

Financial Summary

for the six months ended September 30, 2005

Contents

| | |
|---|----|
| Net Sales | 1 |
| Operating Income..... | 2 |
| Ordinary Income..... | 3 |
| Net Income..... | 4 |
| Net Income per Share..... | 5 |
| Net Sales by Segment (Consolidated) | 6 |
| Operating Income by Segment (Consolidated)..... | 7 |
| Ordinary Income to Net Sales Ratio, Net Income to Net Sales Ratio..... | 8 |
| Total Assets, Total Stockholder's Equity..... | 9 |
| Equity Ratio, Return on Equity, Return (Ordinary Income) on Total Assets..... | 10 |
| (Consolidated) | |
| Capital Expenditure and Cash Flow (Consolidated)..... | 11 |

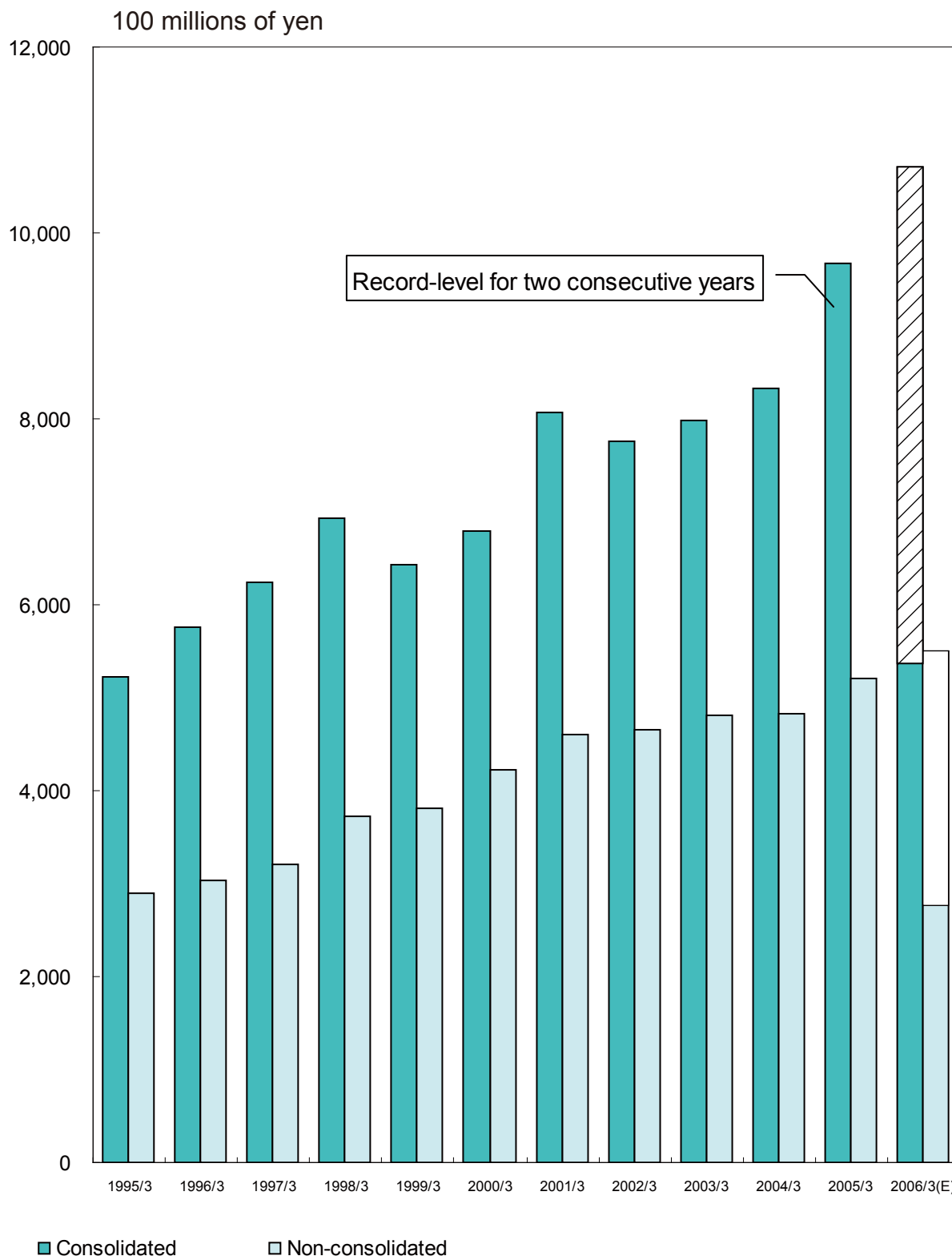


Shin-Etsu Chemical Co., Ltd.

(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 result 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 business 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.

Net Sales

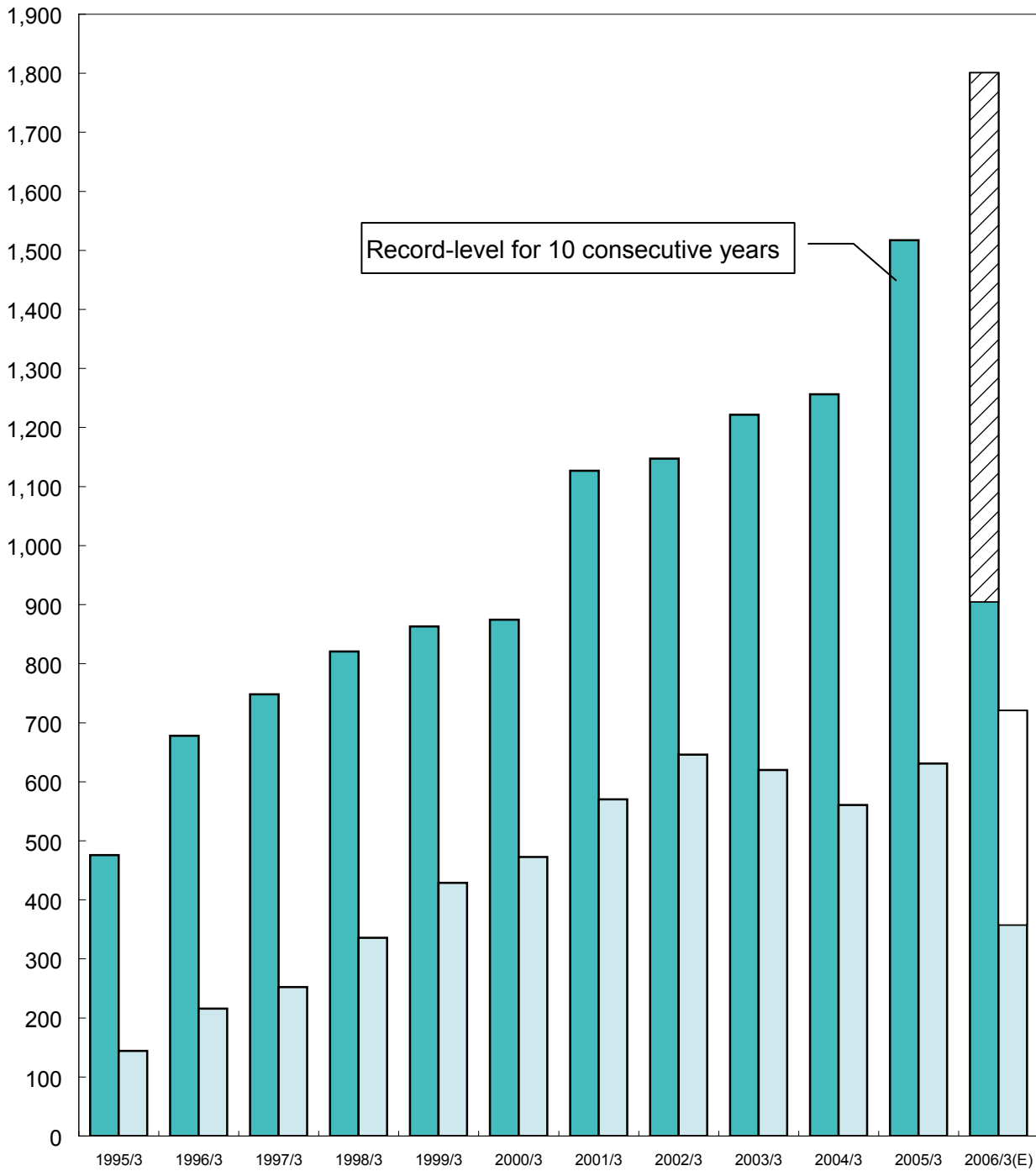


(millions of yen)

| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|--|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Net Sales | Consolidated | 522,917 | 575,175 | 624,405 | 693,274 | 642,795 | 678,858 | 807,484 | 775,096 | 797,523 | 832,804 | 967,486 | 535,103 | 1,070,000 |
| | Non-consolidated | 290,083 | 303,548 | 321,202 | 372,304 | 381,069 | 422,508 | 461,008 | 465,333 | 480,243 | 482,580 | 520,289 | 276,079 | 550,000 |
| Consolidated to Non-consolidated Net Sales Ratio (times) | | 1.80 | 1.89 | 1.94 | 1.86 | 1.69 | 1.61 | 1.75 | 1.67 | 1.66 | 1.73 | 1.86 | 1.94 | 1.95 |

Operating Income

100 millions of yen

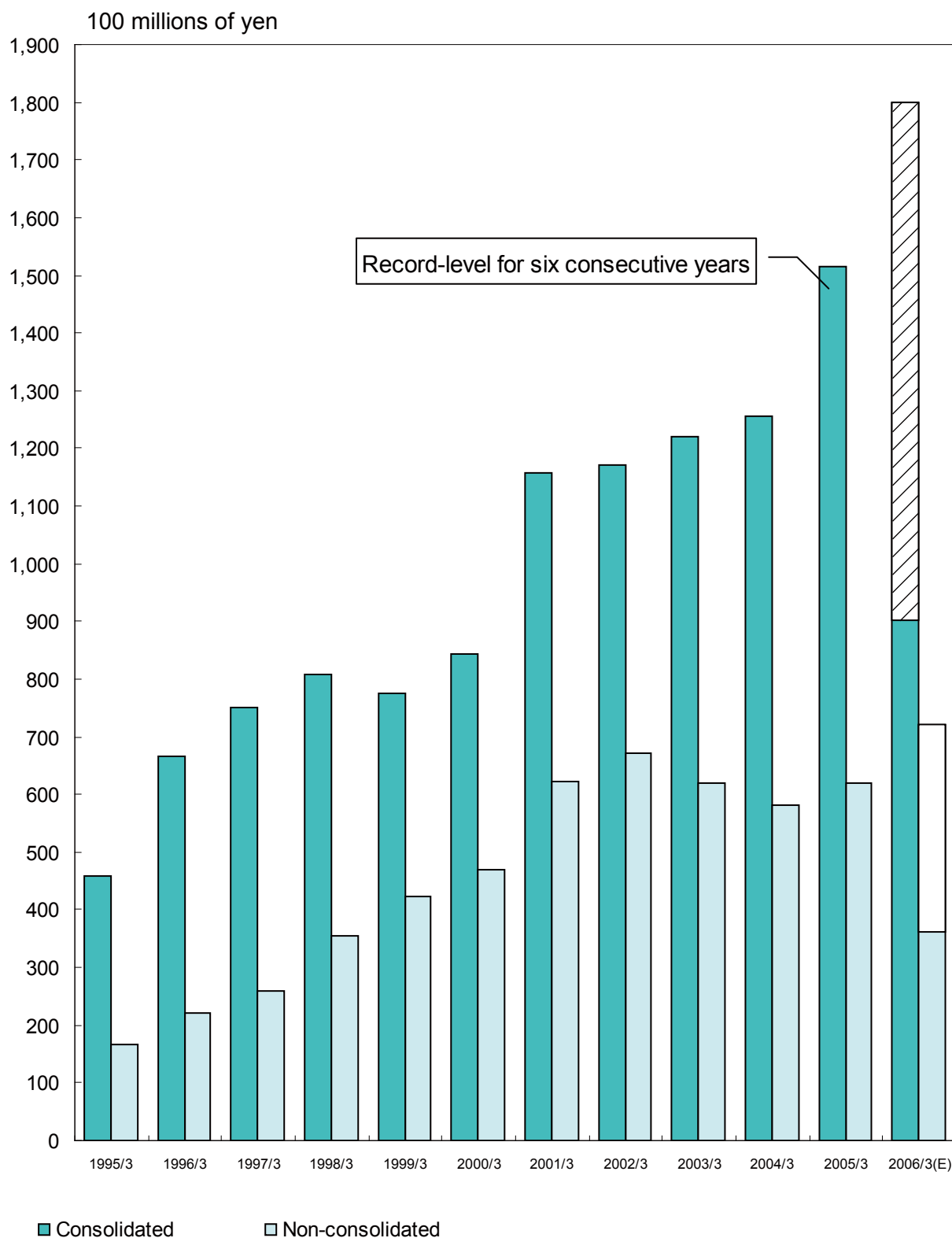


■ Consolidated □ Non-consolidated

(millions of yen)

| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|------------------|------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--------|-----------|
| Operating Income | Consolidated | 47,562 | 67,802 | 74,820 | 82,079 | 86,322 | 87,465 | 112,677 | 114,723 | 122,149 | 125,625 | 151,734 | 90,291 | 180,000 |
| | Non-consolidated | 14,426 | 21,578 | 25,229 | 33,597 | 42,868 | 47,267 | 57,039 | 64,612 | 62,014 | 56,073 | 63,081 | 35,611 | 72,000 |

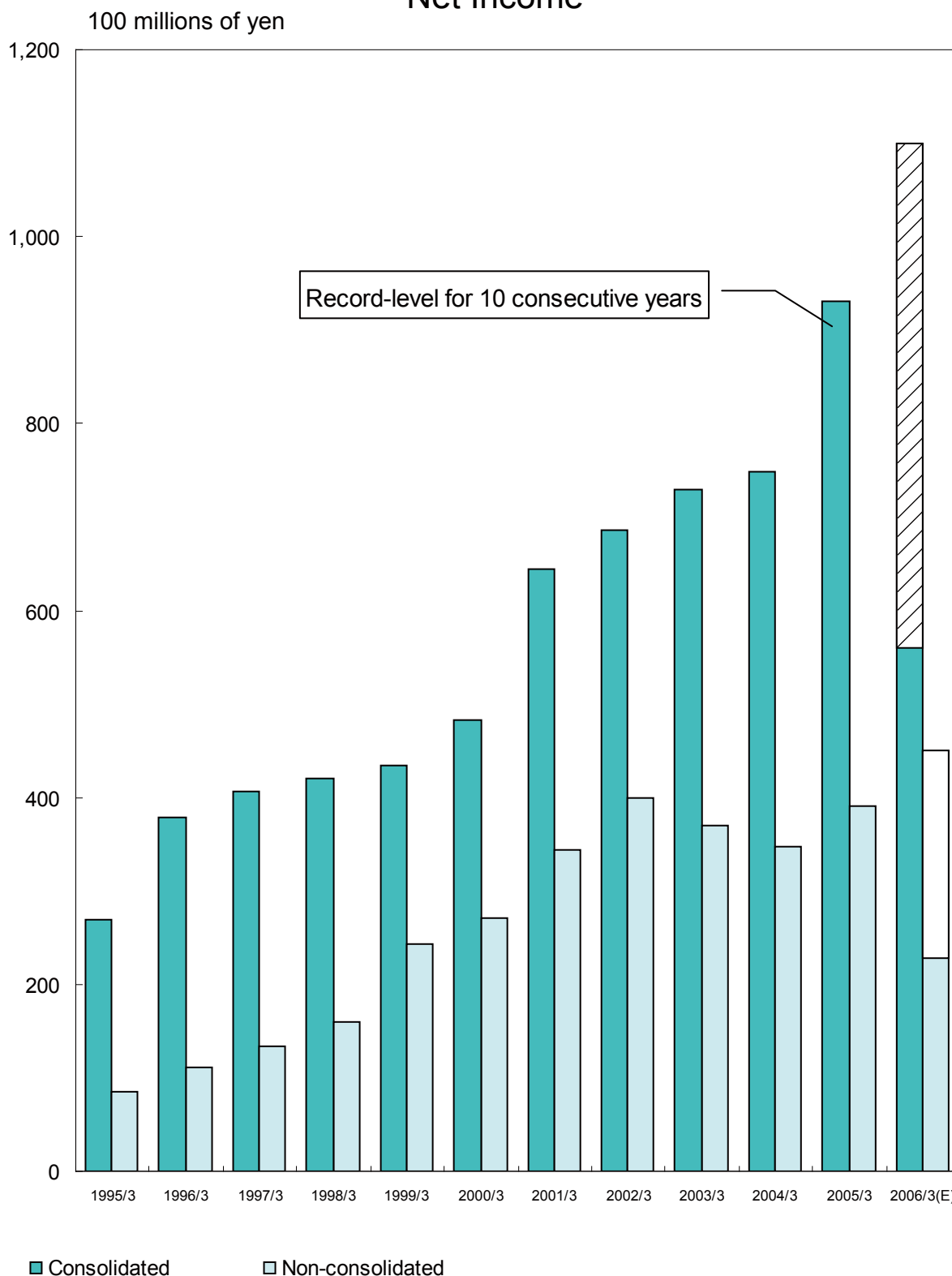
Ordinary Income



(millions of yen)

| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|-----------------|------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--------|-----------|
| Ordinary Income | Consolidated | 45,965 | 66,716 | 75,127 | 80,742 | 77,551 | 84,423 | 115,797 | 117,031 | 122,119 | 125,612 | 151,503 | 90,037 | 180,000 |
| | Non-consolidated | 16,524 | 22,153 | 25,803 | 35,542 | 42,231 | 47,040 | 62,224 | 67,032 | 62,011 | 58,065 | 62,030 | 36,027 | 72,000 |

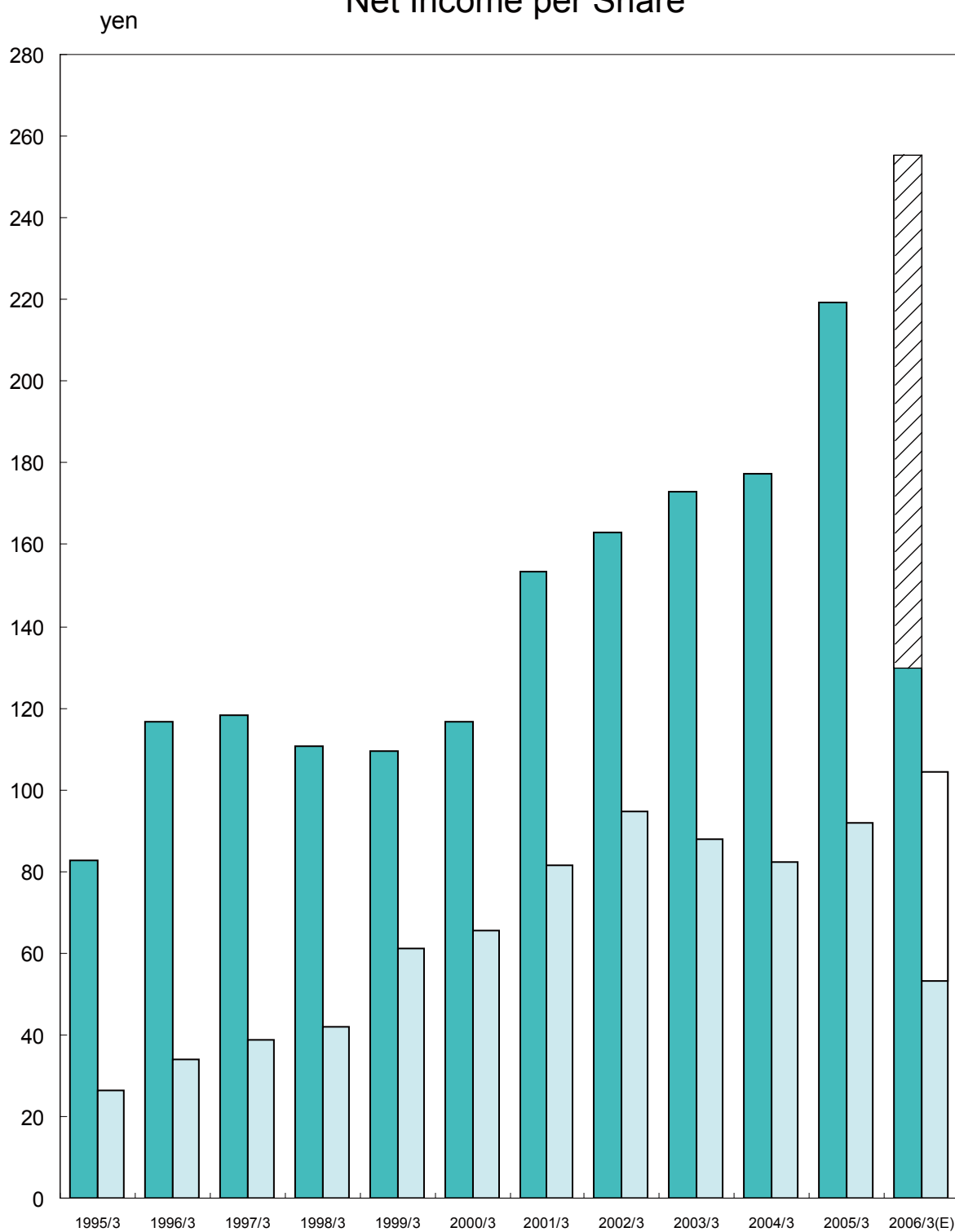
Net Income



(millions of yen)

| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|---|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Net Income | Consolidated | 26,862 | 37,825 | 40,614 | 42,027 | 43,362 | 48,229 | 64,505 | 68,518 | 73,015 | 74,805 | 93,160 | 55,611 | 110,000 |
| | Non-consolidated | 8,504 | 11,083 | 13,323 | 15,972 | 24,322 | 27,141 | 34,307 | 39,888 | 37,028 | 34,725 | 39,020 | 22,787 | 45,000 |
| Consolidated to Non-consolidated Net Income Ratio (times) | | 3.16 | 3.41 | 3.05 | 2.63 | 1.78 | 1.78 | 1.88 | 1.72 | 1.97 | 2.15 | 2.39 | 2.44 | 2.44 |

Net Income per Share

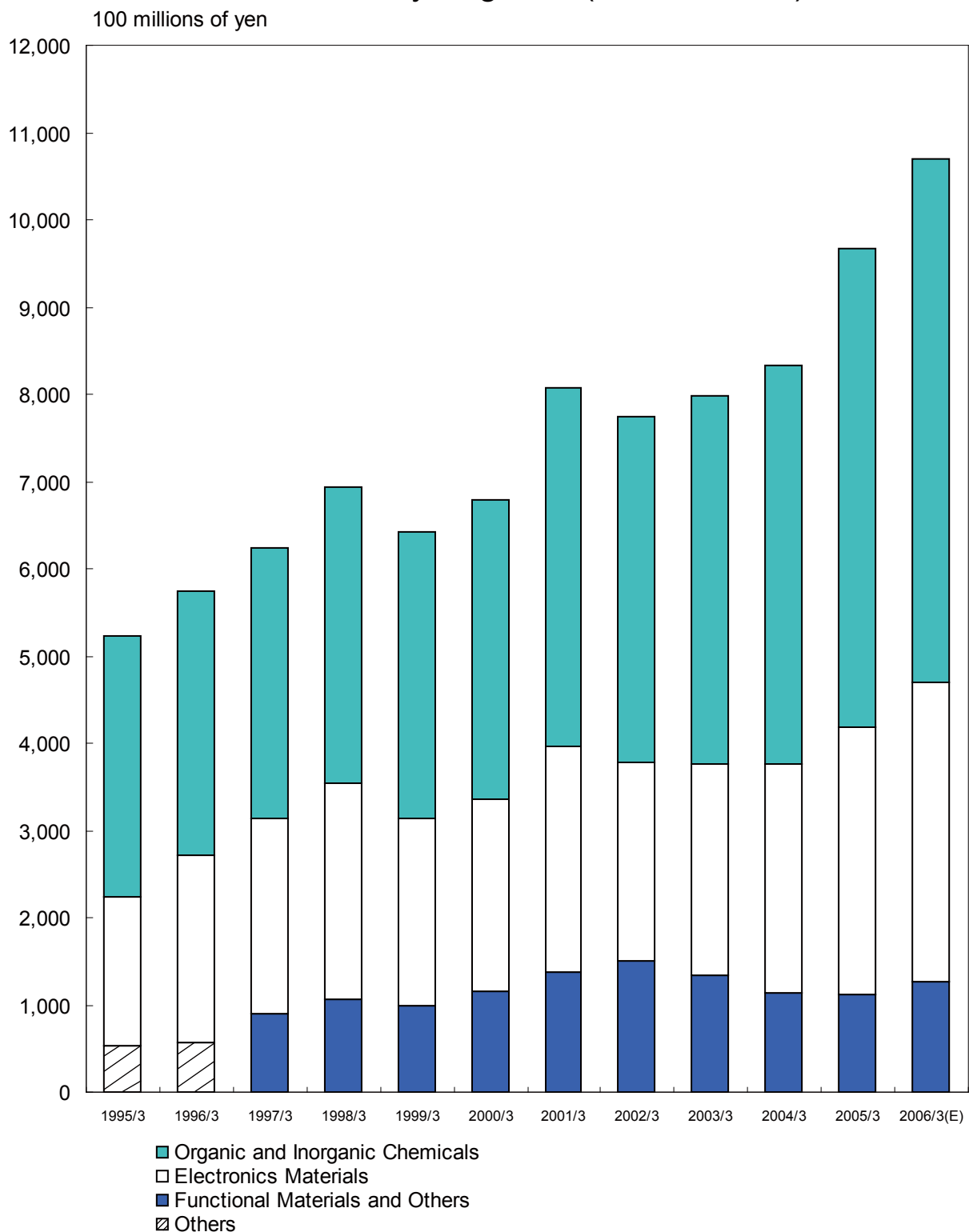


■ Consolidated □ Non-consolidated

(yen)

| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|----------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Net Income per Share | Consolidated | 82.80 | 116.51 | 118.24 | 110.73 | 109.36 | 116.56 | 153.58 | 162.93 | 173.13 | 177.25 | 219.10 | 129.68 | 255.22 |
| | Non-consolidated | 26.21 | 34.14 | 38.79 | 42.02 | 61.15 | 65.32 | 81.32 | 94.85 | 87.83 | 82.25 | 91.73 | 53.14 | 104.36 |

Net Sales by Segment (Consolidated)

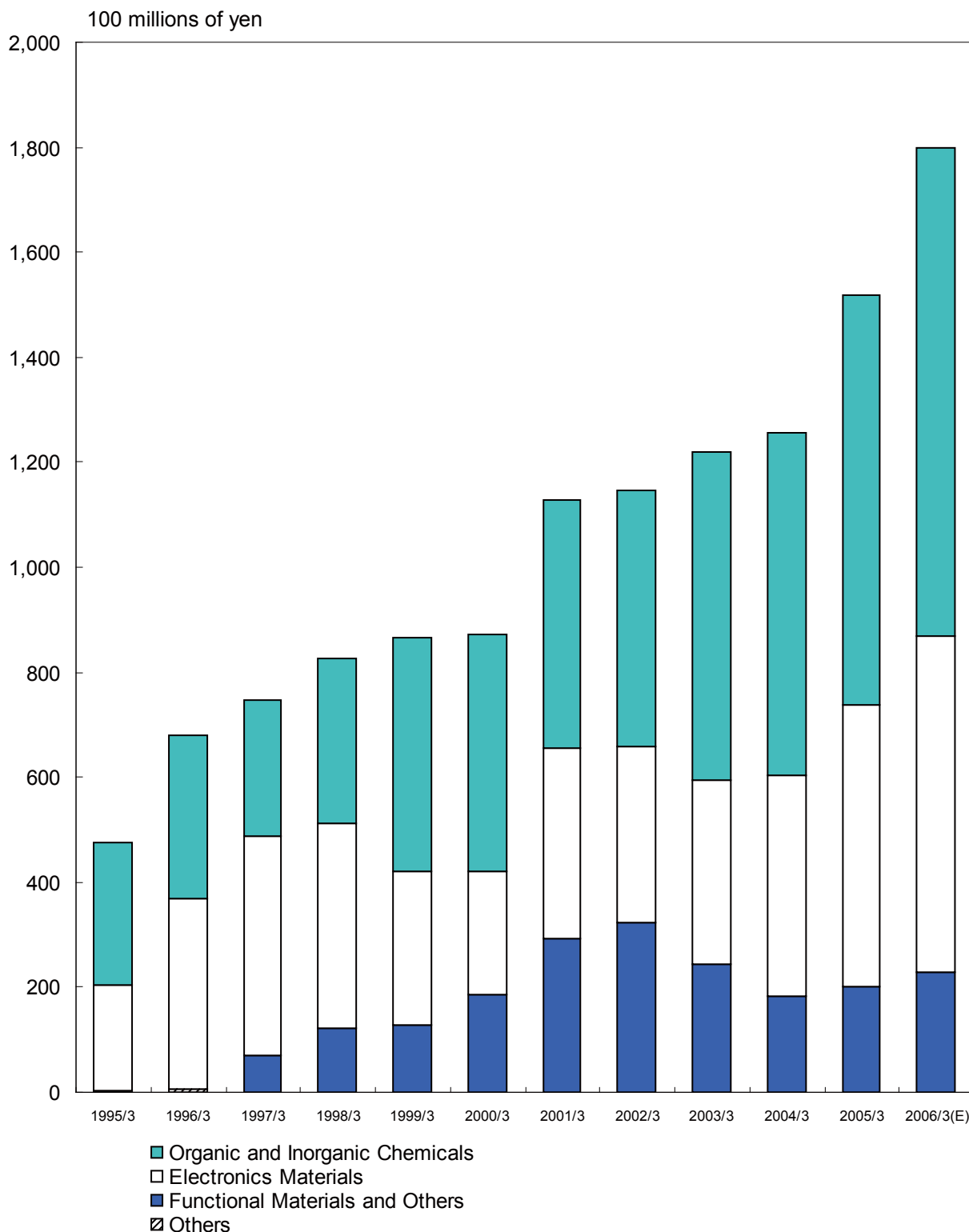


(millions of yen)

| | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Organic and Inorganic Chemicals | 298,467 | 303,284 | 310,030 | 340,050 | 328,925 | 343,412 | 410,370 | 397,983 | 421,021 | 457,009 | 548,950 | 302,406 | 600,000 |
| Electronics Materials | 170,706 | 214,635 | 224,607 | 247,707 | 214,604 | 220,131 | 258,746 | 226,459 | 243,427 | 262,245 | 306,925 | 168,915 | 343,000 |
| Functional Materials and Others | - | - | 89,767 | 105,515 | 99,265 | 115,314 | 138,367 | 150,652 | 133,074 | 113,550 | 111,610 | 63,781 | 127,000 |
| Others | 53,743 | 57,255 | - | - | - | - | - | - | - | - | - | - | - |

Note: Segment Categories have been reclassified from the year ended March 31, 1997

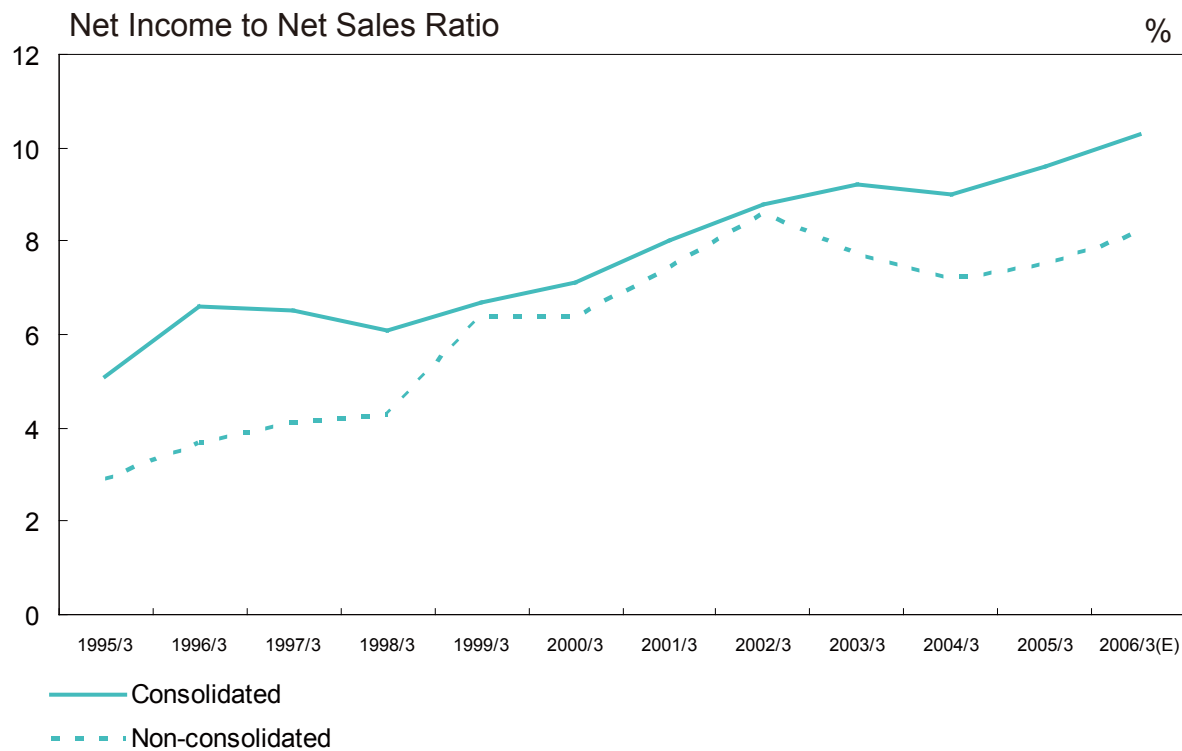
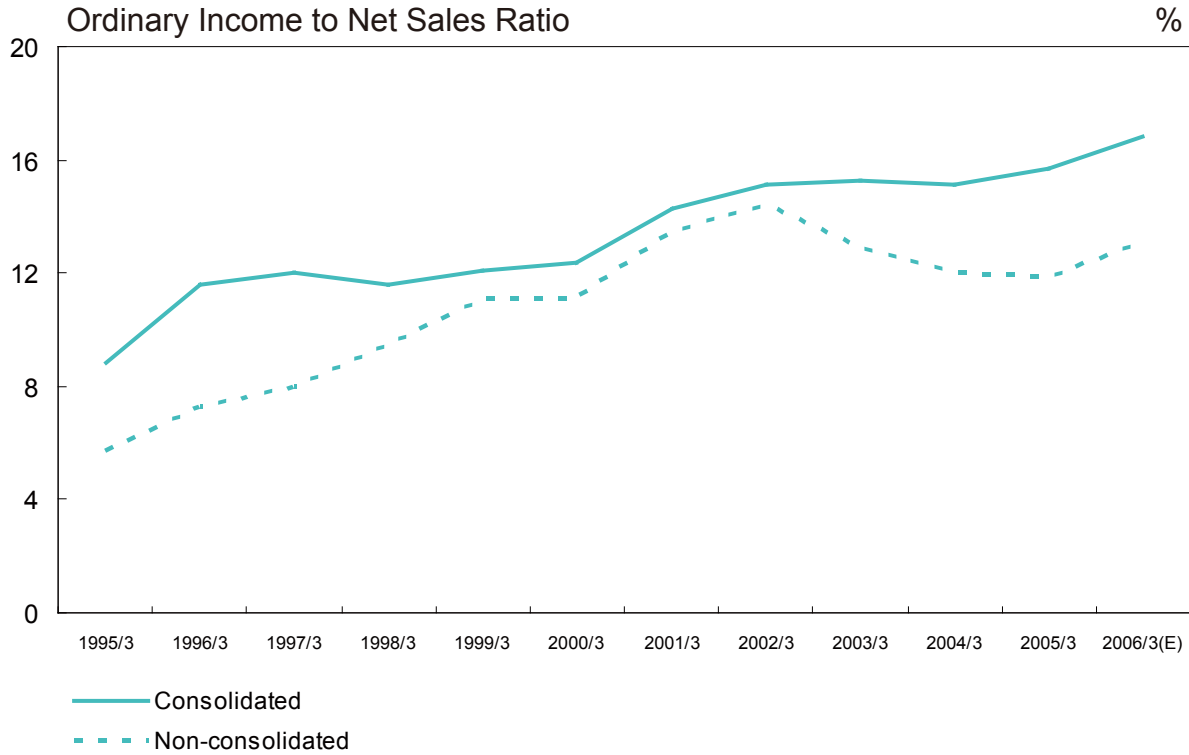
Operating Income by Segment (Consolidated)



(millions of yen)

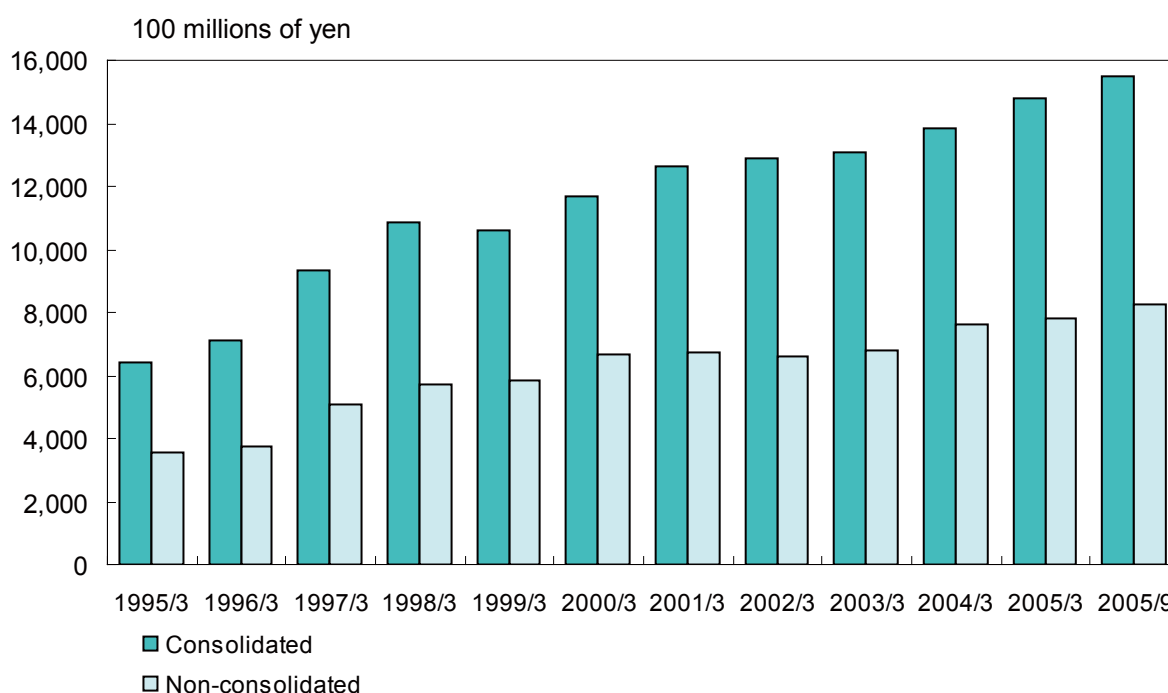
| | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Organic and Inorganic Chemicals | 27,143 | 31,296 | 25,913 | 31,492 | 44,365 | 45,162 | 47,015 | 48,807 | 62,409 | 65,112 | 77,894 | 46,891 | 93,000 |
| Electronics Materials | 20,055 | 36,146 | 42,014 | 39,044 | 29,398 | 23,344 | 36,360 | 33,678 | 35,248 | 42,182 | 53,684 | 31,483 | 64,000 |
| Functional Materials and Others | - | - | 6,869 | 12,061 | 12,797 | 18,651 | 29,328 | 32,193 | 24,251 | 18,169 | 20,123 | 12,028 | 23,000 |
| Others | 366 | 619 | - | - | - | - | - | - | - | - | - | - | - |

Note: Segment Categories have been reclassified from the year ended March 31, 1997

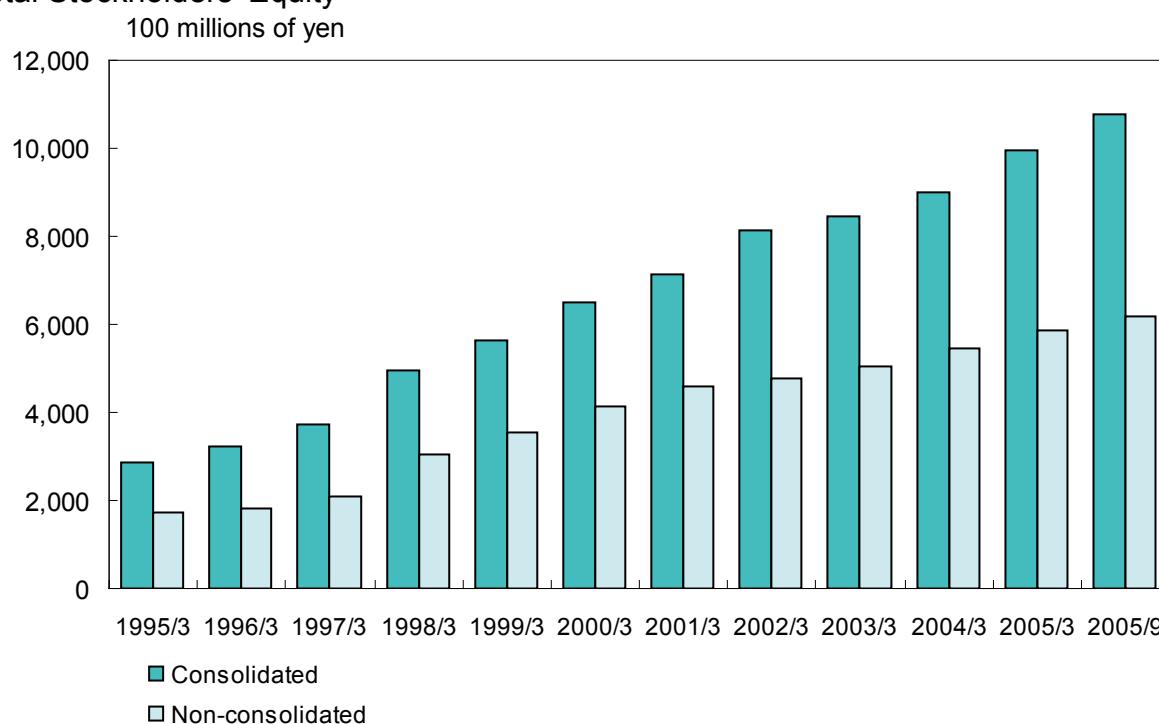


| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 | 2006/3(E) | (%) |
|------------------------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|-----|
| Ordinary Income to Net Sales Ratio | Consolidated | 8.8 | 11.6 | 12.0 | 11.6 | 12.1 | 12.4 | 14.3 | 15.1 | 15.3 | 15.1 | 15.7 | 16.8 | 16.8 | |
| | Non-consolidated | 5.7 | 7.3 | 8.0 | 9.5 | 11.1 | 11.1 | 13.5 | 14.4 | 12.9 | 12.0 | 11.9 | 13.0 | 13.1 | |
| Net Income to Net Sales Ratio | Consolidated | 5.1 | 6.6 | 6.5 | 6.1 | 6.7 | 7.1 | 8.0 | 8.8 | 9.2 | 9.0 | 9.6 | 10.4 | 10.3 | |
| | Non-consolidated | 2.9 | 3.7 | 4.1 | 4.3 | 6.4 | 6.4 | 7.4 | 8.6 | 7.7 | 7.2 | 7.5 | 8.3 | 8.2 | |

Total Assets



Total Stockholders' Equity

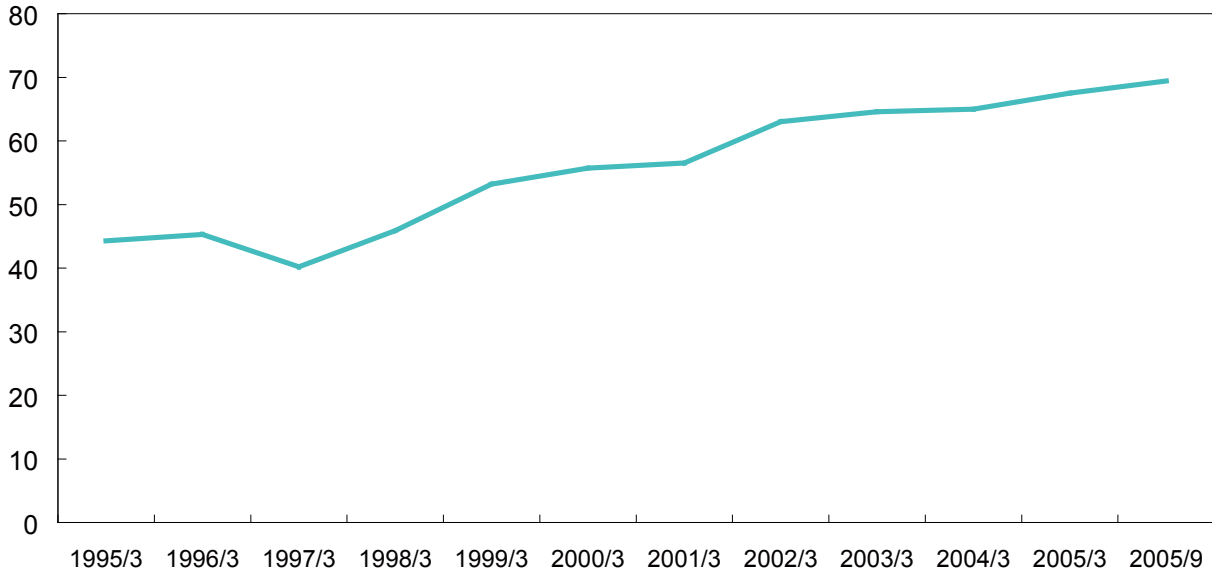


(millions of yen)

| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 |
|----------------------------|------------------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Assets | Consolidated | 643,936 | 708,636 | 931,158 | 1,083,780 | 1,060,973 | 1,168,729 | 1,265,799 | 1,288,432 | 1,310,874 | 1,386,216 | 1,476,248 | 1,551,809 |
| | Non-consolidated | 355,100 | 377,679 | 508,737 | 573,105 | 581,632 | 663,813 | 675,403 | 659,852 | 679,380 | 758,820 | 777,928 | 823,718 |
| Total Stockholders' Equity | Consolidated | 285,361 | 320,987 | 374,725 | 497,311 | 564,066 | 651,261 | 714,996 | 812,068 | 846,961 | 900,724 | 996,307 | 1,077,074 |
| | Non-consolidated | 172,490 | 181,119 | 207,491 | 303,911 | 353,305 | 412,216 | 457,786 | 478,180 | 502,912 | 544,266 | 588,048 | 618,651 |

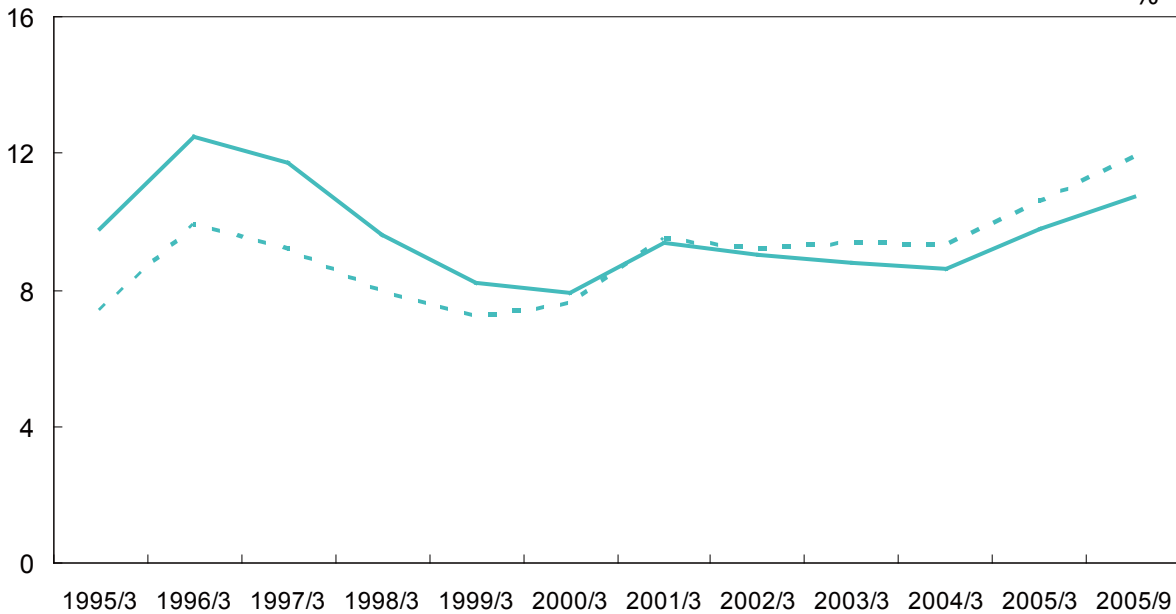
Equity Ratio (Consolidated)

%



Return on Equity, Return (Ordinary Income) on Total Assets (Consolidated)

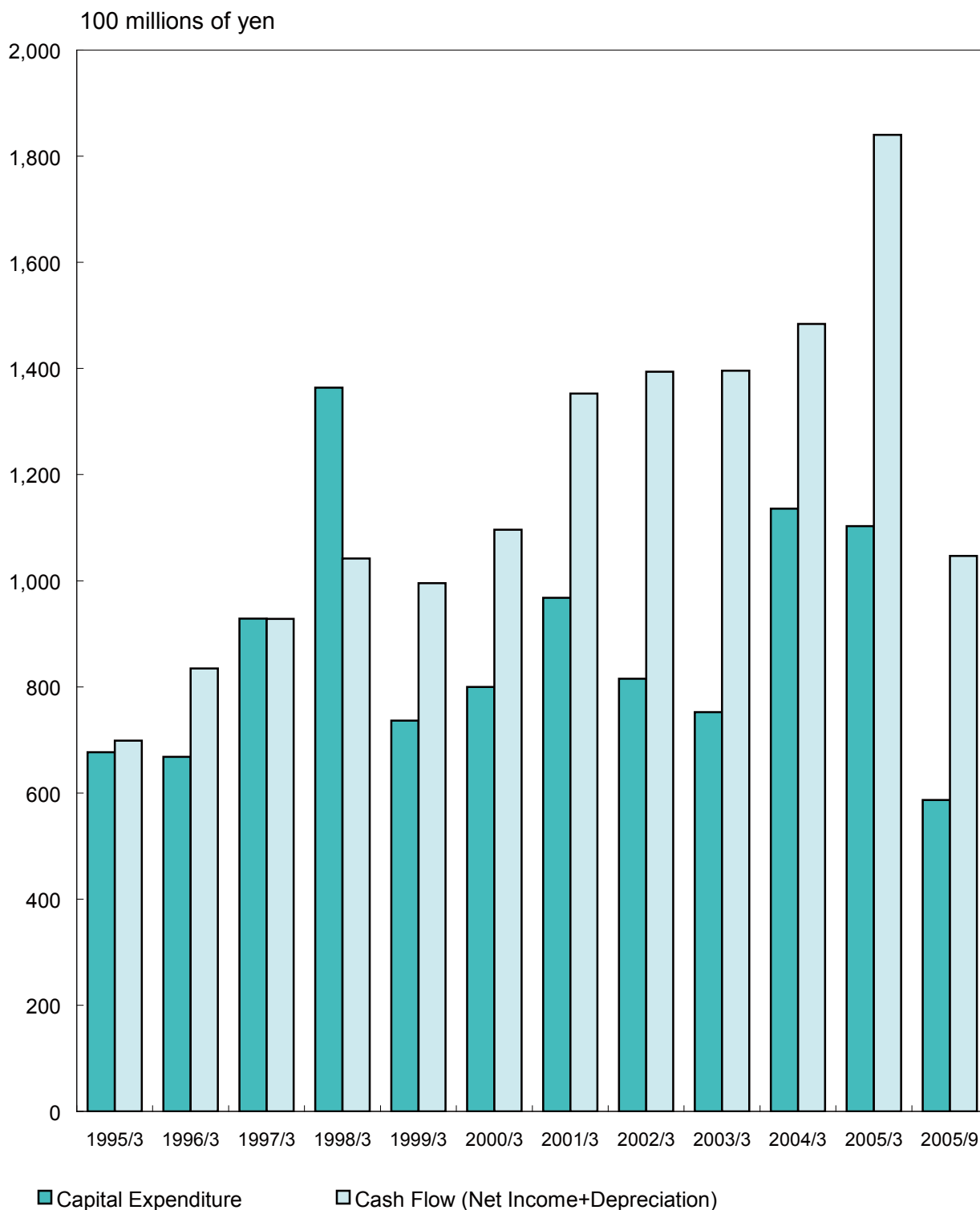
%



— Return on Equity
 - - - Return (Ordinary Income) on Total Assets

| | | (%) | | | | | | | | | | | |
|--|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------------|
| | | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 |
| Equity Ratio | Consolidated | 44.3 | 45.3 | 40.2 | 45.9 | 53.2 | 55.7 | 56.5 | 63.0 | 64.6 | 65.0 | 67.5 | 69.4 |
| Return on Equity | Consolidated | 9.8 | 12.5 | 11.7 | 9.6 | 8.2 | 7.9 | 9.4 | 9.0 | 8.8 | 8.6 | 9.8 | 10.7 (yearly basis) |
| Return (Ordinary Income) on Total Assets | Consolidated | 7.4 | 9.9 | 9.2 | 8.0 | 7.2 | 7.6 | 9.5 | 9.2 | 9.4 | 9.3 | 10.6 | 11.9 (yearly basis) |

Capital Expenditure and Cash Flow (Consolidated)



(millions of yen)

| | 1995/3 | 1996/3 | 1997/3 | 1998/3 | 1999/3 | 2000/3 | 2001/3 | 2002/3 | 2003/3 | 2004/3 | 2005/3 | 2005/9 |
|--|--------|--------|--------|---------|--------|---------|---------|---------|---------|---------|---------|---------|
| Capital Expenditure | 67,689 | 66,790 | 92,844 | 136,383 | 73,641 | 80,003 | 96,770 | 81,543 | 75,220 | 113,591 | 110,277 | 58,693 |
| Depreciation | 42,986 | 45,646 | 52,190 | 62,143 | 56,196 | 61,384 | 70,767 | 70,878 | 66,566 | 73,581 | 90,874 | 49,065 |
| Cash Flow (Net Income+Depreciation) | 69,848 | 83,471 | 92,804 | 104,170 | 99,558 | 109,613 | 135,272 | 139,396 | 139,581 | 148,387 | 184,035 | 104,677 |