



May 20, 2025

To whom it may concern:

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**Notice Regarding the Acquisition of Own Shares
through the Off-Auction Share Repurchase Trading System (ToSTNeT-3)
(Acquisition of Own Shares through Fully Committed Share Repurchase (Japanese ASR))**

As announced in “Notice Concerning Decisions Relating to Repurchase of Shares” on April 25, 2025, Shin-Etsu Chemical Co., Ltd. (the “Company”) has passed a resolution at the Board of Directors’ meeting establishing that it will acquire 500 billion yen worth of its own shares pursuant to Article 156 of the Companies Act, applied pursuant to Article 165(3) of the Companies Act. The company hereby announces that it has today determined the specific method of the acquisition for 400 billion yen.

1. Reason for acquisition of own shares

Our basic policy is to focus on expanding business earnings and financial discipline, and to return the fruits of our management efforts to shareholders in an appropriate and stable manner. Our capital policy is based on careful consideration of return on equity and cost of capital. Returning profits to shareholders is at the core of this, and we have flexibly acquired our own shares, taking into account share price levels and other factors. As part of this, we resolved today to acquire our own shares.

2. Method of acquisition

The Company will commission the purchase through the Tokyo Stock Exchange’s off-auction share repurchase trading system (ToSTNet-3) at 8:45AM on May 21, 2025, at the closing price (including the final special quote) as of the date of this announcement (May 20, 2025) of 4,577 yen (hereafter, the “benchmark price”), to acquire 87,393,400 shares worth 400 billion yen (the “anticipated monetary value of this acquisition”). This purchase order is valid only at this

specified date and time. (No other trading system will be used, and there will be no change to the trading time.)

Nomura Securities Co., Ltd. (“Nomura Securities”) is scheduled to place a sell order of 87,393,400 shares for this acquisition (the “anticipated number of shares acquired”), but as explained below, the shares obtained from Nomura Securities will be adjusted at a later date using the Company’s shares so that the actual purchase price will be equal to the average price of the Company shares over a specified period of time (to be explained in further detail below). As such, the final number of shares repurchased may fluctuate.

3. Details of the repurchase

(1)	Class of shares to be acquired	Common shares of the Company
(2)	Total number of shares to be acquired	87,393,400 shares (4.46% of all shares outstanding (excluding treasury shares))
(3)	Total monetary value of the acquisition	399,999,591,800 yen
(4)	Announcement of results	The results of the repurchase will be announced following the transaction at 8:45AM on May 21, 2025.

(Note 1) The number of shares to be acquired will not be changed. However, depending on market conditions, etc., some or all of the acquisition may not be carried out.

(Note 2) The purchase will be made by placing a sell order corresponding to the number of shares to be acquired.

(Reference) Total number of shares outstanding and number of treasury shares as of March 31, 2025

Total number of shares outstanding (excluding treasury shares)	1,960,126,401 shares
Number of treasury shares	24,869,464 shares

4. Fully committed share repurchase (FCSR, also known as “Japanese ASR” for Accelerated Share Repurchase)

The Company’s goal heading into this repurchase is to ensure that it can acquire 400 billion of its own shares, and the Company has concluded that the FCSR method proposed by Nomura Securities (“this Method”) is the best path to satisfy this need.

On May 21, 2025, the Company will execute a repurchase of the anticipated number of its shares through ToSTNeT-3 at the benchmark price per share for the total anticipated monetary value (the “Purchase”). To implement the Purchase, following this disclosure, Nomura Securities

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will borrow the Company's shares from the Company's shareholders and place a sell order. Nomura Securities' borrowing will take place after this disclosure, the monetary value of the sell order is not currently known. However, Nomura Securities has indicated that they should be able to place a sell order sufficient to ensure the Company's repurchase of the anticipated number of shares. This should enable the Company to acquire the anticipated number of its own shares even if the Purchase does not elicit sell orders from shareholders at large. Because ToSTNeT-3 prioritizes the sell orders of shareholders at large over that of Nomura Securities, a financial instruments firm, execution of Nomura's sell-order will be reduced by the amount sold by shareholders at large. Information regarding Nomura Securities' sell order will also be announced on the Tokyo Stock Exchange website. (<https://www.jpx.co.jp/markets/public/short-selling/index.html>)

Nomura Securities has indicated that following the Purchase, it will apply its own judgment and calculations to acquire the Company's shares through channels both inside and outside the stock market in order to return the shares it will borrow. However, the Company has not entered into any agreement with Nomura Securities regarding Nomura Securities' acquisition of the Company's shares.

With respect to the number of shares acquired by the Company from Nomura Securities in this share purchase (hereinafter referred to as the "Total Number of Shares Acquired"), the Company will adjust (hereinafter referred to as the "Adjustment") one-fifth of the Total Number of Shares Acquired (hereinafter referred to as the "Number of Shares Acquired" for each adjustment period) during five adjustment periods. By the Adjustment, the Company's actual purchase price for each Number of Shares Acquired will be equal to arithmetic average of VWAP of the Company shares over a period from May 22, 2025 to the adjustment date during each adjustment period multiplied by Adjustment Factor. (the "Average Price") The Number of Shares Acquired will be determined based on the amount obtained from Nomura Securities at Purchase and the Company will announce the number along with the result of the Purchase.

Adjustment period and the respective Adjustment Factor are as follows. The Company will announce the details of the Adjustment when it occurs.

Adjustment Period 1 : From June 10, 2025 to December 25, 2025	Adjustment Factor 99.94%
Adjustment Period 2 : From July 8, 2025 to January 21, 2026	Adjustment Factor 99.90%
Adjustment Period 3 : From August 6, 2025 to February 12, 2026	Adjustment Factor 99.85%
Adjustment Period 4 : From September 4, 2025 to March 6, 2026	Adjustment Factor 99.80%
Adjustment Period 5 : From October 6, 2025 to March 30, 2026	Adjustment Factor 99.78%

Example:

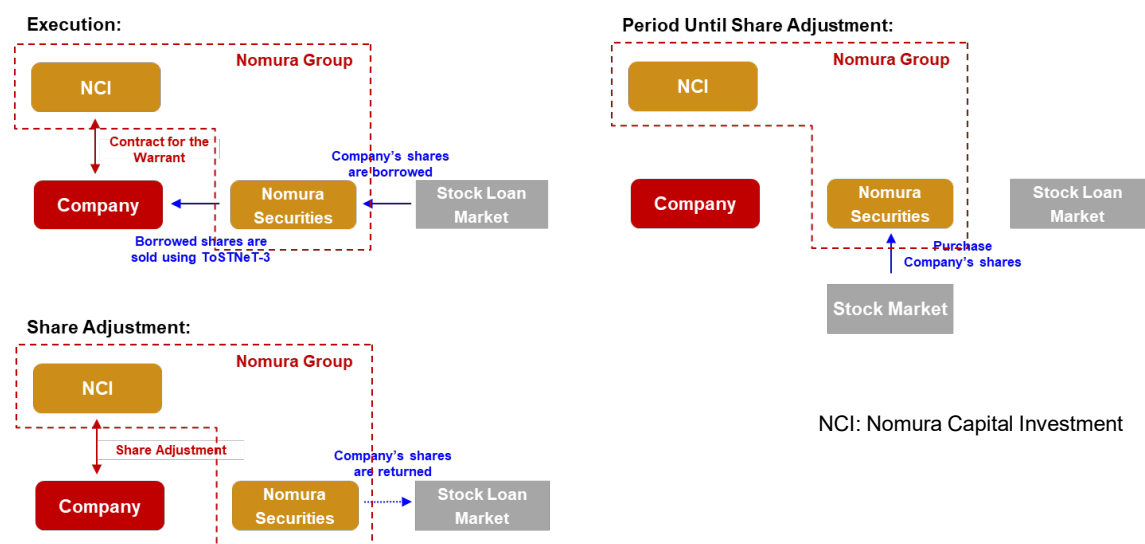
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	Acquisition through ToSTNeT-3	Adjustment Period 1	Adjustment Period 2	Adjustment Period 3	Adjustment Period 4	Adjustment Period 5	合計
Repurchase Amount (yen)	399,999,591,800	79,999,918,360	79,999,918,360	79,999,918,360	79,999,918,360	79,999,918,360	399,999,591,800
Benchmark Price (yen)	4,577						
VWAP average (yen)		4,600	4,500	4,400	4,650	4,700	
Adjustment Factor		99.94%	99.90%	99.85%	99.80%	99.78%	
Average Price (yen)		4,597,2400	4,495,5000	4,393,4000	4,640,7000	4,689,6600	
# of Shares acquired (shares)	87,393,400	17,401,727	17,795,555	18,209,113	17,238,761	17,058,788	87,703,944

Average Price=VWAP average * Adjustment Factor

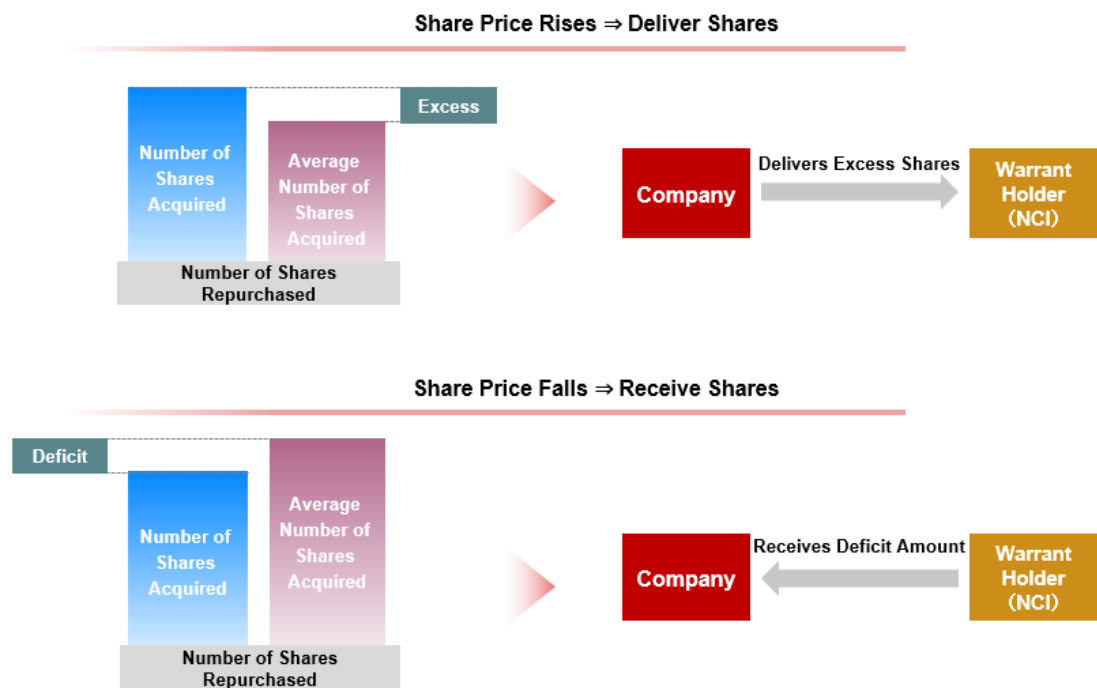
The Company will issue five share warrants (the “Share Warrants”) to Nomura Capital Investment Co., Ltd. (NCI) (the “Warrant Holder”). For each Adjustment Period, (i) if the Average Price is higher than the benchmark price, a portion of shares obtained by Purchase is delivered to the Warrant Holder by an exercise of the Share Warrants, (ii) if the Average Price is lower than the benchmark price, additional shares are delivered to the Company by the Warrant Holder, so that the total number of shares acquired by the Company at the Average Price for one-fifth of the amount purchased from Nomura Securities in the Purchase will be the number of shares acquired by the Company from Nomura Securities.

<FCSR Structure>



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<Share Adjustment Overview>



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