

9. Press Release of non-consolidated Financial Data

For the six months ended September 30, 2001

November 16, 2001

Shin-Etsu Chemical Co.,Ltd.

The seat of headquarters : Tokyo

Listing Code No. 4063

Listing Stock Exchange : Tokyo, Osaka, Nagoya

Personnel to contact :

Tadahiko Koike (Mr.)

General Manager of Finance & Accounting Department

Telephone : +81-3-3246-5051

Date of Board of Directors Meeting

For the authorization of the financial statements

for the first half of the current year November 16, 2001

Starting date of interim cash dividend payment ... December 10, 2001

9-1. Operating Performance for the First Half of the Current Fiscal Year

(From April 1, 2001 to September 30, 2001)

(Amounts are stated in millions of Yen by discarding fractional amounts less than 1 million.)

(1) Results of non-consolidated operations

	<u>Millions of Yen</u>		
	<u>Six months</u> <u>2001/4-2001/9</u>	<u>Six months</u> <u>2000/4-2000/9</u>	<u>Prior fiscal year</u> <u>2000/4-2001/3</u>
Net sales	226,714	226,590	461,008
Ratio of increase (decrease) over the first half of the prior year	0.1%	9.6%	
Operating income	32,020	28,238	57,039
Ratio of increase (decrease) over the first half of the prior year	13.4%	18.3%	
Ordinary income	33,119	31,032	62,224
Ratio of increase (decrease) over the first half of the prior year	6.7%	34.3%	
Net income	19,510	16,813	34,307
Ratio of increase (decrease) over the first half of the prior year	16.0%	18.1%	
Net income per share (in yen)	46.39	39.91	81.32

(Notes)

1. Average number of shares issued (in shares) 420,551,996 421,249,622 421,894,860
(Average number of shares issued for this interim period excludes number of treasury stocks.)

2. Changes in accounting policies applied : None

(2) Non-consolidated cash dividends

	<u>Six months 2001/4-2001/9</u>	<u>Six months 2000/4-2000/9</u>	<u>Prior fiscal year 2000/4-2001/3</u>
Interim cash dividend per share (in yen)	6.00	6.00	-
Total annual cash dividend per share (in yen)	-	-	12.00

(3) Non-consolidated financial position

	<u>Millions of Yen</u>		
	<u>September 30, 2001</u>	<u>September 30, 2000</u>	<u>March 31, 2001</u>
Total assets	659,169	649,476	675,403
Total stockholders' equity	463,006	443,021	457,786
Equity ratio	70.2%	68.2%	67.8%
Stockholders' equity per share (in yen)	1,101.42	1,048.59	1,083.41

(Notes)

Number of shares issued at year-end / interim closing date (in shares)	420,373,133	422,490,719	422,542,358
---	-------------	-------------	-------------

(Number of shares issued at the interim closing date excludes number of treasury stocks.)

9-2. The Forecast of Non-consolidated Operating Performance for the Fiscal Year ending March 31,2002. (From April 1, 2001 to September 30, 2001)

	<u>Millions of Yen Fiscal year 2001/4-2002/3</u>
Net sales	465,000
Ordinary income	67,000
Net income	40,000
Total annual cash dividend per share (in yen) (Including 6yen year-end cash dividend per share)	12.00

(Reference)

The forecast of "Net income per share" (in yen, for the year ending March 31,2002)	95.15
--	-------

10. Non-consolidated Financial Statements

10-1 Comparative Non-consolidated Balance Sheets

As of September 30, 2001, March 31, 2001 and September 30, 2000.

Millions of Yen

ASSETS	September 30, 2001 (A)	March 31, 2001	September 30, 2000 (B)	Increase (Decrease) (A-B)
Current Assets:				
Cash on hand and in banks	132,529	139,587	116,953	15,576
Notes and accounts receivable -trade	138,029	148,849	149,360	(11,331)
Securities	55,422	42,898	26,485	28,937
Merchandise, finished and semi-finished products	27,152	26,350	25,481	1,671
Raw materials and supplies	15,353	15,934	14,462	891
Deferred tax assets	12,960	12,643	9,363	3,597
Short-term loans	5,121	7,339	7,620	(2,499)
Accounts receivable -other	8,437	13,239	12,573	(4,136)
Others	3,173	3,072	2,996	177
Less: Allowance for doubtful accounts	(840)	(830)	(770)	(70)
Total current assets	<u>397,339</u>	<u>409,085</u>	<u>364,527</u>	<u>32,812</u>
Fixed Assets:				
Tangible fixed assets				
Buildings	32,237	32,301	30,520	1,717
Machinery and equipment	61,176	53,067	52,701	8,475
Others	35,755	33,772	30,283	5,472
Total	<u>129,170</u>	<u>119,141</u>	<u>113,505</u>	<u>15,665</u>
Intangible fixed assets	<u>2,425</u>	<u>2,752</u>	<u>2,990</u>	<u>(565)</u>
Investments and others				
Investments in securities	61,815	71,436	92,124	(30,309)
Investments in capital stock of subsidiaries	54,055	51,278	51,309	2,746
Treasury stocks	-	7,648	7,984	(7,984)
Long-term loans	8,764	10,054	13,136	(4,372)
Deferred tax assets	1,964	187	-	1,964
Others	3,645	3,827	3,907	(262)
Less: Allowance for doubtful accounts	(10)	(10)	(10)	-
Total fixed assets	<u>261,830</u>	<u>266,317</u>	<u>284,948</u>	<u>(23,118)</u>
TOTAL ASSETS	<u>659,169</u>	<u>675,403</u>	<u>649,476</u>	<u>9,693</u>

Millions of Yen

	September 30, 2001 (A)	March 31, 2001	September 30, 2000 (B)	Increase (Decrease) (A-B)
LIABILITIES				
Current Liabilities:				
Notes and accounts payable -trade	65,280	79,628	85,788	(20,508)
Short-term borrowings	24,096	14,237	14,804	9,292
Accounts payable -others	26,722	23,777	13,619	13,103
Accrued income taxes	12,887	23,299	14,511	(1,624)
Accrued expenses	18,745	17,441	17,333	1,412
Others	7,082	7,526	6,808	274
Total current liabilities	<u>154,815</u>	<u>165,909</u>	<u>152,866</u>	<u>1,949</u>
Long-term Liabilities:				
Convertible debentures	18,317	18,340	18,439	(122)
Long-term borrowings	10,408	20,758	21,249	(10,841)
Deferred tax liabilities	-	-	1,767	(1,767)
Accrued retirement benefits	12,621	12,608	12,132	489
Total long-term liabilities	<u>41,347</u>	<u>51,706</u>	<u>53,588</u>	<u>(12,241)</u>
TOTAL LIABILITIES	<u>196,163</u>	<u>217,616</u>	<u>206,454</u>	<u>(10,291)</u>
STOCKHOLDERS' EQUITY				
Common stock	110,258	110,247	110,197	61
Additional paid-in capital	111,620	111,609	111,559	61
Legal earned reserve	6,778	6,517	6,252	526
Voluntary reserves	211,314	181,916	181,916	29,398
Unappropriated retained earnings	25,138	37,888	22,557	2,581
[Net income for the year / half year]	[19,510]	[34,307]	[16,813]	[2,697]
Unrealized gain on available-for-sale securities	7,268	9,607	10,537	(3,269)
Treasury stocks	(9,372)	-	-	(9,372)
TOTAL STOCKHOLDERS' EQUITY	<u>463,006</u>	<u>457,786</u>	<u>443,021</u>	<u>19,985</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>659,169</u>	<u>675,403</u>	<u>649,476</u>	<u>9,693</u>

10-2 Comparative Non-consolidated Income Statements

For the six months period ended September 30, 2001 and 2000, and the fiscal year ended March 31, 2001.

Millions of Yen

	For the period ended			Increase (Decrease) (A-B)
	September 30, 2001 (A)	March 31, 2001	September 30, 2000 (B)	
Operating Income and Expenses:				
Net sales	226,714	461,008	226,590	124
Cost of sales	177,846	370,988	182,224	(4,378)
Gross profit	48,868	90,019	44,366	4,502
Selling, general and administrative expenses	16,847	32,979	16,127	720
Operating income	32,020	57,039	28,238	3,782
Non-operating Income:				
Interest income	895	2,766	1,790	(895)
Dividend income	2,100	2,430	1,961	139
Other income	482	7,779	2,243	(1,761)
	3,478	12,976	5,995	(2,517)
Non-operating Expenses:				
Interest expenses	593	1,993	1,323	(730)
Other expenses	1,786	5,798	1,878	(92)
	2,380	7,792	3,201	(821)
Ordinary income	33,119	62,224	31,032	2,087
Special Gains :				
Gains on transfer of securities to retirement benefits trust	-	5,234	5,234	(5,234)
Gains on sales of property, plant and equipment	-	4,405	4,405	(4,405)
Reversal of prior year's accrued maintenance expenses	-	4,039	4,039	(4,039)
	-	13,680	13,680	(13,680)
Special Losses:				
Loss on write-down of investment securities	798	3,280	1,691	(893)
Special provision for retirement benefits costs	-	14,976	14,976	(14,976)
	798	18,256	16,668	(15,870)
Income before income taxes	32,320	57,647	28,043	4,277
Income taxes Current	13,230	30,410	13,730	(500)
Income taxes Deferred	(420)	(7,070)	(2,500)	2,080
Net income	19,510	34,307	16,813	2,697
Retained earnings at beginning of year	5,627	5,743	5,743	(116)
Retained earnings of the company merged	-	613	-	-
Interim cash dividend	-	2,522	-	-
Interim legal reserve	-	252	-	-
Unappropriated retained earnings	25,138	37,888	22,557	2,581

(Notes)

	Millions of Yen		
	September 30, 2001	March 31, 2001	September 30, 2000
1. Accumulated depreciation of tangible fixed assets	269,410	258,739	247,915
2. Liabilities for guarantee	320	374	424
3. Number and book value of treasury stocks			
(1) Treasury stocks less than one unit bought			
Number [in shares]	[221]	[88]	[926]
Book value	0	0	4
(2) Treasury stocks purchased under the stock option plan for directors or employees			
Number [in shares]	[2,181,000]	[1,892,000]	[2,008,000]
Book value	9,371	7,648	7,984

For fiscal years prior to April 2001, treasury stocks had been categorized on assets, however since the interim period ended September 30, 2001, these have been reported as a contra account in the shareholders' equity.

4. Details of increase in the number of shares issued during the first half of the current year.

	Number of shares issued upon conversion/exercise (thousand shares)	Amounts transferred to capital stock (in millions of Yen)
(1) Conversion of convertible debentures	11	11

5. Lease Transactions

In connection with the contracts of finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees.

Pro forma information regarding leased property such as acquisition cost and accumulated depreciation under finance leases were as follows:

(1) Acquisition cost, accumulated depreciation and net book value

	Millions of Yen		
	September 30, 2001	March 31, 2001	September 30, 2000
Acquisition cost	976	1,129	1,126
Accumulated depreciation	669	773	718
Net book value	306	356	408
(2) Future lease payments			
Within one year	177	189	194
Over one year	128	166	213
Total	306	356	408
(3) Lease expenses			
Depreciation expenses	113	254	136

(4) The computation of the amount corresponding to depreciation expenses

The amount corresponding to depreciation expenses is computed by the straight-line method over a period up to the maturity of the relevant lease contracts with no residual value. The figures shown in the Note above include the portion of interests thereon.

6. Securities

Investments in capital stock of subsidiaries and affiliates with market quotation

	Millions of Yen		
	September 30, 2001	March 31, 2001	September 30, 2000
Book value	10,221	10,221	10,221
Market value	18,785	25,362	31,939
Unrealized difference	8,563	15,140	21,717

10-3 Non-consolidated Comparison of Net Sales

For the period ended September 30, 2001 and 2000, and fiscal year ended March 31, 2001

	Millions of Yen			
	For the period ended			Increase (Decrease)
	September 30, 2001	March 31, 2001	September 30, 2000	
Organic Chemicals Department	85,850 [38%]	167,918 [36%]	82,663 [37%]	3,187
Inorganic Chemicals Department	2,841 [1%]	6,020 [1%]	2,955 [1%]	(114)
Electronics Materials Department	77,425 [34%]	183,308 [40%]	90,718 [40%]	(13,293)
Functional Materials Department	44,174 [20%]	77,200 [17%]	37,373 [16%]	6,801
International Operations Department	16,422 [7%]	26,560 [6%]	12,879 [6%]	3,543
Total	<u>226,714</u> [100%]	<u>461,008</u> [100%]	<u>226,590</u> [100%]	<u>124</u>
[Reference] Export Total	92,883 [41%]	173,495 [38%]	84,345 [37%]	8,538

Percentages in [] represent the proportionate ratio of sales of each department over total net sales.

11. Change in Management Officers

As of November 16, 2001, the titles and duties of some management officers change as follows.

Name	New title and duties	Previous title and duties
Mr. Shunzo Mori	Senior Managing Director General Manager of Electronics Materials Division, in charge of General Affairs	Senior Managing Director General Manager of Electronics Materials Division, in charge of Purchasing
Mr. Hiroaki Tsubokura	Senior Managing Director General Manager of Organic Chemicals Division, in charge of Silicone	Managing Director General Manager of Organic Chemicals Division
Mr. Hironobu Ichimura	Managing Director General Manager of Personnel & Labor Relations Department, in charge of Legal Affairs and PVC	Managing Director General Manager of Personnel and General Affairs Department, in charge of Office of the President, Legal Affairs and Public Relations
Mr. Fumio Akiya	Managing Director General Manager of Advanced Materials Division and Technology Department, in charge of Purchasing and Environmental Control & Safety	Managing Director General Manager of Advanced Materials Division and Technology Department, in charge of Environmental Control & Safety
Mr. Yasuhiko Saitoh	Director In charge of Office of the President and Public Relations	Director