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Announcement of the Renewal and Partial Amendments of the Stock-based Remuneration Plan as a Medium-term Incentive Plan for the Group's Officers and Employees

TOKYO ELECTRON DEVICE LIMITED (the "Company") announces that, at its Board of Directors Meeting held today, the Company resolved to renew and partially amend the medium-term performance-linked stock-based remuneration plan (the "Plan"), which was introduced from the fiscal year ended March 31, 2022 for Corporate Directors (excluding Non-executive Directors; the "Eligible Corporate Directors") as well as for Corporate Officers, Vice Presidents and Managers (the "Eligible Employees", together with "Eligible Corporate Directors" referred to as "Eligible Persons") of the Company and Group companies (the "Eligible Companies"), as an incentive plan linked to the level of achievement of the VISION 2030 medium-term management plan following the conclusion of the incentive plan linked to the level of achievement of the VISION 2025 previous medium-term management plan, which was introduced in the fiscal year ended March 2022 and concluded in the fiscal year ended March 2025. The Company also announces that it resolved to submit a proposal concerning the renewal and partial amendments of the Plan to the 40th Annual General Meeting of Shareholders scheduled for June 20, 2025.

1. Renewal and partial amendments of the Plan

- (1) The Company set its mission to address social issues through leading-edge technology, primarily semiconductors and IT, and to contribute to the sustainable development of society by offering solutions to those issues that have value beyond expectations in the VISION 2030 medium-term management plan announced on April 30, 2024. As the company wide policy to achieve VISION 2030, the Company aims to solve customer issues, which are latent social issues, with the capability of being a manufacturer and technology trading company, which the Group possesses, and promote taking actions that contribute to sustainable profit growth.

In VISION 2030, a financial model (with the consolidated ordinary income ratio of 8% or more and

ROE of 20% or more) for the fiscal year ending March 31, 2030 was set as the quantitative targets. This year is the first fiscal year of VISION 2030 and initiatives to ensure the Group's Corporate Directors, as well as Corporate Officers, Vice Presidents and Managers have a shared sense of purpose from a management perspective are considered to be one of the keys to achieving VISION 2030. To this end, the Company will renew the Plan, as an incentive plan linked to the level of achievement of financial targets in VISION 2030 for the Group's Eligible Persons who are charged with central roles in realizing the mission and VISION, achieving the VISION 2030 medium-term management plan and hence, aiming to increase the Company's corporate value.

- (2) The renewal and partial amendments of the Plan is subject to approval of the proposal for remuneration of Eligible Corporate Directors of Eligible Companies at each Eligible Company's general meeting of shareholders.
- (3) The Plan for Eligible Corporate Directors has a mechanism called the Board Incentive Plan ("BIP") Trust (the "BIP Trust"). The BIP Trust is a plan for Corporate Directors similar to the "Performance Share" and "Restricted Stock" plans in the U.S. and Europe in which the Company's shares and money equivalent to the Company's shares converted into cash (the "Company's Shares, etc.") are delivered or provided to Corporate Directors (the "Delivery, etc."), in accordance with their position and level of achievement of the performance targets, etc.

Note that the BIP Trust to be adopted is identical to the trust established as referred to in the "Announcement of the Renewal of the Annual Performance-linked Stock-based Remuneration Plan and the Introduction of a Non-performance-linked Stock-based Remuneration Plan for Non-executive Directors" announced today.

In addition, the Plan for Eligible Employees has a mechanism called the Employee Stock Ownership Plan ("ESOP") Trust (the "ESOP Trust"). The ESOP Trust is an employee incentive plan based on ESOP schemes in the U.S. whereby there are Delivery, etc. of the Company's Shares, etc. to Eligible Employees according to their positions and level of achievement of performance targets, etc.

2. Partial amendments of the Plan

The Company will renew the Plan by amending the trust agreements of and making additional contributions to the BIP Trust and the ESOP Trust established and expiring on August 31, 2025 ("Each Trust") to extend the trust period by five years.

In extending the Plan, amendments will be made to the previous Plan. The details of the Plan after the amendments are as described below.

(1) Outline of the Plan

The Plan is a system for Delivery, etc. of the Company's Shares, etc. according to Eligible Persons' positions and other factors and the level of achievement of the VISION 2030 target figures for the

five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030 (the “Target Period”).

- (2) Resolutions of the General Meeting of Shareholders concerning the renewal of the Plan
- Each Eligible Company will, at its respective general meeting of shareholders, resolve the maximum amount of trust money to be contributed to the BIP Trust, the maximum number of shares, etc. for Delivery, etc. to Corporate Directors, and other necessary matters.

- (3) Eligible Persons under the Plan (beneficiary requirements)

In principle, Eligible Persons may receive Delivery, etc., of the Company’s Shares, etc., corresponding to the number of points for stock delivery by Each Trust, upon undergoing set procedures for confirming beneficiary rights, subject to meeting the beneficiary requirements outlined below after the end of the Target Period.

- (i) A person is in a position and working as an Eligible Person at the end of the Target Period (A person who during the Target Period retires due to the expiration of that person’s term of office or due to compulsory retirement age shall be deemed to be an Eligible Person at the end of the Target Period)

- (ii) The number of points for stock delivery set out in (5) below has been determined

- (iii) The person has not committed certain illegal acts while in a position or working

- (4) Trust period

Approximately five years from August 2025 (scheduled) to August 2030 (scheduled)

- (5) The Company’s Shares, etc. for Delivery, etc. to Eligible Persons

The Company’s Shares, etc. for Delivery, etc. to Eligible Persons shall be determined as one share of the Company’s common stock per point according to the number of points calculated based on the calculation formula of the points for stock delivery below. If the Company’s shares are subject to a split or consolidation, etc. during the trust period, the number of the Company’s shares per point and the upper limit of shares shown in (7) below shall be adjusted according to the stock split ratio or the consolidation ratio, etc. for the Company’s shares.

(Calculation formula of the points for stock delivery)

Right points *1 × Payment ratio by achievement level *2

*1 In principle, right points shall be calculated by dividing the base amount predetermined by position and other factors by the stock price at the time of acquisition of the Company’s shares necessary for the Plan by the trust and a trust separately established by the Company for an employee incentive plan similar to the Plan. In the event of a change in position and other factors

during the Target Period, adjustment shall be made on a proportional distribution of time base.

*2 Payment ratio by achievement level fluctuates within the range of 0% to 125% according to the level of achievement of the consolidated ordinary income ratio and the consolidated ROE, which are the target figures of VISION 2030 as determined by the Board of Directors, and the level of improvement of non-financial indicators (engagement indicators). The payment ratio shall remain at 0% unless the levels reach a certain threshold.

(6) Timing and method of issuing the Company's Shares, etc. to Eligible Persons

Eligible Persons who have met the beneficiary requirements shall receive the Delivery, etc. of the Company's Shares, etc. after the end of the Target Period.

At this time, such Eligible Person shall receive delivery of the number of the Company's shares corresponding to a certain percentage of the points for stock delivery, and the remainder shall be received as money equivalent to the cash conversion amount following conversion within Each Trust.

(7) The upper limit of trust money contributions to the BIP Trust and the upper limit of Company Shares, etc., delivered from the BIP Trust

For BIP Trust, the upper limit of trust money contributions to the Trust during the trust period and the upper limit of the Company's Shares, etc. for Delivery, etc. to Eligible Corporate Directors shall be subject to the following upper limit, subject to approval at each Eligible Company's general meeting of shareholders.

(i) Upper limit of trust money contributions to the BIP Trust

The Company portion: Total of 334 million yen during the Target Period

Group company portion: Total of 65 million yen during the Target Period

(The aggregate amount of stock acquisition funds used by the BIP Trust as well as trust fees and trust expenses during the trust period.)

(ii) Upper limit of the Company's Shares, etc. for Delivery, etc. from the BIP Trust

The Company portion: Total of 162,000 shares during the Target Period

Group company portion: Total of 33,000 shares during the Target Period

(8) Method for acquiring the Company's shares through the BIP Trust

Acquiring the Company's shares through the BIP Trust is expected to take place on the stock market within the availability of stock acquisition funds and the upper limit of the Company's Shares, etc. for Delivery, etc. from the BIP Trust shown in (7) above.

(9) Exercise of voting rights accompanying the Company's shares within Each Trust

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company's shares held in the BIP Trust during the trust period.

For the Company's shares within the ESOP Trust, the trust administrator will provide instructions

on exercising voting rights as a shareholder, and the ESOP Trust will exercise the voting rights accordingly.

(10) Treatment of dividends associated with the Company's shares held in Each Trust

The distribution of dividends associated with the Company's shares held in Each Trust shall be appropriated to the trust fees and trust expenses for Each Trust after receipt by Each Trust.

(11) Treatment of residual shares and remaining dividends at the expiration of the trust period

With respect to any residual shares at the expiration of the trust period, Each Trust will continue to use such residual shares under the Plan or an equivalent share delivery system by amending the trust agreement or making additional contribution to Each Trust, or otherwise transfer them to the Company without consideration, and the Company will cancel them by resolution of the Board of Directors.

Further, dividends on the Company's shares remaining in Each Trust at the expiration of the trust period will be used as funds to acquire shares if Each Trust is to be continued. However, if Each Trust will be terminated at the expiration of the trust period, the amount exceeding the allowances for trust expenses is planned to be donated to organizations with no interest in the Company or any Eligible Persons.

(Reference)

[Details of Trust Agreement]

	BIP Trust	ESOP Trust
1) Eligible Persons:	The Company's Eligible Corporate Directors Group companies' Eligible Corporate Directors	Eligible Employees
2) Type of trust:	Money trust other than a specified money trust for separate investment (third party benefit trust)	
3) Purpose of trust:	To grant incentives to Eligible Persons	
4) Trustor:	The Company	
5) Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
6) Beneficiaries:	Eligible Persons who meet the beneficiary requirements	
7) Trust administrator:	A third party that has no interest in the Company (Certified Public Accountant)	
8) Date of trust agreement:	August 3, 2021 (scheduled to be changed to August 2025 due to the extension of the trust period)	
9) Trust period:	August 3, 2021 to August 31, 2025 (scheduled to be extended to August 2030 due to the change of the trust agreement in August 2025)	
10) Plan start date:	September 1, 2021	
11) Exercise of voting rights:	Shall not be exercised	Shall be exercised
12) Type of acquired shares:	The Company's common stock	
13) Acquisition method of shares:	Acquisition from the stock market	
14) Period of acquisition of shares:	August 6, 2025 (scheduled) to September 19, 2025 (scheduled)	
15) Amount of trust money:	399 million yen (scheduled) (Including trust fees and trust expenses.)	1,214 million yen (scheduled) (Including trust fees and trust expenses.)
	The above amounts include residual assets inherited from the existing BIP Trust and the ESOP Trust.	
16) Vested rights holder:	The Company	
17) Residual assets:	Residual assets that the Company can receive as the holder of vested rights shall be within the extent of allowances for trust expenses calculated by deducting funds to acquire the Company's shares from the trust money.	

* Since the BIP Trust is identical to the BIP Trust explained in the "Announcement of the Renewal of the Annual Performance-linked Stock-based Remuneration Plan and the Introduction of a Non-performance-linked Stock-based Remuneration Plan for Non-executive Directors" announced today, it will have the same trust agreement.