

Toward Stronger Corporate Governance

Tokyo Electron Device (TED) regards improving profitability and capital efficiency as a top priority for all the stakeholders including shareholders with the aim of increasing its corporate value over the medium and long terms. For that purpose, TED will develop internal control systems and endeavor to ensure the transparency and soundness of its management and continuously enhancement of corporate governance.

A governance structure with a Board of Directors and voluntary committees

In addition to the basic corporate structure as a company with Audit & Supervisory Board, TED has voluntarily established a Nominating Committee and a Remuneration Committee for the purpose of enhancing objectivity and transparency in management, including the process of electing directors and determining their compensation.

The Nominating Committee is responsible for recommending to the Board of Directors candidates for Chief Executive Officer (CEO), Directors and Independent Directors, while the Remuneration Committee discusses the remuneration system for Directors, Corporate Officers and Executive Officers and the details of the CEO's remuneration.

These committees do not include the CEO as a member, and the majority of the members are independent outside directors. The chairperson of the committee is elected by the committee members from among the outside directors, thus ensuring independence and objectivity. The results of discussions at each committee are submitted to the Board of Directors, contributing to the improvement of objectivity and transparency of management.

Messages from Outside Directors



“ Supporting the decision-making of the management team in order to open up the future with the power of a manufacturer and a technology trading company. ”

Hiromi Onitsuka-Baur
Independent Outside Director

Production / development	IT / DX	Global experience	Sales / marketing
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We continue to make great strides in achieving our medium-term management plan, VISION 2025, ahead of schedule. In 2024, we formulated VISION 2030, to commence in 2025, for further growth under the new MISSION. The semiconductor market is showing promise for the future, and our computer system-related businesses are also expected to grow as they meet the needs of the market. At the same time, amidst increasing geopolitical risks and other economic uncertainties, it is important for us to continue to meet the expectations of all our stakeholders through diligent reform and steady implementation. In particular,

we have long aimed to be a “manufacturer with technology trading company functions,” but in order to achieve our plan, we need to focus even more on expanding our capabilities as a manufacturer and improving our ability to execute. I will work to help the Company achieve sustainable growth by supporting management decision-making through active discussions and proposals that facilitate sustainable growth, drawing on insights from both the frontline and management perspectives gained through years of experience executing business at manufacturers.

Operations of the Board of Directors and Other Bodies for FY2025

Specific Matters discussed by the Board of Directors and Relevant Committees

Board of Directors	During the fiscal year ended March 31, 2025, the Board of Directors met 13 times and made decisions on matters stipulated by law and the Articles of Incorporation, important matters based on various regulations and policies, as well as on the introduction of the Corporate Officer system, the establishment of a new CEO (Chief Executive Officer) position, and the absorption of subsidiaries. The Board also deliberated on the future structure of the Company, while reporting on and supervising the execution of business operations.
Nominating Committee	In the fiscal year ended March 31, 2025, the Nominating Committee met six times to consider candidates for directors, CEO (Chief Executive Officer), and independent directors, as well as to discuss succession planning.
Remuneration Committee	In the fiscal year ended March 31, 2025, the Remuneration Committee met eight times to discuss the proportion of stock-based remuneration and to consider the incentive plan and fixed monthly compensation for the next fiscal year.



“ Helping drive change to maximize growth potential ”

Kei Nishida
Independent Outside Director

Corporate management	Production / development	Sales / marketing
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In my previous position at a battery manufacturer, I gained experience in mergers and turnarounds. At the time, the company's deteriorating business performance had led it to stop paying dividends, and it was facing a crisis so severe that it received a takeover offer from a U.S. company. In 2004, the decision was made to merge the business with that of a competitor, and I was in charge of formulating a new growth strategy and overseeing the lithium-ion battery business, which would serve as the cornerstone of that strategy. Although many inside and outside the company feared failure, a business

recovery was achieved through measures such as a reorganization of manufacturing bases, and the business became a key driver of growth for the company. Now, 20 years on, the company has been reborn as a sustainable enterprise. Drawing on these experiences, at TED's board meetings, I try to push the executive side toward aggressive innovation and taking on challenges. There is great potential in the areas of semiconductors and IT, and I would like to help increase corporate value by making recommendations to ensure that we do not miss out on growth opportunities.



“ Helping to foster corporate strength and corporate value that can respond quickly to rapidly changing demand and technological trends ”

Seiji Osaka
Independent Outside Director

Corporate management	Production / development	Global experience	Sales / marketing	Finance / accounting
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I have been involved in the management of the Company since 2024, and have observed it from an objective outside perspective. I believe that strong on-the-ground capabilities are one of the Company's unique advantages. The semiconductor industry is evolving day by day, and we have the important mission of drawing on that on-the-ground strength to optimize the supply chain. In my previous position, I was involved in the global electronic components business. There, too, the biggest management challenge was to develop the company's ability to respond quickly to rapidly fluctuating

demand and technology trends. Under the newly launched medium-term management plan, TED is working to build and implement its mission statement, business portfolio strategy, priority measures, and the enhancement of its functional and human resource capabilities (materiality), with a view to technology and demand trends 10 years into the future. I will continue to contribute to this effort with my objective perspective and knowledge of the electronics industry and global business management.

Analysis and Evaluation of the Effectiveness of the Board of Directors

In the fiscal year ended March 31, 2025, an evaluation of the effectiveness of the Board of Directors was conducted with the following evaluation items: the form of the Board of Directors, its composition, operation, and discussions; the performance, training, and personal initiatives of outside directors; and the operation of the Nominating Committee and the Remuneration Committee, among others. It was confirmed that the effectiveness of the Board of Directors has largely been ensured,

partly due to improvements in the governance structure, including the introduction of the Corporate Officer system.

On the other hand, reflection of ESG and SDGs in management strategies and discussion of human capital were again identified as issues to be addressed. Based on the results of the effectiveness evaluation, we will continue to implement initiatives to enhance the functions of the Board of Directors, taking consideration of priorities into account.