

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 semi-annual securities report: November 13, 2024

Date of dividend payment: November 19, 2024

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, 2024**

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

**(1) Results of consolidated operations**

(Millions of yen)

|                        | Net sales |         | Operating income |         | Ordinary income |         | Net income attributable to owners of parent |         |
|------------------------|-----------|---------|------------------|---------|-----------------|---------|---|---------|
| April - September 2024 | 1,266,460 | 5.9%    | 405,703          | 6.2%    | 442,924         | 3.6%    | 294,117                                     | (2.4%)  |
| April - September 2023 | 1,195,902 | (15.1%) | 381,919          | (28.8%) | 427,508         | (23.5%) | 301,439                                     | (23.2%) |

(Note) Comprehensive income (Millions of yen) From April 1, 2024 to September 30, 2024: 665,010 [21.9 %]  
From April 1, 2023 to September 30, 2023: 545,349 [(25.2 %)]

|                        | Net income per share (yen) | Diluted net income per share (yen) |
|------------------------|----------------------------|------------------------------------|
| April - September 2024 | 147.83                     | 147.68                             |
| April - September 2023 | 149.65                     | 149.52                             |

**(2) Consolidated financial position**

(Millions of yen)

|                    | Total assets | Net assets | Stockholders' equity ratio | Net assets per share (yen) |
|--------------------|--------------|------------|----------------------------|----------------------------|
| September 30, 2024 | 5,636,024    | 4,886,187  | 83.3%                      | 2,372.09                   |
| March 31, 2024     | 5,147,974    | 4,424,073  | 82.7%                      | 2,133.17                   |

(Reference) Stockholders' equity (Millions of yen) As of September 30, 2024: 4,695,909 As of March 31, 2024: 4,257,922

**2. Cash Dividends**

|                                    | Cash dividends per share in the fiscal year (yen) |                         |                         |          |             |
|------------------------------------|---|-------------------------|-------------------------|----------|-------------|
|                                    | 1 <sup>st</sup> quarter                           | 2 <sup>nd</sup> quarter | 3 <sup>rd</sup> quarter | Year-end | Fiscal year |
| April 2023 - March 2024            | -   | 50.00                   | -                       | 50.00    | 100.00      |
| April 2024 - March 2025            | -   | 53.00                   | -                       | -        | -           |
| April 2024 - March 2025 (forecast) | -   | -                       | -                       | 53.00    | 106.00      |

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

**3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2025**

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

|             | Net sales |      | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |      | Net income per share (yen) |
|-------------|-----------|------|------------------|------|-----------------|------|---|------|----------------------------|
| Fiscal year | 2,500,000 | 3.5% | 735,000          | 4.8% | 820,000         | 4.2% | 533,000                                     | 2.5% | 268.00                     |

(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) Significant changes in scope of consolidation during the first half ended September 30, 2024: Yes**

Newly included: 1 company (Mimasu Semiconductor Industry Co., Ltd.)

Excluded: —

**(2) Adoption of special accounting methods for presenting 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 (4) Notes to Consolidated Financial Statements, “Notes on Changes in Accounting Policies Applied”] on page 14 for further details.

**(4) Number of shares outstanding (common stock)**

|   | September 30, 2024        | March 31, 2024            |
|---|---------------------------|---------------------------|
| Number of shares outstanding at period end                | 2,001,691,765             | 2,001,691,765             |
| Number of shares of treasury stock at period end          | 22,041,653                | 5,637,568                 |
|   | April - September<br>2024 | April - September<br>2023 |
| Weighted-average number of shares outstanding over period | 1,989,589,274             | 2,014,338,531             |

(Note) Based on a resolution at the Board of Directors Meeting held on May 17, 2024, we repurchased a maximum of 16,695,900 shares (99,999 million yen) whose cancellation is scheduled to be completed on December 6, 2024.

**(Information regarding audit procedures)**

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

The review report will be attached to the semi-annual securities report scheduled to be submitted on November 13, 2024.

**(Attached Documents)**

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## 1. Qualitative Information Regarding Quarterly Results

### (1) Explanation of Operating Results

During the first half of the fiscal year ending March 31, 2025 (April 1 to September 30, 2024), the U.S. Federal Reserve Board began to shift away from monetary tightening, raising hopes that the U.S. economy would see a soft landing. The EU has also steered towards monetary easing. China has finally taken monetary measures as economic stimulus packages, but exports have not declined due to the excess in supply that appears to be a part of governmental policy. Trade tensions and geopolitical risks are rising, and we need to be vigilant. Under these circumstances, we have 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 operating income for the quarter increased 12% over the same quarter last year. Ordinary income increased 6% (also on a quarter basis) despite the impact of exchange rate fluctuations. Net income decreased slightly, mainly because of the temporary increase in tax expenses arising from the implementation of dividends from overseas subsidiaries starting this fiscal year. 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 first half of the fiscal year ending March 31, 2025, are as follows:

|   | (Billions of yen) |                   |                        | 2024      |           |
|---|-------------------|-------------------|------------------------|-----------|-----------|
|   | 2023<br>Apr - Sep | 2024<br>Apr - Sep | Increase<br>(Decrease) | Apr - Jun | Jul - Sep |
| Net sales                                   | 1,195.9           | <b>1,266.4</b>    | 5.9%<br>70.5           | 597.9     | 668.5     |
| Operating income                            | 381.9             | <b>405.7</b>      | 6.2%<br>23.8           | 191.0     | 214.6     |
| Ordinary income                             | 427.5             | <b>442.9</b>      | 3.6%<br>15.4           | 219.8     | 223.1     |
| Net income attributable to owners of parent | 301.4             | <b>294.1</b>      | (2.4%)<br>(7.3)        | 144.0     | 150.0     |
| ROIC (annualized)                           | 22.0%             | <b>19.9%</b>      | (2 points)             |           |           |
| ROE (annualized)                            | 14.9%             | <b>13.1%</b>      | (2 points)             |           |           |
| ROA (annualized)                            | 17.4%             | <b>16.4%</b>      | (1 points)             |           |           |
| Per Share (Yen)                             |                   |                   |                        |           |           |
| Net Income                                  | 150               | <b>148</b>        | (2)                    |           |           |
| Cash Dividends                              | 50                | <b>53</b>         | 3                      |           |           |

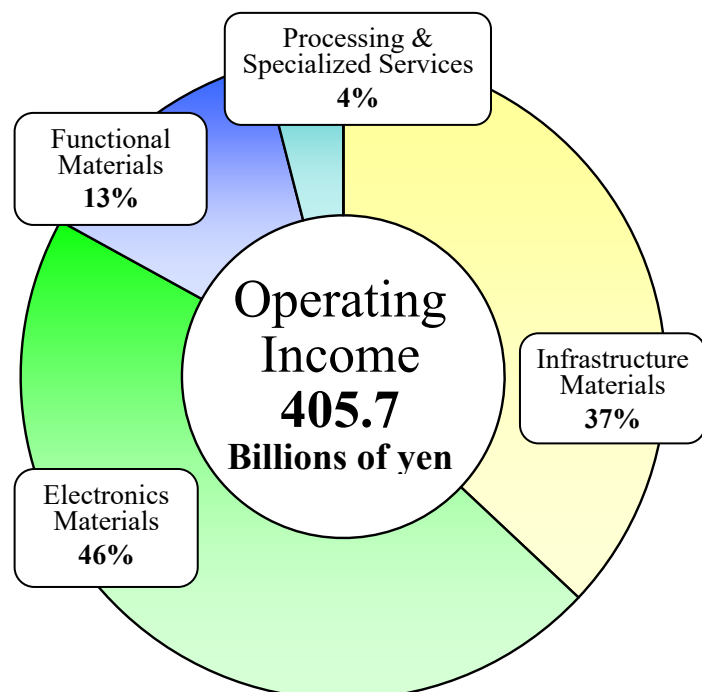
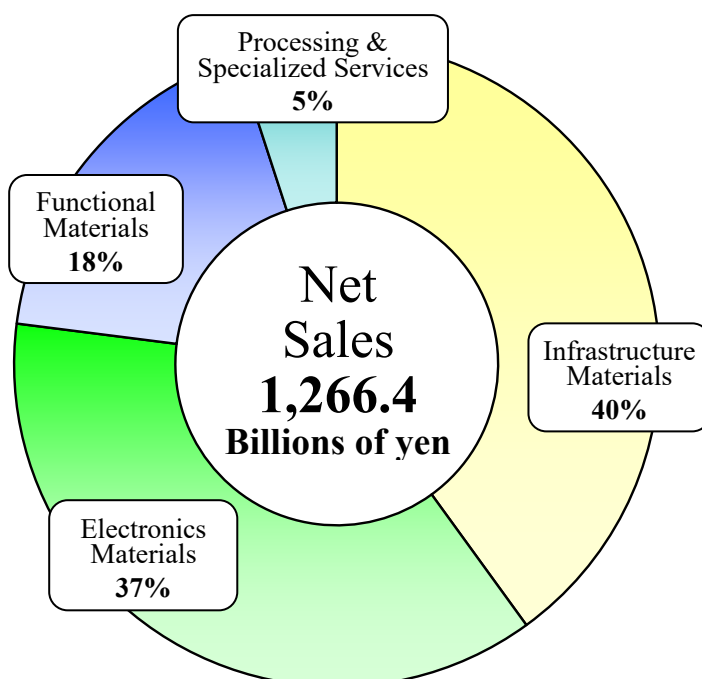
- Notes:
- ROIC: Return on invested capital  
Net operating income after tax / (Net assets + Interest-bearing liabilities — Cash)
  - ROE: Return (Net Income) on equity  
Equity used for this calculation is net assets excluding both share subscription rights and non-controlling interests in consolidated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

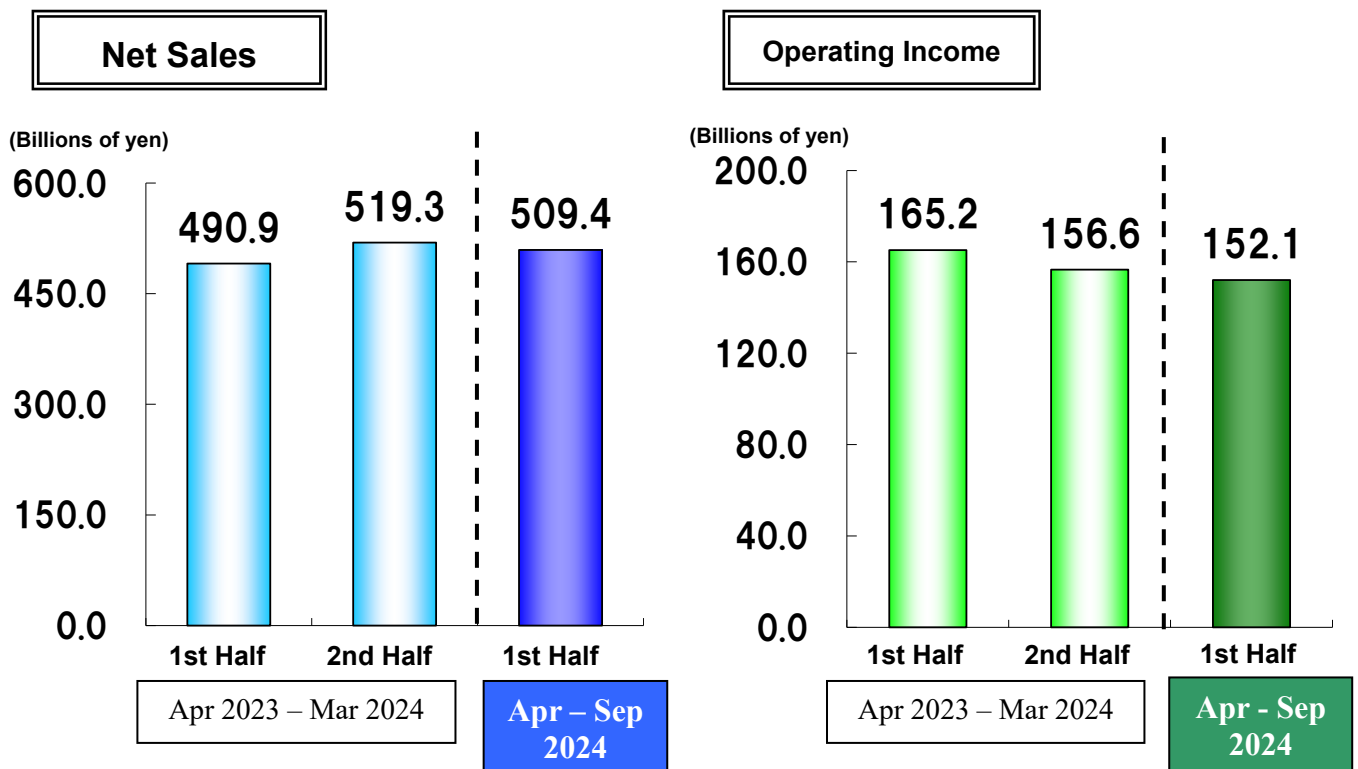
|                                      | Net Sales         |                   |                        | Operating Income  |                   |                        |
|--------------------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|------------------------|
|                                      | 2023<br>Apr - Sep | 2024<br>Apr - Sep | Increase<br>(Decrease) | 2023<br>Apr - Sep | 2024<br>Apr - Sep | Increase<br>(Decrease) |
| Infrastructure<br>Materials          | 490.9             | <b>509.4</b>      | 3.8%<br>18.5           | 165.2             | <b>152.1</b>      | (7.9%)<br>(13.1)       |
| Electronics<br>Materials             | 424.8             | <b>464.4</b>      | 9.3%<br>39.6           | 154.2             | <b>186.7</b>      | 21.1%<br>32.5          |
| Functional<br>Materials              | 215.4             | <b>226.0</b>      | 4.9%<br>10.6           | 51.7              | <b>53.8</b>       | 4.0%<br>2.1            |
| Processing &<br>Specialized Services | 64.6              | <b>66.5</b>       | 3.0%<br>1.9            | 11.9              | <b>14.9</b>       | 24.8%<br>3.0           |
| <b>Total</b>                         | 1,195.9           | <b>1,266.4</b>    | 5.9%<br>70.5           | 381.9             | <b>405.7</b>      | 6.2%<br>23.8           |



## Infrastructure Materials

|                         | Apr - Sep 2023<br>(Billions of yen) | Apr - Sep 2024<br>(Billions of yen) | Increase /<br>(Decrease) |
|-------------------------|-------------------------------------|-------------------------------------|--------------------------|
| <b>Net sales</b>        | 490.9                               | <b>509.4</b>                        | 3.8%                     |
| <b>Operating income</b> | 165.2                               | <b>152.1</b>                        | (7.9%)                   |

As for PVC, prices rose in major regions from April to June and further improved or maintained their levels from July to September. As for caustic soda, we raised prices for the period of April to June, but the prices kept going up and down from July to September.

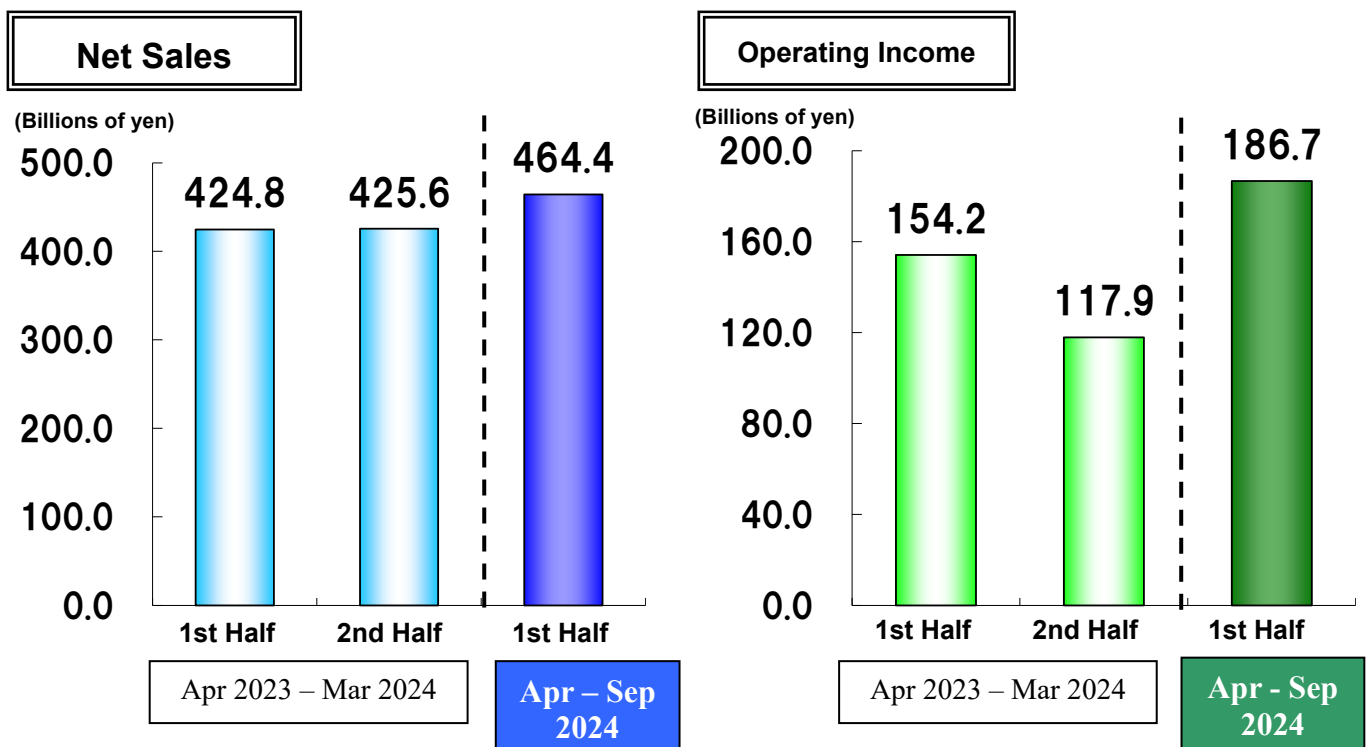


- Maintaining price level.
- Launching of the most-advanced capacity of the US operation and conducting sales activities that take advantage of it.
- Further improvement of the comprehensive strength of environment-friendly PVC business.

## Electronics Materials

|                         | Apr - Sep 2023<br>(Billions of yen) | Apr - Sep 2024<br>(Billions of yen) | Increase /<br>(Decrease) |
|-------------------------|-------------------------------------|-------------------------------------|--------------------------|
| <b>Net sales</b>        | 424.8                               | <b>464.4</b>                        | 9.3%                     |
| <b>Operating income</b> | 154.2                               | <b>186.7</b>                        | 21.1%                    |

In the semiconductor market, leading-edge products have partially recovered, but the overall recovery from bottoming out has been patchy. Under these circumstances, we have focused on shipping semiconductor materials such as silicon wafer, photoresist and photomask blanks to the strong growth market. As for rare earth magnets, while we have met the strong demand of HDD, we have focused on expanding the sales to automotive markets.

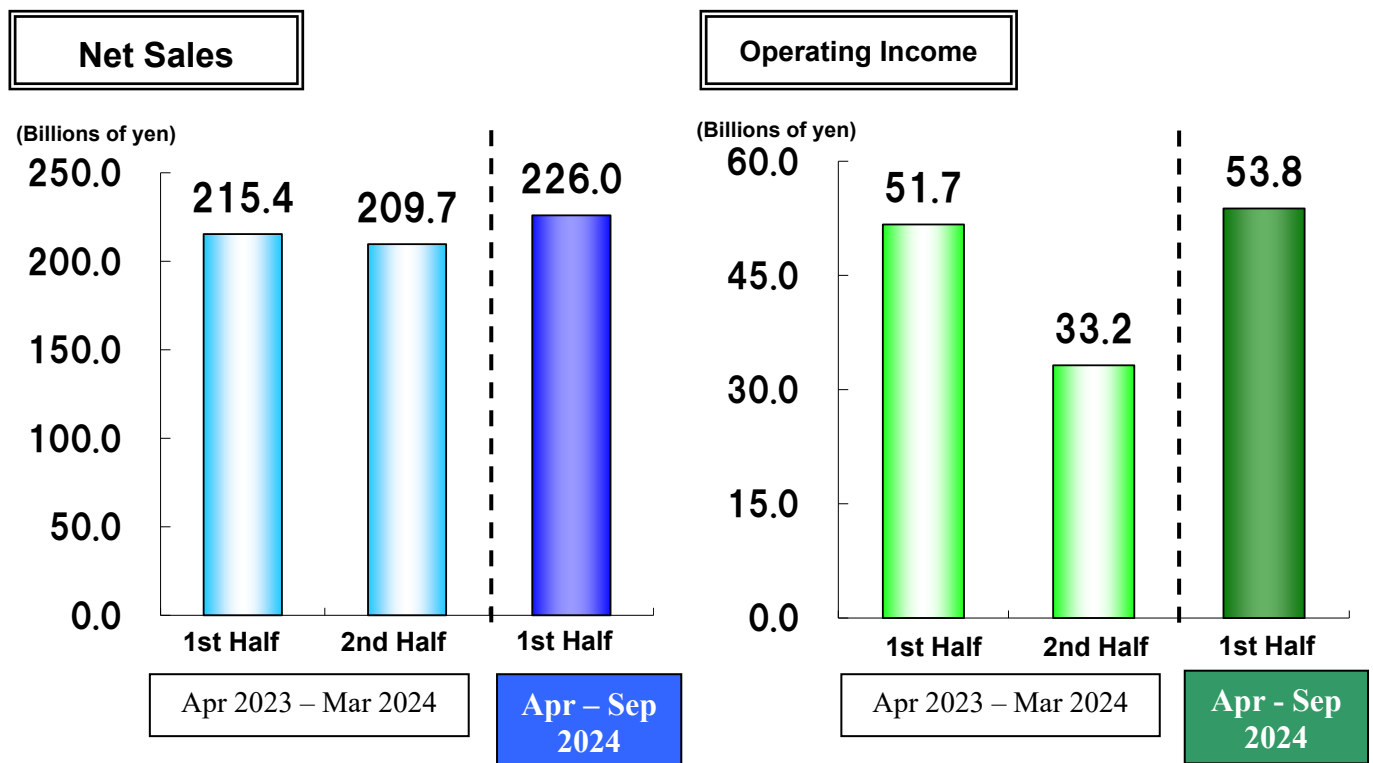


- Providing materials and technologies essential to the semiconductor market, which promises to expand dramatically in the three aspects of quantity, quality, and variety.
- Promoting construction of a new production base for advanced lithography materials (Isesaki City in Gunma Prefecture, Japan).
- Promote the cooperation with Mimasu Semiconductor Industry Co., Ltd., which became a wholly owned subsidiary.

## Functional Materials

|                         | Apr - Sep 2023<br>(Billions of yen) | Apr - Sep 2024<br>(Billions of yen) | Increase /<br>(Decrease) |
|-------------------------|-------------------------------------|-------------------------------------|--------------------------|
| <b>Net sales</b>        | 215.4                               | <b>226.0</b>                        | 4.9%                     |
| <b>Operating income</b> | 51.7                                | <b>53.8</b>                         | 4.0%                     |

In the commodity product group, the inventory adjustment and the slowdown in the market caused by the slump in the Chinese economy continued, but we continued to focus on the selling of highly functional product groups, striving to make up for the shortfall in sales.



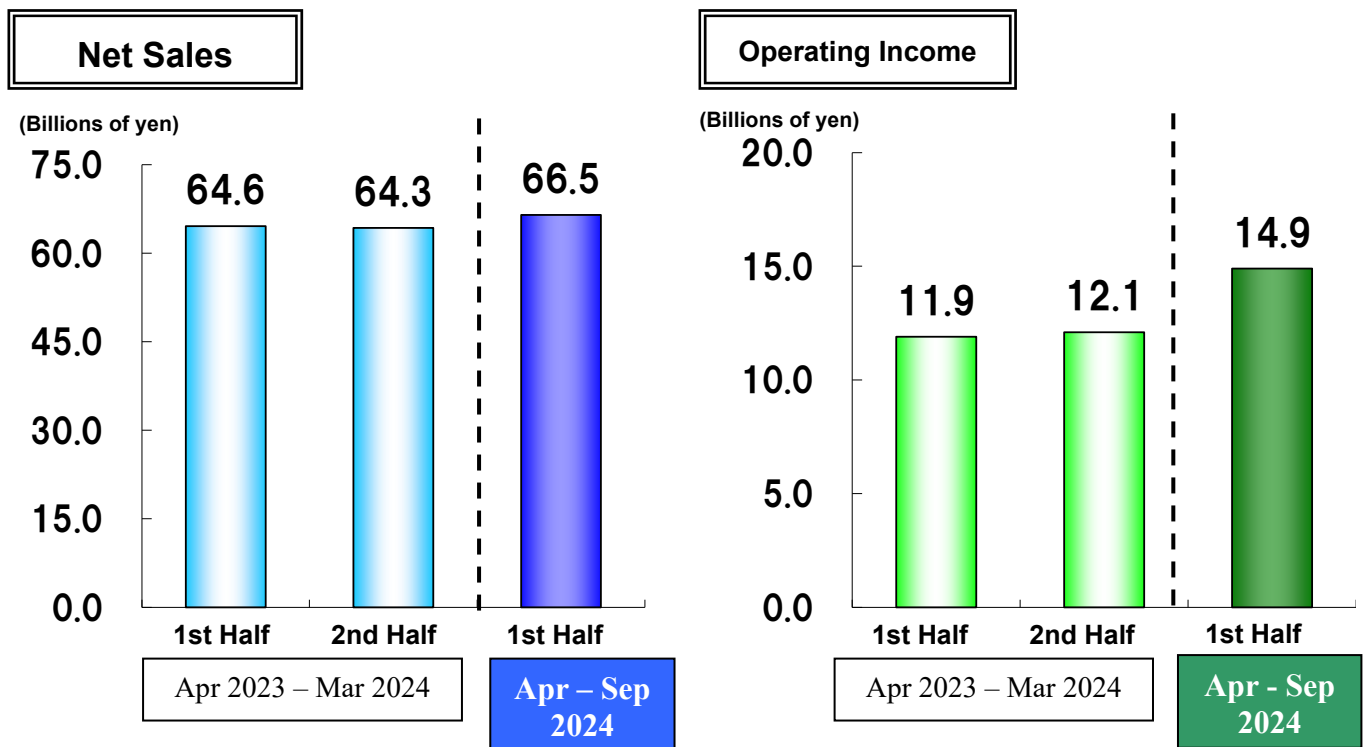
- Price increase of silicone products continues.
- Significant and focused promotion of higher silicone product functionality and raising of the level of environmental impact reduction.
- We carefully analyze the different demands for each application and region, and respond promptly to customer needs.



## Processing & Specialized Services

|                         | Apr - Sep 2023<br>(Billions of yen) | Apr - Sep 2024<br>(Billions of yen) | Increase /<br>(Decrease) |
|-------------------------|-------------------------------------|-------------------------------------|--------------------------|
| <b>Net sales</b>        | 64.6                                | <b>66.5</b>                         | 3.0%                     |
| <b>Operating income</b> | 11.9                                | <b>14.9</b>                         | 24.8%                    |

For semiconductor wafer cases, the inventory adjustments in the semiconductor industry are being reflected in order volumes. The demand for input devices remained strong overall, although to varying degrees by region. The sales of rollers for office equipment also increased, capturing the demand for replacement.



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

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

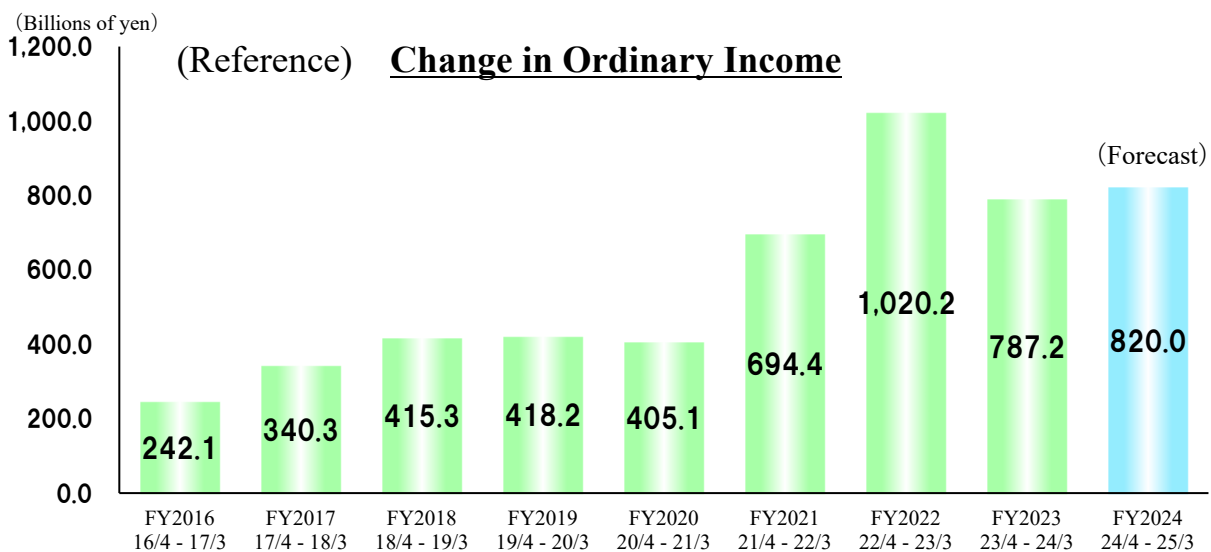
The business forecast for this fiscal year depends on various variable factors, including exchange rates, but we will maintain the earning forecast announced in July. We strive to grow our business performance.

(Billions of yen)

|  | <b>FY 2023</b><br>Apr 2023 - Mar 2024<br><b>Actual</b> | <b>FY 2024</b><br>Apr 2024 - Mar 2025<br><b>Forecast</b> | <b>Increase<br/>(Decrease)</b> |
|--|--|--|--------------------------------|
| <b>Net sales</b>                                   | 2,414.9  | <b>2,500.0</b>   | 3.5%                           |
| <b>Operating income</b>                            | 701.0  | <b>735.0</b>   | 4.8%                           |
| <b>Ordinary income</b>                             | 787.2  | <b>820.0</b>   | 4.2%                           |
| <b>Net income attributable to owners of parent</b> | 520.1  | <b>533.0</b>   | 2.5%                           |
| <b>Net income per share (Yen)</b>                  | 259  | <b>268</b>   | 9yen, 3.3%                     |
| <b>Cash Dividends per Share (Yen)</b>              | 100  | <b>106</b>   | 6yen, 6.0%                     |

(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, 2025].

The year-end dividend for the fiscal year ending March 31, 2025 is expected to be ¥53 per share as was announced in July, 2024 as well, the same amount as the interim dividend. As a result, the dividend on an annual basis will be ¥106 per share, an increase of ¥6 from the previous period.



## **2. Consolidated Financial Statements**

### **(1) Consolidated Balance Sheets**

As of March 31 and September 30, 2024

|  | Millions of yen |                    |
|--|-----------------|--------------------|
|  | March 31, 2024  | September 30, 2024 |
| <b>ASSETS</b>  |                 |                    |
| Current Assets:                                      |                 |                    |
| Cash and time deposits                               | 1,698,999       | 1,814,531          |
| Notes, accounts receivable-trade and contract assets | 481,812         | 549,904            |
| Securities   | 20,710          | 6,611              |
| Inventories  | 720,646         | 735,264            |
| Other  | 121,389         | 115,170            |
| Less: Allowance for doubtful accounts                | (7,049)         | (7,271)            |
| Total current assets                                 | 3,036,509       | 3,214,212          |
| Fixed Assets:  |                 |                    |
| Property, plant and equipment:                       |                 |                    |
| Machinery and equipment, net                         | 860,903         | 945,200            |
| Construction in progress                             | 454,975         | 587,650            |
| Other, net   | 430,698         | 527,103            |
| Total property, plant and equipment                  | 1,746,577       | 2,059,954          |
| Intangible assets                                    | 10,195          | 35,025             |
| Investments and other assets:                        |                 |                    |
| Investments and other assets                         | 360,821         | 332,647            |
| Less: Allowance for doubtful accounts                | (6,129)         | (5,815)            |
| Total investments and other assets                   | 354,692         | 326,831            |
| Total fixed assets                                   | 2,111,465       | 2,421,811          |
| TOTAL ASSETS   | 5,147,974       | 5,636,024          |

|  | Millions of yen  |                    |
|--|------------------|--------------------|
|  | March 31, 2024   | September 30, 2024 |
| <b>LIABILITIES</b>   |                  |                    |
| Current Liabilities:                                       |                  |                    |
| Notes and accounts payable-trade                           | 161,364          | 174,754            |
| Short-term borrowings                                      | 10,386           | 11,485             |
| Accrued income taxes                                       | 73,140           | 75,270             |
| Allowances   | 5,363            | 6,022              |
| Other  | 270,141          | 248,823            |
|  | 520,395          | 516,356            |
| Long-term Liabilities:                                     |                  |                    |
| Long-term debt   | 13,913           | 8,360              |
| Net defined benefit liability                              | 32,571           | 34,301             |
| Other  | 157,019          | 190,818            |
|  | 203,505          | 233,480            |
| <b>TOTAL LIABILITIES</b>                                   | <b>723,901</b>   | <b>749,836</b>     |
| <b>NET ASSETS</b>  |                  |                    |
| Stockholders' Equity:                                      |                  |                    |
| Common stock   | 119,419          | 119,419            |
| Additional paid-in capital                                 | 127,894          | 127,874            |
| Retained earnings  | 3,520,355        | 3,714,252          |
| Less: Treasury stock, at cost                              | (24,292)         | (122,808)          |
|  | 3,743,377        | 3,838,738          |
| Accumulated Other Comprehensive Income:                    |                  |                    |
| Unrealized gains (losses) on available-for-sale securities | 40,518           | 36,916             |
| Deferred gains (losses) on hedges                          | (2,919)          | (1,254)            |
| Foreign currency translation adjustments                   | 466,438          | 811,856            |
| Remeasurements of defined benefit plans                    | 10,507           | 9,653              |
|  | 514,545          | 857,171            |
| Share subscription rights                                  | 4,841            | 4,703              |
| Non-controlling interests in consolidated subsidiaries     | 161,308          | 185,574            |
| <b>TOTAL NET ASSETS</b>                                    | <b>4,424,073</b> | <b>4,886,187</b>   |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                    | <b>5,147,974</b> | <b>5,636,024</b>   |

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

### Consolidated Statements of Income

For the first half ended September 30, 2023 and 2024

|  | Millions of yen                       |                                       |
|--|---------------------------------------|---------------------------------------|
|  | April 1, 2023 -<br>September 30, 2023 | April 1, 2024 -<br>September 30, 2024 |
| Net sales  | 1,195,902                             | 1,266,460                             |
| Cost of sales  | 711,376                               | 747,481                               |
| Gross profit   | 484,526                               | 518,978                               |
| Selling, general and administrative expenses             | 102,607                               | 113,274                               |
| Operating income   | 381,919                               | 405,703                               |
| Non-operating income:                                    |                                       |                                       |
| Interest income  | 28,368                                | 44,542                                |
| Foreign exchange gain                                    | 13,084                                | -                                     |
| Other income   | 8,072                                 | 7,227                                 |
| Total non-operating income                               | 49,526                                | 51,770                                |
| Non-operating expenses:                                  |                                       |                                       |
| Foreign exchange loss                                    | -                                     | 9,439                                 |
| Other expenses   | 3,937                                 | 5,109                                 |
| Total non-operating expenses                             | 3,937                                 | 14,549                                |
| Ordinary income  | 427,508                               | 442,924                               |
| Extraordinary income:                                    |                                       |                                       |
| Gain on step acquisitions                                | -                                     | 5,421                                 |
| Gain on sale of investment securities                    | 12,349                                | 1,909                                 |
| Total extraordinary income                               | 12,349                                | 7,331                                 |
| Income before income taxes and non-controlling interests | 439,857                               | 450,255                               |
| Income taxes:  |                                       |                                       |
| Current  | 111,897                               | 116,529                               |
| Deferred   | 5,773                                 | 15,478                                |
| Total income taxes                                       | 117,671                               | 132,008                               |
| Net income   | 322,186                               | 318,247                               |
| Net income attributable to non-controlling interests     | 20,746                                | 24,130                                |
| Net income attributable to owners of parent              | 301,439                               | 294,117                               |

## Consolidated Statements of Comprehensive Income

For the first half ended September 30, 2023 and 2024

|   | Millions of yen                       |                                       |
|---|---------------------------------------|---------------------------------------|
|   | April 1, 2023 -<br>September 30, 2023 | April 1, 2024 -<br>September 30, 2024 |
| Net income  | 322,186                               | 318,247                               |
| Other comprehensive income:   |                                       |                                       |
| Unrealized gains (losses)<br>on available-for-sale securities                                 | 4,717                                 | (3,647)                               |
| Deferred gains (losses) on hedges   | (2,949)                               | 1,681                                 |
| Foreign currency translation<br>adjustments   | 220,447                               | 348,920                               |
| Remeasurements of defined benefit plans   | 409                                   | (870)                                 |
| Share of other comprehensive income of<br>affiliates accounted for using the equity<br>method | 537                                   | 677                                   |
|   | 223,163                               | 346,762                               |
| Total other comprehensive income  |                                       |                                       |
|   | 545,349                               | 665,010                               |
|   |                                       |                                       |
| (Breakdown)   |                                       |                                       |
| Comprehensive income attributable to<br>owners of parent                                      | 521,798                               | 636,743                               |
| Comprehensive income attributable to<br>non-controlling interests                             | 23,550                                | 28,266                                |

### (3) Consolidated Statements of Cash Flows

For the first half ended September 30, 2023 and 2024

|  | Millions of yen                       |                                       |
|--|---------------------------------------|---------------------------------------|
|  | April 1, 2023 -<br>September 30, 2023 | April 1, 2024 -<br>September 30, 2024 |
| <b>Cash flows from operating activities:</b>                                     |                                       |                                       |
| Income before income taxes and non-controlling interests                         | 439,857                               | 450,255                               |
| Depreciation and amortization  | 108,098                               | 108,421                               |
| Loss (gain) on sale of investment securities                                     | (12,349)                              | (1,909)                               |
| Interest and dividend income   | (30,932)                              | (46,591)                              |
| Exchange (gain) loss   | (4,956)                               | 22,460                                |
| (Increase) decrease in notes and accounts receivable                             | (31,477)                              | (4,657)                               |
| (Increase) decrease in inventories   | (6,002)                               | 32,051                                |
| Increase (decrease) in notes and accounts payable                                | (28,574)                              | (24,754)                              |
| Other, net   | 11,076                                | (29,429)                              |
| Subtotal   | 444,739                               | 505,846                               |
| Proceeds from interest and dividends   | 30,385                                | 45,339                                |
| Payments of interest   | (694)                                 | (538)                                 |
| Payments of income taxes   | (93,882)                              | (98,757)                              |
| Net cash provided by operating activities  | 380,547                               | 451,889                               |
| <b>Cash flows from investing activities:</b>                                     |                                       |                                       |
| Net (increase) decrease in time deposits   | (533,029)                             | 61,726                                |
| Net (increase) decrease in marketable securities                                 | 22,000                                | -                                     |
| Purchases of investments in securities   | (1,474)                               | (4,746)                               |
| Proceeds from sales and redemption of investments in securities                  | 16,272                                | 3,162                                 |
| Purchases of property, plant and equipment                                       | (197,335)                             | (257,851)                             |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | -                                     | (33,411)                              |
| Other, net   | (1,659)                               | (4,114)                               |
| Net cash provided by (used for) investing activities                             | (695,226)                             | (235,235)                             |
| <b>Cash flows from financing activities:</b>                                     |                                       |                                       |
| Net increase (decrease) in short-term borrowings                                 | (770)                                 | 501                                   |
| Proceeds from long-term debt   | 10                                    | 456                                   |
| Repayments of long-term debt   | (2,096)                               | (6,730)                               |
| Purchases of treasury stock  | (60,729)                              | (100,003)                             |
| Cash dividends paid  | (110,965)                             | (99,802)                              |
| Other, net   | (18,919)                              | (24,714)                              |
| Net cash used for financing activities   | (193,471)                             | (230,293)                             |
| Effect of exchange rate changes on cash and cash equivalents                     | 46,350                                | 27,577                                |
| Net increase (decrease) in cash and cash equivalents                             | (461,800)                             | 13,937                                |
| Cash and cash equivalents at beginning of period                                 | 1,247,344                             | 590,135                               |
| Cash and cash equivalents at end of period                                       | 785,544                               | 604,073                               |

#### **(4) Notes to Consolidated Financial Statements**

##### **(Notes on Premise of Going Concern)**

Not applicable

##### **(Notes on Significant Changes in Stockholders' Equity)**

Not applicable

##### **(Notes on Changes in Accounting Policies Applied)**

(Application of “Accounting Standard for Current Income Taxes”, etc.)

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, on October 28, 2022), “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, on October 28, 2022), and “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, on October 28, 2022) are applied from the first half of the fiscal year ending March 31, 2025. These changes had no impact on the consolidated financial statements.

(Application of “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules”)

“Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ PITF No. 46, on March 22, 2024) is applied from the first half of the fiscal year ending March 31, 2025. Current taxes related to the global minimum tax rules are not booked in the consolidated financial statements because ASBJ PITF No. 7 is applied.



## (Appendix)

### 1. Quarterly Operating Results

(Billions of yen)

|   | FY 2023<br>April 1, 2023 - March 31, 2024 |       |       |       |         | FY 2024<br>April 1, 2024 -<br>March 31, 2025 |       |                |
|---|---|-------|-------|-------|---------|--|-------|----------------|
|   | 1Q  | 2Q    | 3Q    | 4Q    | Total   | 1Q   | 2Q    | Total          |
| Net Sales                                   | 599.2                                     | 596.7 | 627.5 | 591.5 | 2,414.9 | 597.9  | 668.5 | <b>1,266.4</b> |
| Infrastructure Materials                    | 240.4                                     | 250.5 | 266.3 | 252.9 | 1,010.2 | 232.5  | 276.8 | <b>509.4</b>   |
| Electronics Materials                       | 220.5                                     | 204.3 | 217.7 | 207.8 | 850.4   | 227.0  | 237.4 | <b>464.4</b>   |
| Functional Materials                        | 108.0                                     | 107.4 | 111.1 | 98.6  | 425.2   | 106.7  | 119.3 | <b>226.0</b>   |
| Processing & Specialized Services           | 30.1                                      | 34.4  | 32.2  | 32.1  | 128.9   | 31.6   | 34.8  | <b>66.5</b>    |
| Operating Income                            | 190.8                                     | 191.0 | 177.6 | 141.5 | 701.0   | 191.0  | 214.6 | <b>405.7</b>   |
| Infrastructure Materials                    | 80.1                                      | 85.1  | 88.2  | 68.3  | 321.9   | 67.9   | 84.2  | <b>152.1</b>   |
| Electronics Materials                       | 80.0                                      | 74.1  | 61.2  | 56.6  | 272.1   | 89.5   | 97.2  | <b>186.7</b>   |
| Functional Materials                        | 25.6                                      | 26.1  | 22.0  | 11.1  | 85.0    | 26.7   | 27.0  | <b>53.8</b>    |
| Processing & Specialized Services           | 5.4                                       | 6.5   | 6.4   | 5.7   | 24.1    | 7.0  | 7.9   | <b>14.9</b>    |
| Ordinary Income                             | 217.1                                     | 210.3 | 188.2 | 171.4 | 787.2   | 219.8  | 223.1 | <b>442.9</b>   |
| Net Income Attributable to Owners of Parent | 153.6                                     | 147.8 | 105.0 | 113.6 | 520.1   | 144.0  | 150.0 | <b>294.1</b>   |
| R&D Costs                                   | 15.5                                      | 16.2  | 17.1  | 16.8  | 65.7    | 16.9   | 16.8  | <b>33.8</b>    |
| Overseas Sales                              | 461.3                                     | 466.0 | 495.5 | 471.4 | 1,894.4 | 469.8  | 536.2 | <b>1,006.1</b> |
| Ratio of Overseas Sales to Net Sales        | 77%                                       | 78%   | 79%   | 80%   | 78%     | 79%  | 80%   | <b>79%</b>     |

## 2. Capital Expenditures and Depreciation and Amortization (Including intangible assets)

(Billions of yen)

|                                   | FY 2023<br>April 1, 2023 - March 31, 2024 |       |       |       |       | FY 2024<br>April 1, 2024 - March 31, 2025 |       |              |
|-----------------------------------|---|-------|-------|-------|-------|---|-------|--------------|
|                                   | 1Q  | 2Q    | 3Q    | 4Q    | Total | 1Q  | 2Q    | Total        |
| Capital Expenditures              | 84.8                                      | 103.3 | 109.0 | 109.6 | 406.8 | 115.5                                     | 137.5 | <b>253.0</b> |
| Infrastructure Materials          | 35.4                                      | 31.9  | 27.9  | 33.0  | 128.4 | 40.9                                      | 31.3  | <b>72.2</b>  |
| Electronics Materials             | 34.2                                      | 58.2  | 60.4  | 58.4  | 211.3 | 55.4                                      | 89.3  | <b>144.8</b> |
| Functional Materials              | 9.0                                       | 11.6  | 15.1  | 16.6  | 52.5  | 13.5                                      | 15.9  | <b>29.5</b>  |
| Processing & Specialized Services | 6.5                                       | 2.5   | 6.4   | 2.6   | 18.2  | 6.2                                       | 2.3   | <b>8.6</b>   |
| Depreciation and Amortization     | 52.0                                      | 56.0  | 58.2  | 61.2  | 227.6 | 52.0                                      | 56.4  | <b>108.4</b> |
| Infrastructure Materials          | 18.1                                      | 19.0  | 20.1  | 20.9  | 78.2  | 18.9                                      | 19.7  | <b>38.7</b>  |
| Electronics Materials             | 24.1                                      | 26.6  | 26.6  | 28.1  | 105.6 | 22.2                                      | 26.7  | <b>49.0</b>  |
| Functional Materials              | 8.7                                       | 9.3   | 10.2  | 10.9  | 39.2  | 9.5                                       | 8.8   | <b>18.3</b>  |
| Processing & Specialized Services | 1.2                                       | 1.3   | 1.5   | 1.5   | 5.7   | 1.4                                       | 1.4   | <b>2.9</b>   |

### Annual

(Billions of yen)

|                               | Apr 2024 - Mar 2025<br>Forecast |
|-------------------------------|---------------------------------|
| Investments                   | <b>* 498.0</b>                  |
| Depreciation and Amortization | <b>248.0</b>                    |

\*The breakdown is as follows: Capital expenditures of 430 billion yen and the purchase of shares of Mimasu Semiconductor Industry Co.,Ltd. of 68 billion yen.

### 3. Other Financial Items (Consolidated)

(Billions of yen)

|                                | Sep 30<br>2023 | Sep 30<br>2024 | Mar 31<br>2024 |
|--------------------------------|----------------|----------------|----------------|
| Net Assets                     | 4,375.0        | 4,886.1        | 4,424.0        |
| Total Assets                   | 5,092.9        | 5,636.0        | 5,147.9        |
| Net Assets per Share (Yen)     | 2,106          | 2,372          | 2,133          |
| Interest-bearing Liabilities   | 28.1           | 19.8           | 24.3           |
| Number of Employees            | 25,652         | 27,137         | 26,004         |
| Exchange Rate: Jan - Jun (Avg) | 134.9          | 152.2          |                |
| (Yen/US\$) Apr - Sep (Avg)     | 141.0          | 152.6          |                |

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<br>2024 | Sep 30<br>2024 | Increase<br>(Decrease)<br>[a] | Effect of<br>exchange<br>rate ✱ |        | Mar 31<br>2024                         | Sep 30<br>2024 | Increase<br>(Decrease)<br>[a] | Effect of<br>exchange<br>rate ✱ |       |        |
|---|----------------|----------------|-------------------------------|---------------------------------|--------|--|----------------|-------------------------------|---------------------------------|-------|--------|
|   |                |                |                               | [a]-[b]                         | [b]    |  |                |                               | [a]-[b]                         | [b]   |        |
| <b>Current Assets</b>                               | 3,036.5        | 3,214.2        | 177.7                         | 257.6                           | (79.9) | <b>Current Liabilities</b>             | 520.3          | 516.3                         | (4.0)                           | 20.3  | (24.3) |
| Cash and time deposits                              | 1,698.9        | 1,814.5        | 115.6                         | 188.3                           | (72.7) | Notes and accounts payable-trade       | 161.3          | 174.7                         | 13.4                            | 7.5   | 5.9    |
| Notes and accounts receivable-trade                 | 481.8          | 549.9          | 68.1                          | 28.2                            | 39.9   | Other                                  | 359.0          | 341.6                         | (17.4)                          | 12.8  | (30.2) |
| Securities  | 20.7           | 6.6            | (14.1)                        | 0.1                             | (14.2) | Long-term Liabilities                  | 203.5          | 233.4                         | 29.9                            | 20.8  | 9.1    |
| Inventories   | 720.6          | 735.2          | 14.6                          | 34.3                            | (19.7) | Total Liabilities                      | 723.9          | 749.8                         | 25.9                            | 41.1  | (15.2) |
| Other   | 114.3          | 107.8          | (6.5)                         | 6.7                             | (13.2) | Stockholders' Equity                   | 3,743.3        | 3,838.7                       | 95.4                            | 0.0   | 95.4   |
| <b>Fixed Assets</b>                                 | 2,111.4        | 2,421.8        | 310.4                         | 153.3                           | 157.1  | Accumulated Other Comprehensive Income | 514.5          | 857.1                         | 342.6                           | 354.4 | (11.8) |
| Property, Plant and Equipment and Intangible Assets | 1,756.7        | 2,094.9        | 338.2                         | 148.1                           | 190.1  | Other                                  | 166.1          | 190.2                         | 24.1                            | 15.4  | 8.7    |
| Investments and Other Assets                        | 354.6          | 326.8          | (27.8)                        | 5.2                             | (33.0) | Total Net Assets                       | 4,424.0        | 4,886.1                       | 462.1                           | 369.8 | 92.3   |
| Total Assets  | 5,147.9        | 5,636.0        | 488.1                         | 410.9                           | 77.2   | Total Liabilities and Net Assets       | 5,147.9        | 5,636.0                       | 488.1                           | 410.9 | 77.2   |

\*Effect of exchange rate

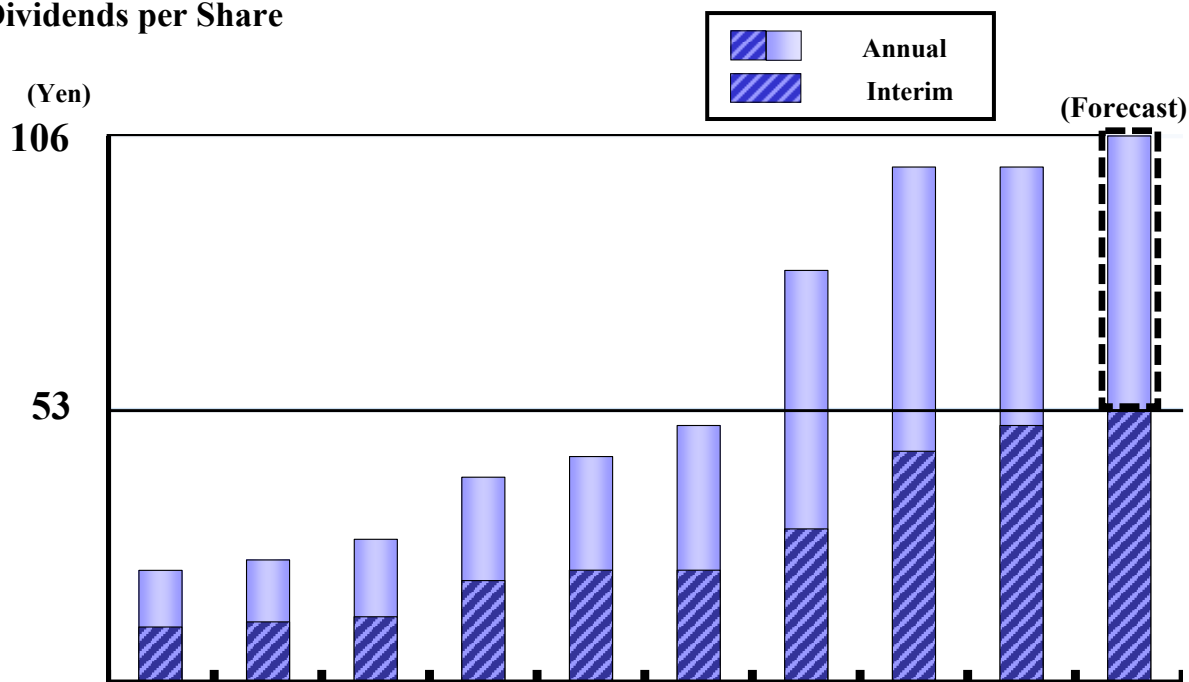
For conversion into Japanese yen of the balance sheets of overseas subsidiaries, the exchange rate at the end of December 2023 was used for the end of the fiscal year ended March 31, 2024 in accordance with the fiscal year end of such overseas subsidiaries.

The exchange rate at the end of June 2024 was used for the end of the first half ended September 30, 2024.

Exchange Rate at End of December 2023: 141.8yen/US\$

Exchange Rate at End of June 2024: 161.1yen/US\$

## 5. Cash Dividends per Share



| Fiscal year ended March        |         | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|---------|------|------|------|------|------|------|------|------|------|------|
| Cash Dividends per Share (Yen) | Interim | 11   | 12   | 13   | 20   | 22   | 22   | 30   | 45   | 50   | 53   |
|                                | Annual  | 22   | 24   | 28   | 40   | 44   | 50   | 80   | 100  | 100  | *106 |
| Net Income per Share (Yen)     | Annual  | 70   | 83   | 125  | 145  | 151  | 141  | 241  | 348  | 259  | *268 |
| Dividend payout ratio          | Annual  | 31%  | 29%  | 22%  | 28%  | 29%  | 35%  | 33%  | 29%  | 39%  | *40% |

\*Forecast

## 6. Sales by Manufacturing Location for Each Segment

(Billions of yen)

|                     |                             | Infrastructure Materials | Electronics Materials | Functional Materials | Processing & Specialized Services | Total   |
|---------------------|-----------------------------|--------------------------|-----------------------|----------------------|-----------------------------------|---------|
| 2023<br>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 |
| 2024<br>April - Sep | Goods Manufactured in Japan | 56.2                     | 380.1                 | 141.7                | 49.3                              | 627.5   |
|                     | Goods Manufactured overseas | 453.1                    | 84.3                  | 84.2                 | 17.1                              | 638.9   |
|                     |                             | 509.4                    | 464.4                 | 226.0                | 66.5                              | 1,266.4 |

## 7. Sales by Region

(Billions of yen)

|                     |  | Japan | Overseas |              |       |        |             | Total   | Total Consolidated Net Sales |
|---------------------|--|-------|----------|--------------|-------|--------|-------------|---------|------------------------------|
|                     |  |       | U.S.     | Asia/Oceania |       | Europe | Other Areas |         |                              |
|                     |  |       |          | China        |       |        |             |         |                              |
| First Half          |  | 22%   | 31%      | 31%          | 9%    | 10%    | 6%          | 78%     |                              |
| Apr - Sep 2023      |  | 268.5 | 367.8    | 368.7        | 102.8 | 119.0  | 71.7        | 927.3   | 1,195.9                      |
| Second Half         |  | 21%   | 32%      | 31%          | 8%    | 10%    | 6%          | 79%     |                              |
| Oct 2023 - Mar 2024 |  | 251.9 | 394.8    | 385.0        | 99.2  | 117.9  | 69.2        | 967.0   | 1,219.0                      |
| Fiscal Year         |  | 22%   | 31%      | 31%          | 8%    | 10%    | 6%          | 78%     |                              |
| ended March 2024    |  | 520.4 | 762.6    | 753.8        | 202.0 | 236.9  | 140.9       | 1,894.4 | 2,414.9                      |
| First Half          |  | 21%   | 32%      | 31%          | 9%    | 10%    | 6%          | 79%     |                              |
| Apr - Sep 2024      |  | 260.2 | 401.6    | 400.1        | 115.9 | 122.2  | 82.1        | 1,006.1 | 1,266.4                      |

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 |
|      |         |               | Jul-Dec  | Oct-Mar |           |             |           | Jul-Dec  | Oct-Mar |           |         |
| 2023 | Jan-Mar | 132.3         | 134.9    | 141.0   | 140.6     | 142.1       | 145.8     | 153.4    | 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         | 152.2    | 152.6   | 144.6     | 161.3       | 164.6     | 165.9    | 152.0   | 156.8     |         |
|      | Apr-Jun | 155.9         |          |         |           | 167.9       |           |          |         |           |         |
|      | Jul-Sep | 149.4         | 152.6    | 164.0   | 165.9     |             |           |          |         |           |         |

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 2024 | Around 140Yen/\$ | Around 155Yen/€ |

## 9. Topics (Apr. 2024 – Sep. 2024)

- 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
- Apr. 2024 Notice regarding planned commencement of tender offer for shares of Mimasu Semiconductor Industry Co., Ltd. (Securities Code: 8155)
- May 2024 Shin-Etsu Chemical to build a new plant for silicone products in Zhejiang Province, China
- May 2024 Shin-Etsu Chemical has announced decisions for the repurchase of 22 million shares (1.1% of the total shares issued and outstanding, excluding treasury shares), 100 billion Japanese Yen (maximum), and the cancellation of treasury shares
- Jun. 2024 Developing equipment to manufacture semiconductor package substrates for the back end process and pursuing a new manufacturing method
- Jun. 2024 Notice regarding commencement of tender offer for shares of Mimasu Semiconductor Industry Co., Ltd. (Securities Code: 8155)
- Aug. 2024 Notice regarding results of tender offer for shares of Mimasu Semiconductor Industry Co., Ltd. and changes to specified subsidiary companies
- Sep. 2024 Shin-Etsu Chemical to develop a QST™ substrate for 300-mm GaN
- Sep. 2024 Shin-Etsu Chemical develops industry-first heat-shrinkable silicone rubber tubing for busbar covering

★ 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 | 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)<br>Shin-Etsu Electronics Materials Taiwan (Taiwan) | Facility investments in photoresists *1   | ¥30 billion       | ★    |    |      |    |      |    |      |    |      |    |
| Shin-Etsu Chemical (Iseaki)   | 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 Silicone (Pinghu) (China)   | Construct a new silicone products plant   | ¥2.1 billion      |      |    |      |    |      |    |      |    |      | ☆  |
| 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