



【Summary】 Corporate Governance Report

December 24, 2021

Name of the Company: Tokyo Electron Limited

Name of the Representative: Toshiki Kawai
President and CEO

(Representative Director)

(Code No.8035; The First Section of the Tokyo Stock Exchange)

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<https://www.tel.com/>

This is a translation of Summary of a Corporate Governance Report updated on December 24, 2021.

The report was made in accordance with all principles set forth in the Corporate Governance Code revised in June 2021 (excluding contents for the Prime Market) .

Basic Views on Corporate Governance

In view of Tokyo Electron's corporate philosophy that "We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support", Tokyo Electron(TEL) believes improving corporate governance is important for achieving success in global competition, realizing sustainable growth, and increasing corporate value over the mid to long term.

To reinforce our corporate governance, TEL will build a structure for utilizing to the maximum the worldwide resources TEL possesses, strengthen our business and technological bases, and put in place a framework that will enable us to establish earning power at a global level.

Moreover, TEL believes that continuing to be a company replete with dreams and vitality will form the foundation that will support the motivation of our employees and the sustainable growth of TEL.

【Disclosure based on corresponding principles in the Corporate Governance Code】

TEL established Tokyo Electron Corporate Governance Guidelines to provide a governance framework that will contribute to the achievement of this aspiration.

For details of Tokyo Electron Corporate Governance Guidelines:

https://www.tel.com/about/cms-file/cg_01_guideline_en.pdf

【Reasons for not implementing some principles in the Corporate Governance Code】

Supplementary Principle 4.8.1 Independent Outside Directors should endeavor to exchange information and develop a shared awareness among themselves from an independent and objective standpoint, by means such as regular meetings consisting solely of Independent Outside Directors (executive sessions).

TEL has not established a meeting consisting solely of Independent Outside Directors.

However, as part of the debates about evaluating the effectiveness of the Board of Directors meetings, there is discussion and exchange of opinions with Outside Directors and Outside Audit & Supervisory Board Members, in particular. To improve the effectiveness of this discussion, one Non-executive internal Corporate Director also attends the meeting. TEL will continuously create opportunities for this kind of discussion and exchange of opinions with Outside Directors and Outside Audit & Supervisory Board Members.

Moreover, TEL is striving to ensure to provide Independent Outside Directors and Audit & Supervisory Board Members with sufficient information and dialog with the managements in regard to matters that are of particular importance, by sharing information in advance and exchanging opinions among Independent Outside Directors and Audit & Supervisory Board Members and TEL executive management in advance. TEL believes that, by doing so, the Independent Outside Directors and Audit & Supervisory Board Members have fulfilled their responsibilities through the active participation in discussions at Board of Directors meetings.

Supplementary Principle 4.8.2 Independent Outside Directors should endeavor to establish a system for communicating with the management and for cooperating with Audit & Supervisory Board Members or The Audit & Supervisory Board by, for example, appointing the lead Independent Outside Director from among themselves.

TEL is striving to ensure to provide Independent Outside Directors and Audit & Supervisory Board Members with sufficient information and dialog with the management in regard to matters that are of particular importance, by sharing information in advance and exchanging opinions among Independent Outside Directors and Audit & Supervisory Board Members and TEL executive management in advance.

While TEL has not appointed a lead Independent Outside Director, TEL believes that there are no issues with communication and cooperation between Independent Outside Directors and the management or cooperation with the Audit & Supervisory Board.

Supplementary Principle 4.10.1 In order to strengthen independence, objectivity and accountability of board functions on the matters of nomination (including succession plan) and remuneration of the senior management and directors, the company should seek appropriate involvement and advice from the committees, including from the perspective of gender and other diversity and skills, in the examination of such important matters as nominations and remuneration by establishing an independent nomination committee and remuneration committee under the board, to which such committees make significant contributions.

In FY2022, the Nomination Committee consists of four members, including three internal Corporate Directors and one Independent Outside Director, and the Independent Director is serving as the Chairman of the Nomination Committee. In addition, it is specified in the regulations of the Nomination Committee that CEO are not included among Nomination Committee Members. The authority of the CEO does not extend to management of the Nomination Committee, and the Nomination Committee is employing a high degree of independence and fairness in selecting candidates. Furthermore, the Nomination Committee is also obtaining appropriate involvement and advice from Independent Outside Directors through such means as consulting Independent Outside Directors before proposing candidates.

On the other hand, in FY2022, the Compensation Committee consists of four members, including two internal Corporate Directors and two Independent Outside Directors, half of which are Independent Outside Directors. Moreover, the Independent Director is serving as the Chairman of the Compensation Committee.