



April 7, 2009

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Notice of Revisions of Operating Performance Forecast

Shin-Etsu Chemical Co., Ltd. (the “Company”) announces that, based on its recent performance, it has revised its operating performance forecast announced on April 28, 2008.

1. Revisions of Operating Performance Forecast Note) The forecast figures are approximations.

(1)Revision of Consolidated Operating Performance Forecast (April 1, 2008-March 31, 2009)

(100 Millions of Yen)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share (in yen) |
|---|-----------|------------------|-----------------|------------|-------------------------------|
| Previous Forecast (A) * | 14,000 | 3,070 | 3,200 | 2,000 | 464.86 |
| Revised Forecast (B) | 12,000 | 2,400 | 2,600 | 1,600 | 374.73 |
| Change (B-A) | (2,000) | (670) | (600) | (400) | - |
| Percentage Change (%) | (14.3) | (21.8) | (18.8) | (20.0) | - |
| (reference) Results for the Fiscal Year ended March 31, 2008 | 13,764 | 2,871 | 3,000 | 1,836 | 426.63 |
| Percentage Change to the Fiscal Year ended March 31, 2008 (%) | (12.8) | (16.4) | (13.3) | (12.8) | - |

*On December 17, 2008, the Company announced that it would be difficult to achieve the consolidated business performance forecast announced on April 28, 2008.

(2)Revision of Non-Consolidated Operating Performance Forecast (April 1, 2008-March 31, 2009)

(100 Millions of Yen)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share (in yen) |
|---|-----------|------------------|-----------------|------------|-------------------------------|
| Previous Forecast (A) | 7,300 | 880 | 950 | 610 | 141.78 |
| Revised Forecast (B) | 6,000 | 820 | 980 | 640 | 149.89 |
| Change (B-A) | (1,300) | (60) | 30 | 30 | - |
| Percentage Change (%) | (17.8) | (6.8) | 3.2 | 4.9 | - |
| (reference) Results for the Fiscal Year ended March 31, 2008 | 7,086 | 819 | 925 | 502 | 116.73 |
| Percentage Change to the Fiscal Year ended March 31, 2008 (%) | (15.3) | 0.1 | 5.9 | 27.4 | - |

2. Reasons of Revisions of Operating Performance Forecast

With the market environment worsening on a global scale — stemming from the U.S. financial crisis — the business environment surrounding the Company has worsened rapidly since November of last year and our business performance has been adversely affected, particularly our electronics materials businesses such as silicon wafers.

Under these circumstances, as stated above, the Company has revised the business forecast for FY 2009 that the Company issued at the start of the fiscal year (which ended on Mar. 31, 2009) with regard to net sales, operating income, ordinary income, and net income. However, there is no change in the planned year-end dividend of ¥50 per share (annual dividend of ¥100 per share).