



October 26, 2018

6-1, Ohtemachi 2-chome, Chiyoda-ku, Tokyo
Shin-Etsu Chemical Co., Ltd.
Yasuhiko Saitoh, Representative Director / President
(Code No. 4063)
Contact:
Toshiyuki Kasahara
Director, General Manager
Finance & Accounting Department
TEL: +81-3-3246-5051

Notice Regarding Revision of Operating Performance Forecast, Distribution of Dividend from Surplus (Interim Dividend) and Revision of Year-end Dividend Forecast

Shin-Etsu Chemical Co., Ltd. (the “Company”) hereby announces that it has revised the forecast for its Consolidated Operating Performance for the fiscal year 2019, ending March 31, 2019, which was previously announced on July 25, 2018, as mentioned in “1. Revision of Consolidated Operating Performance Forecast” below.

Furthermore, the Company has resolved, at the meeting of its Board of Directors held on October 26, 2018, to distribute a dividend from surplus, with a record date of September 30, 2018 (interim dividend), as mentioned in “2. Details of Interim Dividend” below. Also, the Company revised its year-end dividend forecast for the fiscal year ending March 31, 2019, as mentioned in “3. Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2019” below. The details are as follows;

1. Revision of Consolidated Operating Performance Forecast

Note: The forecast figures are approximations.

Revision of Consolidated Operating Performance Forecast for the fiscal year ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous Forecast (A)	1,500,000	360,000	370,000	270,000	632.96
Revised Forecast (B)	1,560,000	390,000	400,000	290,000	679.80
Change (B-A)	60,000	30,000	30,000	20,000	-
Percentage Change (%)	4.0	8.3	8.1	7.4	-
(reference) Results for the previous fiscal year ended March 31, 2018	1,441,432	336,822	340,308	266,235	624.28

2. Details of Interim Dividend

	Interim dividend determined for this fiscal year	Most recent dividend forecast (announced on July 25, 2018)	Interim dividend paid for the previous fiscal year
Record date	September 30, 2018	September 30, 2018	September 30, 2017
Dividend per share	100.00 yen	90.00 yen	65.00 yen
Total amount of dividend	42,662 million yen	-	27,718 million yen
Effective date	November 19, 2018	-	November 17, 2017
Source of dividends	Retained earnings	-	Retained earnings

3. Revision of Year-end Dividend Forecast for the Fiscal Year Ending March 31, 2019

	Cash dividends per share for the fiscal year		
	Interim	Year-end	Total Annual
Previous forecast (announced on July 25, 2018)	90.00 yen	90.00 yen	180.00 yen
Revised forecast	—	100.00 yen	200.00 yen
Results for the fiscal year ending March 31, 2019	100.00 yen	—	—
Results for the previous fiscal year ended March 31, 2018	65.00 yen	75.00 yen	140.00 yen

4. Reasons for Revision of Operating Performance Forecast, Distribution of Interim Dividend and Revision of Year-end Dividend Forecast

With regard to the consolidated business results recorded in the first half of the fiscal year 2019, each business is doing well. In particular, the PVC/Chlor-Alkali Business, led by Shintech in the U.S., and the Semiconductor Silicon Business greatly increased their business results.

Based on the results achieved during the first half of the fiscal year 2019, we have made an upward revision to the previous forecast as mentioned in “1. Revision of Consolidated Operating Performance Forecast” above.

Furthermore, in light of the current situation, with regard to the interim dividend, the Company determined a further increase of ¥10 per share from the previous forecast to ¥100 per share. With regard to the year-end dividend forecast, the Company is planning a further increase of ¥10 per share from the previous forecast to ¥100 per share.

As a result, the total annual dividends for the fiscal year 2019 will become ¥200 per share, which is an increase of ¥60 compared with the previous 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.