

2nd Quarter of Financial Year Ended March 2012

Materials for Results Briefing

November 1, 2011

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Summary of Consolidated Performance

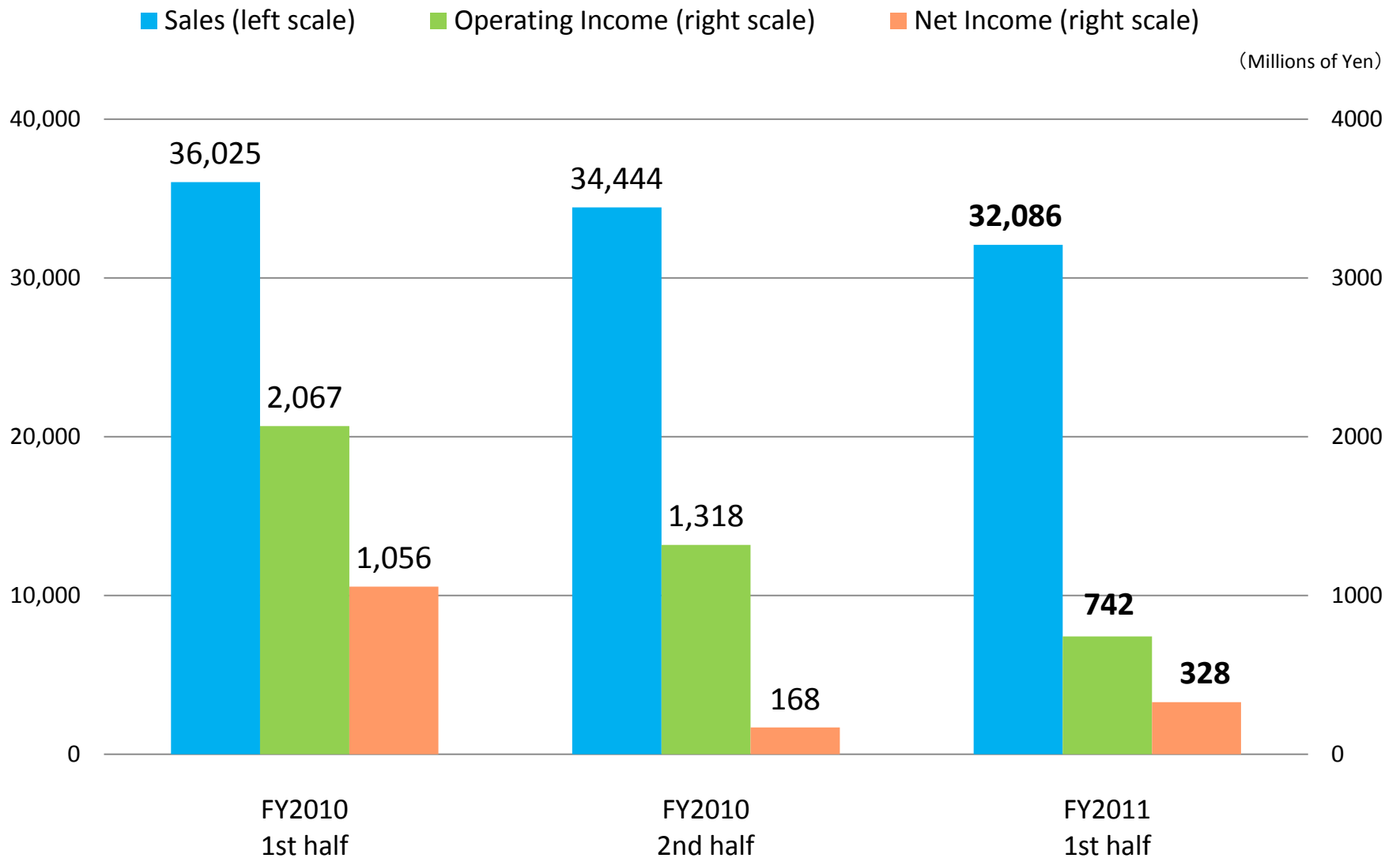
(Million yen)

	FY2010 1st half	FY2011 1st half	change	
Net Sales	36,025	32,086	(3,939)	(10.9%)
Operating Income	2,067	742	(1,325)	(64.1%)
Ordinary Income	1,797	743	(1,053)	(58.6%)
Net Income	1,056	328	(727)	(68.9%)
Net Income per Share	13.00	4.05	8.95	-
Dividend per Share	4.50	4.50	0.00	-
Exchange Rate (yen/US dollar)	Jan.-Jun.(Ave)	91.36	82.04	-
	Apr.-Sep.(Ave)	88.95	79.82	-

◆ The Electronic Devices business and the Precision Molding Products business recorded a drop in orders that was steeper than anticipated.

1. Orders dropped, given a rapid shift in the system of smart phones to full-touch models.
2. Results of wafer cases and carrier tapes were sluggish.
3. Profits of PVC-related products decreased on the back of high raw materials prices.
4. Sales and profits grew steadily in new input devices (for automotives and PCs) and office automation device components.

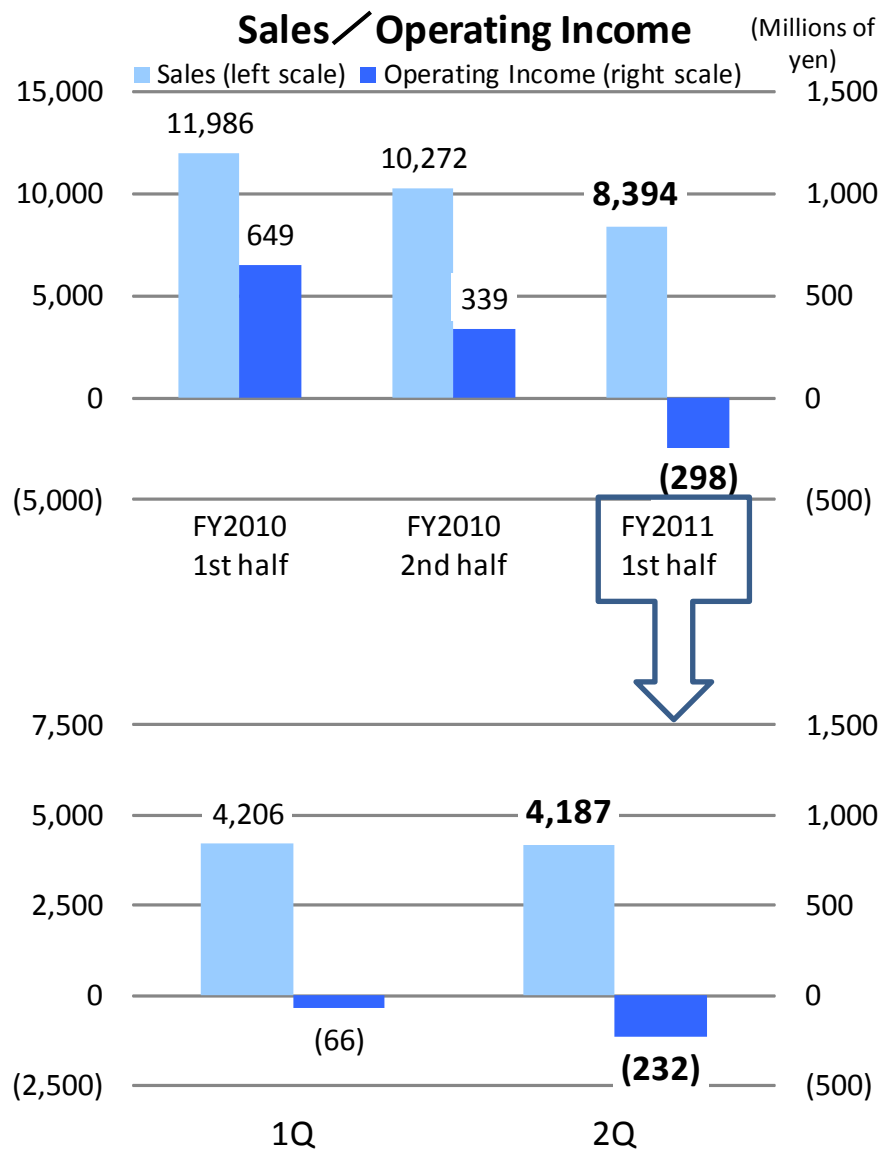
Changes in Consolidated Financial Results



Summary of performance by business segment

(Million yen)

		FY2010 1st half		FY2011 1st half		change	
		Constituent Ratio		Constituent Ratio			
Electronic Devices	Net Sales	11,986	33.3%	8,394	26.2%	(3,592)	(30.0%)
	Operating Income	649	-	(298)	-	(948)	-
Precision Molding Products	Net Sales	13,090	36.3%	12,635	39.4%	(455)	(3.5%)
	Operating Income	1,387	-	1,300	-	(86)	(6.2%)
Housing & Living Materials	Net Sales	8,619	23.9%	8,707	27.1%	87	1.0%
	Operating Income	(4)	-	(181)	-	(177)	-
Others	Net Sales	2,328	6.5%	2,349	7.3%	20	0.9%
	Operating Income	19	-	(40)	-	(59)	-
Total	Net Sales	36,025	100.0%	32,086	100.0%	(3,939)	(10.9%)
	Operating Income	2,067	100.0%	742	100.0%	(1,325)	(64.1%)



◆ Overview of principal products

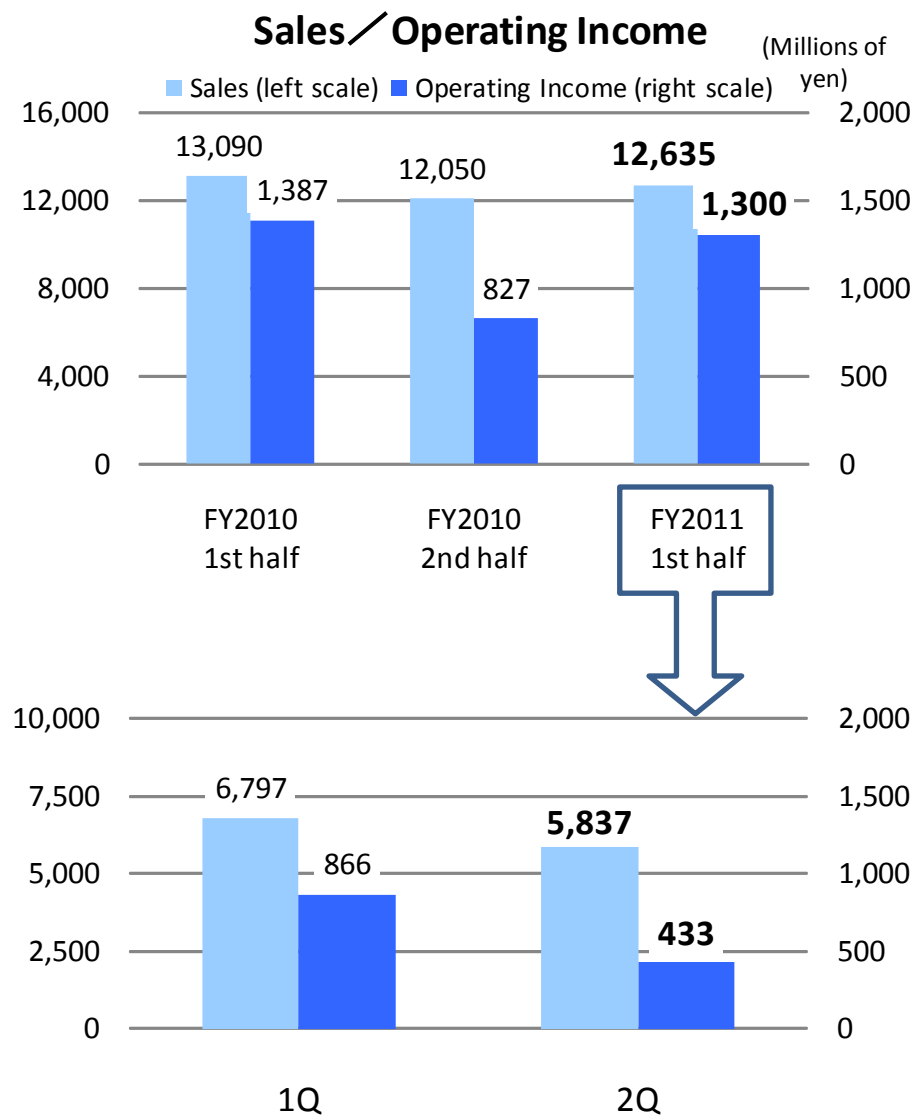
* Orders for mobile phone keypads, a mainstay product, fell sharply from the previous year, given a shift in the system of mobile phones to smartphone full-touch models, as well as the effects of the appreciation of the yen.

* Sales and profits of automobile keypads rose year on year, thanks to a rapid recovery in automobile production.

* Sales and profits of new input devices were up significantly, particularly for PC touch pads and automobile console panels.

* Sales and profits of inter-connectors for LCDs and other peripheral components, such as packing for liquid crystal televisions, were almost unchanged from the previous year.

◆ Overview of principal products

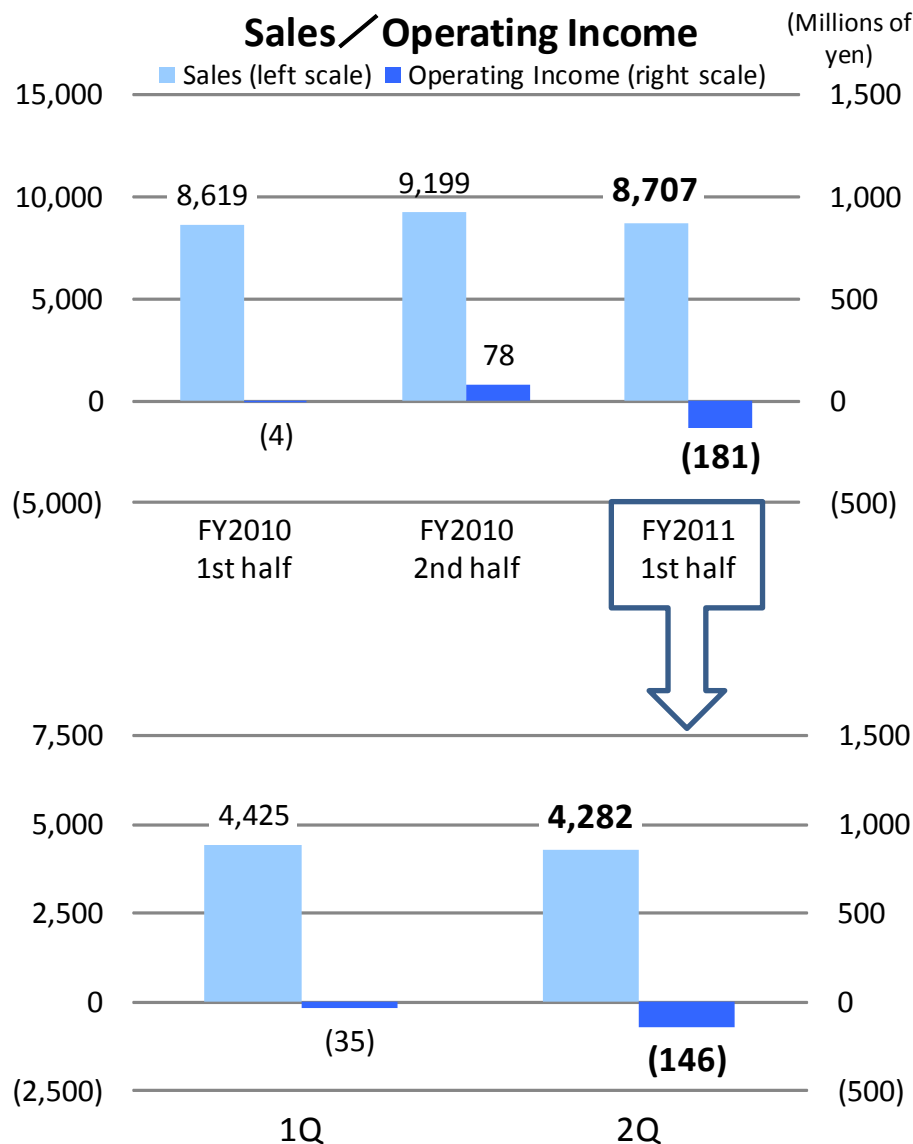


* In semiconductor-related containers, although orders for carrier containers for 300 mm wafers increased, reflecting the effects of the earthquake, shipments later slowed. Shipments of carrier containers for 200 mm or smaller wafers also declined.

* Results were weak for carrier tapes, mainly influenced by production adjustment in the electronic components industry.

* In components for office automation devices, orders for new models were steady, against a backdrop of growing demand in emerging nations.

* In silicon rubber molded products, electronic component-related products enjoyed a solid performance.



◆ Overview of principal products

* PVC pipes continued to face weak demand in areas related to public works as well as the effect of high raw materials prices, although shipments temporarily increased given strong demand for products related to restoration from the damage caused by the earthquake.

* Exterior materials achieved results that were almost on a par with those for the previous year, as the effects of sales promotion at home centers peaked.

* Results for wrapping films were sluggish, mainly influenced by the lackluster performance of the food-service industry.

* The performance of functional compounds remained steady, thanks to a recovery in production in the automobile market.

Key Points of Performance Forecast for the Year Ending March 2012

(Millions of yen)

	FY2010	FY2011 (Forecast)	change	
Net Sales	70,469	64,000	(6,469)	(9.2%)
Operating Income	3,385	1,200	(2,185)	(64.5%)
Ordinary Income	3,054	1,200	(1,854)	(60.7%)
Current Net Income	1,224	400	(824)	(67.3%)
Current Net Income per Share	15.06	4.92	(10.14)	-
Annual Dividend per Share	12.0	9.0	(3.00)	-

↑ include commemorative dividend of 3.0 yen

Performance Forecast by Business Segment for Year Ending March 2012

(Millions of yen)

		FY2010		FY2011 (Forecast)		change	
		Constituent Ratio		Constituent Ratio			
Electronic Devices	Net Sales	22,258	31.6%	17,000	26.6%	(5,258)	(23.6%)
	Operating Income	988	29.2%	(300)	-	(1,288)	-
Precision Molding Products	Net Sales	25,141	35.7%	25,000	39.1%	(141)	(0.6%)
	Operating Income	2,214	65.4%	1,800	-	(414)	(18.7%)
Housing & Living Materials	Net Sales	17,818	25.3%	17,000	26.6%	(818)	(4.6%)
	Operating Income	73	2.2%	(200)	-	(273)	-
Others	Net Sales	5,250	7.5%	5,000	7.8%	(250)	(4.8%)
	Operating Income	28	0.8%	(100)	-	(128)	-
Total	Net Sales	70,469	100.0%	64,000	100.0%	(6,469)	(9.2%)
	Operating Income	3,385	100.0%	1,200	100.0%	(2,185)	(64.5%)

The overall business environment is likely to remain severe, mainly reflecting an economic slowdown and the appreciation of the yen.

■ Electronic Devices segment

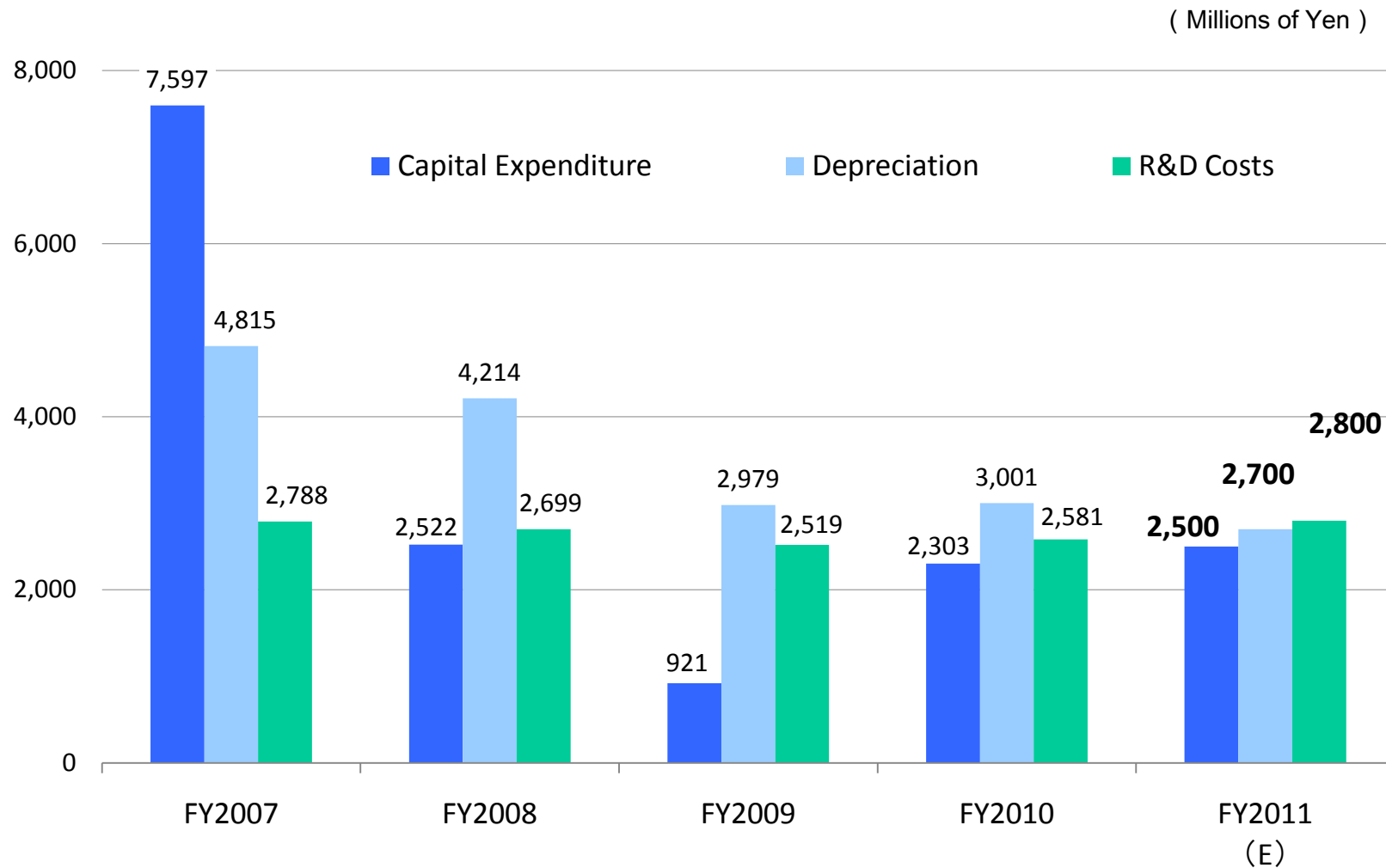
- * Focus on activities to propose new products, such as products for automobiles and new input devices, and to bolster orders, amid intensifying competition.

■ Precision Molding Products segment

- * The semiconductor and electronic component businesses are expected to perform sluggishly. Focus on new FOUP models.
- * Expand orders for office automation rolls, and establish overseas production systems.

■ Housing & Living Materials segment

- * Housing starts are likely to gradually recover. The strength of demand for public works remains uncertain. Focus on the second price adjustment.



Reference Materials

Quarterly Changes by Business Segment

		FY2010				FY2011	
		1Q	2Q	3Q	4Q	1Q	2Q
Electronic Devices	Net Sales	6,039	5,946	5,503	4,768	4,206	4,187
	Operating Income	424	224	242	96	(66)	(232)
Precision Molding Products	Net Sales	6,537	6,553	6,058	5,992	6,797	5,837
	Operating Income	878	508	406	421	866	433
Housing & Living Materials	Net Sales	4,306	4,313	4,692	4,506	4,425	4,282
	Operating Income	39	(43)	66	12	(35)	(146)
Others	Net Sales	1,044	1,283	1,395	1,526	1,042	1,307
	Operating Income	(12)	31	(4)	14	(26)	(13)
Adjustment	Net Sales	0	0	0	0	0	0
	Operating Income	(16)	33	(9)	44	(80)	43
Total	Net Sales	17,928	18,097	17,649	16,793	16,472	15,614
	Operating Income	1,312	755	699	588	657	85

Comparative Balance Sheet

(Million yen)

		FY2010	FY2011 1st half	change
Current Assets	Cash and deposits	26,874	27,888	1,013
	Notes and accounts receivable—trade	19,375	18,523	(852)
	Inventory assets	7,913	8,395	481
	Other	2,251	2,520	269
	Total	56,415	57,327	912
Noncurrent Assets	Property, plant and equipment	21,177	20,822	(355)
	Intangible assets	192	175	(17)
	Other	3,540	3,379	(160)
	Total	24,911	24,378	(533)
Total assets		81,326	81,705	379
Current Liabilities	Notes and accounts payable—trade	13,168	13,227	58
	Short-term loans payable	1	0	0
	Other	3,187	3,346	158
	Total	16,357	16,574	216
Noncurrent Liabilities	Long-term loans payable	4	3	0
	Provision for retirement benefits	1,691	1,731	40
	Other	561	555	(6)
	Total	2,257	2,291	33
Total liabilities		18,615	18,865	249
Total net assets		62,710	62,839	129
Total liabilities and net assets		81,326	81,705	379

Comparative Statement of Income

(Million yen)

	FY2010 1st half	FY2011 1st half	change	
Net sales	36,025	32,086	(3,939)	(10.9%)
Cost of sales	26,330	23,890	(2,439)	(9.3%)
Selling, general and administrative expenses	7,627	7,453	(174)	(2.3%)
Operating income	2,067	742	(1,325)	(64.1%)
Non-operating income	116	121	5	5.0%
Non-operating expenses	386	121	(265)	(68.7%)
Ordinary income	1,797	743	(1,053)	(58.6%)
Extraordinary income	9	8	0	(9.6%)
Extraordinary loss	158	12	(146)	(92.1%)
Income before income taxes and minority interests	1,647	739	(908)	(55.1%)
Income taxes—current	450	448	(2)	(0.4%)
Income taxes—deferred	126	(26)	(153)	-
Minority interests	14	(11)	(25)	-
Net income	1,056	328	(727)	(68.9%)

(Million yen)

	FY2010 1st half	FY2011 1st half
Cash flow provided by (used in) operating activities	4,929	2,194
Net cash provided by (used in) investing activities	(1,126)	(1,890)
Net cash provided by (used in) financing activities	(2,160)	(608)
Effect of exchange rate change on cash and cash equivalents	(1,131)	244
Net increase (decrease) in cash and cash equivalents	511	(60)
Cash and cash equivalents at beginning of period	25,223	25,969
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	489	0
Cash and cash equivalents at end of period	26,223	25,909

	(Million yen)				
	FY2006	FY2007	FY2008	FY2009	FY2010
Net sales	107,784	105,799	84,739	70,181	70,469
Operating income	11,854	9,482	1,359	2,457	3,385
Ordinary income	12,063	9,296	1,263	2,816	3,054
Current net income	8,133	5,415	(200)	916	1,224
Total assets	104,661	103,388	85,914	85,628	81,326
Net assets	66,478	70,903	63,213	64,800	62,710
Equity ratio	62.8%	67.7%	72.5%	74.5%	75.8%
Current net income per share(yen)	100.25	66.64	(2.47)	11.28	15.06
Annual dividend per share(yen)	15.0	15.0	12.0	9.0	12.0
Operating margin	11.0%	9.0%	1.6%	3.5%	4.8%
ROE - Return (Net income) on equity	13.2%	8.0%	-	1.5%	2.0%
ROA - Return (Ordinary income) on assets	12.0%	8.9%	1.3%	3.3%	3.7%
Number of employees	6,145	6,496	6,121	4,716	4,090

The forward-looking statements provided in this material are related to the future plans, strategies and business and financial performance of the Shin-Etsu Polymer Group. Forward-looking statements listed herein are based on currently available information and are subject to change. Our actual future results may be materially different than those expressed in our forward-looking statements.