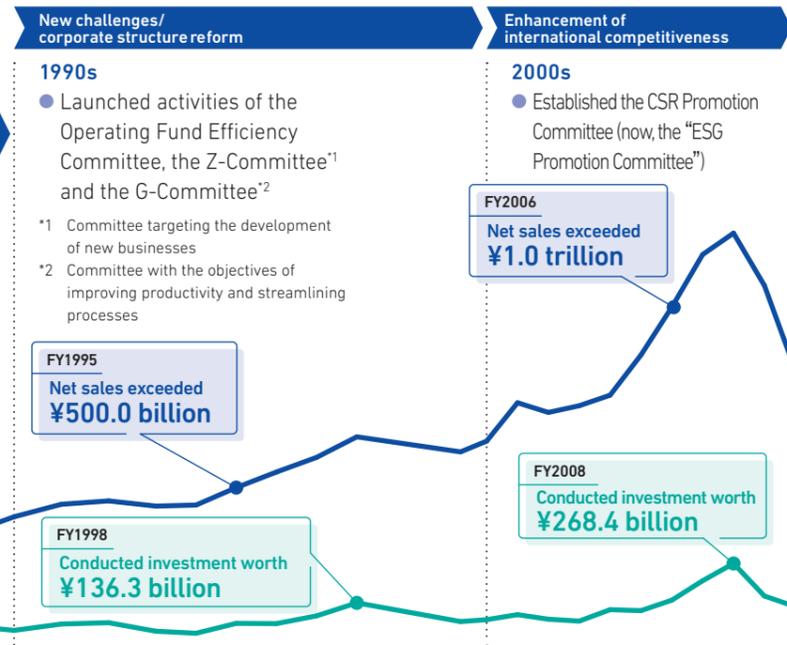
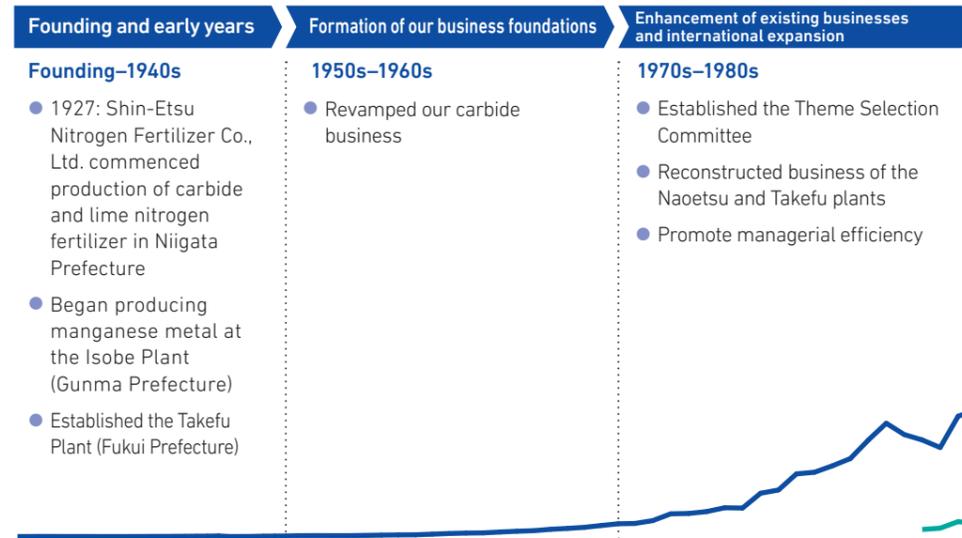


Value Creation: Past and Future

The Shin-Etsu Group produces a variety of products that fulfill both societal demand and changing requirements. In the future, we will continue to contribute to the resolution of societal issues by creating new value.



Note: Net sales for FY1926–FY1977 are non-consolidated, whereas net sales recorded since the beginning of FY1978 are consolidated. The Company began collecting data concerning total investment in FY1987.

PVC/ Chlor-Alkali Business	<ul style="list-style-type: none"> Launched PVC production in Japan Established a PVC business in Portugal 	<ul style="list-style-type: none"> Shintech launched PVC production in Freeport, Texas Established the Kashima Industrial Complex (Japan) 	<ul style="list-style-type: none"> Shintech increased its production capacity in the state of Texas Expanded PVC operations in Europe (through corporate acquisition) 	<ul style="list-style-type: none"> Shintech launched production in Addis, Louisiana Shintech built an integrated plant complex (Plaquemine, Louisiana) from the raw materials stage 	<ul style="list-style-type: none"> Shintech increased its production capacity in the state of Louisiana Shintech increased its production capacity in the state of Louisiana 	<ul style="list-style-type: none"> Shintech launched ethylene production in the state of Louisiana Shintech increased its production capacity in the state of Louisiana 	
Semiconductor Silicon Business	<ul style="list-style-type: none"> Established Shin-Etsu Handotai Co., Ltd. 	<ul style="list-style-type: none"> Overseas expansion (plant construction in Malaysia, the U.S. and the U.K.) Completed construction of the Shirakawa Plant (Japan) 	<ul style="list-style-type: none"> Conducted plant expansion in Malaysia Constructed a production plant in Taiwan 	<ul style="list-style-type: none"> Began mass production of 300mm wafers Increased production capacity in Japan and the U.S. 			
Silicones Business	<ul style="list-style-type: none"> Began production of silicone 	<ul style="list-style-type: none"> Overseas expansion (U.S., South Korea, Taiwan and the Netherlands) 	<ul style="list-style-type: none"> Increased monomer production capacity at the Matsuda Plant (Japan) 	<ul style="list-style-type: none"> Constructed a monomer and polymer plant in Thailand 	<ul style="list-style-type: none"> Constructed a polymer plant in China (in Nantong) 	<ul style="list-style-type: none"> Increased monomer production capacity in Japan and Thailand 	
Electronics & Functional Materials Business	<ul style="list-style-type: none"> Began production of high-purity rare earths at the Takefu Plant (Japan) 	<ul style="list-style-type: none"> Began production of rare earth magnets Began production of epoxy molding compound (EMC) Began manufacturing synthetic quartz substrates used for IC photomask Began production of optical fiber preform 	<ul style="list-style-type: none"> Commercialized photoresists Developed pellicles and liquid fluoroelastomers Began EMC production in Malaysia 	<ul style="list-style-type: none"> Constructed a preform manufacturing facility within the Kashima Plant and began mass production (Japan) Developed photomask blanks Developed high-brightness LED materials Developed the new alloying process by grain boundary diffusion for the production of rare earth magnets used in the production of rare earth magnets 	<ul style="list-style-type: none"> Constructed rare earth refinement and magnet production plants in Vietnam Built a photoresist plant in Taiwan Constructed a preform production plant in China (Jiangyin/Zhejiang) Constructed a new photomask blanks plant in Fukui Prefecture (Japan) 	<ul style="list-style-type: none"> Increased photoresist production capacities in Japan and Taiwan Constructed low dielectric constant thermosetting resin plant facilities (a 5G-related product) 	
Specialty Chemicals Business	<ul style="list-style-type: none"> Commercialized vinyl chloride-vinyl acetate based copolymer, VAM, PVA and cellulose 	<ul style="list-style-type: none"> Developed aroma chemicals and synthetic pheromones 	<ul style="list-style-type: none"> Began production of silicon metal in Australia (through corporate acquisition) 	<ul style="list-style-type: none"> Began production of cellulose in Germany (through corporate acquisition) 	<ul style="list-style-type: none"> Established a new manufacturing plant for cellulose derivatives for coating applications in the U.S. Increased cellulose production capacity in Japan and Germany 		
Processing, Trading & Specialized Services Business	<ul style="list-style-type: none"> Established Shin-Etsu Polymer Established Shin-Etsu Astech 	<ul style="list-style-type: none"> Established Shin-Etsu Engineering 					

Societal trends	1950s–1960s	1970s	1980s	1990s	2000s	2010s	2020s
	Sharp economic growth	Two separate oil crises	Plaza Accord Japanese asset price bubble (Heisei economic boom)	Collapse of the bubble economy Spread of information and telecommunications technology	IT bubble collapse 2008 global financial crisis	Great East Japan Earthquake Adoption of the Sustainable Development Goals	Spread of the COVID-19 pandemic

Societal issues and challenges facing the Shin-Etsu Group

Challenges

Creating new social value by providing products and technologies that contribute to “connectivity,” “energy/resource efficiency,” “productivity enhancement,” “smart infrastructure” and “health enhancement”

Societal issues

- DX
Digital transformation
- Climate change countermeasures
- Decarbonization
Carbon neutrality
- Effective use of resources
- Sustainable procurement
- Health
- Safety and security