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Announcement Concerning Issuance of Stock Options (Stock Acquisition Rights)

Shin-Etsu Chemical Co., Ltd. (the “Company”) hereby announces that it has decided as follows concerning (i) the issuance of Stock Options (Stock Acquisition Rights) to its Directors and Corporate Officers as resolved by a meeting of the Board of Directors held on August 17, 2021, based on Articles 236, 238(1), 238(2), and 240(1) of the Corporations Law and (ii) the issuance of Stock Options (Stock Acquisition Rights) to its managerial employees as resolved by a meeting of the Board of Directors held on August 17, 2021, based on Articles 236, 238(1), 238(2), 238(3), and 239, and a resolution of the 144th Ordinary Meeting of Shareholders held on June 29, 2021.

Moreover, the issuance of the Stock Options to the Company’s Directors is within the scope of the Stock Options guidelines for Directors resolved by the 144th Ordinary Meeting of Shareholders held on June 29, 2021.

I. Reason for Issuance of Stock Acquisition Rights in the form of Stock Options

Stock Acquisition Rights, in the form of Stock Options, are issued to the Company’s Directors, Corporate Officers and managerial employees to raise their motivation and morale in connection with the performance of their duties and improvement of business results.

II. Issuance of Stock Acquisition Rights to Directors and Corporate Officers

1. Persons Receiving Stock Acquisition Rights, Number of Such Persons, and Number of Stock Acquisition Rights Issued

Six Directors of the Company (excluding outside Directors) will be issued 680 Stock Acquisition Rights.

Ten Corporate Officers of the Company (excluding those who serve concurrently as directors) will be issued 375 Stock Acquisition Rights.

2. Type and Number of Shares Covered by Stock Acquisition Rights

Common Shares of the Company: 105,500 shares

The number of shares corresponding to each Stock Acquisition Right (hereafter called “Granted Shares”) shall be 100 shares.

After the day when the Stock Acquisition Rights are allocated (hereafter called the “Allocation Day”), if the Company makes a Share Split (as defined in the Corporations Law) (including Gratis Distribution [as defined in the Corporations Law], and the same is hereinafter applicable to any further references to Share Splits) or a Share Consolidation (as defined in the Corporations Law) of common shares of the Company, the Granted Shares shall be adjusted according to the formula described below. Such adjustment, however, shall be made to the number of Granted Shares for the Stock Acquisition Rights that have not yet been exercised at that point of time, and if, as a result thereof, there arise any shares less than one (1) share, such fractions shall be omitted.

$$\begin{array}{l} \text{Number of} \\ \text{Granted Shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of} \\ \text{Granted Shares} \\ \text{before adjustment} \end{array} \times \text{Ratio of split or consolidation}$$

In addition to the above, if any cause arises to force the Company to adjust the Granted Shares, the Company shall make adjustments considered necessary.

3. Number of Stock Acquisition Rights to be Issued

1,055

4. Method of Calculating Amount of Payment for Stock Acquisition Rights

The amount payable per Stock Acquisition Right shall be the amount equivalent to the price estimated by the Black-Scholes formula, described in the attached Schedule, (with any fractional amounts less than one yen being disregarded unless it amounts to 1/2 yen or more, in which case the amount shall be rounded up) times the number of Granted Shares.

Notes: The amount payable for the Stock Acquisition Rights is not particularly favorable to the persons scheduled to receive them.

The total amount payable by the Directors or Corporate Officers for the Stock Acquisition Rights will be offset against the remuneration they receive from the Company for their service as Directors or Corporate Officers.

5. Allocation Date of Stock Acquisition Rights

September 1, 2021

6. Due Date of Monetary Payments Due in Exchange for Stock Acquisition Rights

September 1, 2021

7. Value of Assets to be Contributed at Exercise of Stock Acquisition Rights

The value of assets to be contributed at the exercise of a Stock Acquisition Right shall be the amount of investment per share issued at the exercise of a Stock Acquisition Right, set at 18,503 yen, (hereafter called the “Exercise Price”) multiplied by the number of Granted Shares.

The Exercise Price is (a) the average price of the Company’s shares at the close of normal trading on the Tokyo Stock Exchange (excluding days on which no trades were completed) in the month preceding the month containing the date of the Board of Directors’ resolution setting forth the terms of the Stock Acquisition Rights, or (b) the price of the Company’s shares at the close of normal trading on the Tokyo Stock Exchange on the day preceding the date of the Board of Directors’ resolution setting forth the terms of the Stock Acquisition Rights (if there is no closing price on such date, the closing price of the closest preceding day), whichever is higher, multiplied by 1.025 (rounded up to the nearest yen).

18,503 yen is the average price of the Company’s shares at the close of normal trading on the Tokyo Stock Exchange (excluding days on which no trades were completed) in the month (July, 2021) preceding the month containing the date of the Board of Directors’ resolution (August 17, 2021) setting forth the terms of the Stock Acquisition Rights, multiplied by 1.025 (rounded up to the nearest yen).

The Exercise Price shall be adjusted in the following situations:

- (1) After an Allocation Day, when the Company issues new common shares or disposes of treasury shares at a price lower than the market price (excluding the sale of treasury stock in accordance with the provisions of Article 194 (Request by the holder of a fractional unit for sale of a fractional unit) of the Corporations Law, the conversion of securities that are or may be converted to common shares of the Company, and the exercise of Stock Acquisition Rights (including such rights attached to corporate bonds) for which the holder may receive common shares of the Company), the Company shall adjust the Exercise Price according to the formula described below, and if, as a result thereof, there arises any fractional amounts less than one (1) yen, such fraction shall be rounded up.

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

In the formula above, “Number of issued shares” is the gross total number of shares issued by the Company minus the number of treasury shares held by the Company, and upon the disposal of treasury shares, “Number of shares newly issued” shall be

replaced with “Number of treasury shares to be disposed of.”

- (2) If a Share Split (as defined in the Corporations Law) or a Share Consolidation (as defined in the Corporations Law) is effected after an Allocation Day, the Exercise Price shall be adjusted according to the formula described below, and any fractional amounts less than one (1) yen resulting from such adjustment shall be rounded up.

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

- (3) In addition to the above paragraphs (1) and (2), if any cause arises after an Allocation Date to force the Company to adjust the Exercise Price, the Company shall make adjustments considered necessary.

8. Period during which Stock Acquisition Rights may be Exercised

From and including September 2, 2023 to and including August 31, 2028

9. Conditions for Exercise of Stock Acquisition Rights

- (1) An applicant who is granted Stock Acquisition Rights may still exercise the Stock Acquisition Rights even after the applicant ceases to be any one of a director, corporate officer or employee of the Company, but only for a period of two years thereafter. Such period shall commence upon the date of such termination of status or on the initial day of the period during which Stock Acquisition Rights may be exercised, as specified in Section 8 above, (hereafter in this section called the “Option Exercise Period”), whichever is later. (Notwithstanding the foregoing, the Stock Acquisition Rights may not be exercised after the expiration of the Option Exercise Period.)
- (2) The heir of an applicant who is granted Stock Acquisition Rights may exercise the Stock Acquisition Rights only for a period of two years in the event of the death of the applicant. Such period shall commence from the date of death or the starting date of the Option Exercise Period, whichever is later. (Notwithstanding the foregoing, the Stock Acquisition Rights may not be exercised after the expiration of the Option Exercise Period.) However, in the event of a death that occurs after such applicant has ceased to be any one of a director, corporate officer or employee of the Company, the applicant’s heir may exercise the Stock Acquisition Rights only during the period during which the applicant would have been entitled to exercise the Stock Acquisition Rights under paragraph (1) above.
- (3) Any other conditions shall be stipulated in an “Agreement regarding Grant of Stock Acquisition Rights” entered into between the Company and the relevant director or corporate officer.

10. Conditions for Acquisition of Stock Acquisition Rights

- (1) If a proposal to approve a Merger (as defined in the Corporations Law) agreement that will cause the Company to cease to exist as an entity is approved at a Meeting of Shareholders of the Company, or if a proposal to approve a De-Merger (as defined in the Corporations Law) agreement or a De-Merger plan that will cause the Company to be divided, or if a proposal for a Share Exchange (as defined in the Corporations Law) agreement or a Share Transfer (as defined in the Corporations Law) plan that will cause the Company to become a wholly-owned subsidiary of another company is approved at a Meeting of Shareholders of the Company (in either case, if no resolution at a Meeting of Shareholders is needed, resolved by the Board of Directors of the Company), the Company may re-acquire the Stock Acquisition Rights without compensation at a date specified by the Board of Directors of the Company.
- (2) If those persons to whom the Stock Acquisition Rights are issued or the heirs of such persons no longer satisfy the conditions to exercise the Stock Acquisition Rights prescribed in the "Stock Acquisition Rights Agreement" concluded between the Company and Directors or Corporate Officers concerned in accordance with a resolution of a meeting of the Board of Directors, the Company may re-acquire the Stock Acquisition Rights concerned without compensation on the date specified by the Board of Directors of the Company.

11. Restriction on Acquisition of Stock Acquisition Rights by Transfer

Acquisition of Stock Acquisition Rights by transfer shall require an approval in the form of a resolution of the Board of Directors of the Company.

12. Matters related to Capital and Capital Reserve to be Increased by Issuance of Shares at Exercise of the Stock Acquisition Rights

- (1) The amount of capital increase by issuance of shares at the exercise of the Stock Acquisition Rights shall be half (1/2) of the maximum increase in capital and the like to be calculated in accordance with Article 17(1) of the Corporate Accounting Rules, and any resulting fractional amounts less than one (1) yen shall be rounded up.
- (2) The amount of capital reserve increase by issuance of shares at the exercise of the Stock Acquisition Rights shall be the maximum increase in capital and the like in paragraph (1) minus the amount of capital increase prescribed in paragraph (1).

13. Treatment of Stock Acquisition Rights if Reorganization Action Takes Place

If the Company enters into a merger (only if the Company ceases to exist as an entity), Absorption-Type De-Merger (as defined in the Corporations Law), Incorporation-Type De-Merger (as defined in the Corporations Law), Share Exchange (as defined in the Corporations Law) or Share Transfer (as defined in the Corporations Law) (hereafter collectively called a "Reorganization Action"), the Stock Acquisition Rights of a joint stock corporation defined by any of Sub-clauses a - e in Article 236(1)(8) of the Corporations Law (hereinafter called the "Reorganized Corporation") shall be issued, under the following conditions, to holders of Stock Acquisition Rights of the Company remaining unexercised as of the point in time when the Reorganization Action comes

into effect (hereafter called “Remaining Stock Acquisition Rights”). In this case, the Remaining Stock Acquisition Rights shall expire, and the Reorganized Corporation shall issue new Stock Acquisition Rights. This issuance, however, shall be limited to the case where the issuance of the Stock Acquisition Rights of the Reorganized Corporation under the following conditions is prescribed in the Absorption-Type Merger (as defined in the Corporations Law) agreement, Incorporation-Type Merger (as defined in the Corporations Law) agreement, Absorption-Type De-Merger agreement, Incorporation-Type De-Merger plan, or Share Exchange agreement or Share Transfer plan:

- (i) Number of the Stock Acquisition Rights to be issued by the Reorganized Corporation
The same number of Stock Acquisition Rights shall be issued as the number of the Remaining Stock Acquisition Rights.
- (ii) Type of shares of the Reorganized Corporation corresponding to each Stock Acquisition Right
Common shares of the Reorganized Corporation.
- (iii) Number of shares of the Reorganized Corporation corresponding to each Stock Acquisition Right
This number shall be decided in the same manner as Section 2 above taking into consideration the conditions of the Reorganization Action.
- (iv) Value of assets to be contributed at exercise of each Stock Acquisition Right
The value of assets to be contributed at the exercise of each Stock Acquisition Right shall be the amount of contribution after the reorganization, calculated through adjustments, taking into consideration the conditions of the Reorganization Action, multiplied by the number of shares subject to the Stock Acquisition Right as decided in (iii) above.
- (v) Period during which a Stock Acquisition Right may be exercised
This period shall commence on the starting date of the period for exercising the Stock Acquisition Right specified in Section 8 above, or the date on which the Reorganization Action comes into effect, whichever is later, and shall end on the expiration date of the period during which a Stock Acquisition Right may be exercised as specified in Section 8 above.
- (vi) Matters related to capital and capital reserve to be increased by issuance of shares at the exercise of the Stock Acquisition Rights
These shall be decided in the same manner as Section 12 above.
- (vii) Restriction on acquisition of Stock Acquisition Rights by transfer
Acquisition of Stock Acquisition Rights by transfer requires approval by the Reorganized Corporation.
- (viii) Conditions for acquisition of Stock Acquisition Rights
These shall be decided in the same manner as Section 10 above.

14. Omission of fractions resulting from the exercise of Stock Acquisition Rights

Fractions less than one (1) full share shall be omitted from the shares issued to holders of Stock Acquisition Rights at the exercise of the rights.

Schedule - Black-Scholes Formula

$$C = Se^{-qT} N(d) - Xe^{-rT} N(d - \sigma\sqrt{T})$$

Where:

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

- (1) Value of stock option per share (C)
- (2) Stock price (S): Price of the Company's common shares at the close of normal trading on the Tokyo Stock Exchange on September 1, 2021 (in the absence of such closing price, the closing price on the most recent trading day preceding such date)
- (3) Exercise price (X): 18,503 yen
- (4) Expected remaining life (T): 4 years and 6 months
- (5) Stock price volatility (σ): Computed based on the price of the Company's common shares at the close of normal trading on the last trading day of each month over a period of 4 years and 6 months (from January 31, 2017 to July 31, 2021)
- (6) Risk-free interest rate (r): The rate of interest on government bonds whose remaining years to maturity correspond to the expected remaining life of the stock option
- (7) Dividend yield (q): Dividend payout per share of 300 yen (the projected dividend for the year ending March 2022, that the Company announced on July 27, 2021) \div the price of the shares specified in (2) above
- (8) Cumulative distribution function of standard normal distribution (N(.))

III. Issuance of Stock Acquisition Rights to Employees

1. Persons Receiving Stock Acquisition Rights, Number of Such Persons, and Number of Stock Acquisition Rights Issued

107 Employees of the Company will be issued 2,290 Stock Acquisition Rights.

2. Type and Number of Shares Covered by Stock Acquisition Rights

Common Shares of the Company: 229,000 shares

The number of shares corresponding to each Stock Acquisition Right (hereafter called "Granted Shares") shall be 100 shares.

After the day when the Stock Acquisition Rights are allocated (hereafter called the "Allocation Day"), if the Company makes a Share Split (as defined in the Corporations Law) (including Gratis Distribution [as defined in the Corporations Law], and the same is hereinafter applicable to any further references to Share Splits) or a Share Consolidation (as defined in the Corporations Law) of common shares of the Company, the Granted Shares shall be adjusted according to the formula described below. Such adjustment, however, shall be made to the number of Granted Shares for the Stock

Acquisition Rights that have not yet been exercised at that point of time, and if, as a result thereof, there arise any shares less than one (1) share, such fractions shall be omitted.

$$\begin{array}{l} \text{Number of} \\ \text{Granted Shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of} \\ \text{Granted Shares} \\ \text{before adjustment} \end{array} \times \text{Ratio of split or consolidation}$$

In addition to the above, if any cause arises to force the Company to adjust the Granted Shares, the Company shall make adjustments considered necessary.

3. Number of Stock Acquisition Rights to be Issued

2,290

4. Necessity of Payment for Stock Acquisition Rights

Payment not necessary

5. Allocation Date of Stock Acquisition Rights

September 1, 2021

6. Value of Assets to be Contributed at Exercise of Stock Acquisition Rights

The value of assets to be contributed at the exercise of a Stock Acquisition Right shall be the amount of investment per share issued at the exercise of a Stock Acquisition Right, set at 18,503 yen, (hereafter called the “Exercise Price”) multiplied by the number of Granted Shares.

The Exercise Price is (a) the average price of the Company’s shares at the close of normal trading on the Tokyo Stock Exchange (excluding days on which no trades were completed) in the month preceding the month containing the date of the Board of Directors’ resolution setting forth the terms of the Stock Acquisition Rights, or (b) the price of the Company’s shares at the close of normal trading on the Tokyo Stock Exchange on the day preceding the date of the Board of Directors’ resolution setting forth the terms of the Stock Acquisition Rights (if there is no closing price on such date, the closing price of the closest preceding day), whichever is higher, multiplied by 1.025 (rounded up to the nearest yen).

18,503 yen is the average price of the Company’s shares at the close of normal trading on the Tokyo Stock Exchange (excluding days on which no trades were completed) in the month (July, 2021) preceding the month containing the date of the Board of Directors’ resolution (August 17, 2021) setting forth the terms of the Stock Acquisition Rights, multiplied by 1.025 (rounded up to the nearest yen).

The Exercise Price shall be adjusted in the following situations:

(1) After an Allocation Day, when the Company issues new common shares or disposes of treasury shares at a price lower than the market price (excluding the sale of treasury stock in accordance with the provisions of Article 194 (Request by the holder of a fractional unit for sale of a fractional unit) of the Corporations Law, the conversion of securities that are or may be converted to common shares of the Company, and the exercise of Stock Acquisition Rights (including such rights attached to corporate bonds) for which the holder may receive common shares of the Company), the Company shall adjust the Exercise Price according to the formula described below, and if, as a result thereof, there arises any fractional amounts less than one (1) yen, such fractions shall be rounded up.

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

In the formula above, “Number of issued shares” is the gross total number of shares issued by the Company minus the number of treasury shares held by the Company, and upon the disposal of treasury shares, “Number of shares newly issued” shall be replaced with “Number of treasury shares to be disposed of.”

(2) If a Share Split (as defined in the Corporations Law) or a Share Consolidation (as defined in the Corporations Law) is effected after an Allocation Day, the Exercise Price shall be adjusted according to the formula described below, and any fractional amounts less than one (1) yen resulting from such adjustment shall be rounded up.

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

(3) In addition to the above paragraphs (1) and (2), if any cause arises after an Allocation Date to force the Company to adjust the Exercise Price, the Company shall make adjustments considered necessary.

7. Period during which Stock Acquisition Rights may be Exercised

From and including September 2, 2023 to and including August 31, 2028

8. Conditions for Exercise of Stock Acquisition Rights

(1) An applicant who is granted Stock Acquisition Rights may still exercise the Stock Acquisition Rights even after the applicant ceases to be any one of a director, corporate officer or employee of the Company, but only for a period of two years thereafter. Such period shall commence upon the date of such termination of status or on the initial day of the period during which Stock Acquisition Rights may be exercised, as specified in Section 7 above, (hereafter in this section called the “Option Exercise Period”), whichever is later. (Notwithstanding the foregoing, the Stock Acquisition Rights may

not be exercised after the expiration of the Option Exercise Period.)

- (2) The heir of an applicant who is granted Stock Acquisition Rights may exercise the Stock Acquisition Rights only for a period of two years in the event of the death of the applicant. Such period shall commence upon the date of death or the starting date of the Option Exercise Period, whichever is later. (Notwithstanding the foregoing, the Stock Acquisition Rights may not be exercised after the expiration of the Option Exercise Period.) However, in the event of a death that occurs after such applicant has ceased to be any one of a director, corporate officer or employee of the Company, the applicant's heir may exercise the Stock Acquisition Rights only during the period during which the applicant would have been entitled to exercise the Stock Acquisition Rights under paragraph (1) above.
- (3) Any other conditions shall be stipulated in an "Agreement regarding Grant of Stock Acquisition Rights" entered into between the Company and the relevant employee.

9. Conditions for Acquisition of Stock Acquisition Rights

- (1) If a proposal to approve a Merger (as defined in the Corporations Law) agreement that will cause the Company to cease to exist as an entity is approved at a Meeting of Shareholders of the Company, or if a proposal to approve a De-Merger (as defined in the Corporations Law) agreement or a De-Merger plan that will cause the Company to be divided, or if a proposal for a Share Exchange (as defined in the Corporations Law) agreement or a Share Transfer (as defined in the Corporations Law) plan that will cause the Company to become a wholly-owned subsidiary of another company is approved at a Meeting of Shareholders of the Company (in either case, if no resolution at a Meeting of Shareholders is needed, resolved by the Board of Directors of the Company), the Company may re-acquire the Stock Acquisition Rights without compensation on the date specified by the Board of Directors of the Company.
- (2) If those persons to whom the Stock Acquisition Rights are issued or the heirs of such persons no longer satisfy the conditions to exercise the Stock Acquisition Rights prescribed in the "Stock Acquisition Rights Agreement" concluded between the Company and employees concerned in accordance with a resolution of a Meeting of Shareholders and of a meeting of the Board of Directors, the Company may re-acquire the Stock Acquisition Rights concerned without compensation on the date specified by the Board of Directors of the Company.

10. Restriction on Acquisition of Stock Acquisition Rights by Transfer

Acquisition of Stock Acquisition Rights by transfer shall require an approval in the form of a resolution of the Board of Directors of the Company.

11. Matters related to Capital and Capital Reserve to be Increased by Issuance of Shares at Exercise of the Stock Acquisition Rights

- (1) The amount of capital increase by issuance of shares at the exercise of the Stock Acquisition Rights shall be half (1/2) of the maximum increase in capital and the like

to be calculated in accordance with Article 17(1) of the Corporate Accounting Rules, and any resulting fractional amounts less than one (1) yen shall be rounded up.

- (2)The amount of capital reserve increase by issuance of shares at the exercise of the Stock Acquisition Rights shall be the maximum increase in capital and the like in paragraph (1) minus the amount of capital increase prescribed in paragraph (1).

12. Treatment of Stock Acquisition Rights if Reorganization Action Takes Place

If the Company enters into a merger (only if the Company ceases to exist as an entity), Absorption-Type De-Merger (as defined in the Corporations Law), Incorporation-Type De-Merger (as defined in the Corporations Law), Share Exchange (as defined in the Corporations Law) or Share Transfer (as defined in the Corporations Law) (hereafter collectively called a “Reorganization Action”), the Stock Acquisition Rights of a joint stock corporation defined by any of Sub-clauses a - e in Article 236(1)(8) of the Corporations Law (hereafter called the “Reorganized Corporation”) shall be issued, under the following conditions, to holders of Stock Acquisition Rights of the Company remaining unexercised as of the point in time when the Reorganization Action comes into effect (hereafter called “Remaining Stock Acquisition Rights”). In this case, the Remaining Stock Acquisition Rights shall expire, and the Reorganized Corporation shall issue new Stock Acquisition Rights. This issuance, however, shall be limited to the case where the issuance of the Stock Acquisition Rights of the Reorganized Corporation under the following conditions is prescribed in the Absorption-Type Merger (as defined in the Corporations Law) agreement, Incorporation-Type Merger (as defined in the Corporations Law) agreement, Absorption-Type De-Merger agreement, Incorporation-Type De-Merger plan, or Share Exchange agreement or Share Transfer plan:

- (i) Number of the Stock Acquisition Rights to be issued by the Reorganized Corporation
The same number of Stock Acquisition Rights shall be issued as the number of the Remaining Stock Acquisition Rights.
- (ii) Type of shares of the Reorganized Corporation corresponding to each Stock Acquisition Right
Common shares of the Reorganized Corporation.
- (iii)Number of shares of the Reorganized Corporation corresponding to each Stock Acquisition Right
This number shall be decided in the same manner as Section 2 above taking into consideration the conditions for the Reorganization Action.
- (iv)Value of assets to be contributed at exercise of each Stock Acquisition Right
The value of assets to be contributed at the exercise of each Stock Acquisition Right shall be the amount of contribution after the reorganization, calculated through adjustments, taking into consideration the conditions of the Reorganization Action, multiplied by the number of shares subject to the Stock Acquisition Right as decided in (iii) above.
- (v) Period during which a Stock Acquisition Right may be exercised
This period shall commence on the starting date of the period for exercising the Stock Acquisition Right specified in Section 7 above, or the date on which the

Reorganization Action comes into effect, whichever is later, and shall end on the expiration date of the period during which a Stock Acquisition Right may be exercised as specified in Section 7 above.

(vi) Matters related to capital and capital reserve to be increased by issuance of shares at the exercise of the Stock Acquisition Rights

These matters shall be decided in the same manner as Section 11 above.

(vii) Restriction on acquisition of Stock Acquisition Rights by transfer

Acquisition of Stock Acquisition Rights by transfer requires approval by the Reorganized Corporation.

(viii) Conditions for acquisition of Stock Acquisition Rights

These matters shall be decided in the same manner as Section 9 above.

13. Omission of Fractions Resulting from the Exercise of Stock Acquisition Rights

Fractions less than one (1) full share shall be omitted from the shares issued to holders of Stock Acquisition Rights at the exercise of the rights.

[Reference Dates (Issuance of Stock Acquisition Rights to Employees)]

(1) Date of Resolution of Board of Directors re Convening of Ordinary Meeting of Shareholders: May 25, 2021

(2) Date of Resolution of Ordinary Meeting of Shareholders: June 29, 2021