



August 27, 2025

Company name: SHIN-ETSU POLYMER Co., Ltd.
Representative: Toshiaki Deto, Representative Director,
President and Chief Executive Officer
(Securities code: 7970; TSE Prime Market)
Inquiries: Yasushi Shibata, Senior Managing
Executive Officer, Executive Manager of
Business Administration Unit and General
Affairs & Human Resources Department
TEL: +81-3-5288-8400

Notice Concerning Allotment of Stock Options (Stock Acquisition Rights) to Company's Executive Officers and Employees

Shin-Etsu Polymer Co., Ltd. (the "Company") hereby announces that, at the meeting of its Board of Directors held today, based on the delegation from the annual general meeting of shareholders held on June 24, 2025, it has decided, in accordance with the provisions of Articles 236, 238, and 239 of the Companies Act, on the subscription requirements for the stock acquisition rights to be issued as stock options to the Company's Executive Officers and Employees, and to solicit subscribers for the said stock acquisition rights, among other matters, as described below.

The amount of assets to be contributed upon exercise of the stock acquisition rights and other undetermined matters are scheduled to be decided on September 11, 2025, the scheduled allotment date of the said stock acquisition rights.

- I. Reason for requiring the solicitation of subscribers for the stock acquisition rights with particularly favorable terms and conditions:

The purpose is to further enhance the motivation and morale of the Company's Executive Officers and Employees to contribute to the long-term increase of corporate value of the Company's group.

- II. Outline of the issuance of the stock acquisition rights

1. Name of the stock acquisition rights for subscription: The 37th Stock Acquisition Rights of SHIN-ETSU POLYMER Co., Ltd.
2. Total number of stock acquisition rights for subscription: 3,600 units
3. Class and number of shares underlying the stock acquisition rights for subscription

The class of shares underlying the stock acquisition rights for subscription shall be the Company's common stock and the number of shares underlying each stock acquisition right

for subscription (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 the Company’s 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, 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. The provisions of 5.(2)(a) below shall apply mutatis mutandis to the effective date of such adjusted Number of Shares to Be Granted.

$$\begin{array}{lcl} \text{Number of Shares to Be} & = & \text{Number of Shares to Be} \quad \times \quad \text{Ratio of share split or share} \\ \text{Granted after adjustment} & & \text{Granted before adjustment} \quad \text{consolidation} \end{array}$$

In addition to the above, if 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.

Furthermore, when an adjustment to the Number of Shares to Be Granted is made, the Company shall announce or give notice of the necessary matters to each holder of the stock acquisition rights for subscription recorded in the stock acquisition rights register (hereinafter referred to as the “Stock Acquisition Rights Holder”) no later than the day before the date on which the adjusted Number of Shares to Be Granted becomes effective. If, however, an announcement or notice cannot be made by the day before the said effective date, it shall be announced or given promptly thereafter.

4. Amount of assets to be contributed upon exercise of the stock acquisition rights for subscription

The amount of assets to be contributed upon the exercise of each stock acquisition right for subscription shall be the amount obtained by multiplying the amount to be paid in for one (1) share to be delivered upon exercise of the stock acquisition rights for subscription (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 amount obtained by multiplying 1.025 by 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 the stock acquisition rights for subscription stipulated in 14. below are allotted (hereinafter referred to as the “Allotment Date”), 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 on the immediately preceding day on which the Company’s common stock was traded).

5. Adjustment of the Exercise Price

(1) After the Allotment Date, if either of the events in (a) or (b) below occurs with respect to the Company’s common stock, the Exercise Price shall be adjusted according to the respective formulas set forth below (hereinafter referred to as the “Exercise Price Adjustment Formulas”). Fractions of less than ¥1 resulting from such adjustments shall be rounded up.

(a) If the Company effects a share split or share consolidation:

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

- (b) If the Company issues new shares or disposes of shares of treasury stock thereof 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, and the exercise of stock acquisition rights with which the delivery of shares of common stock of the Company can be requested [including bonds with stock acquisition rights]):

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

- i. The “Market price” used in the Exercise Price Adjustment Formulas shall be the average value of the Closing Prices (including indicative prices; the same shall apply hereinafter) of the Company’s common stock in regular trading on the Tokyo Stock Exchange for the 30 trading days (excluding days on which there is no Closing Price) beginning on the 45th trading day prior to the “date on which the adjusted Exercise Price becomes effective” stipulated in (2) below (hereinafter referred to as the “Effective Date”). Furthermore, the “average value” shall be calculated to the second decimal place in yen, with the second decimal place rounded to the first decimal place.
 - ii. The “Number of issued shares” used in the Exercise Price Adjustment Formulas shall be the number, as of the record date (if one exists) or otherwise as of the day one month prior to the Effective Date, obtained by subtracting the total number of shares of common stock held by the Company as treasury stock on the said date from the Company’s total number of issued shares of common stock.
 - iii. In the case of the Company’s disposal of treasury stock, the “Number of newly issued shares” used in the Exercise Price Adjustment Formulas shall be replaced with “Number of shares of treasury stock to be disposed of.”
- (c) In addition to the cases stipulated in (1)(a) and (b) above, if, after the Allotment Date, any event that would force the Company to adjust the Exercise Price occurs, such as an allotment of shares of other classes of stock to common stockholders without contribution, or a dividend of shares of other companies paid to common stockholders, the Company shall make appropriate adjustments to the Exercise Price within a reasonable range after taking into consideration the conditions and other factors of such allotment or dividend.
- (2) The effective date of the adjusted Exercise Price shall be determined as follows.

- (a) For an adjustment made pursuant to (1)(a) above, the adjusted Exercise Price shall apply, in the case of a share split, on and after the day following the record date for such share split, and in the case of a share consolidation, on and after its effective date. However, in cases where a share split is effected on the condition that a proposal to increase capital or reserves by reducing the amount of surplus is approved at a General Meeting of Shareholders of the Company, and where the record date for the share split is a date prior to the closing date of the said General Meeting of Shareholders, the adjusted Exercise Price shall, on and after the day following the closing date of the said General Meeting of Shareholders, be applied retroactively to the day following the said record date.

Furthermore, in the cases stipulated in the proviso above, for any Stock Acquisition Rights Holder who has exercised their stock acquisition rights (the number of shares that can be received by exercising such stock acquisition rights shall hereinafter be referred to as the “Number of Pre-Split Exercised Shares”) during the period from the day following the record date for the share split until the closing date of the said General Meeting of Shareholders, the number of shares of the Company’s common stock to be delivered shall be adjusted according to the following formula. Fractions of less than one (1) share resulting from the adjustment shall be rounded down.

$$\text{Number of newly issued shares} = \frac{\left(\frac{\text{Exercise Price before adjustment}}{\text{Exercise Price after adjustment}} - \frac{\text{Exercise Price after adjustment}}{\text{Exercise Price after adjustment}} \right) \times \text{Number of Pre-Split Exercised Shares}}{\text{Exercise Price after adjustment}}$$

- (b) For an adjustment made pursuant to (1)(b) above, the adjusted Exercise Price shall apply on and after the day following the payment date for the said issuance or disposal (or on and after the day following the record date, if one exists).
- (3) In addition to the cases stipulated in (1)(a) and (b) above, if, after the Allotment Date, any event that would force the Company to adjust the Exercise Price occurs, such as an allotment of shares of other classes of stock to common stockholders without contribution, or a dividend of shares of other companies paid to common stockholders, the Company shall make appropriate adjustments to the Exercise Price within a reasonable range after taking into consideration the conditions and other factors of such allotment or dividend.
- (4) When an adjustment to the Exercise Price is made, the Company shall announce or give notice of the necessary matters to the Stock Acquisition Rights Holders no later than the day before the Effective Date. If, however, an announcement or notice cannot be made by the day before the said Effective Date, it shall be announced or given promptly thereafter.
6. Period during which the stock acquisition rights for subscription may be exercised
From September 12, 2027 to March 31, 2031
7. Matters concerning increases in capital and capital reserves when shares are issued upon exercise of the stock acquisition rights for subscription

- (1) The amount by which capital is to be increased by the issuance of shares upon exercise of the stock acquisition rights for subscription 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.
 - (2) The amount by which capital reserves are to be increased by the issuance of shares upon exercise of the stock acquisition rights for subscription shall be the amount obtained by subtracting the amount by which capital is to be increased as prescribed in (1) above from the maximum amount of increase in capital etc., described in (1) above.
8. Restriction on acquisition of the stock acquisition rights for subscription by transfer

Any acquisition of the stock acquisition rights for subscription by transfer shall be subject to the approval by a resolution of the Board of Directors.
9. Conditions for exercise of the stock acquisition rights for subscription
 - (1) If a person granted stock acquisition rights for subscription or his or her heir has waived the stock acquisition rights for subscription, the stock acquisition rights cannot be exercised.
 - (2) If a person granted stock acquisition rights for subscription no longer falls under any of the following items, the person granted stock acquisition rights for subscription may exercise stock acquisition rights for subscription not yet exercised only until the earlier of the date two years after the person no longer falls under any of the following items or March 31, 2031.
 - a. A Director or Audit & Supervisory Board member, Executive Officer, employee, adviser, counselor [consultant] or temporary employee of the Company
 - b. A director or audit & supervisory board member or employee of a subsidiary of the Company or a subsidiary of the Company's parent company
 - (3) An heir of a person granted stock acquisition rights for subscription may exercise the stock acquisition rights for subscription for only six months (up until March 31, 2031) from the day the stock acquisition rights for subscription were succeeded to in accordance with the provisions of the Civil Code.
 - (4) Other conditions are as set forth in the agreement for allotment of stock acquisition rights concluded between the Company and the person granted stock acquisition rights for subscription, based on a resolution made by the Board of Directors of the Company.
10. Provisions for acquisition of stock acquisition rights for subscription
 - (1) In the event that a proposal for a merger agreement under which the Company will not be the surviving company, a proposal for a company split agreement or company split plan under which the Company will split, or a proposal for a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary is approved at a General Meeting of Shareholders of the Company (or, in any of the above cases, when approval at a General Meeting of Shareholders of the Company is not required and approval at a Board of Directors' meeting is granted), the

Company may acquire the stock acquisition rights without consideration on the date separately specified by the Board of Directors of the Company.

- (2) If a person granted stock acquisition rights or his or her heir can no longer exercise the stock acquisition rights pursuant to 9. above, the Company may acquire the stock acquisition rights without consideration on the date separately specified by the Board of Directors of the Company.

11. Decision policy concerning the extinction of the stock acquisition rights for subscription and details of the delivery of stock acquisition rights of the Reorganized Company in a corporate reorganization

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 Action takes 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.

- (1) 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.

- (2) Class of shares of the Reorganized Company underlying stock acquisition rights

The class of shares underlying stock acquisition rights shall be common stock of the Reorganized Company.

- (3) Number of shares of the Reorganized Company underlying stock acquisition rights

The number of shares shall be determined in the same manner as 3. above taking into consideration the conditions and other factors concerning the Reorganization Actions.

- (4) 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 obtained by adjusting the Exercise Price stipulated in 4. above taking into consideration the conditions and other factors concerning the Reorganization Actions, by the number of shares of the Reorganized Company underlying the relevant stock acquisition rights as determined in accordance with (3) above.

- (5) 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 for subscription specified in 6. 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 for subscription specified in 6. above.
- (6) Matters concerning increases in capital and capital reserves when shares are issued upon exercise of stock acquisition rights
- These matters shall be determined in the same manner as 7. above.
- (7) 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.
- (8) Conditions for exercise of stock acquisition rights
- These conditions shall be determined in the same manner as 9. above.
- (9) Provisions for acquisition of stock acquisition rights
- These provisions shall be determined in the same manner as 10. above.
12. Treatment of fractions of less than one (1) share arising upon exercise of the stock acquisition rights for subscription
- In cases where the number of shares to be delivered to the Stock Acquisition Rights Holders who have exercised the stock acquisition rights for subscription includes any fraction of less than one (1) share, such fraction shall be rounded down.
13. Paid-in amount for the stock acquisition rights for subscription
- Payment not necessary in cash is required in exchange for the stock acquisition rights for subscription.
14. Allotment Date of the stock acquisition rights for subscription
- September 11, 2025
15. Place for receiving exercise requests for the stock acquisition rights for subscription
- The Company's General Affairs & Human Resources Department (or the department in charge of such operations at any given time)
16. Place for handling payments upon exercise of the stock acquisition rights for subscription
- The Hachijuni Bank, Ltd., Tokyo Main Office (or the successor bank to the said bank or the successor branch to the said branch at any given time)
17. Grantees of the stock acquisition rights for subscription, the number of such persons, and the number of stock acquisition rights for subscription to be allotted
- One thousand eight hundred fifty (1,850) units shall be allotted to seven (7) Executive Officers of the Company.
- One thousand seven hundred fifty (1,750) units shall be allotted to thirty-two (32) Employees of the Company.
18. All other necessary matters concerning these stock acquisition rights for subscription shall be determined by the Representative Director and President.