

# Financial Summary

For the six months ended September 30, 2015

(October 27, 2015)

Shin-Etsu Chemical Co., Ltd.

## Disclaimer Regarding Forward-Looking Statements

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.

**ShinEtsu**



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## Operating Performance (Consolidated)

(Billions of Yen)

	2014 April - September	2015 April - September	Increase (Decrease)
<b>Net Sales</b>	<b>603.7</b>	<b>645.8</b>	<b>7%</b> <b>42.1</b>
<b>Operating Income</b>	<b>97.6</b>	<b>109.8</b>	<b>13%</b> <b>12.2</b>
<b>Ordinary Income</b>	<b>101.1</b>	<b>113.0</b>	<b>12%</b> <b>11.9</b>
<b>Net Income</b>	<b>67.5</b>	<b>76.6</b>	<b>13%</b> <b>9.1</b>
<b>ROE (per annum)</b>	<b>7.6%</b>	<b>7.7%</b>	<b>0.1 points</b>
<b>ROA (per annum)</b>	<b>9.2%</b>	<b>9.1%</b>	<b>(0.1 points)</b>
<b>Per Share (Yen)</b>			
<b>Net Income</b>	<b>158.77</b>	<b>179.93</b>	<b>21.16</b>
<b>Cash Dividends</b>	<b>50</b>	<b>55</b>	<b>5</b>

Notes: (1) ROE: Return (Net Income) on equity.

Equity used for this calculation is net assets excluding both share subscription rights and minority interests in consolidated subsidiaries.

(2) ROA: Return (Ordinary Income) on total assets.

(3) ROE and ROA per annum are calculated by doubling first-half net income and ordinary income, respectively.

(Billions of Yen)

	September 30 2014	September 30 2015	Increase (Decrease)	March 31 2015	Increase (Decrease)
<b>Net Assets</b>	<b>1,846.0</b>	<b>2,065.5</b>	<b>219.5</b>	<b>2,012.7</b>	<b>52.8 Billion yen</b>
<b>Total Assets</b>	<b>2,221.5</b>	<b>2,491.0</b>	<b>269.5</b>	<b>2,452.3</b>	<b>38.7 Billion yen</b>
<b>Equity Ratio</b>	<b>80.9%</b>	<b>80.8%</b>	<b>(0.1 points)</b>	<b>79.9%</b>	<b>0.9 points</b>
<b>Net Assets per Share (Yen)</b>	<b>4,222</b>	<b>4,724</b>	<b>502</b>	<b>4,603</b>	<b>121 Yen</b>



Financial Highlights (Consolidated)

(Billions of Yen)

	2014 April - September	2015 April - September
Capital Expenditures	38.8	54.9
Depreciation and Amortization	46.3	50.9
R&D Costs	22.3	29.0
Interest-bearing Liabilities	13.8	13.7
Number of Employees	18,028	18,352
Exchange Rate: Jan - Jun (Avg)	102.5	120.2
(Yen/US\$) Apr - Sep (Avg)	103.0	121.8

Notes: (1) An average exchange rate between January and June was used for the Consolidated Income Statements of overseas subsidiaries.

(2) For further exchange rate data, please see Appendix on page 19.



## Segment Information (Consolidated)

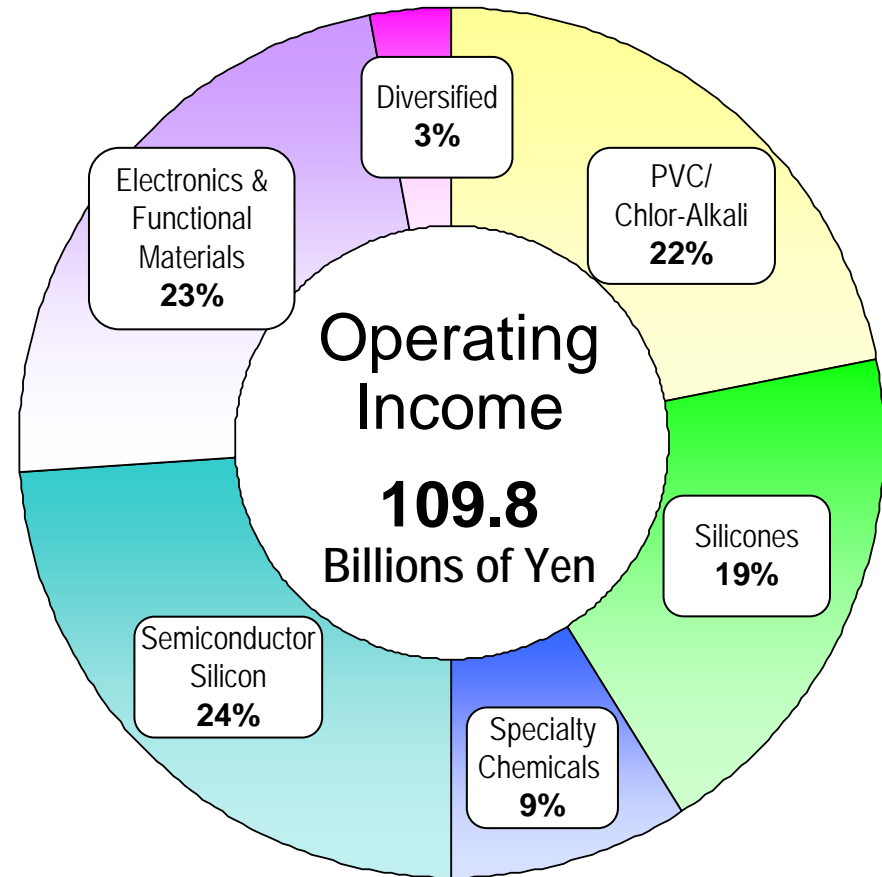
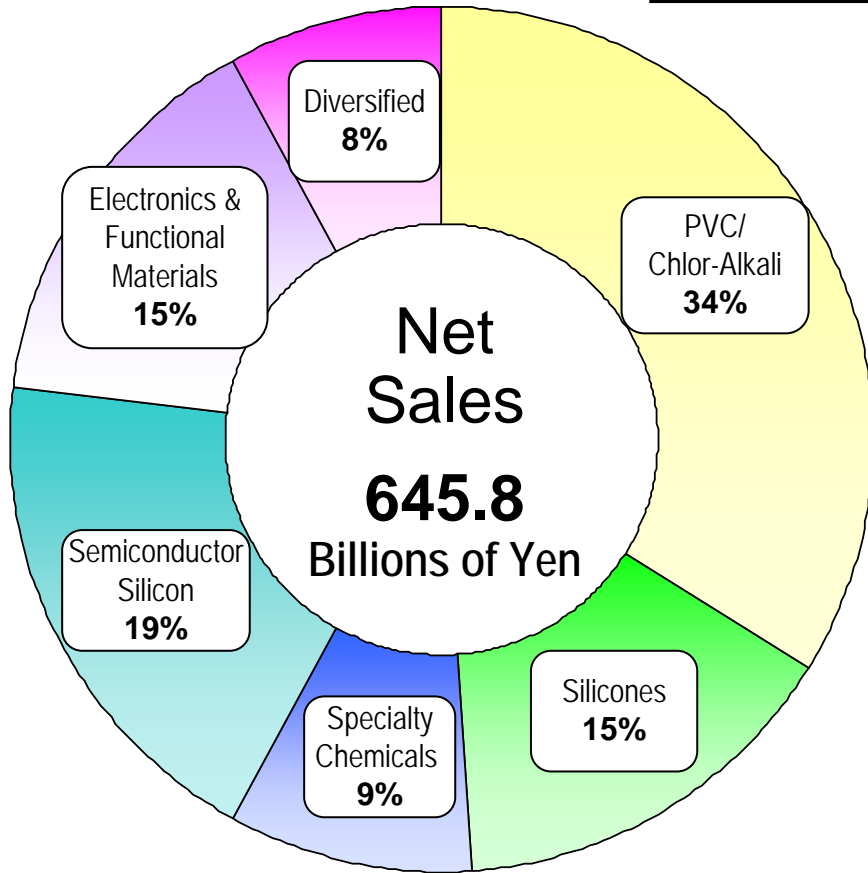
(Billions of Yen)

	Net Sales			Operating Income		
	2014 Apr - Sep	2015 Apr - Sep	Increase (Decrease)	2014 Apr - Sep	2015 Apr - Sep	Increase (Decrease)
<b>PVC/Chlor-Alkali Business</b>	213.0	220.6	4% 7.6	28.6	23.9	(16%) (4.7)
<b>Silicones Business</b>	86.0	95.1	11% 9.1	18.3	20.5	12% 2.2
<b>Specialty Chemicals Business</b>	54.0	59.7	11% 5.7	7.3	9.8	35% 2.5
<b>Semiconductor Silicon Business</b>	111.4	126.1	13% 14.7	16.2	27.0	66% 10.8
<b>Electronics &amp; Functional Materials Business</b>	90.8	94.8	4% 4.0	24.1	25.0	4% 0.9
<b>Diversified Business</b>	48.2	49.3	2% 1.1	2.9	3.0	5% 0.1
<b>Total</b>	<b>603.7</b>	<b>645.8</b>	<b>7% 42.1</b>	<b>97.6</b>	<b>109.8</b>	<b>13% 12.2</b>



# Net Sales and Operating Income by Segment (Proportion)

2015  
April - September





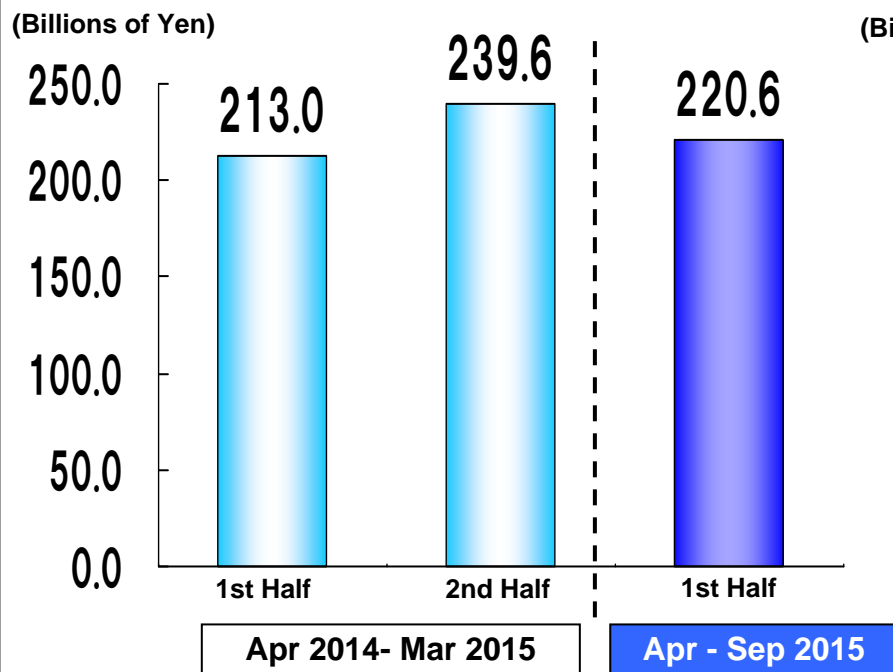
## Capital Expenditures and Depreciation and Amortization by Segment

(Billions of Yen)

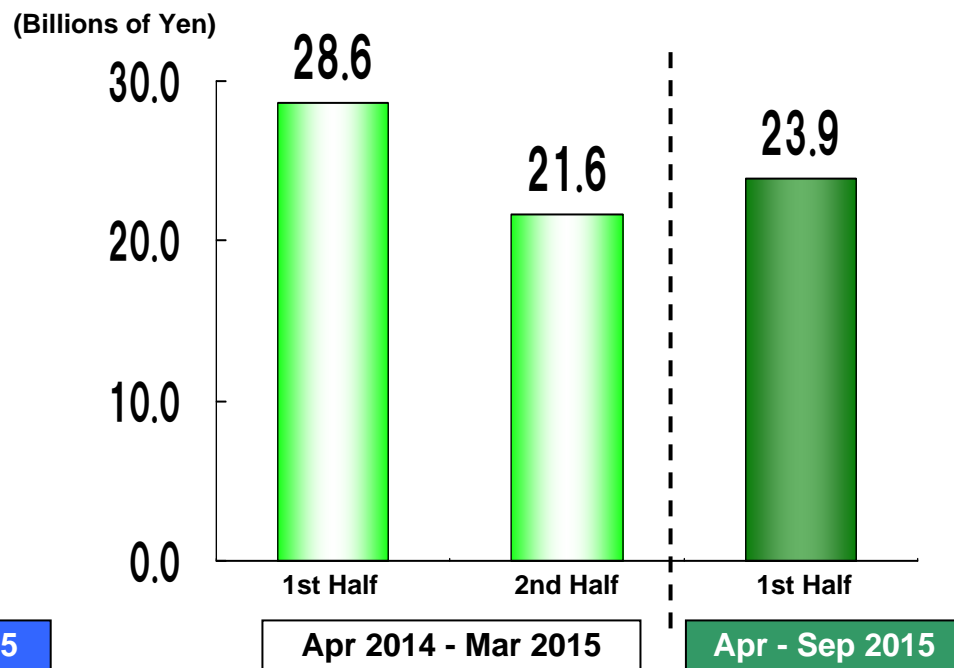
	2014 April - September	2015 April - September
<b>Capital Expenditures</b>	<b>38.8</b>	<b>54.9</b>
PVC/Chlor- Alkali Business	13.8	22.6
Silicones Business	6.4	7.2
Specialty Chemicals Business	7.8	6.6
Semiconductor Silicon Business	3.8	9.3
Electronics & Functional Materials Business	4.5	6.7
Diversified Business	2.3	2.4
<b>Depreciation and Amortization</b>	<b>46.3</b>	<b>50.9</b>
PVC/Chlor- Alkali Business	14.1	16.4
Silicones Business	5.4	6.2
Specialty Chemicals Business	4.9	5.5
Semiconductor Silicon Business	12.7	12.2
Electronics & Functional Materials Business	6.9	8.2
Diversified Business	2.1	2.2

● ● ● | PVC/Chlor-Alkali Business Segment

**Net Sales**



**Operating Income**



- With regard to the PVC business, Shintech in the U.S. aggressively carried out sales to its worldwide customers in addition to those in the U.S., where a recovery was seen in the housing market, and its shipments continued to be firm.
- Shin-Etsu PVC in the Netherlands was affected by facility problems that occurred at a raw materials supplier during the latter half of the last fiscal term and the effects continued in the first half of FY 2016 (April 1, 2015 to September 30, 2015).
- In Japan, although exports increased, domestic housing-related demand was slow.

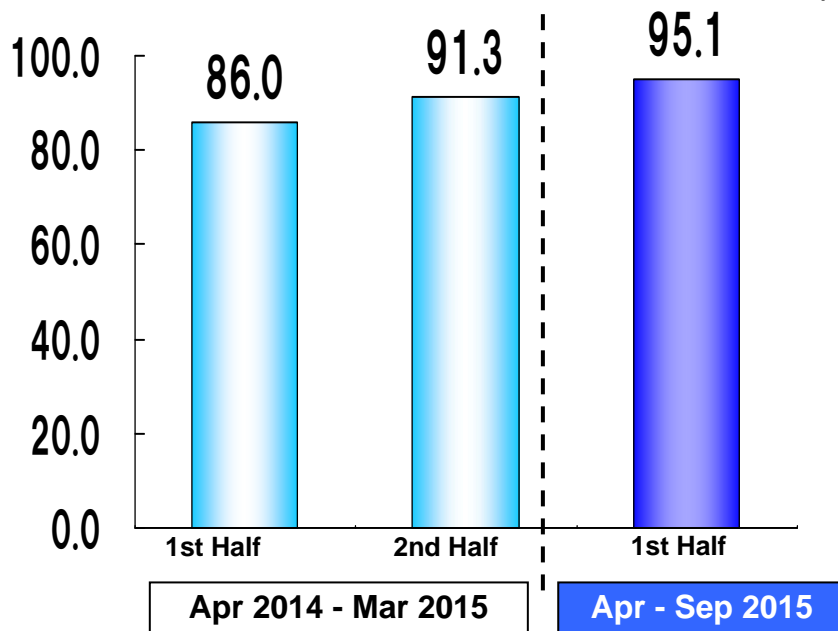


● ● ● | Silicones Business Segment

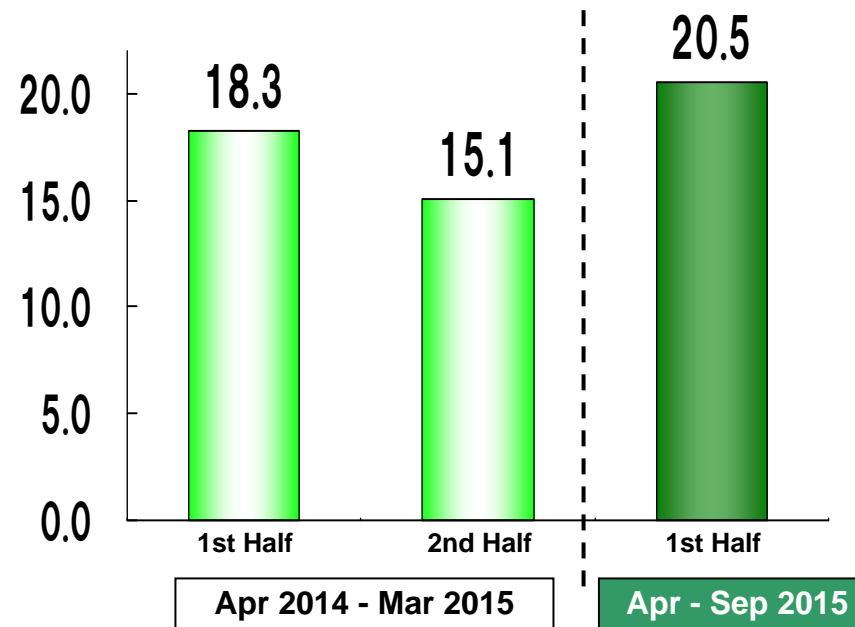
**Net Sales**

**Operating Income**

(Billions of Yen)



(Billions of Yen)



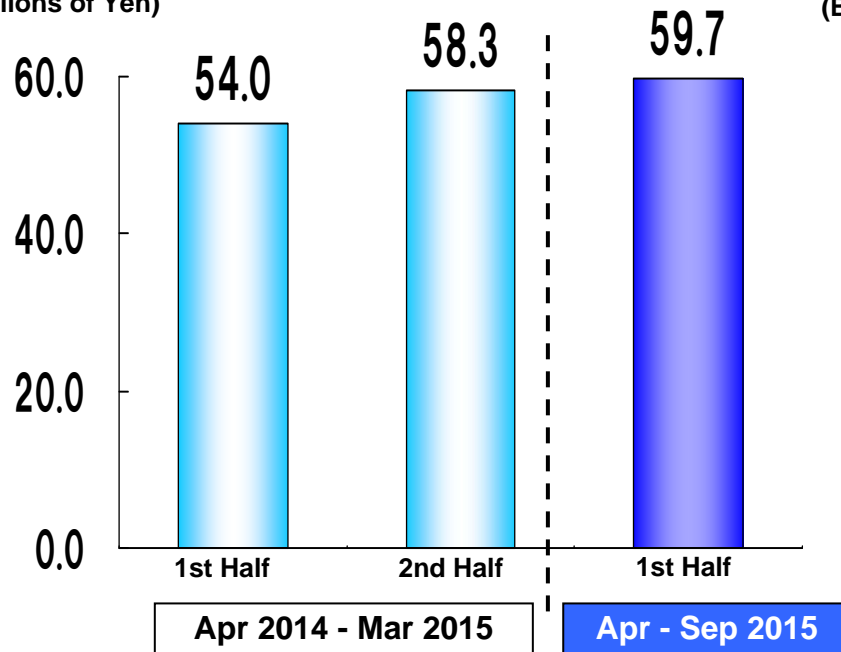
- With regard to the silicones business, in Japan, although a slowdown was seen in some product applications in the automobile, electric and electronics fields, in a wide range of fields, including cosmetics applications, shipments were firm. Our silicones business outside of Japan continued to do well, particularly for highly functional silicone products for Europe, the U.S. and Southeast Asia.



## Specialty Chemicals Business Segment

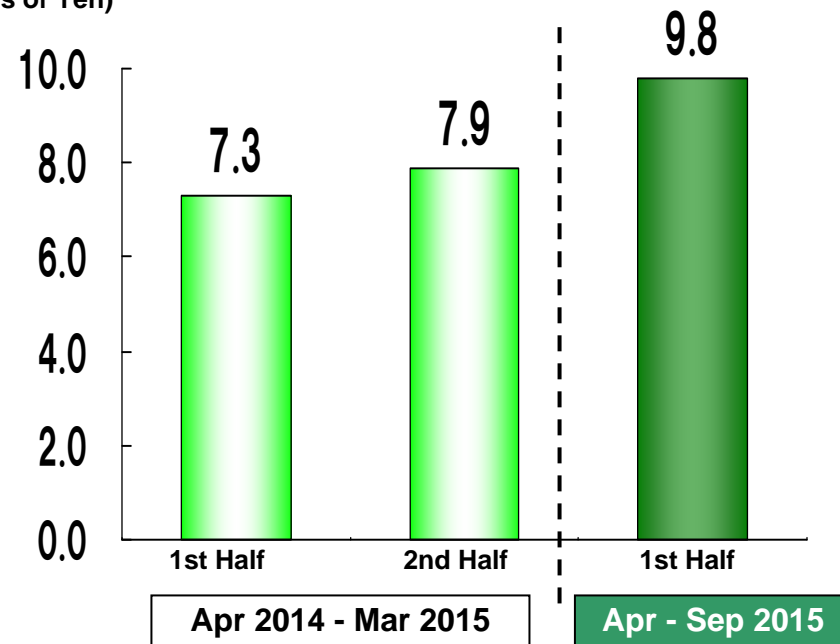
### Net Sales

(Billions of Yen)



### Operating Income

(Billions of Yen)



- With regard to cellulose derivatives, in Japan, a recovery was seen in sales of products for construction materials, and shipments of pharmaceutical-use products were also firm.
- The business of SE Tylose in Germany continued to be steady, mainly for coatings products.
- The business of Simcoa Operations in Australia continued to be good, aided by the upturn in the silicon metal market.

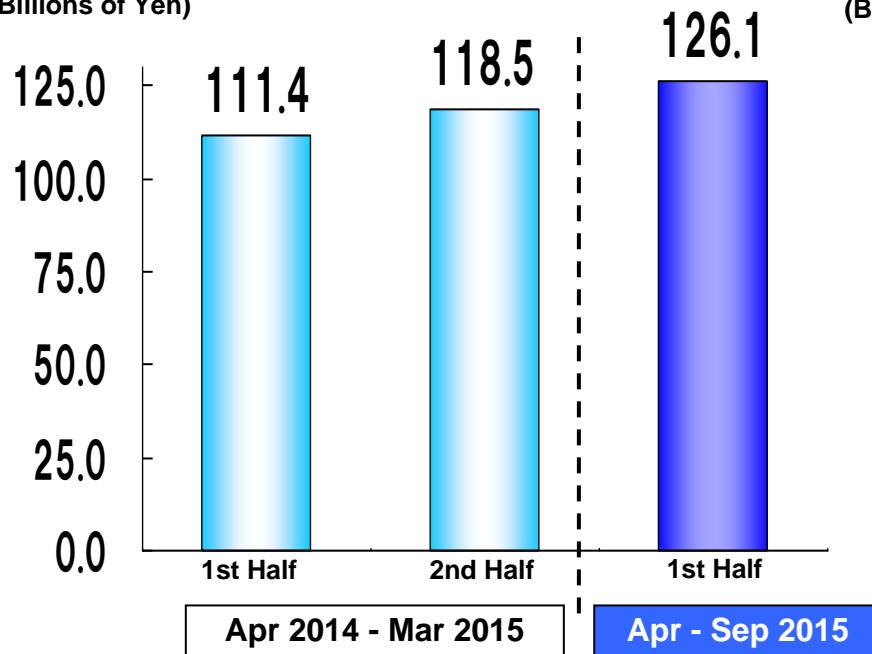


## Semiconductor Silicon Business Segment

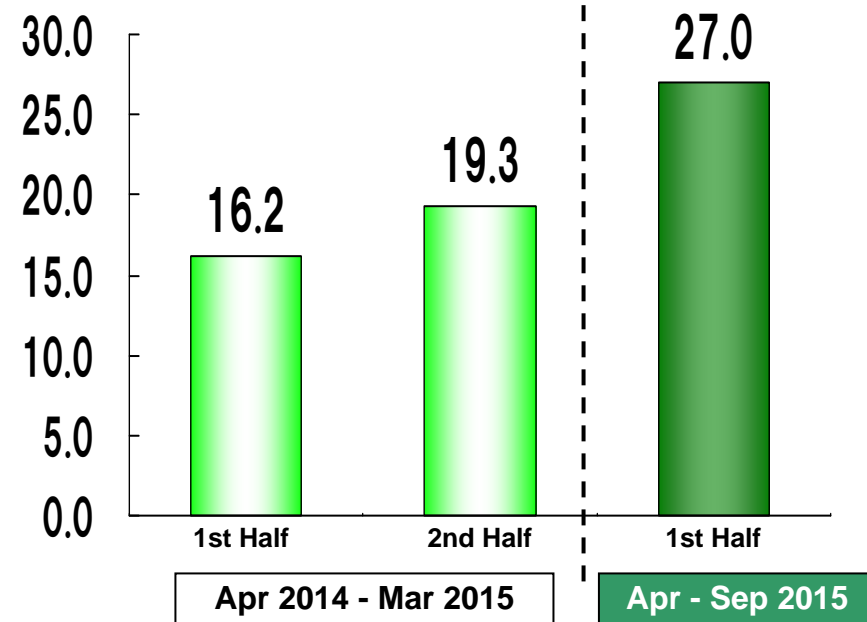
### Net Sales

### Operating Income

(Billions of Yen)



(Billions of Yen)



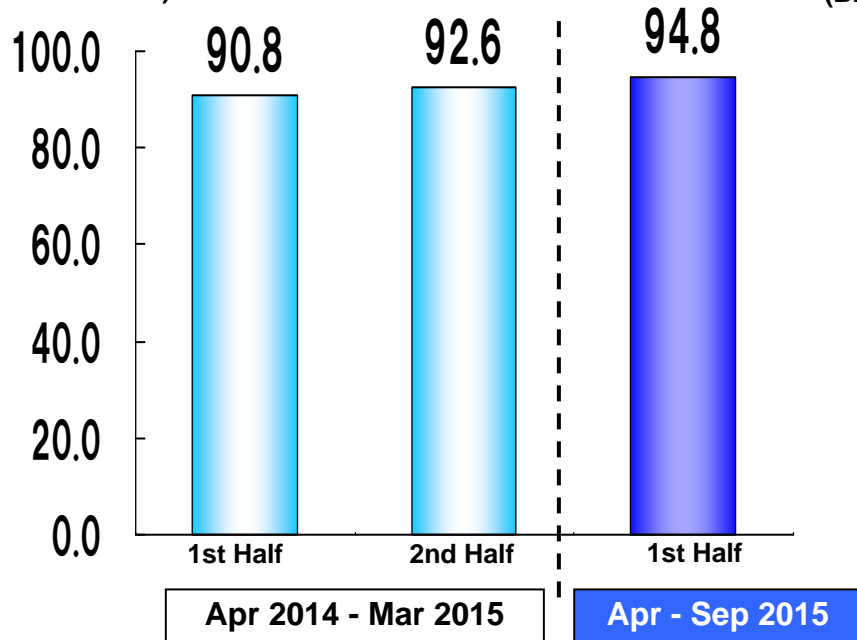
- With regard to semiconductor silicon, during the latter half of the first half of FY 2016, the business was affected by inventory adjustments of logic devices caused by a slowdown in smartphone demand. However, applications for memory devices continued to do well, and shipments as a whole were firm.



## Electronics & Functional Materials Business Segment

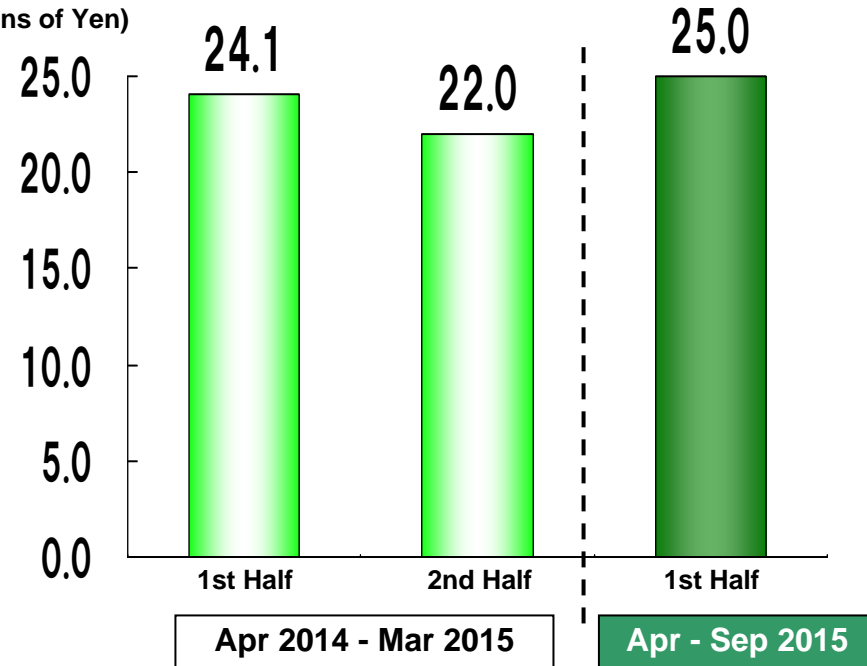
### Net Sales

(Billions of Yen)



### Operating Income

(Billions of Yen)



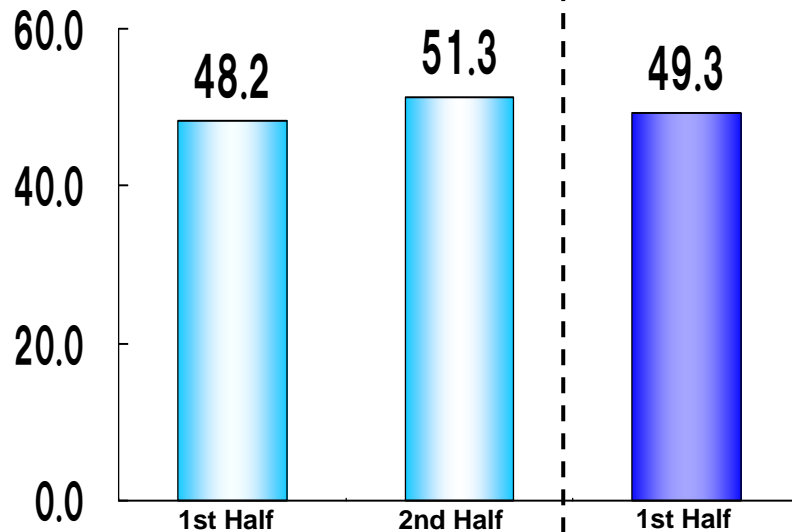
- With regard to the rare earth magnets business, products for applications in automobiles continued to be firm, starting with those for hybrid cars; however, products for applications in industrial equipment and air-conditioners were slow.
- With regard to the photoresist products business, ArF resists and trilayer materials continued to be steady, aided by the progress in semiconductor device miniaturization.
- The business of materials for LED packaging continued to be firm, and optical fiber preform also continued good shipments.



## Diversified Business Segment

### Net Sales

(Billions of Yen)

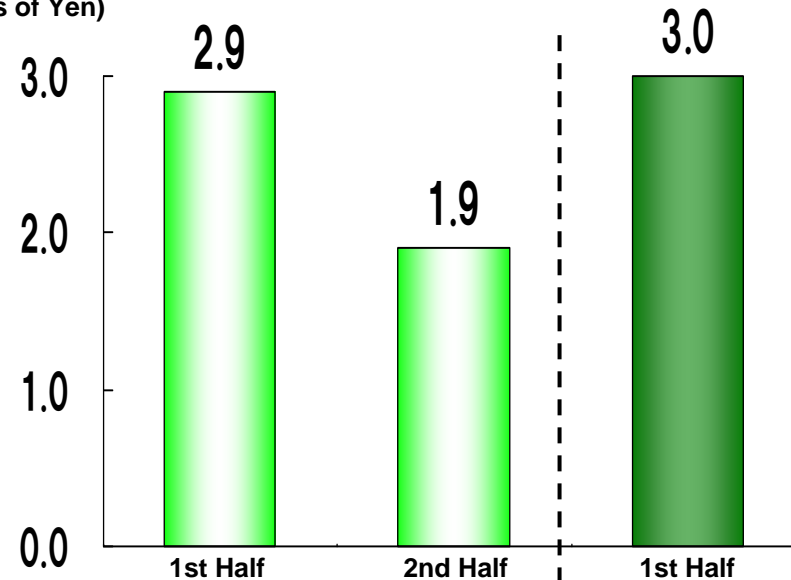


Apr 2014 - Mar 2015

Apr - Sep 2015

### Operating Income

(Billions of Yen)



Apr 2014 - Mar 2015

Apr - Sep 2015

- Shin-Etsu Polymer Co., Ltd.'s business of input devices for automobiles and semiconductor wafer-related containers continued to be firm.
- In addition, the engineering business of Shin-Etsu Engineering Co., Ltd. also continued to be steady.

● ● ● | Quarterly Net Sales by Segment

**(Net Sales)**

**(Billions of Yen)**

	April 2014 - March 2015				April 2015 - March 2016	
	1Q	2Q	3Q	4Q	1Q	2Q
PVC/Chlor-Alkali Business	102.8	110.1	124.5	115.1	102.8	117.7
Silicones Business	42.0	44.0	44.3	47.0	46.8	48.3
Specialty Chemicals Business	27.2	26.8	29.2	29.1	29.7	30.0
Semiconductor Silicon Business	54.4	56.9	57.4	61.1	62.6	63.4
Electronics & Functional Materials Business	44.9	45.9	45.9	46.6	48.5	46.3
Diversified Business	23.0	25.2	24.3	26.9	23.4	25.9
<b>Total</b>	<b>294.5</b>	<b>309.1</b>	<b>325.8</b>	<b>326.0</b>	<b>314.0</b>	<b>331.7</b>

● ● ● | Quarterly Operating Income by Segment

**(Operating Income)**

**(Billions of Yen)**

	April 2014 - March 2015				April 2015 - March 2016	
	1Q	2Q	3Q	4Q	1Q	2Q
PVC/Chlor-Alkali Business	14.0	14.6	11.5	10.1	10.6	13.3
Silicones Business	9.1	9.2	4.8	10.2	10.2	10.3
Specialty Chemicals Business	3.9	3.3	3.7	4.2	4.7	5.1
Semiconductor Silicon Business	7.8	8.3	9.8	9.4	11.8	15.1
Electronics & Functional Materials Business	12.0	12.1	11.5	10.5	12.3	12.7
Diversified Business	1.5	1.3	0.9	0.9	1.3	1.7
<b>Total</b>	<b>48.6</b>	<b>48.9</b>	<b>42.4</b>	<b>45.2</b>	<b>51.4</b>	<b>58.4</b>

● ● ● | Operating Performance of Shintech Inc.

	2014 January - June		2015 January - June	
	Millions of US\$	Billions of Yen	Millions of US\$	Billions of Yen
Net Sales	<b>1,408</b>	<b>144.3</b>	<b>1,316</b>	<b>158.2</b>
Ordinary Income	<b>269</b>	<b>27.6</b>	<b>181</b>	<b>21.8</b>
Net Income	<b>184</b>	<b>18.9</b>	<b>125</b>	<b>15.1</b>
Net Assets	<b>3,974</b>	<b>402.8</b>	<b>4,210</b>	<b>515.6</b>
Total Assets	<b>5,099</b>	<b>516.8</b>	<b>5,421</b>	<b>663.8</b>

Exchange Rate Jan - Jun (Average) : 2014 102.5Yen/US\$  
2015 120.2Yen/US\$





## Comparative Income Statements (Consolidated)

(Billions of Yen)

	2014 April - September	2015 April - September	Increase (Decrease)
<b>Net Sales</b>	<b>603.7</b>	<b>645.8</b>	7.0% <b>42.1</b>
Cost of sales	444.1	466.6	22.5
Selling, general and administrative expenses	61.9	69.3	7.4
<b>Operating Income</b>	<b>97.6</b>	<b>109.8</b>	12.5% <b>12.2</b>
Non-operating income/expenses	3.5	3.2	(0.3)
<b>Ordinary Income</b>	<b>101.1</b>	<b>113.0</b>	11.7% <b>11.9</b>
<b>Income Before Income Taxes</b>	<b>101.1</b>	<b>113.0</b>	11.7% <b>11.9</b>
Income taxes	32.8	35.3	2.5
Profit attributable to non - controlling interests	0.7	1.0	0.3
<b>Profit attributable to owners of parent</b>	<b>67.5</b>	<b>76.6</b>	13.4% <b>9.1</b>



# Comparative Balance Sheets (Consolidated)

(Billions of Yen)

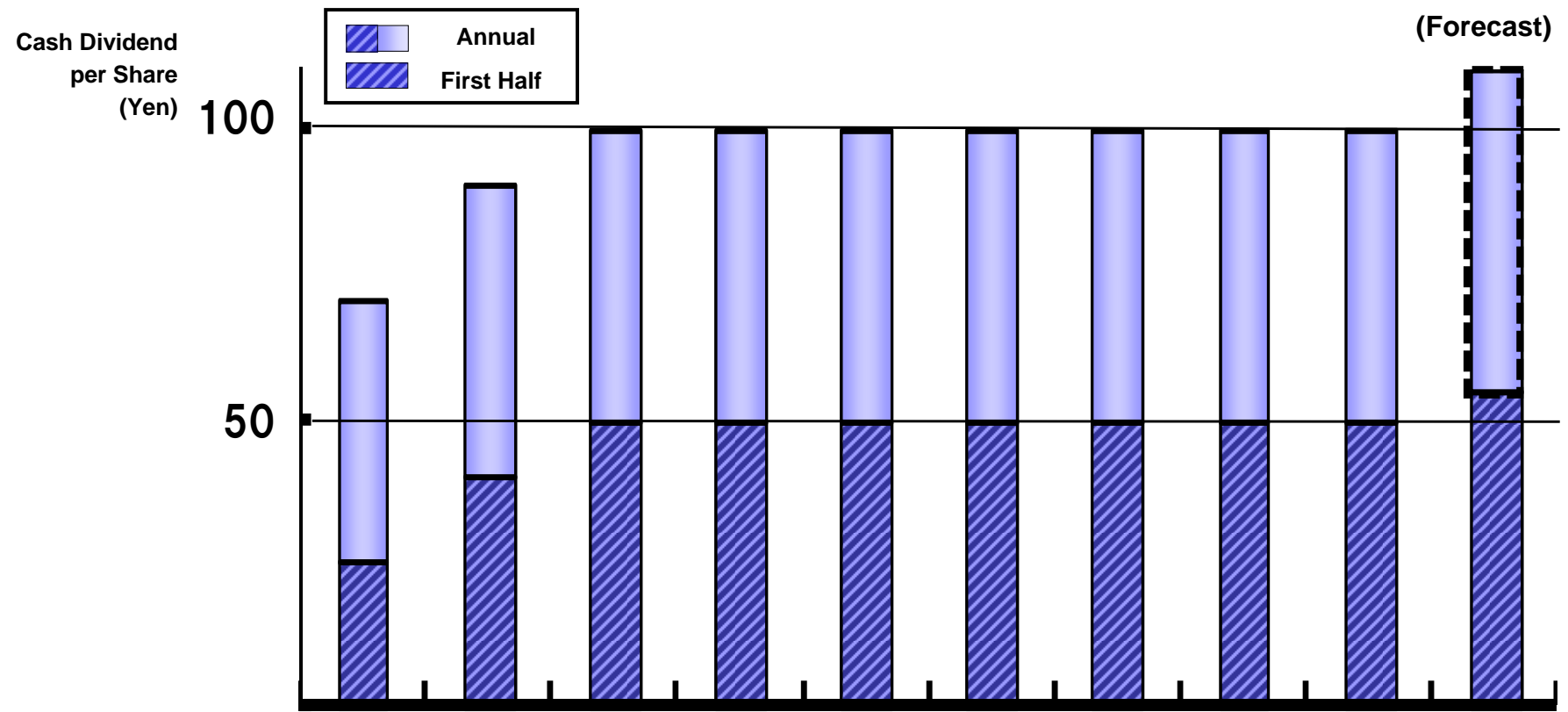
	Sep 30 2014 [a]	Mar 31 2015 [b]	Sep 30 2015 [c]	Increase (Decrease) [c-a]	Increase (Decrease) [c-b]		Sep 30 2014 [a]	Mar 31 2015 [b]	Sep 30 2015 [c]	Increase (Decrease) [c-a]	Increase (Decrease) [c-b]
<b>Current Assets</b>	<b>1,283.0</b>	<b>1,399.8</b>	<b>1,441.0</b>	<b>158.0</b>	<b>41.2</b>	<b>Current Liabilities</b>	<b>253.3</b>	<b>298.8</b>	<b>286.7</b>	<b>33.4</b>	<b>(12.1)</b>
Cash and time deposits	366.3	461.4	455.8	89.5	(5.6)	Notes and accounts payable-trade	112.7	120.6	118.7	6.0	(1.9)
Notes and accounts receivable-trade	279.8	292.7	288.1	8.3	(4.6)	Short-term borrowings	6.5	6.8	8.0	1.5	1.2
Securities	324.0	304.1	351.0	27.0	46.9	Accrued income taxes	25.4	33.5	37.4	12.0	3.9
Inventories	252.3	276.9	281.5	29.2	4.6	Other	108.5	137.7	122.4	13.9	(15.3)
Other	60.4	64.5	64.3	3.9	(0.2)						
<b>Fixed Assets</b>	<b>938.5</b>	<b>1,052.4</b>	<b>1,050.0</b>	<b>111.5</b>	<b>(2.4)</b>	<b>Long-term Liabilities</b>	<b>122.1</b>	<b>140.7</b>	<b>138.8</b>	<b>16.7</b>	<b>(1.9)</b>
Property, Plant and Equipment	694.9	784.4	787.5	92.6	3.1	Long-term debt	7.3	7.1	5.7	(1.6)	(1.4)
Machinery and equipment, net	396.4	441.1	428.7	32.3	(12.4)	Other	114.8	133.6	133.0	18.2	(0.6)
Other, net	298.5	343.2	358.8	60.3	15.6	<b>Total Liabilities</b>	<b>375.5</b>	<b>439.5</b>	<b>425.5</b>	<b>50.0</b>	<b>(14.0)</b>
Intangible Assets	17.7	18.0	16.5	(1.2)	(1.5)	Stockholders' Equity	1,800.6	1,841.0	1,896.4	95.8	55.4
Investments and Other Assets	225.8	250.0	245.9	20.1	(4.1)	Accumulated Other Comprehensive Income	(3.1)	119.3	115.3	118.4	(4.0)
Investments in securities	129.7	145.7	135.9	6.2	(9.8)	Share Subscription Rights Non - Controlling Interests in Consolidated Subsidiaries	48.5	52.3	53.6	5.1	1.3
Other	96.0	104.3	109.9	13.9	5.6	<b>Total Net Assets</b>	<b>1,846.0</b>	<b>2,012.7</b>	<b>2,065.5</b>	<b>219.5</b>	<b>52.8</b>
<b>Total Assets</b>	<b>2,221.5</b>	<b>2,452.3</b>	<b>2,491.0</b>	<b>269.5</b>	<b>38.7</b>	<b>Total Liabilities and Net Assets</b>	<b>2,221.5</b>	<b>2,452.3</b>	<b>2,491.0</b>	<b>269.5</b>	<b>38.7</b>

# Comparative Statements of Cash Flows (Consolidated)

(Billions of Yen)

	2014 Apr - Sep	2015 Apr - Sep	Increase (Decrease)
<b>(1) Cash Flows from Operating Activities</b>	<b>116.6</b>	<b>149.0</b>	<b>32.4</b>
Net Income	67.5	76.6	9.1
Depreciation and amortization	46.3	50.9	4.6
(Increase) Decrease in working capital	5.4	(2.0)	(7.4)
Others	(2.7)	23.5	26.2
<b>(2) Cash Flows from Investing Activities</b>	<b>(95.3)</b>	<b>(128.4)</b>	<b>(33.1)</b>
Increase in securities ( mainly Negotiable certificates of deposit)	(56.0)	(40.0)	16.0
Capital expenditures	(35.2)	(76.5)	(41.3)
Others	(4.0)	(11.7)	(7.7)
<b>(3) Cash Flows from Financing Activities</b>	<b>(22.4)</b>	<b>(21.8)</b>	<b>0.6</b>
Increase (Decrease) in borrowings	(1.0)	(0.1)	0.9
Cash dividends paid	(21.2)	(21.2)	0.0
Others	0.0	(0.3)	(0.3)
<b>(4) Effect of Exchange Rate Changes on Cash and Cash Equivalents, and other</b>	<b>(5.0)</b>	<b>(0.9)</b>	<b>4.1</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(6.1)</b>	<b>(2.2)</b>	<b>3.9</b>
<b>Cash and Cash Equivalents at end of Period</b>	<b>356.3</b>	<b>421.6</b>	<b>65.3</b>
<b>Balance of Interest-bearing Liabilities</b>	<b>13.8</b>	<b>13.7</b>	<b>(0.1)</b>

● ● ● | Cash Dividends per Share



Fiscal year ended March		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash Dividend per Share (Yen)	First half	25	40	50	50	50	50	50	50	50	55
	Annual	70	90	100	100	100	100	100	100	100	* 110
Net Income per Share (Yen)	First half	174.1	221.2	235.0	83.7	146.8	120.2	131.2	150.1	158.8	179.9
	Annual	357.8	426.6	362.4	197.5	235.8	237.0	248.9	267.2	302.1	* 328.7
Dividend payout ratio	Annual	19.6%	21.1%	27.6%	50.6%	42.4%	42.2%	40.2%	37.4%	33.1%	* 33.5%

\*Forecast



## Forecast of Consolidated Operating Performance Fiscal Year Ending March 31, 2016

The Shin-Etsu Group has not changed its forecast, which was announced on July 23, 2015.

(Billions of Yen)

	Consolidated		
	April 2014 - March 2015 Actual	April 2015 - March 2016 Forecast	Increase (Decrease)
<b>Net Sales</b>	1,255.5	<b>1,270.0</b>	1.2%
<b>Operating Income</b>	185.3	<b>197.0</b>	6.3%
<b>Ordinary Income</b>	198.0	<b>210.0</b>	6.0%
<b>Net Income</b>	128.6	<b>140.0</b>	8.9%
<b>Net Income per Share (Yen)</b>	302.05	<b>328.71</b>	26.66
<b>Cash Dividend per Share (Yen)</b>	100	<b>110</b>	10
<b>Capital Expenditures</b>	109.9	<b>140.0</b>	
<b>Depreciation and Amortization</b>	96.9	<b>103.0</b>	

Note: Please see Disclaimer Regarding Forward-Looking Statements on the cover of this document, concerning forecasts.



# Appendix (For Reference)

## 1) Average Exchange Rate

		US\$ (Yen/\$)					EUR (Yen/€)				
		Quarterly	6 months		12 months		Quarterly	6 months		12 months	
			Jan-Jun	Apr-Sep	Jan-Dec	Apr-Mar		Jan-Jun	Apr-Sep	Jan-Dec	Apr-Mar
Jul-Dec	Oct-Mar	Jul-Dec	Oct-Mar								
2014	Jan-Mar	102.8	102.5	105.9	109.9	140.8	140.4	140.4	138.8		
	Apr-Jun	102.2				140.1					
	Jul-Sep	103.9	103.0			137.8	140.4			138.9	
	Oct-Dec	114.5	109.2			143.1	138.6				
2015	Jan-Mar	119.1	120.2	116.8	134.2	134.2	134.2	135.1			
	Apr-Jun	121.4				134.2					
	Jul-Sep	122.2	121.8			136.0					

**Note: An average exchange rate between January and June was used for the first half Consolidated Income Statements of overseas subsidiaries.**

	US\$	EUR
Shin-Etsu's assumption for the forecast from October 2015	118Yen/\$	135Yen/€



## Appendix (For Reference)

### 2) Sales by Region

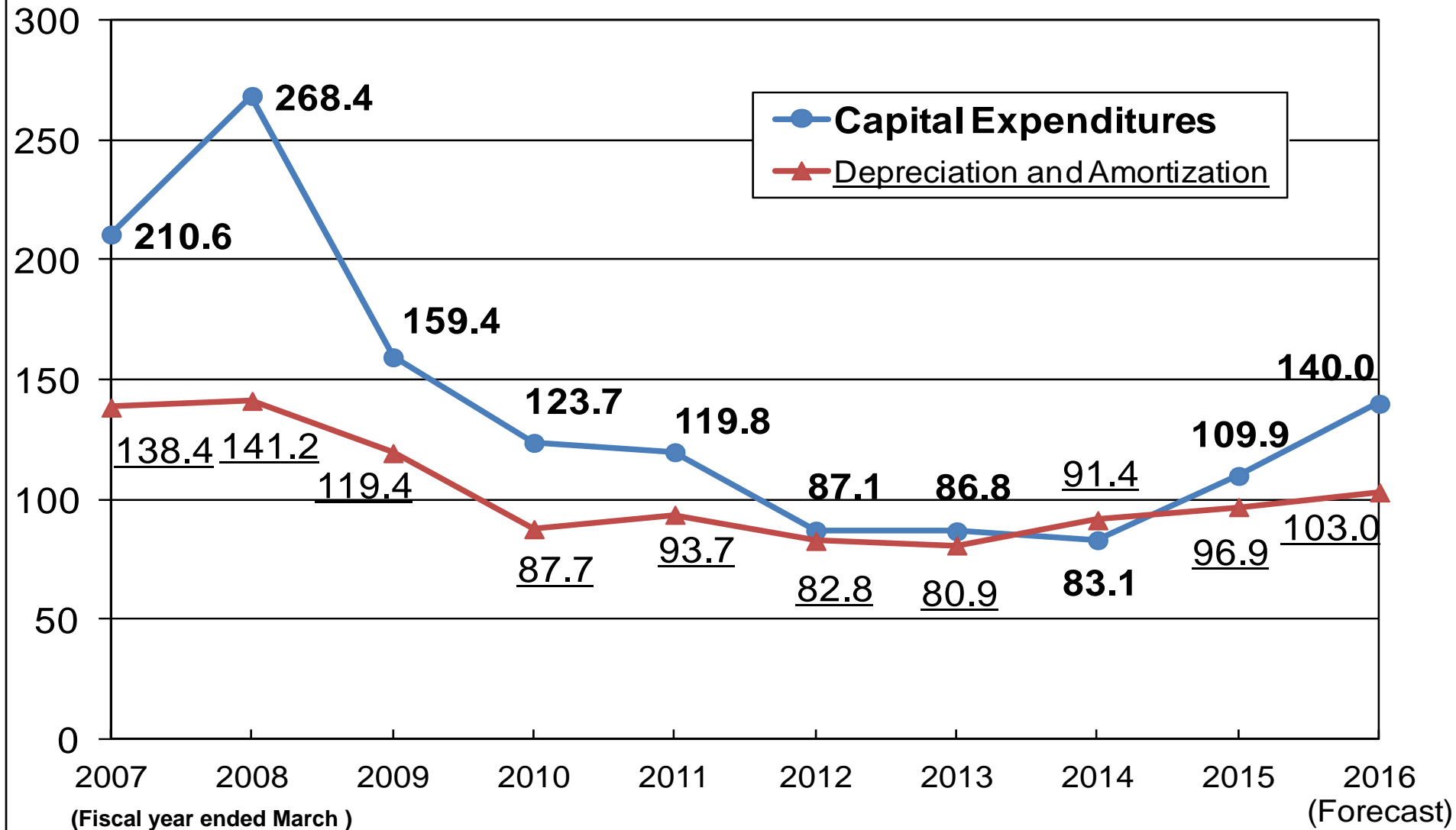
(Billions of Yen)

	Japan	Overseas					Total	Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas		
			China					
<b>First Half</b>	<b>29%</b>	<b>21%</b>	<b>28%</b>	<b>9%</b>	<b>13%</b>	<b>9%</b>	<b>71%</b>	
<b>Apr - Sep 2014</b>	<b>176.9</b>	<b>127.7</b>	<b>171.1</b>	<b>56.6</b>	<b>76.1</b>	<b>51.6</b>	<b>426.7</b>	<b>603.7</b>
<b>Second Half</b>	<b>27%</b>	<b>22%</b>	<b>30%</b>	<b>10%</b>	<b>11%</b>	<b>10%</b>	<b>73%</b>	
<b>Oct 2014 - Mar 2015</b>	<b>174.2</b>	<b>143.9</b>	<b>195.1</b>	<b>66.2</b>	<b>71.3</b>	<b>67.0</b>	<b>477.5</b>	<b>651.8</b>
<b>Fiscal Year</b>	<b>28%</b>	<b>22%</b>	<b>29%</b>	<b>10%</b>	<b>12%</b>	<b>9%</b>	<b>72%</b>	
<b>ended March 2015</b>	<b>351.2</b>	<b>271.7</b>	<b>366.3</b>	<b>122.8</b>	<b>147.5</b>	<b>118.7</b>	<b>904.3</b>	<b>1,255.5</b>
<b>First Half</b>	<b>26%</b>	<b>23%</b>	<b>31%</b>	<b>9%</b>	<b>11%</b>	<b>9%</b>	<b>74%</b>	
<b>Apr - Sep 2015</b>	<b>169.2</b>	<b>148.9</b>	<b>197.0</b>	<b>58.6</b>	<b>71.7</b>	<b>58.8</b>	<b>476.5</b>	<b>645.8</b>

Note: Percentage indicates proportion to total consolidated net sales.

### 3) Capital Expenditures and Depreciation and Amortization

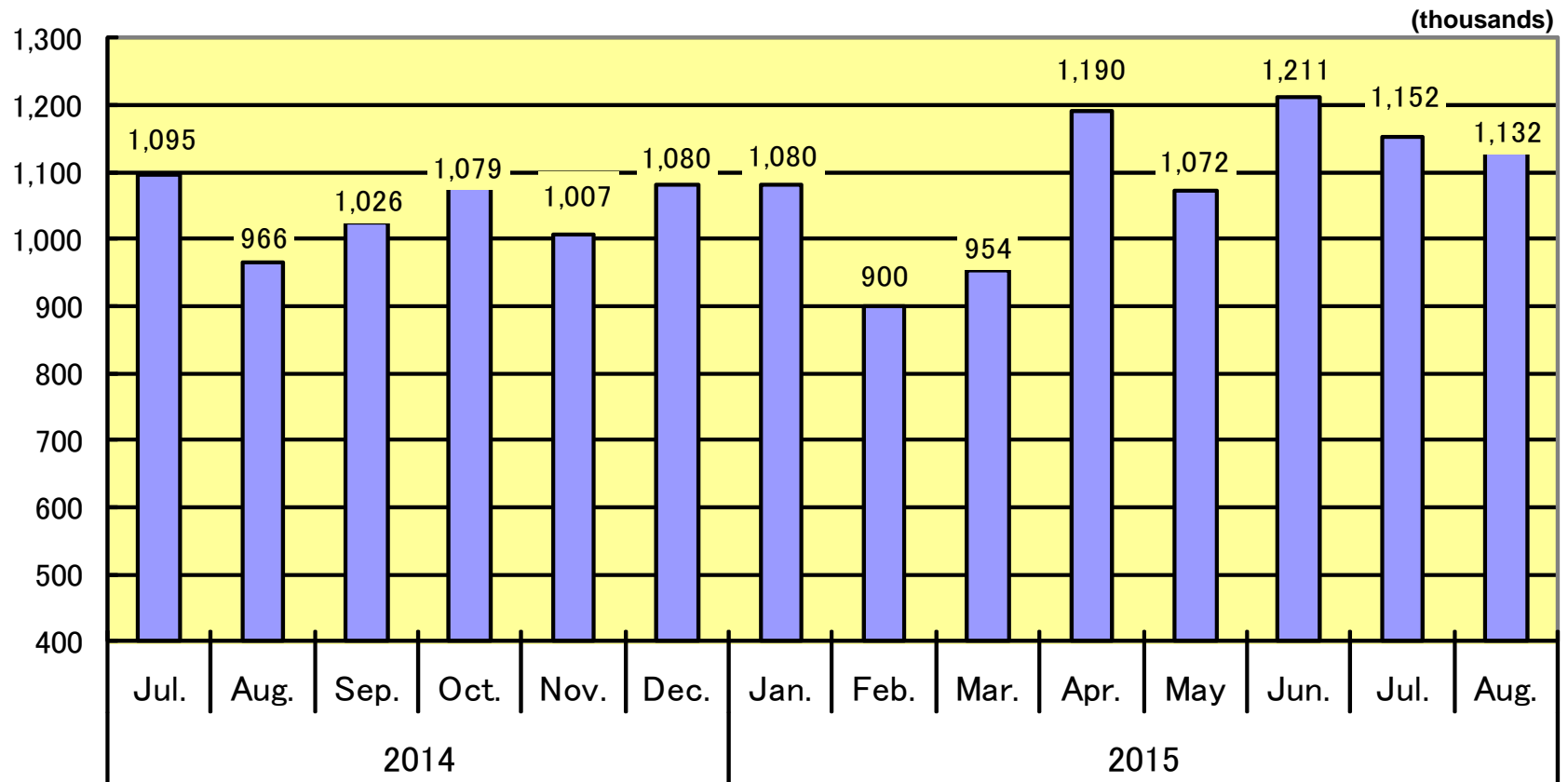
(Billions of Yen)





● ● ● | Appendix (For Reference)

**4) Housing Starts in the U.S. (Seasonally Adjusted Annual Rate)**



**Annual Trend of the Housing Starts in the U.S. (10 year history)**

(thousands/year)									
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2,068	1,801	1,355	906	554	587	609	781	925	1,003

\* Source from United States Department of Commerce



## Appendix (For Reference)

### 5) Trend of Naphtha Price Traded in Japan

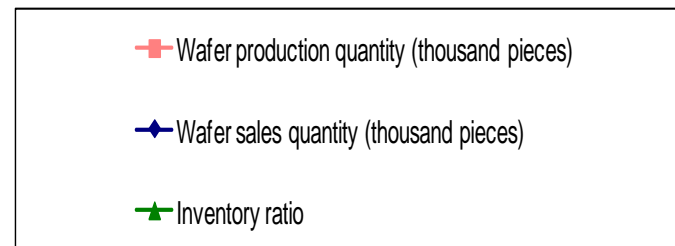
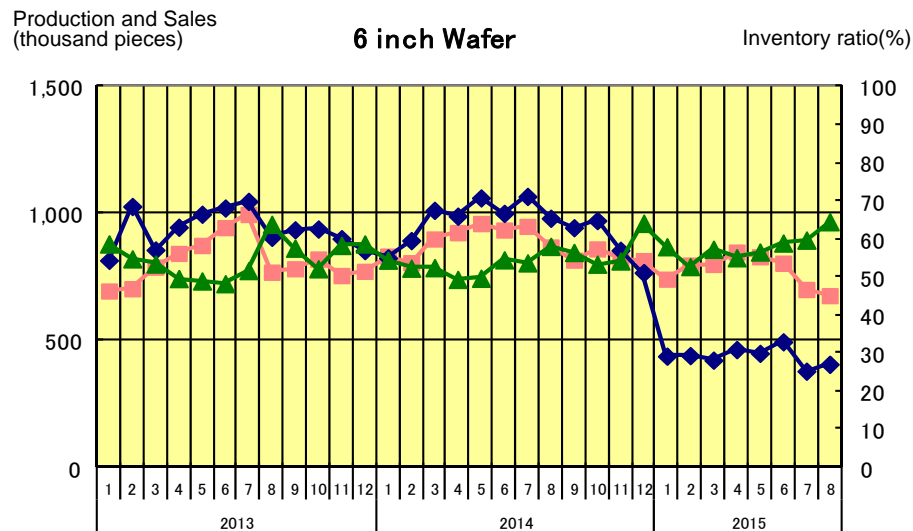
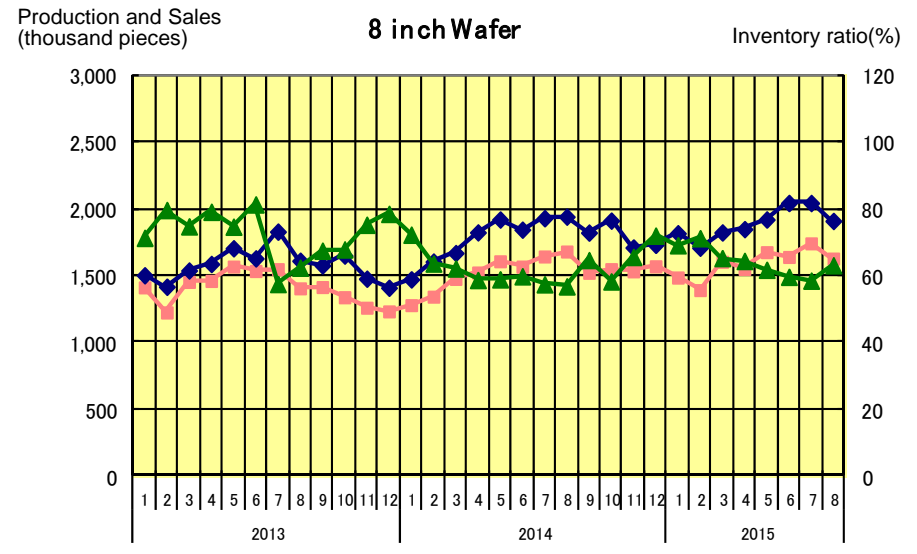
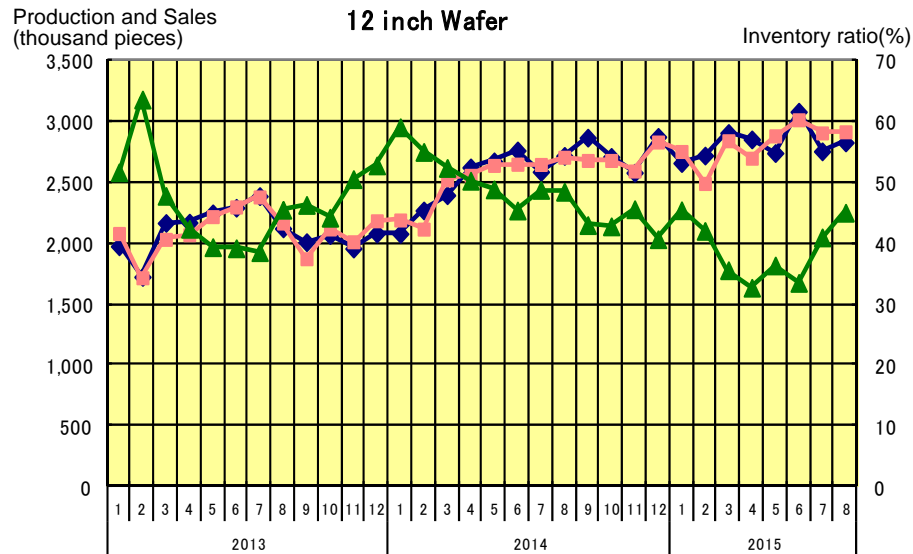
(Yen / KL)

Fiscal Year 2014 April 2013 - March 2014		Fiscal Year 2015 April 2014 - March 2015				Fiscal Year 2016 April 2015 - March 2016	
Oct - Dec	(2014) Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	(2015) Jan - Mar	Apr - Jun	Jul - Sep
67,800	72,000	69,900	70,900	66,000	47,000	48,800	47,000 (est)

★ Data Source: (From Oct. 2013 to Jun. 2015) Japan Ministry of Finance  
(From Jul. 2015 to Sep. 2015) Shin-Etsu Chemical's forecast

● ● ● | Appendix (For Reference)

### 6) The Statistics Data of Silicon Wafers Produced in Japan (for each size)



\* Source from Ministry of Economy, Trade and Industry and Japan Society of Newer Metals



## 7) Recent Topics (Oct. 1, 2014~Oct. 20, 2015)

- Oct. 2014**      **Shin-Etsu Chemical decided to construct a new research building at its Silicone-Electronics Materials Research Center in Japan.**
- Mar. 2015**      **Shin-Etsu Chemical decided to increase production capacity for silicone monomer and silicone polymer plants in Thailand and to establish a new Technical Center for silicone in the U.S.**
- Apr. 2015**      **Shin-Etsu Chemical decided to establish a new plant for photoresists-related products in Taiwan.**
- Apr. 2015**      **Shintech decided to construct an ethylene production plant in the U.S.**
- Jun. 2015**      **Shin-Etsu Chemical decided to construct an advanced photomask blanks plant in Japan.**
- Jun. 2015**      **Shin-Etsu Chemical decided to establish a manufacturing and sales JV in China that will construct a new optical fiber preform plant.**
- Jun. 2015**      **\*Shin-Etsu Chemical developed silicone encapsulation material for solar cell modules.**

★ Please refer to news releases related to these matters on our website at <http://www.shinetsu.co.jp/en/news/>  
News releases for topics with an asterisk (\*) are only available in Japanese.



## 8) Main Capital Investments in Progress

Company	Projects	Investment amount	Scheduled Completion of Construction
Shintech (USA)	Expansion of PVC and VCM production facility	\$ 500 million	End of 2015 End of 2016
Shintech (USA)	Establishment of a manufacturing plant for ethylene	\$ 1,400 million	First half of 2018
Shin-Etsu Chemical (Gunma)	Construction of a new research building adjoining its existing Silicone-Electronics Materials Research Center	¥ 5 billion	First half of 2016
Shin-Etsu Chemical (Gunma, Naoetsu)	Reinforcement of the production capacity for highly functional silicone products	¥ 20 billion	March, 2017
Asia Silicones Monomer (Thailand), Shin-Etsu Silicones (Thailand)	Increase of the production capacity for silicone products	¥ 20 billion	End of 2017
SE Tylose (USA)	Establishment of a new plant for cellulose	\$ 120 million	Second half of 2015
Shin-Etsu Magnetics Materials (Vietnam)	Establishment of a new plant for rare earth magnets plant	¥ 12 billion	End of 2015 End of 2016
Shin-Etsu Chemical (Taiwan)	Establishment of a new plant for photoresist-related products	¥ 13 billion	First half of 2017
Shin-Etsu Chemical (China)	Establishment of a new plant for optical fiber preform	¥ 12.5 billion	End of 2016
Shin-Etsu Chemical (Fukui)	Establishment of a new plant for photomask blanks	¥ 7 billion	End of 2016

**Total amount of capital investments approx. ¥ 320 billion** 26