

PRINCIPAL ACHIEVEMENTS BY THE SHIN-ETSU GROUP DURING THE PAST YEAR

2001 MAY

- Shin-Etsu, together with Toshiba and Sumitomo Electric, announces the joint development of a high-temperature super-conductive magnet that boasts 1,100KJ—the world's highest level—of stored energy and which is capable of operating in temperatures of around 20K (–253°C).

JUNE

- New Functional Materials Research Center established to handle the R&D of photo-resists and other functional electronics materials.
- Regular Meeting of the Shareholders held. Frank P. Popoff, former chairman of The Dow Chemical Company was elected as external member of the Board of Directors.
- Shin-Etsu's cellulose products for pharmaceuticals earn the "Outstanding Quality Award for 15 Consecutive Years" from leading U.S. health care company Abbott Laboratories.



AUGUST

- Basic unit of Company stock changed from 1,000 shares to 100 shares.
- Decision made to build a new 10,000-ton-per-year functional silane production plant in Freeport, Texas. The investment in the plant will be ¥6.0 billion, with planned completion in 2002.
- Shin-Etsu Silicones (Thailand) Limited established in Thailand as a wholly owned subsidiary for the manufacture and sale of silicone products. The company will use the raw material silicone monomer supplied by Asian Silicones Monomer Ltd., a joint venture with U.S.-based General Electric Company and Toshiba Corporation. The investment in the new subsidiary is ¥7.0 billion and a plant is scheduled for completion in 2003.

SEPTEMBER

- To aid rescue and relief efforts following the terrorist attacks in the United States, Shin-Etsu and nine U.S.-based Group Companies donated a total of US\$36,000 to the American Red Cross.

OCTOBER

- Commercial production of preforms for optical fibers commenced at a plant in the Kashima Chemical Complex in Japan.
- Asia Silicones Monomer Ltd. begins construction of production plant.



NOVEMBER

- Shintech Inc., in the United States, completed the second phase of construction of a plant in Louisiana. Together with its first phase, the new plant will have a production capacity of 590,000 tons per year. When the production capacity of the Louisiana plant is combined with that of the existing plant in Freeport, Texas, Shintech will have an annual PVC production capacity of 2.04 million tons, making it the top PVC manufacturer in the United States.



DECEMBER

- Shintech reached an agreement to acquire the Addis, Louisiana production plant of Borden Chemicals & Plastics Operating L.P., in the United States.

2002 FEBRUARY

- Shin-Etsu announced the transfer of the rights of its fertilizer business to Co-op Chemical Co., Ltd.

MAY

- Shin-Etsu consolidated its VAM and POVAL businesses, which had been carried out jointly with UNITIKA LTD.