



March 12, 2019

To Whom It May Concern

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Shin-Etsu Chemical Co., Ltd.  
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**Notice Concerning Decisions Relating to Repurchase of Shares  
and Cancellation of Treasury Shares**

(Repurchase of Shares Based on Provisions in the Company's Articles of Incorporation  
Relating to Article 165(2) of the Companies Act and Cancellation of Treasury Shares Based  
on Article 178 of the Companies Act)

Shin-Etsu Chemical Co., Ltd. (the “Company”) hereby announces that, at its meeting of the Board of Directors held on March 12, 2019, (i) a resolution was made concerning the repurchase of the Company's shares, based on the provisions of Article 156 of the Companies Act, as applied pursuant to Article 165(3) of the Companies Act, and (ii) a resolution was made to cancel treasury shares, based on the provisions of Article 178 of the Companies Act.

1. Reasons for Share Repurchases

The Company places the highest priority on using its capital to reinvest in its existing businesses and invest in new lines of business. We believe that elevating the Company's firm value with making right investments work for greater earnings rewards shareholders and builds the foundation of shareholders' returns. While maintaining this policy, with its solid balance sheet and in light of the current level of cash generation, the Company has decided to repurchase the Company's shares in the amounts of 100 billion Japanese Yen. Such share repurchase is the second one since the first one was carried out in 2008. The Company plans to cancel the shares that it repurchases this time around.

2. Contents of Purchase Transactions

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| (1) Share Type for Purchases:                  | common shares of the Company   |
| (2) Total Number of Shares<br>to be Purchased: | 14,000,000 shares<br>(3.3% of the total shares issued and outstanding,<br>excluding treasury shares) |
| (3) Total Share Purchase Amount:               | 100 billion Japanese Yen   |
| (4) Purchase Period:                           | March 13, 2019 to September 30, 2019   |
| (5) Purchase Method:                           | Market Purchases on the Tokyo Stock Exchange   |

3. Contents of Treasury Share Cancellations

- (1) Share Type for Cancellation: common shares of the Company
- (2) Total Number of Shares to be Cancelled: all treasury shares repurchased based on Section 2 above
- (3) Scheduled Cancellation Date: October 7, 2019

For Reference: Current Status of Treasury Shares (as of February 28, 2019)

Total Number of Shares Issued and Outstanding (Excluding Treasury Shares):	426,642,208 shares
Number of Treasury Shares:	964,485 shares