
10. Average Exchange Rate	26
11. Topics (Apr. 2023 – Apr. 2024)	27
12. Capital Investments	27

1. Results of Operations and Financial Overview

(1) Results of Operations and Financial Position Overview

1) General Overview

During the fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024), while the “probability of a soft landing” became a hot topic in the United States, the Chinese economy entered the phase of major adjustment. In a situation where geopolitical risks are added to the Chinese economic slowdown and the resulting oversupply, the economies of Japan and the Eurozone shifted in contrast with each other, and several emerging countries sustained their growth. There was a difference between strong and weak performances in individual industries. In such a situation, we maintained close communication with our customers, continued to provide a reliable supply of products with required quality, and conducted sales with agility. On the other hand, to ensure financial soundness, we recorded losses based on market fluctuations. We will continue working to improve our operating performance. To that end, we will accelerate the development of products that are valuable to our customers and continue capital investments with a medium- to long-term perspective in order to meet the needs and demands of customers and markets in a timely manner.

The business results for the fiscal year ended March 31, 2024, are as follows:

	Fiscal year 22/4 - 23/3	Fiscal year 23/4 - 24/3	Increase (Decrease)	Quarterly			
				Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Net sales	2,808.8	2,414.9	(14%) (393.9)	599.2	596.7	627.5	591.5
Operating income	998.2	701.0	(30%) (297.2)	190.8	191.0	177.6	141.5
Ordinary income	1,020.2	787.2	(23%) (233.0)	217.1	210.3	188.2	171.4
Net income attributable to owners of parent	708.2	520.1	(27%) (188.1)	153.6	147.8	105.0	113.6
ROIC	33.6%	19.4%	(14 points)				
ROE	19.7%	12.8%	(7 points)				
ROA	23.2%	15.9%	(7 points)				
Per Share (Yen)							
Net income	348	259	(89)				
Cash dividends	100	(Forecast) 100	-				

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 the fiscal year ended March 31, 2023 represents 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 attributable to owners of parent) 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.

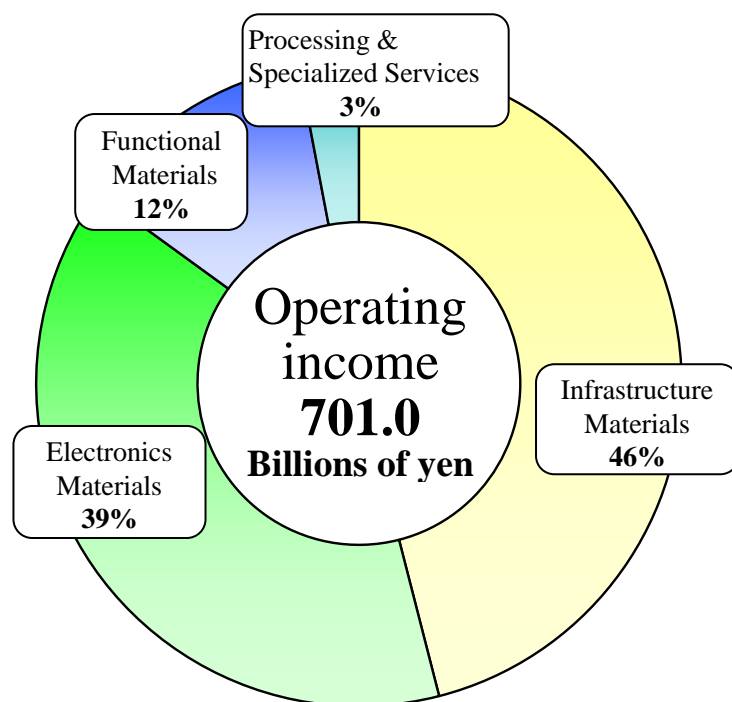
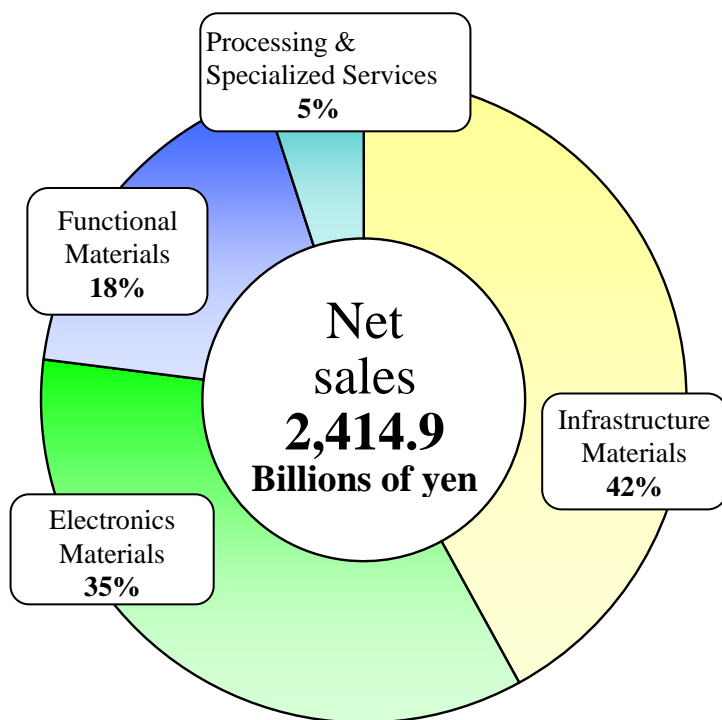
► Amounts are stated in billions of yen by discarding fractional amounts less than 0.1 billion on this summary.

2) Business Segment Overview

Net sales and Operating income by Segment

(Billions of yen)

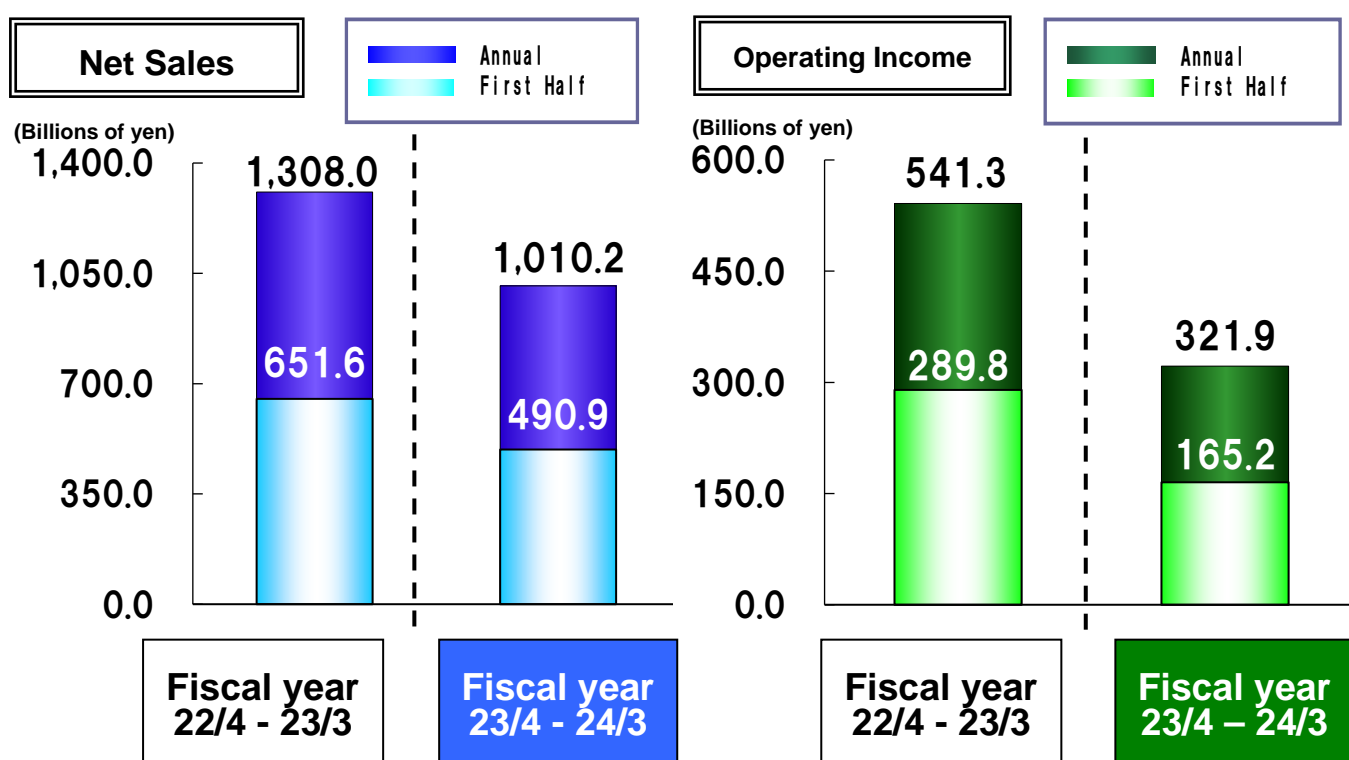
	Net sales			Operating income		
	Fiscal year 22/4 - 23/3	Fiscal year 23/4 - 24/3	Increase (Decrease)	Fiscal year 22/4 - 23/3	Fiscal year 23/4 - 24/3	Increase (Decrease)
Infrastructure Materials	1,308.0	1,010.2	(23%) (297.8)	541.3	321.9	(41%) (219.4)
Electronics Materials	875.6	850.4	(3%) (25.2)	301.4	272.1	(10%) (29.3)
Functional Materials	493.3	425.2	(14%) (68.1)	130.6	85.0	(35%) (45.6)
Processing & Specialized Services	131.6	128.9	(2%) (2.7)	26.3	24.1	(8%) (2.2)
Total	2,808.8	2,414.9	(14%) (393.9)	998.2	701.0	(30%) (297.2)



Infrastructure Materials

	Fiscal year 22/4 - 23/3 (Billions of yen)	Fiscal year 23/4 - 24/3 (Billions of yen)	Increase / (Decrease)
Net sales	1,308.0	1,010.2	(23%)
Operating income	541.3	321.9	(41%)

As for PVC, the export pressures from Chinese manufacturers continued, but we strove to maintain the price level. The caustic soda market was in a similar situation.

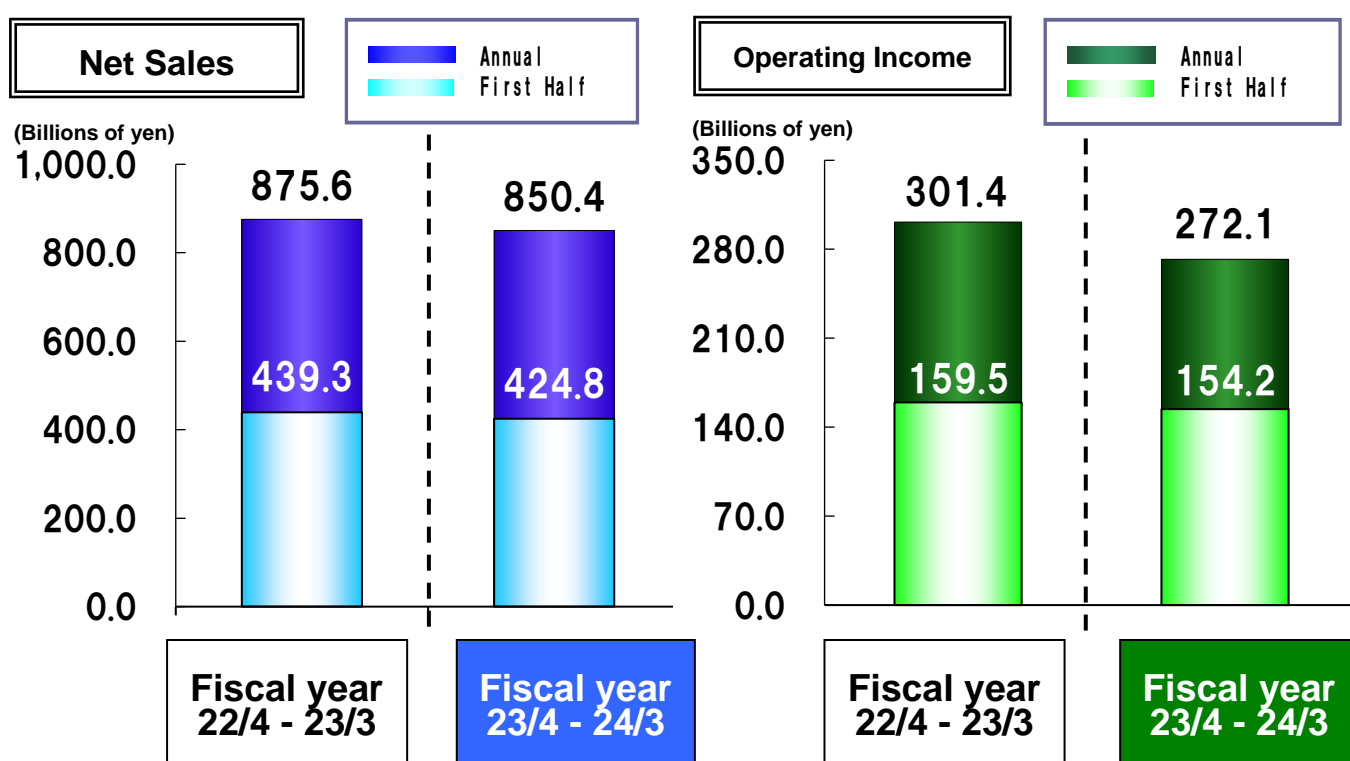


- Continuing price level correction.
- Launching of the capacity increases of the US operation and conducting sales activities that take advantage of it.
- Further improvement of the comprehensive strength of PVC business.

Electronics Materials

	Fiscal year 22/4 - 23/3 (Billions of yen)	Fiscal year 23/4 - 24/3 (Billions of yen)	Increase / (Decrease)
Net sales	875.6	850.4	(3%)
Operating income	301.4	272.1	(10%)

In the semiconductor market, the adjustment phase since the autumn of the year before last continued during the period under review, but there were also signs that the market had bottomed out. 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 industrial application, but we focused on expanding sales to automotive and other markets.

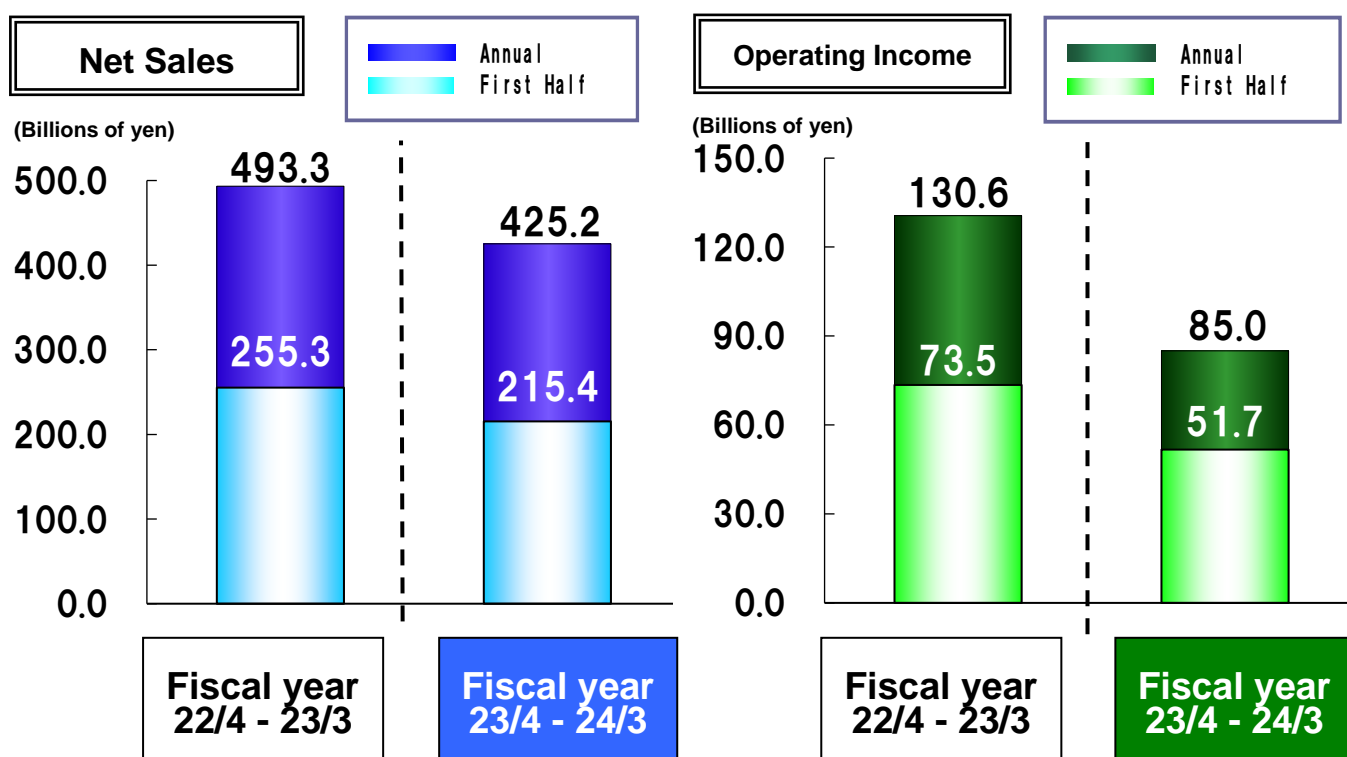


- Providing materials and technologies that are indispensable to the progress of devices including AI applications.
- Implementing as soon as possible the mass production of magnet technology without using heavy rare earths.
- Contributing to the reduction of greenhouse gas emissions by proposing technologies that enhance energy saving and electrification.
- To strengthen and expand the supply system for semiconductor lithography materials, a new production base will be built (investment amount: approximately 83 billion yen).

Functional Materials

	Fiscal year 22/4 - 23/3 (Billions of yen)	Fiscal year 23/4 - 24/3 (Billions of yen)	Increase / (Decrease)
Net sales	493.3	425.2	(14%)
Operating income	130.6	85.0	(35%)

In the commodity product group, the inventory adjustment and the slowdown in the market caused by the slump in the Chinese economy continued and their impact intensified in the second half of the fiscal year. In response, we strove to make up for it by increasing the sales of highly functional product groups. We booked an impairment loss of 10.5 billion yen on silicone polymer manufacturing facilities in Thailand.

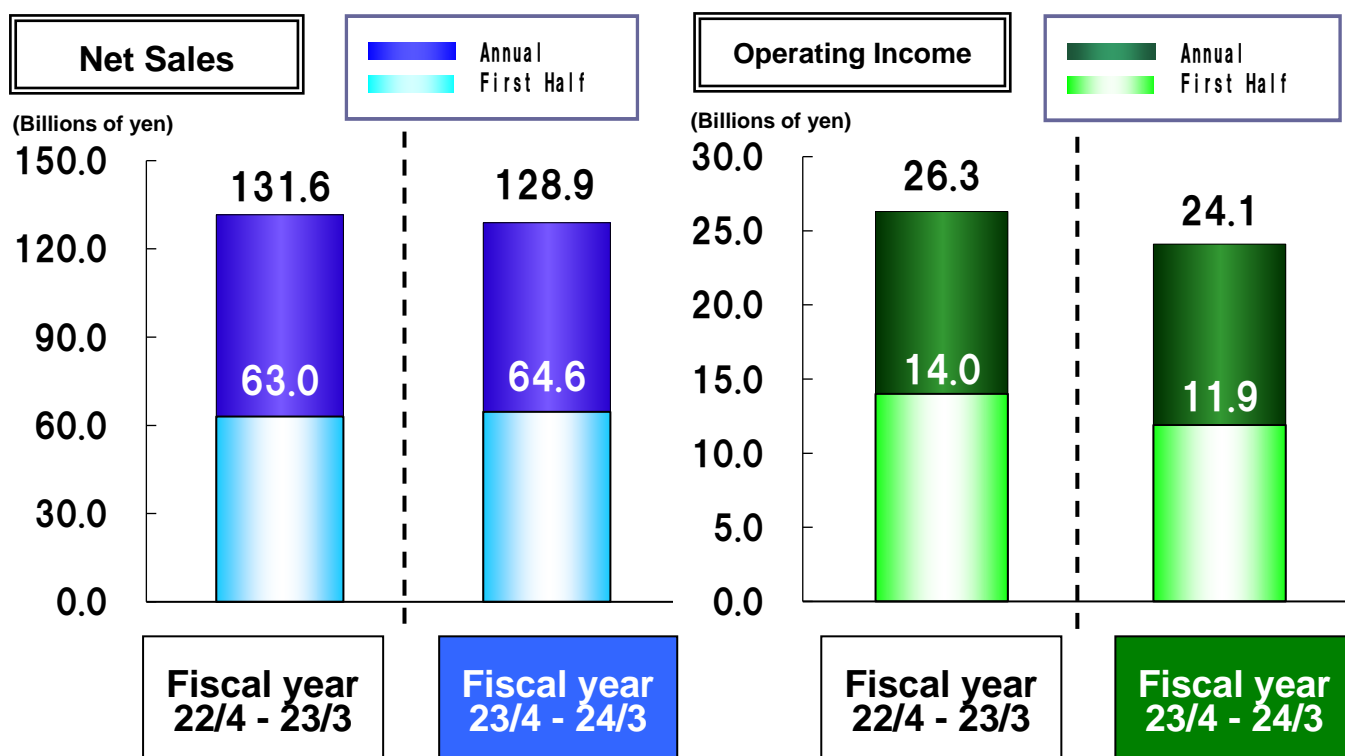


- Significant and focused promotion of higher silicone product functionality and raising of the level of environmental impact reduction.
- Continuous development of highly functional products for automotive applications, personal care application, healthcare application, etc.
- Capital investment to strengthen the pharmaceutical cellulose business (10 billion yen).

Processing & Specialized Services

	Fiscal year 22/4 - 23/3 (Billions of yen)	Fiscal year 23/4 - 24/3 (Billions of yen)	Increase / (Decrease)
Net sales	131.6	128.9	(2%)
Operating income	26.3	24.1	(8%)

The demand for semiconductor wafer-related containers continued to be adjusted particularly for in-process products, and the sales of input devices for automobiles remained strong as the automobiles industry recovered. The sales of PVC wrapping films have increased for the food service and lodging industry against the background of the increase in inbound tourist demand.



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

3) Information on Assets, Liabilities and Net assets

At the end of FY 2023 (March 31, 2024), total assets increased by ¥417.6 billion compared with that at the end of the previous fiscal year to ¥5,147.9 billion. It was mainly due to increases in overseas consolidated subsidiary assets because of yen depreciation, and property, plant and equipment.

Total liabilities increased by ¥19.8 billion from that at the end of the previous fiscal year to ¥723.9 billion.

Total net assets increased by ¥397.8 billion compared with that at the end of the previous fiscal year to ¥4,424.0 billion. This increase was mainly due to net income attributable to owners of parent of ¥520.1 billion for FY 2023, ¥168.6 billion for foreign currency translation adjustments due to yen depreciation, offset by ¥211.2 billion for a cash dividend payment and ¥107.7 billion for purchases of treasury stock.

4) Status of Cash Flows

	Billions of yen		
	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024	Increase (Decrease)
Cash and cash equivalents at beginning of fiscal year	1,008.9	1,247.3	238.4
1. Cash flows from operating activities	788.0	755.1	(32.9)
2. Cash flows from investing activities	(186.4)	(1,099.2)	(912.8)
3. Cash flows from financing activities	(423.5)	(369.4)	54.1
4. Effect of foreign exchange and others	60.4	56.2	(4.2)
Net increase (decrease) in cash and cash equivalents	238.4	(657.2)	(895.6)
Cash and cash equivalents at end of fiscal year	1,247.3	590.1	(657.2)

The balance of cash and cash equivalents at the end of FY 2023 decreased by 53% (¥657.2 billion) compared with that at the end of the previous fiscal year to ¥590.1 billion.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥755.1 billion, a decrease of ¥32.9 billion from the previous fiscal year. This consisted mainly of ¥795.6 billion in income before income taxes and non-controlling interests, ¥227.6 billion in depreciation and amortization, and ¥208.9 billion for the payment of income taxes.

Cash flows from investing activities

Net cash used for investing activities increased by ¥912.8 billion from the previous fiscal year to ¥1,099.2 billion. This was mainly due to ¥781.3 billion for net increase in time deposits and ¥374.4 billion for purchases of property, plant and equipment.

Cash flows from financing activities

Net cash used for financing activities decreased by ¥54.1 billion from the previous fiscal year to ¥369.4 billion. This was mainly due to ¥107.7 billion for purchases of treasury stock and a cash dividend payment of ¥211.2 billion.

(Reference)

The trend of cash flow indices

	For the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Stockholders' equity ratio (%)	82.1	83.2	82.1	81.8	82.7
Stockholders' equity ratio on market value basis (%)	138.1	228.8	192.6	182.3	255.3
Debt repayment ratio (%)	5.7	6.9	5.5	3.8	3.2
Interest coverage ratio (times)	810.7	702.1	677.8	638.4	581.6

(Notes) * Stockholders' equity ratio: stockholders' equity/total assets

Stockholders' equity used for the calculation of indices is net assets, excluding both share subscription rights and non-controlling interests in consolidated subsidiaries

* Stockholders' equity ratio on market value basis: aggregate market value of common stock/total assets

* Debt repayment ratio: interest-bearing liabilities/cash flows from operating activities

* Interest coverage ratio: cash flows from operating activities/interest payments

1. Aggregate market value of common stock is calculated by multiplying the market price at the end of each fiscal year by the number of outstanding shares, excluding treasury stock, at the end of each fiscal year.
2. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest.

5) Basic Policy Concerning Profit-sharing

From a long-term perspective, we are focusing on expanding profitability and maintaining a solid financial base, with the basic policy of returning the fruits of such management efforts to our shareholders in a proper and stable manner. We strive to increase our corporate value by the aggressive and timely use of internal reserves for enhanced global competitiveness, further business development and further growth. Further, we will maintain our solid financial base to enable us to face the increasing frequency and amplitude of economic fluctuations that may occur. Based on this policy, we approach our capital policy with careful attention to the Return on Equity and the Cost of Capital. Shareholder returns are at the core of this. While considering various circumstances, we have aimed for stable dividends at a dividend payout ratio of around 35% in the medium-to long-term. The dividend payout ratio for the past 10 years was 31%. We will continue to take various factors into consideration as we work to raise our dividend payout ratio to 40% over the medium to long term. Also, we will determine the need for purchase of treasury stocks. Accordingly, the year-end dividend for the fiscal year ending March 31, 2024 is planned to be ¥50 per share, the same amount as the interim dividend of ¥50 per share. As a result, the annual dividend will be ¥100 per share (Equivalent to ¥500 before the stock split).

(2) Business Prospects

Considering the various changeable factors surrounding our business and what is currently happening including Middle East tensions, we have temporarily decided not to forecast the business performance over the next year due to the difficulty of reasonably predicting at this point the performance in the fiscal year ending in March 2025. On the other hand, in order to help shareholders better understand our business, we release the earnings forecast for the first quarter of the fiscal year ending March 31, 2025 (April 1 to June 30, 2024) as follows. We will promptly release the full-year earnings forecast as soon as prediction become possible.

(Billions of yen)

	FY 2023 23/4 - 23/6 Actual	FY 2024 24/4 - 24/6 Forecast	Increase (Decrease)	FY2023 24/1-24/3 Actual
Net sales	599.2	585.0	(2%)	591.5
Operating income	190.8	165.0	(14%)	141.5
Ordinary income	217.1	190.0	(12%)	171.4
Net income attributable to owners of parent	153.6	120.0	(22%)	113.6
Net income per share (Yen)	76	60	(16)	57

(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.

(3) Management Policies

1) Basic Management Policies

The Company aims to respond to our shareholders' expectations by creating the value for society and industries through the provision of unrivaled key materials technologies. To achieve this, we are developing numerous products that will help resolve the issues faced by customers and industries. At the same time, while pursuing the world's highest level of technology and quality and constantly striving to improve productivity, we are stably supplying products to customers all over the world. In order to sustain these efforts, we are striving for the kind of management that can respond promptly and precisely to the changes in the economic and market conditions.

In every economy it is imperative to maximize efficiency in this day and age when there is a greater need for human society to pursue sustainable growth and better quality of life while lessening the burden on the environments. We believe that we have and can play a key role to that end. In addition to reducing our own greenhouse gas emissions, we will focus on providing the technologies and materials that are useful for decarbonization. We will work to ensure that many of our products serve these purposes and that the more our products are used, the more we can contribute to industry and people's lives. We will thus fulfill our role as an essential supplier that supports the world's industries and people's lives.

2) Our Management Indicator as a target: Shin-Etsu's Mid-to Long-term Management Strategies

The management indicator sets a target of increasing revenue and earnings every fiscal year. Among our main products, there are some that are affected by changes in the business environment including market conditions. We need to adapt speedily to changes in the external environment in order to manage each business in rapidly changing markets. We aim for new heights in growing our business in the next fiscal year. We will continue to focus on these efforts so that our products will be used more widely in society and industry.

3) Policy Implementation

In order to reliably meet the demands of our customers, we constantly inspect the supply system, including the supply chain, and take measures in advance to expand it. The fluctuation range of the economic situation has become wider than in the past, and we will strive to improve our adaptability and resilience to these changes. We will inspect our business conditions carefully so that we can face up to the so-called imponderables.

2. Basic Approach to the Selection of Accounting Standards

We have been using Japanese Generally Accepted Accounting Principles (JP-GAAP). We do not intend to change the accounting standards applied in the foreseeable future.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31, 2023 and 2024

	Millions of yen	
	March 31, 2023	March 31, 2024
ASSETS		
Current Assets:		
Cash and time deposits	1,449,617	1,698,999
Notes, accounts receivable-trade and contract assets	472,557	481,812
Securities	151,031	20,710
Inventories	688,477	720,646
Other	107,535	121,389
Less: Allowance for doubtful accounts	(5,695)	(7,049)
Total current assets	2,863,524	3,036,509
Fixed Assets:		
Property, plant and equipment		
Buildings and structures, net	282,756	290,086
Machinery and equipment, net	877,848	860,903
Land	103,350	108,611
Construction in progress	224,247	454,975
Other, net	29,986	32,000
Total property, plant and equipment	1,518,190	1,746,577
Intangible assets	10,351	10,195
Investments and other assets:		
Investments in securities	171,110	183,758
Deferred tax assets	75,028	71,284
Other	98,241	105,777
Less: Allowance for doubtful accounts	(6,051)	(6,129)
Total investments and other assets	338,328	354,692
Total fixed assets	1,866,870	2,111,465
TOTAL ASSETS	4,730,394	5,147,974

	Millions of yen	
	March 31, 2023	March 31, 2024
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	185,006	161,364
Short-term borrowings	10,998	10,386
Accounts payable - other	92,187	115,148
Accrued expenses	85,567	88,680
Accrued income taxes	65,459	73,140
Other	68,590	71,676
	507,810	520,395
Long-term Liabilities:		
Long-term debt	18,812	13,913
Deferred tax liabilities	112,246	129,262
Other	65,315	60,329
	196,375	203,505
TOTAL LIABILITIES	704,185	723,901
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	128,320	127,894
Retained earnings	3,310,205	3,520,355
Less: Treasury shares	(22,891)	(24,292)
	3,535,053	3,743,377
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	31,511	40,518
Deferred gains (losses) on hedges	(410)	(2,919)
Foreign currency translation adjustments	297,855	466,438
Remeasurements of defined benefit plans	6,385	10,507
	335,341	514,545
Share subscription rights	3,814	4,841
Non-controlling interests in consolidated subsidiaries	151,999	161,308
	4,026,209	4,424,073
TOTAL NET ASSETS	4,026,209	4,424,073
TOTAL LIABILITIES AND NET ASSETS	4,730,394	5,147,974

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

For the fiscal years ended March 31, 2023 and 2024

Consolidated Statements of Income

	Millions of yen	
	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Net sales	2,808,824	2,414,937
Cost of sales	1,594,717	1,503,728
Gross profit	1,214,107	911,209
Selling, general and administrative expenses	215,905	210,171
Operating income	998,202	701,038
Non-operating income:		
Interest income	16,575	67,959
Foreign exchange gain	-	13,648
Other income	18,514	16,709
Total non-operating income	35,090	98,316
Non-operating expenses:		
Interest expenses	1,490	1,501
Foreign exchange loss	3,195	-
Loss on retirement of non-current assets	4,910	2,226
Other expenses	3,484	8,398
Total non-operating expenses	13,081	12,126
Ordinary income	1,020,211	787,228
Extraordinary income:		
Gain on sale of investment securities	-	19,178
Insurance claim income	-	4,424
Total extraordinary income	-	23,602
Extraordinary losses:		
Business restructuring expenses	-	15,157
Total extraordinary losses	-	15,157
Income before income taxes and non-controlling interests	1,020,211	795,673
Income taxes:		
Current	240,459	215,618
Deferred	16,131	14,894
Total income taxes	256,590	230,513
Net income	763,620	565,160
Net income attributable to non-controlling interests	55,382	45,020
Net income attributable to owners of parent	708,238	520,140

Consolidated Statements of Comprehensive Income

	Millions of yen	
	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Net income	763,620	565,160
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	4,659	9,064
Deferred gains (losses) on hedges	2,120	(2,495)
Foreign currency translation adjustments	225,081	170,429
Remeasurements of defined benefit plans	5,325	4,143
Share of other comprehensive income of affiliates accounted for using the equity method	176	501
	237,363	181,643
Total other comprehensive income		
	1,000,984	746,804
(Breakdown)		
Comprehensive income attributable to owners of parent	942,849	699,344
Comprehensive income attributable to non-controlling interests	58,134	47,459

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023

(Millions of yen)

	Stockholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total stockholders' equity
Balance at the beginning of the year	119,419	129,090	2,993,026	(15,702)	3,225,834
Changes during the year					
Cash dividends			(195,365)		(195,365)
Net income attributable to owners of parent			708,238		708,238
Purchase of treasury stock				(206,788)	(206,788)
Disposal of treasury stock		(935)		4,101	3,165
Retirement of treasury stock		(195,497)		195,497	-
Transfer to additional paid-in capital from retained earnings		195,694	(195,694)		-
Others		(31)			(31)
Net changes of items other than stockholders' equity					
Total changes during the year	-	(770)	317,178	(7,189)	309,218
Balance at the end of the year	119,419	128,320	3,310,205	(22,891)	3,535,053

(Millions of yen)

	Accumulated Other Comprehensive Income					Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	26,841	(2,535)	75,374	1,049	100,729	2,733	99,910	3,429,208
Changes during the year								
Cash dividends								(195,365)
Net income attributable to owners of parent								708,238
Purchase of treasury stock								(206,788)
Disposal of treasury stock								3,165
Retirement of treasury stock								-
Transfer to additional paid-in capital from retained earnings								-
Others								(31)
Net changes of items other than stockholders' equity	4,670	2,125	222,480	5,335	234,611	1,080	52,089	287,782
Total changes during the year	4,670	2,125	222,480	5,335	234,611	1,080	52,089	597,001
Balance at the end of the year	31,511	(410)	297,855	6,385	335,341	3,814	151,999	4,026,209

For the fiscal year ended March 31, 2024

(Millions of yen)

	Stockholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total stockholders' equity
Balance at the beginning of the year	119,419	128,320	3,310,205	(22,891)	3,535,053
Changes during the year					
Cash dividends			(211,242)		(211,242)
Net income attributable to owners of parent			520,140		520,140
Purchase of treasury stock				(107,742)	(107,742)
Disposal of treasury stock		(2,096)		9,690	7,593
Retirement of treasury stock		(96,651)		96,651	-
Transfer to additional paid-in capital from retained earnings		98,748	(98,748)		-
Others		(425)			(425)
Net changes of items other than stockholders' equity					
Total changes during the year	-	(425)	210,150	(1,400)	208,324
Balance at the end of the year	119,419	127,894	3,520,355	(24,292)	3,743,377

(Millions of yen)

	Accumulated Other Comprehensive Income					Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	31,511	(410)	297,855	6,385	335,341	3,814	151,999	4,026,209
Changes during the year								
Cash dividends								(211,242)
Net income attributable to owners of parent								520,140
Purchase of treasury stock								(107,742)
Disposal of treasury stock								7,593
Retirement of treasury stock								-
Transfer to additional paid-in capital from retained earnings								-
Others								(425)
Net changes of items other than stockholders' equity	9,006	(2,508)	168,583	4,122	179,203	1,027	9,308	189,540
Total changes during the year	9,006	(2,508)	168,583	4,122	179,203	1,027	9,308	397,864
Balance at the end of the year	40,518	(2,919)	466,438	10,507	514,545	4,841	161,308	4,424,073

(4) Consolidated Statements of Cash Flows

For the fiscal years ended March 31, 2023 and 2024

	Millions of yen	
	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Cash flows from operating activities:		
Income before income taxes and non-controlling interests	1,020,211	795,673
Depreciation and amortization	213,632	227,619
Impairment losses	1,510	21,928
Increase (decrease) in net defined benefit liability	2,441	908
Loss (gain) on sales of investment securities	(58)	(19,178)
Increase (decrease) in allowance for doubtful accounts	(266)	1,153
Interest and dividend income	(19,940)	(72,233)
Interest expenses	1,490	1,501
Exchange (gain) loss	(1,082)	(11,507)
Equity in (earnings) losses of affiliates	(9,522)	(8,607)
(Increase) decrease in notes and accounts receivable	29,718	7,039
(Increase) decrease in inventories	(210,959)	(9,560)
(Increase) decrease in long-term advance payment	2,899	2,818
Increase (decrease) in notes and accounts payable	(1,702)	(28,776)
Other, net	4,592	(12,656)
Subtotal	1,032,964	896,122
Proceeds from interest and dividends	23,220	64,873
Payments of interest	(1,234)	(1,298)
Payments of income taxes	(266,937)	(208,939)
Insurance claim income related to disaster	-	4,424
Net cash provided by operating activities	788,013	755,183
Cash flows from investing activities:		
Net (increase) decrease in time deposits	9,995	(781,343)
Net (increase) decrease in marketable securities	106,394	36,065
Purchases of property, plant and equipment	(295,517)	(374,417)
Purchases of intangible assets	(3,850)	(3,061)
Purchases of investments in securities	(9,032)	(2,646)
Proceeds from sales and redemption of investments in securities	5,097	26,581
Other, net	424	(387)
Net cash used for investing activities	(186,488)	(1,099,208)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(1,521)	(1,531)
Proceeds from long-term debt	5,000	23
Repayments of long-term debt	(6,029)	(5,109)
Purchases of treasury stock	(206,788)	(107,742)
Cash dividends paid	(195,365)	(211,242)
Other, net	(18,854)	(43,864)
Net cash used for financing activities	(423,559)	(369,466)
Effect of exchange rate changes on cash and cash equivalents	60,454	56,283
Net increase (decrease) in cash and cash equivalents	238,419	(657,208)
Cash and cash equivalents at beginning of year	1,008,925	1,247,344
Cash and cash equivalents at end of year	1,247,344	590,135

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Segment Information)

1. Overview of Reportable Segments

The reportable segments of the Shin-Etsu Group are comprised of business units for which discrete financial information is available for each and are subject to regular review to evaluate their results and allocate management resources by the decision-making body of the Company.

The main products and services that belong to each segment are as follows.

Segment	Main products and services	Business description
Infrastructure Materials	Polyvinyl chloride resin, Caustic soda, Methanol, Chloromethanes, Poval	Supporting infrastructure and daily life by lessening environmental impact.
Electronics Materials	Semiconductor silicon, Rare earth magnets, Semiconductor encapsulating materials, LED packaging materials, Photoresists, Photomask blanks, Synthetic quartz products	Providing material technology for better application for electronics, optics, and magnetics everywhere.
Functional Materials	Silicones, Cellulose derivatives, Silicon metal, Synthetic pheromones, Vinyl chloride-vinyl acetate copolymer, Liquid fluoroelastomers, Pellicles	Providing a wide range of better functions that are required.
Processing & Specialized Services	Processed plastics, Export of technologies and plants, Export and import of products, Engineering	Responding to problem solving by applying materials and utilizing engineering.

2. Calculation of Sales, Income, Assets, Liabilities and Other Items of Reportable Segments

Segment income denotes operating income, and the accounting methods applied are based on the principles and procedures of the accounting treatment used to prepare the consolidated financial statements. Internal revenues and transfers arising from transactions among the segments are based on market prices in general, although transfers performed between segments at the same business site are calculated based on manufacturing cost.

Assets and liabilities are not allocated to business segments.

3. Information on Sales, Income, and Other Items of Reportable Segments

(1) For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

	Millions of yen						Figures in consolidated financial statements
	Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total	Adjustment*	
Sales to outside customers	1,010,275	850,442	425,250	128,969	2,414,937	-	2,414,937
Intersegment sales	4,974	4,943	20,027	144,489	174,435	(174,435)	-
Total	1,015,249	855,385	445,278	273,459	2,589,372	(174,435)	2,414,937
Segment income (Operating income)	321,961	272,165	85,004	24,156	703,288	(2,249)	701,038
Depreciation and amortization	78,254	105,632	39,239	5,719	228,846	(1,226)	227,619
Increase in property, plant and equipment and intangible assets	128,438	211,342	52,539	18,223	410,544	(3,658)	406,886

*Elimination of intersegment transactions

(2) For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

	Millions of yen						Figures in consolidated financial statements
	Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total	Adjustment*	
Sales to outside customers	1,308,099	875,646	493,386	131,691	2,808,824	-	2,808,824
Intersegment sales	6,071	6,812	29,478	133,592	175,955	(175,955)	-
Total	1,314,171	882,459	522,864	265,284	2,984,780	(175,955)	2,808,824
Segment income (Operating income)	541,344	301,400	130,608	26,365	999,719	(1,517)	998,202
Depreciation and amortization	72,679	101,827	35,172	5,021	214,701	(1,068)	213,632
Increase in property, plant and equipment and intangible assets	100,009	168,858	39,859	11,460	320,189	(2,142)	318,046

*Elimination of intersegment transactions

(Per Share Information)

	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Net assets per share (yen)	1,918.37	2,133.17
Net income per share (yen)	347.84	259.41
Diluted net income per share (yen)	347.61	259.13

(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,” “Diluted net income per share” and “Net assets per share” for the fiscal year ended March 31, 2023 represent the amounts after the stock split based on “Accounting Standard for Earnings Per Share.”

(Note 2) Net income per share and diluted net income per share were calculated based on the following:

	Millions of yen	
	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Calculation of net income per share		
Net income attributable to owners of parent	708,238	520,140
Amount not attributable to shareholders of common stock	-	-
Net income attributable to shareholders of common stock of parent	708,238	520,140
Weighted-average number of shares outstanding (thousands of shares)	2,036,096	2,005,085
Calculation of diluted net income per share		
Adjustments to net income attributable to owners of parent	(19)	(68)
[Adjustments of dilutive shares issued by subsidiaries]	[(19)]	[(68)]
Increase of common stock (thousands of shares)	1,281	1,898
[Share subscription rights included in the above (thousands of shares)]	[1,281]	[1,898]
	Number of share subscription rights	
	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	-	-

(Major Subsequent Events)

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	3Q	4Q	Total
Net Sales	656.7	752.6	753.9	645.5	2,808.8	599.2	596.7	627.5	591.5	2,414.9
Infrastructure Materials	289.7	361.8	357.1	299.2	1,308.0	240.4	250.5	266.3	252.9	1,010.2
Electronics Materials	211.1	228.2	233.1	203.1	875.6	220.5	204.3	217.7	207.8	850.4
Functional Materials	125.1	130.2	128.7	109.2	493.3	108.0	107.4	111.1	98.6	425.2
Processing & Specialized Services	30.6	32.3	34.7	33.9	131.6	30.1	34.4	32.2	32.1	128.9
Operating Income	249.6	286.6	271.9	189.9	998.2	190.8	191.0	177.6	141.5	701.0
Infrastructure Materials	128.5	161.2	149.6	101.8	541.3	80.1	85.1	88.2	68.3	321.9
Electronics Materials	77.5	82.0	83.7	58.0	301.4	80.0	74.1	61.2	56.6	272.1
Functional Materials	36.7	36.8	32.6	24.4	130.6	25.6	26.1	22.0	11.1	85.0
Processing & Specialized Services	7.0	7.0	6.8	5.4	26.3	5.4	6.5	6.4	5.7	24.1
Ordinary Income	262.6	296.3	265.1	195.9	1,020.2	217.1	210.3	188.2	171.4	787.2
Net Income Attributable to Owners of Parent	184.1	208.2	186.1	129.7	708.2	153.6	147.8	105.0	113.6	520.1
R&D Costs	16.1	16.8	15.2	18.9	67.2	15.5	16.2	17.1	16.8	65.7
Overseas Sales	520.7	614.0	615.6	519.6	2,270.0	461.3	466.0	495.5	471.4	1,894.4
Ratio of Overseas Sales to Net Sales	79%	82%	82%	80%	81%	77%	78%	79%	80%	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	3Q	4Q	Total
Capital Expenditures	53.9	80.2	84.0	99.8	318.0	84.8	103.3	109.0	109.6	406.8
Infrastructure Materials	22.1	21.1	29.4	27.3	100.0	35.4	31.9	27.9	33.0	128.4
Electronics Materials	23.4	47.6	37.5	60.2	168.8	34.2	58.2	60.4	58.4	211.3
Functional Materials	6.4	8.6	13.6	11.0	39.8	9.0	11.6	15.1	16.6	52.5
Processing & Specialized Services	2.1	3.2	3.8	2.3	11.4	6.5	2.5	6.4	2.6	18.2
Depreciation and Amortization	46.7	48.4	54.3	64.1	213.6	52.0	56.0	58.2	61.2	227.6
Infrastructure Materials	17.8	16.2	18.9	19.6	72.6	18.1	19.0	20.1	20.9	78.2
Electronics Materials	19.8	22.7	25.0	34.1	101.8	24.1	26.6	26.6	28.1	105.6
Functional Materials	8.0	8.5	9.2	9.2	35.1	8.7	9.3	10.2	10.9	39.2
Processing & Specialized Services	1.1	1.1	1.3	1.4	5.0	1.2	1.3	1.5	1.5	5.7

3. Forecast of Investments and Depreciation and Amortization of FY2024 (Annual)

(Billions of yen)

Investments	440.0
Depreciation and Amortization	240.0

4. Other Financial Items (Consolidated)

(Billions of yen)

	Mar 31 2023	Mar 31 2024
Net Assets	4,026.2	4,424.0
Total Assets	4,730.3	5,147.9
Net Assets per Share (Yen)	1,918	2,133
Interest-bearing Liabilities	29.8	24.3
Number of Employees	25,717	26,004
Exchange Rate: Jan - Dec (Avg)	131.4	140.6
(Yen/US\$) Apr - Mar (Avg)	135.5	144.6

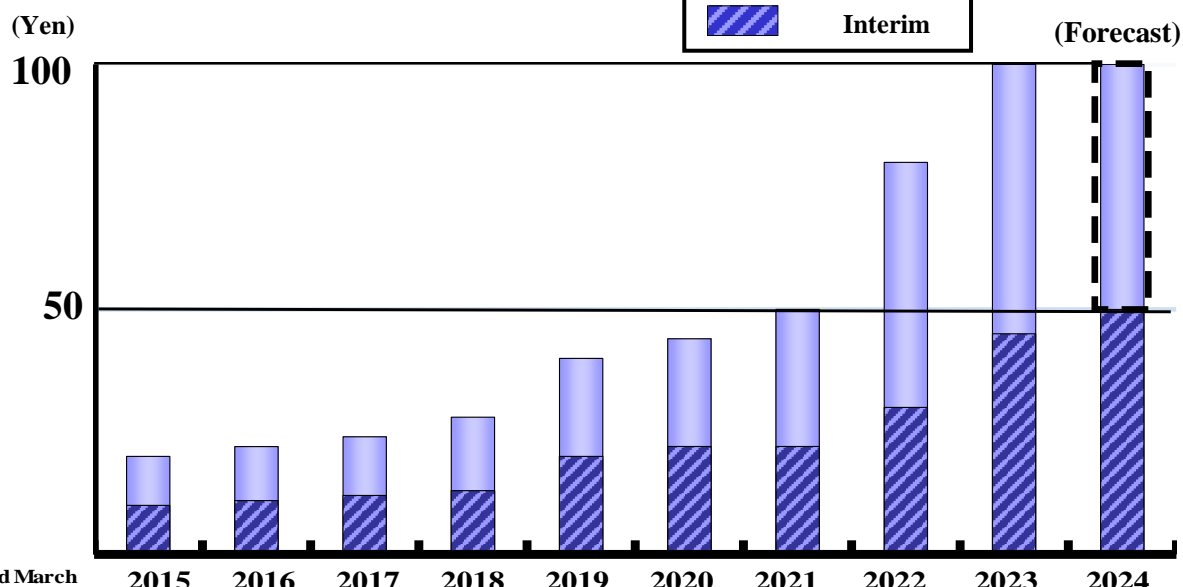
Note : An average exchange rate between January and December was used for the Consolidated Income Statements of overseas subsidiaries.

5. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2023	Mar 31 2024	Increase (Decrease)	Effect of exchange rate	[a]-[b]		Mar 31 2023	Mar 31 2024	Increase (Decrease)	Effect of exchange rate	[a]-[b]
			[a]	[b]					[a]	[b]	
Current Assets	2,863.5	3,036.5	173.0	127.5	45.5	Current Liabilities	507.8	520.3	12.5	15.9	(3.4)
Cash and time deposits	1,449.6	1,698.9	249.3	86.4	162.9	Notes and accounts payable-trade	185.0	161.3	(23.7)	5.0	(28.7)
Notes and accounts receivable-trade	472.5	481.8	9.3	16.0	(6.7)	Other	322.8	359.0	36.2	10.9	25.3
Securities	151.0	20.7	(130.3)	0.0	(130.3)	Long-term Liabilities	196.3	203.5	7.2	11.1	(3.9)
Inventories	688.4	720.6	32.2	21.5	10.7	Total Liabilities	704.1	723.9	19.8	27.0	(7.2)
Other	101.8	114.3	12.5	3.6	8.9	Stockholders' Equity	3,535.0	3,743.3	208.3	0.0	208.3
Fixed Assets	1,866.8	2,111.4	244.6	76.7	167.9	Accumulated Other Comprehensive Income	335.3	514.5	179.2	169.7	9.5
Property, Plant and Equipment and Intangible Assets	1,528.5	1,756.7	228.2	74.0	154.2	Other	155.8	166.1	10.3	7.5	2.8
Investments and Other Assets	338.3	354.6	16.3	2.7	13.6	Total Net Assets	4,026.2	4,424.0	397.8	177.2	220.6
Total Assets	4,730.3	5,147.9	417.6	204.2	213.4	Total Liabilities and Net Assets	4,730.3	5,147.9	417.6	204.2	213.4

6. Cash Dividends per Share



Fiscal year ended March		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash Dividends per Share (Yen)	Interim	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	259
Dividend payout ratio	Annual	33%	31%	29%	22%	28%	29%	35%	33%	29%	* 38%

*Forecast

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.

7. Sales by Manufacturing Location for Each Segment

(Billions of yen)

		Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total
Fiscal year 22/4 - 23/3	Goods Manufactured in Japan	139.2	683.8	307.7	93.3	1,224.3
	Goods Manufactured overseas	1,168.8	191.7	185.6	38.2	1,584.5
		1,308.0	875.6	493.3	131.6	2,808.8
Fiscal year 23/4 - 24/3	Goods Manufactured in Japan	133.0	674.1	269.7	94.4	1,171.4
	Goods Manufactured overseas	877.2	176.3	155.4	34.4	1,243.5
		1,010.2	850.4	425.2	128.9	2,414.9

8. Sales by Region

(Billions of yen)

	Japan	Overseas					Total	Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas		
			China					
Fiscal year 22/4 - 23/3	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	
Fiscal year 23/4 - 24/3	22%	31%	31%	8%	10%	6%	78%	2,414.9
	520.4	762.6	753.8	202.0	236.9	140.9	1,894.4	

Note: % indicates the proportion of total consolidated net sales

9. Assets by Segments

(Billions of yen)

	Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Corporate assets	Consolidated total
March 31 2023	1,988.0	1,528.5	632.0	235.3	346.3	4,730.3
March 31 2024	2,361.0	1,487.9	674.7	247.7	376.4	5,147.9

Note: These amounts were prepared on an informal basis.

10. 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		
2022	Jan-Mar	116.2	122.9	134.0	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	140.6	144.6	142.1	145.8	152.0	156.8	
	Apr-Jun	137.4					149.5				
	Jul-Sep	144.6	146.3	157.3		158.2					
	Oct-Dec	147.9	148.3	159.1		160.2					
2024	Jan-Mar	148.6					161.3				

Exchange rate as of Dec 31, 2022 132.7 Mar 31, 2023 133.5 Dec 31, 2022 141.5 Mar 31, 2023 145.7
Dec 31, 2023 141.8 Mar 31, 2024 151.4 Dec 31, 2023 157.1 Mar 31, 2024 163.2

* An average exchange rate between January and December was used for the Consolidated Income Statements of overseas subsidiaries.

11. Topics (Apr. 2023 – Apr. 2024)

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
Mar. 2024	Making Active Investments in the Pharmaceutical Cellulose Business
Mar. 2024	Shin-Etsu Chemical develops the industry's first water-based, fast-curing silicone resin that does not use emulsifiers
Apr. 2024	Shin-Etsu Chemical to build a new production base in Japan which will become its fourth production base for semiconductor lithography materials
Apr. 2024	Shin-Etsu Chemical to start developing a new market with ShineGrip™, a new type of adhesive technology

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

12. Capital Investments

★ : Completion ☆ : Completion Schedule

Company	Projects	Investment Amount	2022		2023		2024		2025		2026	
			1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
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 *1	¥30 billion	★									
Shin-Etsu Chemical (Isesaki)	Build a new manufacturing and research-and-development base for semiconductor lithography materials	¥83 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		→ *2		★						
Shin-Etsu Chemical (Gunma, Takefu, Naoetsu)	Reinforcement of the production capacity for silicone advanced functional products line	¥80 billion		→ *2				→	☆			
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					→ *2					→
Shin-Etsu Chemical (Naoetsu)	Capital Investment in pharmaceutical Cellulose products	¥10 billion										☆

*1 Investment in Taiwan was completed in the 1H of 2021, in Naoetsu was completed in the 1H of 2022

*2 Starting up gradually