

Business Principle

**The Group actively
conducts in sustainable
business practices and
creates the value sought by
society and industry through
the provision of unrivaled
key materials technologies.**



Editorial Policy

This report is compiled and published annually for the purpose of providing shareholders, investors, and other stakeholders with an overview of the Shin-Etsu Group's corporate activities. The organizations covered by this report are Shin-Etsu Chemical Co., Ltd. (Shin-Etsu Chemical) and its consolidated subsidiaries in Japan and overseas. In editing this report, we consulted the International Integrated Reporting Framework published by the Value Reporting Foundation (VRF) and Guidance for Collaborative Value Creation published by Japan's Ministry of Economy, Trade and Industry.

As the real-world deployment of AI shifts into high gear, this 2026 edition features a special section titled "AI-Driven Future" to help readers understand that, in addition to contributing numerous technological innovations, the Shin-Etsu Group also makes broader contributions to the industry such as energy conservation in data centers. Furthermore, in May 2026, the Group formulated and announced new interim targets for achieving carbon neutrality by 2050. Therefore, this edition includes a section titled "Initiatives Aimed at Carbon Neutrality," which includes a message from President Saitoh on carbon neutrality, details of our new interim targets, and an introduction to the Group's environmental contributions through new products and other initiatives.

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At a Glance

A World-Leading Materials Company Founded 100 Years Ago

Electronics Materials

We produce silicon wafers, a key semiconductor material, as well as photoresists, photomask blanks, and encapsulating materials used in the semiconductor manufacturing process. We also supply rare earth magnets, which are essential for power-saving motors used in eco-friendly vehicles and electrical appliances, and high-purity synthetic quartz, which is used as a raw material for optical fibers and for other applications.

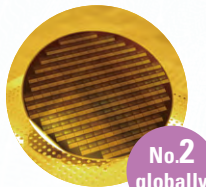
Semiconductor silicon

(Silicon wafers)



No.1 globally

Photoresists



No.2 globally

Photomask blanks



No.2 globally

Synthetic quartz

(for photomask substrates for LCD)



No.1 globally

Infrastructure Materials

Polyvinyl chloride (PVC) resin is essential to our daily lives, from water supply and sewerage systems and other infrastructure (social infrastructure) to housing, agriculture, and everyday products. With a combined annual production capacity of 4.84 million tons at three bases in the US, Europe, and Japan, we boast the world's largest production capacity and provide a stable supply of PVC globally. In addition, we also supply caustic soda, polyvinyl alcohol (POVAL), and other products.

Polyvinyl chloride (PVC) resins



No.1 globally

Functional Materials

In 1953, we were the first Japanese company to commercialize silicone, which is used in a wide range of industries, and since then we have continued to develop our product lineup, which now includes more than 5,000 varieties. We also supply a wide variety of materials that deliver superior functionality, including cellulose derivatives, which are widely used in pharmaceuticals, food products and industrial applications, as well as synthetic pheromones, silicon metal, liquid fluoroelastomers, pellicles, and silicon anode material for lithium ion batteries.

Silicones



No.1 in Japan

Cellulose derivatives

(Methylcellulose)



No.2 globally

Synthetic insect repellent Pheromones



No.1 globally

Processing & Specialized Services

As a processing manufacturer of various resins such as PVC and silicone, Shin-Etsu Polymer Co., Ltd. meets the diverse needs of customers in a wide range of fields including the automotive, information equipment, semiconductor, packaging material, and construction material industries. Shin-Etsu Engineering Co., Ltd. is involved mainly in the design and construction of the Group's manufacturing plants, and also provides vacuum assembling equipment, micro LED chip transfer equipment, and other products.

Wafer Cases



No.1 globally

Profile (Fiscal year ended March 31, 2026)



In business

100 years



Market capitalization

¥11,621.1 billion



Operating income ratio

24.7%



Number of employees (Consolidated)

27,342



Overseas bases

22 countries & regions



Composition ratio of overseas sales

78.6%



Ratio of employees outside Japan

58.5%