

Press Release

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Shin-Etsu Chemical Co., Ltd.

(JP GAAP)



April 25, 2025

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, 2025

Date of the filing of the consolidated financial statements June 20, 2025

Date of year-end dividend payment June 30, 2025

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, 2025

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

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April 2024 - March 2025	2,561,249	6.1%	742,105	5.9%	820,543	4.2%	534,021	2.7%
April 2023 - March 2024	2,414,937	(14.0%)	701,038	(29.8%)	787,228	(22.8%)	520,140	(26.6%)

(Note) Comprehensive income (Millions of yen) April 2024 - March 2025: 844,146[13.0%]

April 2023 - March 2024: 746,804[(25.4%)]

	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 2024 - March 2025	269.52	269.28	12.0%	15.2%	29.0%
April 2023 - March 2024	259.41	259.13	12.8%	15.9%	29.0%

(Reference) Equity in earnings (losses) of affiliates (Millions of yen) April 2024 - March 2025: 6,351

April 2023 - March 2024: 8,607

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
March 31, 2025	5,636,601	4,837,585	82.6%	2,375.48
March 31, 2024	5,147,974	4,424,073	82.7%	2,133.17

(Reference) Stockholders' equity (Millions of yen) As of March 31, 2025: 4,656,236

As of March 31, 2024: 4,257,922

(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 2024 - March 2025	881,934	(142,553)	(454,905)	882,736
April 2023 - March 2024	755,183	(1,099,208)	(369,466)	590,135

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 2023 - March 2024	-	50.00	-	50.00	100.00	200,079	38.5%	4.9%
April 2024 - March 2025	-	53.00	-	53.00	106.00	208,808	39.3%	4.7%

3. Forecast of Consolidated Operating Performance for the First Quarter Ending June 30, 2025

(From April 1, 2025 to June 30, 2025)

(Millions of yen)

(From April 1, 2020 to June 30, 2020)					(From July 1, 2017 to June 30, 2017)				
	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (yen)
1 st quarter	610,000	2.0%	166,000	(13.1%)	176,000	(19.9%)	120,000	(16.7%)	61.20

(Note) As it is difficult to make a reasonable prediction of the performance in the fiscal year ending in March 2026 at this point, we only release the forecast for the first quarter. The calculation of quarterly net income per share does not consider the impact of the share repurchase announced today. 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) Significant changes in scope of consolidation during the current fiscal year: Yes

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

Excluded: —

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

Changes of accounting policies applied due to revisions of accounting standards: Yes

Changes of accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(Note) Please see [3. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements, "Notes on Changes in Accounting Policies Applied"] on page 19 for further details.

(3) Number of shares outstanding (common stock)

	March 31, 2025	March 31, 2024
Number of shares outstanding at the year end	1,984,995,865	2,001,691,765
Number of shares of treasury stock at the year end	24,869,464	5,637,568
	April 2024 - March 2025	April 2023 - March 2024
Weighted-average number of shares outstanding over the year	1,981,362,811	2,005,085,165

(Note) Based on a resolution at the Board of Directors Meeting held on December 17, 2024, we repurchased a total of 20,060,070 shares (93,981 million yen) on February 14, 2025.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2025

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

(1) Results of non-consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
April 2024 - March 2025	766,606	5.0%	169,539	5.7%	854,901	149.4%	799,524	163.2%
April 2023 - March 2024	730,352	(8.6%)	160,431	(13.9%)	342,832	29.3%	303,739	40.4%

	Net income per share (yen)	Diluted net income per share (yen)
April 2024 - March 2025	403.52	403.22
April 2023 - March 2024	151.48	151.34

(2) Non-consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
March 31, 2025	1,670,628	1,105,929	65.8%	561.24
March 31, 2024	1,462,097	707,892	48.1%	352.41

(Note) Stockholders' equity (Millions of yen) As of March 31, 2025: 1,100,102

As of March 31, 2024: 703,439

(Information regarding audit procedures)

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

(Attached Documents)

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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, 2025 (April 1, 2024 to March 31, 2025), in the U.S., the Federal Reserve Board began lowering its policy rate, and while the U.S. economy remained generally strong, tariffs and other policies put in place by the new administration began to cause a visible downward trend in personal consumption expenditures and business investment. In Europe, monetary easing was implemented and Germany decided to enact a fiscal stimulus package, raising hopes that the economic situation would improve. China finally began to implement economic stimulus packages, but exports did not decline due to the excess in supply that appears to be a part of governmental policy. We need to remain vigilant as trade frictions increase geopolitical risks. 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 cumulative operating income increased by 6% over the same period last year, and the ordinary income also increased by 4%. The net income also increased by 3% despite the temporary increase in tax expenses arising from the payment of dividends from overseas subsidiaries starting this fiscal year. We will focus even more on business growth and improved operating performance. To that end, we will accelerate the development of products that are valuable to our customers and actively continue capital investments with a medium- to long-term perspective in order to meet the needs and demands of the customers and markets in a timely manner.

The business results for the fiscal year ended March 31, 2025, are as follows:

(Billions of yen)				Quarterly			
	Fiscal year 23/4 - 24/3	Fiscal year 24/4 - 25/3	Increase (Decrease)	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Net sales	2,414.9	2,561.2	6% 146.3	597.9	668.5	663.2	631.5
Operating income	701.0	742.1	6% 41.1	191.0	214.6	178.7	157.6
Ordinary income	787.2	820.5	4% 33.3	219.8	223.1	201.3	176.3
Net income attributable to owners of parent	520.1	534.0	3% 13.9	144.0	150.0	138.4	101.4
Ratio of operating income to net sales	29.0%	29.0%	0 points				
Ratio of net income attributable to owners of parent to net sales	21.5%	20.9%	(1 points)				
ROIC	19.4%	18.2%	(1 points)				
ROE	12.8%	12.0%	(1 points)				
DOE	4.9%	4.7%	0 points				
Dividend payout ratio	38.5%	39.3%	1 points				
Per Share (Yen)							
Net income	259	270	11				
Cash dividends	100	(Forecast) 106	6				

- Note:
- 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.
 - DOE: Dividend on equity ratio.

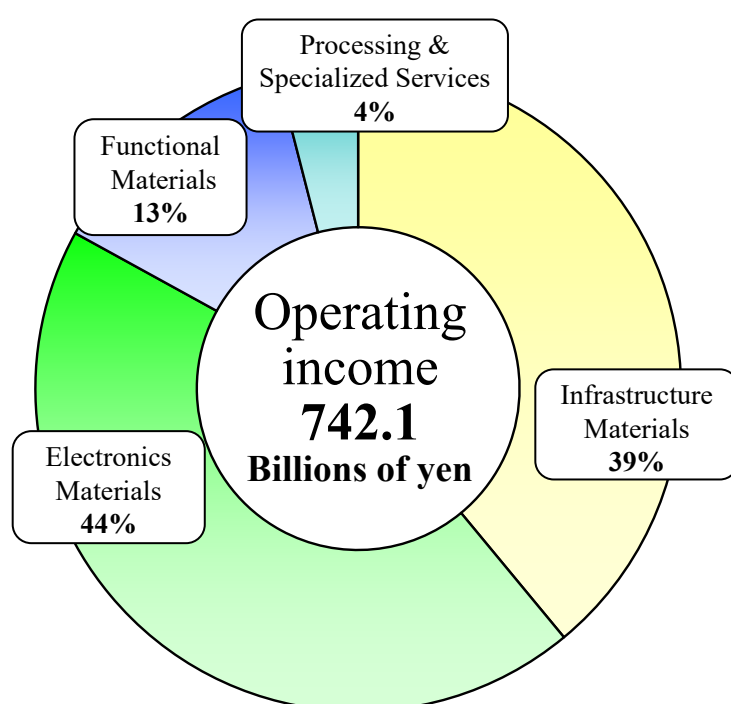
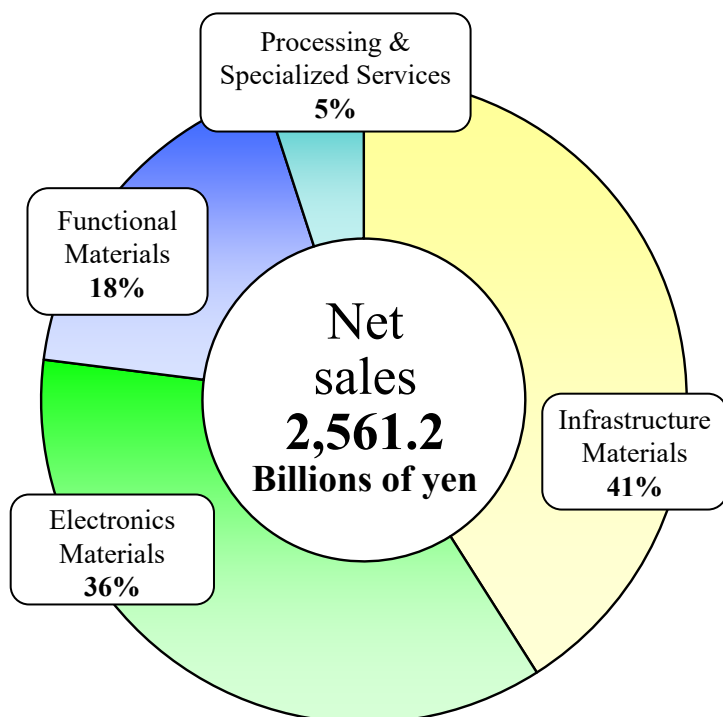
►Amounts are stated in billions of yen by discarding fractional amounts less than 0.1 billion on this summary.

2) Business Segment Overview

Net sales and Operating income by Segment

(Billions of yen)

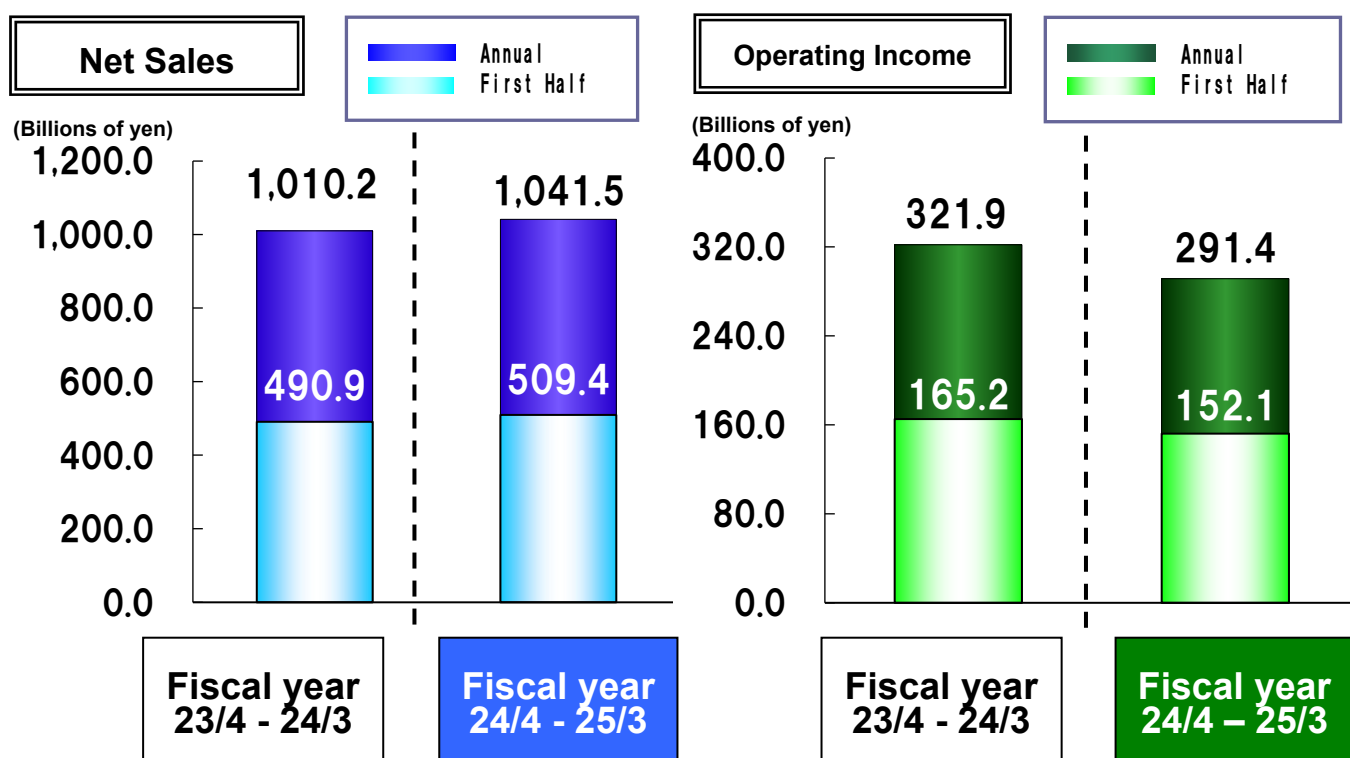
	Net sales			Operating income		
	Fiscal year 23/4 - 24/3	Fiscal year 24/4 - 25/3	Increase (Decrease)	Fiscal year 23/4 - 24/3	Fiscal year 24/4 - 25/3	Increase (Decrease)
Infrastructure Materials	1,010.2	1,041.5	3% 31.3	321.9	291.4	(9%) (30.5)
Electronics Materials	850.4	934.3	10% 83.9	272.1	324.7	19% 52.6
Functional Materials	425.2	448.6	6% 23.4	85.0	100.0	18% 15.0
Processing & Specialized Services	128.9	136.7	6% 7.8	24.1	28.7	19% 4.6
Total	2,414.9	2,561.2	6% 146.3	701.0	742.1	6% 41.1



Infrastructure Materials

	Fiscal year 23/4 - 24/3 (Billions of yen)	Fiscal year 24/4 - 25/3 (Billions of yen)	Increase / (Decrease)
Net sales	1,010.2	1,041.5	3%
Operating income	321.9	291.4	(9%)

As for PVC, the prices rose in major regions from April to June last year and further improved or maintained their levels from July to September, but the situation varied from region to region from October to December. There were regions where we were able to raise prices and regions where we were unable to do so from January to March this year. As for caustic soda, we raised the prices for the period of April to June last year, and since then the prices have kept going up and down, but they have improved from January to March this year.

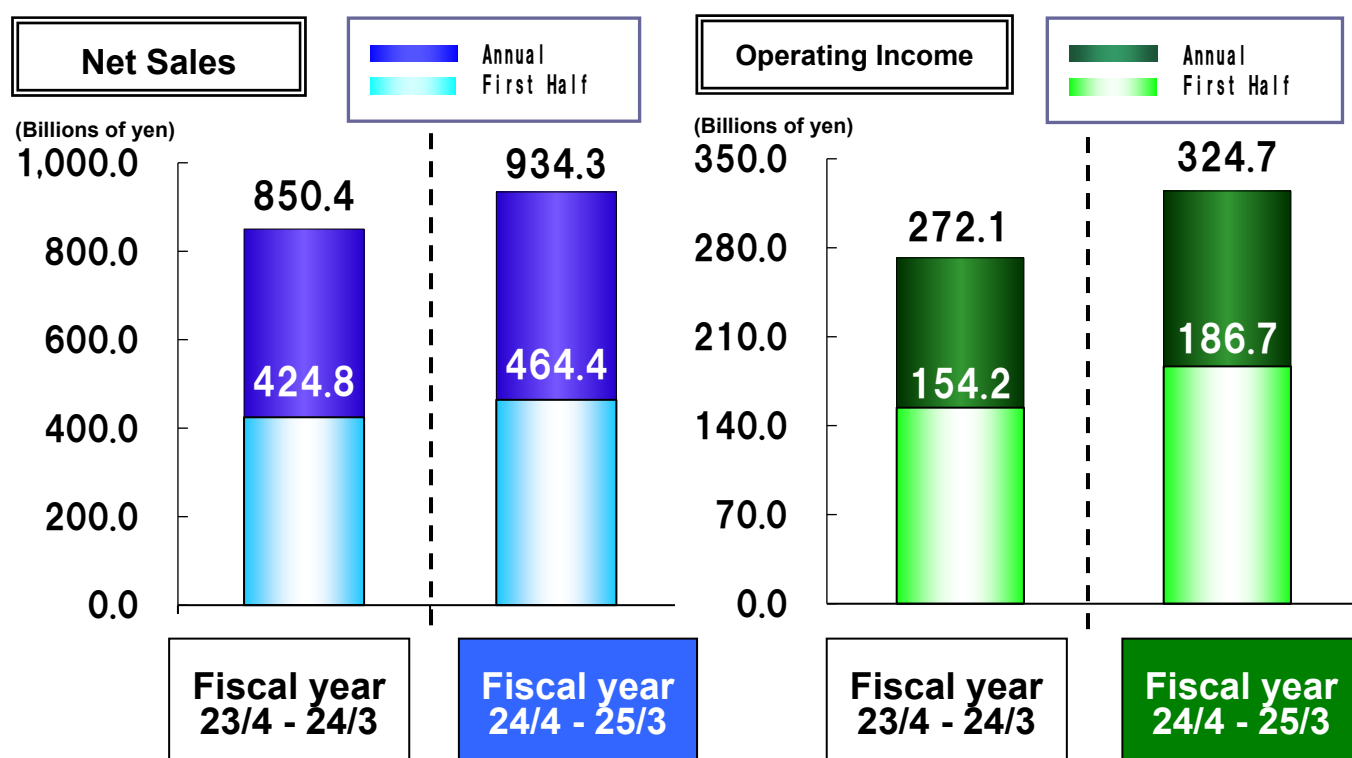


- Upward price adjustments.
- Full production and full sales that are well managed and controlled.
- Closely following the increase in infrastructure investment.

Electronics Materials

	Fiscal year 23/4 - 24/3 (Billions of yen)	Fiscal year 24/4 - 25/3 (Billions of yen)	Increase / (Decrease)
Net sales	850.4	934.3	10%
Operating income	272.1	324.7	19%

In the semiconductor market, the recovery from the adjustment phase has been patchy depending on the application and sector. Under these circumstances, we have focused on shipping semiconductor materials such as silicon wafer, photoresist and photomask blanks to the markets with strong growth. As for rare earth magnets, while we have met the strong demand of HDD, we have focused on expanding the sales to automotive markets.

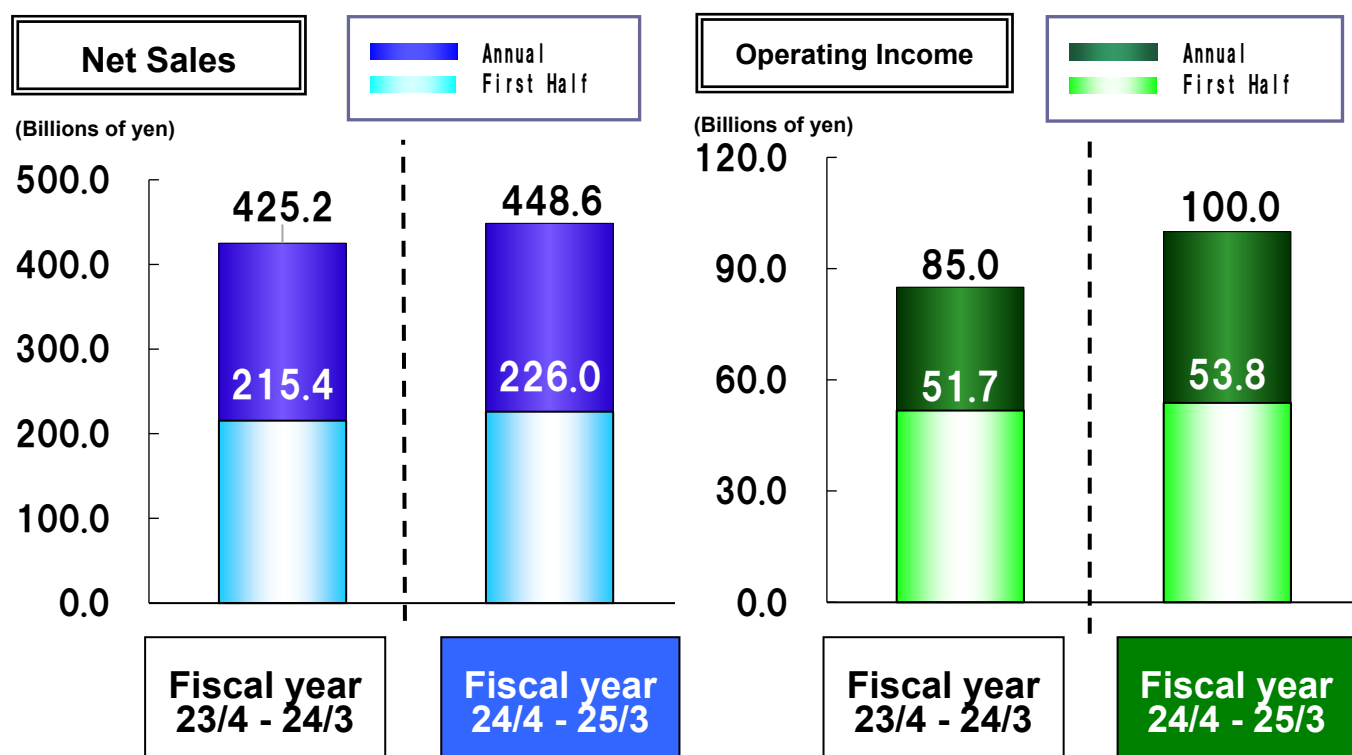


- Providing materials and technologies essential to the semiconductor market, which is sure to see rapid growth in the three aspects of quantity, quality, and variety.
- Promoting the construction of a new production base focusing on photoresist in Isesaki City, Gunma Prefecture, Japan (Currently proceeding as planned).
- Expansion of new functions as a diversified electronics materials manufacturer.

Functional Materials

	Fiscal year 23/4 - 24/3 (Billions of yen)	Fiscal year 24/4 - 25/3 (Billions of yen)	Increase / (Decrease)
Net sales	425.2	448.6	6%
Operating income	85.0	100.0	18%

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

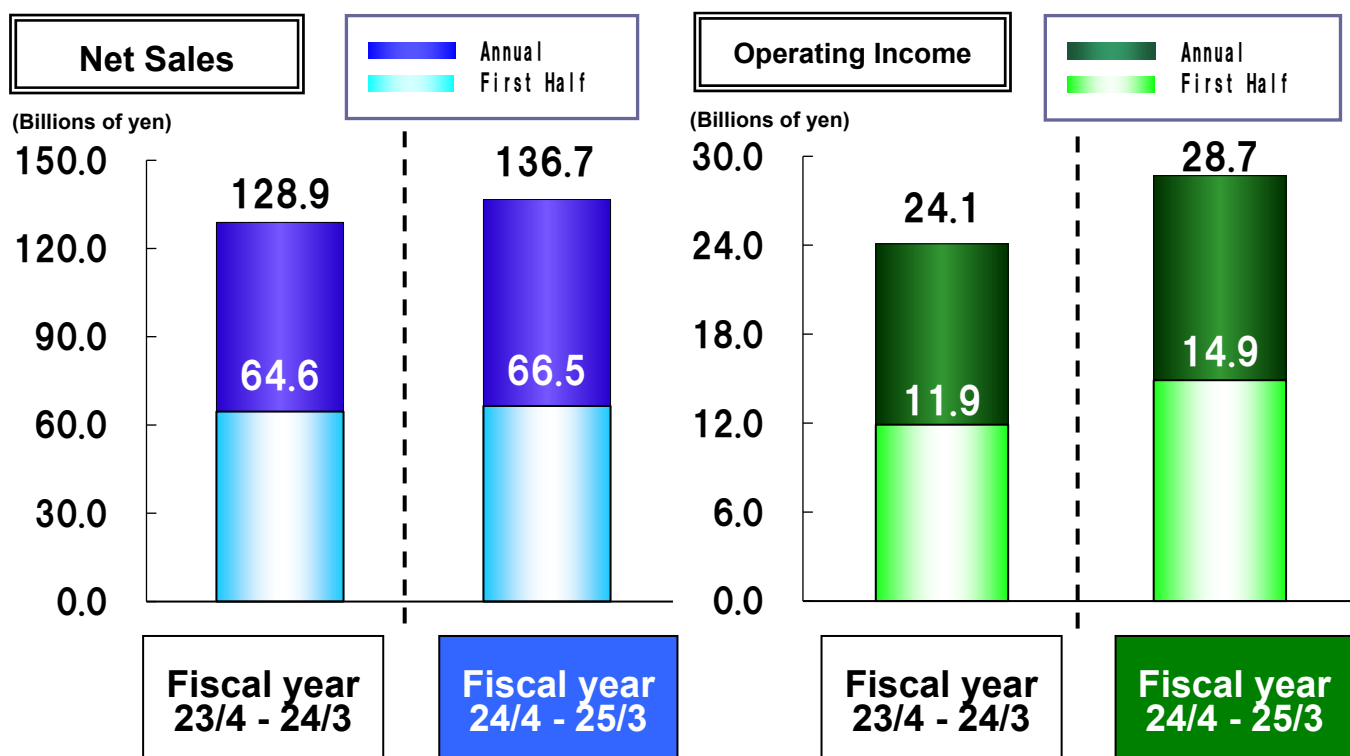


- Progress in solving issues using silicones (Shin-Etsu Silicones Solution-Engineering). (e.g., heat management, weight reduction, labor saving, a substitute for PFAS).
- Expansion of cellulose derivatives products for pharmaceuticals application.

Processing & Specialized Services

	Fiscal year 23/4 - 24/3 (Billions of yen)	Fiscal year 24/4 - 25/3 (Billions of yen)	Increase / (Decrease)
Net sales	128.9	136.7	6%
Operating income	24.1	28.7	19%

The demand for semiconductor-related containers, primarily for in-process use, has progressed steadily. In the automotive-related products, we have launched production of fire prevention cushions for EV batteries.



- Increase sales of semiconductor wafer-related containers and promoted the development and market penetration of eco-friendly vehicle-related products.

3) Information on Assets, Liabilities and Net assets

At the end of FY 2024 (March 31, 2025), total assets increased by ¥488.7 billion compared with that at the end of the previous fiscal year to ¥5,636.6 billion. It was mainly due to increases in overseas consolidated subsidiary assets because of yen depreciation, and property, plant and equipment because of a high level of investments.

Total liabilities increased by ¥75.1 billion from that at the end of the previous fiscal year to ¥799.0 billion.

Total net assets increased by ¥413.5 billion compared with that at the end of the previous fiscal year to ¥4,837.5 billion. This increase was mainly due to net income attributable to owners of parent of ¥534.0 billion, ¥267.8 billion for foreign currency translation adjustments due to yen depreciation, offset by ¥204.7 billion for a cash dividend payment and ¥193.9 billion for purchases of treasury stock.

4) Status of Cash Flows

	Billions of yen		
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025	Increase (Decrease)
Cash and cash equivalents at beginning of fiscal year	1,247.3	590.1	(657.2)
1. Cash flows from operating activities	755.1	881.9	126.8
2. Cash flows from investing activities	(1,099.2)	(142.5)	956.7
3. Cash flows from financing activities	(369.4)	(454.9)	(85.5)
4. Effect of foreign exchange and others	56.2	8.1	(48.1)
Net increase (decrease) in cash and cash equivalents	(657.2)	292.6	949.8
Cash and cash equivalents at end of fiscal year	590.1	882.7	292.6

The balance of cash and cash equivalents at the end of FY 2024 increased by 50% (¥292.6 billion) compared with that at the end of the previous fiscal year to ¥882.7 billion.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥881.9 billion, an increase of ¥126.8 billion from the previous fiscal year. This consisted mainly of ¥826.2 billion in income before income taxes and non-controlling interests, ¥238.3 billion in depreciation and amortization, and ¥187.0 billion for the payment of income taxes.

Cash flows from investing activities

Net cash used for investing activities decreased by ¥956.7 billion from the previous fiscal year to ¥142.5 billion. This was mainly due to ¥328.8 billion for net decrease in time deposits and ¥439.4 billion for purchases of property, plant and equipment.

Cash flows from financing activities

Net cash used for financing activities increased by ¥85.5 billion from the previous fiscal year to ¥454.9 billion. This was mainly due to ¥193.9 billion for purchases of treasury stock and a cash dividend payment of ¥204.7 billion.

(Reference)

The trend of cash flow indices

	For the fiscal year ended				
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Stockholders' equity ratio (%)	83.2	82.1	81.8	82.7	82.6
Stockholders' equity ratio on market value basis (%)	228.8	192.6	182.3	255.3	147.3
Debt repayment ratio (%)	6.9	5.5	3.8	3.2	1.9
Interest coverage ratio (times)	702.1	677.8	638.4	581.6	764.2

(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

We are focusing on expanding profitability and exercising fiscal restraint, 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 tackle the increasing frequency and amplitude of economic fluctuations that may occur. 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. We strive to provide stable dividends, aiming for a dividend payout ratio of around 40% in the medium-to long-term. We have purchased treasury stocks flexibly, taking into account stock price levels and other circumstances. As part of this, we have announced that we will be purchasing treasury stocks at 500 billion yen.

Accordingly, the year-end dividend for the fiscal year ended March 31, 2025 is planned to be ¥53 per share, the same amount as the interim dividend of ¥53 per share. As a result, the annual dividend will be ¥106 per share, an increase of ¥6 from the previous period.

(2) Business Prospects

Considering the vicissitudes surrounding our business and the current state of affairs, particularly trade issues and their impact, as well as exchange rate fluctuations, 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 2026. On the other hand, in order to help our shareholders better understand our business, we release the earnings forecast for the first quarter of the fiscal year ending March 31, 2026 (April 1 to June 30, 2025) as follows. We will promptly release the full-year earnings forecast as soon as prediction becomes possible.

(Billions of yen)

	FY 2024 24/4 - 24/6 Actual	FY 2025 25/4 - 25/6 Forecast	Increase (Decrease)	FY2024 25/1-25/3 Actual
Net sales	597.9	610.0	2.0% 12.1	631.5
Operating income	191.0	166.0	(13.1%) (25.0)	157.6
Ordinary income	219.8	176.0	(19.9%) (43.8)	176.3
Net income attributable to owners of parent	144.0	120.0	(16.7%) (24.0)	101.4
Net income per share (Yen)	72	* 61	(11)	52
Ratio of operating income to net sales	31.9%	27.2%	(4.7 points)	25.0%
Ratio of net income attributable to owners of parent to net sales	24.1%	19.7%	(4.4 points)	16.1%

*The calculation of quarterly net income per share does not consider the impact of the share repurchase announced today

(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 to respond promptly and precisely to the changes in the customer trend and market conditions.

We will pursue economies of scale and multi-layered business development in Infrastructure Materials. We will provide materials and technologies essential to the semiconductor market, which is growing exponentially, and expand new functions as a diversified electronics materials manufacturer. We will achieve progress in solving issue using silicones (Shin-Etsu Silicones Solution-Engineering).

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. 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. In addition to responding with agility to changes in the external environment, we will further strengthen the resilience of each business. We will continue to work towards further growth of 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, and take measures in advance to expand it. In addition to the wider fluctuations of the economic situation, beyond the range that has been the case in the past, excess exports from China are expected to continue in multiple markets, and we will take multifaced measures to address these issues.

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, 2024 and 2025

	Millions of yen	
	March 31, 2024	March 31, 2025
ASSETS		
Current Assets:		
Cash and time deposits	1,698,999	1,708,438
Notes, accounts receivable-trade and contract assets	481,812	514,702
Securities	20,710	103,240
Inventories	720,646	769,967
Other	121,389	123,243
Less: Allowance for doubtful accounts	(7,049)	(9,941)
Total current assets	3,036,509	3,209,652
Fixed Assets:		
Property, plant and equipment:		
Buildings and structures, net	290,086	377,786
Machinery and equipment, net	860,903	1,081,151
Land	108,611	119,195
Construction in progress	454,975	451,088
Other, net	32,000	36,723
Total property, plant and equipment	1,746,577	2,065,945
Intangible assets	10,195	36,908
Investments and other assets:		
Investments in securities	183,758	134,632
Deferred tax assets	71,284	90,153
Other	105,777	104,537
Less: Allowance for doubtful accounts	(6,129)	(5,228)
Total investments and other assets	354,692	324,095
Total fixed assets	2,111,465	2,426,949
TOTAL ASSETS	5,147,974	5,636,601

	Millions of yen	
	March 31, 2024	March 31, 2025
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	161,364	184,369
Short-term borrowings	10,386	9,389
Accounts payable - other	115,148	90,181
Accrued expenses	88,680	95,749
Accrued income taxes	73,140	84,604
Other	71,676	72,800
Total current liabilities	520,395	537,094
Long-term Liabilities:		
Long-term debt	13,913	7,452
Deferred tax liabilities	129,262	191,813
Other	60,329	62,655
Total long-term liabilities	203,505	261,922
TOTAL LIABILITIES	723,901	799,016
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	127,894	125,694
Retained earnings	3,520,355	3,755,274
Less: Treasury stock, at cost	(24,292)	(121,025)
Total stockholders' equity	3,743,377	3,879,362
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	40,518	32,481
Deferred gains (losses) on hedges	(2,919)	777
Foreign currency translation adjustments	466,438	734,201
Remeasurements of defined benefit plans	10,507	9,412
Total accumulated other comprehensive income	514,545	776,873
Share subscription rights	4,841	6,237
Non-controlling interests in consolidated subsidiaries	161,308	175,112
TOTAL NET ASSETS	4,424,073	4,837,585
TOTAL LIABILITIES AND NET ASSETS	5,147,974	5,636,601

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

For the fiscal years ended March 31, 2024 and 2025

Consolidated Statements of Income

	Millions of yen	
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025
Net sales	2,414,937	2,561,249
Cost of sales	1,503,728	1,577,127
Gross profit	911,209	984,121
Selling, general and administrative expenses	210,171	242,016
Operating income	701,038	742,105
Non-operating income:		
Interest income	67,959	86,732
Foreign exchange gains	13,648	-
Other income	16,709	16,173
Total non-operating income	98,316	102,906
Non-operating expenses:		
Foreign exchange losses	-	10,687
Loss on retirement of non-current assets	2,226	4,228
Other expenses	9,899	9,552
Total non-operating expenses	12,126	24,467
Ordinary income	787,228	820,543
Extraordinary income:		
Gain on sale of investment securities	19,178	11,003
Gain on step acquisitions	-	5,421
Insurance claim income	4,424	-
Total extraordinary income	23,602	16,425
Extraordinary losses:		
Business restructuring expenses	15,157	7,843
Impairment losses	-	2,896
Total extraordinary losses	15,157	10,739
Income before income taxes and non-controlling interests	795,673	826,229
Income taxes:		
Current	215,618	211,071
Deferred	14,894	35,056
Total income taxes	230,513	246,128
Net income	565,160	580,101
Net income attributable to non-controlling interests	45,020	46,080
Net income attributable to owners of parent	520,140	534,021

Consolidated Statements of Comprehensive Income

	Millions of yen	
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025
Net income	565,160	580,101
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	9,064	(8,120)
Deferred gains (losses) on hedges	(2,495)	3,710
Foreign currency translation adjustments	170,429	269,246
Remeasurements of defined benefit plans	4,143	(1,104)
Share of other comprehensive income of affiliates accounted for using the equity method	501	312
Total other comprehensive income	181,643	264,044
Comprehensive income	746,804	844,146
(Breakdown)		
Comprehensive income attributable to owners of parent	699,344	796,349
Comprehensive income attributable to non-controlling interests	47,459	47,796

(3) Consolidated Statements of Changes in Net Assets

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

For the fiscal year ended March 31, 2025

(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	127,894	3,520,355	(24,292)	3,743,377
Changes during the year					
Cash dividends			(204,724)		(204,724)
Net income attributable to owners of parent			534,021		534,021
Purchase of treasury stock				(193,988)	(193,988)
Disposal of treasury stock		(1,354)		4,231	2,876
Retirement of treasury stock		(93,023)		93,023	-
Transfer to additional paid-in capital from retained earnings		94,378	(94,378)		-
Others		(2,200)			(2,200)
Net changes of items other than stockholders' equity					
Total changes during the year	-	(2,200)	234,919	(96,733)	135,985
Balance at the end of the year	119,419	125,694	3,755,274	(121,025)	3,879,362

(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	40,518	(2,919)	466,438	10,507	514,545	4,841	161,308	4,424,073
Changes during the year								
Cash dividends								(204,724)
Net income attributable to owners of parent								534,021
Purchase of treasury stock								(193,988)
Disposal of treasury stock								2,876
Retirement of treasury stock								-
Transfer to additional paid-in capital from retained earnings								-
Others								(2,200)
Net changes of items other than stockholders' equity	(8,036)	3,697	267,762	(1,095)	262,328	1,395	13,803	277,526
Total changes during the year	(8,036)	3,697	267,762	(1,095)	262,328	1,395	13,803	413,512
Balance at the end of the year	32,481	777	734,201	9,412	776,873	6,237	175,112	4,837,585

(4) Consolidated Statements of Cash Flows

For the fiscal years ended March 31, 2024 and 2025

	Millions of yen	
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025
Cash flows from operating activities:		
Income before income taxes and non-controlling interests	795,673	826,229
Depreciation and amortization	227,619	238,357
Impairment losses	21,928	3,527
Increase (decrease) in net defined benefit liability	908	(1,109)
Loss (gain) on sale of investment securities	(19,178)	(11,003)
Increase (decrease) in allowance for doubtful accounts	1,153	1,493
Interest and dividend income	(72,233)	(92,230)
Interest expenses	1,501	1,350
Exchange (gain) loss	(11,507)	7,197
Equity in (earnings) losses of affiliates	(8,607)	(6,351)
(Increase) decrease in notes and accounts receivable	7,039	21,712
(Increase) decrease in inventories	(9,560)	(8,469)
(Increase) decrease in long-term advance payment	2,818	3,341
Increase (decrease) in notes and accounts payable	(28,776)	(12,427)
Other, net	(8,232)	1,547
Subtotal	900,547	973,165
Proceeds from interest and dividends	64,873	96,942
Payments of interest	(1,298)	(1,154)
Payments of income taxes	(208,939)	(187,020)
Net cash provided by operating activities	755,183	881,934
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(781,343)	328,837
Net (increase) decrease in marketable securities	36,065	(3,227)
Purchases of property, plant and equipment	(374,417)	(439,473)
Purchases of intangible assets	(3,061)	(3,364)
Purchases of investments in securities	(2,646)	(6,066)
Proceeds from sales and redemption of investments in securities	26,581	22,785
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(47,232)
Other, net	(387)	5,187
Net cash used for investing activities	(1,099,208)	(142,553)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(1,531)	2,843
Proceeds from long-term debt	23	1,223
Repayments of long-term debt	(5,109)	(12,637)
Purchases of treasury stock	(107,742)	(193,988)
Cash dividends paid	(211,242)	(204,724)
Other, net	(43,864)	(47,623)
Net cash used for financing activities	(369,466)	(454,905)
Effect of exchange rate changes on cash and cash equivalents	56,283	8,125
Net increase (decrease) in cash and cash equivalents	(657,208)	292,600
Cash and cash equivalents at beginning of year	1,247,344	590,135
Cash and cash equivalents at end of year	590,135	882,736

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

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 quarter of the fiscal year ended 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 quarter of the fiscal year ended March 31, 2025. This change had no impact on the consolidated financial statements.

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

	Millions of yen						Figures in consolidated financial statements
	Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total	Adjustment*	
Sales to outside customers	1,041,571	934,312	448,642	136,722	2,561,249	-	2,561,249
Intersegment sales	4,784	4,880	14,054	146,575	170,296	(170,296)	-
Total	1,046,356	939,193	462,696	283,298	2,731,545	(170,296)	2,561,249
Segment income (Operating income)	291,466	324,760	100,022	28,791	745,041	(2,936)	742,105
Depreciation and amortization	81,878	110,850	40,186	6,834	239,750	(1,392)	238,357
Increase in property, plant and equipment and intangible assets	114,006	245,544	65,864	12,671	438,087	(3,510)	434,576

*Elimination of intersegment transactions

(2) 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

(Per Share Information)

	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025
Net assets per share (yen)	2,133.17	2,375.48
Net income per share (yen)	259.41	269.52
Diluted net income per share (yen)	259.13	269.28

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

	Millions of yen	
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025
Calculation of net income per share		
Net income attributable to owners of parent	520,140	534,021
Amount not attributable to shareholders of common stock	-	-
Net income attributable to shareholders of common stock of parent	520,140	534,021
Weighted-average number of shares outstanding (thousands of shares)	2,005,085	1,981,362
Calculation of diluted net income per share		
Adjustments to net income attributable to owners of parent	(68)	(66)
[Adjustments of dilutive shares issued by subsidiaries]	[(68)]	[(66)]
Increase of common stock (thousands of shares)	1,898	1,508
[Share subscription rights included in the above (thousands of shares)]	[1,898]	[1,508]
	Number of share subscription rights	
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025
Potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	-	Stock option in 2024 (Share subscription rights method) Share subscription rights 20,825 (Common stock 2,082,500 shares)

(Major Subsequent Events)

Shin-Etsu Chemical Co., Ltd. resolved at a meeting of its board of directors held on April 25, 2025 the repurchase of up to 500 billion yen and 200 million shares, based on Article 156 of the Companies Act, applied pursuant to Article 165(3) of the Companies Act.

Please refer to the "Notice Concerning Decisions Relating to Repurchase of Shares" released today for further details.

(Appendix)

1. Quarterly Operating Results

(Billions of yen)

	FY 2023 April 1, 2023 - March 31, 2024					FY 2024 April 1, 2024 - March 31, 2025				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	599.2	596.7	627.5	591.5	2,414.9	597.9	668.5	663.2	631.5	2,561.2
Infrastructure Materials	240.4	250.5	266.3	252.9	1,010.2	232.5	276.8	268.1	263.9	1,041.5
Electronics Materials	220.5	204.3	217.7	207.8	850.4	227.0	237.4	244.6	225.1	934.3
Functional Materials	108.0	107.4	111.1	98.6	425.2	106.7	119.3	115.3	107.2	448.6
Processing & Specialized Services	30.1	34.4	32.2	32.1	128.9	31.6	34.8	35.0	35.1	136.7
Operating Income	190.8	191.0	177.6	141.5	701.0	191.0	214.6	178.7	157.6	742.1
Infrastructure Materials	80.1	85.1	88.2	68.3	321.9	67.9	84.2	74.1	65.1	291.4
Electronics Materials	80.0	74.1	61.2	56.6	272.1	89.5	97.2	73.7	64.2	324.7
Functional Materials	25.6	26.1	22.0	11.1	85.0	26.7	27.0	24.4	21.7	100.0
Processing & Specialized Services	5.4	6.5	6.4	5.7	24.1	7.0	7.9	6.7	7.1	28.7
Ordinary Income	217.1	210.3	188.2	171.4	787.2	219.8	223.1	201.3	176.3	820.5
Net Income Attributable to Owners of Parent	153.6	147.8	105.0	113.6	520.1	144.0	150.0	138.4	101.4	534.0
R&D Costs	15.5	16.2	17.1	16.8	65.7	16.9	16.8	17.7	21.6	73.1
Overseas Sales	461.3	466.0	495.5	471.4	1,894.4	469.8	536.2	527.6	505.0	2,038.8
Ratio of Overseas Sales to Net Sales	77%	78%	79%	80%	78%	79%	80%	80%	80%	80%

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

(Billions of yen)

	FY 2023 April 1, 2023 - March 31, 2024					FY 2024 April 1, 2024 - March 31, 2025				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Capital Expenditures	84.8	103.3	109.0	109.6	406.8	115.5	137.5	103.4	78.0	434.5
Infrastructure Materials	35.4	31.9	27.9	33.0	128.4	40.9	31.3	26.0	15.6	114.0
Electronics Materials	34.2	58.2	60.4	58.4	211.3	55.4	89.3	63.2	37.3	245.5
Functional Materials	9.0	11.6	15.1	16.6	52.5	13.5	15.9	13.1	23.1	65.8
Processing & Specialized Services	6.5	2.5	6.4	2.6	18.2	6.2	2.3	1.5	2.4	12.6
Depreciation and Amortization	52.0	56.0	58.2	61.2	227.6	52.0	56.4	63.9	65.9	238.3
Infrastructure Materials	18.1	19.0	20.1	20.9	78.2	18.9	19.7	20.2	22.9	81.8
Electronics Materials	24.1	26.6	26.6	28.1	105.6	22.2	26.7	31.8	29.9	110.8
Functional Materials	8.7	9.3	10.2	10.9	39.2	9.5	8.8	10.3	11.5	40.1
Processing & Specialized Services	1.2	1.3	1.5	1.5	5.7	1.4	1.4	1.9	1.9	6.8

3. Forecast of Investments and Depreciation and Amortization of FY2025 (Annual)

(Billions of yen)

Investments	370.0
Depreciation and Amortization	240.0

4. Other Financial Items (Consolidated)

(Billions of yen)

	Mar 31 2024	Mar 31 2025
Net Assets	4,424.0	4,837.5
Total Assets	5,147.9	5,636.6
Net Assets per Share (Yen)	2,133	2,375
Interest-bearing Liabilities	24.3	16.8
Number of Employees	26,004	27,274
Exchange Rate: Jan - Dec (Avg)	140.6	151.6
(Yen/US\$) Apr - Mar (Avg)	144.6	152.6

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 2024	Mar 31 2025	Increase (Decrease) [a]	Effect of exchange rate [b] *	[a]-[b]		Mar 31 2024	Mar 31 2025	Increase (Decrease) [a]	Effect of exchange rate [b] *	[a]-[b]
Current Assets	3,036.5	3,209.6	173.1	196.8	(23.7)	Current Liabilities	520.3	537.0	16.7	16.9	(0.2)
Cash and time deposits	1,698.9	1,708.4	9.5	145.7	(136.2)	Notes and accounts payable-trade	161.3	184.3	23.0	6.2	16.8
Notes and accounts receivable-trade	481.8	514.7	32.9	21.3	11.6	Other	359.0	352.7	(6.3)	10.7	(17.0)
Securities	20.7	103.2	82.5	0.1	82.4	Long-term Liabilities	203.5	261.9	58.4	17.7	40.7
Inventories	720.6	769.9	49.3	27.3	22.0	Total Liabilities	723.9	799.0	75.1	34.6	40.5
Other	114.3	113.3	(1.0)	2.4	(3.4)	Stockholders' Equity	3,743.3	3,879.3	136.0	0.0	136.0
Fixed Assets	2,111.4	2,426.9	315.5	123.5	192.0	Accumulated Other Comprehensive Income	514.5	776.8	262.3	274.1	(11.8)
Property, Plant and Equipment and Intangible Assets	1,756.7	2,102.8	346.1	119.8	226.3	Other	166.1	181.3	15.2	11.6	3.6
Investments and Other Assets	354.6	324.0	(30.6)	3.7	(34.3)	Total Net Assets	4,424.0	4,837.5	413.5	285.7	127.8
Total Assets	5,147.9	5,636.6	488.7	320.3	168.4	Total Liabilities and Net Assets	5,147.9	5,636.6	488.7	320.3	168.4

* 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 December 2024 was used for the end of the fiscal year ended March 31, 2025.

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

Exchange Rate at End of December 2024: 158.2yen/US\$

6. Cash Dividends per Share

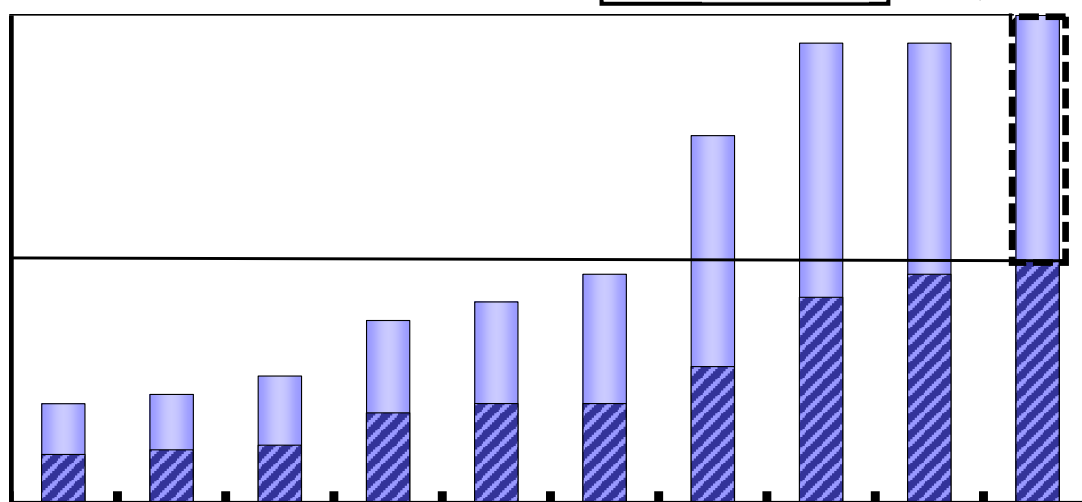
(Yen)

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(Forecast)



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	270
Dividend payout ratio	Annual	31%	29%	22%	28%	29%	35%	33%	29%	38%	* 39%
Dividend on equity ratio	Annual	2.3%	2.5%	2.7%	3.5%	3.6%	3.8%	5.4%	5.7%	4.9%	* 4.7%

* Forecast

7. Sales by Manufacturing Location for Each Segment

(Billions of yen)

		Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total
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
Fiscal year 24/4 - 25/3	Goods Manufactured in Japan	123.3	764.0	287.3	103.5	1,278.2
	Goods Manufactured overseas	918.2	170.2	161.2	33.1	1,282.9
		1,041.5	934.3	448.6	136.7	2,561.2

8. Sales by Region

(Billions of yen)

	Japan	Overseas						Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas	Total	
				China				
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	
Fiscal year 24/4 - 25/3	20%	31%	33%	9%	9%	7%	80%	2,561.2
	522.4	796.5	835.4	239.7	236.5	170.3	2,038.8	

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 2024	2,361.0	1,487.9	674.7	247.7	376.4	5,147.9
March 31 2025	2,327.5	1,770.2	697.0	272.7	568.9	5,636.6

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	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		140. 6		142. 1	145. 8		152. 0			
	Apr-Jun	137. 4					149. 5						
	Jul-Sep	144. 6	146. 3	141. 0		144. 6	157. 3	153. 4	160. 2		156. 8		
	Oct-Dec	147. 9					159. 1	158. 2					
2024	Jan-Mar	148. 6	152. 2	148. 3	151. 6		161. 3	164. 6	160. 2	163. 9			
	Apr-Jun	155. 9					167. 9						
	Jul-Sep	149. 4	150. 9	152. 6		152. 6	164. 0	165. 9	163. 7				
	Oct-Dec	152. 4					162. 6	163. 3					
2025	Jan-Mar	152. 6		152. 5			160. 5		161. 5				

Exchange rate as of
 Dec 31, 2023 141.8 Mar 31, 2024 151.4 Dec 31, 2023 157.1 Mar 31, 2024 163.2
 Dec 31, 2024 158.2 Mar 31, 2025 149.5 Dec 31, 2024 164.9 Mar 31, 2025 162.1

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

11. Topics (Apr. 2024 – Mar. 2025)

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 has developed industry-first heat-shrinkable silicone rubber tubing for busbar covering
Oct. 2024	Shin-Etsu Chemical and SCIVAX have jointly achieved the mass production of Amtelus®, the world's smallest light emitting device for 3D sensors
Dec. 2024	Shin-Etsu Chemical has released Website, "Thermalvision™" to support solving thermal problems
Dec. 2024	Shin-Etsu Chemical has announced decisions for the implementation of a tender offer for approximately 20.06 million shares (1.01% of the total shares issued and outstanding as of the end of September 2024) (Repurchase of our own share and tender offer for our own shares of approximately 94 billion Japanese Yen)
Feb. 2025	Shin-Etsu Chemical to reduce greenhouse gas emissions by deploying renewable energy in Thailand
Mar. 2025	Shin-Etsu Chemical to actively invest in pharmaceutical cellulose business in Japan and Europe

★ 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 (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 product 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									★	
Shin-Etsu Chemical (Naoetsu, Germany)	Strengthening of pharmaceutical Cellulose products and their warehouse storage capacity	¥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