



February 16, 2026

To whom it may concern:

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

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 by April 24, 2026, pursuant to Article 156 of the Companies Act, applied pursuant to Article 165(3) of the Companies Act. As announced in “Notice Concerning Results of Acquisition of Own Shares Through Off-Auction Share Repurchase Trading System (ToSTNeT-3)” on May 21, 2025 and “Notice of the Completion of Ex Post Facto Adjustment for the Fully Committed Share Repurchase (FCSR)” on January 5, 2026, the acquisition for approximately 400 billion yen worth of its own shares has already been completed. The Company hereby announces that it has today determined the specific method of the acquisition for remaining approximately 100 billion yen worth of its own shares, which was mentioned in “Notice Regarding Secondary Offering of Shares” announced on January 27, 2026.

1. Reason for acquisition of own shares

The Company’s basic policy is to focus on expanding business earnings and financial discipline, and to return the fruits of the management efforts to shareholders in an appropriate and stable manner.

The Company’s 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 the Company has flexibly acquired its own shares, taking into account share price levels and other factors. As part of this, the Company decided to acquire its own shares.

This document is a press release to publicly announce the acquisition of own shares through the off-auction own share repurchase trading system (ToSTNeT-3). It is not intended in any way to solicit investment or serve any similar purposes.

## 2. Method of acquisition

In order to ensure that the Company achieves its objective of definitely completing the acquisition for 100 billion yen worth of its own shares, the Company has determined that an acquisition of its own shares by way of an acquisition of own shares through accelerated share repurchase (“ASR”), as proposed by Daiwa Securities Co. Ltd. (“Daiwa Securities”), is the most appropriate option and has decided to adopt such ASR transaction (the “ASR Transaction”). Compared with ordinary open-market share repurchases, ASR can be completed in one day even for a large-scale share repurchase. The Company believes that adopting this method enables it to demonstrate its commitment to completing the share repurchase to its shareholders and investors, and that it has the advantage of producing an immediate positive effect on financial metrics such as ROE. As explained below, the Company will have no involvement in Daiwa Securities’ purchases of the Company’s shares under the ASR Transaction. However, the Company understands that Daiwa Securities will purchase the Company’s shares in order to return borrowed shares, and therefore the Company expects that market supply and demand for the Company’s shares under ASR will be comparable to that under ordinary open-market share repurchases conducted by the Company.

Specifically, the Company will commission the purchase through the Tokyo Stock Exchange’s off-auction own share repurchase trading system (ToSTNeT-3) at 8:45AM on February 17, 2026, at the closing price (including the final special quote) as of the date of this announcement (February 16, 2026) of 5,618 yen, to acquire its own shares worth 100 billion yen (the “anticipated monetary value of this acquisition”), on the basis of the ASR Transaction. 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.)

Daiwa Securities is scheduled to place a sell order of 17,799,900 shares for this acquisition (the “anticipated number of shares acquired”), but as explained below, the shares obtained from Daiwa 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’s 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 | 17,799,900 shares<br>(0.95% of all shares outstanding (excluding treasury |

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|---|---|
|   | shares))  |
| (3) Total monetary value of the acquisition | 99,999,838,200 yen  |
| (4) Announcement of results                 | The results of the repurchase will be announced following the transaction at 8:45AM on February 17, 2026. |

(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 anticipated number of shares acquired.

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

|  |                      |
|--|----------------------|
| Total number of shares outstanding (excluding treasury shares) | 1,873,619,711 shares |
| Number of treasury shares                                      | 111,376,154 shares   |

#### 4. Accelerated share repurchase

The Company's goal heading into this share repurchase is to ensure that it can acquire 100 billion yen worth of its own shares, and the Company has concluded that the ASR Transaction is the best path to satisfy this need.

On February 17, 2026, the Company will repurchase its own shares through ToSTNeT-3 at 5,618 yen, in an aggregate amount equivalent to the anticipated monetary value of this acquisition corresponding to the anticipated number of shares acquired (the "Purchase").

To implement the Purchase, following this disclosure, Daiwa Securities will borrow the Company's shares from the Company's shareholders and place a sell order. As Daiwa Securities' borrowing will take place after this disclosure, the monetary value of the sell order is not currently known. However, Daiwa 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 acquired. This should enable the Company to acquire the anticipated number of shares acquired 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 Daiwa Securities, a financial instruments firm, execution of Daiwa Securities' sell-order will be reduced by the amount sold by shareholders at large.

Information regarding sell order of Daiwa Securities and its affiliates (hereinafter collectively, "Daiwa Securities Group") will also be announced on the Tokyo Stock Exchange website.

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<https://www.jpx.co.jp/markets/public/short-selling/index.html>

Daiwa Securities Group 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 (the "Short-Cover Transactions"). However, the Company has not entered into any agreement with Daiwa Securities regarding Daiwa Securities Group's acquisition of the Company's shares.

With respect to the sale amount of the common shares of the Company sold by Daiwa Securities in the Purchase (the "Benchmark Amount"), the Company will, in order to ensure that the Company's actual purchase price per share equals the Average Share Price (as defined below), separately enter into an adjustment transaction using the Company's shares with Daiwa Securities Co., Ltd., the prospective allottee (the "Allottee") of the share warrants to be issued by the Company in the ASR Transaction (the "Share Warrants"). Specifically, the Company and Daiwa Securities have agreed that (i) if the Average Share Price is higher than 5,618 yen, upon exercise of the Share Warrants by Daiwa Securities, the Company will deliver to the Allottee the Company's shares equal to the number calculated by deducting "the number of shares obtained by dividing the Benchmark Amount by the Average Share Price" from the "the number of the common shares of the Company sold by the Allottee in the Purchase" (the "Benchmark Number of Shares"); and conversely, (ii) if the Average Share Price is lower than 5,618 yen, the Company will acquire from the Allottee, without consideration, the Company's shares equal to the number calculated by deducting Benchmark Number of Shares from "the number of shares obtained by dividing the Benchmark Amount by the Average Share Price". Such adjustment to the number of shares to be acquired is scheduled to be carried out after Daiwa Securities Group completes the Short-Cover Transactions it deems necessary, during the period from March 18, 2026 through May 20, 2026; provided, however, under the terms and conditions of the Share Warrants, that if any trading days occur within such period up to May 20, 2026, that are not included in the basis for calculating the Average VWAP (as defined below), the period will be extended by the number of such trading days, but in no event later than June 2, 2026. The Company will separately disclose the final number of shares to be acquired once it has been determined.

\* "Average Share Price" is the value derived by adding (a) and (b) below (calculated to the fifth decimal place and rounded to the nearest value at the fifth decimal place). Unless otherwise provided below, the calculation of the period includes the date set at the beginning and the end of the period:

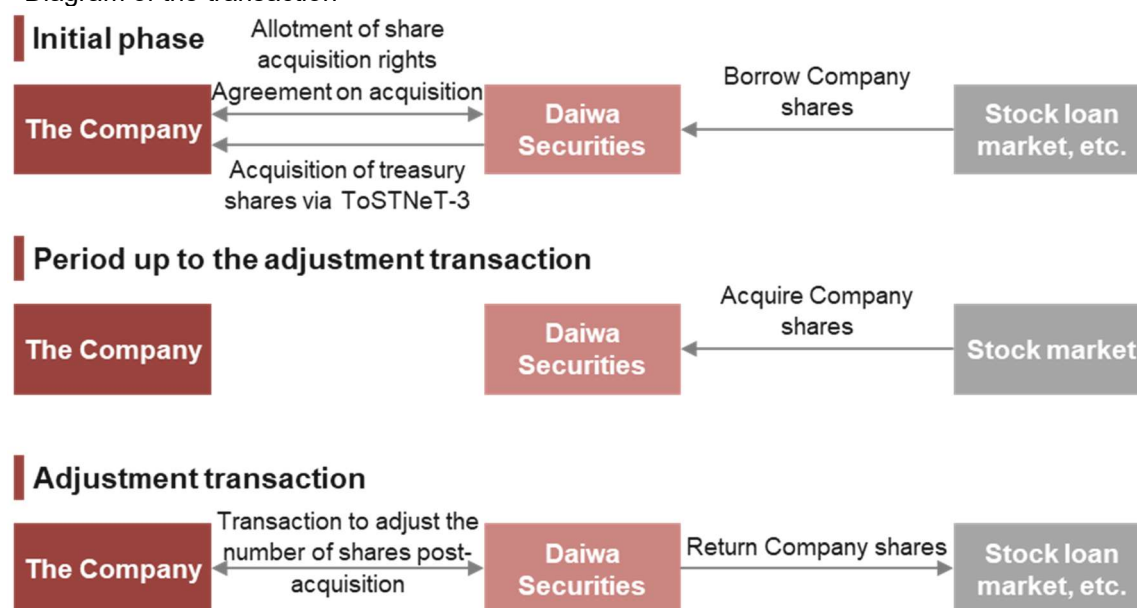
- (a) Average VWAP (mathematical average of the VWAP of ordinary trades of the common shares of the Company released by the Tokyo Stock Exchange on each trading day

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during the period from February 18, 2026 to the trading day preceding the exercise request date of the Share Warrants)  $\times$  99.9%;

- (b) The cumulative sum of increased dividend amount (dividends per share for shares where the last trading day before the ex-rights date falls on any day during the period from February 17, 2026 to the trading day preceding the exercise request date of the Share Warrants attributable to cash dividends of surplus on the common shares of the Company (limited to cases where the resolution for cash dividends under Article 454 or Article 459 of the Companies Act is adopted on or before the trading day preceding the exercise request date) (for the year-end dividend for the fiscal year ending March 2026, the portion exceeding 53 yen per share))  $\times$  (the number of trading days from the ex-dividend date corresponding to each dividend specified above to May 19, 2026)  $\div$  (the number of trading days from February 18, 2026 to May 19, 2026).

<Diagram of the transaction>



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<Diagram of the adjustment transaction>

**If Average Share Price > closing price of today: delivery of shares**



**If Average Share Price < closing price of today: Acquire shares without consideration**



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