



July 23, 2015

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Shin-Etsu Chemical Co., Ltd.
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Notice Regarding Operating Performance and Dividend Forecasts

Shin-Etsu Chemical Co., Ltd. (the “Company”) hereby announces the forecasts for its Consolidated Operating Performance and its dividends for the fiscal year 2016, which ends on March 31, 2016. The forecasts are as follows;

1. Forecast of Consolidated Operating Performance

Note: The forecast figures are approximations.

(1) Forecast of Consolidated Operating Performance for the fiscal year ending March 31, 2016
(April 1, 2015 - March 31, 2016)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous Forecast (A)	-	-	-	-	-
Current Forecast (B)	1,270,000	197,000	210,000	140,000	328.71
Change (B-A)	-	-	-	-	-
Percentage Change (%)	-	-	-	-	-
(reference) Results for the fiscal year ended March 31, 2015	1,255,543	185,329	198,025	128,606	302.05

(2) Forecast of Consolidated Operating Performance for the first half ending September 30, 2015
(April 1, 2015 - September 30, 2015)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous Forecast (A)	-	-	-	-	-
Current Forecast (B)	635,000	102,000	110,000	72,000	169.05
Change (B-A)	-	-	-	-	-
Percentage Change (%)	-	-	-	-	-
(reference) Results for the first half ended September 30, 2014	603,727	97,614	101,141	67,589	158.77

2. Forecast of the Dividends for the Fiscal year ending March 31, 2016

	Cash dividend per share (in yen)		
	Interim	Year-end	Total Annual
Previous Forecast	Undecided	Undecided	Undecided
Current Forecast	55.00	55.00	110.00
Results for the fiscal year ended March 31, 2015	50.00	50.00	100.00

3. A summary of the announcement

Based on the trend in the Company's recent business performance, we are announcing the forecast for its Consolidated Operating Performance for the fiscal year 2016.

With regard to the dividends, taking a long-term perspective, the Company will focus on expanding company earnings and strengthening the make-up of the Group's structure as well as on sharing the results of such successful management efforts. It is our basic policy to distribute dividends stably and continuously so as to appropriately reward all of our shareholders. In line with our basic profit-sharing policy, the Company is planning a further increase of ¥10 over the dividend declared for the fiscal year 2015; thus, the total annual dividend for the fiscal year 2016 will become ¥110 per share (¥55 for the interim dividend and ¥55 for the dividend at the end of the fiscal year).

(Note)

Forward-looking statements such as the forecast of results of operations made in this document involves risks and uncertainties since they are based on management's assumptions and beliefs in light of the information currently available to it.

The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors. Material factors affecting the actual results may include overall economic conditions in which the businesses of our company and our group companies are involved, the relevant market trends and fluctuations in foreign exchange rates of the yen, in particular, the exchange rate between the U.S. dollar and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.