

Highlights of the Year

Operating Performance

- Net sales of **1,047,731** million yen, down 1.0%
- Overseas sales ratio of **65%**
- Ordinary income of **165,237** million yen, up 3.1%
- Net income of **100,643** million yen, up 0.5%

Financial Performance

- Net assets of **1,494,573** million yen
- Stockholders' equity ratio of **80.3%**
- Capital expenditures of **87** billion yen
- Moody's credit rating of **Aa3**

Our Activities

- Completed **raw material** plant for the world's top share PVC business
- Construct a plant in **China** for both the Silicones Business and optical fiber preform business
- **Fast recovery** in the earthquake-affected Semiconductor Silicon Business

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Forward-Looking Statements

This annual report contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at the time of publication.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, competitive pressures, changes in related laws and regulations, status of product development programs, and changes in exchange rates.

About the Cover

The Hocchi River in Gunma Prefecture, from the Shin-Etsu Group's 2012 original calendar, "Colors of the Seasons: Japan's Scenic Beauty"

