Note: This English translation is only a part of the Notice of Convocation of the 57th Annual General Meeting of Shareholders in Japanese original, especially does not include the translation of the annex (the Business Report, the Financial Statements (consolidated and non-consolidated) and the Audit Reports). In addition, this document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code 7970)
June 5, 2017

To our shareholders:

Yoshiaki Ono
President
**Shin-Etsu Polymer Co., Ltd.**
1-9 Kanda-Sudacho, Chiyoda-ku, Tokyo

# Notice of Convocation of the 57th Annual General Meeting of Shareholders

You are hereby notified that the 57th Annual General Meeting of Shareholders of Shin-Etsu Polymer Co., Ltd. (the "Company"; and this meeting, this "Meeting") will be held as described below. Your attendance would be much appreciated.

If you are unable to attend this Meeting in person, you are entitled to exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the Meeting of Shareholders attached hereto and exercise your voting rights by no later than 5:35 p.m. on Monday, June 26, 2017 (Japan Standard Time).

1. **Date and Time:** Tuesday, June 27, 2017, at 10:00 a.m. (Japan Standard Time; reception begins at 9:00 a.m.)
2. **Venue:** Station Conference Manseibashi, 4th Floor of JR Kanda Manseibashi Building
   1-25 Kanda-Sudacho, Chiyoda-ku, Tokyo
3. **Agenda:**

**Matters to be reported:**

1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements for the 57th fiscal year (From April 1, 2016 to March 31, 2017)
2. Report on the Non-consolidated Financial Statements for the 57th fiscal year (From April 1, 2016 to March 31, 2017)

**Matters to be resolved:**

**Proposal No. 1:** Dividends from Surplus
**Proposal No. 2:** Election of 12 Directors
**Proposal No. 3:** Election of 2 Audit & Supervisory Board Members
**Proposal No. 4:** Delegation of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to Employees of the Company and Directors of Subsidiaries of the Company to the Board of Directors of the Company

4. **Predetermined Items Related to the Convocation of this Meeting**
   (1) If you do not indicate your approval or disapproval for any proposal on the Voting Form, you will be deemed to have approved that proposal.
   (2) If you exercise your voting rights redundantly, by returning the Voting Form and by a method using electromagnetic means (via the Internet, etc.), the voting by electromagnetic means (via the Internet, etc.) will be deemed effective.
   (3) If you exercise your voting rights multiple times by electromagnetic means (via the Internet, etc.), the last voting will prevail.
5. **Method of Notice to Shareholders**
   Any modification that may be required in the Reference Documents for the Meeting of Shareholders will be published via the Internet on the website of the Company (http://www.shinpoly.co.jp/).

**Reference Documents for the Meeting of Shareholders**

**Proposal No. 1:** Dividends from Surplus

The Company proposes the dividends from surplus as follows:
The Company considers the return of profits to shareholders to be one of the most important management priorities.
With the objective of increasing corporate value through a strengthening of its corporate foundation and sustainable growth, the basic policy of the Company is to continue paying stable dividends in line with business results, while at the same time securing internal reserves in order to ensure the soundness of the financial strength of the Company, R&D investment, and investments for production facilities, etc.
As for the year-end dividend for the 57th fiscal year, in comprehensive consideration of the business performance and future business developments, etc., the Company proposes to pay a dividend of ¥6 per share. As a result, the annual dividend will total ¥12 per share, including the interim dividend paid of ¥6 per share, which is ¥3 higher than for the previous fiscal year.

Matters concerning year-end dividend:

(1) Type of dividend property
Cash

(2) Matters concerning allocation of dividend property to shareholders and the total amount thereof
¥6 per share of common stock of the Company totaling ¥492,661,704

(3) Effective date of dividend from surplus
June 28, 2017

**Proposal No. 2:** Election of 12 Directors

At the conclusion of this Meeting, the terms of office of all 12 Directors will expire.
Therefore, the Company proposes the election of 12 Directors.
The candidates for Director are as follows:

| Candidate No. | Name | Current position and responsibility in the Company | |
|---|---|---|---|
| 1 | Osamu Hiura | Chairman | Reelection |
| 2 | Yoshiaki Ono | President | Reelection |
| 3 | Toshiaki Deto | Senior Director and General Manager of Sales Unit | Reelection |
| 4 | Kenjiro Hata | Director | Reelection<br>Outside<br>Independent |
| 5 | Shigemichi Todoroki | Director | Reelection<br>Outside<br>Independent |
| 6 | Toru Takayama | Director and General Manager of Office of International Business, Sales Unit | Reelection |
| 7 | Mikio Furukawa | Director and General Manager of Sales & Marketing Division III, Sales Unit | Reelection |
| 8 | Satoru Sugano | Director and General Manager of Development Unit | Reelection |
| 9 | Yasushi Shibata | Director and General Manager of Human Resources Department, Administrative Unit | Reelection |
| 10 | Naoki Kobayashi | General Manager of Sales & Marketing Division I, Sales Unit | New election |
| 11 | Kan Ishihara | President of Shin-Etsu Finetech Co., Ltd. | New election |
| 12 | Mitsuo Sato | General Manager of Production Unit | New election |

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, and position and responsibility in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Osamu Hiura<br>(November 17, 1930)<br>(86 years old)<br><br>Reelection<br><br>Tenure<br>16 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td colspan="2">Apr. 1953 Joined Shin-Etsu Chemical Co., Ltd.<br>Aug. 1985 Director<br>Sept. 1990 Managing Director<br>June 1994 Senior Managing Director<br>June 2001 President of the Company<br>June 2007 Chairman and Representative Director<br>June 2008 Chairman (current position)<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>180,300 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Osamu Hiura as a candidate for Director because he has actively exhibited management acumen such as reviewing the Company's business since he was appointed as Representative Director, and it was determined that he could continue to contribute to the supervisory functions of the Board of Directors and the enhancement of the Company's corporate value.</td></tr>
<tr><td rowspan="2">2</td><td>Yoshiaki Ono<br>(January 1, 1944)<br>(73 years old)<br><br>Reelection<br><br>Tenure<br>4 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td colspan="2">Apr. 1967 Joined Shin-Etsu Chemical Co., Ltd.<br>June 2000 General Manager of Silicone-Electronics Materials Research Center<br>June 2003 Director<br>Nov. 2004 General Manager of Special Functional Products Department<br>June 2005 Managing Director<br>Dec. 2007 General Manager of R&D and Patent Department<br>June 2009 Representative Senior Managing Director and General Manager of Silicone Division<br>June 2013 President of the Company (current position)<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>41,900 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Yoshiaki Ono as a candidate for Director because he possesses extensive knowledge and experience centered on the silicone business at Shin-Etsu Chemical Co., Ltd., and has shown strong leadership and endeavored toward the restoration of the Company's performance since he was appointed as Representative Director, and it was determined that he could continue to contribute to the supervisory functions of the Board of Directors and the enhancement of the Company's corporate value.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, and position and responsibility in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Toshiaki Deto<br>(December 17, 1952)<br>(64 years old)<br><br>Reelection<br><br>Tenure<br>5 years<br><br>Attendance at meetings of the Board of Directors<br>13/14</td><td>Oct. 1980<br>June 1997<br><br><br>June 2007<br><br><br>June 2012<br>June 2013<br><br>Apr. 2014<br><br>June 2016<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>Joined the Company<br>OA Group Manager of Technology Products Business Unit<br>General Manager of Technology Products Business Division, High Technology Products Business Unit<br>Director<br>General Manager of High Technology Products Business Unit<br>General Manager of Sales Unit (current position)<br>Senior Director (current position)</td><td>41,400 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Toshiaki Deto as a candidate for Director because he possesses abundant experience and knowledge in sales gained while mainly engaged in the precision molded product business, is currently responsible for the Sales Unit, and it was determined that he could continue to contribute to the enhancement of the Company's corporate value.</td></tr>
<tr><td rowspan="2">4</td><td>Kenjiro Hata<br>(July 27, 1928)<br>(88 years old)<br><br>Reelection<br>Outside<br>Independent<br><br>Tenure<br>6 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td>May 1954<br>Apr. 1990<br>Apr. 1998<br>June 2003<br><br>July 2003<br><br>Jan. 2004<br><br>Dec. 2005<br>June 2011<br>July 2013<br><br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>Joined Meiji Life Insurance Company<br>President<br>Representative Director and Chairman<br>Audit & Supervisory Board Member of the Company<br>Senior Corporate Advisor of Meiji Life Insurance Company<br>Senior Corporate Advisor of Meiji Yasuda Life Insurance Company<br>Senior Advisor<br>Director of the Company (current position)<br>Honorary Advisor of Meiji Yasuda Life Insurance Company (current position)</td><td>- shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Director<br>The Company has nominated Kenjiro Hata as a candidate for outside Director because he possesses extensive experience and a high level of knowledge from his many years in management at a life insurance company, and it was determined that he could provide objective and appropriate supervision of the Company's management from such a broad view as a manager. Kenjiro Hata is currently an outside Director of the Company. His tenure since assuming office as outside Director has been six years.</td></tr>
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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Career summary, and position and responsibility in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">5</td><td>Shigemichi Todoroki<br>(November 9, 1946)<br>(70 years old)<br><br>Reelection<br>Outside<br>Independent<br><br>Tenure<br>2 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td>Mar. 1972 Registered as Certified Public Accountant<br>June 1988 Senior Partner of Chuo Audit Corporation<br>May 2005 President of Shigemichi Todoroki Tax Accountant Office (current position)<br>Jan. 2006 Examiner of the Certified Public Accountant Examination (oral)<br>Aug. 2007 Senior Partner of Ernst & Young ShinNihon (Currently Ernst & Young ShinNihon LLC)<br>June 2011 Auditor of the Japan Industrial Management & Accounting Institute Incorporated Foundation (Currently the Japan Industrial Management & Accounting Institute General Incorporated Foundation) (current position)<br>Sept. 2013 President of Shigemichi Todoroki Certified Public Accountant Office (current position)<br>June 2015 Director of the Company (current position)<br>(Significant concurrent positions outside the Company)<br>President of Shigemichi Todoroki Tax Accountant Office and Shigemichi Todoroki Certified Public Accountant Office</td><td>- shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for outside Director<br>The Company has nominated Shigemichi Todoroki as a candidate for outside Director because it was determined that he continues to be capable of fully serving the role expected as an outside Director, including providing supervision of decision-making by the Board of Directors and execution of duties by directors from an objective and professional perspective, based on the knowledge and experience he has cultivated over many years as a certified public accountant and tax accountant.<br>Shigemichi Todoroki has never been directly involved in the management of a company. However, the Company has judged that he will appropriately fulfill his duties as an outside Director based on his possession of sufficient insight to supervise corporate management, having extensive knowledge and experience from his many years as a certified public accountant and tax accountant. Furthermore, Shigemichi Todoroki is currently an outside Director of the Company. His tenure since assuming office as outside Director has been two years.</td></tr>
<tr><td rowspan="2">6</td><td>Toru Takayama<br>(November 2, 1952)<br>(64 years old)<br><br>Reelection<br><br>Tenure<br>5 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td>Apr. 1980 Joined the Company<br>Apr. 1994 Manager of Hong Kong Branch<br>June 2002 President of Shin-Etsu Polymer America, Inc.<br>Mar. 2004 President of Shin-Etsu Polymer México, S.A.de C.V.<br>June 2007 General Manager of RC Division, Electronic Device Business Unit of the Company<br>Oct. 2008 General Manager of Sales Unit, Electronic Device Business Unit<br>Mar. 2010 President of Suzhou Shin-Etsu Polymer Co., Ltd.<br>President of Shin-Etsu Polymer Shanghai Co., Ltd.<br>June 2012 Director of the Company (current position)<br>General Manager of Electronic Device Business Unit<br>Apr. 2014 General Manager of Office of International Business, Sales Unit (current position)<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>23,800 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director<br>The Company has nominated Toru Takayama as a candidate for Director because he possesses abundant experience and knowledge gained while mainly engaged in the electronic device business and responsible for overseas offices, is currently responsible for International Business, and it was determined that he could continue to contribute to the enhancement of the Company's corporate value.</td></tr>
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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, and position and responsibility in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">7</td><td>Mikio Furukawa<br>(June 20, 1954)<br>(62 years old)<br><br>Reelection<br><br>Tenure<br>4 years<br><br>Attendance at meetings of the Board of Directors<br>12/14</td><td colspan="2">Apr. 1979 Joined the Company<br>Oct. 2001 FI Development Group Manager of Electronics Material Handling Products Business Unit<br>Oct. 2004 FI Control Manager of Electronics Material Handling Products Division, High Technology Products Business Unit<br>Oct. 2008 General Manager of FI Division, High Technology Products Business Unit<br>June 2013 Director (current position)<br>General Manager of EP Division, High Technology Products Business Unit<br>Feb. 2014 President of Urawa Polymer Co., Ltd.<br>Apr. 2014 General Manager of Sales & Marketing Division III, Sales Unit of the Company (current position)<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>14,400 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Mikio Furukawa as a candidate for Director because he possesses abundant experience and knowledge in not only sales but also research and development gained while mainly engaged in the precision molded product business, is currently responsible for the Sales & Marketing Division for semiconductor-related containers, and it was determined that he could continue to contribute to the enhancement of the Company's corporate value.</td></tr>
<tr><td rowspan="2">8</td><td>Satoru Sugano<br>(October 7, 1954)<br>(62 years old)<br><br>Reelection<br><br>Tenure<br>4 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td colspan="2">Apr. 1978 Joined the Company<br>Apr. 1995 SR Development Group Manager and Technology & Production Group Manager of Kodama Plant<br>Feb. 2002 General Manager of SR Production Division of Kodama Plant<br>Apr. 2003 General Manager of SR Production Management Division of Technology Products Business Division, High Technology Products Business Unit<br>Apr. 2008 General Manager of SR Technology & Production Management Division of Technology Products Business Division, High Technology Products Business Unit<br>June 2009 Manager of Kodama Plant<br>June 2013 Director (current position)<br>Apr. 2016 General Manager of Development Unit (current position)<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>19,100 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Satoru Sugano as a candidate for Director because he possesses abundant knowledge and experience gained through his involvement with R&D and production technology, etc. while mainly engaged in the precision molded product business, is currently responsible for the Development Unit, and it was determined that he could continue to contribute to the enhancement of the Company's corporate value.</td></tr>
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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, and position and responsibility in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">9</td><td>Yasushi Shibata<br>(May 12, 1959)<br>(58 years old)<br><br>Reelection<br><br>Tenure<br>3 years<br><br>Attendance at meetings of the Board of Directors<br>14/14</td><td>Apr. 1982<br>May 2009<br><br><br><br><br>June 2014<br><br><br><br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>Joined Shin-Etsu Chemical Co., Ltd.<br>General Manager of Administration Department of Naoetsu Plant<br>President of Shin-Etsu Silica Co., Ltd<br>General Manager of Naoetsu Office of Skyward Information System Co., Ltd.<br>Director of the Company (current position)<br>General Manager of Human Resources Department, Administrative Unit (current position)</td><td>9,100 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Yasushi Shibata as a candidate for Director because he possesses abundant knowledge and experience gained while mainly engaged in administrative affairs at Shin-Etsu Chemical Co., Ltd., has served as the person responsible for human resources since he was appointed as Director of the Company, and it was determined that he could continue to contribute to the enhancement of the Company's corporate value.</td></tr>
<tr><td rowspan="2">10</td><td>Naoki Kobayashi<br>(November 29, 1956)<br>(60 years old)<br><br>New election</td><td>Apr. 1981<br>Feb. 1997<br><br>Nov. 2003<br>Mar. 2014<br><br><br><br>Apr. 2014<br><br><br>(Significant concurrent positions outside the Company)<br>President of Suzhou Shin-Etsu Polymer Co., Ltd.<br>President of Shin-Etsu Polymer Shanghai Co., Ltd.</td><td>Joined the Company<br>International Sales Group Manager of Electronic Materials Business Unit<br>Manager of Hong Kong Branch<br>General Manager of Sales Unit, Electronic Device Business Unit<br>President of Suzhou Shin-Etsu Polymer Co., Ltd. (current position)<br>President of Shin-Etsu Polymer Shanghai Co., Ltd. (current position)<br>General Manager of Sales & Marketing Division I, Sales Unit of the Company (current position)</td><td>- shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Naoki Kobayashi as a candidate for Director because he possesses abundant experience and knowledge gained while mainly engaged in the electronic device business and responsible for overseas offices, is currently responsible for the Sales & Marketing Division for automotive business, etc., and it was determined that he could contribute to the enhancement of the Company's corporate value.</td></tr>
<tr><td rowspan="2">11</td><td>Kan Ishihara<br>(April 14, 1956)<br>(61 years old)<br><br>New election</td><td>June 1982<br>Apr. 2002<br>June 2005<br>May 2013<br><br>(Significant concurrent positions outside the Company)<br>President of Shin-Etsu Finetech Co., Ltd.</td><td>Joined the Company<br>General Manager of Compound Division<br>President of Shin-Etsu Polymer Europe B.V.<br>President of Shin-Etsu Finetech Co., Ltd. (current position)</td><td>2,500 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director<br>The Company has nominated Kan Ishihara as a candidate for Director because he possesses abundant experience and knowledge gained while mainly engaged in accounting, housing environment and living materials business and the electronic device business and responsible for overseas offices, is currently responsible for a domestic sales subsidiary, and it was determined that he could contribute to the enhancement of the Company's corporate value.</td></tr>
</table>

| Candidate No. | Name (Date of birth) | Career summary, and position and responsibility in the Company | Number of the Company's shares owned |
|---|---|---|---|
| 12 | Mitsuo Sato<br>(September 30, 1957)<br>(59 years old)<br><br>New election | Jan. 1985 Joined the Company<br>Apr. 1993 Manager of Group IV, Engineering Division<br>Oct. 1995 Construction Materials Technology Group Manager of Construction Materials Business Unit<br>May 2002 General Manager of Extrusion Manufacturing Division, Tokyo Plant<br>July 2007 Manager of Tokyo Plant<br>Oct. 2013 General Manager of Construction Materials Division<br>Apr. 2016 General Manager of Production Unit (current position)<br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company. | 5,000 shares |
| | Reasons for nomination as candidate for Director<br>The Company has nominated Mitsuo Sato as a candidate for Director because he possesses abundant knowledge and experience gained through his involvement in production technology and other business related to production while mainly engaged in the housing environment and living materials business, is currently responsible for the Production Unit, and it was determined that he could contribute to the enhancement of the Company's corporate value. | | |

Notes:
1. Naoki Kobayashi holds concurrent positions as President of Suzhou Shin-Etsu Polymer Co., Ltd. and President of Shin-Etsu Polymer Shanghai Co., Ltd., both of which are subsidiaries of the Company. The Company is engaged in transactions with Suzhou Shin-Etsu Polymer Co., Ltd. that include the sale of materials and the purchase of products and with Shin-Etsu Polymer Shanghai Co., Ltd. that include product sales.
   Kan Ishihara holds a concurrent position as President of Shin-Etsu Finetech Co., Ltd., a subsidiary of the Company, and the Company is engaged in transactions with Shin-Etsu Finetech Co., Ltd. that include product sales.
   Each company mentioned above is engaged in the same type of business as the Company.
   There is no special interest between any other candidates and the Company.
2. The position and responsibility of the candidates who have served as persons executing business at Shin-Etsu Chemical Co., Ltd., the parent company of the Company, and its subsidiaries, etc. in the past five years are provided in the "Career summary, and position and responsibility in the Company" section above.
3. Kenjiro Hata and Shigemichi Todoroki are candidates for outside Director.
4. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Kenjiro Hata and Shigemichi Todoroki have been appointed as independent officers. If the reelection of Kenjiro Hata and Shigemichi Todoroki is approved at this Meeting, the Company plans to continue their designation as independent officers.
5. Limited liability agreements with candidates
   The Company has set forth in its Articles of Incorporation that it may enter into an agreement with outside Directors limiting their liability to the scope set forth in the provisions of Article 427, paragraph 1 of the Companies Act.
   The Company has entered into agreements with outside Director candidates Kenjiro Hata and Shigemichi Todoroki limiting their liability according to the provisions of Article 427, paragraph 1 of the Companies Act. If Kenjiro Hata and Shigemichi Todoroki are reelected as outside Directors, the Company plans to renew the aforementioned limited liability agreements with both of them.
   The details of the limited liability agreement are summarized as follows:
   The maximum amount of liability for damages under this agreement shall be the minimum liability amount provided for under laws and regulations.

**Proposal No. 3:** Election of 2 Audit & Supervisory Board Members

At the conclusion of this Meeting, the terms of office of Audit & Supervisory Board Members Tetsuo Ogawa and Shuichi Noguchi will expire.
Therefore, the Company proposes the election of 2 Audit & Supervisory Board Members.
In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.
The candidates for Audit & Supervisory Board Member are as follows:

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary and position in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Shuichi Noguchi<br>(August 31, 1947)<br>(69 years old)<br><br>Reelection<br>Outside<br>Independent<br><br>Tenure<br>4 years<br><br>Attendance at meetings of the Board of Directors<br>14/14<br><br>Attendance at meetings of the Audit & Supervisory Board<br>17/17</td><td>Apr. 1971<br>June 1997<br><br><br>Dec. 2000<br><br><br><br>June 2004<br><br><br><br>June 2008<br><br><br>June 2010<br>June 2013<br><br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>Joined Shin-Etsu Chemical Co., Ltd.<br>General Manager of Organic Chemicals Department, Osaka Branch<br>General Manager of Administration Department and Environment & Safety Department of Kashima Plant<br>Director and General Manager of Sales & Marketing Department of Japan Vam & Poval Co., Ltd.<br>Managing Director and General Manager of Sales & Marketing Department<br>Senior Managing Director<br>Full-Time Audit & Supervisory Board Member of the Company (current position)</td><td>3,800 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Audit & Supervisory Board Member<br>The Company has nominated Shuichi Noguchi as a candidate for outside Audit & Supervisory Board Member because he has abundant experience as an officer at chemical companies, and it was determined that such knowledge and experience can be utilized to strengthen the Company's audit system. Shuichi Noguchi is currently an outside Audit & Supervisory Board Member (full time) of the Company. His tenure since assuming office as outside Audit & Supervisory Board Member has been four years.</td></tr>
<tr><td rowspan="2">2</td><td>Morio Miyazaki<br>(March 12, 1952)<br>(65 years old)<br><br>New election<br>Outside</td><td>Apr. 1975<br>July 1976<br><br>Aug. 1979<br><br>June 2012<br><br>July 2013<br><br><br>(Significant concurrent positions outside the Company)<br>No significant concurrent positions outside the Company.</td><td>Joined Shin-Etsu Chemical Co., Ltd.<br>Accounting Department of Shin-Etsu Vinyl Acetate Co., Ltd.<br>Finance & Accounting Department of Shin-Etsu Chemical Co., Ltd.<br>Audit & Supervisory Board Member of Shin-Etsu Handotai Co., Ltd. (current position)<br>Director of Shin-Etsu Silicones (Thailand) Limited<br>Director of Asia Silicones Monomer Limited</td><td>- shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Audit & Supervisory Board Member<br>The Company has nominated Morio Miyazaki as a candidate for outside Audit & Supervisory Board Member because he has outstanding experience and knowledge related to accounting and finance, and it was determined that such knowledge and experience can be utilized to strengthen the Company's audit system.</td></tr>
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Notes:
1. There is no special interest between any of the candidates and the Company.
2. Shuichi Noguchi and Morio Miyazaki are candidates for outside Audit & Supervisory Board Member.
3. Shuichi Noguchi has served as Senior Managing Director of Japan Vam & Poval Co., Ltd., a subsidiary of the Company's parent company, for the past five years.
4. Morio Miyazaki has been a person executing business at Shin-Etsu Chemical Co., Ltd., the parent company of the Company, and at Shin-Etsu Silicones (Thailand) Limited and Asia Silicones Monomer Limited, subsidiaries of the parent company of the Company, for the past five years. His position and responsibility in such companies are provided in the "Career summary and position in the Company" section above. Furthermore, Morio Miyazaki has been serving as Audit & Supervisory Board Member of Shin-Etsu Handotai Co., Ltd., a subsidiary of the parent company of the

Company, currently and for the past five years. Additionally, he has received a salary from Shin-Etsu Chemical Co., Ltd. as an employee for the past two years.

5. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Shuichi Noguchi has been appointed as an independent officer. If the reelection of Shuichi Noguchi is approved at this Meeting, the Company plans to continue his designation as an independent officer.
6. Limited liability agreements with candidates

   The Company has set forth in its Articles of Incorporation that it may enter into an agreement with outside Audit & Supervisory Board Members limiting their liability to the scope set forth in the provisions of Article 427, paragraph 1 of the Companies Act.

   The Company has entered into an agreement with outside Audit & Supervisory Board Member candidate Shuichi Noguchi limiting his liability according to the provisions of Article 427, paragraph 1 of the Companies Act. If Shuichi Noguchi is reelected as an outside Audit & Supervisory Board Member, the Company plans to renew the aforementioned limited liability agreement. Furthermore, if another outside Audit & Supervisory Board Member candidate Morio Miyazaki is elected, the Company plans to enter into the aforementioned limited liability agreement with him.

   The details of the limited liability agreement are summarized as follows:

   The maximum amount of liability for damages under this agreement shall be the minimum liability amount provided for under laws and regulations.

**Proposal No. 4: Delegation of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to Employees of the Company and Directors of Subsidiaries of the Company to the Board of Directors of the Company**

The Company asks for the shareholders' approval to delegate the determination of the subscription requirements for stock acquisition rights to be issued as stock options to employees of the Company and directors of subsidiaries of the Company to the board of directors of the Company (hereinafter referred to as the "Board of Directors") in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Reasons for issuing stock acquisition rights with particularly favorable terms and conditions:
   For the purpose of further enhancing the willingness and morale to contribute to the long-term increase of corporate value of the Company's group, and seeking to increase the corporate value of the Company's group, the Company would like to issue stock acquisition rights to employees of the Company and directors of subsidiaries of the Company without requiring the payment of monies.
2. Features and the maximum number of stock acquisition rights, etc. of which the Board of Directors will be authorized to determine subscription requirements, based on the matters to be determined at this Meeting:
   (1) The maximum number of stock acquisition rights of which the Board of Directors will be authorized to determine subscription requirements based on the delegation
   The maximum number of stock acquisition rights specified in item (3) below shall be one thousand nine hundred (1,900).
   The maximum total number of shares of common stock of the Company to be delivered upon exercise of stock acquisition rights shall be one hundred and ninety thousand (190,000). If the number of shares to be granted is adjusted as prescribed in item (3) below, however, the adjusted number of shares to be granted shall be the product of the number of shares to be granted after adjustment multiplied by the above-mentioned maximum number of stock acquisition rights.
   (2) No payment of monies shall be required for the stock acquisition rights of which the Board of Directors will be authorized to determine subscription requirements based on the delegation.
   (3) Features of stock acquisition rights of which the Board of Directors will be authorized to determine subscription requirements based on the delegation
      (a) Class and number of shares underlying stock acquisition rights
      The class of shares underlying stock acquisition rights shall be common stock, and the number of shares underlying each stock acquisition right (hereinafter referred to as the "Number of Shares to Be Granted") shall be one hundred (100).
      If, however, the Company either effects a share split of its common stock (including allotment of its shares of common stock without contribution; the same shall apply to the share split described hereinafter) or effects a consolidation of its shares of common stock, after the date of resolution of the Meeting of Shareholders (hereinafter referred to as the "Resolution Date"), the Number of Shares to Be Granted shall be adjusted according to the formula described below. Fractions of less than one (1) share resulting from such adjustments shall be rounded down.

$$\text{Number of Shares to Be Granted after adjustment} = \text{Number of Shares to Be Granted before adjustment} \times \text{Ratio of share split or share consolidation}$$

      In addition to the above, if, after the Resolution Date, any event that would force the Company to adjust the Number of Shares to Be Granted occurs, the Company shall make appropriate adjustments to the Number of Shares to Be Granted within a reasonable range.
      (b) Amount of assets to be contributed upon exercise of stock acquisition rights
      The amount of assets to be contributed upon the exercise of each stock acquisition right shall be the amount obtained by multiplying the amount to be paid in for one (1) share to be delivered upon exercise of stock acquisition rights (hereinafter referred to as the "Exercise Price") by the Number of Shares to Be Granted.
      The Exercise Price shall be the higher of either the product of the multiplication of the average of daily closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange (hereinafter referred to as the "Closing Price") during the month (excluding dates on which no trade is made) immediately prior to the month containing the date on which stock

acquisition rights are allotted (hereinafter referred to as the "Allotment Date") by 1.025, with any fractions of less than ¥1 to be rounded up; or the Closing Price on the Allotment Date (or in the event that there is no Closing Price on that date, the Closing Price of the immediately preceding day on which the Company's common stock were traded).

If the Company either effects a share split or a consolidation of its shares of common stock after the Allotment Date, the Exercise Price shall be adjusted according to the formula described below. Fractions of less than ¥1 resulting from such adjustments shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

If, after the Allotment Date, the Company issues new shares of common stock or disposes of shares of treasury stock thereof of the Company at a price lower than the market price (excluding the sale of shares of treasury stock pursuant to the provisions of Article 194 of the Companies Act ["Demand for Sale of Shares Less than One Unit by Holders of Shares Less than One Share Unit"], the conversion of securities that shall or may be converted to shares of common stock of the Company, or the exercise of stock acquisition rights with which the delivery of shares of common stock of the Company can be requested [including stock acquisition rights attached to bonds with stock acquisition rights]), the Exercise Price shall be adjusted according to the formula described below. Fractions of less than ¥1 resulting from such adjustments shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of newly issued shares} \times \text{Payment amount per share}}{\text{Market price}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the formula above, "Number of issued shares" is the total number of shares of common stock issued by the Company excluding the number of treasury shares of common stock owned by the Company. In the case of the Company's disposal of treasury stock, "Number of newly issued shares" shall be replaced with "Number of treasury stock to be disposed of."

In addition to the above, if, after the Allotment Date, any event that would force the Company to adjust the Exercise Price occurs, the Company shall make appropriate adjustments to the Exercise Price within a reasonable range.

(c) Period during which stock acquisition rights may be exercised

From the day following the 2-year anniversary of the Allotment Date to March 31, 2023

(d) Matters concerning increases in capital and capital reserve when shares are issued upon exercise of stock acquisition rights

i. The amount of capital to be increased by the issuance of shares upon exercise of stock acquisition rights shall be one-half of the maximum amount of increase in capital etc., which is calculated in accordance with Article 17, paragraph 1 of the Corporate Accounting Rules. Fractions of less than ¥1 resulting from such calculation shall be rounded up.

ii. The amount of capital reserve to be increased by the issuance of shares upon exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of capital to be increased as prescribed in (i) above from the maximum amount of increase in capital etc. described in (i) above.

(e) Restriction on acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall be subject to the approval by a resolution of the Board of Directors.

(f) Provisions for acquisition of stock acquisition rights

i. In the event that a proposal for a merger agreement under which the Company shall become a ceasing company, a proposal for a company split agreement or company split plan under which the Company shall become a splitting company, or a proposal for a share exchange agreement or share transfer plan under which the Company shall become a wholly-owned subsidiary is approved at a shareholders' meeting of the Company (or in any of the above

cases, when an approval at a shareholders' meeting of the Company is not required, and an approval at a Board of Directors' meeting is made), the Company may acquire the stock acquisition rights without consideration at the date separately specified by the Board of Directors of the Company.

ii. If a person granted stock acquisition rights or his or her heir can no longer exercise such rights under the "Agreement for Allotment of Stock Acquisition Rights," which is concluded between the Company and a relevant employee or a director of relevant subsidiary, based on a resolution made at this Meeting and by the Board of Directors, the Company may acquire the stock acquisition rights without consideration at the date separately specified by the Board of Directors of the Company.

(g) In the event where the Company engages in a merger (limited to the case where the Company ceases to exist after the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as the "Reorganization Actions"), the Company shall deliver to the holders of the remaining stock acquisition rights at the time the Reorganization Actions take effect (hereinafter referred to as the "Remaining Stock Acquisition Rights") the stock acquisition rights of the relevant stock companies listed in Article 236, paragraph 1, item (viii) - (a) through (e) of the Companies Act (hereinafter referred to as the "Reorganized Company"), in each case in accordance with the conditions set forth below. In this event, the Remaining Stock Acquisition Rights shall become extinct and new stock acquisition rights in the Reorganized Company shall be issued. However, the foregoing shall be on the condition that delivery of such stock acquisition rights by the Reorganized Company in accordance with the following conditions is included in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan.

i. Number of stock acquisition rights of the Reorganized Company to be delivered
The same number of such stock acquisition rights as the number of the Remaining Stock Acquisition Rights possessed by each holder of the Company's stock acquisition rights shall be delivered.

ii. Class of shares of the Reorganized Company underlying stock acquisition rights
Class of shares underlying stock acquisition rights shall be common stock of the Reorganized Company.

iii. Number of shares of the Reorganized Company underlying stock acquisition rights
The number of shares shall be determined in the same manner as (a) above taking into consideration the conditions and other factors concerning the Reorganization Actions.

iv. Amount of assets to be contributed upon exercise of stock acquisition rights
The amount of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the amount to be paid in after reorganization, which is adjusted taking into consideration the conditions and other factors concerning the Reorganization Actions, by the number of shares underlying the relevant stock acquisition rights as determined in accordance with (iii) above.

v. Period during which stock acquisition rights may be exercised
This period shall commence either on the starting date of the period for exercising stock acquisition rights specified in (c) above, or on the date on which the Reorganization Action comes into effect, whichever is later, and end on the expiry date of the period for exercising stock acquisition rights specified in (c) above.

vi. Matters concerning increases in capital and capital reserve when shares are issued upon exercise of stock acquisition rights
They shall be determined in the same manner as (d) above.

vii. Restriction on acquisition of stock acquisition rights by transfer
Any acquisition of stock acquisition rights by transfer shall be subject to the approval by resolution of the board of directors of the Reorganized Company.

viii. Provisions for acquisition of stock acquisition rights
They shall be determined in the same manner as (f) above.

(h) In cases where the number of shares to be delivered to the holders of the stock acquisition rights who have exercised the stock acquisition rights includes any fractions of less than one (1) share, such fractions shall be rounded down.

(i) Other details with respect to stock acquisition rights
Other matters concerning stock acquisition rights and particulars not stipulated in the above shall be established by means of a resolution at a separately held Board of Directors' Meeting.