

QA for the Management Briefing on June 2, 2023

<As for the business of polycrystalline silicon in Malaysia>

Q : I would like to ask for additional points regarding polycrystalline silicon in Malaysia.

What will you do with byproducts? Will you also treat silicon tetrachloride and trichlorosilane in a 50-50 manner?

How should we think about risk? Perhaps your company believes that it is okay as long as the back-end processes are separated, but is that really the right way to think about it?

A : First, regarding polysilicon, since this is a JV, each party basically bears the cost of byproducts. However, we have installed equipment that collects and turns all byproducts back to raw materials, so in that sense, the process is completed within the plant.

The back-end process will basically be carried out by Tokuyama. As you point out, quality control of the subsequent process is much more important these days than deposition. Impurity control at par-per-trillion level is required for micrometallic and carbon content. We have a great deal of know-how in this area, so we will separate it and bring it to Japan to do this. We hope to reduce the risk of technology leakage, etc. by doing so.

Q : This is now in the process of signing a memorandum of understanding, and the Company is reported to be established in 2023 to 2024. When will the actual product be available?

A : Regarding timing, we would like to finish the basic study by the end of 2023. I am not sure whether the project will proceed as we had hoped, since there are various adjustments to be made with the authorities, but we would like to finish it within that time frame if at all possible. If we come to the conclusion that it is positive, we would like to start construction as soon as possible.

Normally it would take at least two years, but we would like to proceed through the FS after signing the MOU so that we can shorten the delivery time as much as possible. It is likely that the investment amount can be reduced accordingly. We hope to finish construction roughly by the middle of 2025, if possible.

Since we have a proven track record in the finishing process, we do not expect the

certification process to take very long. We expect that the timing of the production increase will be well timed to coincide with the recovery trend around 2026.

<As for the carbon neutral in Shunan Industrial Complex>

Q : A grand design for the Shunan Industrial Complex is being developed. Can you comment on any of the points here, or on the impact of CO2 reduction, or on costs?

A : The Shunan Decarbonization Promotion Council presented the general direction of carbon neutrality in 2050 the other day. One of the main points of this is that fuel decarbonization is basically centered on ammonia. Or green energy in the future is one of the main pillars of the project. Transiently, biomass will also be effectively utilized.

On the other hand, the carbon neutralization of raw materials and products is another major pillar. Regarding this, basically, in the future when fossil fuels cannot be used, we will first use biomass as a petrochemical feedstock.

Since biomass alone is not enough, we believe that waste plastics must be well circulated and used together. We will successfully combine biomass chemicals and chemical recycling of waste plastics to make raw materials and products carbon neutral.