



August 8, 2024

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(Representative Director)
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Notice Regarding Continuation of Stock Delivering Scheme for the TEL Group Officers in Japan and Abroad

Tokyo Electron Limited (“TEL”) announced that the Board of Directors of TEL has resolved in a meeting held on August 8, 2024, to continue the stock delivering scheme (the "Scheme"), in 2024, which has been introduced in 2018, as a common global incentive plan for directors, corporate officers, senior employees and mid-class employees including executive officers of TEL and its Group companies in Japan and abroad ("Relevant Companies").

1. Continuation of the Scheme

- (1) TEL has introduced the Scheme from 2018 as an incentive plan that is closely linked to its performance in order to underline for directors (excluding outside directors), corporate officers, senior employees and mid-class employees including executive officers of Relevant Companies the awareness of improving the TEL Group’s medium-term performance and increasing the awareness of contributing to the increase in enterprise value by sharing the viewpoints of shareholders through shareholding, under the global framework. At TEL, dynamism and vitality are created by the entrepreneurial spirit of staff members, especially the senior employees and mid-class employees, holding in mind a shared purpose with the top management team to realize TEL’s business targets in line with the top management team. To this end, TEL continues the Scheme to align the work of directors (excluding outside directors), corporate officers, executive officers, senior employees and mid-class employees in order to achieve specific, high-level targets in the capital markets as well as TEL’s business and financial targets in the markets in which TEL operates.
- (2) With a view to establishing a compensation system that is more consistent with the expected roles of TEL’s outside directors not only to supervise the management but also to provide the management with advice from the viewpoint of enhancement of corporate value over the medium- to long-term, and to further promote the sharing of interests with shareholders, TEL has introduced a non-performance-linked stock-based compensation system for its outside directors since 2020, and continues in 2024.
- (3) The Scheme for directors of the Relevant Companies and TEL’s corporate officers (collectively, “Eligible

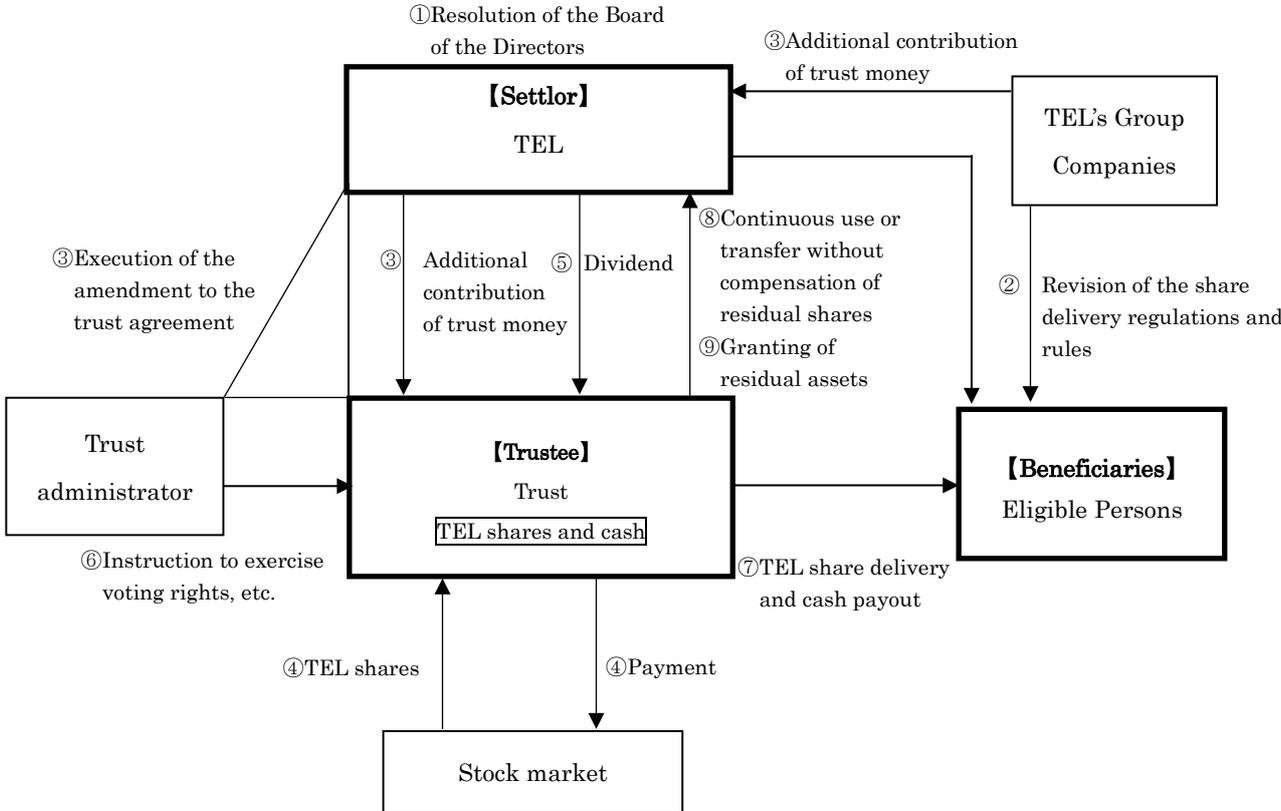
Directors, etc.”) has a mechanism called the officers' compensations Board Incentive Plan Trust ("BIP Trust"). The BIP Trust is a similar scheme to performance-linked, stock-based compensation (Performance Shares) and stock-based compensations with transfer restrictions (Restricted Stock) in the US and Europe, and TEL shares and the monies corresponding to cash conversion value of TEL shares ("TEL Shares etc.") are delivered or provided ("delivered") to eligible persons. Two BIP Trusts will be set up according to the following eligible persons categories:

- BIP Trust I: Directors and corporate officers of TEL
- BIP Trust II: Directors of TEL’s Group companies

The Scheme for the senior employees and mid-class employees including executive officers of the Relevant Companies ("Eligible Employees" and collectively with Eligible Directors, etc., "Eligible Persons") has a mechanism called the stock-delivering Employee Stock Ownership Plan Trust ("ESOP Trust"). The ESOP Trust is an employee incentive plan based on ESOP schemes in the US whereby TEL Shares etc. are delivered to Eligible Employees according to their position and attainment of performance targets etc.

(4) In continuing the Scheme, there are no plans for the additional contribution of new trust money to the BIP Trust or the ESOP Trust nor for additional acquisition of TEL shares from the stock market.

2. Structure of the Scheme



	BIP Trusts I and II	ESOP Trust
①	TEL shall obtain a resolution from the Board of Directors Meeting for continuation of the Scheme.	
②	Each Relevant Company shall revise the share delivery regulations and rules in continuing the Scheme.	
③	TEL shall execute the amendment to the trust agreement with the trustee and the trust administrator to extend each relevant trust period of a BIP Trust I for the benefit of TEL's directors and corporate officers who meet the beneficiary requirements, a BIP Trust II for the benefit of TEL's Group company directors who meet the beneficiary requirements, and an ESOP Trust for the benefit of Eligible Employees who meet the beneficiary requirements (collectively, "the Trust"). In addition, each Relevant Company shall make an additional contribution of trust money to the trust fund for the acquisition of TEL shares if necessary, taking into consideration the number of remaining TEL shares and balance of the trust money within the trust assets at the end of the trust term before its extension (excluding TEL Shares, etc., which have not been delivered but correspond to the stock delivering points granted to the Eligible Persons). The additional contribution shall be made within the scope resolved in the General Meeting of Shareholders of each Relevant Company held prior to the establishment of the Trust.	
④	In extending the trust term, the Trust will, if necessary and in accordance with instructions from the trust administrator, acquire TEL shares from the stock market, using the trust money remaining within the trust assets at the time of amendment to the trust agreement and trust money contributed as provided in ③.	
⑤	Dividends on TEL shares in the Trust will be distributed with other TEL shares.	
⑥	The voting rights of TEL shares within the Trust shall not be exercised.	The voting rights of TEL shares in the Trust will be exercised in accordance with instructions from the trust administrator.
⑦	Eligible Persons shall be granted points based on their position and attainment of performance targets according to the share delivery regulations and rules (outside directors of TEL shall be granted a fixed amount of points). The Eligible Persons meeting the beneficiary requirements shall have TEL shares and the cash conversion value delivered from the Trust according to the relevant number of points.	
⑧	In the cases where there are residual shares at the expiration of the trust term, the Trust will continue to be used for the Scheme or same kind of stock delivering scheme, or a transfer without compensations of these residual shares will be made to TEL.	
⑨	Any residual assets at the termination of the Trust will be vested in TEL within the limit, which is calculated by deducting from the trust money the cost for acquiring the shares.	

(Reference)

【Trust agreement contents】

	BIP Trust I	BIP Trust II	ESOP Trust
① Eligible Persons:	TEL directors (including outside directors) and corporate officers	Group Companies directors	Eligible Employees
② Trust type:	An individually-operated designated trust of cash other than cash trust (third party benefit trust)		
③ Trust purpose:	To deliver incentive to the Eligible Persons		
④ Settlor:	TEL		
⑤ Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)		
⑥ Beneficiaries:	The Eligible Persons satisfying the beneficiary requirements		
⑦ Trust Administrator:	A third-party who does not have any interest in TEL (certified public accountant)		
⑧ Trust agreement date:	August 1, 2018 (Amended trust agreement (to extend the trust term) is planned to be executed on August 9, 2024.)		
⑨ Trust term:	August 1, 2018 to August 31, 2024 (The trust term is planned to be extended until August 31, 2027, according to the amended trust agreement dated August 9, 2024)		
⑩ Start of scheme:	August 9, 2024 (planned)		
⑪ Exercise of voting rights:	Not exercised		Exercised
⑫ Holder of the vested right:	TEL		
⑬ Residual assets:	Residual assets that can be received by TEL, which is the holder of the vested right, shall be within the limit of the trust expense reserve, which is calculated by deducting from the trust money the expense for acquiring the shares.		

Note: The above schedule is subject to change at appropriate times in light of applicable laws and regulations.