



May 20, 2026

To whom it may concern:

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Notice Regarding Tender Offer for Own Shares

Shin-Etsu Chemical Co., Ltd. ("Shin-Etsu") resolved at its board of directors' meeting held on April 28, 2026 to repurchase its own shares for a total purchase price of up to 250 billion yen, based on Article 156(1) of the Companies Act of Japan (Act No. 86 of 2005, as amended) (the "Companies Act"), as applied *mutatis mutandis* pursuant to the provisions of Article 165(2) and (3) of the Companies Act, and Shin-Etsu's Articles of Incorporation. Shin-Etsu hereby announces that, at its board of directors' meeting held today, it has resolved to repurchase a portion thereof by way of a tender offer (the "Tender Offer"), as described below.

1. Purpose of Tender Offer

Shin-Etsu's basic policy is to (i) strive to increase its profitability while exercising financial discipline and (ii) return, the fruits of such efforts to its shareholders in a proper and stable manner. Shin-Etsu strives to increase its corporate value by the aggressive and timely use of internal reserves for enhanced global competitiveness, further business development, and further growth.

Further, while maintaining a solid financial base capable of withstanding increasingly frequent and severe economic fluctuations, Shin-Etsu is pursuing a capital policy with close attention to return on equity and cost of capital.

Shareholder returns are at the core of these policies. Shin-Etsu has aimed for stable dividends at a dividend payout ratio of around 40% in the medium-to-long term. Taking into account the total payout ratio, Shin-Etsu has conducted share repurchases in a flexible and responsive manner, considering the then-current share price levels and other circumstances. In connection with this policy, at its board of directors' meeting held on April 28, 2026, Shin-Etsu has resolved to repurchase its own shares as follows: total number of shares to be repurchased: 45,000,000 shares (maximum); total share purchase amount: 250,000,000,000 yen (maximum); and repurchase period: May 21,

2026, to April 27, 2027.

The year-end dividend for the fiscal year ended March 31, 2026, is expected to be 53 yen per share, the same amount as the interim dividend of 53 yen per share. As a result, the annual dividend for the fiscal year ended March 31, 2026, will be 106 yen per share, the same amount as the previous fiscal year.

Shin-Etsu's Articles of Incorporation provide that it may repurchase its own shares based on a resolution of its board of directors, without a resolution of a general meeting of shareholders, based on the provisions of Article 165(2) of the Companies Act. The purpose is to allow Shin-Etsu to execute agile capital strategies in response to changes in the business environment. Up to now, in order to improve its capital efficiency and return profits to its shareholders, Shin-Etsu has repurchased its own shares in the open market through the Tokyo Stock Exchange, Inc. and through a tender offer, as listed in the following table:

Date of Resolution	Repurchase Period	Total Shares Repurchased (Note 1)	Total Repurchase Amount
August 25, 2008 board of directors' meeting	September 8, 2008 to September 12, 2008	2,000,000 shares (10,000,000 shares)	10,590,079,000 yen
October 23, 2008 board of directors' meeting	October 27, 2008 to October 31, 2008	3,000,000 shares (15,000,000 shares)	13,622,940,000 yen
March 12, 2019 board of directors' meeting	March 13, 2019 to May 20, 2019	10,943,900 shares (54,719,500 shares)	100,000,000,000 yen
April 27, 2022 board of directors' meeting	April 28, 2022 to June 20, 2022	5,717,200 shares (28,586,000 shares)	99,998,575,000 yen
July 27, 2022 board of directors' meeting	July 28, 2022 to December 21, 2022	6,121,000 shares (30,605,000 shares)	99,998,988,500 yen
July 27, 2023 board of directors' meeting	July 28, 2023 to October 24, 2023	22,431,200 shares	99,999,573,700 yen
May 17, 2024 board of directors' meeting	May 20, 2024 to September 11, 2024	16,695,900 shares	99,999,466,400 yen
December 17, 2024 board of directors' meeting (Note 2)	December 18, 2024 to January 22, 2025	20,060,070 shares	93,981,427,950 yen
April 25, 2025 board of directors' meeting	May 21, 2025 to February 17, 2026	105,193,300 shares	499,999,430,000 yen

Note 1: Shin-Etsu conducted a five-to-one stock split on its common shares, effective as of April 1, 2023. In the above table, the number of shares in parenthesis represents the number of shares after accounting for the stock split.

Note 2: Based on a resolution at the board of directors' meeting held on December 17, 2024, Shin-Etsu repurchased a total of 20,060,070 shares through a tender offer for its own shares (the "2024 Tender Offer") during the tender offer period from December 18, 2024, to January 22, 2025. The number of shares repurchased (20,060,070 shares) represented 1.01% (rounded to two decimal places) of the total number of issued shares (1,979,650,112 shares, excluding treasury shares) as of December 18, 2024, the date of filing of the tender offer statement for said tender offer.

On June 5, 2024, Shin-Etsu was informed by its shareholder Aioi Nissay Dowa Insurance Co., Ltd. (“Aioi Nissay Dowa”) of its intent to sell all of its Shin-Etsu common shares in a phased manner by the end of March 2029, in order to reduce its strategic shareholdings. Subsequently, on July 29, 2024, Sompo Japan Insurance, Inc. (“Sompo Japan”) also informed Shin-Etsu of its intent to sell all of its Shin-Etsu common shares in a phased manner by the end of March 2031 (Aioi Nissay Dowa and Sompo Japan shall be collectively referred to as the “Prospective Tendering Shareholders”).

Having been informed of the Prospective Tendering Shareholders' intent to sell all of their Shin-Etsu common shares in a phased manner, and having been informed by other owners of Shin-Etsu common shares of their intent to sell their shares, Shin-Etsu considered these and other matters and decided to make the 2024 Tender Offer. In addition, in February 2026, the Prospective Tendering Shareholders and other owners of Shin-Etsu common shares jointly sold Shin-Etsu common shares through a secondary offering.

After the completion of the above-referenced sale of Shin-Etsu common shares through a secondary offering, in March 2026, Shin-Etsu inquired with the Prospective Tendering Shareholders as to their future plans to sell their Shin-Etsu common shares.

In response, Sompo Japan maintained its intent to sell all of its remaining Shin-Etsu common shares by the end of March 2031, and Aioi Nissay Dowa stated its intent to sell some of its remaining Shin-Etsu common shares during the fiscal year ending in March 2027 (the "Current Fiscal Year").

Therefore, in early April 2026, Shin-Etsu decided to consider the repurchase of Shin-Etsu common shares owned by the Prospective Tendering Shareholders through a tender offer, as a part of its share repurchases for the Current Fiscal Year, in light of (i) the Prospective Tendering Shareholders' intent to continue to sell their Shin-Etsu common shares, and (ii) the adverse effect on the liquidity and share price of its common shares that would result from a concentrated release of a certain number of such shares into the open market.

As a result, on April 13, 2026, Shin-Etsu determined that it would be appropriate to repurchase its common shares owned by the Prospective Tendering Shareholders, (i) considering the adverse effect on the liquidity and share price of its common shares that would result from a concentrated release of a certain number of such shares into the open market, and (ii) for the purpose of improving its efficient use of capital and increasing the profits returned to its shareholders, for the Current Fiscal Year. Also, Shin-Etsu determined that a tender offer would be the appropriate method for repurchasing its common shares owned by the Prospective Tendering Shareholders, for the reasons listed below.

1. Considering that the Prospective Tendering Shareholders have expressed their intent to sell a certain number of shares, a repurchase of such shares through a tender offer, which is a transaction outside the open markets, would likely have a relatively smaller adverse effect on the liquidity and share price of Shin-Etsu's common shares, than repurchasing such shares in the open market.
2. Because it will be possible to repurchase the shares at a discount to the current market price, (i) it is unlikely that there will be a large number of shares tendered by shareholders other

than the Prospective Tendering Shareholders, and (ii) there is greater certainty that Shin-Etsu will be able to successfully repurchase the Shin-Etsu common shares owned by the Prospective Tendering Shareholders.

After discussing the matter with the Prospective Tendering Shareholders, Shin-Etsu decided, at its board of directors' meeting on May 20, 2026, to repurchase the Shin-Etsu common shares that the Prospective Tendering Shareholders intend to sell, through the Tender Offer, at the Tender Offer price of 5,235 yen per share.

The Tender Offer price of 5,235 yen per share represents a 25.55% discount (rounded to two decimal places; also applies to all subsequent discount calculations herein) from 7,032 yen, the closing price of Shin-Etsu's common shares on the Tokyo Stock Exchange Prime Market ("TSE Prime Market") on May 19, 2026, the business day preceding the date of the board of directors' meeting at which Shin-Etsu decided to proceed with the Tender Offer. The Tender Offer price represents a discount of (i) 26.55% in comparison to 7,127 yen, the simple average of the closing prices of Shin-Etsu's common shares on the TSE Prime Market during the prior one-month period, (ii) 20.51% in comparison to 6,586 yen, the simple average of the closing prices of Shin-Etsu's common shares on the TSE Prime Market during the prior three-month period, and (iii) 10.01% in comparison to 5,817 yen, the simple average of the closing prices of Shin-Etsu's common shares on the TSE Prime Market during the prior six-month period.

The planned number of shares to be repurchased through the Tender Offer is set to be equal to the number of shares that the Prospective Tendering Shareholders intend to sell (10,069,400 shares) (0.54% of outstanding shares as of March 31, 2026), because of the need to minimize the total amount to be paid in connection with the Tender Offer. Because there is a possibility that the total number of tendered shares will exceed the planned number of shares to be repurchased (if the total number of tendered shares exceeds the planned number of shares to be repurchased and the number of voting units is adjusted based on proportional calculations), Shin-Etsu decided to set the maximum number of shares to be repurchased as the planned number of shares to be repurchased plus one voting unit (100 shares): 10,069,500 shares (0.54% of outstanding shares as of March 31, 2026).

Tendering Shareholder	Number of Shares Tendering Shareholder Intends to Tender
Aioi Nissay Dowa	4,857,400 shares
Sompo Japan	5,212,000 shares
Total	10,069,400 shares

Shin-Etsu plans to fund the amounts required for the Tender Offer completely from its own funds. Based on the Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (the "FY 2025 Financial Results"), Shin-Etsu's consolidated liquidity on hand (cash and deposits; hereinafter the same applies for the calculations of liquidity on hand) as of March 31, 2026 was 1,660,060 million yen (liquidity on hand ratio is 7.7 months) (Note 3). Even after subtracting the funds required for the Tender Offer (52,719 million yen), the estimated liquidity on hand will be 1,607,341 million yen (liquidity on hand ratio is 7.5 months) (Note 4). Thus, because Shin-Etsu's liquidity on hand will be sufficiently preserved, Shin-Etsu will be able to maintain its financial health and stability into the future.

Note 3: The liquidity on hand ratio was calculated by dividing the consolidated liquidity on hand as of March 31,

2026 as stated in the FY 2025 Financial Results, by monthly revenues (the revenues stated in the FY 2025 Financial Results divided by 12 months; hereinafter the same) (rounded to one decimal place).

Note 4: The estimated liquidity on hand ratio was calculated by dividing (i) the consolidated liquidity on hand as of March 31, 2026 as stated in the FY 2025 Financial Results, minus the funds required for the Tender Offer, by (ii) monthly revenues (rounded to one decimal place).

Shin-Etsu has not yet decided the future treatment of the shares to be repurchased through the Tender Offer.

2. Details of Board of Directors' Resolution Concerning Repurchase of Shares (disclosed on April 28, 2026)

(1) Details of Resolution

Type of Shares	Total Number of Shares	Total Repurchase Amount
Common shares	45,000,000 shares	250,000,000,000 yen

Note 1: The total number of shares to be repurchased (45,000,000 shares) represents 2.42% (rounded to two decimal places) of the total outstanding shares as of March 31, 2026 (1,856,712,376 shares, excluding treasury shares).

Note 2: The total number of shares to be repurchased is the maximum number of shares to be repurchased as resolved at the April 28, 2026 board of directors' meeting.

Note 3: The total purchase amount is the maximum total purchase amount resolved at the April 28, 2026 board of directors' meeting.

Note 4: The repurchase period shall be from May 21, 2026 to April 27, 2027.

(2) Number of Shares Already Repurchased Based on the Board of Directors' Resolution Not applicable.

3. Summary of Tender Offer

(1) Schedule, Etc.

1.	Date of Board of Directors' Resolution	May 20, 2026 (Wednesday)
2.	Date of Public Notice of Commencement of Tender Offer	May 21, 2026 (Thursday) Electronic public notice and announcement of same in Nihon Keizai Shinbun Electronic notice website: (https://disclosure2.edinet-fsa.go.jp/)
3.	Date of Submission of Tender Offer Statement	May 21, 2026 (Thursday)
4.	Tender Offer Period	May 21, 2026 (Thursday) to June 17, 2026 (Wednesday) (20 business days)

(2) Tender Offer Price

5,235 yen per common share

(3) Planned Number of Shares to be Repurchased

Type of Shares	Planned Number of Shares to be Repurchased	Expected Number of Excess Tendered Shares	Total
Common shares	10,069,400 shares	none	10,069,400 shares

Note 1: If the total number of shares tendered in response to the Tender Offer (the "Tendered Shares") is less than the planned number of shares to be repurchased (10,069,400 shares), Shin-Etsu shall repurchase all of the Tendered Shares. If the total number of Tendered Shares is greater than the planned number of shares to be repurchased (10,069,400 shares), Shin-Etsu will not repurchase some or all of the excess shares. In such case, Shin-Etsu will determine the shares to be repurchased and the settlement of such share repurchases in accordance with the pro rata methods provided for in Article 27-13(5) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) ("FIEA"), as applied pursuant to Article 27-22-2(2) of the FIEA, and Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offers for Listed Share Certificates by Issuers (Ministry of Finance Order No. 95 of 1994, as amended).

Note 2: Shares representing less than one voting unit can also be tendered in response to the Tender Offer. If a shareholder owning shares representing less than one voting unit exercises its right to request the purchase of such shares in accordance with the Companies Act, Shin-Etsu may repurchase such shares during the Tender Offer period, in compliance with applicable laws/regulations.

(4) Funds Required for Tender Offer

52,719,309,000 yen

Note: This amount represents the funds to purchase all of the planned shares to be repurchased (10,069,400 shares) plus estimated fees and other costs (including for public notices, and printing and other costs for explanatory documents and other required documents) relating to the Tender Offer.

(5) Settlement, Etc.

1. Name and Address of Head Office of Financial Institution Handling Settlement

Nomura Securities Co., Ltd.
1-13-1 Nihonbashi, Chuo-ku, Tokyo, Japan

2. Settlement Commencement Date

July 9, 2026 (Thursday)

(6) Other

The Tender Offer is not conducted, directly or indirectly, in the U.S. or for the U.S., and is not conducted (i) by means of U.S. mail or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail, or internet communications), nor (ii)

through any securities exchange facility in the U.S. No tender of shares in response to the Tender Offer may be made through any of the above-mentioned methods or means or through the above-mentioned facilities, or from the U.S.

The Tender Offer Statement and related tender documents relating to the Tender Offer are not and may not be sent or distributed in, to, or from the U.S. by mail or any other method. Any tender of shares in response to the Tender Offer made in violation, directly or indirectly, of any of the above-referenced restrictions shall be rejected.

Shareholders tendering shares in response to the Tender Offer (in the case of foreign shareholders, the standing proxy) may be required to make the following representations and warranties to the tender offer agent when making such tender:

- A. the shareholder is not located in the U.S., either at the time of tendering in the Tender Offer or at the time the tender offer application form is submitted;
- B. the shareholder has not directly or indirectly received or sent any information (including copies thereof) regarding the Tender Offer, in, to, or from the U.S.;
- C. the shareholder did not directly or indirectly use U.S. mail or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail, or internet communications), or any securities exchange facility in the U.S., in connection with the Tender Offer or signing and delivery of the tender offer application form; and
- D. the shareholder is not acting as any other person's attorney-in-fact or trustee/agent without discretion (unless the person providing instructions regarding the Tender Offer is doing so solely from outside the U.S.).