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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 Fully Committed Share Repurchase (Japanese ASR))

As announced in “Notice Concerning Decisions Relating to Repurchase of Shares (Repurchase of Shares Based on Provisions in the Company’s Articles of Incorporation in Accordance with Article 165(2) of the Companies Act)” on April 28, 2026, Shin-Etsu Chemical Co., Ltd. (the “Company”) has passed a resolution at the Board of Directors’ meeting establishing that it will acquire 250 billion yen worth of its own shares by April 27, 2027, based on Article 156 of the Companies Act, as applied mutatis mutandis pursuant to Article 165(3) of the Companies Act. As previously announced in “Notice Regarding Tender Offer for Own Shares” on May 20 and “Notice Regarding Results of Tender Offer for Own Shares” on June 18, 2026, the Company has already completed the acquisition of approximately 52.7 billion yen of its own shares. The Company hereby announces that it has today determined the specific method of the acquisition for the remaining balance of approximately 197.3 billion yen.

1. Reason for acquisition of own shares

   Our basic policy is to focus on expanding business earnings with 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, taking into account the total payout ratio, the Company has conducted share repurchases in a flexible and responsive manner, considering the then-current share price levels and other circumstances. As part of this, we will acquire our own shares.

2. Method of acquisition

Based on the Fully committed share repurchase (FCSR) method (described below), the Company will commission the purchase through the Tokyo Stock Exchange's off-auction own share repurchase trading system (ToSTNeT-3) on any of the days in the period from July 29, 2026 to August 4, 2026 (the "Purchase"). Specific details will be announced as soon as they are determined.

Nomura Securities Co., Ltd. ("Nomura Securities") is scheduled to place a sell order for this acquisition, 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'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 (planned)	The number of shares shall be calculated by dividing approximately 197.3 billion yen by the price of the Purchase (the "Purchase Price") (rounding down shares of less than one unit). ※The Purchase Price shall be the closing price (including the final special quote) of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Purchase.
(3)	Total monetary value of the acquisition	The amount obtained by multiplying the 'Total number of shares to be acquired (planned)' referred to in (2) above by the Purchase Price.
(4)	Expected Date of Acquisition	Any of the days in the period from July 29, 2026 to August 4, 2026. (the "Purchase Day")
(5)	Announcement of results	The results of the repurchase will be announced following the transaction.

(Reference) Total number of shares outstanding and number of treasury shares as of June 30, 2026

Total number of shares outstanding (excluding treasury shares)	1,859,694,761 shares
Number of treasury shares	125,301,104 shares

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

The Company has determined that FCSR is the best option to satisfy its need to ensure the acquisition of approximately 197.3 billion yen of its own shares.

On the Purchase Day, the Company will execute a repurchase through ToSTNeT-3.

To implement the Purchase, Nomura Securities will borrow the Company’s shares from the Company’s shareholders and place a sell order. 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 the Purchase (hereinafter referred to as the “Total Number of Shares Acquired”), the Company will severally adjust (hereinafter referred to as the “Adjustment”) each time covering one-half of the Total Number of Shares Acquired (hereinafter referred to as the “Number of Shares Acquired” for each adjustment period) during two 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’s shares over a period from the business day immediately following the Purchase Day to the day immediately preceding the date of the Adjustment (the date of exercise of the stock acquisition right or the date on which notice is received that the exercise will not be conducted) during each adjustment period multiplied by the Adjustment Factor below (the “Average Price”). The Number of Shares Acquired will be determined based on the amount obtained from Nomura Securities in the Purchase and the Company will announce the number along with the result of the Purchase.

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

Adjustment Period 1 : From August 12, 2026 to December 11, 2026 Adjustment Factor 98.493%
Adjustment Period 2 : From August 12, 2026 to January 29, 2027 Adjustment Factor 97.984%

The Company will issue two stock acquisition rights (the “Stock Acquisition Rights”) to Nomura Capital Investment Co., Ltd. (NCI) (the “Stock Acquisition Right Holder”). For each adjustment period, (i) if the Average Price is higher than the Purchase Price, a portion of shares obtained in the Purchase will be delivered to the Stock Acquisition Right Holder by an exercise of the Stock Acquisition Rights, (ii) if the Average Price is lower than the Purchase Price, additional Company’s shares will be acquired by the Company from the Stock Acquisition Right Holder without compensation, so that the total number of shares that the Company had acquired at the Average Price for half of the amount of the Company’ shares that the Company purchased from Nomura

Securities in the Purchase will be the final number of shares acquired by the Company from Nomura Securities.