

Press Release**Consolidated Financial Results for the Fiscal Year Ended March 31, 2021****Shin-Etsu Chemical Co., Ltd.****(JP GAAP)**

April 28, 2021

Listing Code: No. 4063 (URL: <https://www.shinetsu.co.jp/en/>)

Listing Stock Exchange: Tokyo and Nagoya

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Date of the annual shareholders' meeting June 29, 2021

Date of the filing of the consolidated financial statements June 30, 2021

Date of year-end dividend payment June 30, 2021

Preparation of supplemental explanatory materials: Yes ("Appendix" is attached.)

Holding of financial results meeting: Yes (for investment analysts and institutional investors)

Amounts are stated in millions of yen by discarding fractional amounts less than 1 million.

Percentage figures indicate increase (decrease) over previous fiscal year.

1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2021

(From April 1, 2020 to March 31, 2021)

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April 2020 - March 2021	1,496,906	(3.0%)	392,213	(3.4%)	405,101	(3.1%)	293,732	(6.5%)
April 2019 - March 2020	1,543,525	(3.2%)	406,041	0.6%	418,242	0.7%	314,027	1.6%

(Note) Comprehensive income (Millions of yen) April 2020 - March 2021: 262,230 [(8.6%)]
April 2019 - March 2020: 286,889 [2.5%]

	Net income per share (yen)	Diluted net income per share (yen)	Ratio of net income to stockholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
April 2020 - March 2021	706.76	706.26	10.7%	12.3%	26.2%
April 2019 - March 2020	755.17	755.01	12.3%	13.3%	26.3%

(Note) Equity in earnings (losses) of affiliates (Millions of yen) April 2020 - March 2021: 5,364
April 2019 - March 2020: 4,327**(2) Consolidated financial position**

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
March 31, 2021	3,380,615	2,886,625	83.2%	6,769.72
March 31, 2020	3,230,485	2,723,141	82.1%	6,377.93

(Note) Stockholders' equity (Millions of yen) As of March 31, 2021: 2,813,137 As of March 31, 2020: 2,652,309

(3) Consolidated cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
April 2020 - March 2021	401,176	(250,719)	(91,123)	801,596
April 2019 - March 2020	412,384	(394,547)	(94,055)	745,125

2. Cash Dividends

	Cash dividends per share for the fiscal year (yen)					Total annual cash dividend paid (Millions of yen)	Dividend payout ratio	Ratio of dividend payout to net assets
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Fiscal year			
April 2019 - March 2020	-	110.00	-	110.00	220.00	91,473	29.1%	3.6%
April 2020 - March 2021	-	110.00	-	140.00	250.00	103,853	35.4%	3.8%

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

We will promptly make an announcement of the consolidated business and cash dividends forecast as soon as the disclosure of the forecast becomes possible.

(Notes)

(1) Changes in significant subsidiaries which affected the scope of consolidation during the current fiscal year: No

(2) Changes of accounting policies applied, changes in accounting estimates and retrospective restatement

Changes of accounting policies applied due to revisions of accounting standards: No

Changes of accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(3) Number of shares outstanding (common stock)

	March 31, 2021	March 31, 2020
Number of shares outstanding at the year end	416,662,793	416,662,793
Number of shares of treasury stock at the year end	1,115,572	805,396
	April 2020 - March 2021	April 2019 - March 2020
Weighted-average number of shares outstanding over the year	415,602,349	415,838,457

(Reference) Summary of Non-consolidated Financial Results**Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2021**

(From April 1, 2020 to March 31, 2021)

(1) Results of non-consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
April 2020 - March 2021	829,065	(1.9%)	137,341	(7.0%)	160,800	(3.9%)	118,910	(9.8%)
April 2019 - March 2020	845,356	2.8%	147,639	13.6%	167,412	24.2%	131,836	35.4%

	Net income per share (yen)	Diluted net income per share (yen)
April 2020 - March 2021	286.12	285.92
April 2019 - March 2020	317.04	316.98

(2) Non-consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
March 31, 2021	1,199,772	856,040	71.2%	2,055.94
March 31, 2020	1,156,255	821,894	70.9%	1,972.36

(Note) Stockholders' equity (Millions of yen) As of March 31, 2021: 854,340 As of March 31, 2020: 820,220

Stockholders' equity used for the calculation of indices is net assets excluding share subscription rights.

(Information regarding audit procedures)

The financial information contained in this report is not subject to the audit procedures by independent auditors.

(Attached Documents)

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1. Results of Operations and Financial Overview

(1) Results of Operations and Financial Position Overview

1) General Overview

During the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021), demand recovered to varying degrees depending on the region and industry, after a downturn caused by worldwide restrictions on economic activities in the April to June quarter. Demand and market conditions recovered in our major business fields in the October to December quarter. Since then, demand and market conditions have generally improved. In March 2021, the U.S. government enacted the Covid 19 Economic Stimulus Package amounting to US\$ 1.9 trillion and the U.S. Federal Reserve confirmed that it would continue monetary easing toward full employment. Meanwhile, the Chinese government decided to renew its five-year plan and take flexible measures for economic growth. The Shin-Etsu Group focused on business requirements such as maintaining high operating rates, ensuring a stable product supply, and preserving receivables, while giving top priority to the health and safety of our employees. Communicating closely with our customers, we promoted the development of products that are of value to our customers, and provided a stable supply of products of unwavering quality. In addition, we carried out the capital investment projects as scheduled.

As a result, the business results for the fiscal year ended March 31, 2021 are as follows.

(Billions of yen)				Quarterly			
	Fiscal year 19/4 - 20/3	Fiscal year 20/4 - 21/3	Increase (Decrease)	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Net sales	1,543.5	1,496.9	(3.0%) (46.6)	359.3	351.1	379.8	406.4
Operating income	406.0	392.2	(3.4%) (13.8)	90.9	93.3	100.7	107.1
Ordinary income	418.2	405.1	(3.1%) (13.1)	95.2	97.0	100.8	112.0
Net income attributable to owners of parent	314.0	293.7	(6.5%) (20.3)	69.3	70.9	73.0	80.4
ROIC	19.4%	17.2%	(2.2points)				
ROE	12.3%	10.7%	(1.6points)				
ROA	13.3%	12.3%	(1.0points)				
Per Share (Yen)							
Net income	755	707	(48)				
Cash dividends	220	(Forecast) 250	30				

Notes: ▪ ROIC: Return on invested capital

Net operating income after tax / (Net assets + Interest-bearing liabilities — Cash)

▪ ROE: Return (Net income) on equity

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

▪ ROA: Return (Ordinary income) on total assets.

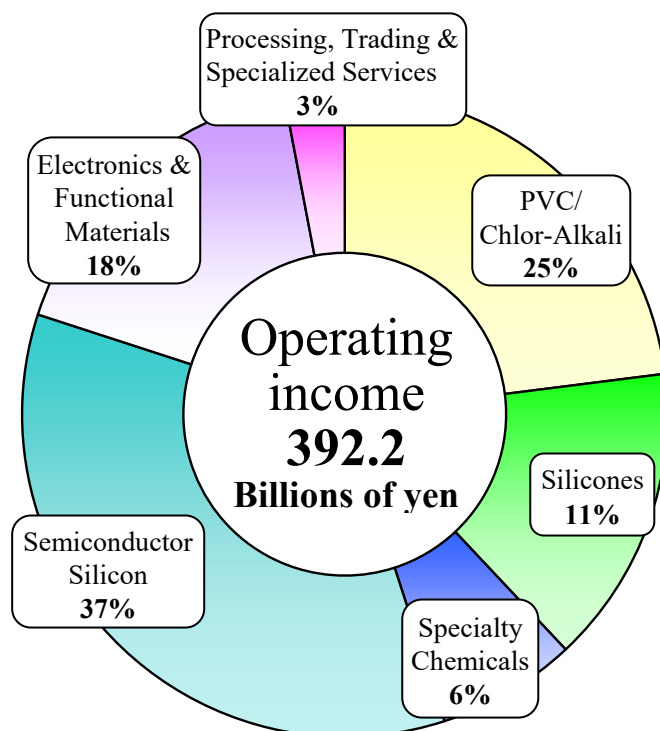
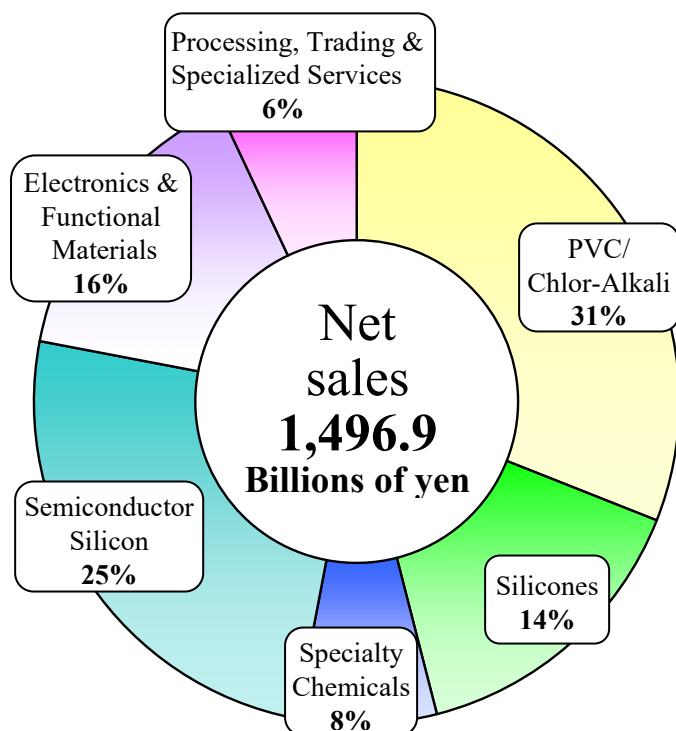
► Amounts are stated in billions of yen by discarding fractional amounts less than 0.1 billion on this summary.

2) Business Segment Overview

Net sales and Operating income by Segment

(Billions of yen)

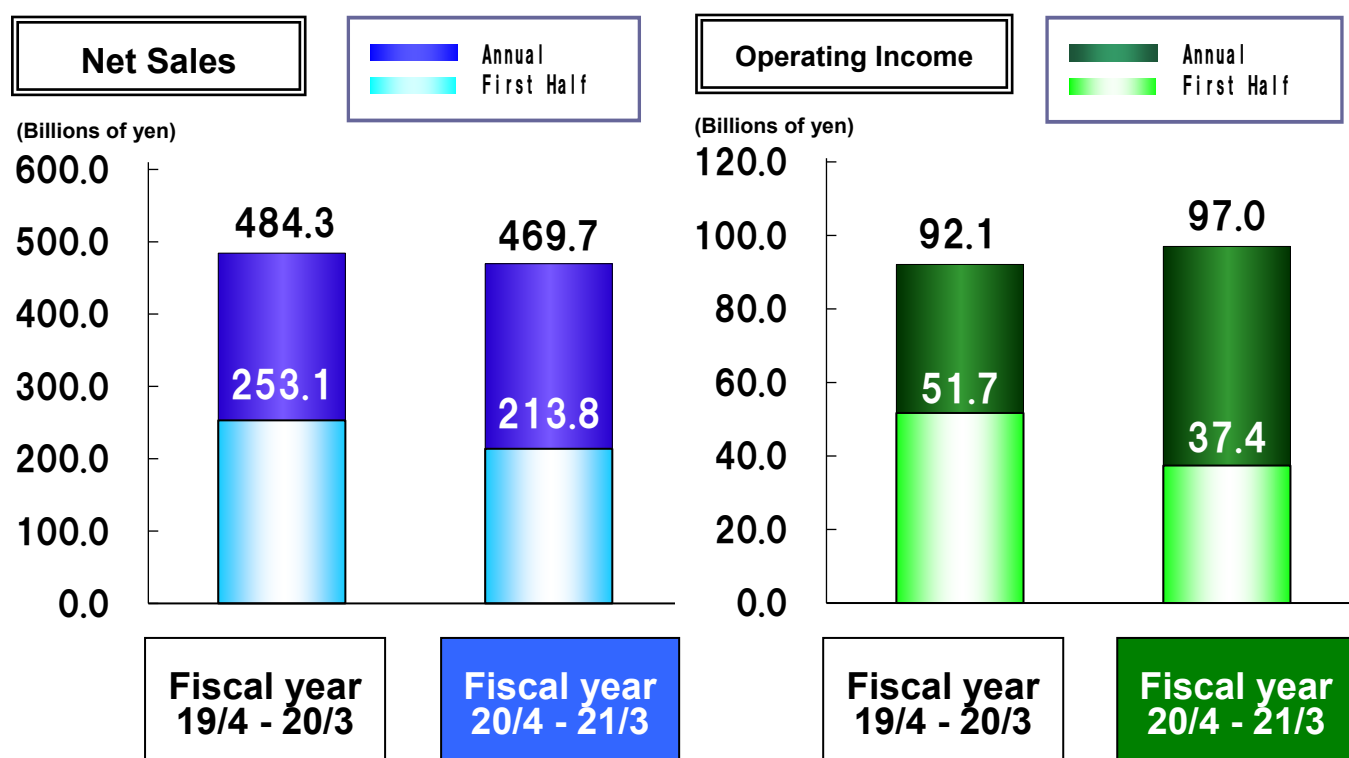
	Net sales			Operating income		
	Fiscal year 19/4 - 20/3	Fiscal year 20/4 - 21/3	Increase (Decrease)	Fiscal year 19/4 - 20/3	Fiscal year 20/4 - 21/3	Increase (Decrease)
PVC/Chlor-Alkali Business	484.3	469.7	(3.0%) (14.6)	92.1	97.0	5.3% 4.9
Silicones Business	226.8	208.3	(8.2%) (18.5)	61.4	45.1	(26.6%) (16.3)
Specialty Chemicals Business	114.7	112.6	(1.9%) (2.1)	27.7	21.8	(21.3%) (5.9)
Semiconductor Silicon Business	387.6	374.0	(3.5%) (13.6)	143.2	144.1	0.6% 0.9
Electronics & Functional Materials Business	225.1	234.8	4.3% 9.7	68.5	70.2	2.6% 1.7
Processing, Trading & Specialized Services Business	104.7	97.2	(7.2%) (7.5)	14.8	14.3	(3.1%) (0.5)
Total	1,543.5	1,496.9	(3.0%) (46.6)	406.0	392.2	(3.4%) (13.8)



PVC/Chlor-Alkali Business

	Fiscal year 19/4 - 20/3 (Billions of yen)	Fiscal year 20/4 - 21/3 (Billions of yen)	Increase / (Decrease)
Net sales	484.3	469.7	(3.0%)
Operating income	92.1	97.0	5.3%

With regard to the PVC/Chlor-Alkali business, Shintech, Inc. in the U.S. continued to operate its plant at full capacity to maintain high shipment levels of both PVC and caustic soda. In April and May, it was influenced by market conditions caused by the restriction on economic activities. But, after that, the supply and demand tightened worldwide and the prices were raised. We endeavored to maintain the sales volumes at the European and Japanese bases as well, and benefitted from improved market conditions.

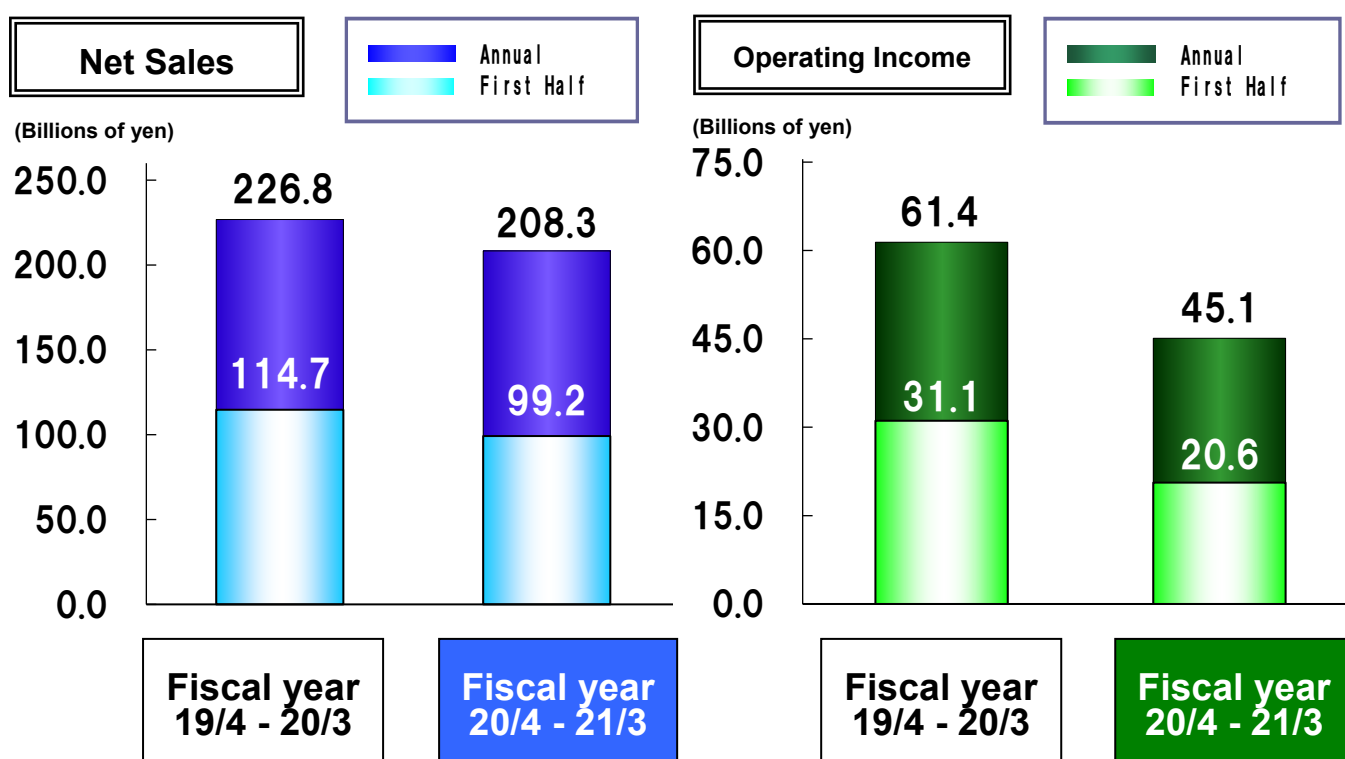


- Growth in PVC demand is expected to continue in major global markets due to rising demand for homebuilding and infrastructures and environmental awareness. The U.S. supply capacity, an exporter of PVC resins, was limited mainly by the hurricanes last year and the cold wave this year, which led to a shortage of supply. The supply shortage is expected to continue for a while.
- Our capacity expansion construction at Shintech (first phase) should be completed in the middle of this year. We started second phase of capacity expansion construction at Shintech.

Silicones Business

	Fiscal year 19/4 - 20/3 (Billions of yen)	Fiscal year 20/4 - 21/3 (Billions of yen)	Increase / (Decrease)
Net sales	226.8	208.3	(8.2%)
Operating income	61.4	45.1	(26.6%)

With regard to the silicones business, it was affected by the price decline of general-purpose products and the sluggish demand for products for cosmetic and automotive applications. Customer demand began to recover from the beginning of autumn.

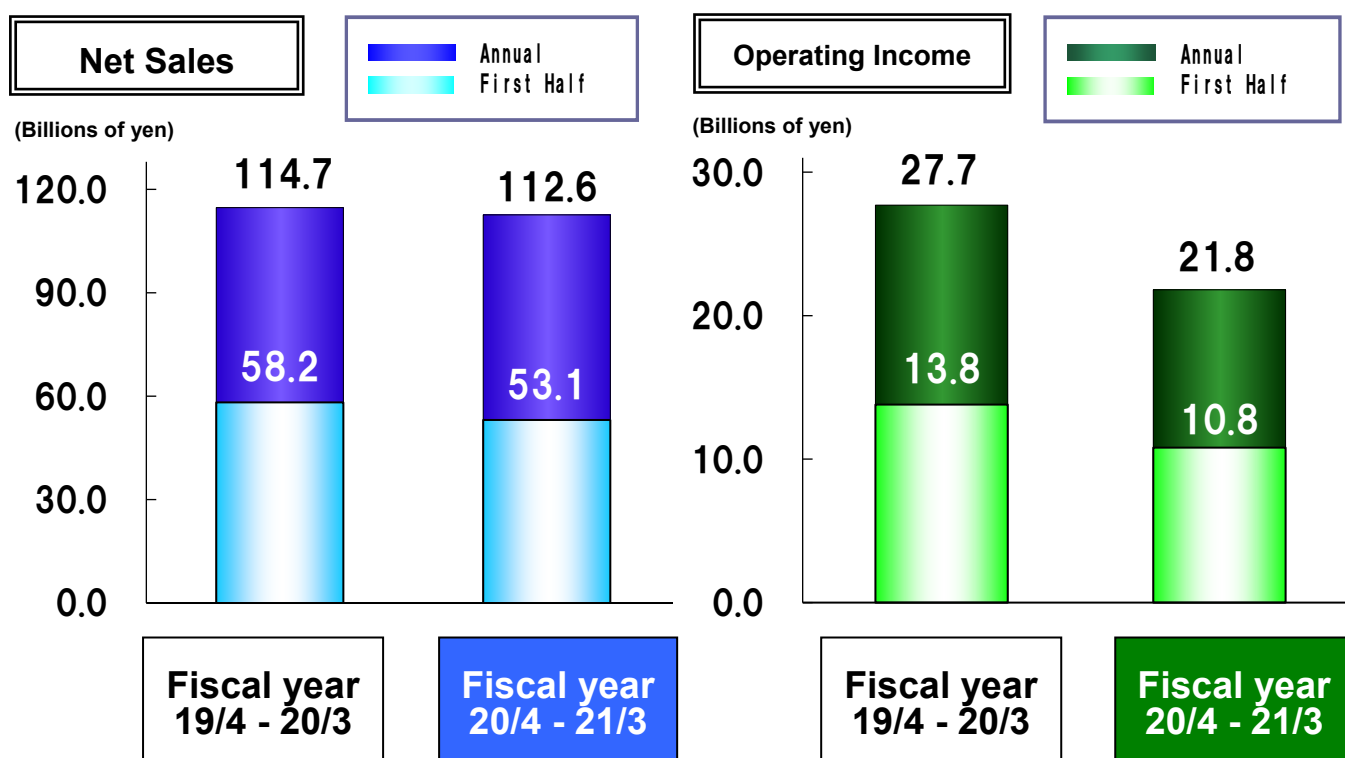


- Customer demand recovered in almost all areas. While capturing demand, we initiated price revisions. We increase the composition of functional products and specialty products that are characteristic of our silicones business.
- We will continue to respond quickly to customer needs and promote the development of diverse applications.

Specialty Chemicals Business

	Fiscal year 19/4 - 20/3 (Billions of yen)	Fiscal year 20/4 - 21/3 (Billions of yen)	Increase / (Decrease)
Net sales	114.7	112.6	(1.9%)
Operating income	27.7	21.8	(21.3%)

With regard to the cellulose derivatives business, the products for pharmaceutical applications continued to hold steady although the sales of products for building and construction applications were weak. Shipments of the pheromone products and the POVAL products were sluggish.

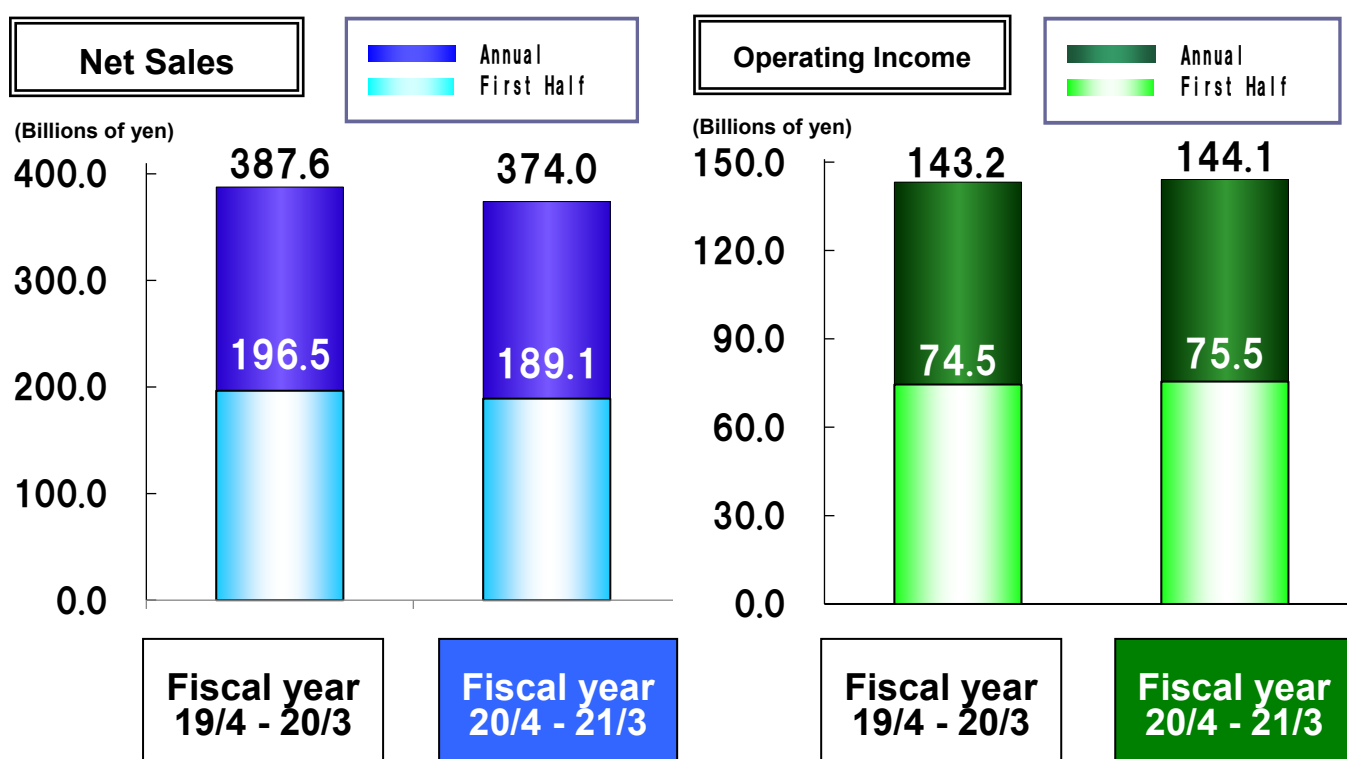


- With regard to the cellulose derivatives business, the ratio of pharmaceutical and food applications increased by 14 percentage points from the previous year.
- We started researching an application of pheromone products for forest preservation.

Semiconductor Silicon Business

	Fiscal year 19/4 - 20/3 (Billions of yen)	Fiscal year 20/4 - 21/3 (Billions of yen)	Increase / (Decrease)
Net sales	387.6	374.0	(3.5%)
Operating income	143.2	144.1	0.6%

With regard to the semiconductor silicon business, demand increased due to the resumption of economic activities.



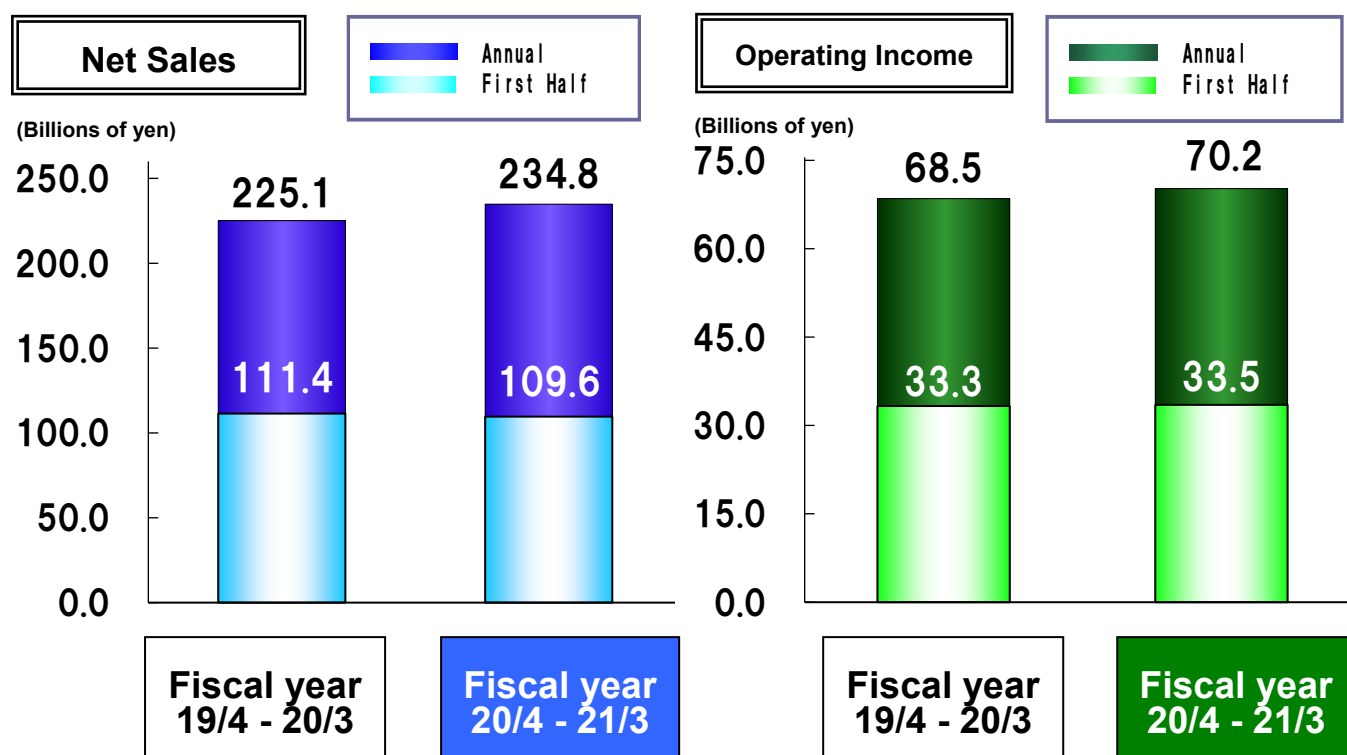
- Demand for semiconductor devices is stronger in all directions as the shortage of products occurs.
- As semiconductor devices are regarded as strategic materials, we will provide the ultimate quality and stable supply that will support further miniaturization as one of the key elements of the supply chain.
- We contribute to the digitization being advanced toward the so-called “de-materialization” of the economy.

Electronics & Functional Materials Business

	Fiscal year 19/4 - 20/3 (Billions of yen)	Fiscal year 20/4 - 21/3 (Billions of yen)	Increase / (Decrease)
Net sales	225.1	234.8	4.3%
Operating income	68.5	70.2	2.6%

With regard to the rare earth magnets business, the operations at our overseas plants were temporarily affected by the restriction on economic activities in the first quarter, but the shipments of products for hard disk drives were favorable and automotive application showed a strong recovery in the second half.

With regard to the photoresist products business, the ArF photoresists and EUV photoresists continued to perform well. The photomask blanks business also performed well for both high-end and general-purpose products. The optical fiber preform business experienced harsh conditions due to the impact of the deteriorating market. The photomask substrates business for large panel applications was affected by slowing demand.

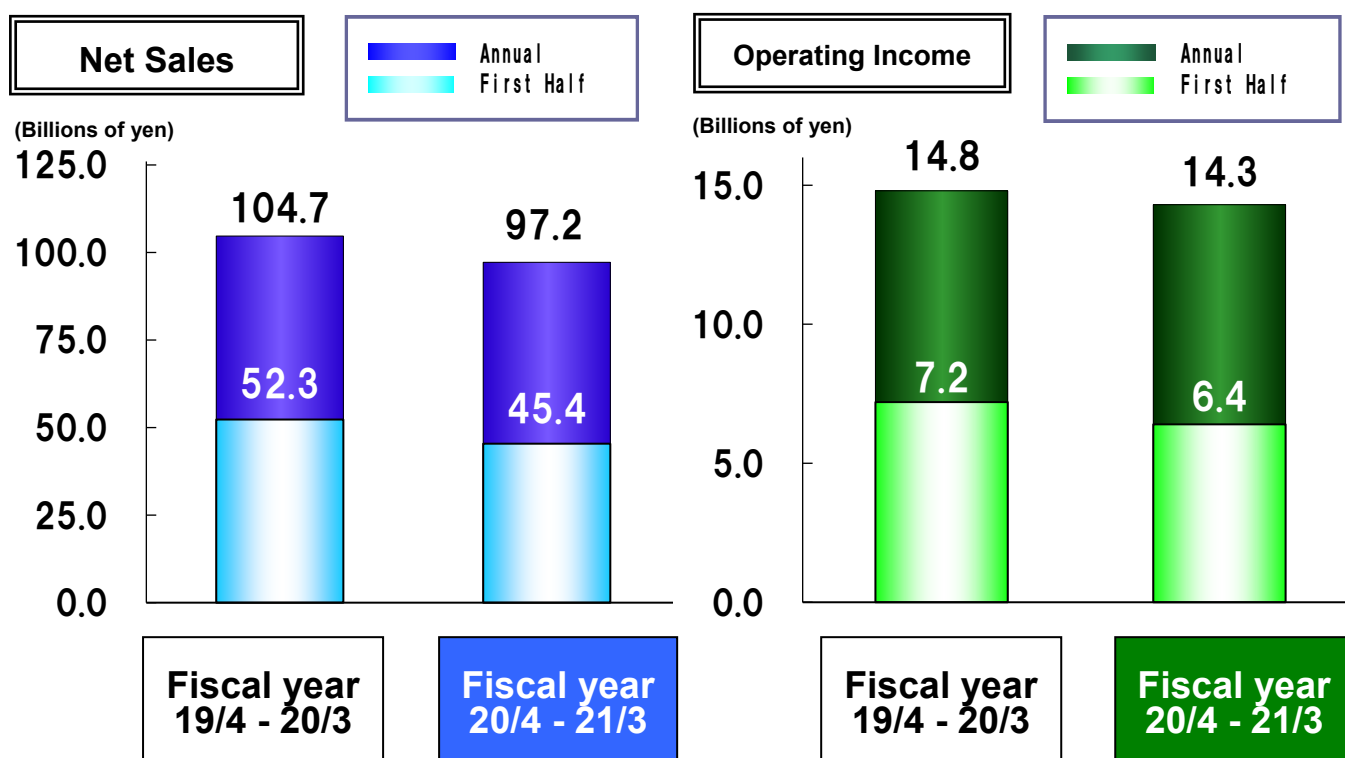


- With regard to the rare earth magnets business, the applications for automobiles (especially environmentally friendly automobiles which use rare earth magnets about ten times more than conventional automobiles) factory automation, data centers and wind power generators continue to grow. We developed our technologies to all fields and applications of electric motors and drives. We also made aggressive use of rare earth separation and purification technology.
- With regard to the lithographical areas, we immediately respond to further miniaturization, multi-layering resist system and advanced packaging by speeding up development. We accelerate the implementation of capacity expansion plans to meet quality and supply required by customers.
- We accelerate mass production and development of 5G related products.
- We launch micro LED materials, lithium-ion battery performance improvers, and heterogeneous semiconductor substrate products.

Processing, Trading & Specialized Services Business

	Fiscal year 19/4 - 20/3 (Billions of yen)	Fiscal year 20/4 - 21/3 (Billions of yen)	Increase / (Decrease)
Net sales	104.7	97.2	(7.2%)
Operating income	14.8	14.3	(3.1%)

The shipments of Shin-Etsu Polymer Co., Ltd.'s semiconductor wafer containers were steady, but the input devices for automobiles were affected by the deteriorating automobile market.



- With regard to the semiconductor wafer containers business, we surely capture the demand of both the semiconductor device and wafer markets and immediately respond to the recovery of demand for automotive input devices.

3) Information on Assets, Liabilities and Net assets

At the end of FY 2020, total assets increased by ¥150.2 billion compared with that at the end of the previous fiscal year to ¥3,380.6 billion. It was mainly due to increases in property, plant and equipment and inventories.

Total liabilities decreased by ¥13.4 billion from that at the end of the previous fiscal year to ¥493.9 billion.

Total net assets increased by ¥163.5 billion compared with that at the end of the previous fiscal year to ¥2,886.6 billion. This increase was mainly due to net income attributable to owners of parent of ¥293.7 billion for FY 2020 and offset by a cash dividend payment of ¥91.4 billion.

4) Status of Cash Flows

		Billions of yen		
		April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021	Increase (Decrease)
Cash and cash equivalents at beginning of fiscal year		828.3	745.1	(83.2)
1.	Cash flows from operating activities	412.3	401.1	(11.2)
2.	Cash flows from investing activities	(394.5)	(250.7)	143.8
3.	Cash flows from financing activities	(94.0)	(91.1)	2.9
4.	Effect of foreign exchange and others	(7.0)	(2.8)	4.2
Net increase (decrease) in cash and cash equivalents		(83.2)	56.4	139.6
Cash and cash equivalents at end of fiscal year		745.1	801.5	56.4

The balance of cash and cash equivalents at the end of FY 2020 increased by 7.6% (¥56.4 billion) compared with that at the end of the previous fiscal year to ¥801.5 billion.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥401.1 billion, a decrease of ¥11.2 billion from the previous fiscal year. This consisted mainly of ¥402.1 billion in income before income taxes and non-controlling interests, ¥143.8 billion in depreciation and amortization and ¥101.4 billion for the payment of income taxes.

Cash flows from investing activities

Net cash used for investing activities decreased by ¥143.8 billion from the previous fiscal year to ¥250.7 billion. This was mainly due to ¥236.1 billion for purchases of property, plant and equipment and ¥12.3 billion for net increase in time deposits.

Cash flows from financing activities

Net cash used for financing activities decreased by ¥2.9 billion from the previous fiscal year to ¥91.1 billion. This was mainly due to a cash dividend payment of ¥91.4 billion and ¥10.6 billion for purchases of treasury stock.

(Reference)

The trend of cash flow indices

	For the fiscal year ended				
	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Stockholders' equity ratio (%)	80.3	81.0	81.1	82.1	83.2
Stockholders' equity ratio on market value basis (%)	154.8	161.7	127.3	138.1	228.8
Debt repayment ratio (%)	4.9	4.7	3.7	5.7	6.9
Interest coverage ratio (times)	550.2	554.9	533.4	810.7	702.1

(Notes)* Stockholders' equity ratio: stockholders' equity/total assets

Stockholders' equity used for the calculation of indices is net assets, excluding both share subscription rights and non-controlling interests in consolidated subsidiaries

* Stockholders' equity ratio on market value basis: aggregate market value of common stock/total assets

* Debt repayment ratio: interest-bearing liabilities/cash flows from operating activities

* Interest coverage ratio: cash flows from operating activities/interest payments

1. All indices are calculated based on the consolidated financial figures.
2. Aggregate market value of common stock is calculated by multiplying the market price at the end of each fiscal year by the number of outstanding shares, excluding treasury stock, at the end of each fiscal year.
3. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest.

5) Basic Policy Concerning Profit-sharing

From the long-term perspective, we are focusing on expanding profitability and maintaining a solid financial base, and our basic policy is to return the fruits of such management efforts to our shareholders in a proper, stable manner. We strive to increase our corporate value by allocating internal reserves for capital investments, R&D investments and M&A deals and aggressively using them for enhanced global competitiveness, future business development and further growth. As we face the yet unsettled problem of viral infection and the drastic economic fluctuations that may occur, we will maintain our financial base that will support our efforts to tackle these challenges. Based on this policy, we emphasize shareholder return as part of our capital policy and strive to provide, while considering various circumstances, stable dividends at a dividend payout ratio of around 35% in the medium-to long term.

In accordance with these, the year-end dividend for the fiscal year is planned to be ¥140 per share (our previous forecast was ¥130 per share), which is higher than the interim dividend of ¥110 per share at the end of the second quarter. As a result, the annual dividend will be ¥250 per share, ¥30 up from the annual dividend of ¥220 per share for the last fiscal year.

(2) Business Prospects

As mentioned at the beginning, demand in our field of businesses has generally been recovering, and it is hoped that the economic measures that the major economies have set out or are trying to set out will benefit the world economy. On the other hand, there were signs of an upswing in inflation, causing disruptions in supply chains. Although vaccinations have progressed, the epidemic has resurged, rendering the prospect unpredictable. In addition to localized geopolitical risks, we must pay attention to the increasingly evident confrontation between the United States and China. Large fluctuations in global climate are also a cause for concern. While maintaining our resilience to these developments, we will carry out our business to improve profitability.

Based on the above, we have temporarily decided not to forecast business performance over the next year due to the difficulty of reasonably predicting FY2021's performance at this point. We will promptly release it as soon as we can.

(3) Management Policies

1) Basic Management Policies

The Company aims to respond to our shareholders' expectations by contributing to society and industries through value creation with our materials and technologies. To achieve this, we will pursue the world's best technology and quality. We will continuously make efforts to improve productivity as well as move forward with business management that enables us to provide our products stably to customers worldwide and to cope adequately and speedily with changes in the economic situation and market conditions. At the same time, we will develop numerous products that will help resolve the issues faced by customers and industries.

It is imperative to maximize efficiency throughout the economies in this day and age when humans pursue sustainable growth and prosperity while lessening burden on environments. We believe that we can play a key role to that end. We will develop our product offerings with that focus and make a contribution in such manner as the more of our products are used, the better the industries and human societies become. We are determined to do our part as essential supplier to human life and industries in the world.

2) Targeting Our Management Objectives: Shin-Etsu's Mid- to Long-term Management Strategies

The management indicator sets a target of increasing revenue and earnings every fiscal year. Among our main products, there are some that are affected by changes in business environment including market conditions. We need to adapt speedily to changes in the external environment in order to manage each business in rapidly changing markets. Despite record high profits in the previous fiscal year followed by an inevitable decrease in the current fiscal year, we achieved an ordinary income level in the 400 billion yen range. We have formulated a plan and begun working with the aim of further raising the profits.

As semiconductor devices are regarded as strategic materials, we will be adept and resourceful on both technology and supply. Lately, major countries have set goals for reduction in greenhouse gas emissions and begun to move forward to achieving so called carbon neutral. Our business is all in aligned to helping reducing greenhouse gas emissions. We will commit to further align our business toward it. In addition, we will adopt technologies effective in reducing greenhouse gas emissions as soon and much as we are able.

3) Policy Implementation

In line with the above-mentioned items (2) and (3) 1) and 2), we will continuously strive to improve our business performance further. It will still take some time for the epidemic to come to an end.

When and if it comes to an end, there will be some parts of our life and economic activities that will go back to what they were before, and some other parts that will not. We view this as an opportunity for new growth. We see the purpose of so-called digital transformation as "dematerialization" of the economy and will seek to contribute to it. As a measure to realize carbon neutrality, we will proceed with measures and preparations for carbon taxes that will likely be implemented. Given that globalization may be reviewed and transformed with the possible decoupling of the global economy arising from the U.S.-China confrontation, we will continue to work flexibly to play a key role as an essential supplier, regardless of how all this may transpire.

By segment, the prospect is as follows:

With regard to the PVC business, Shintech, Inc. in the U.S. will launch as planned a new Plant of PVC resins to meet growing demand. We will steadily carry out the construction work in the second period. At the same time, we will consider the subsequent plan.

With regard to the silicones business, we are proceeding with the expansion of the production capacity of final products and striving to expand the supply system and product lineups for customers worldwide. We will further develop our products and their applications in order to contribute to the solution of our customers' issues.

With regard to the specialty chemicals business, for our cellulose business, we will strive for the stable supply of various products from our three bases in Japan, the US and Europe. In addition to the products for pharmaceuticals and industrial applications, which have been our focus, we will respond to the increasing demand for food application products. As for our pheromone products, we will increase the number of application brands and contribute to the improvement of agricultural production as well as to forest preservation. Regarding other existing products such as POVAL, we will go forward and expand the sales as well.

With regard to the semiconductor silicon business, although the semiconductor device market has short-term fluctuations, it is certain that its market will grow in the long-term. We will employ every possible means to continue our stable supply of high-quality silicon wafers that support miniaturization and other requirements. We will continue to respond to customer demand in consideration of investment efficiency.

With regard to the electronics & functional materials business, for our rare earth magnet business, we will make use of our integrated production system from refining raw materials to producing final products at the two bases in Japan and Vietnam. We will implement raw material measures with great care and respond to security-related studies for supplies that have been initiated in Europe and the United States. We will promote the launch of semiconductor device packaging materials, new types of substrate materials, and 5G compatible materials. In our optical fiber preforms business, we will capture demand derived from infrastructure investments beginning in major countries. In our synthetic quartz substrates business, we will respond to the demand by providing high quality products in various sizes quickly. In our photoresists business, we will continue focusing on development and stable supply of high-end products, and in our photomask blanks business, we will meet the demand for high-end products with our integrated production system that starts from producing the substrates.

2. Basic Approach to the Selection of Accounting Standards

We have been using Japanese Generally Accepted Accounting Principles (JP-GAAP). We do not intend to change the accounting standards applied in the foreseeable future.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31, 2020 and 2021

	Millions of yen	
	March 31, 2020	March 31, 2021
ASSETS		
Current Assets:		
Cash and time deposits	836,448	866,882
Notes and accounts receivable-trade	325,489	343,896
Securities	251,377	286,039
Inventories	365,667	365,032
Other	52,723	59,085
Less: Allowance for doubtful accounts	(7,186)	(6,028)
Total current assets	1,824,519	1,914,909
Fixed Assets:		
Property, plant and equipment		
Buildings and structures, net	202,848	206,246
Machinery and equipment, net	440,595	559,992
Land	92,577	90,159
Construction in progress	367,309	290,901
Other, net	16,584	17,850
Total property, plant and equipment	1,119,915	1,165,149
Intangible assets	10,099	8,922
Investments and other assets:		
Investments in securities	126,060	150,573
Deferred tax assets	63,735	58,703
Other	88,446	84,538
Less: Allowance for doubtful accounts	(2,291)	(2,180)
Total investments and other assets	275,950	291,635
Total fixed assets	1,405,965	1,465,706
TOTAL ASSETS	3,230,485	3,380,615

Millions of yen		
	March 31, 2020	March 31, 2021
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	136,442	125,410
Short-term borrowings	8,295	11,768
Accounts payable-other	75,094	63,595
Accrued expenses	73,292	69,226
Accrued income taxes	44,377	48,049
Other	40,291	45,196
Total current liabilities	377,794	363,246
Long-term Liabilities:		
Long-term debt	15,124	15,986
Deferred tax liabilities	59,378	55,289
Net defined benefit liability	36,243	41,456
Other	18,803	18,011
Total long-term liabilities	129,549	130,743
TOTAL LIABILITIES	507,343	493,990
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	128,323	128,954
Retained earnings	2,413,769	2,616,081
Less: Treasury stock, at cost	(7,123)	(12,612)
Total stockholders' equity	2,654,388	2,851,842
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	10,296	25,027
Deferred gains (losses) on hedges	(2,799)	(2,703)
Foreign currency translation adjustments	(8,187)	(58,618)
Remeasurements of defined benefit plans	(1,387)	(2,409)
Total accumulated other comprehensive income	(2,078)	(38,704)
Share subscription rights	1,904	2,014
Non-controlling interests in consolidated subsidiaries	68,927	71,473
TOTAL NET ASSETS	2,723,141	2,886,625
TOTAL LIABILITIES AND NET ASSETS	3,230,485	3,380,615

(2) Consolidated Statements of Income and Statements of Comprehensive Income

For the fiscal years ended March 31, 2020 and 2021

Consolidated Statements of Income

	Millions of yen	
	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
Net sales	1,543,525	1,496,906
Cost of sales	987,782	953,203
Gross profit	555,743	543,702
Selling, general and administrative expenses	149,702	151,489
Operating income	406,041	392,213
Non-operating income:		
Interest income	10,777	5,016
Dividend income	7,388	7,417
Equity in earnings of affiliates	4,327	5,364
Other income	2,047	3,517
Total non-operating income	24,541	21,316
Non-operating expenses:		
Interest expenses	749	728
Loss on retirement of non-current assets	1,202	1,954
Other expenses	10,388	5,745
Total non-operating expenses	12,339	8,428
Ordinary income	418,242	405,101
Extraordinary income:		
Gain on sales of investment securities	7,774	-
Total extraordinary income	7,774	-
Extraordinary loss:		
Loss on disaster	-	2,955
Total extraordinary loss	-	2,955
Income before income taxes and non-controlling interests	426,017	402,145
Income taxes:		
Current	108,290	105,356
Deferred	(564)	(2,387)
Total income taxes	107,726	102,968
Net income	318,290	299,177
Net income attributable to non-controlling interests	4,263	5,444
Net income attributable to owners of parent	314,027	293,732

Consolidated Statements of Comprehensive Income

	Millions of yen	
	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
Net income	318,290	299,177
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(12,732)	14,787
Deferred gains (losses) on hedges	(2,530)	93
Foreign currency translation adjustments	(13,642)	(50,887)
Remeasurements of defined benefit plans	(2,371)	(1,010)
Share of other comprehensive income of affiliates accounted for using the equity method	(125)	70
Total other comprehensive income	(31,401)	(36,946)
Comprehensive income	286,889	262,230
(Breakdown)		
Comprehensive income attributable to owners of parent	283,128	257,106
Comprehensive income attributable to non-controlling interests	3,760	5,123

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2020

(Millions of yen)

	Stockholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total stockholders' equity
Balance at the beginning of the year	119,419	128,299	2,283,760	(94,702)	2,436,777
Changes during the year					
Cash dividends			(87,410)		(87,410)
Net income attributable to owners of parent			314,027		314,027
Purchase of treasury stock				(10,566)	(10,566)
Disposal of treasury stock		145		1,391	1,537
Retirement of treasury stock		(96,753)		96,753	
Transfer to additional paid-in capital from retained earnings		96,608	(96,608)		
Others		23			23
Net changes of items other than stockholders' equity					
Total changes during the year	-	23	130,008	87,579	217,611
Balance at the end of the year	119,419	128,323	2,413,769	(7,123)	2,654,388

(Millions of yen)

	Accumulated Other Comprehensive Income					Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	22,955	(266)	5,143	987	28,820	1,143	65,814	2,532,556
Changes during the year								
Cash dividends								(87,410)
Net income attributable to owners of parent								314,027
Purchase of treasury stock								(10,566)
Disposal of treasury stock								1,537
Retirement of treasury stock								
Transfer to additional paid-in capital from retained earnings								
Others								23
Net changes of items other than stockholders' equity	(12,659)	(2,533)	(13,331)	(2,375)	(30,899)	760	3,112	(27,026)
Total changes during the year	(12,659)	(2,533)	(13,331)	(2,375)	(30,899)	760	3,112	190,584
Balance at the end of the year	10,296	(2,799)	(8,187)	(1,387)	(2,078)	1,904	68,927	2,723,141

For the fiscal year ended March 31, 2021

(Millions of yen)

	Stockholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Total stockholders' equity
Balance at the beginning of the year	119,419	128,323	2,413,769	(7,123)	2,654,388
Changes during the year					
Cash dividends			(91,420)		(91,420)
Net income attributable to owners of parent			293,732		293,732
Purchase of treasury stock				(10,657)	(10,657)
Disposal of treasury stock		627		5,167	5,795
Others		3			3
Net changes of items other than stockholders' equity					
Total changes during the year	-	630	202,311	(5,489)	197,453
Balance at the end of the year	119,419	128,954	2,616,081	(12,612)	2,851,842

(Millions of yen)

	Accumulated Other Comprehensive Income					Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	10,296	(2,799)	(8,187)	(1,387)	(2,078)	1,904	68,927	2,723,141
Changes during the year								
Cash dividends								(91,420)
Net income attributable to owners of parent								293,732
Purchase of treasury stock								(10,657)
Disposal of treasury stock								5,795
Others								3
Net changes of items other than stockholders' equity	14,730	95	(50,430)	(1,021)	(36,625)	110	2,546	(33,969)
Total changes during the year	14,730	95	(50,430)	(1,021)	(36,625)	110	2,546	163,484
Balance at the end of the year	25,027	(2,703)	(58,618)	(2,409)	(38,704)	2,014	71,473	2,886,625

(4) Consolidated Statements of Cash Flows

For the fiscal years ended March 31, 2020 and 2021

	Millions of yen	
	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
Cash flows from operating activities:		
Income before income taxes and non-controlling interests	426,017	402,145
Depreciation and amortization	131,172	143,807
Increase (decrease) in net defined benefit liability	2,723	2,860
Loss (gain) on sales of investment securities	(7,774)	(1,687)
Increase (decrease) in allowance for doubtful accounts	(493)	(1,185)
Interest and dividend income	(18,166)	(12,434)
Interest expenses	749	728
Exchange (gain) loss	3,464	(4,909)
Equity in (earnings) losses of affiliates	(4,327)	(5,364)
Loss on disaster	-	2,955
(Increase) decrease in notes and accounts receivable	11,215	(22,016)
(Increase) decrease in inventories	(36,910)	(3,898)
(Increase) decrease in long-term advance payment	3,579	4,109
Increase (decrease) in notes and accounts payable	(3,892)	(9,584)
Other, net	(6,491)	(7,402)
Subtotal	500,865	488,123
Proceeds from interest and dividends	19,852	15,026
Payments of interest	(508)	(571)
Payments of income taxes	(107,824)	(101,402)
Net cash provided by operating activities	412,384	401,176
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(127,525)	(12,334)
Net (increase) decrease in marketable securities	(1,063)	(5,145)
Purchases of property, plant and equipment	(268,365)	(236,195)
Purchases of intangible assets	(1,063)	(1,177)
Purchases of investments in securities	(6,520)	(3,616)
Proceeds from sales and redemption of investments in securities	12,606	3,471
Other, net	(2,615)	4,278
Net cash used for investing activities	(394,547)	(250,719)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	1,265	701
Proceeds from long-term debt	8,384	4,578
Repayments of long-term debt	(743)	(796)
Purchases of treasury stock	(10,566)	(10,657)
Cash dividends paid	(87,410)	(91,420)
Other, net	(4,985)	6,470
Net cash used for financing activities	(94,055)	(91,123)
Effect of exchange rate changes on cash and cash equivalents	(7,001)	(2,861)
Net increase (decrease) in cash and cash equivalents	(83,220)	56,471
Cash and cash equivalents at beginning of year	828,345	745,125
Cash and cash equivalents at end of year	745,125	801,596

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Segment Information)

1. Overview of Reportable Segments

The reportable segments in the Shin-Etsu Group are defined as individual units for which discrete financial information is available and that are subject to regular review to evaluate their results and allocate management resources by the highest decision-making body of the Company, such as the Managing Directors' Meeting.

The Shin-Etsu Group conducts business through each business division and affiliated companies based on specific products and services, consisting of the following six segments: "PVC/Chlor-Alkali Business," "Silicones Business," "Specialty Chemicals Business," "Semiconductor Silicon Business," "Electronics & Functional Materials Business" and "Processing, Trading & Specialized Services Business." Consequently, these six businesses are specified as reportable segments.

The main products and services of each segment are as follows:

Segment	Main products and services
PVC/Chlor-Alkali Business	Polyvinyl chloride, Caustic soda, Methanol, Chloromethane
Silicones Business	Silicones
Specialty Chemicals Business	Cellulose derivatives, Silicon metal, Polyvinyl alcohol, Synthetic pheromones, Vinyl Chloride-Vinyl Acetate Copolymer Resin
Semiconductor Silicon Business	Semiconductor silicon
Electronics & Functional Materials Business	Rare-earth magnets for electronics industry and general applications, Semiconductor encapsulating materials, Packaging materials for LEDs, Photoresists, Photomask blanks, Synthetic quartz products, Liquid fluoroelastomers, Pellicles
Processing, Trading & Specialized Services Business	Processed plastics, Export of plant equipment, Technology licensing, International trade, Engineering

2. Calculation of Sales, Income (Loss), Assets, Liabilities and Other Items of Reportable Segments

Segment income denotes operating income, and the accounting methods applied are based on the principles and procedures of the accounting treatment used to prepare the consolidated financial statements. Internal revenues and transfers arising from transactions among the segments are based on market prices in general, although transfers performed between segments at the same business site are calculated based on manufacturing cost.

Assets and liabilities are not allocated to business segments.

3. Information on Sales, Income (Loss), and Other Items of Reportable Segments

(1) For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

	Millions of yen								Figures in consolidated financial statements
	PVC/Chlor-Alkali	Silicones	Specialty Chemicals	Semiconductor Silicon	Electronics & Functional Materials	Processing, Trading & Specialized Services	Total	Adjustment*	
Sales to outside customers	469,763	208,324	112,632	374,097	234,883	97,204	1,496,906	—	1,496,906
Intersegment sales	2,783	6,048	17,114	7	9,073	127,081	162,109	(162,109)	—
Total	472,547	214,373	129,746	374,105	243,957	224,285	1,659,015	(162,109)	1,496,906
Segment income (Operating income)	97,051	45,112	21,826	144,100	70,298	14,359	392,748	(535)	392,213
Depreciation and amortization	42,993	18,049	13,608	43,825	21,351	4,487	144,315	(508)	143,807
Increase in property, plant and equipment and intangible assets	96,162	26,276	14,791	41,697	47,370	4,082	230,382	(1,580)	228,801

*Elimination of intersegment transactions

(2) For the fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

	Millions of yen								Figures in consolidated financial statements
	PVC/Chlor-Alkali	Silicones	Specialty Chemicals	Semiconductor Silicon	Electronics & Functional Materials	Processing, Trading & Specialized Services	Total	Adjustment*	
Sales to outside customers	484,322	226,872	114,796	387,631	225,111	104,791	1,543,525	-	1,543,525
Intersegment sales	3,396	6,985	21,126	30	8,380	150,539	190,458	(190,458)	-
Total	487,719	233,857	135,923	387,661	233,492	255,330	1,733,984	(190,458)	1,543,525
Segment income (Operating income)	92,187	61,490	27,717	143,298	68,540	14,824	408,059	(2,018)	406,041
Depreciation and amortization	34,205	16,249	11,481	43,435	20,872	5,320	131,564	(391)	131,172
Increase in property, plant and equipment and intangible assets	102,098	35,500	18,834	58,908	46,262	5,308	266,913	(1,894)	265,018

*Elimination of intersegment transactions

(Per Share Information)

	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
Net assets per share (yen)	6,377.93	6,769.72
Basic earnings per share (yen)	755.17	706.76
Diluted earnings per share (yen)	755.01	706.26

(Note) Basic earnings per share and diluted earnings per share were calculated based on the following:

	Millions of yen	
	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
Calculation of basic earnings per share		
Profit attributable to owners of parent	314,027	293,732
Amount not attributable to shareholders of common stock	-	-
Profit attributable to shareholders of common stock of parent	314,027	293,732
Weighted-average number of shares outstanding (thousands of shares)	415,838	415,602
Calculation of diluted earnings per share		
Adjustments to net income attributable to owners of parent	(4)	(11)
[Adjustments of dilutive shares issued by subsidiaries]	[(4)]	[(11)]
Increase of common stock (thousands of shares)	78	281
[Share subscription rights included in the above (thousands of shares)]	[78]	[281]

	Number of share subscription rights	
	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
Potentially dilutive shares not included in the calculation of diluted earnings due to their anti-dilutive effect	-	-

(Major Subsequent Events)

Not applicable

(Appendix)

1. Quarterly Operating Results

(Billions of yen)

	FY 2019 April 1, 2019 - March 31, 2020					FY 2020 April 1, 2020 - March 31, 2021				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net Sales	386.2	400.3	387.4	369.5	1,543.5	359.3	351.1	379.8	406.4	1,496.9
PVC / Chlor-Alkali	122.8	130.3	119.6	111.5	484.3	110.2	103.6	120.7	135.1	469.7
Silicones	56.3	58.4	57.3	54.7	226.8	51.2	47.9	52.7	56.3	208.3
Specialty Chemicals	28.9	29.3	29.2	27.3	114.7	27.4	25.7	29.3	30.0	112.6
Semiconductor Silicon	99.0	97.4	99.2	91.8	387.6	94.9	94.1	92.0	92.9	374.0
Electronics & Functional Materials	54.7	56.6	56.4	57.1	225.1	52.5	57.1	60.4	64.7	234.8
Processing, Trading & Specialized Services	24.2	28.0	25.5	26.8	104.7	22.8	22.5	24.6	27.1	97.2
Operating Income	107.5	103.0	108.2	87.3	406.0	90.9	93.3	100.7	107.1	392.2
PVC / Chlor-Alkali	25.3	26.3	25.5	14.9	92.1	19.0	18.3	24.5	35.0	97.0
Silicones	15.9	15.1	15.9	14.4	61.4	10.5	10.1	11.0	13.4	45.1
Specialty Chemicals	7.5	6.3	7.4	6.3	27.7	5.0	5.8	6.2	4.7	21.8
Semiconductor Silicon	39.4	35.0	37.6	31.1	143.2	38.5	37.0	37.1	31.4	144.1
Electronics & Functional Materials	16.6	16.7	18.1	17.0	68.5	14.9	18.5	18.0	18.6	70.2
Processing, Trading & Specialized Services	3.5	3.6	3.7	3.7	14.8	2.6	3.7	3.7	4.1	14.3
Ordinary Income	108.9	109.3	112.0	88.0	418.2	95.2	97.0	100.8	112.0	405.1
Net Income Attributable to Owners of Parent	84.0	80.9	81.8	67.1	314.0	69.3	70.9	73.0	80.4	293.7
R&D Costs	12.9	11.8	11.4	12.3	48.5	12.3	12.1	12.9	13.7	51.2
Overseas Sales	280.9	295.8	283.5	268.1	1,128.4	264.9	258.1	281.7	302.2	1,107.1
Ratio of Overseas Sales to Net Sales	73%	74%	73%	73%	73%	74%	74%	74%	74%	74%

2. Capital Expenditures and Depreciation and Amortization

(Billions of yen)

	FY 2019 April 1, 2019 - March 31, 2020					FY 2020 April 1, 2020 - March 31, 2021				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Capital Expenditures	56.3	60.5	62.2	85.8	265.0	52.7	58.2	63.6	54.1	228.8
PVC / Chlor-Alkali	18.3	20.2	21.6	41.8	102.0	25.9	21.2	23.6	25.3	96.1
Silicones	8.4	6.3	7.8	12.7	35.5	5.1	6.4	8.3	6.3	26.2
Specialty Chemicals	5.0	5.4	7.0	1.3	18.8	3.2	4.3	3.9	3.2	14.7
Semiconductor Silicon	14.7	16.8	12.4	14.9	58.9	10.3	11.7	9.8	9.7	41.6
Electronics & Functional Materials	8.7	11.3	12.6	13.4	46.2	6.7	14.0	17.3	9.2	47.3
Processing, Trading & Specialized Services	1.2	1.2	1.0	1.8	5.3	1.6	0.7	0.6	1.0	4.0
Depreciation and Amortization	31.6	33.7	31.7	34.1	131.1	31.1	34.4	37.1	41.0	143.8
PVC / Chlor-Alkali	8.2	9.2	8.5	8.1	34.2	8.9	10.9	11.1	11.8	42.9
Silicones	3.6	3.9	3.9	4.6	16.2	3.9	4.1	4.5	5.3	18.0
Specialty Chemicals	2.4	2.6	2.6	3.7	11.4	3.2	3.2	3.5	3.5	13.6
Semiconductor Silicon	11.2	11.6	10.2	10.2	43.4	9.2	9.9	11.4	13.1	43.8
Electronics & Functional Materials	4.8	5.1	5.1	5.8	20.8	4.7	5.0	5.4	6.0	21.3
Processing, Trading & Specialized Services	1.2	1.2	1.2	1.6	5.3	1.0	1.1	1.1	1.2	4.4

3. Operating Performance of Shintech Inc.

	2019 January - December		2020 January - December		Year-on-year change (US\$ basis)	Year-on-year change (Yen basis)
	Millions of US\$	Billions of yen	Millions of US\$	Billions of yen		
Net Sales	3,151	343.6	3,182	339.9	+1.0%	(1.1%)
Ordinary Income	676	73.7	735	78.5	+8.7%	+6.5%
Net Income	546	59.5	570	60.9	+4.4%	+2.3%
Net Assets	6,493	711.4	7,174	742.5		
Total Assets	7,618	834.6	8,160	844.5		

Exchange Rate Jan-Dec(Average)	109.1Yen/US\$	106.8Yen/US\$
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4. Other Financial Items (Consolidated)

(Billions of yen)

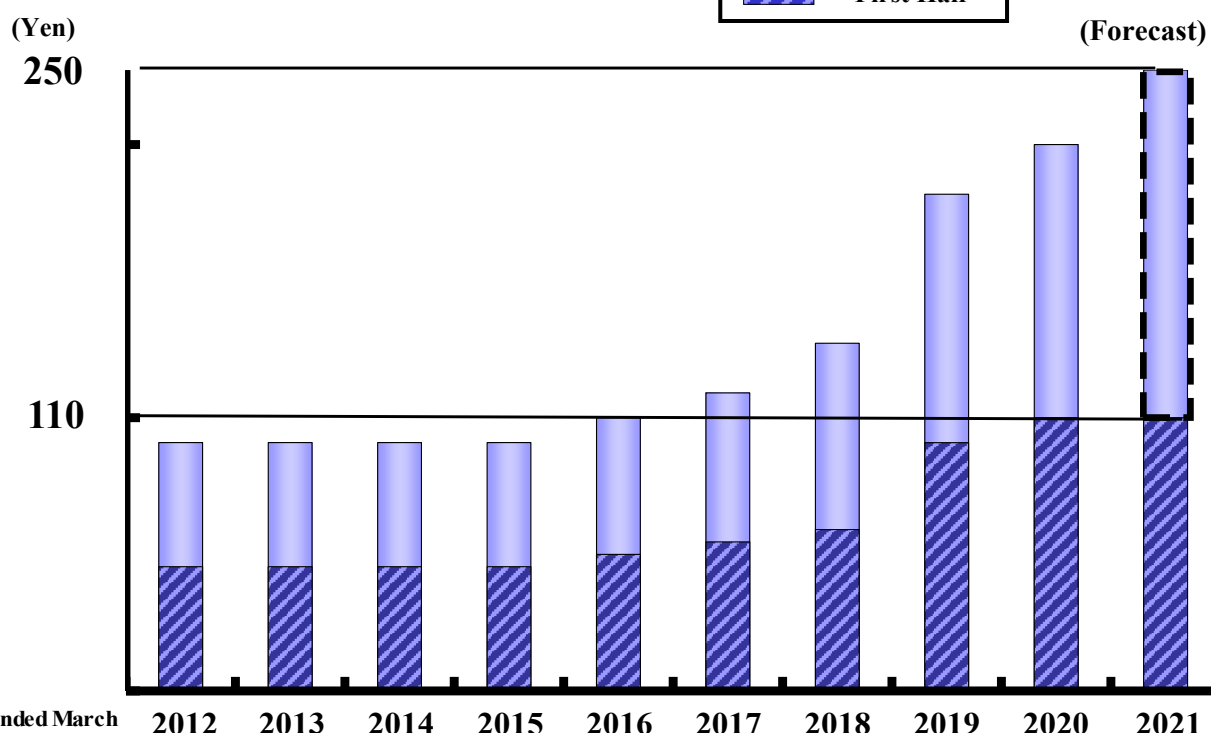
	Mar 31 2020	Mar 31 2021
Net Assets	2,723.1	2,886.6
Total Assets	3,230.4	3,380.6
Net Assets per Share (Yen)	6,378	6,770
Interest-bearing Liabilities	23.4	27.7
Number of Employees	22,783	24,069

5. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2020	Mar 31 2021	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]		Mar 31 2020	Mar 31 2021	Increase (Decrease) [a]	Effect of exchange rate [b]	[a]-[b]
Current Assets	1,824.5	1,914.9	90.4	(22.9)	113.3	Current Liabilities	377.7	363.2	(14.5)	(2.7)	(11.8)
Cash and time deposits	836.4	866.8	30.4	(14.4)	44.8	Notes and accounts payable-trade	136.4	125.4	(11.0)	(1.4)	(9.6)
Notes and accounts receivable-trade	325.4	343.8	18.4	(3.5)	21.9	Short-term borrowings	8.2	11.7	3.5	0.1	3.4
Securities	251.3	286.0	34.7	(0.1)	34.8	Accrued income taxes	44.3	48.0	3.7	0	3.7
Inventories	365.6	365.0	(0.6)	(4.8)	4.2	Other	188.6	178.0	(10.6)	(1.4)	(9.2)
Other	45.5	53.0	7.5	(0.1)	7.6	Long-term Liabilities	129.5	130.7	1.2	(2.6)	3.8
						Total Liabilities	507.3	493.9	(13.4)	(5.3)	(8.1)
Fixed Assets	1,405.9	1,465.7	59.8	(34.9)	94.7	Stockholders' Equity	2,654.3	2,851.8	197.5	0	197.5
Property, Plant and Equipment	1,119.9	1,165.1	45.2	(34.0)	79.2	Accumulated Other Comprehensive Income	(2.0)	(38.7)	(36.7)	(51.6)	14.9
Intangible Assets	10.0	8.9	(1.1)	0	(1.1)	Other	70.8	73.4	2.6	(0.9)	3.5
Investments and Other Assets	275.9	291.6	15.7	(0.9)	16.6	Total Net Assets	2,723.1	2,886.6	163.5	(52.5)	216.0
Total Assets	3,230.4	3,380.6	150.2	(57.8)	208.0	Total Liabilities and Net Assets	3,230.4	3,380.6	150.2	(57.8)	208.0

6. Cash Dividends per Share



Fiscal year ended March		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cash Dividends per Share (Yen)	First half	50	50	50	50	55	60	65	100	110	110
	Annual	100	100	100	100	110	120	140	200	220	250 *
Net Income per Share (Yen)	Annual	237.0	248.9	267.2	302.0	349.5	412.9	624.3	726.0	755.2	706.8
Dividend payout ratio	Annual	42.2%	40.2%	37.4%	33.1%	31.5%	29.1%	22.4%	27.5%	29.1%	35.4%*

*Forecast

7. Sales by Region

(Billions of yen)

	Japan	Overseas						Total Consolidated Net Sales
		U.S.	Asia/Oceania		Europe	Other Areas	Total	
				China				
Fiscal year 19/4 - 20/3	27%	22%	33%	10%	11%	7%	73%	1,543.5
	415.0	335.3	519.9	156.0	165.3	107.8	1,128.4	
Fiscal year 20/4 - 21/3	26%	23%	34%	10%	10%	7%	74%	1,496.9
	389.7	343.2	512.1	151.7	152.6	99.0	1,107.1	

Note: % indicates the proportion of total consolidated net sales

8. Assets by Segments

(Billions of yen)

	PVC/ Chlor-Alkali Business	Silicones Business	Specialty Chemicals Business	Semiconductor Silicon Business	Electronics & Functional Materials Business	Processing, Trading & Specialized Services Business	Corporate assets	Consolidated total
March 31 2020	940.4	308.8	184.4	897.4	314.3	165.1	419.8	3,230.4
March 31 2021	942.5	319.9	192.3	970.8	357.4	168.1	429.2	3,380.6

Note: These amounts were prepared on an informal basis.

9. 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				
2019	Jan-Mar	110. 2	110. 1		109. 1		125. 1	124. 3		122. 1			
	Apr-Jun	109. 9				123. 5							
	Jul-Sep	107. 4	108. 1	108. 6		108. 7	119. 3	119. 8	121. 4		120. 8		
	Oct-Dec	108. 8					120. 3						
2020	Jan-Mar	108. 9	108. 3	108. 8	106. 8			120. 1	119. 3	120. 2		121. 8	
	Apr-Jun	107. 6					118. 5						
	Jul-Sep	106. 2	105. 4	106. 9		106. 1	124. 1	124. 3	121. 3	123. 7			
	Oct-Dec	104. 5					124. 5						
2021	Jan-Mar	105. 9		105. 2			127. 7		126. 1				

Exchange rate as of Dec 31, 2019 109.56 Mar 31, 2020 108.83 Dec 31, 2019 122.54 Mar 31, 2020 119.55
Dec 31, 2020 103.50 Mar 31, 2021 110.71 Dec 31, 2020 126.95 Mar 31, 2021 129.80

* An average exchange rate between January and December was used for the Consolidated Income Statements of overseas subsidiaries.

10. Topics (Apr. 2020 – Apr. 2021)

- May. 2020** Shin-Etsu Chemical has developed new technology for reducing the amount of platinum used in silicone release coatings by about one-half.
- Jul. 2020** Shin-Etsu Chemical has developed a new silicone emulsion.
- Sep. 2020** Shin-Etsu Chemical has developed a molding silicone rubber that does not require post cure.
- Oct. 2020** Shin-Etsu Chemical announced capacity expansion of photoresists in Japan and Taiwan.
- Nov. 2020** Shin-Etsu Chemical has developed a molding silicone rubber that realizes lighter weight for rubber-molded products.
- Dec. 2020** Shin-Etsu Chemical announced capital investment for the mass production of its SLK Series of Low Dielectric Constant Thermosetting Resins for 5G products.
- Jan. 2021** Shin-Etsu Chemical has developed silicone thermal interface materials for applications in electric vehicles and hybrid electric vehicles.
- Jan. 2021** Shintech announced capital investment to further bolster integrated PVC business in the U.S.
- Mar. 2021** Shin-Etsu Chemical announced silicone products price increase.

★ Please refer to news releases related to these matters on our website at
<https://www.shinetsu.co.jp/en/news/>

11. Capital Investments

Company	Projects	Investment Amount	★: completion ☆: completion schedule									
			2019		2020		2021		2022		2023	
			1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Shintech (USA)	Establishment of a manufacturing plant for ethylene	\$1,400 million			★							
Shintech (USA)	Establishment of a new integrated PVC plant (1 st phase)	\$1,490 million					☆					
Shintech (USA)	Facility investment in PVC (2 nd phase)	\$1,250 million										☆
Shin-Etsu Silicones of America (USA)	Reinforcement of the production capacity for silicone products	¥2.4 billion	★									
Shin-Etsu Chemical and main overseas bases (Gunma, Thailand, etc.)	Reinforcement of the production capacity for silicone monomer and polymer	¥110 billion	*1					☆				
Shin-Etsu Chemical (Naoetsu) SE Tylose (Germany)	Facility investments in cellulose derivatives	¥20 billion		★								
Shin-Etsu Chemical (Naoetsu) Shin-Etsu Electronics Materials Taiwan (Taiwan)	Facility investments in photoresists	¥30 billion					*2 ★		*3 ☆			
Shin-Etsu Chemical (Takefu, Naoetsu)	Reinforcement of the production capacity for photomask blanks	¥14 billion		*3 ★			*4 ★					
Shin-Etsu Chemical (Kashima) Shin-Etsu (Jiangsu) Optical Preform (China) Shin-Etsu YOFC (Hubei) Optical Preform (China)	Reinforcement of the production capacity for optical fiber preform	¥18 billion	*5 ★			*6 ★						
Shin-Etsu Chemical (Naoetsu)	Capital investment for the mass production of Low Dielectric Constant Thermosetting Resins for 5G products	¥3 billion						☆				

*1 Starting up gradually *2 Taiwan *3 Naoetsu *4 Takefu *5 Kashima and Hubei *6 Jiangsu