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 Shin-Etsu Chemical Co., Ltd.  
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## Notice Regarding Operating Performance and Dividend Forecasts

Shin-Etsu Chemical Co., Ltd. (the “Company”) is now able to announce the forecast for its consolidated operating performance for the fiscal year 2010, which ends on March 31, 2010. The Company is also announcing the forecast for its year-end dividend for the fiscal year ending March 31, 2010. The forecasts are as follows;

- Forecast of Consolidated Operating Performance for the fiscal year ending March 31, 2010 (April 1, 2009- March 31, 2010)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (in yen)
Previous Forecast (A)	-	-	-	-	-
Current Forecast (B)	910,000	113,000	123,000	78,000	183.75
Change (B-A)	-	-	-	-	-
Percentage Change (%)	-	-	-	-	-
(reference) Results for the fiscal year ended March 31, 2009	1,200,813	232,927	250,533	154,731	362.39

Note) The forecast figures are approximations.

- Forecast of Dividend for the Fiscal year ending March 31, 2010

	Cash dividends per share(in yen)		
	2 <sup>nd</sup> quarter	Year end	Total
Previous Forecast		Undecided	Undecided
Current Forecast		50.00	100.00
Results for the fiscal year ending March 31, 2010	50.00		
Results for the fiscal year ended March 31, 2009	50.00	50.00	100.00

3. A summary of the announcement

Up until now, the Company had not yet announced the forecast for its Consolidated Operating Performance for the fiscal year 2010. However, based on trends in its recent consolidated business performance, we are now announcing our forecast for this fiscal year. At the same time, we are announcing our forecast of a year-end dividend of ¥50 per share, the same amount as in the corresponding period of the previous fiscal year. The forecast for the total annual dividend for the fiscal year 2010 will become ¥100 per share, the same amount as in the previous fiscal year.

(Note)

The forecast of results of operations made in this document involves risks and uncertainties since the forecast is based on management's assumptions and beliefs in light of the information currently available to it. The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors. Material factors affecting the actual results may include overall economic conditions in which the businesses of our company and our group companies are involved, the relevant market trends and fluctuations in foreign exchange rates of the yen, in particular, the exchange rate between the U.S. dollars and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.