



(Translation)

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Name of the Representative:	Toshiki Kawai President & CEO (Representative Director) (Code No.8035; TSE Prime Market)
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Granting of Share Subscription Rights for Stock-Based Compensation

We would like to inform that Tokyo Electron Limited (TEL) has decided on specific content of the 20th Share Subscription Rights for the purpose of implementing stock-based compensation at the Board of Directors Meeting held today as follows, which is based on the provisions of Article 236, Article 238, and Article 239 of the Companies Act and resolution of the TEL's 61st Annual General Meeting of Shareholders.

Outlines of the 20th Share Subscription Rights of TEL

1. Name of the share subscription rights

The 20th Share Subscription Rights of TEL

2. Outlines of the share subscription rights

(1) People eligible for the granting of subscription rights, number of the share subscription rights to be granted

(i) The subscription rights as stock compensation for TEL Corporate Directors

TEL Corporate Directors (excluding Outside Directors and people who are not TEL Corporate Directors at the end of the General Meeting of Shareholders) as of the final day of the 61st fiscal year

3 people 431 (of which, the number to be issued for annual performance-linked compensation: 246, and the number to be issued for non-performance-linked compensation: 185)

However, the number above is the planned number of subscription rights to be granted. If the total fair value of the subscription rights as of the date of allotment exceeds the upper limit of stock compensation (1,413.9 million yen) as approved by the TEL's 61st Annual General Meeting of Shareholders, the number of subscription rights to be granted to TEL Corporate Directors shall be decreased to the maximum whole number of the total fair value not exceeding 1,413.9 million yen. Depending on the status of the agreement



for granting share subscription rights, there is a possibility that the number of the Optionee and the number of subscription rights to be granted is decreased.

- (ii) The subscription rights as stock compensation for Corporate Officers, executive officers, and senior employees of TEL, as well as Corporate Directors, executive officers, and senior employees of TEL's subsidiaries

Corporate Officers, executive officers, and senior employees of TEL, as well as Corporate Directors, executive officers, and senior employees of TEL's subsidiaries as of the final day of the 61st fiscal year

107 people 1,284 (of which, the number to be issued for annual performance-linked compensation: 910, and the number to be issued for non-performance-linked compensation: 374)

However, the number above is the planned number of subscription rights to be granted. Depending on the fair value of the subscription rights based on the closing price of the Company's share as of the date of allotment, and the status of the agreement for granting share subscription rights, there is a possibility that the number of the Optionee and the number of subscription rights to be granted is decreased.

- (iii) Aggregate number of the subscription rights

If the number of subscription rights to be granted is decreased depending on the proviso in (1-i) and (1-ii) above, the total number of subscription rights to be granted shall be the total number of subscription rights issued.

- (2) Number and type of shares to be issued for the subscription rights

- (i) The subscription rights as stock compensation for TEL Corporate Directors

TEL common stock of 43,100 shares (of which, the number to be issued for annual performance-linked compensation: 24,600 shares, and the number to be issued for non-performance-linked compensation: 18,500 shares) (however, in the case of the proviso in (1-i) above, the number of shares equivalent to the product of the number of subscription rights so decreased pursuant to such proviso multiplied by 100. The number of shares to be issued for one subscription right is 100 shares.)

If the Company implements a share split or share consolidation, the number of subject shares shall be adjusted according to the formula below; provided, however, that this adjustment will be made only with respect to the number of shares subject to subscription rights not yet exercised at the time of splitting or consolidation. In this calculation, any fraction of a share smaller than one share will be disregarded.

Adjusted number of shares = Number of shares before adjustment × Split or consolidation ratio

In addition, if the number of shares to be issued needs to be adjusted for any reason, TEL will adjust the number of shares to be issued as appropriate in a reasonable scope according to a resolution of a meeting of the Board of Directors.

- (ii) The subscription rights as stock compensation for Corporate Officers, executive officers, and senior employees of TEL, as well as Corporate Directors, executive officers, and senior employees of TEL's subsidiaries



TEL common stock of 128,400 shares (of which, the number to be issued for annual performance-linked compensation: 91,000 shares, and the number to be issued for non-performance-linked compensation: 37,400 shares) (however, in the case of the proviso in (1-ii) above, the number of shares equivalent to the product of the number of subscription rights so decreased pursuant to such proviso multiplied by 100. The number of shares to be issued for one subscription right is 100 shares.)

If the Company implements a share split or share consolidation, the number of subject shares shall be adjusted according to the formula below; provided, however, that this adjustment will be made only with respect to the number of shares subject to subscription rights not yet exercised at the time of splitting or consolidation. In this calculation, any fraction of a share smaller than one share will be disregarded.

Adjusted number of shares = Number of shares before adjustment × Split or consolidation ratio

In addition, if the number of shares to be issued needs to be adjusted for any reason, TEL will adjust the number of shares to be issued as appropriate in a reasonable scope according to a resolution of a meeting of the Board of Directors.

(3) Payment amount for the subscription rights

Gratis

(4) Value of assets required for the exercise of subscription rights

The value of assets required to exercise one subscription right shall be the amount determined by multiplying 1 yen per share in payment by the number of shares to be issued for one subscription right as determined in (2) above.

(5) Exercise period for the subscription rights

The exercise period of the subscription rights shall be from July 1, 2027 until May 31, 2044. However, the exercise by the Optionee may be restricted in accordance with the terms and conditions under the agreement for granting share subscription rights concluded thereof, besides regarding the agreement for granting subscription rights for taxpayers in the U.S., the subscription rights shall be exercised on July 1, 2027.

(6) Matters regarding increase in capital and capital reserves upon issuance of shares through exercising of the subscription rights

- (i) The amount of increased capital due to issuing of shares through exercising of the subscription rights shall be half of the maximum amount of increase in capital as calculated according to the provisions of Paragraph 1 of Article 17 of the Company Calculation Regulations, and fractions under 1 yen resulting from calculations shall be rounded up.



- (ii) The amount of increased capital due to issuing of shares through exercising of the subscription rights shall be the amount of increased capital stipulated in (6-i) above, subtracted from the maximum amount of increase in capital stated in (6-i) above.

(7) Conditions for exercising the subscription rights

- (i) The subscription rights may not be exercised for a unit of less than one. (The minimum number of subscription rights exercisable shall be one.)
- (ii) When exercising the subscription rights, the Optionee shall be a director, a statutory auditor, a corporate officer, an employee, etc. of TEL, or a director, a statutory auditor, an employee, etc. of a subsidiary or affiliated company of TEL.
- (iii) Notwithstanding Paragraph (7-ii) above, in the event of the death of the Optionee on or before June 30, 2027, the successor(s) of the Optionee may succeed to and exercise the subscription rights within 1 year from July 1, 2027, or in the event of the death of the Optionee on or after July 1, 2027, the successor(s) of the Optionee may succeed to and exercise the subscription rights within 1 year after the Optionee's death; provided, however, that the successor(s) of the Optionee shall exercise the subscription rights by the end of the exercise period.
- (iv) Notwithstanding Paragraph (7-ii) above, when the Optionee resigns (or retires) from a director, a statutory auditor, a corporate officer, an employee, etc. of TEL, or a director, a statutory auditor, an employee, etc. of a subsidiary or affiliated company of TEL on or before June 30, 2027 (if the Optionee holds several offices at the same time or consecutively, this means when the Optionee resigns (or retires) from all offices, hereinafter the same shall apply), the Optionee may exercise the Subscription Rights within 1 year from July 1, 2027; or when the Optionee resigns (or retires) from a director, a statutory auditor, a corporate officer, an employee, etc. of TEL, or a director, a statutory auditor, an employee, etc. of a subsidiary or affiliated company of TEL on or after July 1, 2027, the Optionee may exercise the Subscription Rights within 1 year from the date of resignation (or retirement); provided, however, that the Optionee shall exercise the Subscription Rights by the end of the Exercise Period.
- (v) Notwithstanding the Exercise Period, when any of the following (a) through (d) become applicable to the Optionee, the Optionee may not exercise the Subscription Rights thereafter and the Subscription Rights will lapse immediately.
 - (a) When the Optionee becomes subject to an imprisonment;
 - (b) When the Board of Directors of TEL determines that the Optionee has intentionally or through gross negligence caused material damages to be incurred by TEL, or subsidiaries or affiliated companies of TEL;
 - (c) When the Optionee becomes a director or an employee of a competitor of TEL, or subsidiaries or affiliated companies of TEL (excluding the case where TEL gives prior written consent to the Optionee); or
 - (d) When the Optionee offers in writing to waive the Subscription Rights in whole or in part.



(8) Acquisition of the subscription rights

If any of the proposals set forth in (i) through (iii) below is approved by TEL's general shareholders meeting (or approved by TEL's Board of Directors if the approval of the general shareholders meeting is not required), TEL may acquire the subscription rights without payment on a day to be determined separately by the Board of Directors.

- (i) A proposal approving a merger agreement causing TEL to cease to exist;
- (ii) A proposal approving a demerger agreement or demerger plan making TEL a demerging company; or
- (iii) A proposal approving a stock-for-stock exchange agreement making TEL a wholly-owned subsidiary or a stock-transfer plan making TEL a wholly-owned subsidiary.

(9) Restriction on acquisition of the subscription rights by way of transfer

The acquisition of the subscription rights by way of a transfer requires approval being granted at a meeting of the Board of Directors of TEL.

(10) Policies decided regarding lapse of the subscription rights due to restructuring and details regarding delivery of the subscription rights from the restructuring company

In the event that a merger (limited to mergers in which TEL will cease to exist), absorption-type demerger or incorporation-type demerger (limited to demergers in which TEL will become the demerging company), stock-for-stock exchange, or stock-transfer (limited to exchanges/transfers in which TEL becomes the wholly-owned subsidiary; all of the above scenarios called "Organizational Restructuring" collectively) occurs, the share subscription rights of the joint stock company(ies) listed in Article 236, Paragraph 1, Items 8 (i) through 8 (ho) of the Companies Act (the "Restructuring Company") may be delivered to the Optionee who has the remaining subscription rights immediately prior to the effective date of the Organizational Restructure (the effective date of the absorption-type merger in the case of an absorption-type merger; the incorporation date of the company incorporated in the case of an incorporation-type merger; the effective date of the absorption-type demerger in the case of an absorption-type demerger; the incorporation date of the company incorporated in the case of an incorporation-type demerger; the effective date of the stock-for-stock exchange in the case of a stock-for-stock exchange; and the incorporation date of the wholly-owning parent company incorporated in the case of a stock-transfer). In the event the subscription rights of the Restructuring Company are to be delivered, the remaining subscription rights shall lapse, and the Restructuring Company shall issue new subscription rights. Delivery of the subscription rights of the Restructuring Company shall be subject to the following conditions in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger agreement, stock-for-stock exchange agreement or stock-transfer agreement.

- (i) Number of the subscription rights to be granted

The same number of subscription rights as the number of remaining subscription rights held by the Optionee shall be granted; provided, however, that the number of subscription rights may be adjusted to an appropriate number other than the number of remaining subscription rights depending on the number of subscription rights of the restructuring company provided in (10-iii), the number of shares for one subscription right of shares of the restructuring company, and other circumstances.

(ii) Type of shares of the restructuring company subject to the subscription rights

Common stock of the restructuring company

(iii) Number of shares of the restructuring company subject to the subscription rights

To be determined by applying (2) above mutatis mutandis, taking into consideration the conditions of the organizational restructuring.

(iv) Value of assets to be contributed upon exercise of the subscription rights

The value of the assets to be contributed for the exercise of each subscription right shall be the amount determined by multiplying the post-restructuring pay-in amount specified below by the number of shares of the restructuring company subject to each subscription right determined in accordance with (10-iii) above. The post-restructuring pay-in amount is 1 yen per share of the restructuring company that can be granted by exercise of each subscription right granted.

(v) Exercise period of the subscription rights

The exercise period of the subscription rights shall be the later of the first day of the period when the subscription rights can be exercised as specified in (5) above or the effective date of the organizational restructuring until the last day of the period when the subscription rights can be exercised as specified in (5) above.

(vi) Matters regarding increases in capital and capital reserves upon issuance of shares by exercise of the subscription rights

To be determined by applying (6) above mutatis mutandis.

(vii) Restrictions on acquisition of the subscription rights by assignment

Acquisition of the subscription rights by assignment shall require the approval of the Board of Directors of the restructuring company.

(viii) Conditions for the exercise and acquisition of subscription rights

To be determined by applying (7) and (8) above mutatis mutandis.

(11) Outline of conditions for the allotment of subscription rights

Subscription rights to be allotted as annual performance-linked compensation shall be allotted based on the TEL's executive compensation plan, net income attributable to shareholders of the parent company for the 61st fiscal year, consolidated ROE, etc. Subscription rights to be allotted as non-performance-linked compensation shall be allotted based on the person's position in a relevant company as well as other factors.



(12) The place for submitting an application for exercise of the subscription rights
Department in charge of the relevant affairs, TEL

(13) The financial institution dealing with payment upon the exercise of the subscription rights by the Optionee
Shiba Business Dept. of SUMITOMO MITSUI TRUST BANK, LIMITED

3. Granting date of the share subscription rights
June 19, 2024