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May 13, 2025

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**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**

TOKYO ELECTRON DEVICE LIMITED (the “Company”) announces that, at its Board of Directors Meeting held today, the Company decided to make a proposal (the “Proposal”) at the 40th Annual General Meeting of Shareholders (the “General Meeting of Shareholders”) scheduled for June 20, 2025, regarding the renewal and partial amendment of the annual performance-linked stock-based remuneration plan (the “Plan”) for Corporate Directors (excluding Non-executive Directors; hereinafter the same) of the Company that was introduced from the fiscal year ended March 31, 2015, and a proposal regarding the introduction of a non-performance-linked stock-based remuneration plan for Non-executive Directors.

1. Purpose of the renewal of the Plan, etc.
 - (1) At its Board of Directors’ meeting held today, the Company made the decision to submit the Proposal at the General Meeting of Shareholders. As is the case with the annual performance-linked stock-based remuneration plan for Corporate Directors, which was introduced in the fiscal year ended March 31, 2015 (and extended for two years from the fiscal year ended March 31, 2020 and for four years from the fiscal year ended March 31, 2022), the aim of the Plan is to further clarify the links between the remuneration of the Corporate Directors, the Company’s business performance and shareholders’ value, and thus enhance the incentive toward continuously improving business performance and the awareness toward contributing to the increase in shareholders’ value.

The renewed period will be for five fiscal years from the fiscal year ending March 31, 2026

to the fiscal year ending March 31, 2030. The renewal of the Plan is subject to the approval at the General Meeting of Shareholders. Under the Plan, the Company's shares are delivered to Corporate Directors when they retire, in principle.

- (2) In regard to the Plan, the Company has adopted a system called the Directors' Compensation BIP (Board Incentive Plan) Trust (the "BIP Trust"). The BIP Trust is a plan 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 value of the Company's shares are delivered or provided to Corporate Directors, in accordance with their position and level of achievement of the performance targets, etc.
- (3) In addition, the Company decided to newly introduce a non-performance-linked stock-based remuneration plan for Non-executive Directors with the aim of enhancing the incentive toward contributing to the enhancement of the medium- to long-term corporate value in addition to the one toward management supervision as well as further sharing profits with shareholders.

2. Overview of the Plan and non-performance-linked stock-based remuneration plan

I. The Plan

(1) Outline of the Plan

The Company will renew the Plan by amending a trust agreement and making additional contribution to the BIP Trust established and expiring on August 31, 2025 (the "Trust") to extend its trust period by five years. The Trust is identical to the trust established as referred to in the "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" announced today. Subject to approval at the General Meeting of Shareholders, the Company will partially amend the Plan, as detailed below.

(2) Target period of the Plan

The introduction of the Plan was approved at the 29th Annual General Meeting of Shareholders held on June 18, 2014, and the renewal of the Plan was approved at the 34th Annual General Meeting of Shareholders held on June 19, 2019 and the 36th Annual General Meeting of Shareholders held on June 22, 2021. The Company intends to renew the Plan subject to approval at the General Meeting of Shareholders. The Plan after the renewal will target the five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030 (the "Target Period").

(3) Maximum amount of remuneration for the Target Period under the Plan

The General Meeting of Shareholders is scheduled to vote on a resolution to set the maximum amount of remuneration to be paid under the Plan in the extended Target Period at 675 million yen.

(4) Maximum number of points granted to Corporate Directors

The General Meeting of Shareholders is scheduled to vote on a resolution to set the maximum number of total points to be granted to Corporate Directors during the Target Period at 338,000 points. If approved, the total number of points that Corporate Directors may receive during the Target Period will be subject to the above maximum number of total points.

One point shall equal one share of the Company's common stock. In the event that circumstances occur whereby an adjustment of points is deemed reasonable, such as a share split or a consolidation of shares, the number of the Company's shares per point shall be adjusted according to such split ratio, consolidation ratio, etc.

The Company shall, at a given period each year during the trust period, grant points to Corporate Directors in accordance with the level of achievement of performance (*) during the fiscal year ending March 31 of that year.

(*) The level of achievement of performance shall be determined using the amount of net income attributable to owners of parent and the ratio of net income attributable to owners of parent" as indicators.

*For the details other than described above, please refer to the "Announcement of the Abolishment of the Retirement Benefits Plan for Officers and the Introduction of a Performance-linked Stock-based Remuneration Plan" announced on May 12, 2014, "Announcement of the Renewal and Partial Amendments of the Performance-linked Stock-based Remuneration Plan" announced on May 16, 2019, and the "Announcement of the Renewal and Partial Amendments of the Annual Performance-linked Stock-based Remuneration Plan" announced on May 18, 2021.

Non-executive Directors are not eligible for the Plan.

II. Non-performance-linked stock-based remuneration plan

(1) Outline of a non-performance-linked stock-based remuneration plan

The Company will introduce a non-performance-linked stock-based remuneration plan subject to approval at the General Meeting of Shareholders. In introducing the non-performance-linked stock-based remuneration plan, the Trust established by the Company and expiring on August 31, 2025 will be used. The Trust will be identical to the BIP Trust

established under this plan and as referred to in the “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” announced today.

(2) Target period of the non-performance-linked stock-based remuneration plan

The non-performance-linked stock-based remuneration plan will target the five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030 (the “Payment Target Period”).

(3) Eligible persons under the non-performance-linked stock-based remuneration plan (beneficiary requirements)

The Company’s shares shall be delivered to Non-executive Directors corresponding to cumulative number of points (set out in (5) below) from the Trust at the time of the retirement, upon undergoing set procedures for confirming beneficiary rights, subject to meeting the beneficiary requirements after the retirement.

The beneficiary requirements are outlined below.

- (i) A person is in a position as a Non-executive Director of the Company during the Payment Target Period (including a Non-executive Director newly assuming office during the Payment Target Period)
- (ii) The person has retired as a Non-executive Director
- (iii) The person has not committed certain illegal acts while in a position
- (iv) Cumulative number of points set out in (5) below has been determined
- (v) Other requirements deemed necessary to achieve the purpose of the non-performance-linked stock-based remuneration plan

(4) Maximum amount of remuneration for the Payment Target Period under the non-performance-linked stock-based remuneration plan

The General Meeting of Shareholders is scheduled to vote on a resolution to set the maximum amount of remuneration to be paid under this plan in the Payment Target Period at 55 million yen.

(5) Maximum number of points granted to Non-executive Directors

The Company shall, at a given period each year during the trust period, grant points to Non-executive Directors according to the number of years served. At the retirement of each Non-executive Director, the cumulative value of points (the “Cumulative Number of Points”) shall be calculated and the shares corresponding to the Cumulative Number of Points shall be granted.

The General Meeting of Shareholders is scheduled to vote on a resolution to set the maximum number of total points to be granted to Non-executive Directors during the Payment Target Period at 27,000 points. If approved, the total number of points that Non-executive Directors may receive during the Payment Target Period will be subject to the above maximum number of total points. The upper limit of the Company's shares to be acquired by the Trust (the "Number of Acquired Shares") shall be 27,000 shares, which correspond to the number of points during the Payment Target Period.

One point shall equal one share of the Company's common stock. In the event that circumstances occur whereby an adjustment of points is deemed reasonable, such as a share split or a consolidation of shares, the number of the Company's shares per point shall be adjusted according to such split ratio, consolidation ratio, etc.

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

Acquiring the Company's shares through the Trust is expected to take place on the stock market within the maximum amount of remuneration shown in (4) above and the upper limit of the Number of Acquired Shares shown in (5) above.

(7) Timing of delivery of the Company's shares to Non-executive Directors

When Non-executive Directors who meet the beneficiary requirements retire, after undergoing set procedures for confirming beneficiary rights, the Company's shares corresponding to a certain portion of the Cumulative Number of Points shall be delivered by the Trust and money equivalent to the remaining Company's shares shall be provided, upon conversion into cash within the Trust.

(8) Clawback system, etc.

In the event that there has been a serious fraud or violation committed by an eligible Non-executive Director, the Company may request the forfeiture of the right to receive the shares that were scheduled to be delivered under the non-performance-linked stock-based remuneration plan (malus) or the refund of money equivalent to the shares, etc. that have already been delivered (clawback) to the Non-executive Director.

* Clawback system, etc. will also be established in the annual performance-linked stock-based remuneration plan.

(Reference)

[Details of Trust Agreement]

	Annual performance-linked stock-based remuneration plan	Non-performance-linked stock-based remuneration plan
1) Type of trust:	Money trust other than a specified money trust for separate investment (third party benefit trust)	
2) Purpose of trust:	To grant incentives to Corporate Directors of the Company who meet the beneficiary requirements	To grant incentives to Non-executive Directors of the Company who meet the beneficiary requirements
3) Trustor:	The Company	
4) Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
5) Beneficiaries:	Corporate Directors who meet the beneficiary requirements	Non-executive Directors who meet the beneficiary requirements
6) Trust administrator:	A third party that has no interest in the Company (Certified Public Accountant)	
7) Date of trust agreement:	August 3, 2021 (scheduled to be changed to August 2025 due to the extension of the trust period)	
8) 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)	
9) Plan start date:	November 2014	September 2025 (scheduled)
10) Exercise of voting rights:	Shall not be exercised	
11) Acquisition method of shares:	Acquisition from the stock market	
12) Period of acquisition of shares:	August 6, 2025 (scheduled) to September 19, 2025 (scheduled)	
13) Amount of trust money:	675 million yen (scheduled) (Including residual assets inherited from the existing BIP Trust.)	55 million yen (scheduled)
	The above amounts include trust fees and trust expenses.	
14) Vested rights holder:	The Company	
15) 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 trust to be extended is identical to the BIP Trust explained in the "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" announced today, it will have the same trust agreement. (However, the amount of trust money, as noted above, is to be the maximum amount of remuneration for the Target Period under the Plan that is to be proposed at the General Meeting of Shareholders.)