

Shares of the Company and Major Shareholders

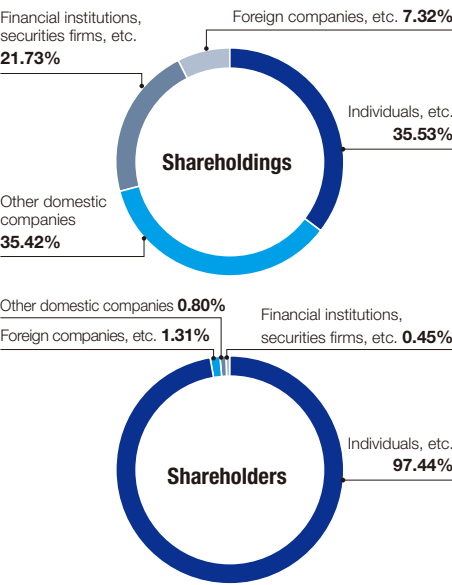
Shares of the Company

| | |
|-----------------------------|--------------------------------------|
| Securities code | 2760 |
| Listed on | Tokyo Stock Exchange Prime Market |
| Number of authorized shares | 25,600,000 |
| Number of issued shares | 10,445,500 |
| Number of shareholders | 11,062 |
| Trading unit (Shares) | 100 |

Major Shareholders

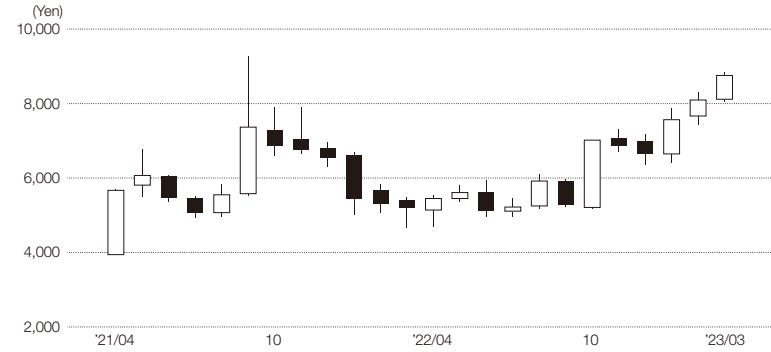
| Shareholder | Number of shares held | Shareholding ratio (%) |
|--|-----------------------|------------------------|
| Tokyo Electron Limited | 3,532,700 | 33.82 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 1,047,300 | 10.03 |
| Tokyo Electron Device Employee Shareholder Association | 505,112 | 4.84 |
| Custody Bank of Japan, Ltd. (Trust Account) | 304,200 | 2.91 |
| The Master Trust Bank of Japan, Ltd. (BIP Trust Account 75723) | 142,538 | 1.36 |

Distribution of Shares, Stock Price and Trading Volume

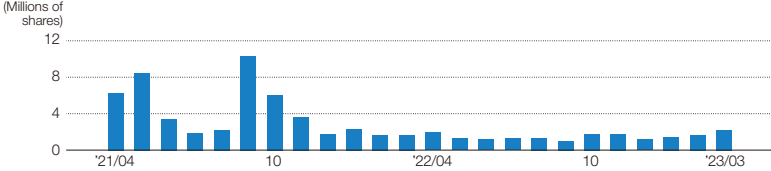


* "Individuals, etc." includes 428 treasury shares.

Stock Price



Trading Volume



Tokyo Electron Device Receives Best IR Award for Encouragement

In November 2022, Tokyo Electron Device won a Best IR Award for Encouragement in the Japan Investor Relations Association's 2022 IR Award. The IR Award recognizes companies that have been highly regarded in the investment community for their understanding and active promotion of IR activities. 2022 marked the award's 27th year. The Company will continue to diligently engage in IR activities to earn the trust of shareholders and investors.



IR Section of the Tokyo Electron Device Website

<https://www.teldevice.co.jp/eng/ir/>

Scan this QR code with your smartphone to access the IR section of Tokyo Electron Device's website. (QR Code is a trademark of DENSO WAVE Incorporated.)



Tokyo Electron Device IR Search

Note on forward-looking statements

This Investors Guide was prepared on July 1, 2023. Forward looking statements, including business strategies and business forecasts, were made by the Company's management, based on information available at that time, and may be revised due to changes in the business environment. Therefore, please be advised that the Company cannot guarantee the accuracy or the reliability of the statements. For the latest information, please refer to our information releases or our website. Note also that product and service names remain the trademarks of their respective owners.

TOKYO ELECTRON DEVICE LIMITED

IR Department
<https://www.teldevice.co.jp>

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Investors Guide

2023

To Our Shareholders and Investors

Tokyo Electron Device

Pioneering a New Era with DX

CN

Computer Networks
Business



Network products
Storage products
Security software
Maintenance and monitoring services

Features

- Innovative and highly specialized Silicon Valley IT and security products
- Product maintenance and security monitoring services
- Focus on AI products and services

EC

Electronic Components
Business



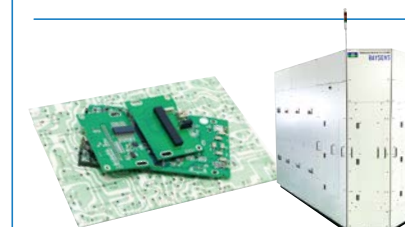
Semiconductor products
Circuit boards and
electronic components
Software and services

Features

- Products of approximately 40 leading overseas manufacturers
- Technical support from professional engineers
- Development of systems that utilize semiconductors
- Provision of cloud services

PB

Private Brand Business

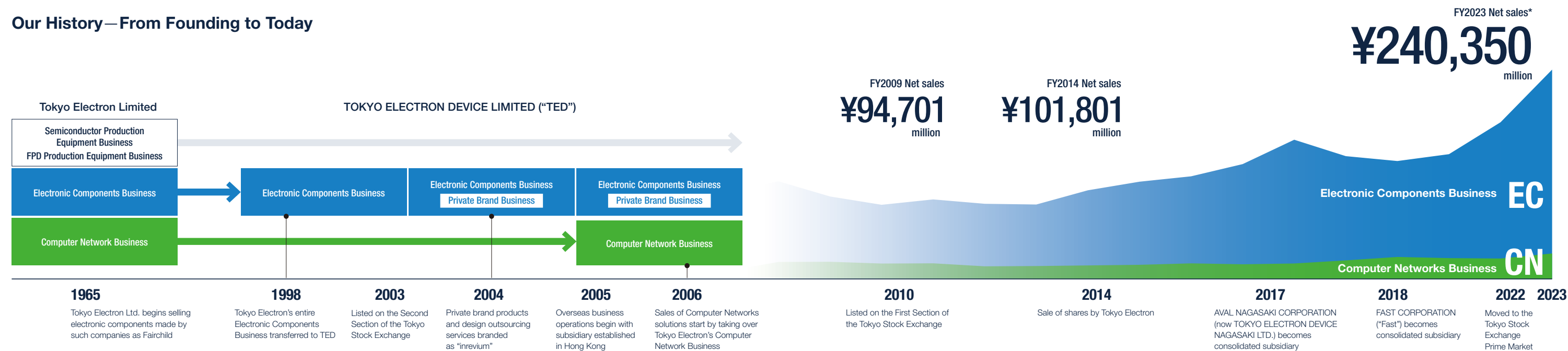


Design and
manufacturing service
Private brand products
Image processing software

Features

- Technological coordination between TED, Fast and TED Nagasaki
- One-stop service for circuit board design, development and mass production according to customer specifications
- Development of systems that utilize image processing technology
- Private brand products leveraging proprietary technologies

Our History — From Founding to Today



* Net sales, profit and indicators in this Investors Guide are all presented on a consolidated basis.



President & Representative Director

Atsuhiko Arai

Career Summary

| | |
|----------------|---|
| April 1986 | Joined Tokyo Electron Limited |
| April 2005 | Vice President of TED |
| June 2007 | Corporate Director of the Company |
| June 2011 | Managing Director, TOKYO ELECTRON DEVICE HONG KONG LTD. (now TOKYO ELECTRON DEVICE ASIA PACIFIC LTD.) |
| September 2013 | CEO, inrevium AMERICA, INC. (now TOKYO ELECTRON DEVICE AMERICA, INC.) |
| January 2015 | President & Representative Director of the Company (present) |

VISION 2025

Aiming for
Further
Profit Growth

Fiscal 2023, the year ended March 31, 2023, marked the halfway point of the VISION 2025 medium-term management plan, and we reached the financial targets of the plan two years early. I believe that we achieved this by taking maximum advantage of changes in the business environment. Nevertheless, our initiatives under the plan aimed at sustainable growth through higher revenue and profit —our overarching goal—are still in progress. The business environment in fiscal 2024 is expected to be challenging due to such factors as semiconductor market adjustment, and we will further reinforce efforts to bolster future profit growth.

We look forward to your continued support as we move forward.

Progress of VISION 2025 and Latest Forecasts

VISION 2025

The VISION 2025 medium-term management plan lays out the business environment forecast that Society 5.0 will arrive amid slow economic growth, as well as our mission, “Driving Digital Transformation—Providing products and services that can achieve digital transformation, thus contributing to the sustainable development of a highly efficient smart society.”

To achieve this mission, we have also designated “To become a manufacturer with technology trading company functions” as our vision. We have further defined the evolving technology trading company functions we aspire to and the kind of manufacturer we want to be. By achieving these, we aim to grow into a manufacturer with the competitiveness to thrive in Society 5.0.

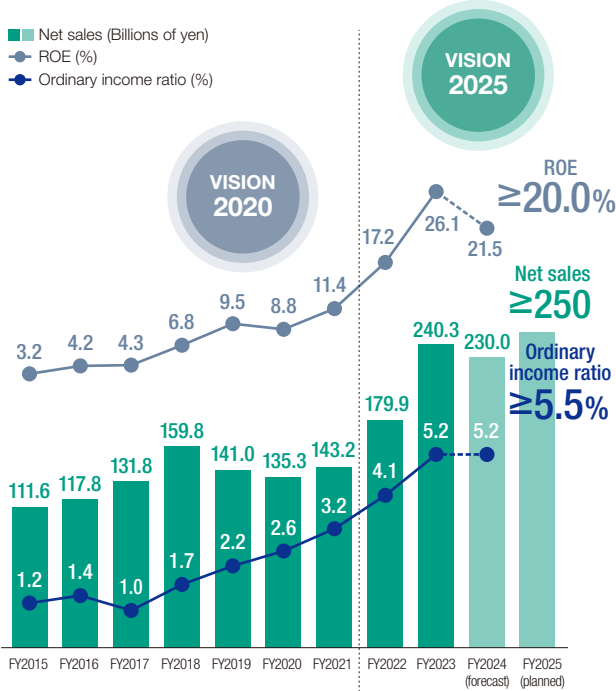
Progress

In fiscal 2023, financial performance was strong, reflecting robust demand for semiconductors and the weakness of the yen against the U.S. dollar. Net sales reached ¥240.3 billion, the ordinary income ratio came to 5.2% and ROE rose to 26.1%, reaching the financial targets of VISION 2025 two years earlier than planned.

| | VISION 2025 target | Fiscal 2022 | Fiscal 2023 | VISION 2025 Latest forecast |
|-----------------------|--------------------|----------------|----------------|-----------------------------|
| Net sales | ¥200 billion ± 10% | ¥179.9 billion | ¥240.3 billion | ≥ ¥250 billion |
| Ordinary income ratio | > 5.0% | 4.1% | 5.2% | ≥ 5.5% |
| ROE | > 15.0% | 17.2% | 26.1% | ≥ 20.0% |

Latest Forecast for VISION 2025

In light of recent assumptions about the future business environment, we have made the forecast for fiscal 2025 to net sales of ¥250 billion, an ordinary income ratio of 5.5% or higher and ROE or 20% or higher. Our goal of transitioning into a manufacturer with technology trading company functions is unchanged, and we will advance initiatives toward profit growth in recurring-revenue services and manufacturing businesses, aiming for sustainable growth. We plan to announce the next medium-term management plan in fiscal 2025.



Business Plan Assumptions and Performance Forecasts

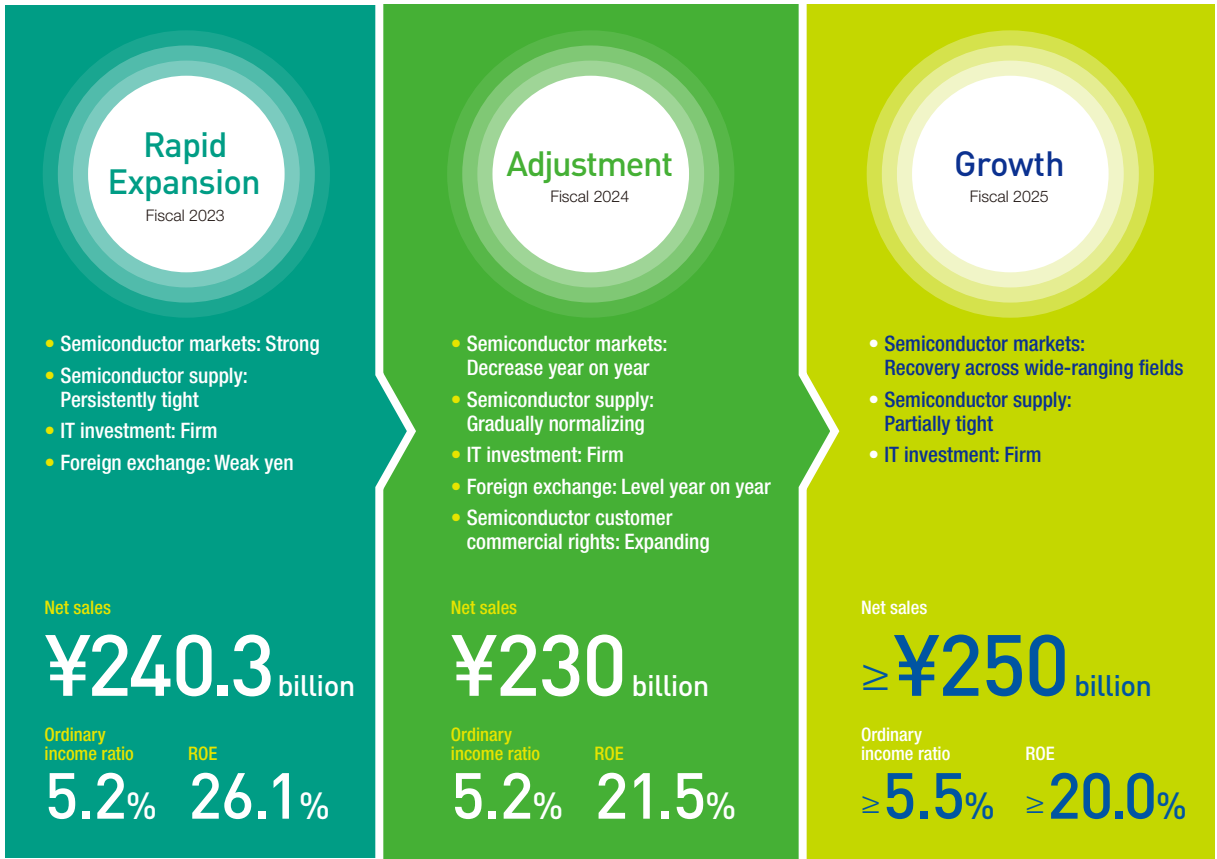
Fiscal 2023 saw the most rapid growth of any year under the VISION 2020 or VISION 2025 medium-term management plans. Performance in the Electronic Components Business greatly exceeded the segment's financial targets, driving overall performance. This reflected extremely strong demand for semiconductors and firm investment in IT, as well as a significantly weaker yen than in the previous fiscal year.

In fiscal 2024, we expect to enter a temporary adjustment phase. This is partly because overall semiconductor demand is forecast to decline year on year, albeit more so in some fields than others. In addition, despite the expansion of semiconductor customer commercial rights, we expect a decrease in sales due to in part to a shift to direct sales from semiconductor manufacturers. The expansion in customer commercial rights is expected to contribute to performance in earnest from fiscal 2025.

While fiscal 2024 will thus be an adjustment phase, we still expect to exceed all of the original financial targets for VISION 2025.

In fiscal 2025, the final year of VISION 2025, we expect to return to a growth stage of rising revenue and profit. Factors behind this forecast include the following:

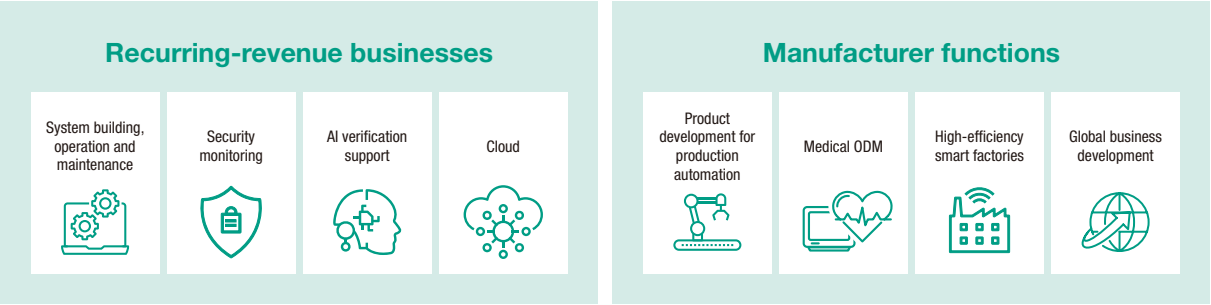
- In the Electronic Components Business, semiconductor markets are expected to recover across a wide range of fields.
- In the Computer Networks Business, IT investment is expected to be firm, and the expansion of service businesses will help increase profitability.
- In the Private Brand Business, parts procurement difficulties are expected to ease, leading to acceleration in product manufacturing, and the launch of new products will boost profitability.



Plan for Fiscal 2024

Based on the aforementioned business plan assumptions, in fiscal 2024, we plan for net sales to decrease ¥10.35 billion year on year to ¥230.0 billion, with ordinary income decreasing ¥478.0 million to ¥12.0 billion and net income attributable to owners of parent decreasing ¥328.0 million

to ¥8.45 billion. We will continue to promote businesses in the promising areas of accelerating profit growth shown below while proactively investing with an eye toward growth beyond fiscal 2025.



* ODM: Original design manufacturing

| | Fiscal 2023 | Fiscal 2024 (Forecast) | | | Year-on-year change | |
|--|------------------|------------------------|-----------------|------------------|---------------------|------------------------|
| | Full year | First half | Second half | Full year | Amount | % |
| Net sales | 240,350 | 107,800 | 122,200 | 230,000 | - 10,350 | - 4.3% |
| Ordinary income (Ordinary income ratio) | 12,478 (5.2%) | 5,000 (4.6%) | 7,000 (5.7%) | 12,000 (5.2%) | - 478 | - 3.8% (+0.0 point) |
| Net income (Net income ratio) | 8,778 (3.7%) | 3,550 (3.3%) | 4,900 (4.0%) | 8,450 (3.7%) | - 328 | - 3.7% (+0.0 point) |

* Net income refers to net income attributable to owners of parent.

Share Split

Tokyo Electron Device has decided to conduct a share split in order to create an environment in which investors can invest more easily and thereby facilitate the expansion of the investor base by reducing the price of the investment unit.

The Company will conduct a share split at a ratio of three shares for every one share of the Company's common stock with a record date of September 30, 2023.

As the effective date for the share split is October 1, 2023, the interim dividend, which has a record date of September 30, 2023, will be paid based on the number of shares before the share split.

| | |
|----------------|----------------------------|
| Split ratio | 3 shares for every 1 share |
| Record date | September 30, 2023 |
| Effective date | October 1, 2023 |

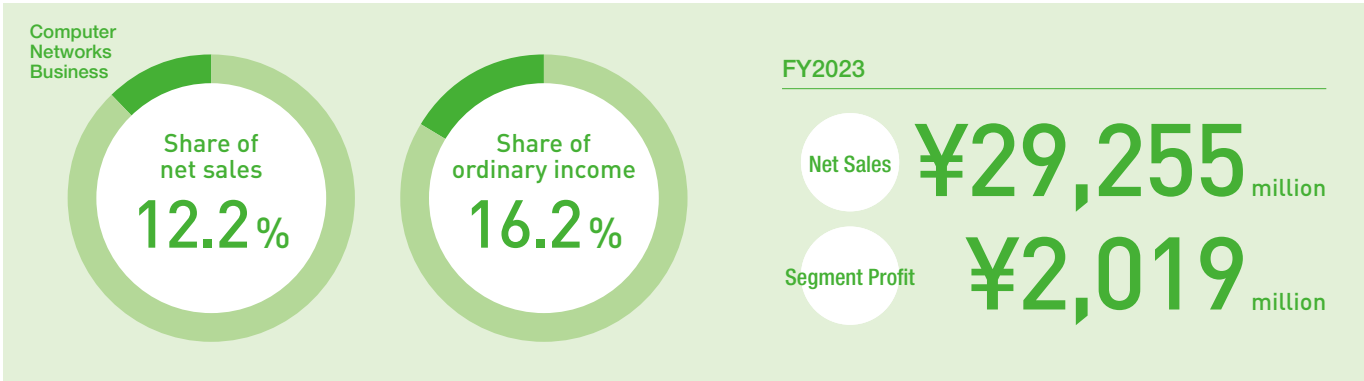


Computer Networks Business



Business Overview

Corporate IT investment remained firm, including that for cloud usage and security measures, and sales of network, storage and security products were steady. In addition, sales of subscription licenses and services expanded. As a result, segment net sales to external customers in fiscal 2023 came to ¥29,255 million, up 24.7% year on year. However, reflecting increased procurement costs due to the depreciation of the yen and higher personnel costs due to hiring of IT engineers, segment profit (ordinary income) came to ¥2,019 million, down 9.6%.



| Category | Main suppliers | Function |
|-------------------------------------|---|--|
| Network-Related products | Arista Networks F5 Extreme Networks | Internet connection load balancing and switching hubs |
| Storage-Related products | Pure Storage Dell Technologies | High-speed connection and storage of bulk data |
| Security-Related products, etc. | Netskope Nutanix SentinelOne | Protection of computer systems, networks and data from attacks, damage and unauthorized access |
| Maintenance and monitoring services | TED | Device maintenance services and security monitoring services |

| Category | Main customers |
|---|---|
| System integrators | IT service companies in Japan |
| Enterprises and others | General companies, government agencies, research facilities and educational institutions |
| Data centers and cloud business operators | Data centers, internet-related service companies |
| Telecommunications carriers | Domestic telecommunications carriers |

* Main suppliers are referred to by commonly used abbreviations or their group names, rather than their full official corporate names.

Growth of Security Products alongside DX and the Launch of AI Verification Support Service

In fiscal 2022, sales of existing IT device products and security products increased, but performance was negatively impacted by the cancellation of a distributor agreement and the application of a new accounting standard. In the second half of the fiscal year, semiconductor shortages led to delays in IT device product deliveries and the start of maintenance services for such devices. As a result, revenue and profit both decreased year on year.

In fiscal 2023, despite long delivery times for IT device products, corporate IT investment was firm, and product sales as well as maintenance and monitoring services both saw growth, leading to a 24.7% increase in net sales year on year. However, segment profit decreased 9.6%, reflecting rising procurement costs due to the sharp depreciation of the yen during the fiscal year and higher personnel costs due to the hiring of engineers.

Over these two years, corporate DX has driven increased use

of cloud services and remote work, leading to the emergence of new security risks and a rapid increase in demand for zero trust security (an approach to security requiring safety verification for any access, whether from within or outside the organization's network). The Netskope and SentinelOne products we handle are effective for zero trust security, and license sales and operating and monitoring services grew. In addition, reflecting the promotion of cashless payment services, we saw growth in security products for financial systems, including e-money and credit cards.

In AI infrastructure, we began offering the TAILES AI verification support service. We provide the use of our AI accelerator—among the world's fastest—along with engineer support to help customers test and develop their own AI ideas and concepts.

Focusing on Infrastructure, Cloud, Security and AI Technologies and Providing Solutions through Services

In fiscal 2024, we expect IT investment to remain firm and plan for net sales of ¥31,600 million, up 8.0% year on year. By focusing efforts on security products and maintenance and monitoring services while strengthening hedges against foreign currency risk, we will work to secure stable profit.

In the Computer Networks Business, looking toward the achievement of VISION 2025 and beyond, we aim to evolve into a DX vendor that provides first-party services leveraging our technology trading company functions. Until now, we have developed and provided innovative and highly specialized products, targeting the fields of IT infrastructure, the cloud, security and AI. In addition to these efforts, we are now working to develop services to support customers' system building and operations. Specifically, we are providing a number of first-party services, including ZenOne, an automated infrastructure maintenance service; security monitoring service via the TED Security Operation Center (TED-SOC); and the TAILES AI verification support service. We will continue working to develop and provide services that solve customer issues.

Furthermore, in addition to our conventional business of selling IT devices and then providing maintenance and support, we aim to develop recurring-revenue businesses, providing more and wider-ranging products to customers along with new services to secure ongoing revenue. At the same time, we will launch new sales activities, including inside sales and digital

marketing, and work to develop human resources to form autonomous, self-driven organizations.

Keeping in mind that profit comes in return for value provided, we will strive to provide customers with even greater value in order to contribute to profit growth.



Takayoshi Miyamoto

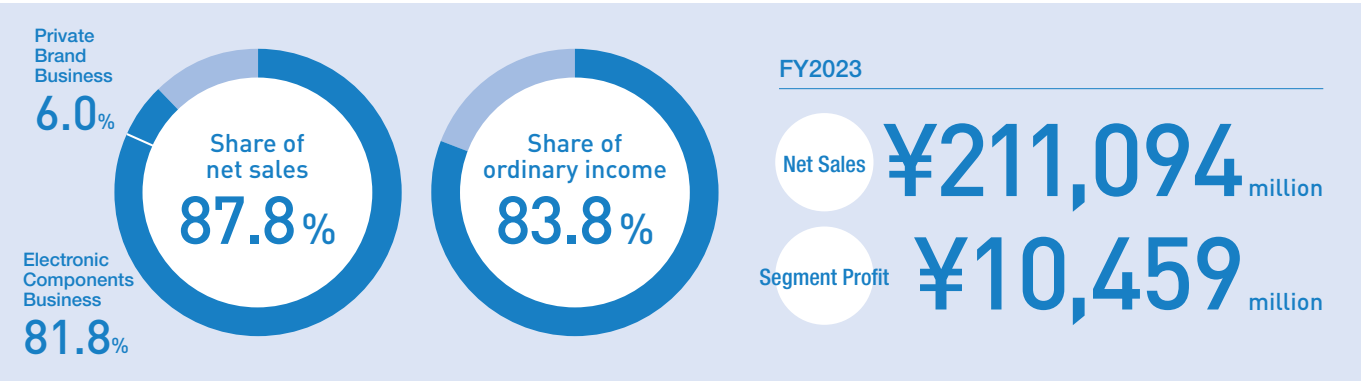
Senior Vice President
Computer Networks Business

Electronic Components Business



Business Overview

Amid the gradual improvement of tight supply conditions for semiconductors, demand was strong for the semiconductor products for industrial equipment, automotive equipment and communications equipment that the Group handles. In addition to the boost to sales provided by the weak yen, design changes implemented in response to the strained supply of components led to an increase in contracted development sales. As a result, segment net sales to external customers in fiscal 2023 came to ¥211,094 million, up 34.9% year on year, and segment profit (ordinary income) came to ¥10,459 million, up 105.7%.

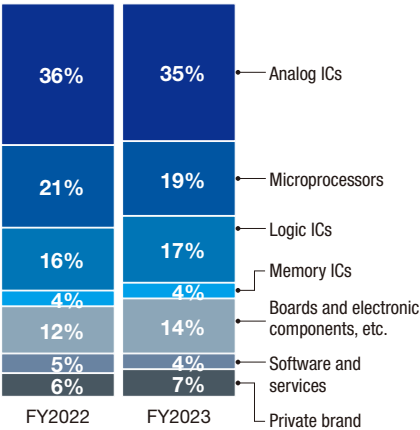


| Category | Main suppliers | Function |
|--|--|---|
| Analog ICs | Texas Instruments | ICs that perform amplification, oscillation or other processing of analog signals |
| Microprocessors | NXP Semiconductors / Texas Instruments Infineon Technologies / Intel | ICs with arithmetic and control functions that serve as the brains of electronic devices |
| Logic ICs | Texas Instruments / NXP Semiconductors Lattice Semiconductor / MaxLinear Infineon Technologies | ICs that process digital signals / Special-purpose ICs made for particular applications / Custom ICs |
| Memory ICs | Infineon Technologies | Memory ICs |
| Boards and electronic components, etc. | NXP Semiconductors / Hagiwara Solutions Western Digital / Intel / PFU / ams OSRAM | Products (circuit boards) equipped with ICs, power supplies, connectors and other components on printed-wiring assemblies |
| Software and services | Microsoft / McAfee | Software embedded in industrial equipment for enterprises / Provision of subscription services |
| Private brand | TED / TED Nagasaki / Fast | Design, development and mass production of circuit boards according to customer specifications / Devices for manufacturing industries |

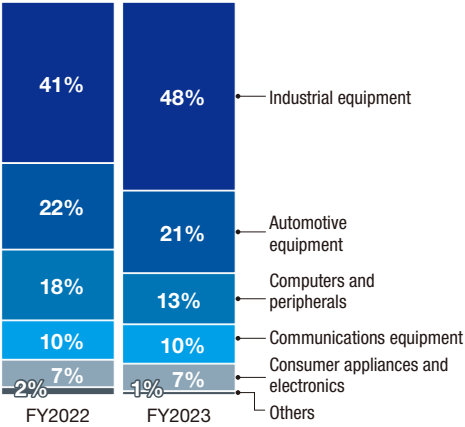
| Category | Main applications | Main customers |
|-------------------------------------|---|---|
| Industrial equipment | Medical and analyzing equipment / Semiconductor production equipment / FA equipment / Industrial robots / Fabricating equipment / Measuring equipment / Control systems / Electrical component mounting equipment / Inverters | OMRON / Tokyo Electron Hitachi / FANUC / Mitsubishi Electric |
| Automotive equipment | Car navigation systems / Automobile instruments / Advanced Driving Assistant systems / Displays / Automobile electronic control units (ECUs) / Lithium ion batteries / Automobile inverters | ALPS ALPINE / NIPPON SEIKI Hitachi / Mitsubishi Electric |
| Computers and peripherals | Multifunctional printers / POS systems / Storage / Server / Projectors / PCs and peripheral devices | Epson / Sharp / TOSHIBA / Hitachi |
| Communications equipment | 5G base stations / Optical transmission equipment / Satellite communications equipment / Wireless IP network equipment | NEC / Nihon Musei / FUJITSU / Mitsubishi Electric |
| Consumer appliances and electronics | Electronic musical instruments / Home gaming consoles / Digital cameras / Air conditioners / TVs and HDD recorders / Residential fuel cells | Canon / Nintendo / Mitsubishi Electric / Yamaha |

* Main suppliers are referred to by commonly used abbreviations or their group names, rather than their full official corporate names.

Sales by Product Category



Sales by Application



Overcoming Two Years of Tight Semiconductor Supply Helped Achieve the VISION 2025 Targets Two Years Early

In fiscal 2022 and 2023, semiconductor demand was consistently tight, as demand from customers exceeded supply from manufacturers. At the same time, the expansion of our semiconductor customer commercial rights increased our customer base, demand from existing customers rose, and the rapid depreciation of the yen in fiscal 2023 led to net sales and profit far above planned levels. As a result, the Electronic Components Business met its VISION 2025 financial targets two years ahead of schedule.

The past two fiscal years have seen an unprecedented supply squeeze. Working closely with semiconductor manufacturers and customers, we have striven to align deliveries of semicon-

ductor products with customer production plans. As our sales staff focused on meeting delivery deadlines, our engineers advanced activities aimed at the future, including creating new semiconductor product proposals. In line with changes in sales activities alongside the spread of remote work, we strove to increase sales efficiency through such means as holding online meetings and webinars with customers.

In recurring-revenue service businesses, we reinforced cloud service initiatives. We built a framework to provide cloud services not only to our customers in manufacturing industries, but also customers across a wide range of fields through collaboration with partner companies, and advanced sales activities accordingly.

Continuing to Focus on Industrial and Automotive Equipment as We Actively Target OT Security

In fiscal 2024, semiconductor markets are expected to see year-on-year contraction, mainly due to slowdown in the personal electronics field (PCs, smartphones, etc.). We expect the decrease in revenue from the deceleration of semiconductor markets and shift to direct sales among some semiconductor manufacturers to exceed the positive effects of obtaining customer commercial rights. As such, we plan for net sales (excluding the Private Brand Business) of ¥185,050 million, down 5.9% year on year. We expect market recovery from the following fiscal year onward, and aim to re-enter a growth phase in fiscal 2025.

Until now, we have focused on customers in industrial equipment and automotive equipment, fields where Japanese companies are highly competitive globally. Products such as analog ICs and microprocessors, which are highly utilized in these fields, have been the mainstays of our portfolio. We will maintain this policy going forward. In particular, in anticipation of growing automotive market demand related to assisted driving and electrification, we have established the Automotive Sales Division as a comprehensive contact point for customers. By providing broad-ranging proposals and fine-tuned support for the products we handle, we aim to support customers' development and acquire new customer commercial rights. Furthermore, we are focusing efforts on obtaining orders for projects extending to contracted development and manufacturing, rather than just the sales of semiconductor products themselves. By changing from selling products to selling services, we seek to increase profit and develop relationships with semiconductor manufacturers as both a distributor and a customer.

In recurring-revenue service businesses, we will focus on providing security solutions. In recent years, as DX advances in manufacturing, cyberattacks on factories and other such facilities are increasing, making operational technology (OT) security more important than ever. Most of our customers are in manufacturing industries, and many have their own factories. By providing security solutions for factory production lines or for inclusion in customer products, we will contribute to stable factory operations and the reliability of customer products.

Focusing on competitive markets and products, we will provide added value through new services, technical support and manufacturer functions, aiming to increase profitability and achieve sustainable growth.



Masami Hasegawa

Representative Director
Senior Executive Vice President
Electronic Components Business

Private Brand Business

PB

FY2023
Net Sales

¥14,498

* The Private Brand Business is, for the sake of segment grouping, included in the Electronic Components Business.

Business Overview

The Private Brand Business comprises contracted design and manufacturing services, private brand products and the consolidated subsidiaries FAST CORPORATION (“Fast”) and TOKYO ELECTRON DEVICE NAGASAKI LTD. (“TED Nagasaki”). In contracted design and manufacturing services, sales related to medical equipment and industrial equipment were strong, as were sales in the business of circuit board manufacturing for semiconductor production equipment at TED Nagasaki. Fast, meanwhile, saw recovery in sales as capital expenditure by customers picked up. As a result, fiscal 2023 net sales rose to ¥14,498 million.

Growth Amid Parts Shortages and Progress in Private Brand Product Development

In fiscal 2022, orders received recovered. TED's business in circuit board manufacturing for medical equipment and semiconductor production equipment recovered, while TED Nagasaki's circuit board manufacturing business and Fast's panel inspection equipment business both saw firm performance. In fiscal 2023, amid continued parts shortages, TED and TED Nagasaki faced challenging conditions, including delivery delays and manufacturing cost increases in circuit board manufacturing, but overall business was strong, and Fast's performance improved. As a result, revenue and profit both rose year on year.

Over these past two years, we have also advanced initiatives aimed at becoming the kind of manufacturer we want to be as laid out in VISION 2025: a manufacturing system manufacturer and original design manufacturer (ODM) and a design development division based on providing solutions to issues and highly efficient smart factories. For example, in manufacturing systems, we reinforced the functions of the RAYSENS compound semiconductor wafer inspection system by increasing the maximum wafer size and adding new inspection items. We also opened the Robot Center, a facility for the development and demonstration of the TriMath robot vision system. We completed the necessary licensing and manufacturer registration for the medical equipment ODM business, establishing an integrated internal framework for the production of medical equipment, from product planning to manufacturing and sales, while developing relationships with customers that can serve as mentors and building eco-systems with development partners. To improve operational efficiency, we integrated the production management and procurement departments of Tokyo Electron Device and TED Nagasaki. By consolidating and combining parts procurement and production management, we will improve collaboration among Group companies to make operations more efficient.

Reinforcing Manufacturer Functions that Drive Profit Growth

In fiscal 2024, we expect the semiconductor production equipment market and inspection business focused on China to enter a lull. As such, we plan for net sales of ¥13,350 million, down 7.9% year on year.

Demand for semiconductors will assuredly grow over the medium to long term, and we expect recovery from the adjustment phase and growth in fiscal 2025. In the circuit board manufacturing business, which mainly provides products for medical equipment, semiconductor production equipment and other industrial equipment, we expect the easing of component procurement difficulties to lead to acceleration in production and growth. In addition, we plan to develop comprehensive contracted design and production services by horizontally expanding sales of new products among existing customers and working to secure orders for next-generation models.

For the RAYSENS compound semiconductor wafer inspection system, we will work to expand the range of its inspection capabilities to accommodate future demand growth for SiC, GaN and other compound semiconductors, which are promising for applications in power semiconductors. We will also ramp up sales activities in Europe, Taiwan and mainland China. At the same time, we will advance improvements to the robot vision system TriMath by standardizing its software to make it easier to adopt for system integrators and users. In medical ODM, we will advance the development of in-vitro diagnostic equipment and medical smartwear and advance efforts to meet quality standards for medical equipment. We will also prepare for approval review processes and to provide support for the proper use of devices we have developed.

To achieve profit growth, a key task for the achievement of VISION 2025, we will continue to reinforce our manufacturer functions.

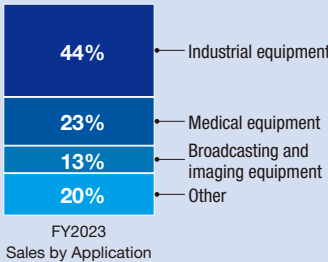
Kazuki Shinoda
Corporate Director
Executive Vice President
Private Brand Business



Design and Manufacturing Services



Under the inrevium brand, we offer one-stop contracted design and manufacturing services, from specification development to the design, prototyping, evaluation, production trials and mass production of customer circuit boards. Through coordination with the Electronic Components Business, we are reinforcing the development of high value-added products that use cutting-edge semiconductors.



Private Brand Products

TED

Compound semiconductor wafer inspection system

Robot vision system

TED develops and supplies manufacturing systems that integrate its proprietary technologies, including image processing, data science and robotics, to realize automation and labor saving in inspection and other processes.

Fast

AI platforms
FV-AID / FV-PDL

Image processing libraries
WIL Version 3.1

Fast is a manufacturer boasting image processing technologies, providing image processing software, machine vision technologies, and AI platforms for the visual inspection of non-uniform products for factory automation in the manufacturing sector.

TED Nagasaki

RMS Series
Rack Monitoring System

Distributed energy systems
50 kW interconnection inverters SPM series

TED Nagasaki boasts circuit board production lines capable of high-quality, small-lot, high-variety manufacturing and carries out mass production as part of contracted design and production services. TED Nagasaki also offers such private brand products as smart power supply systems, data center security systems and environmental monitoring products.

Sustainability — Fundamental Policy

Fundamental Policy on Sustainability-Related Initiatives

In its VISION 2025 medium-term management plan, the Tokyo Electron Device Group has defined “Driving digital transformation” as its mission for the future, aiming to contribute to the arrival of Society 5.0 and its continuing development as a highly efficient, smart society achieved by leveraging data and digital technologies. Based on this perspective, the Group’s fundamental policy on sustainability-related initiative is as follows.

Based on the understanding that increasing corporate value and the continuity of business are intertwined with the sustainable growth of society, the Tokyo Electron Device Group will contribute to the sustainable development of a more prosperous society by providing a variety of solutions through its business activities. In addition, we will refer to various ESG frameworks and the Sustainable Development Goals (SDGs) as we strive to achieve the sustainable development of the Group and increase corporate value by seeking solutions to issues based on an awareness of the material issues shown at right.

Material Issues

1

Leverage the resources that the Company has accumulated with a focus on electronics and IT to contribute to the realization of a sustainable society.



2

With respect for fundamental human rights at the core, create work environments and personnel systems that facilitate work and provide meaningful work while pursuing the sustainable development of the Company.



3

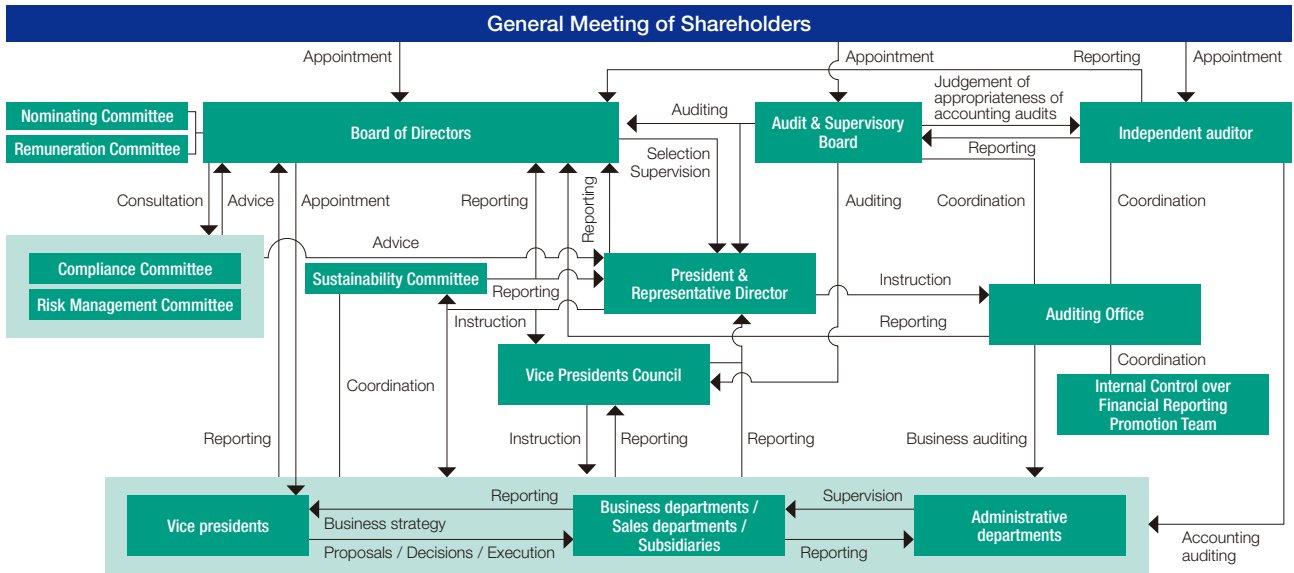
Mitigate environmental burdens (environmental risks) that occur as a result of business activities and strive to maintain a sustainable relationship between society and the Company.



Governance and Risk Management Related to Overall Sustainability

Aiming to contribute to the sustainable development of society through its business, in June 2022, the Tokyo Electron Device Group established the Sustainability Committee. The committee operates under the direct control of the president and reports to the Board of Directors. Companywide risk management is handled by the Risk

Management Committee, but the Sustainability Committee leads efforts related to sustainability, including addressing climate change risks, from gathering information to identifying risks and opportunities, reflecting these in business strategy and advancing related activities. The committee reports on its activities to the Board of Directors.



Strategy

Viewing climate change as a medium- to long-term risk, to consider organizational resilience and strategies based on related risks and opportunities, the Tokyo Electron Device Group referenced climate change scenarios (2°C and 4°C) developed by the International Energy

Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) to examine the long-term impact that Tokyo Electron Device will experience up until fiscal 2050 and perform scenario analyses with a focus on the Electronic Components and Private Brand businesses.

Main Climate Change Risks, Opportunities and Countermeasures

| Scenario | Cause | Change | Risk/ Opportunity | Impact on the Company | Countermeasures |
|----------|---|---|----------------------|---|--|
| 2°C | Adoption of a carbon tax | Increased procurement costs | Risk | •The adoption of a carbon tax will increase product and distribution costs, squeezing profit | •Find low-GHG suppliers/distributors •Strengthen and promote procurement policy |
| | | Increased operating costs | Risk | •The adoption of a carbon tax will increase operating costs, squeezing profit | •Promote initiatives to reduce CO ₂ emissions •Take air conditioning-related measures and proactively promote telecommuting |
| | Stronger GHG-related requirements from supply chains | Loss of customers resulting from delayed responses | Risk | •Stronger calls for decarbonization from customers could lead to significant declines in sales and profit if we fail to meet the required standards | •Enhance disclosure aligned with the TCFD recommendations •Calculate CO ₂ emissions by 2023 |
| | Stakeholders' increased concern over and interest in climate change | Impact on financing and sales | Risk | •Delayed responses to climate change could cause our value and reputation to decline and impact our bank loans, stock price and sales | •Enhance disclosure based on external requirements |
| | Popularization of energy saving | Expansion of business opportunities for semiconductors and solutions that improve the productivity of plants and facilities and enhance energy-saving performance | Opportunity | •Increased demand for facility replacement, etc., aimed at improving plant and facility productivity •Transition to low-carbon energy •Improvement in yield, etc. | •Focus on developing manufacturing systems in our Private Brand Business, making full use of data science, image recognition and robotics •Expand product lineup based on customer needs •Help facilitate use of renewables through development of bulk power control technology (smart energy products) |
| 4°C | Progress in electrification of vehicles | Increased automotive semiconductor demand | Opportunity | •Progress in the electrification of vehicles and advancement of automated driving technology will increase demand for automotive semiconductors | •Strengthen relations with suppliers and customers to respond to increased demand •Strengthen sales framework for automotive customers and keep searching for automotive products |
| | Intensification of climate disasters | Possibility of suppliers and distribution bases experiencing disasters, resulting in operational disruption | Risk | •We will face difficulty in maintaining product supply if suppliers experience flooding or climate disasters •If our distribution bases and data centers experience disasters, our shipments will stop and operations will be impaired | •Thoroughly collect supplier-related information to prepare for and mitigate climate disasters •Take further BCP measures at our distribution bases and data centers |
| | | Increased need for disaster response | Opportunity | •With the growing need to respond to increasingly severe disasters, customers will demand more products and solutions that assist disaster preparedness and mitigation | •Strengthen relations with suppliers and customers to capture increased customer demand |
| | | Progress in digital transformation (DX) that caters to changes in living environments | Opportunity | •With rising temperatures and other changes in work conditions, catering to companies that promote DX (e.g., plant automation and telecommuting) will take on greater importance | •Understand customer demand and find and secure products by coordinating with suppliers •Expand solutions and products related to DX |

* 2°C scenario: This scenario involves taking measures to minimize the rise in global temperatures, such as tightening regulations or making changes in markets.
4°C scenario: This scenario involves extreme weather and other physical impacts occurring as a result of the rise in global temperatures.

Risk Management

We established a TCFD Working Group and performed a scenario analysis related to climate change risks. We are prioritizing climate-related risks based on the probability of risks/opportunities arising and the magnitude of their impact, and focusing efforts on particularly high-priority matters. Moving forward, the Sustainability Committee will carry out ongoing confirmation. As for our climate-related risk

management process, we plan to analyze climate-related risks, and then develop, promote and manage the progress of countermeasures through the Sustainability Committee and TCFD Working Group. The analyses and considerations of the Committee and Working Group will be reported to the Board of Directors as necessary to promote integrated Companywide risk management.

Metrics and Targets

In consideration of environmental issues, the Tokyo Electron Device Group provides eco-friendly products, prevents contamination and undertakes various other initiatives. Recognizing climate change response as an important management issue, the Group has adopted total greenhouse gas emissions (Scope 1 and 2) as an indicator for use in evaluating and managing the impacts of climate-related issues on management.

The total emissions in fiscal 2021 and 2022 for the domestic consolidated Group were as follows. The Tokyo Electron Device Group

aims to be carbon neutral by fiscal 2050 and has set a reduction target for fiscal 2030. Specifically, through measures including utilizing renewable energy, the Group aims to achieve a 50% reduction from fiscal 2021 levels in fiscal 2030.

| | Fiscal 2021 result | Fiscal 2022 result | Fiscal 2030 target |
|-------------------------|-------------------------|-------------------------|---------------------------------------|
| Scope 1 and 2 emissions | 1,629 t-CO ₂ | 1,748 t-CO ₂ | 50% reduction from fiscal 2021 levels |

Strategy

The Tokyo Electron Device Group's fundamental policy on human resource development is as follows.

- Develop human resources with a global perspective, who can satisfy customers and meet their needs based on the premise that employee growth contributes to personal fulfillment and feelings of achievement
- Promote skill development that respects each employee's desire to learn and improve
- Create environments that enable all employees to exercise their abilities to the fullest by developing individual strengths and expertise

In line with this policy, we provide level-specific education, career development training, foreign language training, business skill training, applied skill training and technical training. Furthermore, aiming to become a manufacturer with technology trading company functions, we define the kind of leaders who will create future social value as follows.



New hire training

- Human resources who can promote future-oriented Companywide transformation
- Human resources who can lead business innovation to transition into a manufacturer
- Human resources who can leverage the Group's strengths to lead business expansion

To develop the next generation of leaders, we have launched a human resource development plan focused on the themes of "Purpose," "Leadership," "Innovation," "Results-oriented," "Team building," and "External empathy."

In addition to hiring a set number of new graduates each year, we engage in mid-career hiring aimed at reinforcing our human resources and expanding our range of operations. In addition, we work to reinforce human resource measures through a PDCA cycle that involves understanding progress and hurdles related to the aforementioned themes in each business segment and implementing countermeasures as needed. Specifically, such measures include securing

mid-career human resources with expertise in advanced technologies, such as data science, image recognition, robotics, AI, IoT and security, as well as implementing programs to enhance the specialized technical skills of employees.

In terms of personnel allocation, based on the annual transfer request system, we operate a framework aimed at putting the right people in the right jobs in the short, medium, and long term through regular rotation meetings attended by the managers in charge of each business segment. The Tokyo Electron Device Group is committed to respecting differences in culture, ethnicity and personality, and does not restrict opportunities for employees based on nationality, gender, sexual orientation, disability, age or other such factors. We believe that utilizing each employee's abilities to the fullest—including their individual character and experience, backed by diverse perspectives and values—will contribute to the Group's sustainable growth.

We have built a flexible compensation system based on employee roles and provide environments that allow employees to take initiative in their work. By doing so, we are advancing efforts to ensure that we can flexibly respond to changes in the market environment. Beginning in April 2022, we have adopted a permanent remote work system with no upper limit on usage, in part to help improve employee work-life balance.



Online training

Other initiatives related to human capital and diversity include the following.

- Promotional activities to advance active recruitment of female new graduates
- Support for using the Company's systems of short-term and long-term leave for childcare and nursing care
- Education about various types of harassment and compliance
- Reducing working hours by promoting efficiency and the use of paid time off, and establishing a weekly no-overtime day
- Encouraging male employees to take childcare leave to promote a workplace culture that is supportive of employees balancing work and family responsibilities

Metrics and Targets

Our targets and results related to human capital and diversity are shown at right. These figures are for Tokyo Electron Device Limited, which operates the main businesses of the Group.

1. The Company has set the targets for rate of management positions held by women of 10% or more in fiscal 2025 and 12% or more in fiscal 2029.
2. Refreshment leave is a system of special leave that enables employees to take longer, consecutive periods of leave, according to their years of service with the Company.

| Metric | Fiscal 2022 result | Fiscal 2024 target |
|---|--------------------|--------------------|
| Rate of management positions held by women | 8.4% | (Note 1) |
| Attrition rate | 0.9% | 3.0% or less |
| Refreshment leave usage ² | 65.4% | 70.0% or more |
| Paid time off usage | 65.8% | 70.0% or more |
| Rate of employees undergoing annual health checkups | 99.9% | 100.0% |

Policies on Constructive Dialogue with Shareholders

The Company considers it important to conduct constructive dialogue with shareholders in order to deepen ideas and understanding on both sides and thereby enhance corporate value. The Company responds proactively to shareholders' requests for dialogue (meetings) after inquiring about the purposes and outline of the dialogue in advance.

1. Executives in charge

The Company recognizes that constructive dialogue with shareholders is important. Accordingly, the president and the director in charge of the Corporate Administration Division attend major meetings, such as investor meetings.

2. Internal framework for dialogue

The first contact point for shareholders is the IR Department for analysts and institutional investors and the General Affairs Department for individual shareholders. In fiscal 2023, 74 one-on-one meetings were held with analysts and institutional investors. The Company proactively requests meetings with analysts and institutional investors, and will continue such efforts going forward. A framework is established where the relevant departments support dialogue with shareholders as needed.

3. Dialogue other than individual meetings

The Company makes efforts to enrich dialogue other than through individual meetings by attending investor meetings for analysts and institutional investors as well as investor meetings for individual shareholders held by stock exchanges and securities companies. In fiscal 2023, the Company held two briefings for individual investors and participated in one IR event for individual investors.

4. Feedback to the Board of Directors

After meetings with shareholders, the president and the director in charge of IR report the details in the Board of Directors meeting as needed. There, the information is shared among the corporate directors, who discuss the future direction of management and IR measures.

5. Information management framework for dialogue

The Company has established rules concerning insider information management and takes care to prevent leaks of pre-disclosure information during dialogue. It also appropriately discloses necessary information to shareholders in accordance with the timely disclosure system.

Recent Dialogue with Investors



Facility tour



Online IR event

Our first point of contact with analysts and institutional investors is the IR Department. For these parties, in addition to one-on-one meetings, we hold results briefings to announce our financial results for the full year and for the first half. In fiscal 2023, we also held a facility tour for analysts and institutional investors. For individual investors, in fiscal 2023 we took part in online IR events. We will continue striving to provide timely disclosure to investors.

Enhancing Management Awareness of Cost of Capital and Share Price

We believe that advancing management with an awareness of the cost of capital and return on capital is crucial to achieving ongoing growth and enhancing corporate value over the medium and long term in order to meet the expectations of investors and other stakeholders. As such, every year, the estimated cost of capital is regularly calculated and reported to the Board of Directors.

To promote management with an awareness of return on capital,

we have included ROE in the financial targets of VISION 2025, our medium-term management plan aimed at fiscal 2025.

Using these metrics, to increase enterprise value, we review revenue plans and the business portfolio, allocate management resources accordingly, and communicate with shareholders about such plans and their results appropriately.

Corporate Directors, Audit & Supervisory Board Members and Vice Presidents (As of July 1, 2023)

Corporate Directors



Atsushi Tokushige
President &
Representative Director



Masami Hasegawa
Representative Director
Senior Executive Vice President
General Manager,
Global Sales & Operations
General Manager, EC BU



Yukio Saeki
Corporate Director
Senior Executive Vice President
General Manager,
Corporate Administration Division
In Charge of Internal Control
Chairman of the Compliance Committee



Kazuki Shinoda
Corporate Director
Senior Vice President
Corporate Engineering
General Manager, PB BU
Chairman of the Risk Management Committee
Chairman of the Sustainability Committee



Tetsuo Tsuneishi
Corporate Director
Outside Director,
Resonac Holdings Corporation



Koichi Kawana
Outside Director
(Independent Director)
Outside Director,
BANDAI NAMCO Holdings Inc.
Director, Chairman, RENOVA Inc.
Outside Director, ispace, inc.
President and Representative Director, Lublyst Inc.
Outside Director, KUBOTA CORPORATION



Hiromi Onitsuka-Baur
Outside Director
(Independent Director)
Auditor, Yahoo Japan Corporation
External Director,
JVCKENWOOD Corporation



Kei Nishida
Outside Director
(Independent Director)

Audit & Supervisory Board Members



Nobuo Kawai
Audit & Supervisory
Board Member (full-time)



Katsuyuki Matsui
Outside Audit & Supervisory
Board Member (full-time)



Norika Yuasa
Outside Audit & Supervisory
Board Member (part-time)
Partner, Attorney at Law,
Miura & Partners
Director (External), KOSÉ Corporation
Outside Director, SAINT-CARE
HOLDING CORPORATION



Kiyoyuki Kuwabara
Outside Audit & Supervisory
Board Member (part-time)
Director, Kiyoyuki Kuwabara
Accounting Office

Vice Presidents

Atsushi Tokushige
Masami Hasegawa
Yukio Saeki
Kazuki Shinoda
Toshikazu Mishina
Takayoshi Miyamoto
Yasuo Hatsumi
Yoshinao Jozen
Tatsushi Yasumura
Kenji Dohi
Tadashi Koyama
Takeshi Yuasa
Jun Ninomiya
Tomoaki Ando
Takayoshi Narita
Mitsutaka Kamimoto

Corporate Profile

| | |
|-----------------------|---|
| Company Name: | TOKYO ELECTRON DEVICE LIMITED |
| Established: | March 3, 1986 |
| Capital: | ¥2,495 million |
| Employees: | 1,318 (consolidated, as of March 31, 2023) |
| World Headquarters: | Yokohama East Square, 1-4 Kinko-cho, Kanagawa-ku, Yokohama City, Kanagawa 221-0056, Japan |
| Group Companies: | FAST CORPORATION / TOKYO ELECTRON DEVICE NAGASAKI LTD. TOKYO ELECTRON DEVICE ASIA PACIFIC LIMITED / TOKYO ELECTRON DEVICE (SHANGHAI) LIMITED TOKYO ELECTRON DEVICE SINGAPORE PTE. LTD. / TOKYO ELECTRON DEVICE (THAILAND) LTD. TOKYO ELECTRON DEVICE AMERICA, INC. |
| Affiliated Companies: | Fidus Systems Inc. |
| Domestic Locations: | Sendai, Iwaki, Mito, Tsukuba, Omiya, Tachikawa, Shinjuku, Yokohama, Matsumoto, Mishima, Hamamatsu, Nagoya, Kyoto, Osaka, Fukuoka |
| Overseas Locations: | Hong Kong, Shenzhen, Shanghai, Dalian, Singapore, Bangkok, Silicon Valley, Detroit |

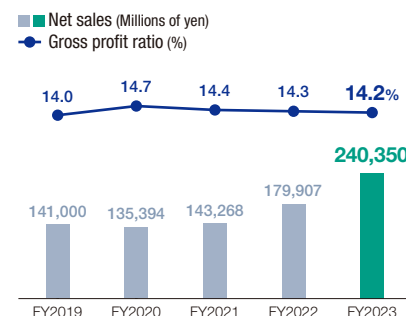
Consolidated Performance Highlights

Financial Highlights (Fiscal years ended March 31)

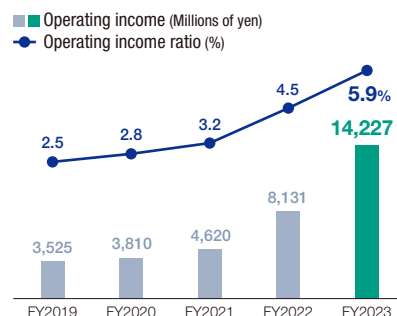
(Millions of yen)

| Income | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|----------|----------|-----------|----------|-----------|
| Net sales | ¥141,000 | ¥135,394 | ¥143,268 | ¥179,907 | ¥240,350 |
| Gross profit | 19,705 | 19,902 | 20,601 | 25,638 | 34,243 |
| Gross profit ratio | 14.0% | 14.7% | 14.4% | 14.3% | 14.2% |
| Selling, general and administrative expenses | 16,179 | 16,091 | 15,981 | 17,506 | 20,016 |
| Operating income | 3,525 | 3,810 | 4,620 | 8,131 | 14,227 |
| Operating income ratio | 2.5% | 2.8% | 3.2% | 4.5% | 5.9% |
| Ordinary income | 3,077 | 3,573 | 4,625 | 7,318 | 12,478 |
| Ordinary income ratio | 2.2% | 2.6% | 3.2% | 4.1% | 5.2% |
| Net income before income taxes | 3,257 | 3,227 | 4,589 | 7,910 | 12,469 |
| Net income attributable to owners of parent | 2,341 | 2,288 | 3,143 | 5,085 | 8,778 |
| Financial Position | 2019 | 2020 | 2021 | 2022 | 2023 |
| Current assets | ¥ 70,420 | ¥ 68,668 | ¥ 82,721 | ¥ 98,895 | ¥134,309 |
| Non-current assets | 7,932 | 7,870 | 8,149 | 8,906 | 9,143 |
| Total assets | 78,352 | 76,539 | 90,870 | 107,801 | 143,452 |
| Current liabilities | 32,000 | 31,054 | 39,997 | 56,622 | 70,595 |
| Non-current liabilities | 19,942 | 18,344 | 21,220 | 19,160 | 33,859 |
| Total liabilities | 51,942 | 49,398 | 61,217 | 75,783 | 104,455 |
| Net assets | 26,410 | 27,141 | 29,652 | 32,018 | 38,997 |
| Total liabilities and net assets | 78,352 | 76,539 | 90,870 | 107,801 | 143,452 |
| Cash Flows | 2019 | 2020 | 2021 | 2022 | 2023 |
| Cash flows from operating activities | ¥ 12,335 | ¥ 8,651 | ¥ (3,463) | ¥ (891) | ¥(12,185) |
| Cash flows from investing activities | (1,708) | (549) | (469) | (155) | (199) |
| Cash flows from financing activities | (10,504) | (7,479) | 5,079 | 606 | 13,746 |
| Cash and cash equivalents at end of period | 3,534 | 4,218 | 5,391 | 5,028 | 6,442 |

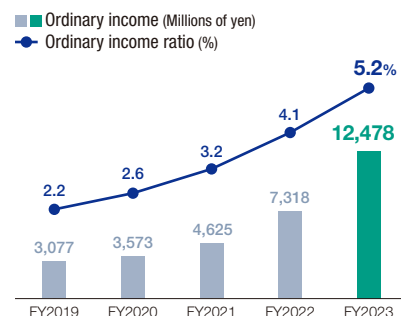
Profitability



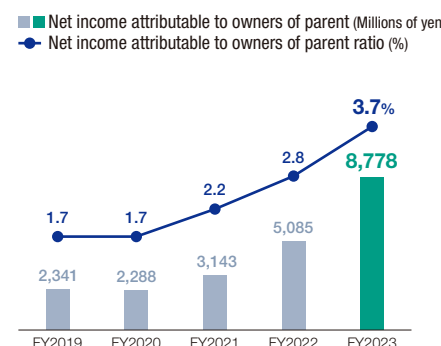
* Gross profit ratio = Gross profit / Net sales



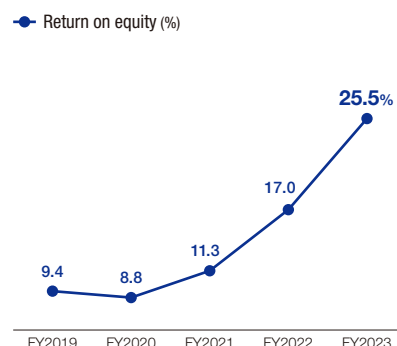
* Operating income ratio = Operating income / Net sales



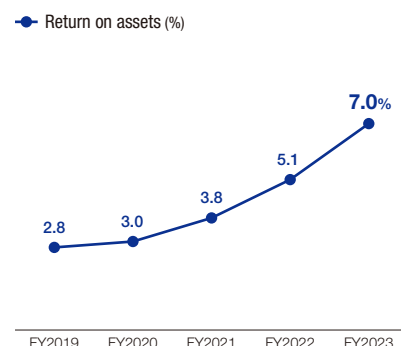
* Ordinary income ratio = Ordinary income / Net sales



* Net income attributable to owners of parent ratio = Net income attributable to owners of parent / Net sales

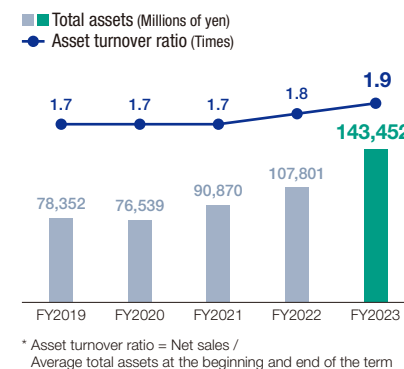


* Return on equity (ROE) = Net income attributable to owners of parent / Average net worth at the beginning and end of the term

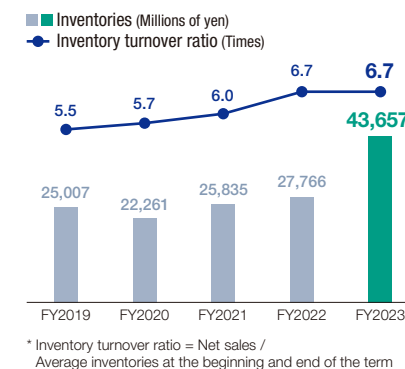


* Return on assets (ROA) = Net income attributable to owners of parent / Average total assets at the beginning and end of the term

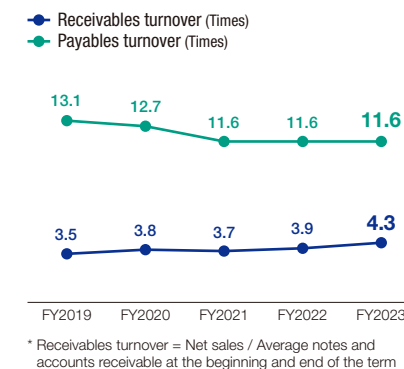
Efficiency



* Asset turnover ratio = Net sales / Average total assets at the beginning and end of the term

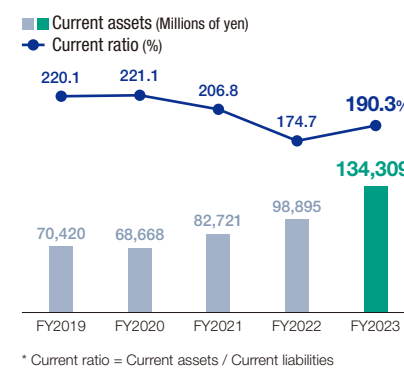


* Inventory turnover ratio = Net sales / Average inventories at the beginning and end of the term

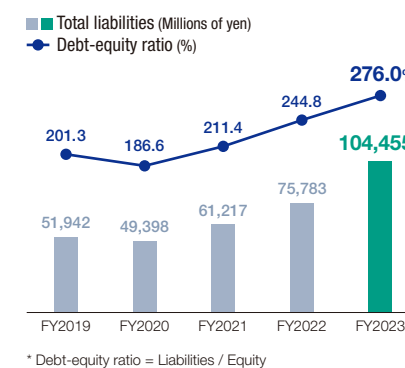


* Receivables turnover = Net sales / Average notes and accounts receivable at the beginning and end of the term
* Payables turnover = Cost of sales / Average accounts payable at the beginning and end of the term

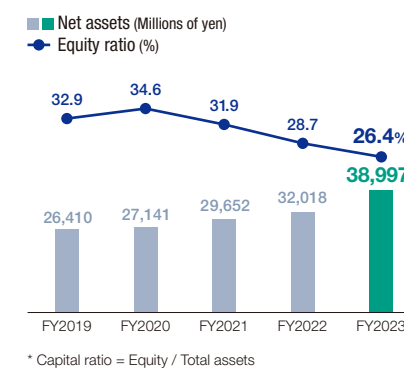
Soundness



* Current ratio = Current assets / Current liabilities

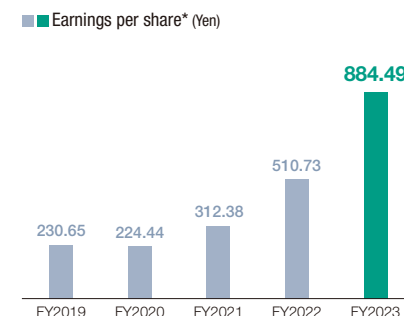


* Debt-equity ratio = Liabilities / Equity

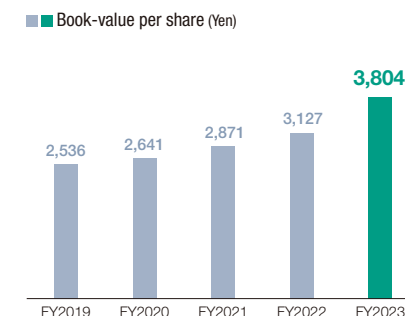


* Capital ratio = Equity / Total assets

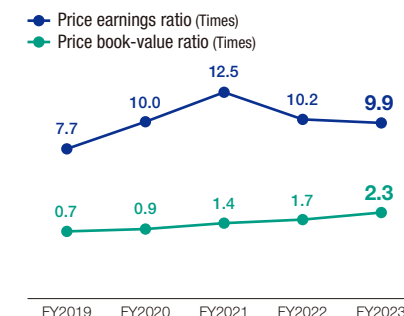
Per Share Data and Others



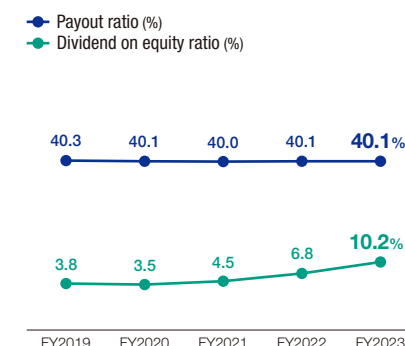
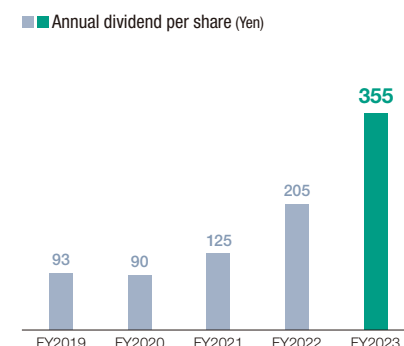
* Earnings per share (EPS) = Net income attributable to owners of parent / Average number of shares issued in the term



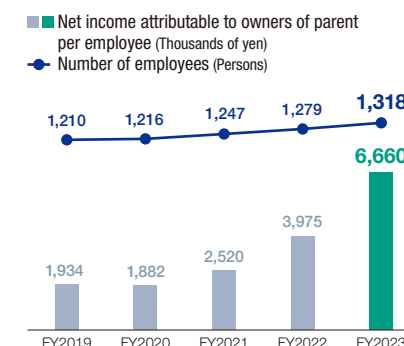
* Book-value per share = Net assets at the end of the term / Number of shares issued at the end of the term



* Price earnings ratio (PER) = Share price at the end of the term / Net income per share
* Price book-value ratio (PBR) = Share price at the end of the term / Net assets per share



* Payout ratio = Paid interim dividend and year-end dividend / Net income
* Dividend on equity ratio = Total dividend / Average of net assets at the beginning and end of the term



* Net income attributable to owners of parent per employee = Net income attributable to owners of parent / Number of employees at the end of the term