

**Creating New Products and Services
to Support Next-Generation Businesses.
In Addition, Providing Society with the
Materials to Respond to Issues Facing
Our Planet Earth.**



**We are pleased to report our results for the fiscal
year ended March 2019.**

I would like to take this opportunity to express my heartfelt gratitude to all of our stakeholders, including our shareholders and investors, who have extended their deep understanding and support to the Shin-Etsu Group's businesses and management.

During the fiscal year ended March 31, 2019, in pursuit of our declared management objective of achieving high earnings, we actively promoted our businesses while aiming to be the world's top company on a variety of fronts through always placing priority on sales, proactive investments, timely and quick work and risk management. As a result of these efforts, we secured a large profit increase of 22% compared with the previous fiscal year, setting a record high for our Company.

We at the Shin-Etsu Group believe that it is stable growth that leads to increase of corporate value. For this reason, we will not rest contented with only a single fiscal year's performance and will actively promote investments aimed at further growth.

At Shintech, which forms the core of our PVC operations, we have resolved to establish a new integrated plant to produce polyvinyl chloride (PVC) from raw materials, and are currently moving forward with its construction. With the completion of this new plant, Shintech's annual production capacity will increase about 10%, expanding to 3,240,000 tons, thus further strengthening its position as the world's largest PVC manufacturer.

We are also undertaking expansion to increase production capacity in the Silicones and Photomask Blanks businesses. In our other businesses, we are investing in a timely and appropriate manner based on business conditions and customers' feedbacks. In addition to this type of investments in our existing businesses, we are conducting active research and development while taking serious heed of the needs of both customers and society, so that we can create new products and services that will support next-generation businesses.

In parallel with this steady and consistent reinforcement of our foundations for future business growth, we are turning our eyes toward challenges on a global scale. The world we live in is confronted with a variety of serious issues, and companies like ours are now required to engage in business activities that are conducive to the attainment of the Sustainable Development Goals (SDGs). By providing society with the materials it needs and through other activities, the Shin-Etsu Group is contributing to the solution of issues facing the world today and to the overall future of our irreplaceable planet Earth.

Today, the global economy is at a significant turning point. For our company to pursue steady growth in a daily-changing business environment, it is of paramount importance to make optimal decisions based on current conditions and accumulate favorable results. By continuing to enhance the Group's advantage in the future, we will establish an unwavering position in the ever-changing global market and will seek to achieve sustainable growth.

I would be most grateful for your continued understanding and further support to our businesses and management.



Chairman
Chihiro Kanagawa