

# Financial Summary

for the six months ended September 30, 2007

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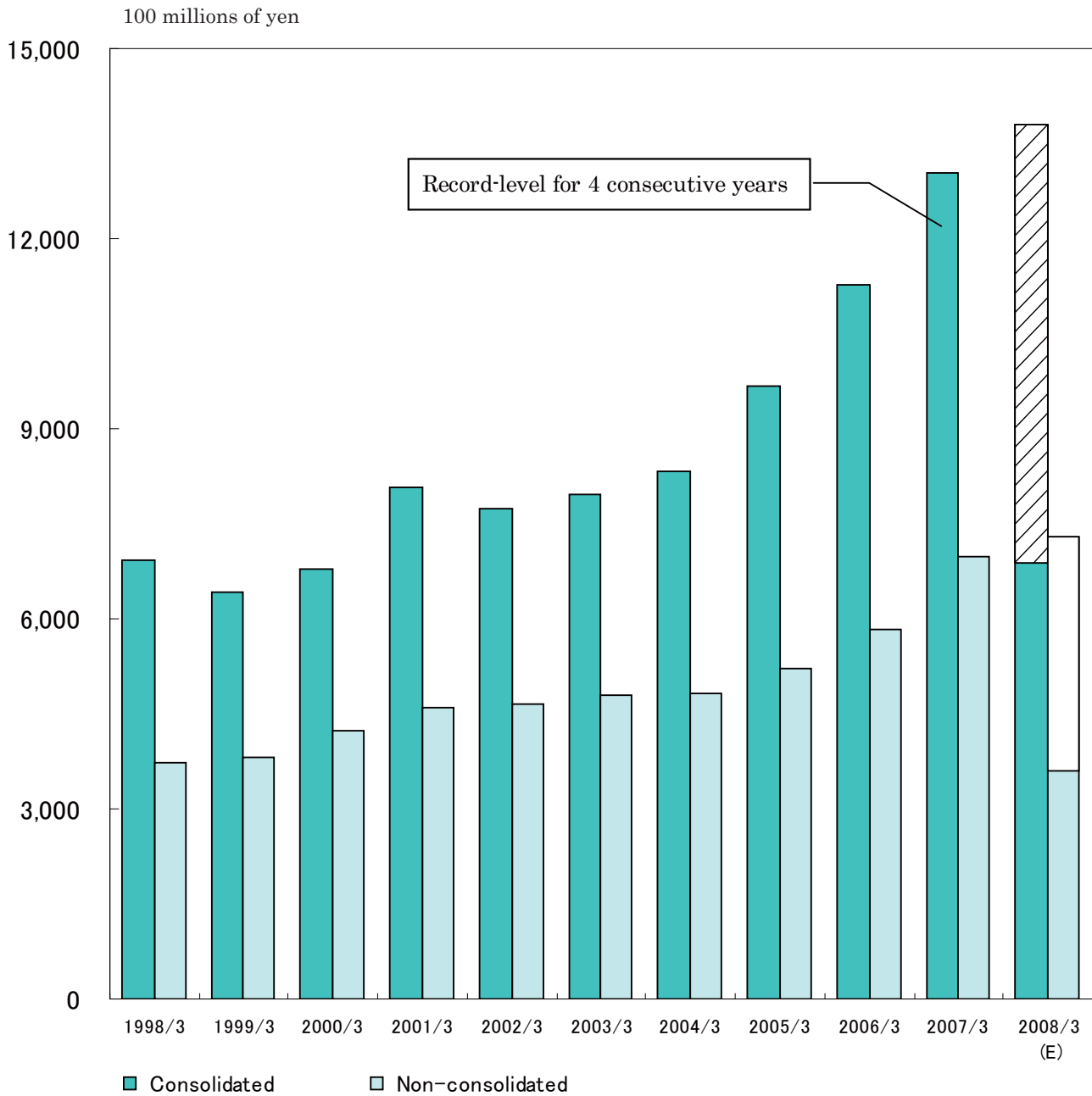


Shin-Etsu Chemical Co., Ltd.

### (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 result 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 business 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.

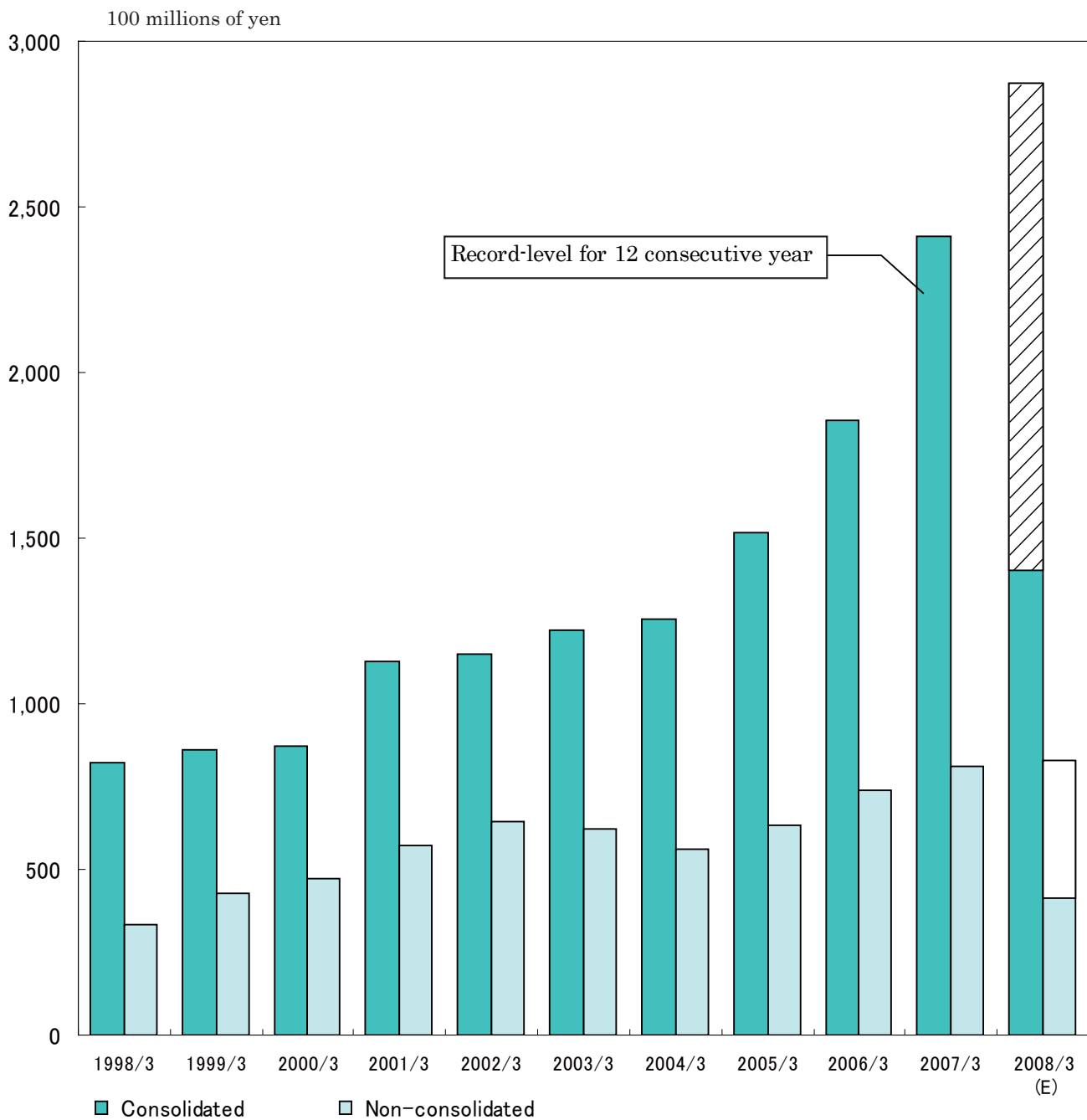
## Net Sales



( millions of yen )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Net Sales	Consolidated	693,274	642,795	678,858	807,484	775,096	797,523	832,804	967,486	1,127,915	1,304,695	687,736	1,380,000
	Non-consolidated	372,304	381,069	422,508	461,008	465,333	480,243	482,580	520,289	582,426	697,248	359,416	730,000
Consolidated to Non-consolidated Net Sales Ratio (times)		1.86	1.69	1.61	1.75	1.67	1.66	1.73	1.86	1.94	1.87	1.91	1.89

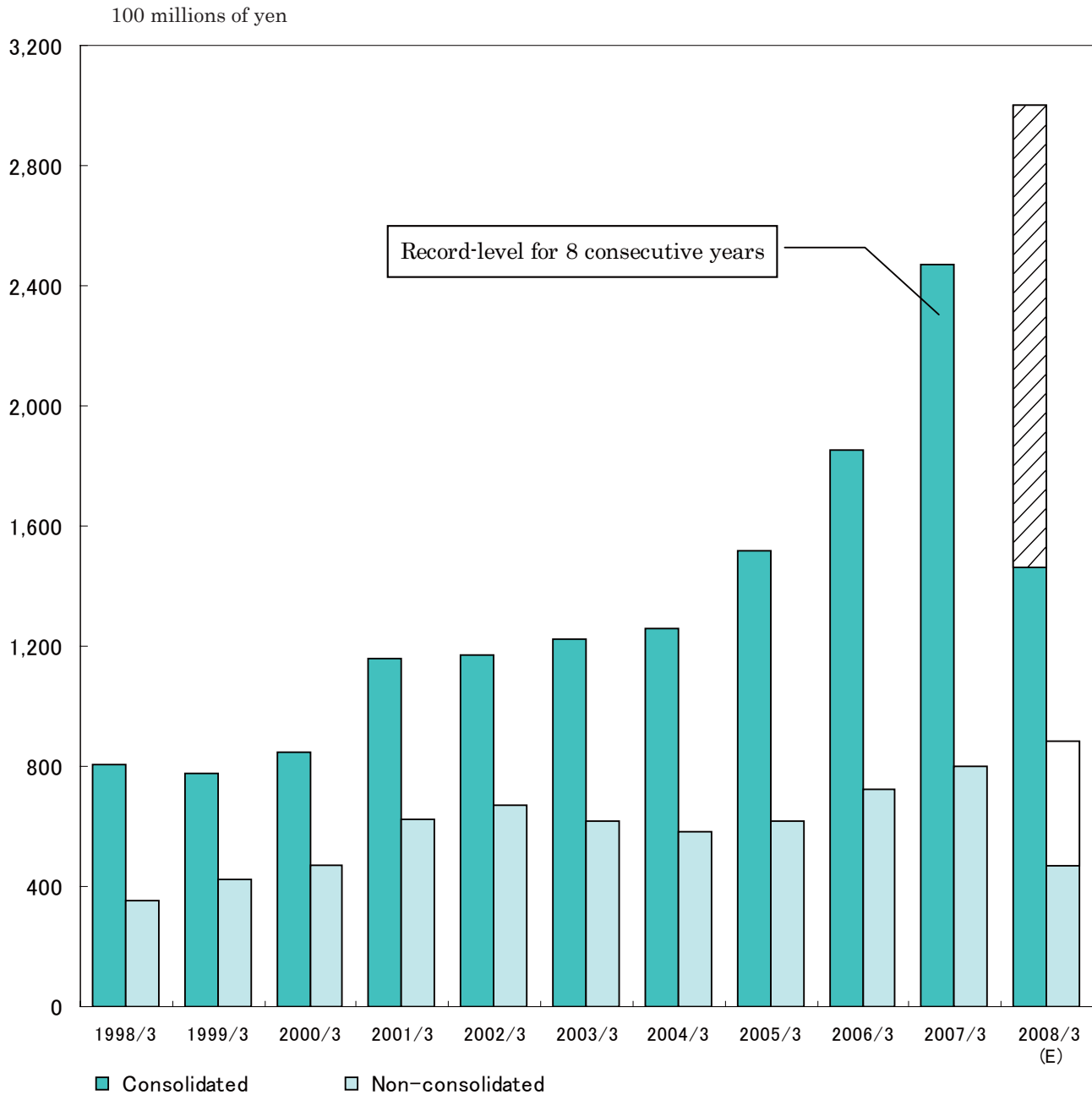
## Operating Income



( millions of yen )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Operating Income	Consolidated	82,079	86,322	87,465	112,677	114,723	122,149	125,625	151,734	185,320	241,028	140,042	287,000
	Non-consolidated	33,597	42,868	47,267	57,039	64,612	62,014	56,073	63,081	73,685	81,200	41,301	83,000

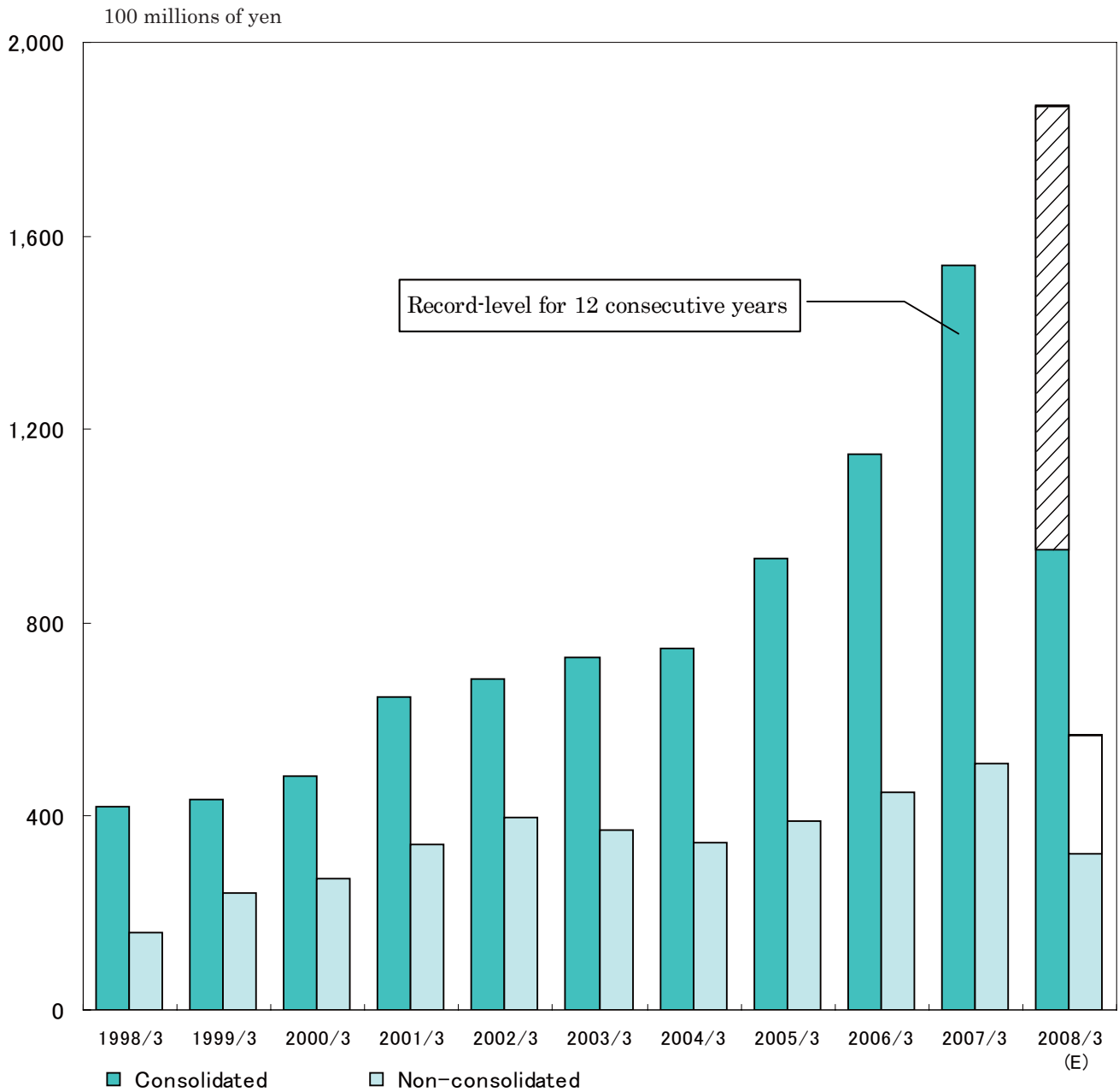
## Ordinary Income



( millions of yen )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Ordinary Income	Consolidated	80,742	77,551	84,423	115,797	117,031	122,119	125,612	151,503	185,040	247,018	146,023	300,000
	Non-consolidated	35,542	42,231	47,040	62,224	67,032	62,011	58,065	62,030	72,115	80,075	46,605	88,000

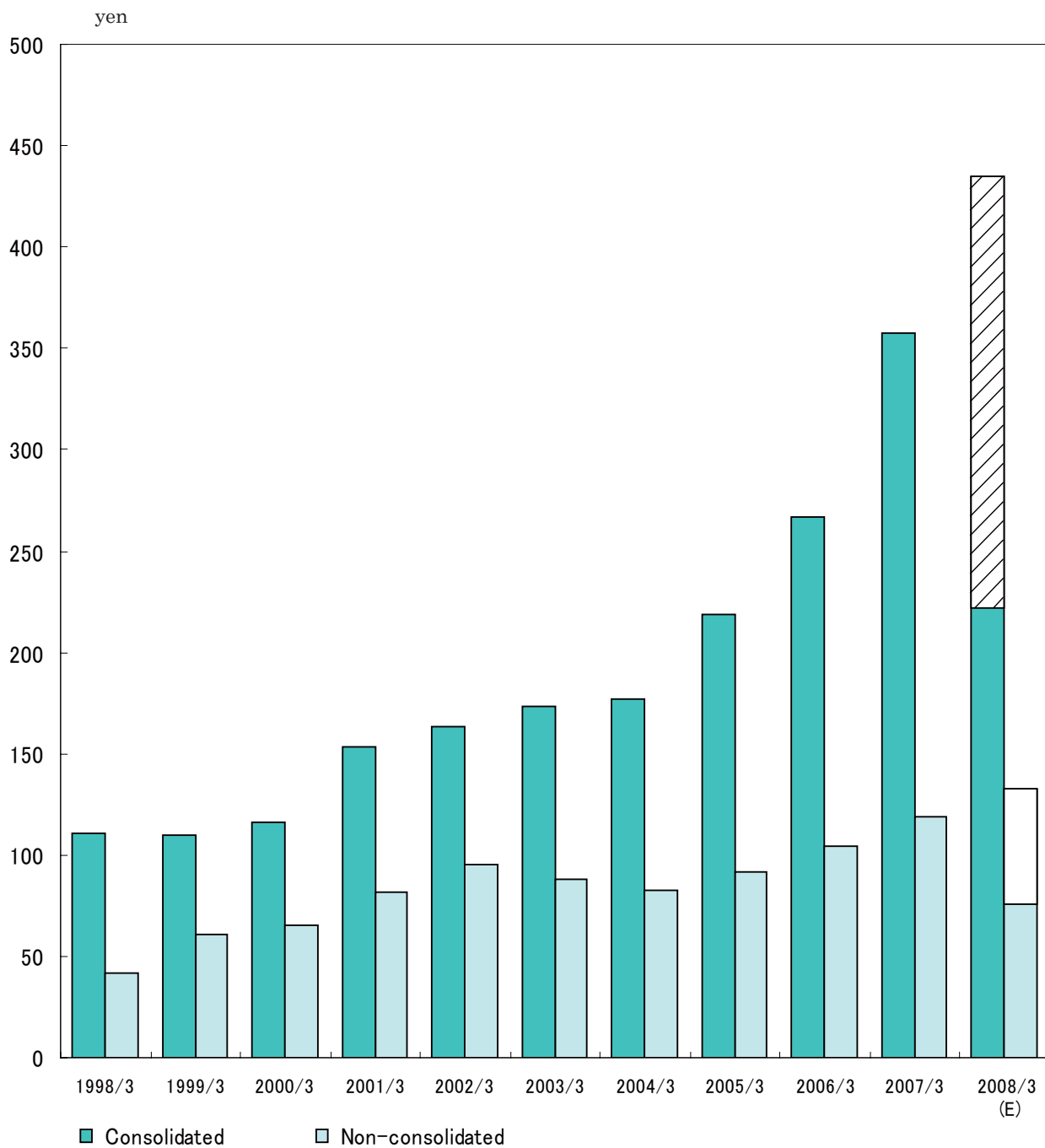
## Net Income



( millions of yen )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Net Income	Consolidated	42,027	43,362	48,229	64,505	68,518	73,015	74,805	93,160	115,045	154,010	95,194	187,000
	Non-consolidated	15,972	24,322	27,141	34,307	39,888	37,028	34,725	39,020	45,065	51,085	32,471	57,000
Consolidated to Non-consolidated Net Income Ratio (times)		2.63	1.78	1.78	1.88	1.72	1.97	2.15	2.39	2.55	3.01	2.93	3.28

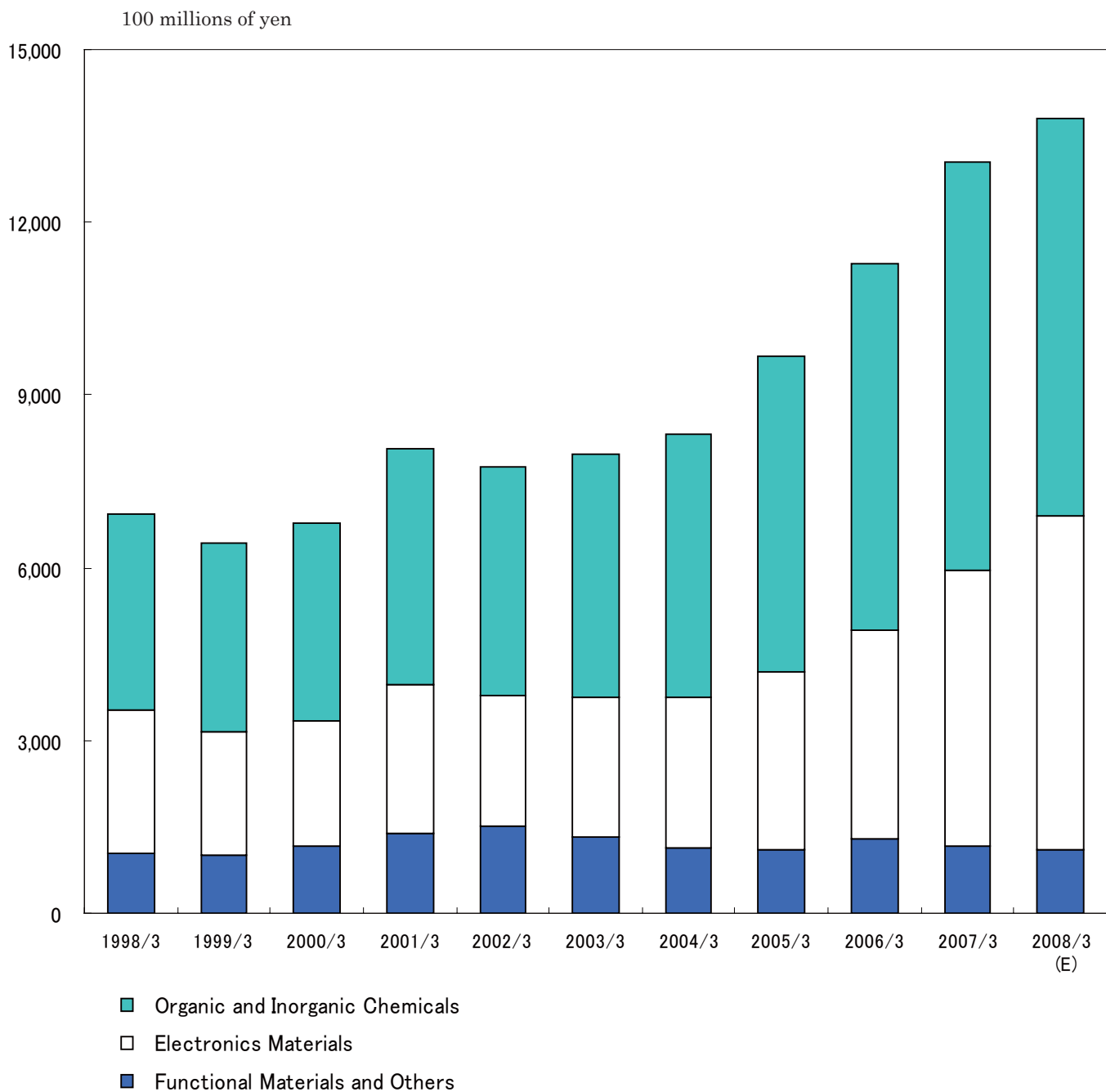
## Net Income per Share



( yen )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Net Income per Share	Consolidated	110.73	109.36	116.56	153.58	162.93	173.13	177.25	219.10	266.63	357.78	221.16	434.84
	Non-consolidated	42.02	61.15	65.32	81.32	94.85	87.83	82.25	91.73	104.21	118.67	75.44	132.54

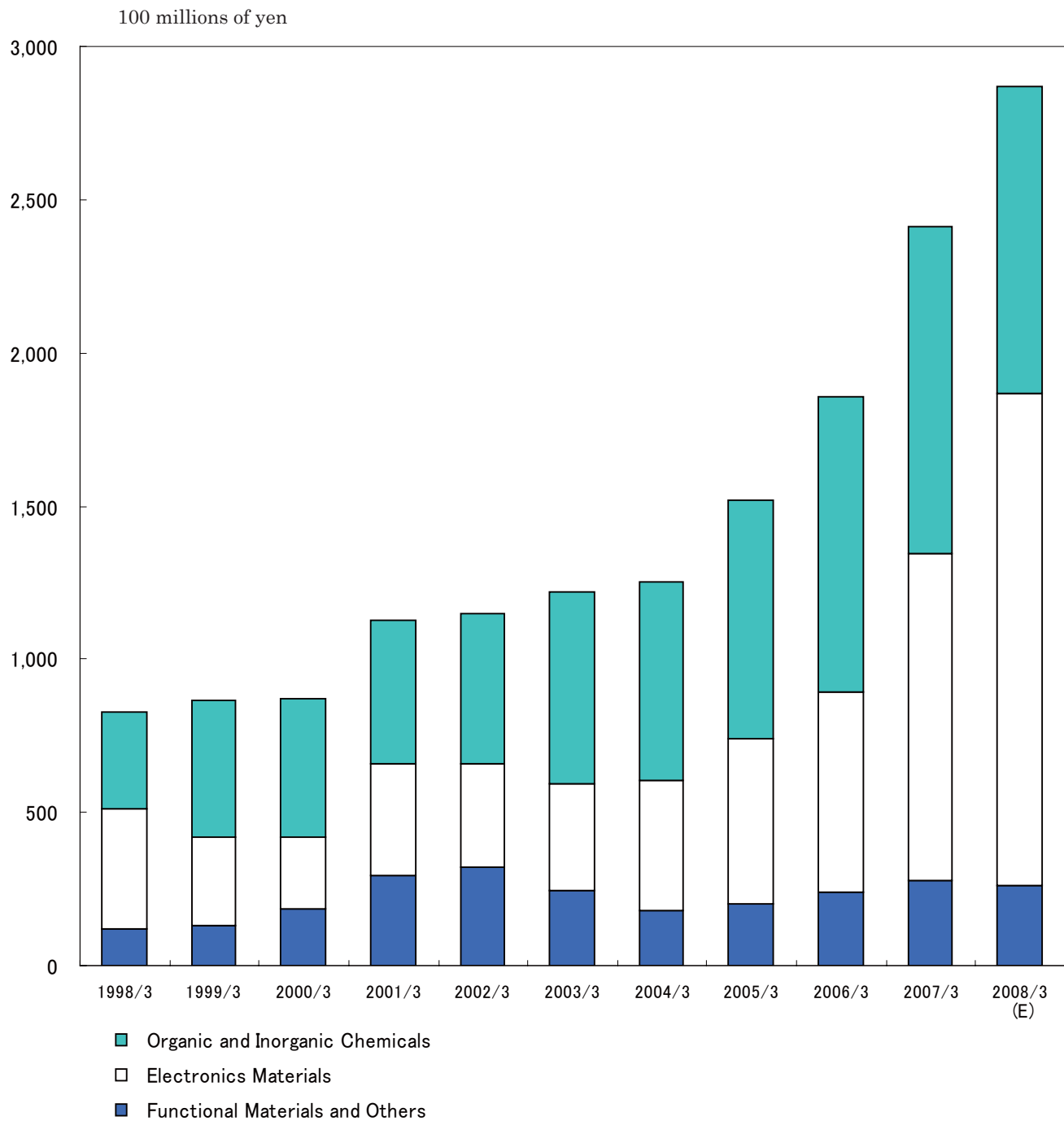
## Net Sales by Segment (Consolidated)



( millions of yen)

	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Organic and Inorganic Chemicals	340,050	328,925	343,412	410,370	397,983	421,021	457,009	548,950	636,491	708,433	344,442	690,000
Electronics Materials	247,707	214,604	220,131	258,746	226,459	243,427	262,245	306,925	361,452	479,391	285,486	580,000
Functional Materials and Others	105,515	99,265	115,314	138,367	150,652	133,074	113,550	111,610	129,970	116,870	57,807	110,000

## Operating Income by Segment(Consolidated)



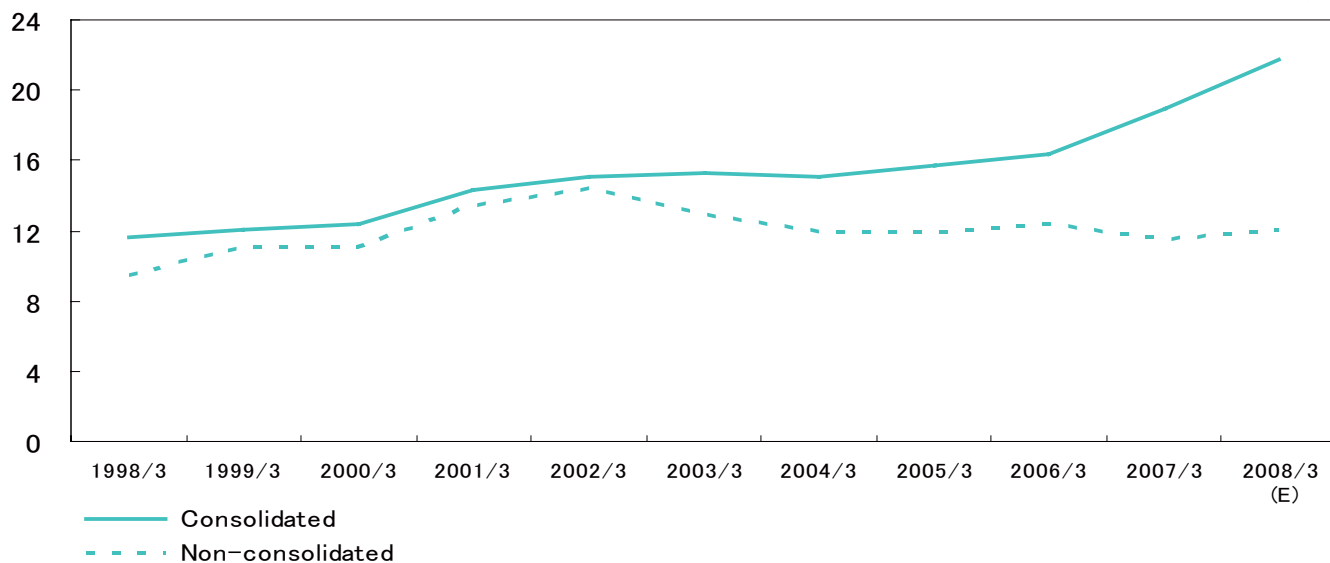
( millions of yen )

	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Organic and Inorganic Chemicals	31,492	44,365	45,162	47,015	48,807	62,409	65,112	77,894	96,171	106,686	48,240	100,000
Electronics Materials	39,044	29,398	23,344	36,360	33,678	35,248	42,182	53,684	65,275	106,647	79,007	161,000
Functional Materials and Others	12,061	12,797	18,651	29,328	32,193	24,251	18,169	20,123	24,022	27,604	13,002	26,000



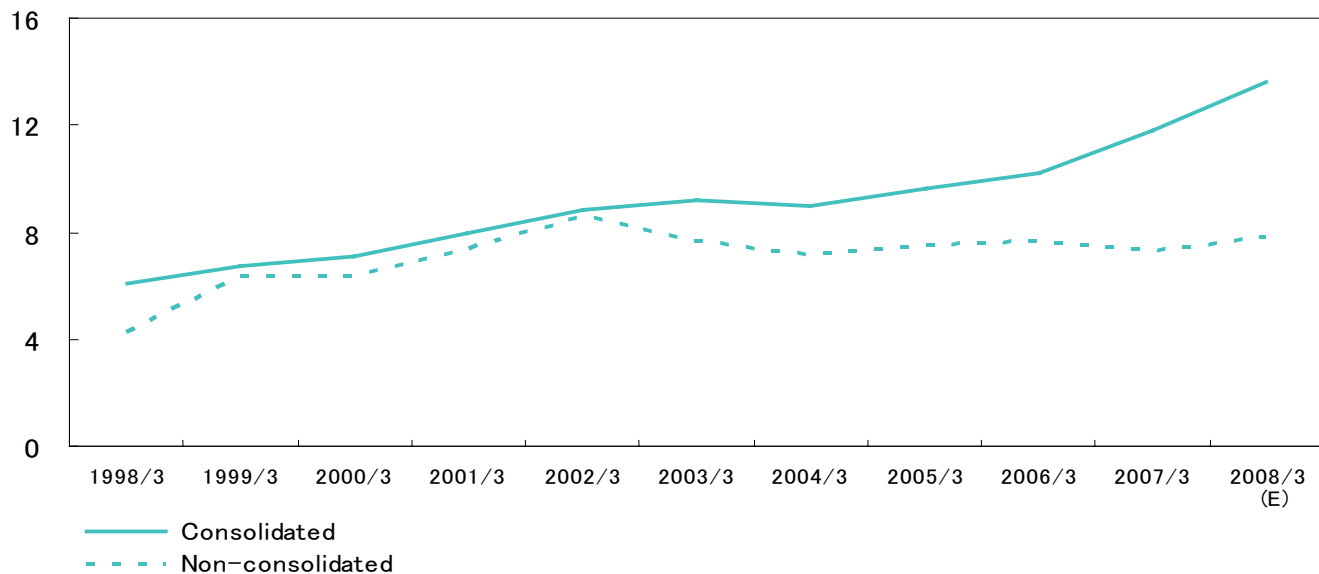
### Ordinary Income to Net Sales Ratio

(%)



### Net Income to Net Sales Ratio

(%)

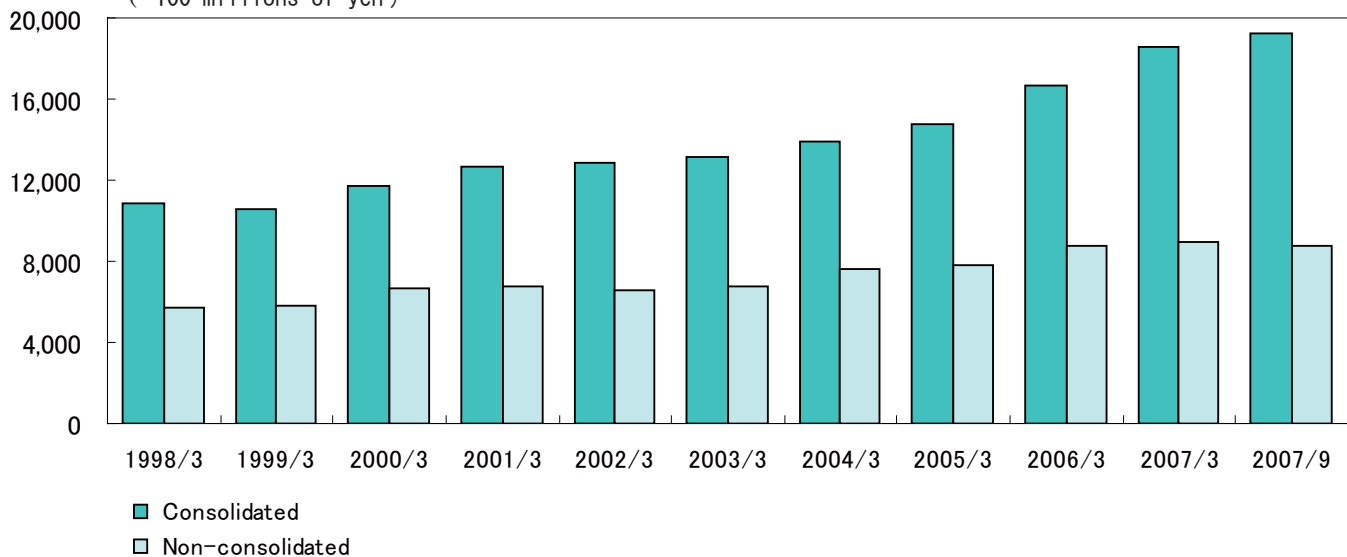


(%)

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (E)
Ordinary Income to Net Sales Ratio	Consolidated	11.6	12.1	12.4	14.3	15.1	15.3	15.1	15.7	16.4	18.9	21.2	21.7
	Non-consolidated	9.5	11.1	11.1	13.5	14.4	12.9	12.0	11.9	12.4	11.5	13.0	12.1
Net Income to Net Sales Ratio	Consolidated	6.1	6.7	7.1	8.0	8.8	9.2	9.0	9.6	10.2	11.8	13.8	13.6
	Non-consolidated	4.3	6.4	6.4	7.4	8.6	7.7	7.2	7.5	7.7	7.3	9.0	7.8

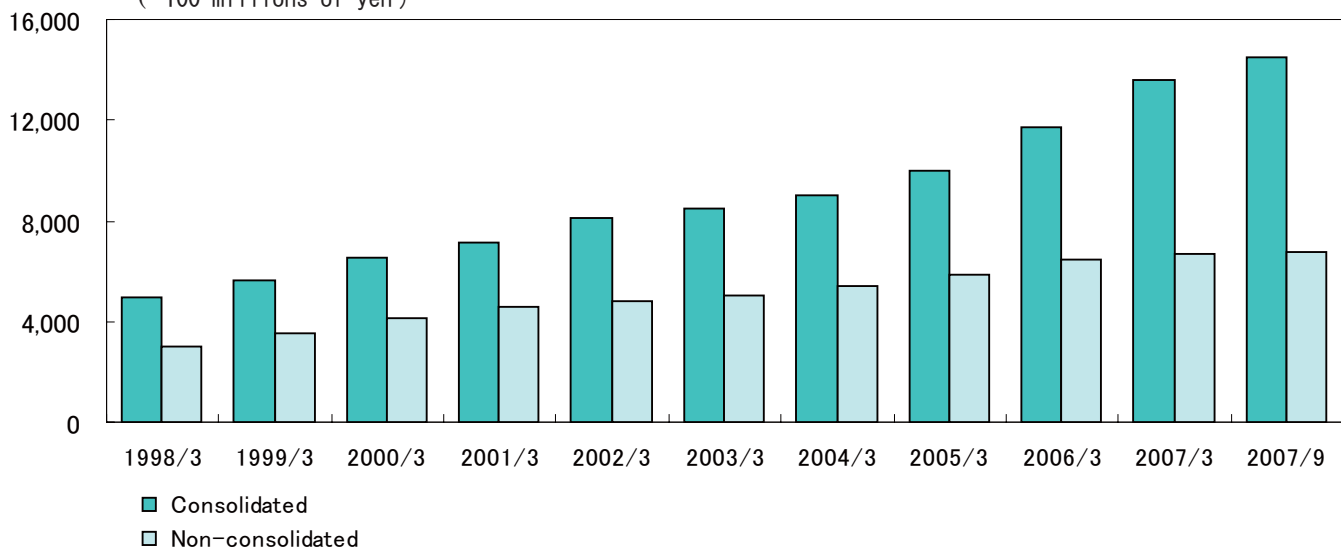
## Total Asset

( 100 millions of yen )



## Net Assets

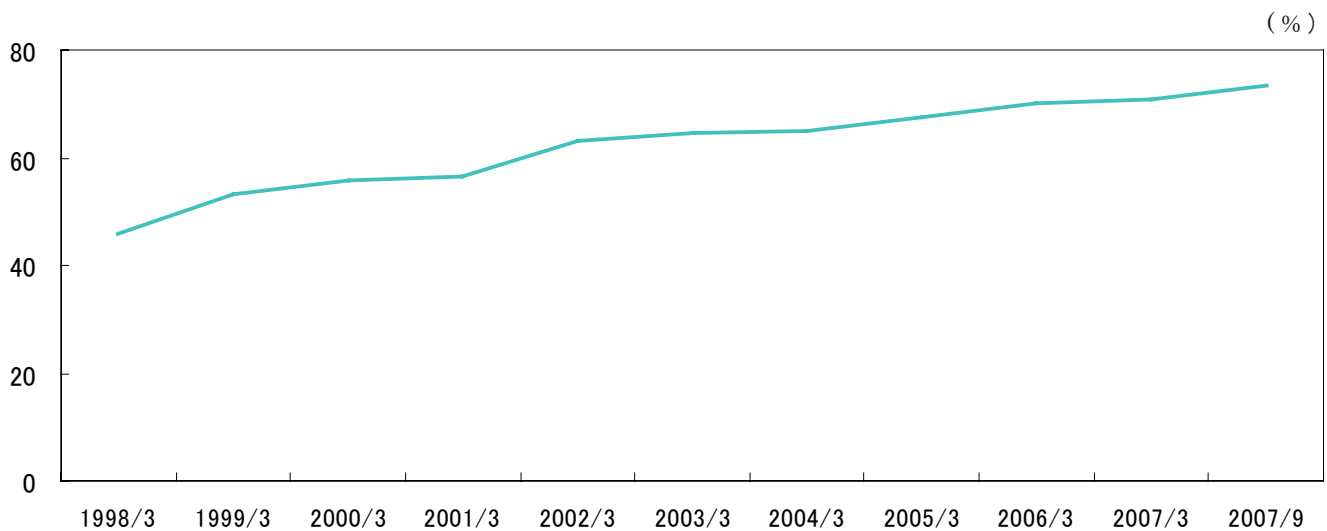
( 100 millions of yen )



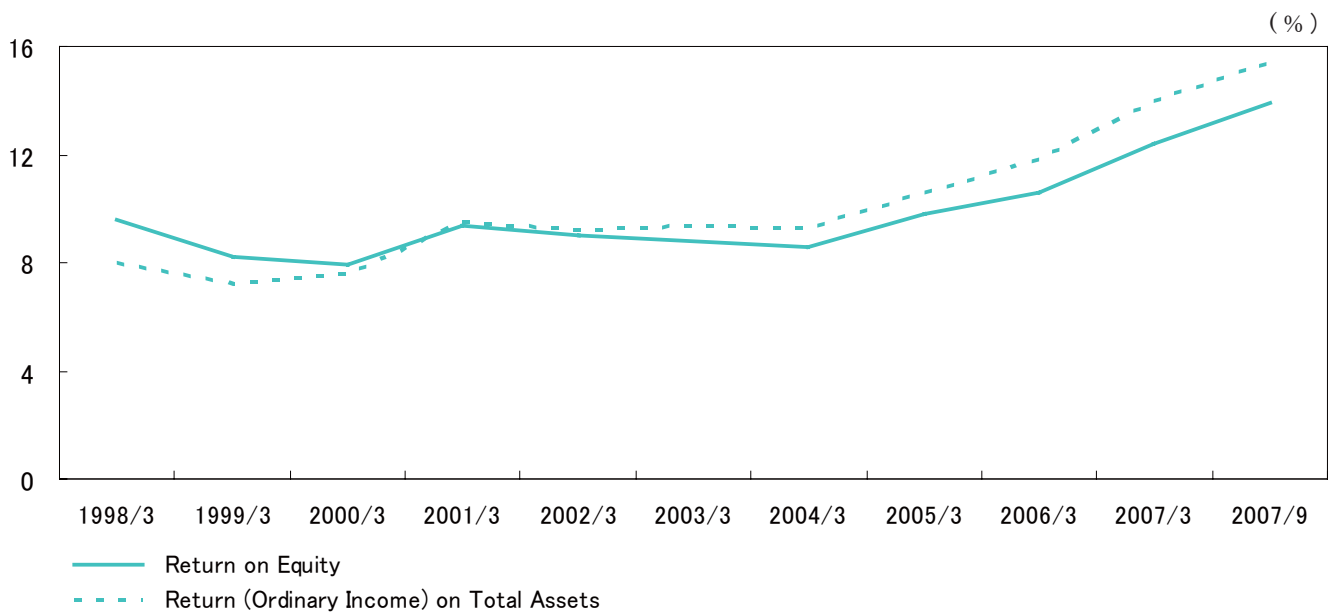
( millions of yen )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9
Total Assets	Consolidated	1,083,780	1,060,973	1,168,729	1,265,799	1,288,432	1,310,874	1,386,216	1,476,248	1,671,280	1,859,995	1,922,969
	Non-consolidated	573,105	581,632	663,813	675,403	659,852	679,380	758,820	777,928	874,186	898,412	876,183
Net Assets	Consolidated	497,311	564,066	651,261	714,996	812,068	846,961	900,724	996,307	1,173,679	1,360,315	1,453,105
	Non-consolidated	303,911	353,305	412,216	457,786	478,180	502,912	544,266	588,048	647,050	672,299	676,661

## Equity Ratio (Consolidated)



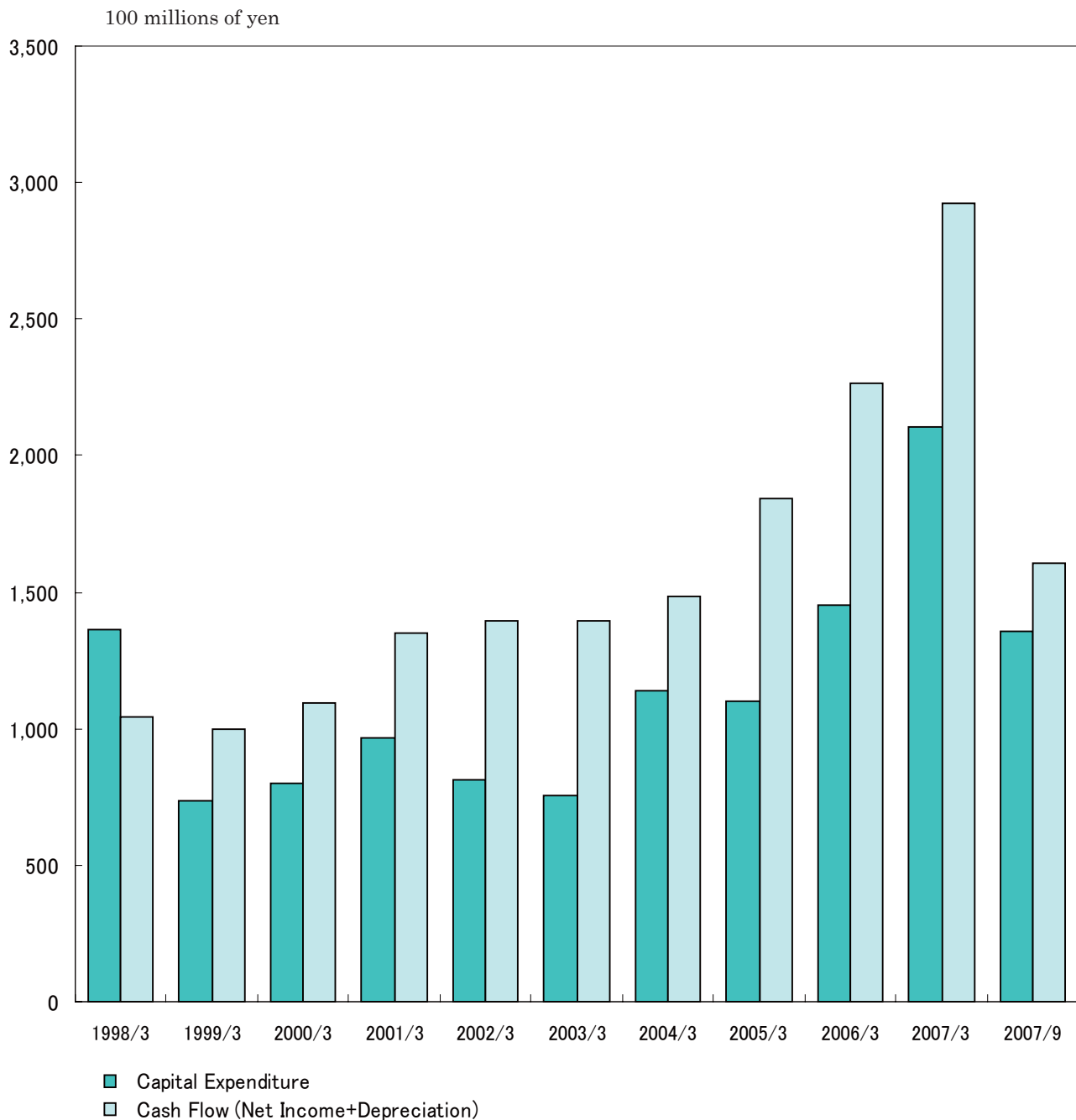
## Return on Equity, Return(Ordinary Income) on Total Assets (Consolidated)



( % )

		1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9
Equity Ratio	Consolidated	45.9	53.2	55.7	56.5	63.0	64.6	65.0	67.5	70.2	71.0	73.3
Return on Equity	Consolidated	9.6	8.2	7.9	9.4	9.0	8.8	8.6	9.8	10.6	12.4	13.9 (p.a.)
Return (Ordinary Income) on Total Assets	Consolidated	8.0	7.2	7.6	9.5	9.2	9.4	9.3	10.6	11.8	14.0	15.4 (p.a.)

## Capital Expenditure and Cash Flow (Consolidated)



( millions of yen )

	1998/3	1999/3	2000/3	2001/3	2002/3	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9
Capital Expenditure	136,383	73,641	80,003	96,770	81,543	75,220	113,591	110,277	145,329	210,613	135,644
Depreciation	62,143	56,196	61,384	70,767	70,878	66,566	73,581	90,874	111,637	138,462	65,442
Cash Flow (Net Income+Depreciation)	104,170	99,558	109,613	135,272	139,396	139,581	148,387	184,035	226,682	292,472	160,637