

May 15, 2025

**Notice of the Partial Change to the Stock-based Compensation Plan Under Which Shares Are Delivered after Right Allotment Conditions Are Satisfied**

We announce that, at the meeting of the Board of Directors held today, we have resolved to partially change the stock-based compensation plan under which shares are delivered after right allotment conditions are satisfied (hereinafter “the Plan”), which was approved at the 44<sup>th</sup> Annual General Meeting of Shareholders held on June 27, 2024. Details are as follows.

1. Reasons for the partial change to the Plan

The Company adopted the Plan with the approval obtained at the 44<sup>th</sup> Annual General Meeting of Shareholders held on June 27, 2024 with the aim of strongly encouraging the Company's directors (excluding outside directors; hereinafter “the Eligible Directors”) to execute their respective duties in accordance with the Company's management philosophy and business strategies under the compensation system that is based on achievements such as business performance and on corporate value, and further sharing value with the shareholders of the Company. However, in the rapidly changing semiconductor industry, it is getting more difficult to predict business environments due to recent economic situations. Therefore, the Board of Directors of the Company decided to change the performance indicator of the Performance Share Unit (PSU) Plan out of the Plan in order to make it function further as an incentive to ceaselessly pursue growth opportunities and keep outperforming the market growth.

2. Overview of the partial change to the Plan

(1) Overview of the PSU Plan

The Performance Share Unit (PSU) Plan is a compensation system in which, after the performance evaluation period prescribed in advance by the Board of Directors of the Company ends, common shares in the Company are granted to each Eligible Director with the quantity being calculated using the formula specified in advance by the Board of Directors of the Company, according to the rate of progress with the performance indicator determined by the Board of Directors of the Company. Please refer to “Notice of the Adoption of a Stock-based Compensation Plan Under Which Shares are Delivered after Right Allotment Conditions are Satisfied” released on May 28, 2024, for details of the PSU Plan.

(2) Details of the partial change to the PSU Plan

The Company will change the growth rate of the total shareholder return (relative TSR) of the Company, which is the performance indicator relating to the PSU Plan, from the growth rate of the Company's TSR against the growth rate of the Tokyo Stock Price Index (TOPIX) (including dividends) to the growth rate of the Company's TSR against the growth rate of the TSR of the companies constituting the Nikkei Semiconductor Stock Index.

With this partial change, we aim to make the Plan a system that functions further as an incentive to keep outperforming the market growth in the rapidly changing semiconductor industry.

	Method of Evaluating TSR in PSU
Prior Plan (covering the shares granted in FY 2024)	Comparison with the growth rate of the Tokyo Stock Price Index (TOPIX) (including dividends)
New Plan (to be applied to the shares granted in FY 2025 and onwards)	Comparison with the TSR of the companies constituting the Nikkei Semiconductor Stock Index