

Integrated Value Creation

Flexible Production Expansion through Integrated Facilities

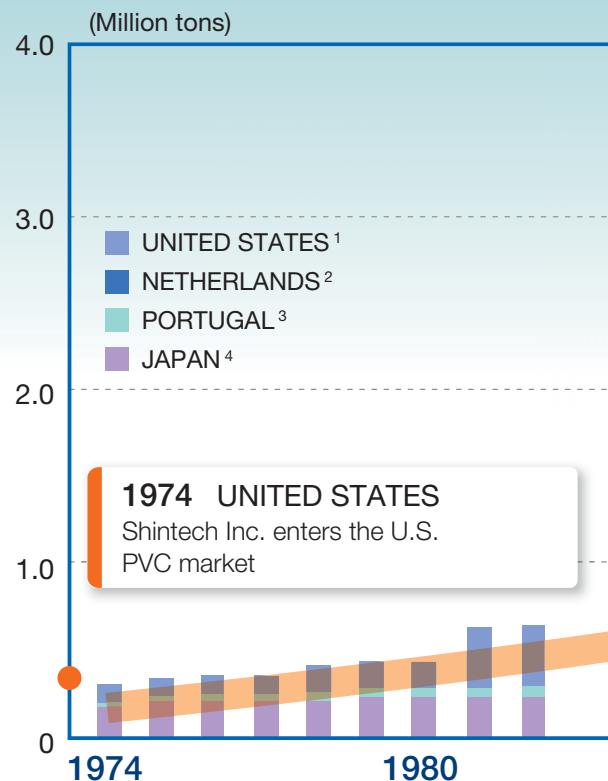
Since beginning operations in 1974, Shintech Inc. has repeatedly expanded its PVC production facilities. Shintech now has more than 20 times its initial production capacity, making it the world's largest PVC manufacturer.

In Plaquemine, Louisiana, the first-stage construction of Shintech's new integrated PVC manufacturing facility handling all processes from raw materials was completed and the facility began operations in 2008. Shintech is now producing its own raw material for PVC at the new plant, with a total annual PVC production capacity of 2.3 million tons.

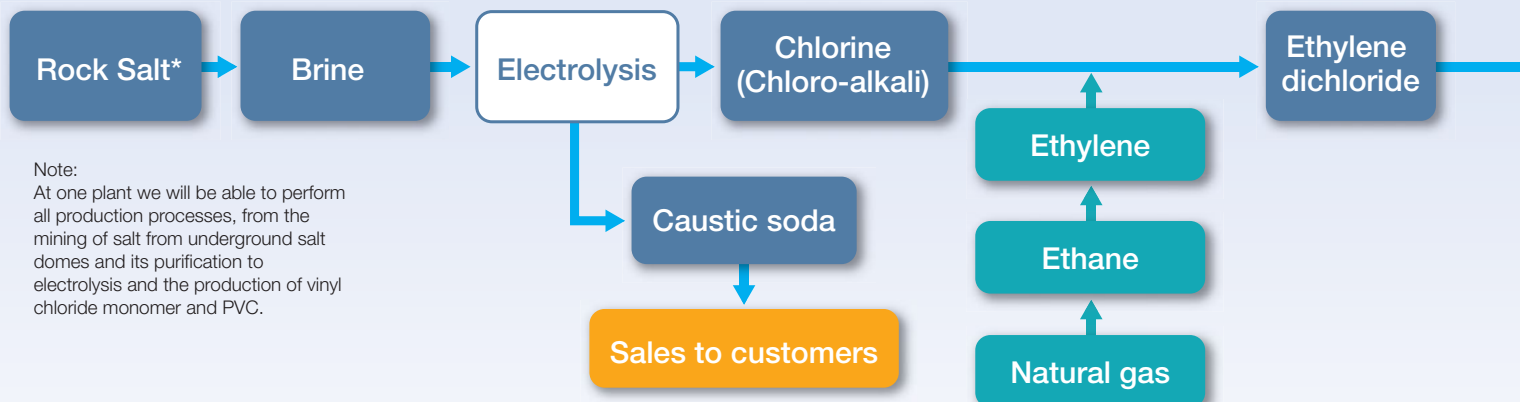
The second-phase construction of the new integrated PVC manufacturing facility at Plaquemine is under way, and after its completion Shintech's PVC annual production capacity will increase by an additional 300,000 tons.

Until now, Shintech has purchased most of its vinyl chloride monomer, which is a raw material needed to make PVC, from The Dow Chemical Company, its excellent, long-standing and reliable partner. Shintech renewed this long-term raw-material procurement contract in January 2008. While continuing to purchase raw material from Dow Chemical, Shintech will strengthen its competitiveness by establishing an integrated system that enables in-house vinyl chloride monomer production whenever necessary.

Shintech has acquired a 7,000-acre industrial-use site in Plaquemine, Louisiana. The site is ideally located, as it fronts on the Mississippi River, which is a vital long-range U.S. transportation corridor. Shintech's new integrated PVC manufacturing facility is located on part of this site. Going forward, we will promote the effective use of this vast expanse of land in order to expand the operations of the Shin-Etsu Group.



Integrated Production System from Rock Salt to PVC Resins





Freeport Plant in Texas

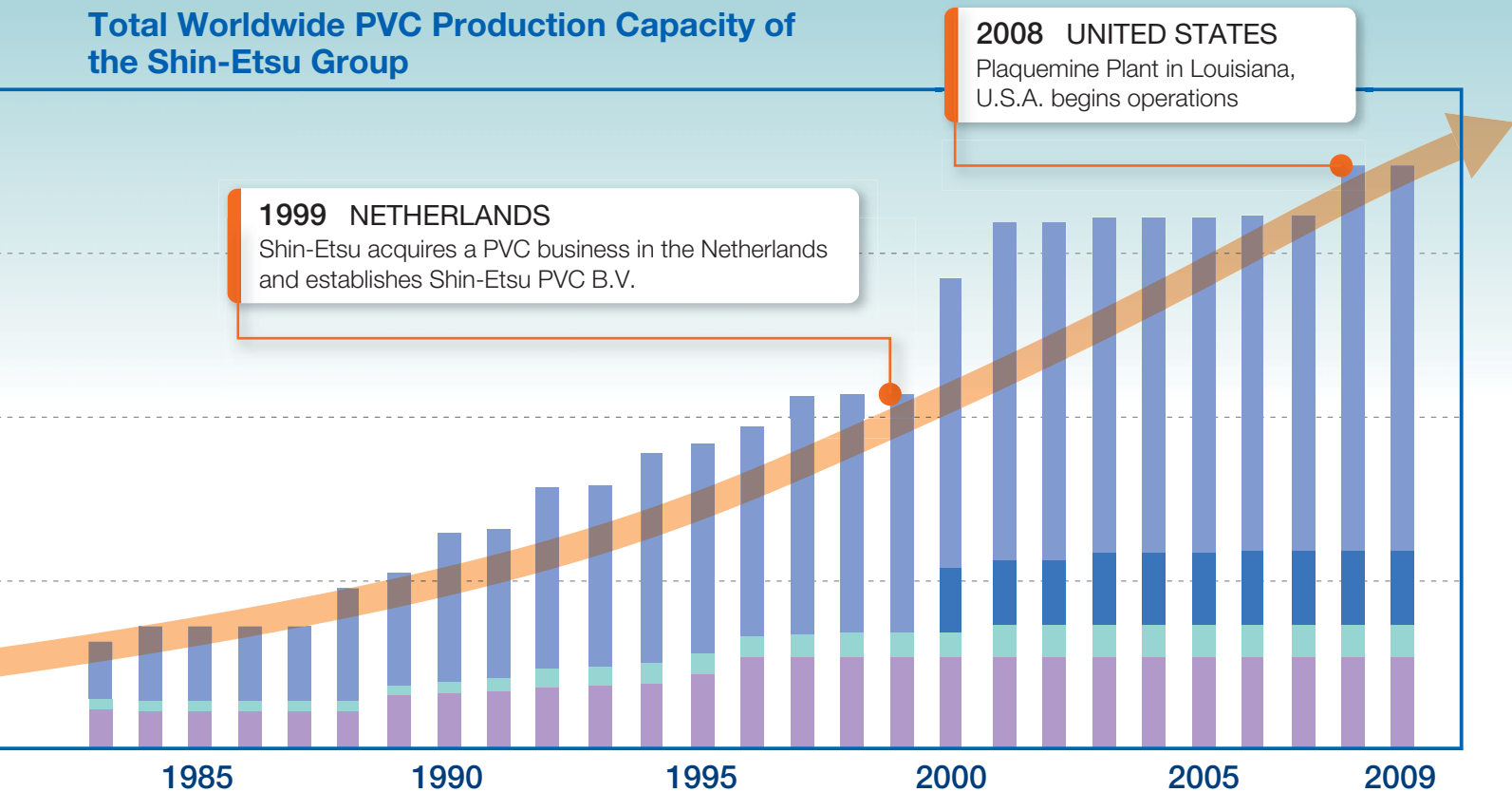


Addis Plant in Louisiana



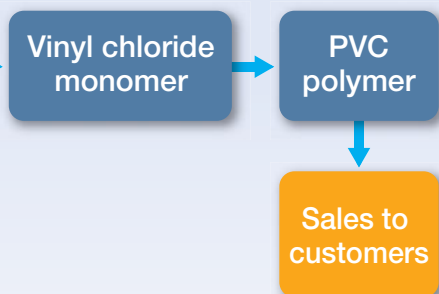
Plaquemine Plant in Louisiana

Total Worldwide PVC Production Capacity of the Shin-Etsu Group



Notes:

1. UNITED STATES (Shintech Incorporated — Freeport Plant, Addis Plant, Plaquemine Plant)
2. NETHERLANDS (Shin-Etsu PVC B.V.)
3. PORTUGAL (CIRES, S.A. (Companhia Industrial de Resinas Sinteticas, S.A.))
4. JAPAN (Shin-Etsu Chemical Co., Ltd. — Kashima Plant)



Small Business Development Center supported by Shintech's contribution



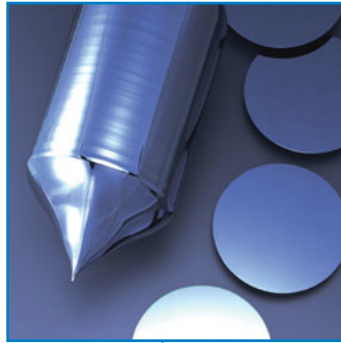
Shintech's employees volunteer for many local community projects

Shin-Etsu's Contributions to Semiconductor Production

The Shin-Etsu Group is a global leader in developing sophisticated technologies for the semiconductor industry. Throughout the semiconductor production process, Shin-Etsu technologies support greater integration and production efficiency.

Silicon Wafers

Shin-Etsu was first in the world to mass produce 300mm silicon wafers in 2001. Shin-Etsu Handotai Co., Ltd. established defect-free technology for single crystals, gaining strong customer trust for its commercial production capabilities and quality technologies.

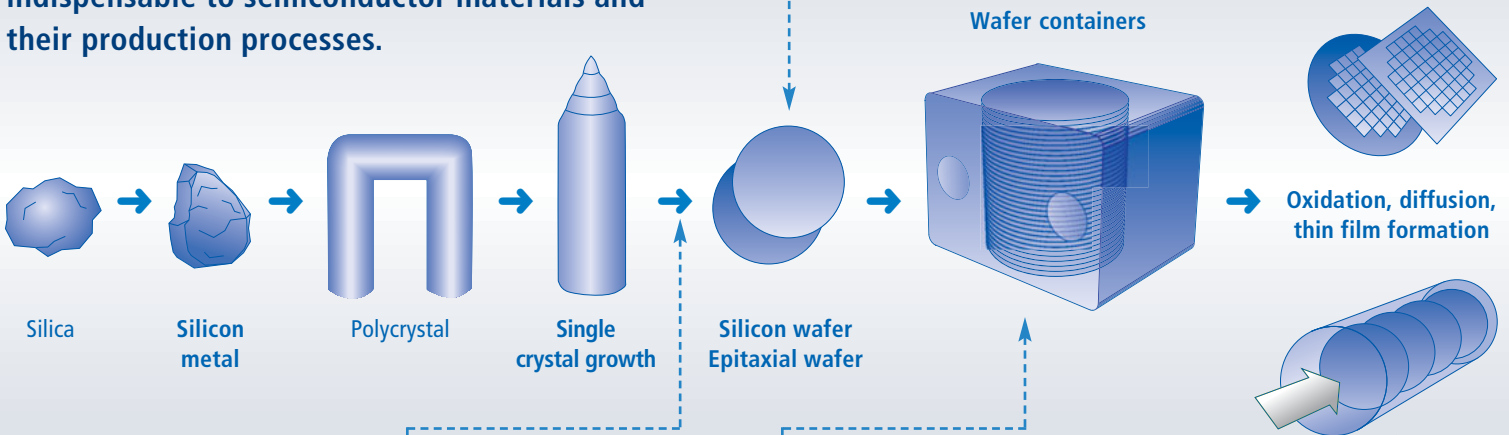


Shirakawa Plant of Shin-Etsu Handotai Co., Ltd.



Quality inspection of silicon wafer is strictly implemented.

Various products developed by Shin-Etsu are indispensable to semiconductor materials and their production processes.



Silicon Carbide Products



Silicon carbide products of Shinano Electric Refining greatly contribute to improving precise processing of silicon wafers as sawing materials and abrasives.

Wafer Containers



Group company Shin-Etsu Polymer has an excellent track record in front opening shipping boxes (FOSB) and front opening unified boxes (FOUP).

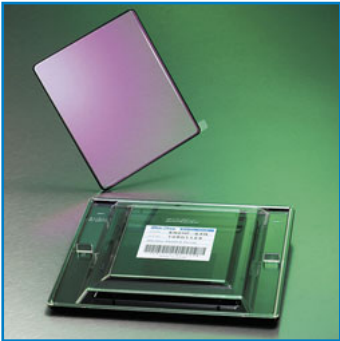
Quartz Glass for Semiconductor Production Processes



The Shin-Etsu Group's synthetic quartz glass products meet the customer's needs of high-temperature processes.

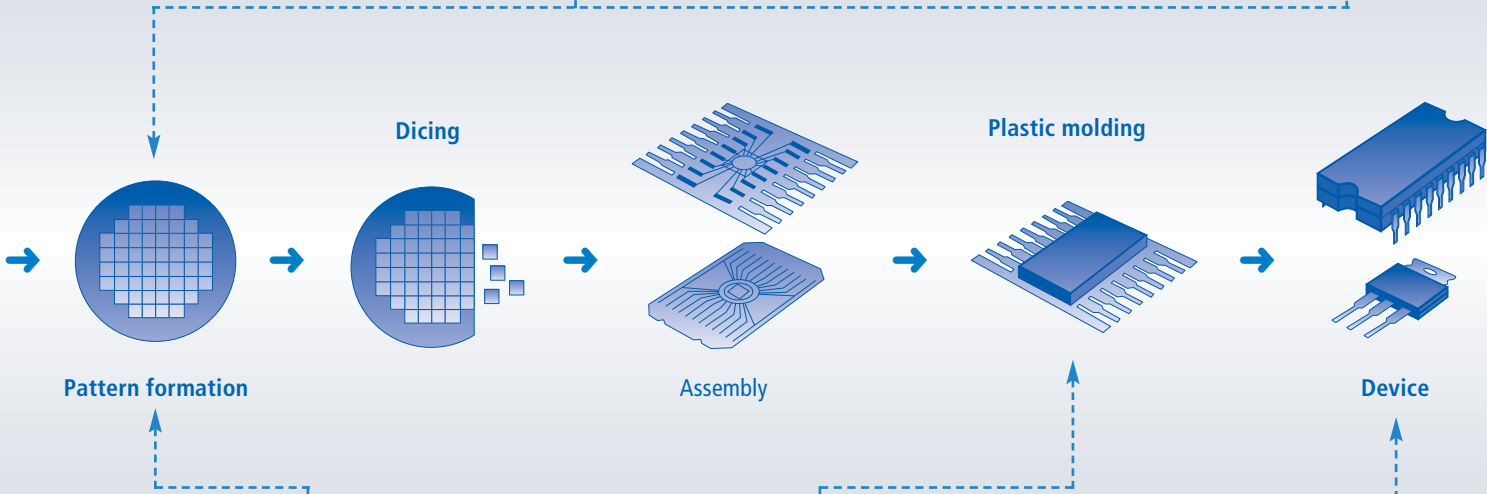
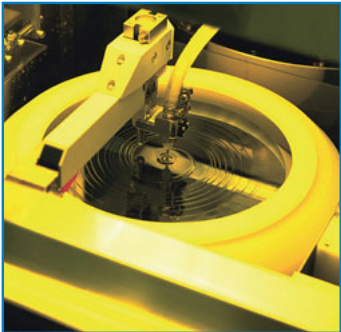
Pellicles

Shin-Etsu supplies high-quality pellicles for ArF and KrF excimer laser lithography. These products have high light-resistance and good transmission uniformity. In addition, Shin-Etsu has succeeded in the development of super large-size pellicles for the production of liquid crystal display (LCD) panels.

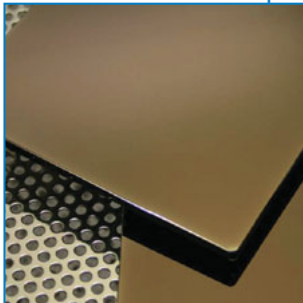


Photoresists

Shin-Etsu developed the first photoresist for use with the short wavelength excimer laser in 1996, and has become the leading manufacturer in this field. Sales have also begun for trilayer materials used in post-45nm generation miniaturization processes.

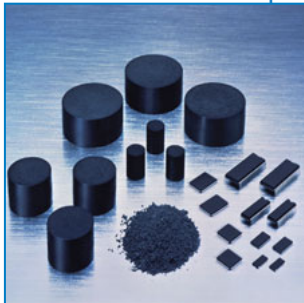


Photomask Blanks



Shin-Etsu has developed photomask blanks that are base materials of cutting-edge photomasks essential for high integration in semiconductor devices. Recently, samples were highly evaluated and commercial production has begun.

Epoxy Molding Compounds



Shin-Etsu's epoxy molding compounds provide excellent reliability and moldability due to the utilization of Shin-Etsu's own silicone low-stress technology, special filler technology and unique flame retardation technology, or "green compound technique."

Silicone-based Thermal Interface Materials



Shin-Etsu offers various silicone-based thermal materials as thermally conductive materials to fill gaps between heat-generating units like CPUs and heat sinks.