

YEAR IN REVIEW

Principal events during the past fiscal year

2003

May

- Started production of silicone at Zhejiang Shin-Etsu High-Tech Chemical Co., Ltd. in China.
- Shin-Etsu exhibited its quartz glass substrates at the 2nd International BIO Expo Japan.
- Exhibited automobile-related products at the JSAE Automotive Engineering Exposition 2003 in Japan.
- Shin-Etsu Polymer Europe B.V. exhibited a range of its silicone products at SENSOR 2003 in Nuremberg, Germany.

June

- Our cellulose derivative product “Metolose SH” was approved as a new food additive by Japan’s Health, Labour and Welfare Ministry.

August

- President and CEO Chihiro Kanagawa was honored with an Outstanding Manager Award at the 19th KKC Corporate Communications Awards of Keizai Koho Center (KKC), the public relations arm of the Japan Business Federation (Nippon Keidanren).
- Established Shin-Etsu Silicone International Trading (Shanghai) Co., Ltd. to sell our silicone products in China.

October

- The semicentennial of our silicone business.
- Shin-Etsu Polymer established a subsidiary in Hungary, Shin-Etsu Polymer Hungary Ltd., to produce keypads, mainly used in mobile phones and electronic equipment for automobiles.

November

- Announcement of agreement made to acquire Clariant’s cellulose business in Europe.
- Shin-Etsu PVC B.V. in the Netherlands increased its VCM/PVC production capacity.
- Shin-Etsu presented silicone products to the public at the 2003 Shanghai Organic Silicone and Fluorine Materials & Applications Exhibition.

December

- Concluded procedures for acquiring Clariant’s cellulose business, starting as SE Tylose GmbH & Co. KG in Germany.
- Exhibited semiconductor materials at SEMICON Japan 2003 held at Makuhari Messe (Nippon Convention Center).

2004

March

- Shin-Etsu Handotai announced a program to increase its 300mm silicon wafer production capacity by 50%, in order to reach an output of 300,000 wafers/month by the end of 2004.
- Shin-Etsu Polymer Hungary Ltd. started production.
- Shin-Etsu exhibited a selection of its silicone products to professionals at Personal Care Ingredients Asia (PCIA), an annual forum in the Asia-Pacific Region in China.