



July 26, 2016

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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”) hereby announces the forecasts for its Consolidated Operating Performance and its dividends for the fiscal year 2017, which ends on March 31, 2017. The forecasts are as follows;

1. Forecast of Consolidated Operating Performance

Note: The forecast figures are approximations.

(1) Forecast of Consolidated Operating Performance for the fiscal year ending March 31, 2017
 (April 1, 2016 - March 31, 2017)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous Forecast (A)	-	-	-	-	-
Current Forecast (B)	1,180,000	225,000	230,000	160,000	375.61
Change (B-A)	-	-	-	-	-
Percentage Change (%)	-	-	-	-	-
(reference) Results for the fiscal year ended March 31, 2016	1,279,807	208,525	220,005	148,840	349.46

(2) Forecast of Consolidated Operating Performance for the first half ending September 30, 2016
 (April 1, 2016 - September 30, 2016)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous Forecast (A)	-	-	-	-	-
Current Forecast (B)	590,000	115,000	115,000	82,000	192.50
Change (B-A)	-	-	-	-	-
Percentage Change (%)	-	-	-	-	-
(reference) Results for the first half ended September 30, 2015	645,836	109,816	113,020	76,633	179.93

2. Forecast of the Dividends for the Fiscal year ending March 31, 2017

	Cash dividend per share (in yen)		
	Interim	Year-end	Total Annual
Previous Forecast	Undecided	Undecided	Undecided
Current Forecast	55.00	55.00	110.00
Results for the fiscal year ended March 31, 2016	55.00	55.00	110.00

3. A summary of the announcement

Based on the trend in the Company's recent business performance, we are announcing the forecast for its Consolidated Operating Performance for the fiscal year 2017.

With regard to dividends, the forecast is ¥55 per share for both interim and year-end dividends, the same amount as for the corresponding period of the previous fiscal year.

The forecast of the total annual dividends for the fiscal year 2017, which ends on March 31, 2017, is ¥110 per share, the same amount as that for the previous fiscal year.

(Note)

Forward-looking statements such as the forecast of results of operations made in this document involves risks and uncertainties since they are 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. dollar and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.