President’s Message

Placing the utmost priority on safety and quality, we achieved high rates of operation and maintained record high levels of income. We are determined to build a stronger and more resilient company and provide better value to our customers.

As I prepare this year’s message to you, the world is confronting one of the greatest health threats of a generation, one that profoundly impacts the global economy and the livelihood of all of us. My thoughts go to individuals and communities deeply hit by the COVID-19 pandemic. I must say how proud I am of our 23,000 employees around the world. They have been doing excellent jobs to keep our work place safe and our facilities running, and serve our customers during this extraordinary time. I am grateful to see them working hard with a strong sense of purpose. Their attention, focus and teamwork are unrivalled. We as a company have been running all the plants as hard as we can. We do so with our strong commitment to safety and quality. We have 23,000 highly motivated people working day in day out to deliver our commitments. Our success comes from the energy and passion of all those team members. By enhancing the employee experience, we foster a culture where everyone is respected and valued, and has an equal opportunity to contribute. We invest in our employees through managerial interactions, various training programs and career development opportunities.

Our research and development activities are on the rise. We invested ¥48.5 billion or 3.1% of the yearly sales in the FY2019. Roughly one thousand new products were introduced and 1,892 patents were granted. More than thirty percent of our revenue comes from patent-advantaged product sales. In 2019 we launched several new products, which include

Our technical and engineering expertise is our key competitive advantage. With the development of new technologies, new businesses are being created. For example, we are developing rare earth magnets, which will have a value of which users will say that it is owing to our innovation. We are also exploring the possibility of the use of rare earth magnets in the automotive industry.

We pay great attention to shareholders needs and help solve their issues. For example, we achieved high rates of operation and maintained record high levels of income.

In order for this great company to continue to be a one-stop shop of high-end materials for semiconductor device industries and will extend the path forward. As the use of rare earth magnets continues to rise and evolve, we are elevating the integration and capabilities of supply. We are adding new products which meet 5G requirements to our encapsulant and substrate product lines. We will continue to serve optical fiber markets as the only merchant supplier and we will swiftly meet the growing demand for high purity synthetic quartz substrates in all sizes.

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Pursuit of Sustainable Societal Growth

The maximization of efficiency is essential to realizing sustainable development of human society and the improvement of its quality while lessening environmental burdens and building healthy, safe and secure living environments.

The Shin-Etsu Group will respond to these challenges and contribute to the achievement of the SDGs by launching products in a variety of fields, including communication network “Connectivity”, “Energy and Resource Efficiency”, “Productivity Enhancement”, “Smart Infrastructure” and “Health Enhancement.”

Quartz cloth, thermoset ultra-low dielectric resin, gallium nitride related products and materials for micro LEDs.

Our technical and engineering expertise is the backbone of our operation. Coupled with our employees’ commitment to safety and quality, it enables us to deliver quality products consistently in a timely manner. Our entire team is customer-centric and our customers find it easy to work with us. We continue to deploy our ingenuity and enabling technologies to serve our customers’ needs and help solve their issues.

Our product portfolio and developmental direction are in line with SDGs. We believe that our product offerings facilitate the achievement of SDGs, and SDGs will in turn facilitate our business. For the parallel pursuit of sustainable development of human society, improvement of its quality, and greater lessening of the burden on the environment, we believe that it is essential to maximize efficiency. Connectivity, resource efficiency, productivity advancement, smart infrastructure, and health enhancement are the key themes that we are working on. In this endeavor, we commit ourselves to applying and improving what we have and produce and innovating further throughout our operation. It is our daily mission to provide materials of value of which users will say that it is owing to those products that human life has been enhanced and problems markets and customers experienced have been solved.

We pay great attention to shareholders’ return. In this regard, we declared an annual dividend of ¥220 per share, which is the highest mark in the company’s dividend history.

In order for this great company to continue to do what it has been able to do for our customers, our shareholders and the communities we are in, the company will have to grow. We are working on various initiatives to broaden our business portfolio and expand our footprints. We will remain focused on our customers and their needs to be relevant to them, will remain committed to governance to be relevant to our shareholders and will remain responsible to be relevant to our communities.

I sincerely thank our shareholders for your confidence, our customers for their partnership and our entire Shin-Etsu team for their dedication to our operations.

President
Yasuhiro Saioh