

FOR IMMEDIATE RELEASE:

SHIN-ETSU CHEMICAL PLANS ¥110 BILLION FACILITY INVESTMENTS IN ITS SILICONE BUSINESS: Expanded production capacity targeted both in Japan and globally of products ranging from silicone monomer to end products.

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Shin-Etsu Chemical Co., Ltd. (Head Office: Tokyo, President, Yasuhiko Saitoh), the largest chemical company in Japan, will implement close to ¥110 billion in facility investments for its silicones business—one of its main businesses. It will expand its production capacity of silicone monomer, the intermediate product of silicones, and various types of silicone fluids, resins and rubber end products at the company's main bases in Japan and globally. Shin-Etsu is receiving a wide variety of requests for its silicone products from many customers around the world, and in order to meet these customer requests, they are implementing a sequential series of new investments. By means of these investments, they will further strengthen their integrated production system, and at the same time, fortify their ability to contribute to issue solutions for their customers.

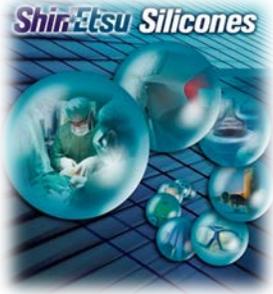
These facility investments will be implemented in stages over about a period of two-and-a-half years, and the expansion of the production capacity of both silicone monomer and silicone end products will proceed in parallel. The breakdown of investment amounts is expected to be about ¥50 billion for the expansion of production capacity of intermediate products such as monomers, about ¥50 billion for the expansion of production capacity of end products and about ¥10 billion for the expansion of other secondary facilities such as infrastructure and shipping. The expansion of capacity for silicone monomer will be done at their existing bases in Japan and Thailand, and in addition to Japan, the capacity expansion for their group of end products will be carried out at existing bases in six overseas countries.

In view of the requests coming from customers and the expected demand, the demand for silicone products is expected to increase at a rate surpassing that of the average increase in the world's GDP. In this way, Shin-Etsu will extensively capture the demand for silicone products for which this kind of steady growth is expected, and at the same time, will flexibly meet it. For Shin-Etsu Chemical, silicones have been a strategically important business from the past up to the present, and going forward as well, they will work to further enhance the existence value of silicones. With these investments for strengthening their silicones production capacity, they will grow together with existing customers and will strengthen their position as a leading global silicones manufacturer.

Going forward, Shin-Etsu Chemical is aiming for double-digit growth in its silicones business. With its research, production, and sales capabilities coming together as one, Shin-Etsu will make these domestic and overseas facility investments to pursue the early development of even stronger dynamic business capabilities and work to achieve its business expansion goals.

For more detailed information, visit the Shin-Etsu Chemical Co., Ltd. web site at:
www.shinetsu.co.jp

CORPORATE PROFILE: A U.S. subsidiary of Shin-Etsu Chemical Co. Ltd., Japan, Shin-Etsu Silicones of America Inc. offers vast technical and capital resources to formulate solutions as a major supplier of silicone materials to North America's medical, automotive, electronics, aerospace, cosmetics, and manufacturing industries. Shin-Etsu's premium silicone compounds incorporate leading-edge technology, staff expertise, and value-added service; offering customers the highest levels of quality and consistency in specialty silicone materials.



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