

# The Shin-Etsu Group at a Glance

## Organic and Inorganic Chemicals



No. 1 global market share in polyvinyl chloride (PVC)

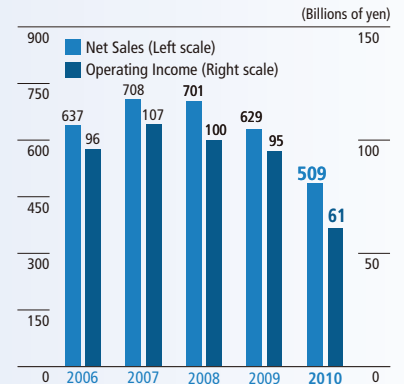
### Main Products

- Polyvinyl chloride (PVC)
- Silicones
- Cellulose derivatives
- Methanol
- Caustic soda
- Synthetic pheromones
- Silicon metal

### Results for Fiscal 2010

In the PVC business, Shintech of the United States maintained a high level of shipments, but demand in Europe and Japan was sluggish. Sales were firm in the silicone business as demand started to recover in a wide range of areas from the second half. Sales of cellulose derivatives were stagnant on the whole in Japan, except for pharmaceutical-use products. The performance of SE Tylose in Germany also remained weak due to low demand for construction materials in Europe.

### Net Sales and Operating Income



## Electronics Materials



No. 1 global market share in semiconductor silicon

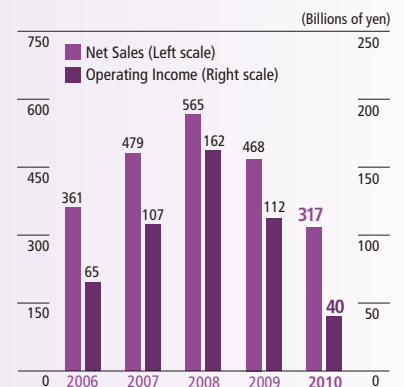
### Main Products

- Semiconductor silicon
- Rare-earth magnets for the electronics industry
- Photoresists
- Epoxy molding compounds

### Results for Fiscal 2010

Although shipments of silicon wafers began to recover, mainly for 300mm wafers, because of the low product prices, the severe business situation continued. Sales of rare-earth magnets to the electronics industry were solid as a result of recovery in demand for hard disk drives. Sales of photoresist products were strong because of progress in the miniaturization of semiconductor devices.

### Net Sales and Operating Income



## Functional Materials and Others



No. 1 global market share in photomask substrates

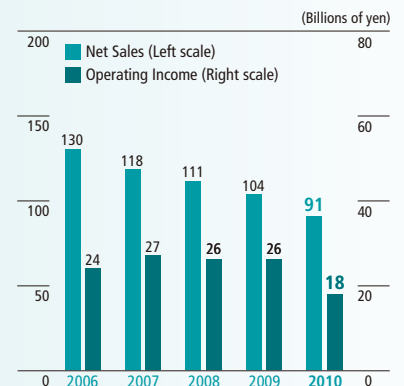
### Main Products

- Synthetic quartz products
- Rare-earth magnets for general applications
- Rare earths
- Liquid fluoroelastomers
- Flexible copper-clad laminates
- Pellicles

### Results for Fiscal 2010

In synthetic quartz products, sales of optical fiber preforms were firm. However, although shipments of large-size photomask substrates for LCDs were steady, sales were significantly affected by intensifying price competition. Sales of rare-earth magnets for general industrial use were firm for applications including motors for hybrid vehicles and energy-saving air-conditioners. However, demand for other applications was slack overall. Sales of liquid fluoroelastomers were solid in Japan, but exports were flat. Sales of pellicles were firm.

### Net Sales and Operating Income



## Topics

### **Increasing Production Capacity of Silicon Metal at Simcoa Operations**

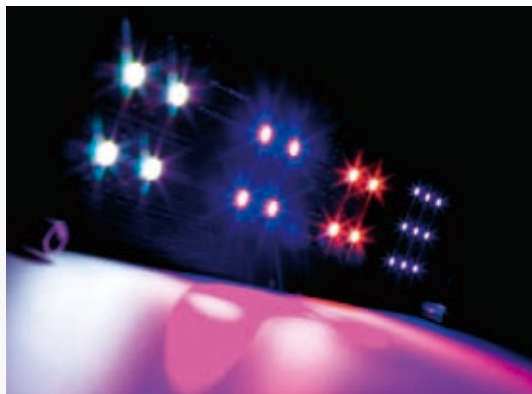
Shin-Etsu's subsidiary Simcoa Operations Pty. Ltd. of Australia is going ahead with its plan to double production capacity of silicon metals. Together, the first-phase and second-phase expansions are scheduled to increase production capacity by 32,000 tons/year to 64,000 tons/year by the end of 2013. Silicon metal is a main raw material for Shin-Etsu's core products of semiconductor silicon, silicones and synthetic quartz. The expansion will secure a supply of resources that are essential for the Company's businesses.



## Topics

### **Enhancing the Lineup of LED-related Materials**

Shin-Etsu supplies many highly reliable products for LEDs, such as silicone encapsulating materials with superior heat resistance and photo-thermal stability that protect LED chips, die-bonding materials with high bonding strength and superior heat resistance, lenses, and thermal interface materials. The Company has recently developed new products to add to its lineup, including silicone reflectors for high-brightness LEDs and transparent protective film with high heat resistance. As a comprehensive supplier of LED-related materials, Shin-Etsu will continue to offer superior products that meet increasingly sophisticated market needs.



## Topics

### **Shin-Etsu's Magnets Installed in Toyota Prius**

Due to their outstanding attraction, heat resistance and durability, Shin-Etsu's rare-earth magnets are installed in high-end hybrid cars, thus contributing to the automobiles' high functionality and energy conservation. The magnets are used in the drive motors of Toyota Motor Corporation's third-generation Prius, which was Japan's best-selling car in 2009. Shin-Etsu's rare-earth magnets support the Prius, the world's most successful hybrid car.



The new Prius (Photo provided by Toyota Motor Corporation)