



(Translation)

June 17, 2025

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

We would like to inform that Tokyo Electron Limited (TEL) has decided to issue stock options for stock-based compensation (share subscription rights) at the Board of Directors Meeting held on June 17, 2025, as follows:

I. Reasons for Issuing Share Subscription Rights as Stock Options

TEL issues, free of consideration, the share subscription rights below (stock-based compensation stock options as medium- to long-term performance-linked compensation and those as non-performance-linked compensation) to Corporate Directors (excluding Outside Directors), Corporate Officers, executive officers and senior employees of TEL, as well as corporate directors, executive officers and senior employees of TEL's subsidiaries, for the purpose of raising their awareness of the need to enhance TEL's corporate value over the medium to long term.

Round	Compensation Type	Period
21st	Medium- to long-term performance-linked compensation	The 62nd fiscal year (fiscal year ended March 31, 2025)
22nd	Non-performance-linked compensation	
23rd	Medium- to long-term performance-linked compensation	The 63rd fiscal year (fiscal year ending March 31, 2026)
24th	Non-performance-linked compensation	

II. Outlines of the Share Subscription Rights

1. Name of the share subscription rights

The 21st Share Subscription Rights, the 22nd Share Subscription Rights, the 23rd Share Subscription Rights and the 24th Share Subscription Rights (collectively, the “Share Subscription Rights”)

2. Content of the share subscription rights

- (1) People eligible for the granting of subscription rights (the “Optionee”), and number of the Optionee, number of the share subscription rights to be granted, as well as type and number of shares to be issued for each of the Share Subscription Rights
- (i) TEL Corporate Directors (excluding Outside Directors)

Round	Number of the Optionee	Number of the Share Subscription Rights to be Granted	Type of Shares to be Issued	Number of Shares to be Issued
21st	2	607	TEL Common Stock	60,700
22nd	2	121	TEL Common Stock	12,100
23rd	3	1,494	TEL Common Stock	149,400
24th	3	230	TEL Common Stock	23,000

* For all the Share Subscription Rights, the number of shares to be issued for one subscription right is 100 shares.

- (ii) Corporate Officers, executive officers and senior employees of TEL, as well as corporate directors, executive officers, and senior employees of TEL’s subsidiaries

Round	Number of the Optionee	Number of the Share Subscription Rights to be Granted	Type of Shares to be Issued	Number of Shares to be Issued
21st	108	1,357	TEL Common Stock	135,700
22nd	108	576	TEL Common Stock	57,600
23rd	111	2,425	TEL Common Stock	242,500
24th	111	1,014	TEL Common Stock	101,400

* For all the Share Subscription Rights, the number of shares to be issued for one subscription right is 100 shares.

However, there is a possibility that the number of the Optionee and the number of the share subscription rights listed in the tables shown in Paragraphs (1-i) and (1-ii) above are decreased, depending on the status of the agreement for granting the share subscription rights. In such case, the total number of the share subscription rights to be granted shall be the total number of subscription rights issued, and the total number of the shares to be issued equivalent to the product of the number of subscription rights so decreased multiplied by 100.

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:

$$\text{Adjusted number of shares} = \text{Number of shares before adjustment} \times \text{Split or consolidation ratio}$$

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.

(2) Payment amount for the subscription rights

Gratis. The Share Subscription Rights are granted as incentives for the performance of duties and do not constitute issuance under favorable conditions.

(3) Value of assets required for the exercise of each of the Share Subscription Rights

The value of assets required to exercise these subscription rights shall be the amount determined by multiplying 1 yen per share in payment by the number of shares to be issued by exercising such subscription rights.

(4) Exercise period for the Share Subscription Rights

The exercise period of each of the Share Subscription Rights shall be from July 18, 2028 until June 30, 2045. 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 of the Optionee., the subscription rights shall be exercised on July 18, 2028.

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

- (i) The amount of increased stated 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 Regulation on Corporate Accounting, and fractions under 1 yen resulting from calculations shall be rounded up.
- (ii) The amount of increased capital reserves due to issuing of shares through exercising of the subscription rights shall be the amount of increased stated capital stipulated in Paragraph (5-i) above, subtracted from the maximum amount of increase in capital stated in Paragraph (5-i) above.

(6) Conditions for exercising the subscription rights

- (i) The 21st and 23rd Share Subscription Rights may be exercised, as follows, in accordance with the performance evaluation of TEL, within the exercise period if the Optionee is not a U.S. taxpayer, and on the exercise date if the Optionee is a U.S. taxpayer, for all or part of the stock subscription rights.

(a) Performance evaluation period:

[The 21st Share Subscription Rights]

Three fiscal years from the 62nd fiscal year (fiscal year ended March 31, 2025) to the 64th fiscal year (fiscal year ending March 31, 2027)

[The 23rd Share Subscription Rights]

Three fiscal years from the 63rd fiscal year (fiscal year ending March 31, 2026) to the 65th fiscal year (fiscal year ending March 31, 2028)

(b) The number of exercisable share subscription rights:

If the standard granting unit number determined based on the job responsibilities and other factors is considered to be 100%, the number of exercisable share subscription rights shall vary within a range of 0% to 150% for quantitative evaluations, and shall be adjusted within a further $\pm 10\%$ for qualitative evaluations, resulting in an overall variation range between 0% and 165%. The number of each of the Share Subscription Rights that the Optionees can actually exercise will be determined after the end of the performance evaluation period, and then be notified to the Optionees.

(c) Quantitative evaluations:

Quantitative evaluations are based on relative Total Shareholder Return (TSR) compared to XSXX (PHLX Semiconductor Sector Total Return), and on comparisons of consolidated operating margin and consolidated operating income growth with competitors.

(d) Qualitative evaluations:

Qualitative evaluations are based on an assessment of efforts to enhance long-term corporate value.

- (ii) The subscription rights may not be exercised for a unit of less than one. (The minimum number of subscription rights exercisable shall be one.)

- (iii) When exercising the subscription rights, the Optionee shall be a Corporate Director, a statutory auditor, a Corporate Officer, an employee, etc. of TEL, or a corporate director, a statutory auditor, an employee, etc. of a subsidiary or affiliated company of TEL.

- (iv) In the event of the Optionee's death

[The 21st and 22nd Share Subscription Rights]

Notwithstanding Paragraph (6-iii) above, in the event of the death of the Optionee on or before July 17, 2028, the successor(s) of the Optionee may succeed to and exercise the subscription rights within 1 year from July 18, 2028. In the event of the death of the Optionee on or after July 18, 2028, 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. In addition to the foregoing, with respect to The

21st Share Subscription Rights, in the event of the death of the Optionee on or before March 31, 2027 (which means the end of the performance evaluation period), the number of share subscription rights that can be exercised by the successor(s) shall be determined separately by TEL.

[The 23rd and 24th Share Subscription Rights]

Notwithstanding Paragraph (6-iii) above, in the event of the death of the Optionee between the date of the first annual general shareholders meeting to be held after the grant date and July 17, 2028, the successor(s) of the Optionee may succeed to and exercise the subscription rights within 1 year from July 18, 2028. In the event of the death of the Optionee on or after July 18, 2028, 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. However, even if the date of death is prior to the date of the first annual general shareholders meeting to be held after the grant date, subject to TEL's Board of Directors approval, the successor(s) may exercise the share subscription rights within 1 year from July 18, 2028. In addition to the foregoing, with respect to The 23rd Share Subscription Rights, in the event of the death of the Optionee on or before March 31, 2028 (which means the end of the performance evaluation period), the number of share subscription rights that can be exercised by the successor(s) shall be determined separately by TEL.

When the Optionees are U.S. taxpayers, the conditions above shall apply mutatis mutandis, provided that the date on which the rights may be exercised is July 18, 2028.

(v) In the event of the Optionee's resignation (retirement)

Notwithstanding Paragraph (6-iii) above, when the Optionee resigns (or retires) from a Corporate Director, a statutory auditor, a Corporate Officer, an employee, etc. of TEL, or a corporate director, a statutory auditor, an employee, etc. of a subsidiary or affiliated company of TEL (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 only within a following period:

[The 21st and 22nd Share Subscription Rights]

In the event of the date of the Optionee's resignation (or retirement) on or before July 17, 2028, the period that the Optionee can exercise the subscription right shall be one year from July 18, 2028. In the event of the date of the Optionee's resignation (or retirement) after July 18, 2028, the period that the Optionee can exercise the subscription right shall be one year from the date of such resignation (or retirement), provided that the Optionee shall exercise the subscription rights by the end of the exercise period.

[The 23rd and 24th Share Subscription Rights]

In the event of the date of the Optionee's resignation (or retirement) between the date of the first annual general shareholders meeting to be held after the grant date and July 17, 2028, the period that the Optionee can exercise the subscription right shall be one year from July 18, 2028. In the event of the date of the Optionee's resignation (or retirement) after July 18, 2028, the period that the Optionee can exercise the subscription right shall be one year from the date of such resignation (or retirement), provided that the Optionee shall exercise the subscription rights by the end of the exercise period. However, even if the date of resignation (retirement) is prior to the date of the first annual general shareholders meeting to be held after the grant date, subject to TEL's Board of Directors approval, the Optionee may exercise the share subscription rights within 1 year from July 18, 2028.

When the Optionees are U.S. taxpayers, the conditions above shall apply mutatis mutandis, provided that the date on which the rights may be exercised is July 18, 2028.

(vi) 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 a confinement;
- (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, an officer 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.

(7) Acquisition of the subscription rights

If any of the proposals set forth in (7-i) through (7-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.

(8) 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.

- (9) 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 Paragraph (9-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

The number of shares of the Restructuring Company subject to the Share Subscription Rights shall be determined by applying (1) above of the Share Subscription Rights respectively 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 (9-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 (4) 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 (4) above.

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

To be determined by applying (5) above mutatis mutandis.

(vii) Restrictions on acquisition of the subscription rights by way of transfer

Acquisition of the subscription rights by way of a transfer shall require the approval of the Board of Directors of the Restructuring Company.

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

The conditions for the exercise and acquisition of subscription rights by the Restructuring Company shall be determined by applying (6) and (7) above of the Share Subscription Rights respectively mutatis mutandis.

(10) The place for submitting an application for exercise of the subscription rights

Department in charge of the relevant affairs, TEL

(11) 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

July 15, 2025