

Shin-Etsu Chemical Co., Ltd.

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Ken Nakamura Director, General Manager of Public Relations Department Shin-Etsu Chemical Co., Ltd.

Shin-Etsu's Accounts Reporting Structure to be Revised

We hereby announce that from FY2011 onward, the business segments of all our reporting of financial results, and corporate Annual Report, will follow the new structure due to applying to the changes of Japanese accounting standard. The new business segments are summarized below. Attached is a matching table showing details of the new reports structure, in comparison with previous reporting.

Shin-Etsu's 2011 Financial Reporting Structure Revision

<New Structure of Business Segments in Financial Reports>

- 1. PVC/Chlor -Alkali Business
- 2. Silicones Business
- 3. Specialty Chemicals Business
- 4. Semiconductor Silicon Business
- 5. Electronics & Functional Materials Business
- 6. Diversified Business

<Previous Structure of Business Segments in Financial Reports>

- 1. Organic and Inorganic Chemicals (Polyvinyl Chloride, Silicones, Others)
- 2. Electronics Materials (Semiconductor Silicon, Others)
- Functional Materials and Others (Synthetic Quartz products, Rare Earth Magnets for general applications and Other functional materials, Other products)
- * Please find the attached for further information.

Shin-Etsu's New Reporting Structure for Business Segments (Effective from FY 2011 onward)

Before (Until the FY ended March 31, 2010)			NEW	(After the FY ending March 31 2011)
Segment	Segment Subsegment		Segment	Main Products and services
	Polyvinyl Chloride (PVC) Shin-Etsu Polymer's PVC operations		PVC/Chlor–Alkali Business	Polyvinyl Chloride <shin-etsu chemical,="" shin-etsu<br="" shintech,="">PVC>* Methanol, Chloromethane, Caustic Soda</shin-etsu>
Organic and Inorganic Chemicals	Silicones Shin-Etsu Polymer's Silicones operations		Silicones Business	Silicones <shin-etsu and="" chemical="" its="" subsidiaries="">*</shin-etsu>
Unemicals	others Methanol, Chloromethane, Caustic Soda Shin-Etsu Polymer's Other operations		Specialty Chemicals Business	Cellulose Derivatives <shin-etsu chemical,="" se-tylose="">* Silicon Metal <simcoa>* Polyvinyl Alcohol<japan &="" poval="" vam="">* Synthetic Pheromones</japan></simcoa></shin-etsu>
	Semiconductor Silicon		Semiconductor Silicon Business	Semiconductor Silicon <shin-etsu group,="" handotai="" nagano<br="">Electronics Industrial, Naoetsu Electronics>[*]</shin-etsu>
Electronics Materials	Others (Rare earth magnets for the electronics, Organic materials for the electronics, Photoresists)			Rare Earth Magnets for Electronics Industry and General Applications Semiconductor Encapsulating Materials
Functional Materials and Others	Synthetic quartz products Rare earth magnets for general applications and other functional materials (Rare earth magnets for general applications, Liquid fluoroelastomers, pellicles)		Electronics & Functional Materials Business	Coating Materials for LEDs Photoresists Photomask blanks Synthetic quartz products Liquid fluoroelastomers Pellicles
	Others (Export of Plant Equipment, Technology licencing, International Trading, Engineering)		Diversified Business	Processed Plastics <shin-etsu group="" polymer="">* Export of Plant Equipment, Technology licencing, International Trading, Engineering <shin-etsu engineering="">*</shin-etsu></shin-etsu>

note: Subsidiaries shown with asterisk* are the Group companies that provide main products and survices.



Segment Information (For Fiscal Year Ended March 2010)

(Unit : Billions of yen)

<u>Net Sales</u>

Operating Income

[Previous Business Segments]

	1st Half			Annual			
	1Q	2Q		3Q	4Q		
Organic and Inorganic Chemicals Business	103.8	128.0	231.8	141.6	135.6	277.2	509.0
Polyvinyl chloride			110.1			132.6	242.7
Silicones			70.5			85.1	155.6
Others			51.2			59.5	110.7
Electronics Materials Business	66.1	77.0	143.1	86.7	87.3	174.0	317.1
Semiconductor silicon			115.3			139.2	254.5
Others			27.8			34.8	62.6
Functional Materials and Other Business	20.2	22.1	42.3	22.7	25.7	48.4	90.7
Synthetic quartz puroducts			11.6			11.8	23.4
Rare earth magnets for general applications and Other functional materials			13.5			16.8	30.3
Other products			17.2			19.8	37.0
Net Sales	190.1	227.1	417.2	251.0	248.6	499.6	916.8

[New Business Segments]

	1st Half				Annual		
	1Q	2Q		3Q	4Q		
PVC/Chlor-Alkali Business	46.5	61.3	107.8	68.2	61.7	129.9	237.7
Silicones Business	24.9	30.5	55.4	33.8	33.1	66.9	122.3
Specialty Chemicals Business	17.6	20.0	37.6	21.0	21.9	42.9	80.5
Semiconductor Silicon Business	53.2	61.7	114.9	70.1	69.0	139.1	254.0
Electronics & Functional Materials Business	24.1	27.7	51.8	29.4	32.6	62.0	113.8
Diversfield Business	23.8	25.9	49.7	28.5	30.3	58.8	108.5
Net Sales	190.1	227.1	417.2	251.0	248.6	499.6	916.8

Γ	Previous	Business	Segments]
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	1st Half			Annual			
	1Q	2Q		3Q	4Q		
Organic and Inorganic Chemicals Business	11.1	16.3	27.4	17.1	16.6	33.7	61.1
Polyvinyl chloride			8.8			8.6	17.4
Silicones			10.5			16.3	26.8
Others			8.1			8.8	16.9
Electronics Materials Business	7.0	10.1	17.1	10.9	11.5	22.4	39.5
Semiconductor silicon			10.0			12.6	22.6
Others			7.1			9.8	16.9
Functional Materials and Other Business	2.6	6.3	8.9	4.3	4.8	9.1	18.0
Synthetic quartz puroducts			3.5			3.7	7.2
Rare earth magnets for general applications and Other functional materials			2.7			4.0	6.7
Other products			2.7			1.4	4.1
Elimination	(0.1)	(0.4)	(0.5)	(0.7)	(0.2)	(0.9)	(1.4)
Operating Income	20.6	32.3	52.9	31.6	32.7	64.3	117.2

[New Business Segments]

	1st Half				Annual		
	1Q	2Q		3Q	4Q		
PVC/Chlor-Alkali Business	4.9	5.1	10.0	5.4	4.2	9.6	19.6
Silicones Business	3.2	6.7	9.9	7.2	7.8	15.0	24.9
Specialty Chemicals Business	2.9	4.2	7.1	3.2	3.6	6.8	13.9
Semiconductor Silicon Business	4.1	5.9	10.0	6.3	6.3	12.6	22.6
Electronics & Functional Materials Business	5.1	8.2	13.3	8.2	9.2	17.4	30.7
Diversfield Business	0.5	2.7	3.2	1.8	1.8	3.6	6.8
Elimination	(0.1)	(0.5)	(0.6)	(0.5)	(0.2)	(0.7)	(1.3)
Operating Income	20.6	32.3	52.9	31.6	32.7	64.3	117.2

