

11. Press Release of non-consolidated Financial Data

For the fiscal year ended March 31, 2002

May 16, 2002

Shin-Etsu Chemical Co.,Ltd.

The seat of headquarters : Tokyo
Listing Code No. 4063
(URL <http://www.shinetsu.co.jp/>)
Listing Stock Exchange : Tokyo, Osaka, Nagoya
Interim cash dividends being paid
Trading unit of the company consists of 100 shares
Personnel to contact :
Toshiyuki Kasahara (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 current fiscal year ... May 16, 2002
Scheduled Date for General Meeting of Stockholders: June 27, 2002

11-1. Operating Performance for the Current Fiscal Year

(From April 1, 2001 to March 31, 2002)

(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>Current fiscal year</u> <u>2001/4-2002/3</u>	<u>Prior fiscal year</u> <u>2000/4-2001/3</u>
Net sales	465,333	461,008
Ratio of increase (decrease) over the preceding year	0.9%	9.1%
Operating income	64,612	57,039
Ratio of increase (decrease) over the preceding year	13.3%	20.7%
Ordinary income	67,032	62,224
Ratio of increase (decrease) over the preceding year	7.7%	32.3%
Net income	39,888	34,307
Ratio of increase (decrease) over the preceding year	16.3%	26.4%
Net income per share (in yen)	94.85	81.32
Diluted net income per share (in yen)	92.83	79.61
Ratio of net income over total stockholders' equity	8.5%	7.9%
Ratio of ordinary income over total assets employed	10.0%	9.3%
Ratio of ordinary income over net sales	14.4%	13.5%

(Notes)

1. Average number of shares outstanding (in shares) 420,539,264 421,894,860
(Average number of shares outstanding for this fiscal year excludes number of treasury stocks.)
2. Changes in accounting policies applied : None

(2) Non-consolidated cash dividends

	Current fiscal year <u>2001/4-2002/3</u>	Prior fiscal year <u>2000/4-2001/3</u>
Interim cash dividend per share (in yen)	6.00	6.00
Year-end cash dividend per share (in yen)	6.00	6.00
Total annual cash dividend per share (in yen)	12.00	12.00
Cash dividends paid	5,046	5,046
Earnings dividend ratio	12.7%	14.7%
Ratio of dividends over total stockholders' equity	1.1%	1.1%

(3) Non-consolidated financial position

	<u>Millions of Yen</u>	
	March 31, <u>2002</u>	March 31, <u>2001</u>
Total assets	659,852	675,403
Total stockholders' equity	478,180	457,786
Equity ratio	72.5%	67.8%
Stockholders' equity per share (in yen)	1,136.64	1,083.41

(Notes)

Number of shares outstanding (in shares)	420,695,830	422,542,358
Number of treasury stocks	1,859,567	1,892,088

(Number of shares outstanding at this fiscal year and excludes number of treasury stocks.)

11-2. The Forecast of Non-consolidated Operating Performance for the Fiscal Year ending March 31,2002 (From April 1, 2001 to March 31, 2002)

	<u>Millions of Yen</u>	
	For the first half of the year <u>2002/4-2002/9</u>	For the fiscal year <u>2002/4-2003/3</u>
Net sales	235,000	480,000
Ordinary income	34,000	69,000
Net income	20,000	40,500
Interim cash dividends per share (in yen)	6.00	-
Year-end cash dividends per share (in yen)	-	6.00
Total annual cash dividend per share (in yen)	-	12.00

(Reference)

The forecast of "Net income per share" (in yen, for the year ending March 31,2003)	96.27
--	-------

(Note)

The forecast of results of operations made in this document involves risks and uncertainties since the forecast is 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.

12. Non-consolidated Financial Statements

12-1. Comparative Non-consolidated Balance Sheets

As of March 31, 2002 and 2001

ASSETS	<u>Millions of Yen</u>		
	March 31, 2002	March 31, 2001	Increase (Decrease)
Current Assets:			
Cash on hand and in banks	150,591	139,587	11,004
Notes and accounts receivable -trade	150,477	148,849	1,628
Securities	39,128	42,898	(3,770)
Merchandise, finished and semi-finished products	28,084	26,350	1,734
Raw materials and supplies	14,298	15,934	(1,636)
Deferred tax assets	12,769	12,643	126
Short-term loans	6,023	7,339	(1,316)
Accounts receivable -other	5,470	13,239	(7,769)
Others	3,476	3,072	404
Less: Allowance for doubtful accounts	(840)	(830)	(10)
Total current assets	<u>409,479</u>	<u>409,085</u>	<u>394</u>
Fixed Assets:			
Tangible fixed assets			
Buildings	32,317	32,301	16
Machinery and equipment	56,627	53,067	3,560
Others	37,251	33,772	3,479
Total	<u>126,196</u>	<u>119,141</u>	<u>7,055</u>
Intangible fixed assets	<u>2,358</u>	<u>2,752</u>	<u>(394)</u>
Investments and others			
Investments in securities	55,479	71,436	(15,957)
Investments in capital stock of subsidiaries	54,582	51,278	3,304
Treasury stocks	-	7,648	(7,648)
Long-term loans	5,236	10,054	(4,818)
Deferred tax assets	2,631	187	2,444
Others	3,896	3,827	69
Less: Allowance for doubtful accounts	(10)	(10)	-
Total fixed assets	<u>121,817</u>	<u>144,423</u>	<u>(22,606)</u>
Total fixed assets	<u>250,372</u>	<u>266,317</u>	<u>(15,945)</u>
TOTAL ASSETS	<u>659,852</u>	<u>675,403</u>	<u>(15,551)</u>

	<u>Millions of Yen</u>		
	<u>March 31, 2002</u>	<u>March 31, 2001</u>	<u>Increase (Decrease)</u>
LIABILITIES			
Current Liabilities:			
Notes and accounts payable-trade	76,077	79,628	(3,551)
Short-term borrowings	24,173	14,237	9,936
Accounts payable-others	12,562	23,777	(11,215)
Accrued income taxes	9,690	23,299	(13,609)
Accrued expenses	24,685	17,441	7,244
Others	6,698	7,526	(828)
Total current liabilities	<u>153,887</u>	<u>165,909</u>	<u>(12,022)</u>
Long-term Liabilities:			
Convertible debentures	18,315	18,340	(25)
Long-term borrowings	8,798	20,758	(11,960)
Accrued retirement benefits	671	12,608	(11,937)
Total long-term liabilities	<u>27,784</u>	<u>51,706</u>	<u>(23,922)</u>
TOTAL LIABILITIES	<u>181,671</u>	<u>217,616</u>	<u>(35,945)</u>
 STOCKHOLDERS' EQUITY			
Common stock	110,259	110,247	12
Additional paid-in capital	111,621	111,609	12
Legal earned reserve	6,778	6,517	261
Voluntary reserves	211,314	181,916	29,398
Unappropriated retained earnings	42,993	37,888	5,105
[Net income for the year]	[39,888]	[34,307]	[5,581]
Unrealized gain on available-for-sale securities	3,568	9,607	(6,039)
Treasury stocks	(8,356)	-	(8,356)
TOTAL STOCKHOLDERS' EQUITY	<u>478,180</u>	<u>457,786</u>	<u>20,394</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>659,852</u>	<u>675,403</u>	<u>(15,551)</u>

12-2. Comparative Non-consolidated Income Statements

For the fiscal year ended March 31, 2002 and 2001

	<u>Millions of Yen</u>		Increase (Decrease)
	For the fiscal year ended		
	March 31, 2002	March 31, 2001	
Operating Income and Expenses:			
Net sales	465,333	461,008	4,325
Cost of sales	367,015	370,988	(3,973)
Gross profit	98,318	90,019	8,299
Selling, general and administrative expenses	33,705	32,979	726
Operating income	64,612	57,039	7,573
Non-operating Income:			
Interest income	1,262	2,766	(1,504)
Dividend income	2,498	2,430	68
Other income	3,429	7,779	(4,350)
	7,190	12,976	(5,786)
Non-operating Expenses:			
Interest expenses	1,056	1,993	(937)
Other expenses	3,714	5,798	(2,084)
	4,770	7,792	(3,022)
Ordinary income	67,032	62,224	4,808
Extraordinary Gains:			
Gains on transfer of securities to retirement benefits trust	5,106	5,234	(128)
Gains on sales of property, plant and equipment	-	4,405	(4,405)
Reversal of prior year's accrued maintenance expenses	-	4,039	(4,039)
	5,106	13,680	(8,574)
Extraordinary Losses:			
Special additional payments for early retirement	5,111	-	5,111
Special provision for retirement benefits costs	-	14,976	(14,976)
Loss on write-down of investment securities	-	3,280	(3,280)
	5,111	18,256	(13,145)
Income before income taxes	67,028	57,647	9,381
Income taxes Current	25,390	30,410	(5,020)
Income taxes Deferred	1,750	(7,070)	8,820
Net income	39,888	34,307	5,581
Retained earnings at beginning of year	5,627	5,743	(116)
Retained earnings of the company merged	-	613	(613)
Interim cash dividend	2,522	2,522	-
Interim legal reserve	-	252	(252)
Unappropriated retained earnings	42,993	37,888	5,105

(Notes)

1. Significant Accounting Policies

(1) Valuation of securities:

Bonds held to maturity	Amortized cost method (straight-line method)
Investment in capital stock of subsidiaries and affiliates	Moving average cost method
Available-for-sale securities		
Marketable securities	Market price method based on the fair market value as of the date of balance sheet. (Any balances resulting from valuation of securities shall directly be entered into capital accounts, while any costs of sales of marketable securities shall be calculated based on a moving average cost method)
Non-marketable securities	Moving average cost method

(2) Valuation of inventories:

Average cost method

(3) Depreciation of fixed assets:

Declining-balance method

Straight-line method is applied to Electrolytic Equipment and Buildings (excluding attached facilities) acquired after April 1st, 1998.

(4) Calculation method of allowances

Allowance for doubtful accounts:

The company provides the allowance for doubtful accounts by the method which uses the percentage of its own actual experience of bad debt loss written off against the balance of total receivables plus the amount deemed necessary to cover individual accounts estimated to be uncollectible.

Accrued retirement benefits:

Pension and severance costs for employees are accrued based on the estimates of the pension obligations and the plan assets at the end of current fiscal year.

The actuarial difference is amortized over five-year period, which is within the average remaining service period, using straight-line method from the fiscal year when the difference was generated.

The prior cost is amortized over ten-year period, which is within the average remaining service period, using straight-line method from the time when the difference cost was generated.

Millions of Yen

	March 31, 2002	March 31, 2001
2. Accumulated depreciation of tangible fixed assets	281,582	258,739
3. Contingent liabilities for guarantee	610	374
4. Number and book value of treasury stocks		
(1) Treasury stocks less than one unit bought		
Number [in shares]	[9,967]	[88]
Book value	47	0
(2) Treasury stocks purchased under the stock option plan for directors or employees		
Number [in shares]	[1,849,600]	[1,892,000]
Book value	8,308	7,648

5. Details of increase in the number of shares issued during the current year.

	Number of shares issued upon conversion/exercise (thousand shares)	Amounts transferred to capital stock (in millions of Yen)
Conversion of convertible debentures	13	12

(Additional Information)

Treasury stocks

Under the amended financial statements regulations in Japan, treasury stocks, which were previously included in “Securities” and “Treasury stocks” in “Investment and others” have been shown as a deduction from “shareholders’ equity” since the fiscal year ended March 31, 2002.

(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, equivalent amount 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

	March 31, 2002	March 31, 2001
Acquisition cost	1,176	1,129
Accumulated depreciation	762	773
Net book value	413	356
(2) Future lease payments		
Within one year	190	189
Over one year	223	166
Total	413	356
(3) Lease expenses		
Equivalent amount of depreciation expenses	243	254

(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.

(Securities)

Investments in capital stock of subsidiaries and affiliates with market quotation

Millions of Yen

	March 31, 2002	March 31, 2001
Book value	10,221	10,221
Market value	18,570	25,362
Unrealized difference	8,348	15,140

(Deferred Tax)

1. Factors of deferred tax assets and liabilities

	<u>Millions of Yen</u>	
	<u>As of March 31, 2002</u>	<u>As of March 31, 2001</u>
Deferred Tax Assets		
Unsettled accounts receivable and payable	6,138	4,377
Special provision for retirement benefits costs	3,548	5,693
Depreciation	2,815	2,446
Accrued bonus allowance	1,295	1,092
Accrued enterprise taxes	967	2,149
Maintenance cost	645	1,263
Others	7,105	7,418
Valuation allowance	(2,538)	(2,538)
Total	<u>19,977</u>	<u>21,902</u>
Deferred Tax Liabilities		
Unrealized gain on available-for-sale securities	2,552	6,871
Tax allowance for acquisition of fixed assets	1,404	1,517
Reserve for special depreciation	606	668
Tax allowance for acquisition of land	12	12
Total	<u>4,576</u>	<u>9,071</u>
Net Deferred Tax Assets	15,400	12,831

2. Reconciliation of the difference between the statutory tax rate and effective rate on taxable income

<u>As of March 31, 2002</u>	<u>As of March 31, 2001</u>
Details are omitted as the difference between the statutory tax rate and effective tax rate is less than 5% of the statutory tax rate.	Details are omitted as the difference between the statutory tax rate and effective tax rate is less than 5% of the statutory tax rate.

12-3. Non-consolidated Comparative Proposal for Appropriation of Retained Earnings

	Millions of Yen		
	For the fiscal year ended		Increase (Decrease)
	March 31, 2002	March 31, 2001	
Unappropriated Retained Earnings:			
Balance at year-end	42,993	37,888	5,105
Reversal of reserve for special depreciation	217	201	16
Reversal of reserve for deferred profit on sale of fixed assets	158	158	0
Total	43,368	38,248	5,120
Appropriations :			
Transfer to legal earned reserve	-	261	(261)
Cash dividends	2,524 (6.00yen per share)	2,523 (6.00yen per share)	1
Directors' and statutory auditors' bonuses [Statutory Auditors' bonuses]	78 [7]	78 [9]	0 [(2)]
Transfer to reserve for special depreciation	130	217	(87)
Transfer to reserve for deferred profit on sale of fixed assets	-	1,540	(1,540)
Transfer to reserve for unspecified purposes	34,000	28,000	6,000
Unappropriated retained Earnings :			
Balance to be carried forward	6,635	5,627	1,008

(Notes) Interim cash dividend

The Company declared and paid interim cash dividends of 2,522 million of yen (6.00yen per share) on December 10, 2001, and 2,522 millions of yen (6.00yen per share) on December 8, 2000, respectively.

12-4.Non-consolidated Comparison of Net Sales

	Millions of Yen		
	For the fiscal year ended		Increase (Decrease)
	March 31, 2002	March 31, 2001	
Organic Chemicals Department	170,861 [37%]	167,918 [36%]	2,943
Inorganic Chemicals Department	5,773 [1%]	6,020 [1%]	(247)
Electronics Materials Department	168,372 [36%]	183,308 [40%]	(14,936)
Functional Materials Department	82,985 [18%]	77,200 [17%]	5,785
International Operations Department	37,340 [8%]	26,560 [6%]	10,780
Total	465,333 [100%]	461,008 [100%]	4,325
[Reference] Export Total	199,113 [43%]	173,495 [38%]	25,618

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

13. Change in Management Officers

1. Candidates nominated for appointment to Director

Director and General Manager of Organic Chemicals Division
 Mr. Atsushi Nakamura
 [Current General Manager of Organic Chemicals Division]

2. Directors scheduled to resign

Managing Director and Representative Director-Executive Vice President of Shin-Etsu Handotai Co., Ltd.
 Mr. Isao Iwashita
 [Representative Director-Executive Vice President of Shin-Etsu Handotai Co., Ltd.]

Director and General Manager of Naoetsu Plant
 Mr. Jirou Yamada
 (Counselor)*

Director and General Manager of Kashima Plant
 Mr. Hajime Kitamura
 (Counselor)*

Director and General Manager of PVC Division
 Mr. Tetsuyu Suda
 (Managing Director of Shin-Etsu Handotai Co., Ltd.)*

*NOTE: () represents their new position scheduled to be appointed.

3. Other Changes

Name	New title and duties	Previous title and duties
Mr. Fumio Akiya	Senior 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 Purchasing and Environmental Control & Safety
Mr. Yasuhiko Saitoh	Managing Director In charge of Office of the President and Public Relations	Director In charge of Office of the President and Public Relations
Mr. Shunzo Mori	Senior Managing Director General Manager of Electronics Materials Division, in charge of Personnel & Labor Relations	Senior Managing Director General Manager of Electronics Materials Division, in charge of General Affairs
Mr. Hironobu Ichimura	Managing Director General Manager of PVC Division, in charge of Legal Affairs	Managing Director General Manager of Personnel & Labor Relations Department, in charge of Legal Affairs and PVC
Mr. Kiichi Habata	Director General Manager of Gunma Complex, Isobe Plant and Matsuida Plant	Director General Manager of Gunma Complex and Isobe Plant
Mr. Masaki Miyajima	Director General Manager of General Affairs Department, in charge of Finance and Accounting	Director General Manager of Opto-Electronics Materials Department in Advanced Materials Division, in charge of Finance and Accounting