



October 28, 2016

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Shin-Etsu Chemical Co., Ltd.  
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## Notice Concerning Distribution of Dividends from Surplus and Revision of Dividend Forecast

Shin-Etsu Chemical Co., Ltd. (the “Company”) hereby announces that it resolved, at the meeting of its Board of Directors held on October 28, 2016, to distribute dividends from surplus, with a record date of September 30, 2016 (interim dividend). Also, the Company revised its year-end dividend forecast for the fiscal year ending March 31, 2017. The details are as follows:

### 1. Details of Dividends

	Interim dividend determined for this fiscal year	Most recent dividend forecast (announced on July 26, 2016)	Interim dividend paid for the previous fiscal year
Record date	September 30, 2016	September 30, 2016	September 30, 2015
Dividend per share	60.00 yen	55.00 yen	55.00 yen
Total amount of dividend	25,558 million yen	-	23,425 million yen
Effective date	November 18, 2016	-	November 18, 2015
Source of dividends	Retained earnings	-	Retained earnings

### 2. Details of Revision

	Cash dividend per share for fiscal year		
	Interim	Year-end	Total Annual
Previous forecast (announced on July 26, 2016)	55.00 yen	55.00 yen	110.00 yen
Revised forecast	—	60.00 yen	120.00 yen
Results for the fiscal year ending March 31, 2017	60.00 yen	—	—
Results for the previous fiscal year ended March 31, 2016	55.00 yen	55.00 yen	110.00 yen

### 3. Reasons

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 so as to appropriately reward all of our shareholders.

In line with our basic profit-sharing policy, with regard to the interim dividend, the Company is planning a further increase of ¥5, to ¥60 per share; thus, the total annual dividends for the 2017 fiscal year, which ends on March 31, 2017, will become ¥120 per share, which is an increase of ¥10 compared with the previous forecast.

(Note)

The dividend forecasts made in this document involve 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 the actual dividends may be materially different from the forecasted dividends due to various factors.