



April 24, 2013

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Shin-Etsu Chemical Co., Ltd.
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Shin-Etsu Polymer, a Subsidiary of Shin-Etsu Chemical, releases a Notice of Differences Between Financial Forecasts and Finalized Figures

Shin-Etsu Chemical Co., Ltd. (the “Company”) hereby announces that Shin-Etsu Polymer Co., Ltd., a subsidiary of the Company, today released a “Notice of Differences Between Financial Forecasts and Finalized Figures for Fiscal Year Ended March 31, 2013” (please see attached).

There shall be no revision on the Company’s consolidated financial forecast for the FY2013(From April 1, 2012 to March 31, 2013) that we announced on July 26, 2012.



April 24, 2013

FOR IMMEDIATE RELEASE

Company name: Shin-Etsu Polymer Co., Ltd.
Representative: Hiroshi Akazawa, Representative Director, President
(Code number: 7970; First Section of Tokyo Stock Exchange)
Contact: Hideaki Hirasawa, Accounting & Finance Group Manager
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Parent company of the Company: Shin-Etsu Chemical Co., Ltd.
(Code number: 4063; First Section of Tokyo Stock Exchange)

Notice of Differences Between Financial Forecasts and Finalized Figures for Fiscal Year Ended March 31, 2013

Shin-Etsu Polymer Co., Ltd. (hereinafter the "Company") hereby announces differences between the consolidated financial forecasts for the fiscal year ended March 31, 2013 announced on July 25, 2012 and the finalized figures announced today, and differences between the non-consolidated financial results for the fiscal year ended March 31, 2013 and the actual results for the previous fiscal year. Details are as follows:

1. Differences between consolidated financial forecasts and finalized figures for fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Basic)
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	63,000	1,100	1,200	400	4.92
Actual results (B)	60,669	944	1,291	210	2.59
Amount of increase or decrease (B - A)	(2,331)	(156)	91	(190)	—
Rate of increase or decrease (%)	(3.7)	(14.2)	7.6	(47.5)	—
(Reference) Actual results for the previous fiscal year (ended March 31, 2012)	62,650	1,071	1,248	304	3.74

2. Reasons for differences

The economic environment for the consolidated fiscal year ended March 31, 2013 remained severe in the markets related to the Group of the Company, affected by the slowdown in the European and emerging nations' economies, and thus the net sales and operating income of the Company fell below the forecasts.

On the other hand, ordinary income exceeded the forecast, mainly because of foreign exchange profits earned because of the low rate of exchange for the yen during and after the first nine months of the consolidated fiscal year ended March 31, 2013.

Net income fell short of the forecast, mainly because some of the deferred tax assets of the Company were reduced and recorded as income taxes deferred as a result of careful consideration of the probability of recovery of the deferred tax assets based on earnings forecasts and other factors.

3. Differences between the non-consolidated financial results for the (whole) fiscal year ended March 31, 2013 and the actual results for the previous fiscal year (April 1, 2012 to March 31, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Basic)
	Million yen	Million yen	Million yen	Million yen	Yen
Actual results for the previous fiscal year (ended March 31, 2012) (A)	44,319	(816)	298	16	0.20
Actual results for the fiscal year (ended March 31, 2013) (B)	41,379	(588)	153	1,546	19.02
Amount of increase or decrease (B - A)	(2,940)	228	(145)	1,530	—
Rate of increase or decrease (%)	(6.6)	—	(48.6)	—	—

*The non-consolidated financial forecasts for the fiscal year ended March 31, 2013 were not announced, and thus the comparison above is made with the actual results for the previous fiscal year.

4. Reasons for the differences

Ordinary income decreased due to a reduction in the dividend income from subsidiaries.

Net income increased mainly because with the absorption-type company demerger under which the Company became a successor company and Shinano Polymer Co., Ltd., Niigata Polymer Co., Ltd. and Urawa Polymer Co., Ltd., all of which are wholly owned subsidiaries of the Company, became the demerging companies, the Company assumed part of the assets, debts and rights and obligations of the respective subsidiaries and recorded a gain on cancellation of shares due to absorption of a subsidiary.