



December 16, 2011

Shin-Etsu Chemical Co., Ltd.
Public Relations Department

Press Release

Announcement concerning the reorganization of Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd.

Shin-Etsu Chemical Co., Ltd. (Head Office: Tokyo; President Shunzo Mori, hereinafter “Shin-Etsu Chemical”) announces the following decision, which was taken at the company’s Board of Directors meeting held on December 15, 2011 regarding the basic agreement and other related matters it has made with Mitsubishi Chemical Corporation (Head Office: Tokyo; Representative Director, President and CEO Yoshimitsu Kobayashi, hereinafter “Mitsubishi Chemical”); Asahi Glass Co., Ltd. (Head Office: Tokyo; President and CEO Kazuhiko Ishimura, hereinafter “Asahi Glass”); ADEKA Corporation (Head Office: Tokyo; President Kunihiko Sakurai, hereinafter “ADEKA”); and Kaneka Corporation (Head Office: Osaka; President Kimikazu Sugawara, hereinafter “Kaneka”). This information was disclosed on December 16, 2011 in a jointly released “Reorganization of Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd. announced”

1) The operations of Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd.

The contents of the basic agreement by the five companies are that three of the five companies – Asahi Glass, ADEKA and Kaneka – are withdrawing their capital investment from the joint-venture business of both Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd. As a result of this reorganization process, Shin-Etsu Chemical and Mitsubishi Chemical will continue the financing of both Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd., and their operations will be carried out as a subsidiary of Shin-Etsu Chemical. Discussions will be continued regarding such matters as the concrete details and conditions of the basic agreement.

2) The berth facilities of Kashima Chlorine & Alkali Co., Ltd.

With regard to Kashima Chlorine & Alkali Co., Ltd.'s berth facilities (that is to say, its port facilities for the receiving and shipping of raw materials and products), these facilities will be separated from Kashima Chlorine & Alkali Co., Ltd. and will be operated by a newly established company.

For your reference, the outline of the existing joint-venture companies is as follows:

Outline of Kashima Chlorine & Alkali Co., Ltd. (as at December 16, 2011)

1. Established in February 1968
2. Head Office address: 3 Towada, Kamisu City, Ibaraki Prefecture
3. President: Noboru Hasegawa
4. Capital: ¥3.5 billion
5. Ratio of Investment: Asahi Glass 25%, ADEKA 23%, Shin-Etsu Chemical 23%
Mitsubishi Chemical 21%, and Kaneka 8%
6. Business: Manufacturing and sales of caustic soda and chlorine
7. Production capacity: 400,000 tons/year of caustic soda

Outline of Kashima Vinyl Chloride Monomer Co., Ltd. (as at December 16, 2011)

1. Established in February 1968
2. Head Office: 2 Towada, Kamisu City, Ibaraki Prefecture
3. President: Toshihide Shimizu
4. Capital: ¥1.5 billion
5. Ratio of Investment: Shin-Etsu Chemical 50%, Mitsubishi Chemical 25%, Asahi Glass 10%, Kaneka 10%, and ADEKA 5%
6. Business: Manufacturing and sales of vinyl chloride monomer
7. Production capacity: 600,000 tons/year of vinyl chloride monomer

For inquiries concerning the matters reported in this press release, please contact:

Shin-Etsu Chemical Co., Ltd. , Public Relations Department

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Press Release

Reorganization of Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd. announced

Asahi Glass Co., Ltd. (Head Office: Tokyo; President and CEO Kazuhiko Ishimura, hereunder “Asahi Glass”); ADEKA Corporation (Head Office: Tokyo; President Kunihiko Sakurai, hereunder “ADEKA”); Kaneka Corporation (Head Office: Osaka; President Kimikazu Sugawara, hereunder “Kaneka”); Shin-Etsu Chemical Co., Ltd. (Head Office: Tokyo; President Shunzo Mori, hereunder “Shin-Etsu Chemical”); and Mitsubishi Chemical Corporation (Head Office: Tokyo; Representative Director, President and CEO Yoshimitsu Kobayashi, hereunder “Mitsubishi Chemical”) – hereunder referred to by the collective term of “five companies” – have made a basic agreement with the following contents regarding the operation of both Kashima Chlorine & Alkali Co., Ltd. (Head Office: Ibaraki; President Noboru Hasegawa, hereunder “Kashima Denkai;” (see the accompanying sheet for further information) and Kashima Vinyl Chloride Monomer Co., Ltd. (Head Office: Ibaraki; President Toshihide Shimizu, hereunder “Kashima PVC Monomer;” (see the accompanying sheet for further information,) – both of which are joint ventures of the above five companies.

1) Asahi Glass, ADEKA and Kaneka will withdraw their capital investment from both Kashima Denkai and Kashima PVC Monomer. Shin-Etsu Chemical and Mitsubishi Chemical will continue their capital investment in both joint-venture companies, and from now on both of these companies will be operated as a subsidiary company of Shin-Etsu Chemical.

2) Along with (1), with regard to the operation of the berth facilities (port facility for receiving and shipping of raw materials and products) which is presently performed by Kashima Denkai, a new joint-venture company will be set up and the operation will be transferred to that company.

Discussions will be continued regarding such matters as the concrete details and conditions of the basic agreement.

For inquiries concerning the matters reported in this press release, please contact the following companies:

Asahi Glass Co., Ltd., Corporate Communications & Investor Relations Tel: 03-3218-5603

ADEKA Corporation, Legal Affairs & Publicity Dept. Tel: 03-4455-2803

Kaneka Corporation, Public Relations Office Tel: 06-6226-5019

Shin-Etsu Chemical Co., Ltd., Public Relations Dept. Tel: 03-3246-5091

Mitsubishi Chemical Corporation, Public Relations Dept. Tel: 03-6414-3730

For your reference, the outline of the joint-venture companies is as follows:

Outline of Kashima Chlorine & Alkali Co., Ltd. (as at December 16, 2011)

1. Established in February 1968
2. Head Office address: 3 Towada, Kamisu-city, Ibaraki Prefecture
3. President: Noboru Hasegawa
4. Capital: ¥3.5 billion
5. Ratio of Investment: Asahi Glass 25%, ADEKA 23%, Shin-Etsu Chemical 23%, Mitsubishi Chemical 21%, and Kaneka 8%
6. Business: Manufacturing and sales of caustic soda and chlorine
7. Production capacity: 400,000 tons/year of caustic soda

Outline of Kashima Vinyl Chloride Monomer Co., Ltd. (as at December 16, 2011)

1. Established in February 1968
2. Head Office: 2 Towada, Kamisu-city, Ibaraki Prefecture
3. President: Toshihide Shimizu
4. Capital: ¥1.5 billion
5. Ratio of Investment : Shin-Etsu Chemical 50%, Mitsubishi Chemical 25%, Asahi Glass 10%, Kaneka 10%, and ADEKA 5%
6. Business: Manufacturing and sales of vinyl chloride monomer
7. Production capacity: 600,000 tons/year of vinyl chloride monomer