

Press Release

Consolidated Financial Results for the First Three Quarters Ended December 31, 2019



Shin-Etsu Chemical Co., Ltd.

(JP GAAP)

January 28, 2020

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

Listing Stock Exchange: Tokyo and Nagoya

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Date of the filing of the quarterly consolidated financial statements: February 13, 2020

Date of dividend payment: -

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

Holding of quarterly financial results meeting: Yes (for investment analysts and institutional investors)

Amounts are stated in millions of yen by discarding fractional amounts less than 1 million.

Percentage figures indicate increase (decrease) over previous corresponding period.

1. Consolidated Operating Performance for the First Three Quarters Ended December 31, 2019

(From April 1, 2019 to December 31, 2019)

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April - December 2019	1,174,011	(2.7%)	318,735	(1.8%)	330,231	0.3%	246,836	1.9%
April - December 2018	1,206,842	13.7%	324,622	33.4%	329,403	31.6%	242,127	39.7%

(Note) Comprehensive income (Millions of yen) From April 1, 2019 to December 31, 2019: 204,970 [(14.3%)]
From April 1, 2018 to December 31, 2018: 239,069 [34.8%]

	Net income per share (yen)	Diluted net income per share (yen)
April - December 2019	593.58	593.51
April - December 2018	567.56	567.49

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
December 31, 2019	3,104,299	2,640,254	82.8%	6,184.80
March 31, 2019	3,038,717	2,532,556	81.1%	5,915.47

(Note) Stockholders' equity (Millions of yen) As of December 31, 2019: 2,571,414 As of March 31, 2019: 2,465,597

2. Cash Dividends

	Cash dividends per share in the fiscal year (yen)				
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Fiscal year
April 2018 - March 2019	-	100.00	-	100.00	200.00
April 2019 - March 2020	-	110.00	-		
April 2019 - March 2020 (forecast)				110.00	220.00

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

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2020

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (yen)
Fiscal year	1,550,000	(2.8%)	405,000	0.3%	418,000	0.6%	314,000	1.6%	755.18

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

Forward-looking statements such as the forecast of results of operations made in this document involves risks and uncertainties since they are based on management's assumptions and beliefs in light of the information currently available to it. The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors. Material factors affecting the actual results may include overall economic conditions in which the businesses of our company and our group companies are involved, the relevant market trends and fluctuations in foreign exchange rates of the yen, in particular, the exchange rate between the U.S. dollar and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.

(Notes)

(1) Changes in significant subsidiaries during the first three quarters ended December 31, 2019: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first three quarters ended December 31, 2019.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: No

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

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

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(Note) Please see (3) Notes to Consolidated Financial Statements, "Changes in Accounting Policies" on page 15 for further details.

(4) Number of shares outstanding (common stock)

	December 31, 2019	March 31, 2019
Number of shares outstanding at period end	416,662,793	427,606,693
Number of shares of treasury stock at period end	899,267	10,801,943
	April - December 2019	April - December 2018
Weighted-average number of shares outstanding over period	415,843,760	426,609,237

(Information regarding quarterly review procedures)

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

(Attached Documents)

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1. Qualitative Information Regarding Quarterly Results

(1) Explanation Regarding the Operating Results

During the first three quarters of the fiscal year ending March 31, 2020 (from April 1 to December 31, 2019), overall world economic growth continued to slow down, necessitating continuing adjustments in each business.

Under these circumstances, the Shin-Etsu Group always strove to cope with changes swiftly without prejudgments for continuing business growth. We also deepened our customer relationships and expanded our customer base while further developing products which match customer needs, improving quality of products and differentiating our technologies from our competitors. In addition, we also continued on-time deliveries and strict cost control and we made timely and appropriate capital investments in order to serve our customers and markets.

As a result, the business results for the first three quarters of the fiscal year ending March 31, 2020 are as follows. Descriptions of the situation of each of our business segments are on the following pages.

	(Billions of yen)		
	2018 April - December	2019 April - December	Increase (Decrease)
Net sales	1,206.8	1,174.0	(2.7%) (32.8)
Operating income	324.6	318.7	(1.8%) (5.9)
Ordinary income	329.4	330.2	0.3% 0.8
Net income attributable to owners of parent	242.1	246.8	1.9% 4.7
ROIC (per annum)	22.7%	20.4%	(2.3 points)
ROE (per annum)	13.3%	13.1%	(0.2 points)
ROA (per annum)	14.8%	14.3%	(0.5 points)
Net income per share (Yen)	568	594	26

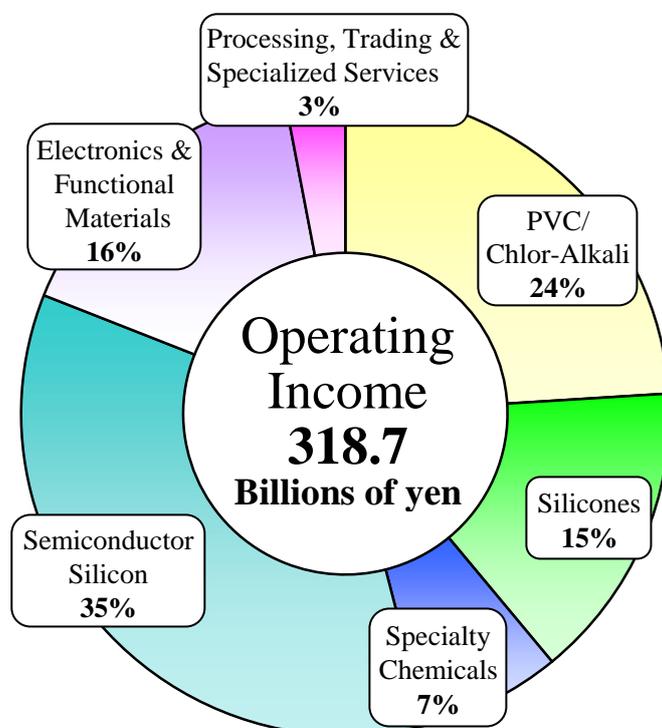
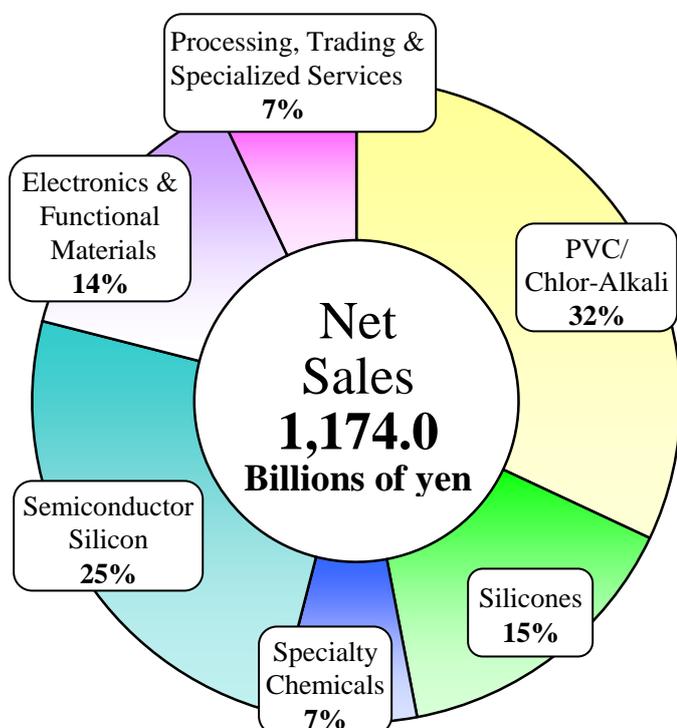
- Notes:
- ROIC: Return on invested capital
Net operating income after tax / (Net assets + Interest-bearing liabilities — Cash)
 - ROE: Return (Net Income) on equity
Equity used for this calculation is net assets excluding both share subscription rights and non-controlling interests in consolidated subsidiaries.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

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

Net Sales and Operating Income by Segment

(Billions of yen)

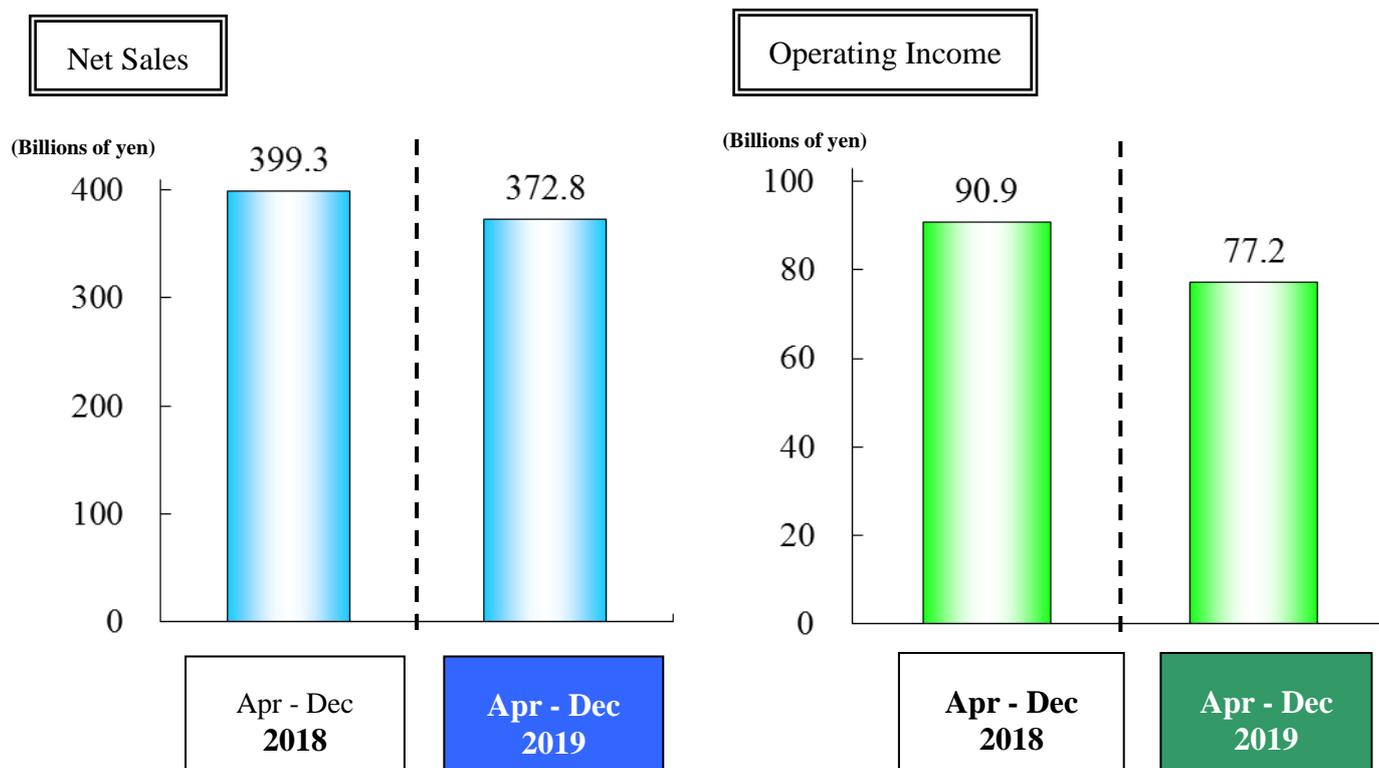
	Net Sales			Operating Income		
	2018 Apr - Dec	2019 Apr - Dec	Increase (Decrease)	2018 Apr - Dec	2019 Apr - Dec	Increase (Decrease)
PVC/Chlor-Alkali Business	399.3	372.8	(6.6%) (26.5)	90.9	77.2	(15.1%) (13.7)
Silicones Business	173.6	172.1	(0.9%) (1.5)	45.8	47.0	2.7% 1.2
Specialty Chemicals Business	92.3	87.4	(5.3%) (4.9)	20.9	21.3	1.9% 0.4
Semiconductor Silicon Business	285.6	295.8	3.6% 10.2	103.9	112.1	7.9% 8.2
Electronics & Functional Materials Business	172.6	167.9	(2.8%) (4.7)	52.4	51.4	(2.0%) (1.0)
Processing, Trading & Specialized Services Business	83.1	77.8	(6.4%) (5.3)	10.5	11.0	5.2% 0.5
Total	1,206.8	1,174.0	(2.7%) (32.8)	324.6	318.7	(1.8%) (5.9)



PVC/Chlor-Alkali Business

	Apr - Dec 2018 (Billions of yen)	Apr - Dec 2019 (Billions of yen)	Increase / (Decrease)
Net sales	399.3	372.8	(6.6%)
Operating income	90.9	77.2	(15.1%)

With regard to the PVC/Chlor-Alkali business, both PVC and caustic soda continued high levels of shipments at Shintech Inc. in the U.S., though affected by market conditions. Shipments were also steady at the European bases despite some impacts from the market conditions. At the Japanese bases, shipments were firm.

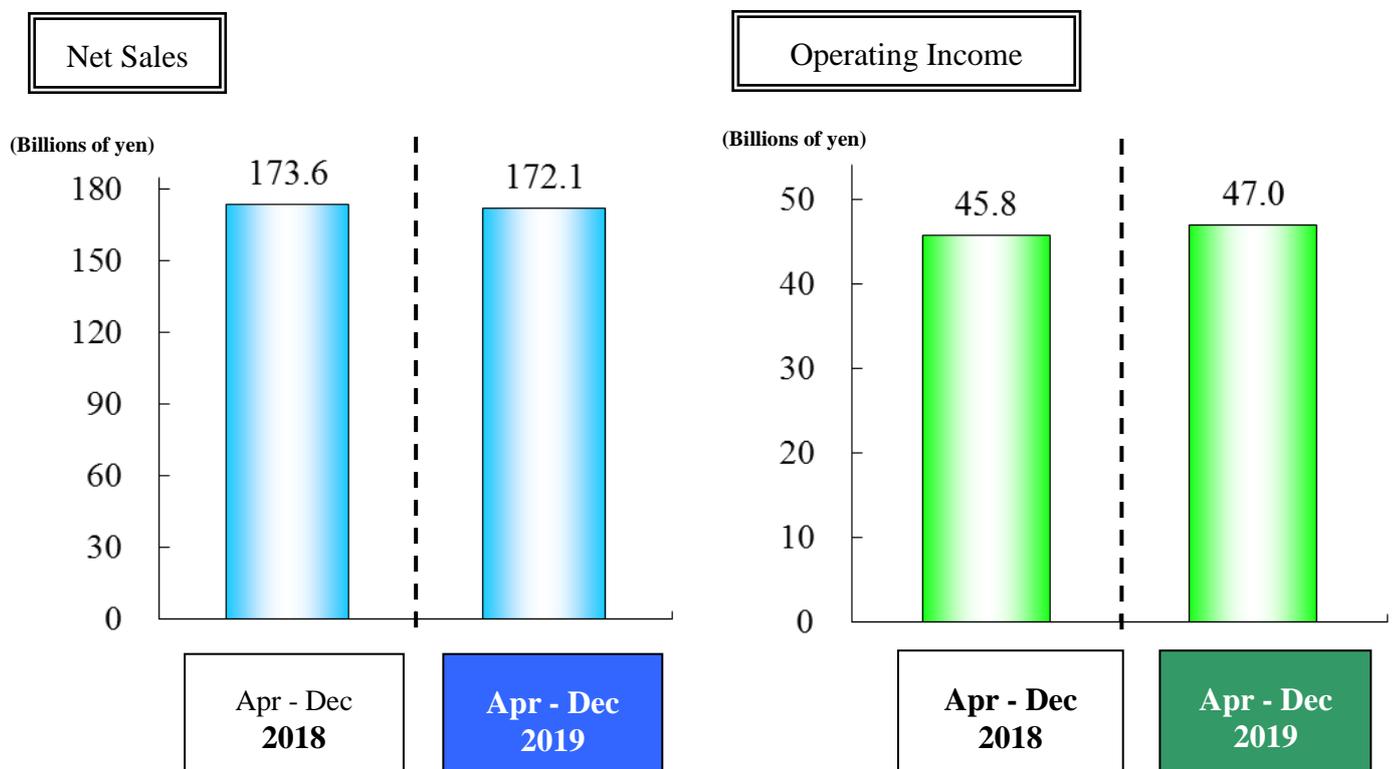


- On the whole, current demand for PVC resin has recovered in 2020. Market conditions improved as well in January. Regarding caustic soda, we expect the market conditions to recover.
- Shintech in the U.S. is currently in the process of starting up the ethylene production plant.

Silicones Business

	Apr - Dec 2018 (Billions of yen)	Apr - Dec 2019 (Billions of yen)	Increase / (Decrease)
Net sales	173.6	172.1	(0.9%)
Operating income	45.8	47.0	2.7%

With regard to the silicones business, it was affected by the price decline of general-purpose products despite our efforts to expand the sales of functional products and other products.

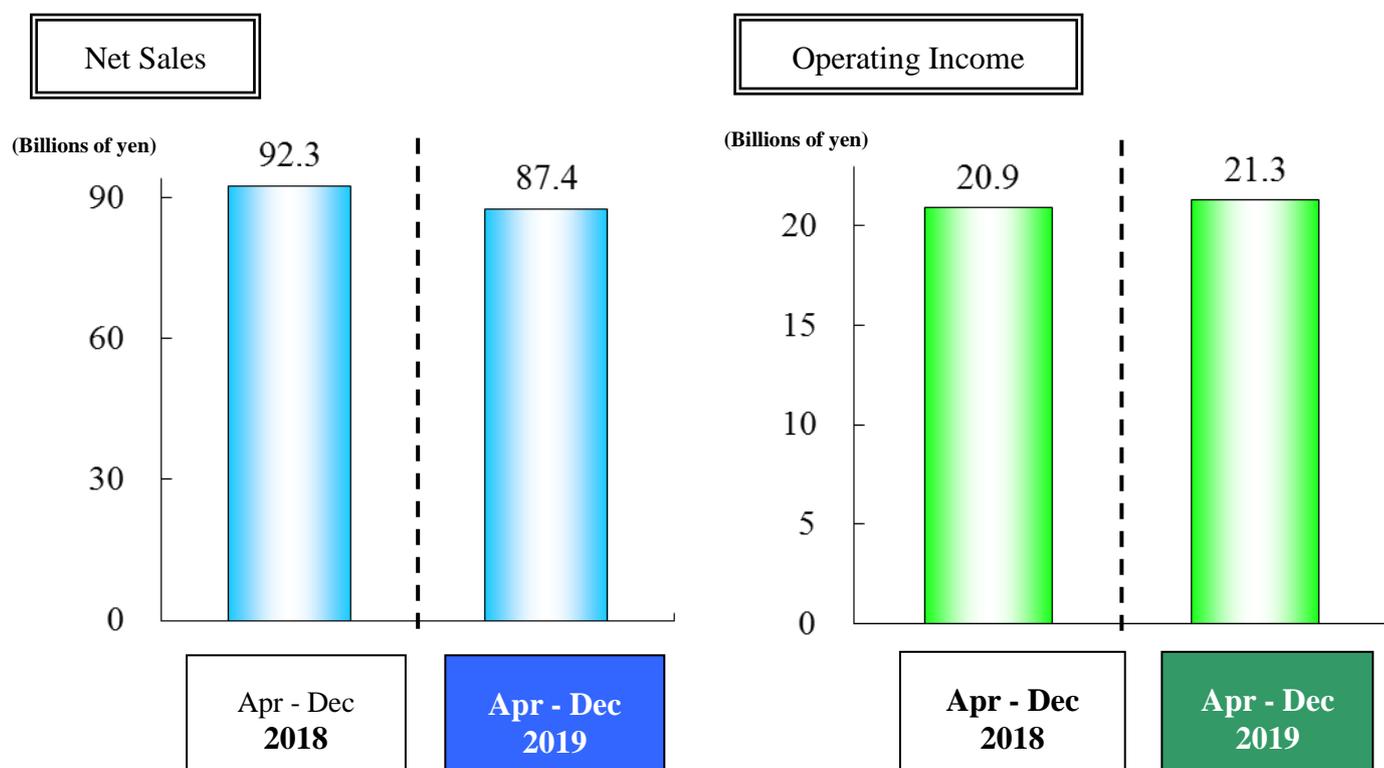


- We continue to increase sales of functional products. In addition, we will steadily advance the investment plan announced in September 2018 to contribute to our business.

Specialty Chemicals Business

	Apr - Dec 2018 (Billions of yen)	Apr - Dec 2019 (Billions of yen)	Increase / (Decrease)
Net sales	92.3	87.4	(5.3%)
Operating income	20.9	21.3	1.9%

With regard to the cellulose derivatives business, although the pharmaceutical-use products continued to be firm, sales of products for building and construction applications to some customers were weak. Synthetic pheromone products had firm shipments. POVAL products were affected by market conditions.

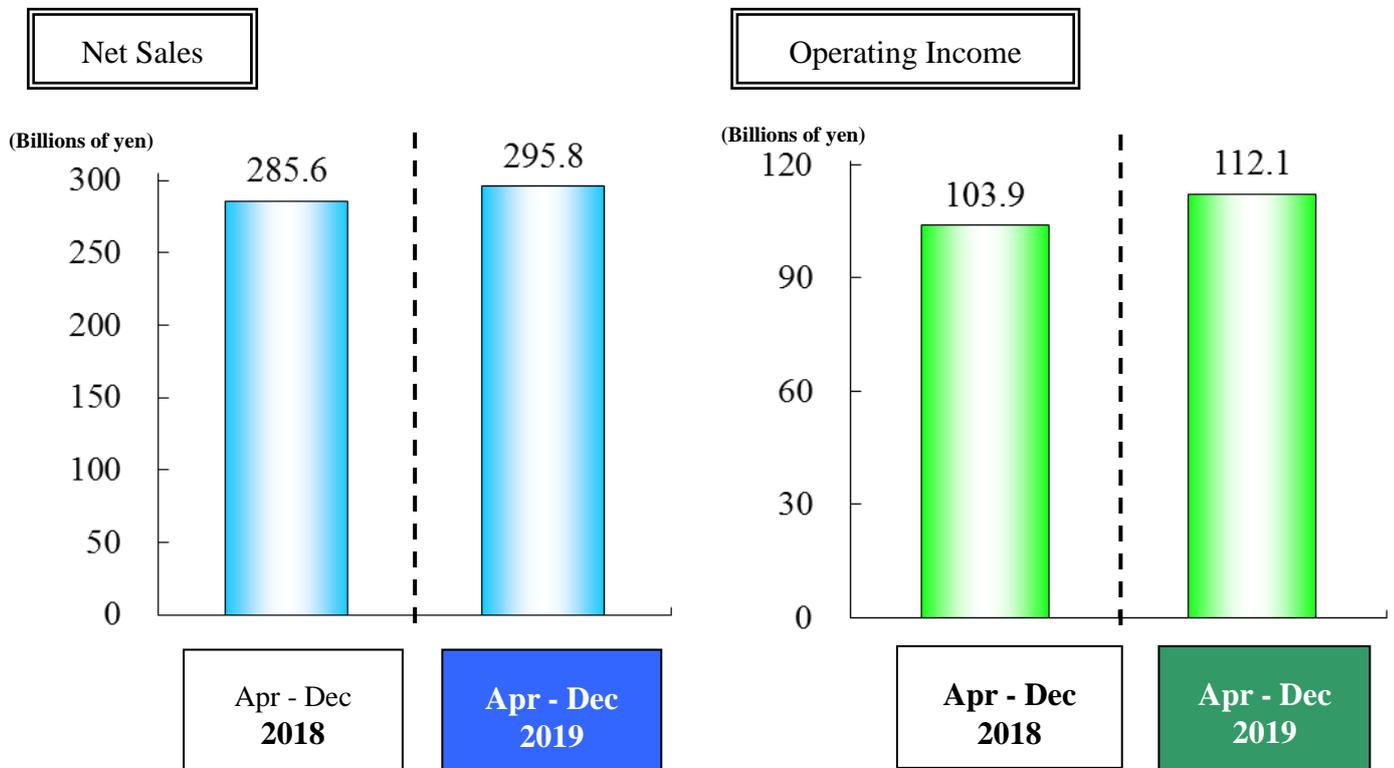


- Capital investment for methylcellulose in Japan was completed in November 2019. We are promoting further advancement of product portfolio.

Semiconductor Silicon Business

	Apr - Dec 2018 (Billions of yen)	Apr - Dec 2019 (Billions of yen)	Increase / (Decrease)
Net sales	285.6	295.8	3.6%
Operating income	103.9	112.1	7.9%

With regard to the semiconductor silicon business, we strove to maintain the level of prices and shipments although the semiconductor device market was in an adjustment phase.

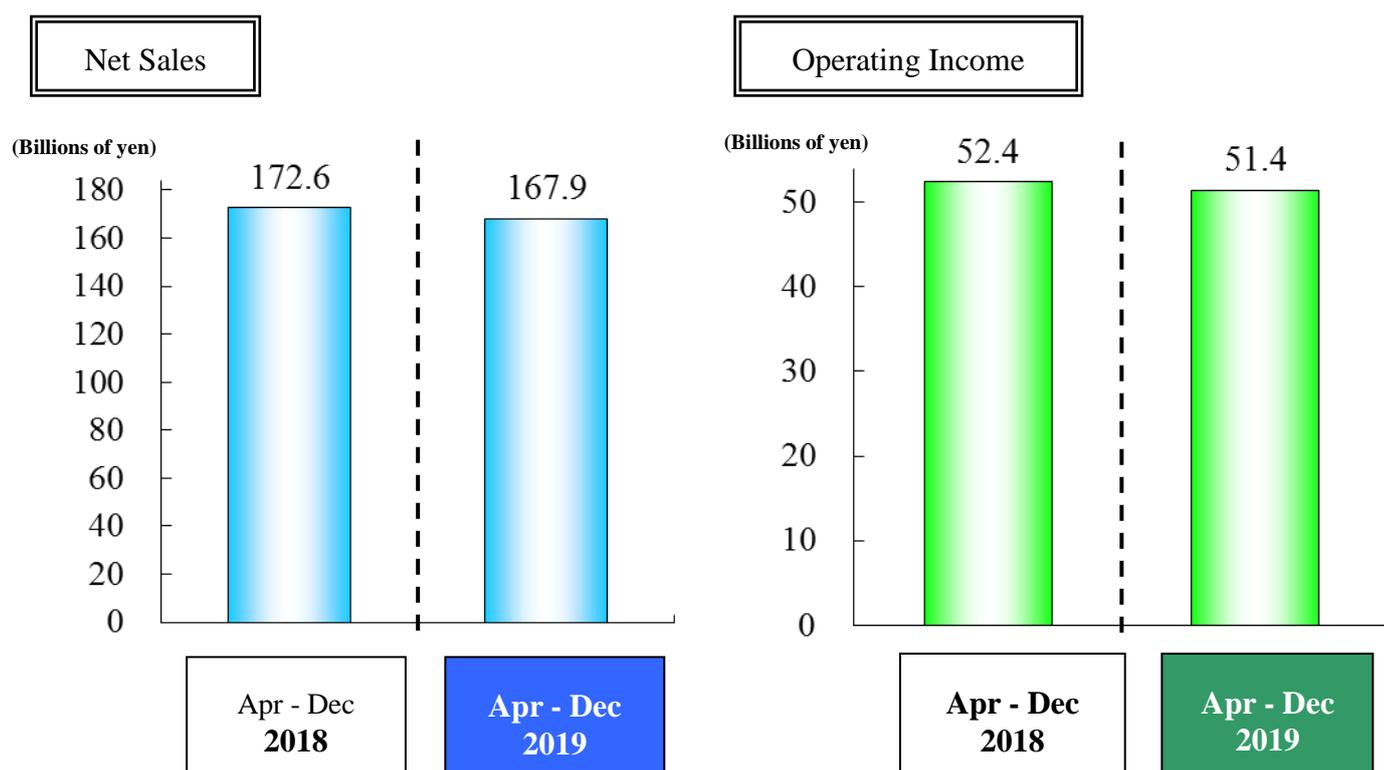


- The semiconductor device market has been on a recovery trend mainly for the high-end logic device. Memory device has also entered into the same trend on the quantity basis.

Electronics & Functional Materials Business

	Apr - Dec 2018 (Billions of yen)	Apr - Dec 2019 (Billions of yen)	Increase / (Decrease)
Net sales	172.6	167.9	(2.8%)
Operating income	52.4	51.4	(2.0%)

With regard to the rare earth magnets business, products for industrial equipment applications continued to be affected by the slowing demand. Products for automobile applications slowed down from the second half of the fiscal year; however, shipments continued to be firm, led by the demand for environmentally-friendly vehicles. With regard to the photoresist products business, ArF photoresists and EUV photoresists were generally favorable. Regarding the photomask blanks business, the sales of high-end products and other products grew and were favorable. The optical fiber preform business experienced harsh conditions due to the impact of the deteriorating market.

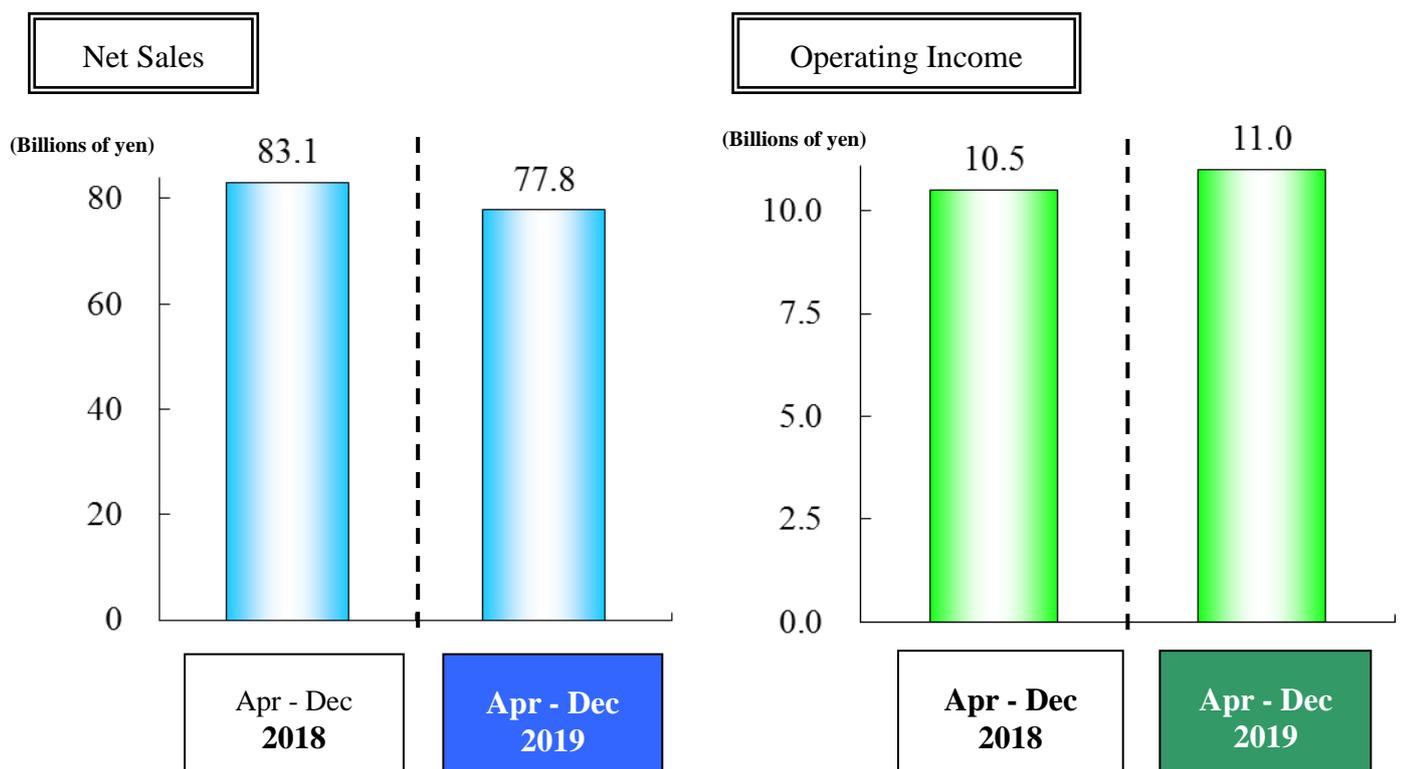


- We have strived to increase the sales of rare earth magnet overall although there are differences in some extent between markets, such as automotive, industrial factory automation, air conditioning, HDD and so on.
- A new plant for photoresist in Taiwan has begun full-scale production in November 2019.
- Production capacity enhancement of photomask blanks will begin around April 2020.

Processing, Trading & Specialized Services Business

	Apr - Dec 2018 (Billions of yen)	Apr - Dec 2019 (Billions of yen)	Increase / (Decrease)
Net sales	83.1	77.8	(6.4%)
Operating income	10.5	11.0	5.2%

Shin-Etsu Polymer Co., Ltd.'s semiconductor wafer-related containers were affected by a slowdown of capital investments in the semiconductor device-related market.



- Regarding semiconductor-related containers, we expect semiconductor device manufacturers resume the expansion of their manufacturing facilities.

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

Business Forecast

As the world economy is fraught with uncertainties such as trade issues, developments in the Chinese economy and the growing tension between the U.S. and Iran, the situation does not allow for optimism. Among our main products, there are some that are significantly affected by market conditions and changes in supply/demand, including raw material prices. Further, given that over 70% of the consolidated sales consist of overseas sales, currency exchange rate fluctuations directly impact our businesses, as well as those of our overseas subsidiaries when their financial results are converted into Japanese yen.

As stated earlier, in a situation where many external factors may affect our business performance, the Shin-Etsu Group will aggressively develop sales activities that capture the trends in demand with alacrity and take advantage of changes while closely monitoring the world markets. Further, we will strive to develop products that have value for customers and ensure the stable supply of our products by continuously focusing on the enhancement of productivity and product quality, while strengthening our cost competitiveness at the same time.

Especially today when it is increasingly necessary to realize the sustainable development of human society and improve its quality while easing environmental burdens, maximizing efficiency is vital. Technologies such as the processing of proliferating data, automatic driving, IoT, 5G and AI will be used for these purposes and should evolve further. We believe that we can bear and fulfill a significant role in this regard. In fact, one example is 5G compatible products (i.e. Quartz Cloth, Thermoset Ultra-Low Dielectric Resin, Heat Dissipation Sheet, Gallium Nitride Substrates) we released recently. We will continue to make efforts to see that many of our products will contribute to these objectives and will produce tangible results in developing new products. We believe this is one way we can contribute to SDGs.

As mentioned on the cover page of this summary of the Shin-Etsu Group's financial results, there is no change in the business forecast we announced on July 24, 2019.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31 and December 31, 2019

	Millions of yen	
	March 31, 2019	December 31, 2019
ASSETS		
Current Assets:		
Cash and time deposits	826,680	805,010
Notes and accounts receivable-trade	338,701	359,002
Securities	215,444	226,368
Inventories	329,494	340,827
Other	47,527	40,973
Less: Allowance for doubtful accounts	(7,379)	(6,817)
Total current assets	1,750,469	1,765,364
Fixed Assets:		
Property, plant and equipment		
Machinery and equipment, net	445,974	415,947
Construction in progress	255,232	337,677
Other, net	286,753	300,309
Total property, plant and equipment	987,960	1,053,934
Intangible assets	8,740	8,025
Investments and other assets:		
Investments and other assets	294,172	279,615
Less: Allowance for doubtful accounts	(2,624)	(2,639)
Total investments and other assets	291,548	276,975
Total fixed assets	1,288,248	1,338,935
TOTAL ASSETS	3,038,717	3,104,299

	Millions of yen	
	March 31, 2019	December 31, 2019
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	141,027	130,894
Short-term borrowings	7,008	8,248
Accrued income taxes	45,739	26,003
Allowances	4,245	3,878
Other	193,833	173,644
	391,854	342,668
Long-term Liabilities:		
Long-term debt	7,624	13,519
Net defined benefit liability	30,473	31,809
Other	76,209	76,048
	114,306	121,376
	506,161	464,045
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	128,299	128,317
Retained earnings	2,283,760	2,346,463
Less: Treasury stock, at cost	(94,702)	(7,951)
	2,436,777	2,586,248
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	22,955	20,360
Deferred gains (losses) on hedges	(266)	(2,866)
Foreign currency translation adjustments	5,143	(33,177)
Remeasurements of defined benefit plans	987	850
	28,820	(14,834)
Share subscription rights	1,143	1,998
Non-controlling interests in consolidated Subsidiaries	65,814	66,841
	2,532,556	2,640,254
	3,038,717	3,104,299

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

Consolidated Statements of Income

For the first three quarters ended December 31, 2018 and 2019

	Millions of yen	
	April 1, 2018 - December 31, 2018	April 1, 2019 - December 31, 2019
Net sales	1,206,842	1,174,011
Cost of sales	772,039	740,443
Gross profit	434,802	433,568
Selling, general and administrative expenses	110,179	114,833
Operating income	324,622	318,735
Non-operating income:		
Interest income	6,369	8,069
Dividend income	2,045	5,274
Other income	6,897	5,049
Total non-operating income	15,311	18,393
Non-operating expenses:		
Foreign exchange loss	967	2,920
Other expenses	9,563	3,977
Total non-operating expenses	10,530	6,897
Ordinary income	329,403	330,231
Extraordinary income:		
Gain on sales of investment securities	-	7,646
Total extraordinary income	-	7,646
Income before income taxes and non-controlling interests	329,403	337,878
Income taxes:		
Current	83,965	87,746
Deferred	(688)	79
Total income taxes	83,277	87,825
Net income	246,125	250,052
Net income attributable to non-controlling interests	3,997	3,216
Net income attributable to owners of parent	242,127	246,836

Consolidated Statements of Comprehensive Income

For the first three quarters ended December 31, 2018 and 2019

	Millions of yen	
	April 1, 2018 - December 31, 2018	April 1, 2019 - December 31, 2019
Net income	246,125	250,052
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(6,985)	(2,625)
Deferred gains (losses) on hedges	(321)	(2,596)
Foreign currency translation adjustments	(556)	(39,411)
Remeasurements of defined benefit plans	951	(134)
Share of other comprehensive income of affiliates accounted for using the equity method	(144)	(315)
Total other comprehensive income	(7,056)	(45,082)
Comprehensive income	239,069	204,970
(Breakdown)		
Comprehensive income attributable to owners of parent	235,865	203,182
Comprehensive income attributable to non-controlling interests	3,203	1,788

(3) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Significant Changes in Stockholders' Equity)

The treasury stock (10,943,900 shares at the cost of 96,753 millions of yen) was cancelled on October 7, 2019 in accordance with the resolution of the Board of Directors meeting held on March 12, 2019. Although the total amount of stockholders' equity was not changed, the amounts of retained earnings and treasury stock were changed as a result of this cancellation.

(Changes in Accounting Policies)

(Application of IFRS 16 Leases)

At overseas subsidiaries adopting IFRS, IFRS 16 Leases is applied from the first quarter of the fiscal year ending March 31, 2020. The impact of the application of this accounting standard on the consolidated financial statements is immaterial.

(Application of revised Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements and related Practical Solution)

The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (revised on June 28, 2019) (PITF No. 18) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (revised on September 14, 2018) (PITF No. 24) are applied from the first quarter of the fiscal year ending March 31, 2020. The impact of the application of these practical solutions on the consolidated financial statements is immaterial.

(Appendix)**1. Quarterly Operating Results**

(Billions of yen)

	FY 2019 April 1, 2018 - March 31, 2019					FY 2020 April 1, 2019 - March 31, 2020			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total
Net Sales	383.6	408.0	415.1	387.1	1,594.0	386.2	400.3	387.4	1,174.0
PVC / Chlor-Alkali	123.1	138.7	137.4	124.9	524.2	122.8	130.3	119.6	372.8
Silicones	55.6	58.2	59.8	59.6	233.3	56.3	58.4	57.3	172.1
Specialty Chemicals	30.5	29.2	32.5	28.8	121.1	28.9	29.3	29.2	87.4
Semiconductor Silicon	90.9	96.4	98.1	94.7	380.3	99.0	97.4	99.2	295.8
Electronics & Functional Materials	56.0	58.8	57.7	53.4	226.0	54.7	56.6	56.4	167.9
Processing, Trading & Specialized Services	27.2	26.5	29.4	25.5	108.7	24.2	28.0	25.5	77.8
Operating Income	95.4	113.8	115.3	79.0	403.7	107.5	103.0	108.2	318.7
PVC / Chlor-Alkali	26.3	33.3	31.2	15.5	106.5	25.3	26.3	25.5	77.2
Silicones	13.5	15.5	16.7	12.7	58.5	15.9	15.1	15.9	47.0
Specialty Chemicals	6.8	6.6	7.5	5.6	26.6	7.5	6.3	7.4	21.3
Semiconductor Silicon	30.0	36.6	37.3	28.0	131.9	39.4	35.0	37.6	112.1
Electronics & Functional Materials	16.0	18.1	18.3	14.5	66.9	16.6	16.7	18.1	51.4
Processing, Trading & Specialized Services	3.0	3.4	4.0	2.7	13.2	3.5	3.6	3.7	11.0
Ordinary Income	99.4	117.6	112.2	85.9	415.3	108.9	109.3	112.0	330.2
Net Income Attributable to Owners of Parent	73.7	85.0	83.3	66.9	309.1	84.0	80.9	81.8	246.8
Depreciation and Amortization	29.0	32.8	35.4	40.2	137.5	31.6	33.7	31.7	97.0
Capital Expenditures	44.9	52.8	66.1	76.8	240.6	56.3	60.5	62.2	179.1
R&D Costs	13.7	13.0	14.5	15.0	56.4	12.9	11.8	11.4	36.2
Overseas Sales	278.7	302.2	306.8	293.0	1,180.8	280.9	295.8	283.5	860.3
Ratio of Overseas Sales to Net Sales	73%	74%	74%	76%	74%	73%	74%	73%	73%

2. Capital Expenditures and Depreciation and Amortization

(Billions of yen)

	2018 April - December	2019 April - December
Capital Expenditures	163.8	179.1
PVC/Chlor- Alkali Business	49.8	60.2
Silicones Business	17.4	22.7
Specialty Chemicals Business	12.5	17.4
Semiconductor Silicon Business	51.2	43.9
Electronics & Functional Materials Business	26.3	32.8
Processing, Trading & Specialized Services Business	6.5	3.4
Depreciation and Amortization	97.2	97.0
PVC/Chlor- Alkali Business	24.4	26.0
Silicones Business	10.1	11.6
Specialty Chemicals Business	7.9	7.7
Semiconductor Silicon Business	36.6	33.1
Electronics & Functional Materials Business	14.7	15.0
Processing, Trading & Specialized Services Business	3.5	3.6

Annual

	Apr 2018 - Mar 2019 Actual	Apr 2019 - Mar 2020 Forecast
Capital Expenditures	240.6	270.0
Depreciation and Amortization	137.5	140.0

3. Financial Highlights (Consolidated)

(Billions of yen)

	Dec 31 2018	Dec 31 2019	Mar 31 2019
Net Assets	2,580.7	2,640.2	2,532.5
Total Assets	3,049.8	3,104.2	3,038.7
Net Assets per Share (Yen)	5,893	6,185	5,915
Interest-bearing Liabilities	15.1	21.7	14.6
Number of Employees	21,452	22,277	21,735
Exchange Rate: Jan - Sep (Avg)	109.6	109.2	
(Yen/US\$) Apr - Dec (Avg)	111.1	108.7	

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

4. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2019	Dec 31 2019	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]		Mar 31 2019	Dec 31 2019	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]
Current Assets	1,750.4	1,765.3	14.9	(26.1)	41.0	Current Liabilities	391.8	342.6	(49.2)	(3.5)	(45.7)
Cash and time deposits	826.6	805.0	(21.6)	(15.3)	(6.3)	Notes and accounts payable-trade	141.0	130.8	(10.2)	(1.7)	(8.5)
Notes and accounts receivable-trade	338.7	359.0	20.3	(5.4)	25.7	Short-term borrowings	7.0	8.2	1.2	0.8	0.4
Securities	215.4	226.3	10.9	0.0	10.9	Accrued income taxes	45.7	26.0	(19.7)	(0.2)	(19.5)
Inventories	329.4	340.8	11.4	(4.8)	16.2	Other	198.0	177.5	(20.5)	(2.4)	(18.1)
Other	40.1	34.1	(6.0)	(0.6)	(5.4)	Long-term Liabilities	114.3	121.3	7.0	(3.5)	10.5
						Total Liabilities	506.1	464.0	(42.1)	(7.0)	(35.1)
Fixed Assets	1,288.2	1,338.9	50.7	(23.3)	74.0	Stockholders' Equity	2,436.7	2,586.2	149.5	0.0	149.5
Property, Plant and Equipment	987.9	1,053.9	66.0	(21.8)	87.8	Accumulated Other Comprehensive Income	28.8	(14.8)	(43.6)	(41.0)	(2.6)
Intangible Assets	8.7	8.0	(0.7)	(0.3)	(0.4)	Other	66.9	68.8	1.9	(1.4)	3.3
Investments and Other Assets	291.5	276.9	(14.6)	(1.2)	(13.4)	Total Net Assets	2,532.5	2,640.2	107.7	(42.4)	150.1
Total Assets	3,038.7	3,104.2	65.5	(49.4)	114.9	Total Liabilities and Net Assets	3,038.7	3,104.2	65.5	(49.4)	114.9

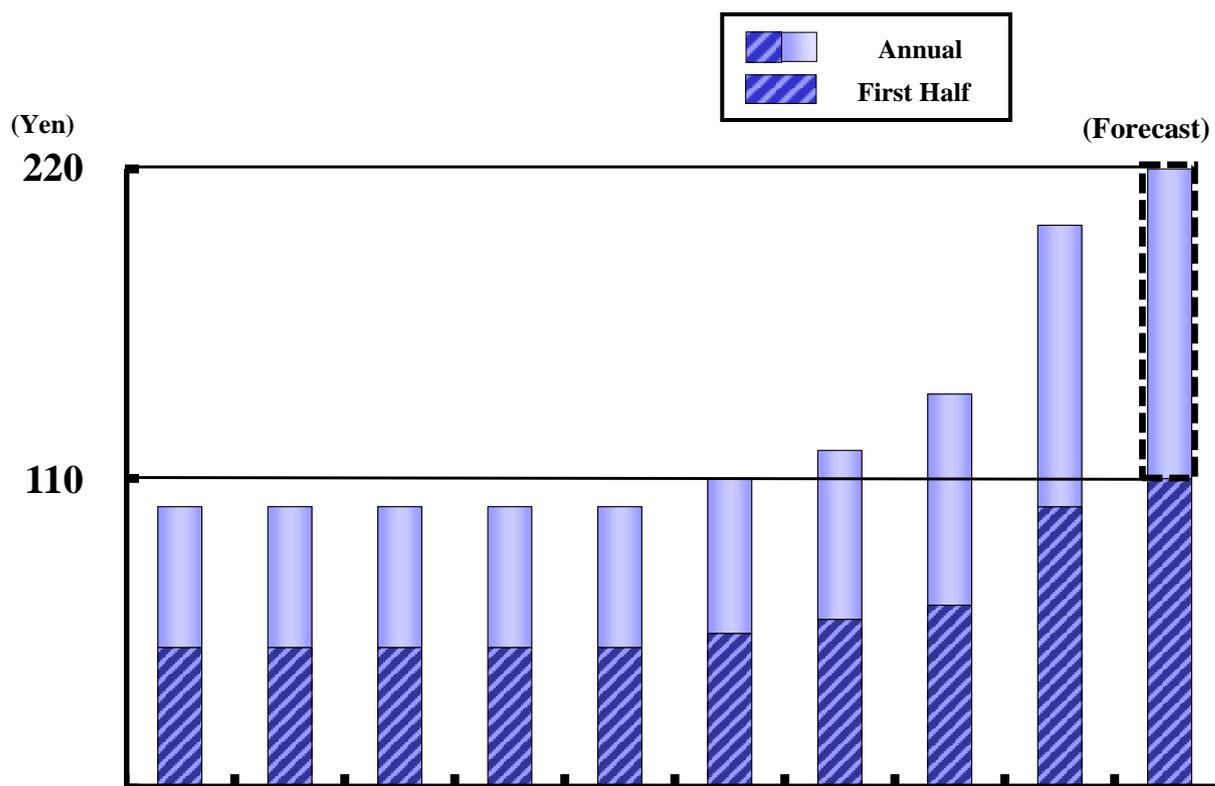
5. Comparative Statements of Cash Flows (Consolidated)

(Billions of yen)

	2018 Apr-Dec	2019 Apr-Dec	Increase (Decrease)
(1) Cash Flows from Operating Activities	266.4	280.0	13.6
Income Before Income Taxes	329.4	337.8	8.4
Payments of income taxes	(112.5)	(103.9)	8.6
Depreciation and amortization	97.2	97.0	(0.2)
(Increase)Decrease in working capital	(47.2)	(50.0)	(2.8)
Other	(0.4)	(0.9)	(0.5)
(2) Cash Flows from Investing Activities	(37.1)	(242.0)	(204.9)
Capital expenditures	(160.3)	(189.4)	(29.1)
(Increase)Decrease in securities	33.3	1.0	(32.3)
(Increase)Decrease in time deposits	97.0	(52.7)	(149.7)
Other	(7.2)	(0.8)	6.4
(3) Cash Flows from Financing Activities	(76.4)	(95.9)	(19.5)
Increase(Decrease) in borrowings	(0.0)	7.5	7.5
Cash dividends paid	(74.6)	(87.4)	(12.8)
Purchases of treasury stock	(0.0)	(10.5)	(10.5)
Other	(1.7)	(5.6)	(3.9)
(4) Effect of Exchange Rate Changes on Cash and Cash Equivalents, and other	3.3	(13.1)	(16.4)
Net Increase (Decrease) in Cash and Cash Equivalents	156.2	(71.1)	(227.3)
Balance of Cash and Cash Equivalents	937.9	757.2	(180.7)
Balance of Interest-bearing Liabilities	15.1	21.7	6.6

Note : These statements were prepared on an informal basis.

6. Cash Dividends per Share



Fiscal year ended March		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash Dividend per Share (Yen)	First half	50	50	50	50	50	55	60	65	100	110
	Annual	100	100	100	100	100	110	120	140	200	220*
Net Income per Share (Yen)	Annual	235.8	237.0	248.9	267.2	302.0	349.5	412.9	624.3	726.0	755.2*
Dividend payout ratio	Annual	42.4%	42.2%	40.2%	37.4%	33.1%	31.5%	29.1%	22.4%	27.5%	29.1%*

*Forecast