

Risk Factors Comparison 2023-08-15 to 2022-08-24 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

In addition to the other information in this Annual Report on Form 10-K (“**2022-2023** Form 10-K”), the following risk factors should be carefully considered in evaluating us and our business because such factors may significantly impact our business, operating results, and financial condition. ~~Many of the following risk factors have been, and could be further, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result.~~ As a result of these risk factors, as well as other ~~Lam Research Corporation 2022 10-K 12~~ risks -- **risks** discussed in our other SEC filings, our actual results could differ materially from those projected in any forward-looking statements. No priority or significance is intended by, nor should be attached to, the order in which the risk factors appear.

INDUSTRY AND CUSTOMER RISKS

The Semiconductor Capital Equipment Industry Is Subject to Variability and Periods of Rapid Growth or Decline; We Therefore Face Risks Related to Our Strategic Resource Allocation Decisions

The semiconductor capital equipment industry has historically been characterized by rapid changes in demand. ~~The industry environment has moved toward being more characterized by variability across segments and customers, accentuated by consolidation within the industry.~~ Variability in our customers’ business plans may lead to changes in demand for our equipment and services, which could negatively impact our results. The variability in our customers’ investments during any particular period is dependent on several factors, including but not limited to electronics demand, economic conditions (both general and in the semiconductor and electronics industries), industry supply and demand, prices for semiconductors, and our customers’ ability to develop and manufacture increasingly complex and costly semiconductor devices. The changes in demand may require our management to adjust spending and other resources allocated to operating activities. **Lam Research Corporation 2023 10-K During 12** During periods of rapid growth or decline in demand for our products and services, we face significant challenges in maintaining adequate financial and business controls, management processes, information systems, and procedures for training, assimilating, and managing our workforce, and in appropriately sizing our supply chain infrastructure and facilities, work force, and other components of our business on a timely basis. If we do not adequately meet these challenges during periods of increasing or declining demand, our gross margins and earnings may be negatively impacted. ~~For example, the COVID-19 pandemic has impacted and could further impact our ability to meet the demand for our products due to production, sourcing, logistics and other challenges resulting from quarantines, shelter in place or “stay at home” orders, facility closures, workforce challenges, and travel and logistics restrictions in connection with the pandemic.~~ We continuously reassess our strategic resource allocation choices in response to the changing business environment. If we do not adequately adapt to the changing business environment, we may lack the infrastructure and resources to scale up our business to meet customer expectations and compete successfully during a period of growth, or we may expand our capacity and resources too rapidly and / or beyond what is appropriate for the actual demand environment, resulting in excess fixed costs. Especially during transitional periods, resource allocation decisions can have a significant impact on our future performance, particularly if we have not accurately anticipated industry changes. Our success will depend, to a significant extent, on the ability of our executive officers and other members of our senior management to identify and respond to these challenges effectively. Future Declines in the Semiconductor Industry, and the Overall World Economic Conditions on Which It Is Significantly Dependent, Could Have a Material Adverse Impact on Our Results of Operations and Financial Condition

Our business depends on the capital equipment expenditures of semiconductor manufacturers, which in turn depend on the current and anticipated market demand for integrated circuits. With the consolidation of customers within the industry, the semiconductor capital equipment market may experience rapid changes in demand driven both by changes in the market generally and the plans and requirements of particular customers. The economic, **regulatory**, political, and business conditions occurring nationally, globally, or in any of our key sales regions, which are often unpredictable, have historically impacted customer demand for our products and normal commercial relationships with our customers, suppliers, and creditors. Additionally, in times of economic uncertainty, our customers’ budgets for our products, or their ability to access credit to purchase them, could be adversely affected. This would limit their ability to purchase our products and services. As a result, changing economic, **regulatory**, political or business conditions can cause material adverse changes to our results of operations and financial condition, including but not limited to:

- a decline in demand for our products or services;
- an increase in reserves on accounts receivable due to our customers’ inability to pay us;
- an increase in reserves on inventory balances due to excess or obsolete inventory as a result of our inability to sell such inventory;
- valuation allowances on deferred tax assets;
- restructuring charges;
- asset impairments including the potential impairment of goodwill and other intangible assets;
- a decline in the value of our investments;
- exposure to claims from our suppliers for payment on inventory that is ordered in anticipation of customer purchases that do not come to fruition;
- a decline in the value of certain facilities we lease to less than our residual value guarantee with the lessor; and
- challenges maintaining reliable and uninterrupted sources of supply.

Fluctuating levels of investment by semiconductor manufacturers may materially affect our aggregate shipments, revenues, operating results, and earnings. Where appropriate, we will attempt to respond to these fluctuations with cost management programs aimed at aligning our expenditures with anticipated revenue streams, which sometimes result in restructuring charges. Even during periods of ~~Lam Research Corporation 2022 10-K 13~~ reduced revenues, we must continue to invest in R & D and maintain extensive ongoing worldwide customer service and support capabilities to remain competitive, which may temporarily harm our profitability and other financial results. We Have a Limited Number of Key Customers

Sales to a limited number of large customers constitute a significant portion of our overall revenue, shipments, cash flows, collections, and profitability. As a result, the actions of even one customer may subject us to variability in those areas that is difficult to

predict. In addition, large customers may be able to negotiate requirements that result in decreased pricing, increased costs, and / or lower margins for us ; ~~compliance with specific environmental, social, and corporate governance standards~~; and limitations on our ability to share technology with others. Similarly, significant portions of our credit risk may, at any given time, be concentrated among a limited number of customers so that the failure of even one of these key customers to pay its obligations to us could significantly impact our financial results. We Face a Challenging and Complex Competitive Environment We face significant competition from multiple competitors, and with increased consolidation efforts in our industry, as well as the emergence and strengthening of new, regional competitors, we may face increasing competitive pressures. Other companies continue to develop systems and / or acquire businesses and products that are competitive to ours and may introduce new products and product capabilities that may affect our ability to sell and support our existing products. We face a greater risk if our competitors enter into strategic relationships with leading semiconductor manufacturers covering products similar to those we sell or may develop, as this could adversely affect our ability to sell products to those manufacturers. **Lam Research Corporation 2023 10- K 13** We believe that to remain competitive we must devote significant financial resources to offer products that meet our customers' needs, to maintain customer service and support centers worldwide, and to invest in product and process R & D. Technological changes and developing technologies ~~have~~ have required, and are expected to continue to require, new and costly investments. Certain of our competitors, including those that are created and financially backed by foreign governments, have substantially greater financial resources and more extensive engineering, manufacturing, marketing, and customer service and support resources than we do and therefore have the potential to offer customers a more comprehensive array of products and / or product capabilities and to therefore achieve additional relative success in the semiconductor equipment industry. These competitors may deeply discount or give away products similar to those that we sell, challenging or even exceeding our ability to make similar accommodations and threatening our ability to sell those products. We also face competition from our own customers, who in some instances have established affiliated entities that manufacture equipment similar to ours. In addition, we face competition from companies that exist in a more favorable legal or regulatory environment than we do , **who are able to sell products for certain applications at certain customers that we are prohibited from selling to under applicable export controls** , allowing the freedom of action in ways that we may be unable to match. In many cases speed to solution is necessary for customer satisfaction and our competitors may be better positioned to achieve these objectives. For these reasons, we may fail to continue to compete successfully worldwide. In addition, our competitors may be able to develop products comparable or superior to those we offer or may adapt more quickly to new technologies or evolving customer requirements. In particular, while we continue to develop product enhancements that we believe will address future customer requirements, we may fail in a timely manner to complete the development or introduction of these additional product enhancements successfully, or these product enhancements may not achieve market acceptance or be competitive. Accordingly, competition may intensify, and we may be unable to continue to compete successfully in our markets, which could have a material adverse effect on our revenues, operating results, financial condition, and / or cash flows. Once a Semiconductor Manufacturer Commits to Purchase a Competitor' s Semiconductor Manufacturing Equipment, the Manufacturer Typically Continues to Purchase That Competitor' s Equipment, Making It More Difficult for Us to Sell Our Equipment to That Customer Semiconductor manufacturers must make a substantial investment to qualify and integrate wafer processing equipment into a semiconductor production line. We believe that once a semiconductor manufacturer selects a particular supplier' s processing equipment, the manufacturer generally relies upon that equipment for that specific production line application for an extended period of time, especially for customers that are more focused on tool reuse. Accordingly, we expect it to be more difficult to sell our products to a given customer for a product line application if that customer initially selects a competitor' s equipment for the same product line application. We Depend on Creating New Products and Processes and Enhancing Existing Products and Processes for Our Success; Consequently, We Are Subject to Risks Associated with Rapid Technological Change Rapid technological changes in semiconductor manufacturing processes subject us to increased pressure to develop technological advances that enable those processes. We believe that our future success depends in part upon our ability to develop and offer new products with improved capabilities and to continue to enhance our existing products. If new products or existing products have reliability, quality, design, or safety problems, our performance may be impacted by reduced orders, higher manufacturing costs, delays in acceptance of and payment for new products, and additional service and warranty expenses. We may be unable to develop and manufacture products successfully, or products that we introduce may fail in the marketplace. For more than 25 years, the primary driver of technology advancement in the semiconductor industry has been to shrink the lithography that prints the circuit design on semiconductor chips. That driver could be approaching its technological limit, leading semiconductor manufacturers to investigate more complex changes in multiple technologies in an effort to continue technology development. In addition, the emergence of " big data " and new tools such as machine learning and artificial intelligence that capitalize on the availability of large data sets is leading semiconductor manufacturers and equipment manufacturers to pursue new products and approaches that exploit ~~Lam Research Corporation 2022 10- K 14~~ those tools to advance technology development. In the face of uncertainty on which technology solutions will become successful, we will need to focus our efforts on developing the technology changes that are ultimately successful in supporting our ~~customer~~ **customers'** requirements. Our failure to develop and offer the correct technology solutions in a timely manner with productive and cost- effective products could adversely affect our business in a material way. Our failure to commercialize new products in a timely manner could result in loss of market share, unanticipated costs, and inventory obsolescence, which would adversely affect our financial results. In order to develop new products and processes and enhance existing products and processes, we expect to continue to make significant investments in R & D, to investigate the acquisition of new products and technologies, to invest in or acquire such ~~business~~ **businesses** or technologies, and to pursue joint development relationships with customers, suppliers, or other members of the industry. Our investments and acquisitions may not be as successful as we may expect, particularly in the event that we invest in or acquire product lines and technologies that are new to us. We may find that acquisitions are not available to us, for regulatory or other

reasons, and that we must therefore limit ourselves to collaboration and joint venture development activities, which do not have the same benefits as acquisitions. Pursuing development through collaboration and / or joint development activities rather than through an acquisition poses substantial challenges for management, including those related to aligning business objectives; sharing confidential information, intellectual property and data; sharing value with third parties; and realizing synergies that might have been available in an acquisition but are not available through a joint development project. We must manage product transitions and joint development relationships successfully, as the introduction of new products could adversely affect our sales of existing products and certain jointly developed technologies may be subject to restrictions on our ability to share that technology with other customers, which could limit our market for products incorporating those technologies. Future technologies, processes, or product developments **Lam Research Corporation 2023 10- K 14** may render our current product offerings obsolete, leaving us with non- competitive products, obsolete inventory, or both. Moreover, customers may adopt new technologies or processes to address the complex challenges associated with next- generation devices. This shift may result in a reduction in the size of our addressable markets or could increase the relative size of markets in which we either do not compete or have relatively low market share. Strategic Alliances and Customer Consolidation May Have Negative Effects on Our Business **Increasingly, semiconductor Semiconductor manufacturing companies are from time to time entering enter** into strategic alliances or **consolidating consolidate** with one another to expedite the development of processes and other manufacturing technologies and / or achieve economies of scale. The outcomes of such an alliance can be the definition of a particular tool set for a certain function and / or the standardization of a series of process steps that use a specific set of manufacturing equipment, while the outcomes of consolidation can lead to an overall reduction in the market for semiconductor manufacturing equipment as customers' operations achieve economies of scale and / or increased purchasing power based on their higher volumes. In certain instances, this could work to our disadvantage if a competitor' s tools or equipment become the standard equipment for such functions or processes. Additional outcomes of such consolidation may include our customers re-evaluating their future supplier relationships to consider our competitors' products and / or gaining additional influence over the pricing of products and the control of intellectual property or data. Similarly, our customers may partner with, or follow the lead of, educational or research institutions that establish processes for accomplishing various tasks or manufacturing steps. If those institutions utilize a competitor' s equipment when they establish those processes, it is likely that customers will tend to use the same equipment in setting up their own manufacturing lines. Even if they select our equipment, the institutions and the customers that follow their lead could impose conditions on acceptance of that equipment, such as adherence to standards and requirements or limitations on how we license our proprietary rights, that increase our costs or require us to take on greater risk. These actions could adversely impact our market share and financial results. **BUSINESS AND OPERATIONAL RISKS The COVID-19 Pandemic Has Adversely Impacted, and May Continue to Adversely Impact, Our Business, Operations, and Financial Results** The COVID-19 pandemic and efforts by national, state and local governments worldwide to control its spread have resulted in widespread measures aimed at containing the disease such as quarantines, travel bans, shutdowns, and shelter in place or " stay at home " orders, which collectively have significantly restricted the movement of people and goods and the ability of businesses to operate. These restrictions and measures, incidents of confirmed or suspected infections within our workforce or those of our suppliers or other business partners, and our efforts to act in the best interests of our employees, customers, and suppliers, have affected and are affecting our business and operations by, among other things, causing facility closures, production delays and capacity limitations; disrupting production by our supply chain; disrupting the transport of goods from our supply chain to us and from us to our customers; requiring modifications to our business processes; requiring the implementation of business continuity plans; requiring the development and qualification of alternative sources of supply; requiring the implementation of social distancing measures that require changes to existing manufacturing processes; disrupting business travel; disrupting our ability to staff our on- site manufacturing and research and development facilities; delaying capital expansion projects; and necessitating teleworking by a large proportion of our workforce. These impacts have caused and are expected to continue to cause delays in product shipments and product development, increases in costs, and decreases in revenue, profitability and cash from operations, which have caused and are expected to cause an adverse effect on our results of operations that may be material. The potential duration and impact of the pandemic on the global economy and on our business are difficult to predict and cannot be estimated with any degree of certainty, but the pandemic has resulted in significant disruption of global financial markets, increases in levels of unemployment, and economic uncertainty, which has adversely impacted our business and may continue to do so, and may lead to significant negative **Lam Research Corporation 2022 10- K 15** impacts on customer spending, demand for our products, the ability of our customers to pay, our financial condition and the financial condition of our suppliers, and our access to external sources of financing to fund our operations and capital expenditures. **Our Revenues and Operating Results Are Variable** Our revenues and operating results may fluctuate significantly from quarter to quarter or year to year due to a number of factors, not all of which are in our control. We manage our expense levels based in part on our expectations of future revenues. Because our operating expenses are based in part on anticipated future revenues, and a certain amount of those expenses are relatively fixed, a change in the timing of recognition of revenue and / or the level of gross profit from a small number of transactions can unfavorably affect operating results in a particular quarter or year. Factors that may cause our financial results to fluctuate unpredictably include but are not limited to: **• legal, tax, accounting, or regulatory changes (including but not limited to changes in import / export regulations and tariffs, such as regulations imposed by the U. S. government restricting exports to China) or changes in the interpretation or enforcement of existing requirements; • macroeconomic, industry, and market conditions, including those caused by the Russian invasion of Ukraine or bank failures, and geopolitical issues; • changes in average selling prices, customer mix, and product mix; • foreign currency exchange rate fluctuations;** • economic conditions in the electronics and semiconductor industries in general and specifically the semiconductor equipment industry; • the size and timing of orders from customers; • changes in our deferred revenue balance, including as a result of factors such as volume purchase agreements, multi- year

service contracts, back orders, and down payments toward purchases; • consolidation of the customer base, which may result in the investment decisions of one customer or market having a significant effect on demand for our products or services; • procurement shortages; • the failure of our suppliers or outsource providers to perform their obligations in a manner consistent with our expectations; • manufacturing difficulties; • customer cancellations or delays in shipments, installations, customer payments, and / or customer acceptances; • the extent that customers continue to purchase and use our products and services in their business; • our customers' reuse of existing and installed products, to the extent that such reuse decreases their need to purchase new products or services; • **changes in average selling prices, customer mix, and product mix**; • our ability to develop, introduce, and market new, enhanced, and competitive products in a timely manner; • our competitors' introduction of new products; • legal or technical challenges to our products and technologies; • transportation, communication, demand, information technology, or supply disruptions based on factors outside our control, such as strikes, acts of God, wars, terrorist activities, widespread outbreak of illness, natural or man-made disasters, or climate change; • **management legal, tax, accounting, or regulatory changes (including but not limited to changes in import / export regulations and tariffs) or changes in the interpretation or enforcement of existing requirements supply chain risks**; • **rising inflation or interest rates**; and • changes in our estimated effective tax rate.

Lam Research Corporation 2023 10- K 15 Our Future Success Depends Heavily on International Sales and the Management of Global Operations Non- U. S. sales, as reflected in Part II Item 7. Results of Operations of this 2023 Form 10- K, accounted for approximately 91 %, 92 %, and 94 % of total revenue in fiscal years 2023, 2022, and 2021, respectively. We expect that international sales will continue to account for a substantial majority of our total revenue in future years. We are subject to various challenges related to international sales and the management of global operations including, but not limited to: • domestic and international trade regulations, policies, practices, relations, disputes and issues ; and • Japan, Korea, and / or Taiwan and perhaps the entire Asia Pacific region or global economy. A significant trade dispute, impact and / or disruption in any area where we do business could have a materially adverse impact on our future revenue and profits. Tariffs, export controls, additional taxes, trade barriers, sanctions, or the termination or modification of trade agreements, trade zones, and other duty mitigation initiatives, may and any reciprocal retaliatory actions, can increase our manufacturing costs, decrease margins, reduce the competitiveness of our products, disrupt our supply chain operations, or inhibit our ability to sell products or provide services purchase necessary equipment and supplies , which has had and in the future could have a material adverse effect on our business, results of operations, or financial conditions. Certain of our international sales depend on our ability to obtain export licenses from the U.S. or foreign governments, and our inability to obtain such licenses, or an expansion of the number or kinds of sales for which export licenses are required, has limited and could potentially in the future further limit the market for our products and has had and could in the future have an adverse adversely impact on our revenues. As is discussed below under the heading " Our Sales to Customers in China, a Significant Region for of Growing Significance to Us, Could be Have Been Impacted, and are Likely to Be Materially and Adversely Affected by Export License Requirements and Other Regulatory Changes, or Other Governmental Actions in the Course of the Trade Relationship Between the U.S. and China," the U.S. government has recently imposed expanded export license requirements that impact trade with China. In addition, the U.S. government is in the process of assessing technologies that may be subject to new or additional export controls, including and foreign currency exchange rate fluctuations - Disruptions primarily related to Our Supply Chain revenues denominated in Japanese yen and Outsource Providers Could Impact Our Ability expenses denominated in euro, Korean won, Malaysian ringgit, and Indian rupee. Further, in periods in which the U. S. dollar is strong relative to Meet the local currencies of our international customers, this can potentially reduce Demand demand for ; Increase Our Costs, and Adversely Impact Our Revenue and Operating Results Our supply chain has played and will continue to play a key role in our product products development , which may compound the adverse effect of foreign exchange translation manufacturing operations, field installation and support. Our business depends on our revenue. Currently timely supply of products and services to meet the demand from our customers , which depends we hedge certain anticipated foreign currency cash flows, primarily anticipated revenues denominated in significant part Japanese yen and expenses dominated in euro, Korean on won the timely delivery of parts , Malaysian ringgit materials and services , including components and Indian rupee subassemblies, from our direct suppliers to us, and to our direct suppliers by other companies . In addition, outsource providers have played we enter into foreign currency hedge contracts to minimize the short- term impact of the foreign currency exchange rate fluctuations on certain foreign currency denominated monetary assets and will liabilities, primarily third- party accounts receivables, accounts payables, and intercompany receivables and payables. We believe these are our primary exposures to currency rate fluctuation. We expect to continue to play a key role both in enter into hedging transactions, for the purposes outlined, for the foreseeable future. However, the these hedging transactions manufacturing and customer- focused operations described above, and in many- may not achieve their desired effect because differences between the actual timing of the underlying exposures and our forecasts of those exposures may leave us either over our- or under hedged on any given transactional- transaction and administrative functions, such as information technology, facilities management, and certain elements of our finance organization. Moreover These providers and suppliers might suffer financial setbacks, be acquired by hedging these foreign currency denominated third parties, become subject to exclusivity arrangements that preclude further business with us, or be unable to meet our requirements or expectation due to their independent business decisions or force majeure events that could interrupt or impair their continued ability to perform as we expect. We may also experience significant interruptions of our manufacturing operations, delays in our ability to deliver or install products or perform services or to recognize revenue revenues , expenses increased costs or customer order cancellations as a result of: • the failure or inability to accurately forecast demand and obtain sufficient quantities of quality parts on a cost- effective basis; • volatility in the availability and cost of parts , monetary materials or services, including increased costs due to rising inflation or interest rates or other market conditions; • difficulties or delays in obtaining required import or export approvals; • shipment delays and increased costs of shipment due to

transportation interruptions, capacity constraints, or fuel shortages; • shortages of semiconductor or other components or materials as a result of increases in demand; Lam Research Corporation 2022-2023 10- K 16 • information technology assets, and liabilities, we may miss favorable currency trends that would have been advantageous to us but for infrastructure failures the hedges. Additionally, we are exposed to short-term foreign currency exchange rate fluctuations on non-U.S. dollar-denominated monetary assets and liabilities (other than those currency exposures previously discussed), and currently we do not enter into foreign currency hedge contracts against these exposures. In addition, our currency hedges do not necessarily mitigate the potential negative impact of a strong U.S. dollar on demand for our products. Therefore, we are subject to potential unfavorable foreign currency exchange rate fluctuations to the extent that we transact business (including intercompany transactions) in these currencies. The magnitude of a third-party supplier or our overseas business also affects where service provider; and • transportation or our supply disruptions based on factors outside our control cash is generated. Certain uses of cash, such as strikes share repurchases, acts payment of God dividends, or the repayment wars, terrorist activities, widespread outbreak of illness, natural or our man- notes, can usually only be made disasters, with onshore cash balances. Since the majority of or our cash is generated outside of climate change. Demand for electronic products and other -- the factors United States, this such as the COVID-19 pandemic and the conflict in Ukraine, have resulted in, and may continue to result in, a shortage of parts, materials and services needed to manufacture, deliver and install our products, as well as delays in and unpredictability of shipments due to transportation interruptions. Such shortages, delays and unpredictability have adversely impacted, and may continue to adversely impact certain, our suppliers' ability to meet..... could have an adverse impact on our business decisions. In some cases, the requirements of our business mandate that we obtain certain components and outcomes sub- assemblies included in our products..... logistics restrictions in connection with the pandemic. Our Business Relies on Technology, Data, Intellectual Property and Other Sensitive Information That is Susceptible to Cybersecurity and Other Threats or Incidents Our business is dependent upon the use and protection of technology, data, intellectual property and other sensitive information, which may be owned by, or licensed to, us or third parties, such as our customers and vendors. We maintain and rely upon certain critical information systems for the creation, transmission, use and storage of much of this information, and for the effective operation of our business. These information systems include but are not limited to, telecommunications, the Internet, our corporate intranet, various computer hardware and software applications, (some of which may be integrated into the products that we sell or be required in order to provide the services that we offer), network communications, and email. These information systems may be owned and maintained by us, our outsourced providers, or third parties such as vendors, contractors, customers and Cloud providers. In addition, we make use of Software- as- a- Service (SaaS) products for certain important business functions that are provided by third parties and hosted on their own networks and servers, or third- party networks and servers, all of which rely on networks, email and / or the Internet for their function. The technology, data, intellectual property and other sensitive information we seek to protect are subject to loss, release, misappropriation or misuse, and the information systems containing or transmitting such technology, data, intellectual property and other sensitive information are subject to disruption, breach or failure, in each case as a result of various possible causes. Such causes may include mistakes or unauthorized actions by our employees or contractors, phishing schemes and other third- party attacks, and degradation or loss of service or access to data due to viruses, malware, denial of service attacks, destructive or inadequate code, power failures, or physical damage to computers, hard drives, communication lines, or networking equipment. Such causes may also include the use of techniques that change frequently or may be disguised or difficult to detect, or designed to remain dormant until a triggering event, or that may continue undetected for an extended period of time. We have experienced cybersecurity and other threats and incidents in the past. Although past threats and incidents have not resulted in a material adverse effect, we may incur material losses related to cybersecurity and other threats or incidents in the future. If we were subject to a cybersecurity or other incident, it could have a material adverse effect on our business. Such adverse effects might include: • loss of (or inability to access, e. g. through ransomware) confidential and / or sensitive information stored on these critical information systems or transmitted to or from those systems; • the disruption of the proper function of our products, services and / or operations; • the failure of our or our customers' manufacturing processes; • errors in the output of our work or our customers' work; • the loss or public exposure of the personal or other confidential information of our employees, customers or other parties; • the public release of customer financial and business plans, customer orders and operational results; • exposure to claims from our employees or third parties who are adversely impacted by such incidents; Lam Research Corporation 2022-10- K- 17 • misappropriation or theft of our or a customer' s, supplier' s or other party' s assets or resources, including technology data, intellectual property or other sensitive information and costs associated therewith; • reputational damage; • diminution in the value of our investment in research, development and engineering; or • our failure to meet, or violation of, regulatory or other legal obligations, such as the timely publication or filing of financial statements, tax information and other required communications. While we have implemented ISO 27001 compliant security procedures and virus protection software, intrusion prevention systems, identity and access control, and emergency recovery processes, and we carefully select our third- party providers of information systems, to mitigate risks to the information systems that we rely on and to the technology, data, intellectual property and other sensitive information we seek to protect, those security procedures and mitigation and protection systems cannot be guaranteed to be fail- safe, and we may still suffer cybersecurity and other incidents. It has been difficult and may continue to be difficult to hire and retain employees with substantial cybersecurity acumen. In addition, there have been and may continue to be instances of our policies and procedures not being effective in enabling us to identify risks, threats and incidents in a timely manner, or at all, or to respond expeditiously, appropriately and effectively when incidents occur and repair any damage caused by such incidents, and such occurrences could have a material adverse effect on our business. Lam Research Corporation 2023 10- K 17 We May Not Achieve the Expected Benefits of Our Future Success Depends Heavily Restructuring Plans and Business Transformation Initiatives, and These Efforts Could Have a Material Adverse Effect on Our Business, International Sales

and the Management of Global Operations, Financial Condition, Results of Operations and Competitive Position In January 2023 we announced that we are implementing a restructuring plan consisting of a workforce reduction, and that we anticipate undertaking, and may in the future undertake, additional business restructuring, realignment and transformation initiatives. We expect to incur material costs and charges in connection with these plans and initiatives. While the restructuring plan is intended to better align our cost structure with the current economic environment and future business opportunities, and our anticipated transformation initiatives have the goal of strengthening our operations and achieving operational efficiencies, there can be no assurance that we will be successful in these plans and initiatives. Implementation of these plans and initiatives may be costly and disruptive to our business, we may not be able to complete them at the cost or within the time frame contemplated, and we may not be able to obtain the anticipated benefits within the projected timing or at all. Restructuring and transformation may adversely affect our internal programs and our ability to recruit and retain skilled and motivated personnel, may result in a loss of continuity, loss of accumulated knowledge and / or inefficiency during transitional periods, may require a significant amount of management and other employees' time and focus, and may be distracting to employees and management, which may divert attention from operating and growing our business. Additionally, reductions in our workforce may cause a reduction in our production output capabilities which could impact our ability to manufacture or ship products to customers within a mutually beneficial timeline. If we fail to achieve some or all of the expected benefits, it could have a material adverse effect on our business - U. S. sales - as reflected operations, financial condition, results of operations and competitive position. For more information about our restructuring plan, see Note 22 of our Consolidated Financial Statements in Part II, Item 8 7. Results of Operation of this 2022-2023 Form 10- K. Disruptions to Our Supply Chain - accounted for approximately 92 %, 94 %, and 92 % of total Revenue in fiscal years 2022, 2021, and 2020, respectively. We expect that international sales will continue to account play a key role in our product development, manufacturing operations, field installation and support. Our business depends on our timely supply of products and services to meet the demand from our customers, which depends in significant part on the timely delivery of parts, materials and services, including components and subassemblies, from our direct suppliers to us, and to our direct suppliers by other companies. In addition, outsource providers have played and will continue to play a key role both in the manufacturing and customer- focused operations described above, and in many of our transactional and administrative functions, such as information technology, facilities management, and certain elements of our finance organization. These providers and suppliers might suffer financial setbacks, be acquired by third parties, become subject to exclusivity arrangements that preclude further business with us, for- or a substantial majority of be unable to meet our requirements our- or total- expectation due to their independent business decisions or force majeure events that could interrupt or impair their continued ability to perform as we expect. We may also experience significant interruptions of our manufacturing operations, delays in our ability to deliver or install products or perform services or to recognize revenue in future years. We are subject to various challenges related to international sales and the management of global operations including- but not limited to- increased costs or customer order cancellations as a result of : • domestic- the failure or inability to accurately forecast demand and obtain sufficient quantities of quality parts on a cost- effective basis international trade regulations, policies, practices, relations, disputes and issues; • domestic- volatility in the availability and international tariffs- cost of parts , export controls and materials or services, including increased costs due to rising inflation or interest rates or other market barriers; • developing customers and / or suppliers, who may have limited access to capital resources; • global or national economic and political conditions; • changes- difficulties or delays in currency controls- obtaining required import or export approvals ; • shipment delays differences in the enforcement of intellectual property and contract rights in varying jurisdictions- increased costs of shipment due to transportation interruptions, capacity constraints, or fuel shortages ; • shortages of semiconductor our- or ability to respond to customer and foreign government- other components or materials as a result of increases in demands- demand for locally sourced systems, spare parts, and services and develop the necessary relationships with local suppliers; • information technology or infrastructure failures changes in and compliance with U. S. and international laws and regulations affecting foreign operations , including those of a third U. S. and international trade restrictions and sanctions, anti- bribery party supplier or service provider; and • transportation or supply disruptions based on factors outside our control , anti- such as strikes, acts of God, wars, terrorist activities, widespread outbreak of illness, natural or man - corruption- made disasters , or climate anti- boycott, environmental, tax, and labor laws; • fluctuations in interest and foreign currency exchange-- change. Demand rates; • the need for electronic products technical support resources in different locations; and • our ability to secure and retain qualified people, and effectively manage people, in all necessary locations for the- other factors successful operation of our business. For example, such as the COVID- 19 pandemic , have resulted in, and may in the future result in, a shortage of parts, materials and services needed to manufacture, deliver and install our products, has- as well as delays in and unpredictability of shipments due to transportation interruptions. Such shortages, delays and unpredictability have adversely impacted , and could further- may in the future impact , our suppliers' ability to meet our demand requirements. Difficulties in obtaining sufficient and timely supply of parts, materials or services, and delays in and unpredictability of shipments due to transportation interruptions, have adversely impacted, and may in the future adversely impact, our manufacturing operations and our ability to meet customer demand. In addition , interruptions, have adversely impacted, and may continue to adversely impact, our manufacturing operations and our ability to meet customer demand. In addition, difficulties in obtaining parts, materials or services necessary to deliver or install products or perform services have adversely impacted, and may continue to- in the future adversely impact, our ability to recognize revenue, our gross margins on the revenue we recognize, and our other operating results. Although we are endeavoring to pass along some of the

impact of increased costs to our customers to counteract adverse impacts to our gross margins and other operating results, such measures could be unsuccessful, or could have the effect of reducing demand, which would adversely impact our revenue.

Although we attempt to select reputable providers and suppliers, **Further, increased restrictions imposed on a class of chemicals known as per- and polyfluoroalkyl substances (“ PFAS ”), which are widely used in a large number of products, including parts and materials that are incorporated into our products**, we attempt to secure their performance on terms documented in written contracts. **may negatively impact our supply chain**, and customer support due to **the potentially decreased availability, or non-availability, of PFAS-containing production products**, sourcing, logistics and other challenges resulting from quarantines, stay at home orders, facility closures, workforce challenges, and travel and logistics restrictions in connection with the pandemic **usage of PFAS-containing products, which could adversely impact our business, operations, revenue, costs, and competitive position**. There is **inherent risk no assurance that suitable replacements for PFAS-containing parts and materials will be available at similar costs**, based or at all. Lam Research Corporation 2023 10-K 18 Although we attempt to select reputable providers and suppliers and we attempt to secure their performance on terms documented in written contracts, the complex relationships among China, Japan, Korea, Taiwan, and the United States, that political, diplomatic and national security influences might lead to trade disputes, impacts and / or disruptions, in **written contracts** particular those affecting the semiconductor industry. This would adversely affect our business with China, Japan, Korea, and / or..... new or additional export controls, and it is possible that **one or more of these providers or suppliers could fail to perform as we expect, or fail to secure or protect intellectual property rights, and such controls, if failure could have and an when imposed adverse impact on our business. In some cases**, the requirements of our business mandate that we obtain certain components and sub-assemblies included in our products from a single supplier or a limited group of suppliers. Where practical, we endeavor to establish alternative sources to mitigate the risk that the failure of any single provider or supplier will adversely affect our business, but this is not feasible in all circumstances. Some key parts are subject to long lead-times or available only from a single supplier or limited group of suppliers, and some sourcing or subassembly is provided by suppliers located in countries other than the countries where we conduct our manufacturing. There is therefore a risk that a prolonged inability to obtain certain components or secure key services could impair our ability to manage operations, ship products, and generate revenues, which could adversely affect our operating results and damage our customer relationships.

The COVID-19 Pandemic Adversely Impacted, and May in the Future Adversely Impact Our Business, Operations, and Financial Results The COVID-19 pandemic and efforts by national, state and local governments worldwide to control its spread resulted in measures aimed at containing the disease such as quarantines, travel bans, shutdowns, and shelter in place or “ stay at home ” orders, which collectively significantly restricted the movement of people and goods and the ability of businesses to sell-operate. These restrictions and measures, incidents of confirmed or suspected infections within our workforce or those of our suppliers or U.S. Furthermore, there are risks that foreign governments, business partners, and our efforts to act in the best interests of our employees, customers, and suppliers, affected and in the future may affect our business and operations by, among other things, **insist causing facility closures, production delays and capacity limitations; disrupting production by our supply chain; disrupting the transport of goods from our supply chain to us and from us to our customers; requiring modifications to our business processes; requiring the implementation of business continuity plans; requiring the development and qualification of alternative sources of supply; requiring the implementation of social distancing measures that impede manufacturing processes; disrupting business travel; disrupting our ability to staff our on-site manufacturing and research and development facilities; delaying capital expansion projects; and necessitating teleworking by portions of our workforce. These impacts caused and in the future may use-cause delays in product shipments and product development, increases in costs, and decreases in revenue, profitability and cash from operations, which caused and in the future may cause an adverse effect on our results of local operations that may be material. The pandemic resulted at various times in significant disruption of global financial markets, increases in levels of unemployment, and economic uncertainty, which adversely impacted our business and may do so in the future, and may lead to significant negative impacts on customer spending, demand for our products, the ability of our customers to pay, our financial condition and the financial condition of our suppliers**; compel companies to partner with local companies to design and supply equipment on a local basis, requiring the transfer of intellectual property rights and / or local manufacturing; utilize their influence over their judicial systems to Lam Research Corporation 2022 10-K 18 respond to intellectual property disputes or issues; and provide special incentives to government-backed local customers to buy from local competitors, even if their products are inferior to ours - **our access**; all of which could adversely impact our revenues and margins. We are exposed to **external sources** potentially adverse movements in foreign currency exchange rates. The majority of **financing** our sales and expenses are denominated in U. S. dollars. However, we are exposed to **fund** foreign currency exchange rate fluctuations primarily related to revenues denominated in Japanese yen and expenses denominated in euro, Korean won, Malaysian ringgit, and Indian rupee. Currently, we hedge certain anticipated foreign currency cash flows, primarily anticipated revenues denominated in Japanese yen and expenses dominated in euro, Korean won, Malaysian ringgit, and Indian rupee. In addition, we enter into foreign currency hedge contracts to minimize the short-term impact of the foreign currency exchange rate fluctuations on certain foreign currency denominated monetary assets and liabilities, primarily third-party accounts receivables, accounts payables, and intercompany receivables and payables. We believe these are our primary exposures to currency rate fluctuation. We expect to continue to enter into hedging transactions, for the purposes outlined, for the foreseeable future. However, these hedging transactions may not achieve their desired effect because differences between the actual timing of the underlying exposures and our forecasts of those exposures may leave us either over or **our operations** under hedged on any given transaction. Moreover, by hedging these foreign currency denominated revenues, expenses, monetary assets, and **capital**

expenditures liabilities, we may miss favorable currency trends that would have been advantageous to us but for the hedges. Additionally, we are exposed to short-term foreign currency exchange rate fluctuations on non-U. S. dollar-denominated monetary assets and liabilities (other than those currency exposures previously discussed), and currently we do not enter into foreign currency hedge contracts against these exposures. Therefore, we are subject to potential unfavorable foreign currency exchange rate fluctuations to the extent that we transact business (including intercompany transactions) in these currencies. The magnitude of our overseas business also affects where our cash is generated. Certain uses of cash, such as share repurchases, payment of dividends, or the repayment of our notes, can usually only be made with onshore cash balances. Since the majority of our cash is generated outside of the United States, this may impact certain business decisions and outcomes.

We Face Risks Related to the Disruption of Our Primary Manufacturing and R & D Facilities While we maintain business continuity plans, our manufacturing and R & D facilities are concentrated in a limited number of locations. These locations are subject to disruption for a variety of reasons, such as natural or man-made disasters, widespread outbreaks of illness, **war**, terrorist activities, political or governmental unrest or instability, disruptions of our information technology resources, utility interruptions, the effects of climate change, or other events beyond our control. Such disruptions may cause delays in developing or shipping our products, in engaging with customers on new product applications, or in supporting customers, which could result in the loss of business or customer trust, adversely affecting our business and operating results. ~~For example, the COVID-19 pandemic has impacted and could further impact our manufacturing operations, supply chain, R & D and customer support due to production, sourcing, logistics and other challenges resulting from quarantines, “stay at home” orders, facility closures, workforce challenges, and travel and logistics restrictions in connection with the pandemic.~~

We Are Subject to Risks Relating to Product Concentration and Lack of Product Revenue Diversification We derive a substantial percentage of our revenues from a limited number of products. Our products are priced up to the tens of millions of dollars per system. As a result, the inability to recognize revenue on even a few systems can cause a significantly adverse impact on our revenues for a given quarter, and, in the longer term, the continued market acceptance of these products is critical to our future success. Our business, operating results, financial condition, and cash flows could therefore be adversely affected by:

- a decline in demand for even a limited number of our products;
- a failure to achieve continued market acceptance of our key products;
- export restrictions or other regulatory or legislative actions that could limit our ability to sell those products to key customers or customers within certain markets;
- an improved version of products being offered by a competitor in the markets in which we participate;
- increased pressure from competitors that offer broader product lines;
- increased pressure from regional competitors;
- technological changes that we are unable to address with our products; or
- a failure to release new or enhanced versions of our products on a timely basis.

In addition, the fact that we offer limited product lines creates the risk that our customers may view us as less important to their business than our competitors that offer additional products and / or product capabilities, including new products that take advantage of “big data” or other new technologies such as machine learning and artificial intelligence. This may impact our ability to maintain or expand our business with certain customers. Such product concentration may also subject us to additional risks associated with technology changes. Our business is affected by our customers’ use of our products in certain steps in their wafer fabrication processes. Should technologies change so that the manufacture of semiconductors requires fewer steps using our products, this could have a larger impact on our business than it would on the business of our less concentrated competitors.

Lam Research Corporation 2023 10- K 19 **We May Fail to Protect Our Critical Proprietary Technology Rights, Which Could Affect Our Business** Our success depends in part on our proprietary technology and our ability to protect key components of that technology through patents, copyrights, trade secrets and other forms of protection. Protecting our key proprietary technology helps us achieve our goals of developing technological expertise and new products and systems that give us a competitive advantage; increasing market penetration and growth of our installed base; and providing comprehensive support and service to our customers. As part of our ~~Lam Research Corporation 2022 10- K 19~~ strategy to protect our technology, we currently hold a number of U. S. and foreign patents and pending patent applications, and we keep certain information, processes, and techniques confidential and / or as trade secrets. However, other parties may challenge or attempt to invalidate or circumvent any patents the U. S. or foreign governments issue to us; these governments may fail to issue patents for pending applications; or we may lose trade secret protection over valuable information due to our or third parties’ intentional or unintentional actions or omissions or even those of our own employees. Additionally, intellectual property litigation can be expensive and time-consuming and even when patents are issued, or trade secret processes are followed, the legal systems in certain of the countries in which we do business might not enforce patents and other intellectual property rights as rigorously or effectively as the United States or may favor local entities in their intellectual property enforcement. The rights granted or anticipated under any of our patents, pending patent applications, or trade secrets may be narrower than we expect or, in fact, provide no competitive advantages. Moreover, because we selectively file for patent protection in different jurisdictions, we may not have adequate protection in all jurisdictions based on such filing decisions. Any of these circumstances could have a material adverse impact on our business.

Our Ability to Attract, Retain, and Motivate Key Employees Is Critical to Our Success Our ability to compete successfully depends in large part on our ability to attract, retain, and motivate key employees with the appropriate skills, experiences and competencies. This is an ongoing challenge due to intense competition for top talent, fluctuations in industry or business economic conditions, as well as increasing geographic expansion, and these factors in combination may result in cycles of hiring activity and workforce reductions. Our success in hiring depends on a variety of factors, including the attractiveness of our compensation and benefit programs, global economic or political and industry conditions, our organizational structure, global competition for talent and the availability of qualified employees, the availability of career development opportunities, the ability to obtain necessary authorizations for workers to provide services outside their home countries, and our ability to offer a challenging and rewarding work environment. We periodically evaluate our overall compensation and benefit programs and make adjustments, as appropriate, to maintain or enhance their competitiveness. If we are not able to successfully attract, retain, and motivate key employees, we may be unable to capitalize on market opportunities

and our operating results may be materially and adversely affected. If We Choose to Acquire or Dispose of Businesses, Product Lines, and Technologies, We May Encounter Unforeseen Costs and Difficulties That Could Impair Our Financial Performance

An important element of our management strategy is to review acquisition prospects that would complement our existing products, augment our market coverage and distribution ability, enhance our technological capabilities, or accomplish other strategic objectives. As a result, we may seek to make acquisitions of complementary companies, products, or technologies, or we may reduce or dispose of certain product lines or technologies that no longer fit our long- term strategies. For regulatory or other reasons, we may not be successful in our attempts to acquire or dispose of businesses, products, or technologies, resulting in significant financial costs, reduced or lost opportunities, and diversion of management’ s attention. Managing an acquired business, disposing of product technologies, or reducing personnel entails numerous operational and financial risks, including difficulties in assimilating acquired operations and new personnel or separating existing business or product groups, diversion of management’ s attention away from other business concerns, amortization of acquired intangible assets, adverse customer reaction to our decision to cease support for a product, and potential loss of key employees or customers of acquired or disposed operations. There can be no assurance that we will be able to achieve and manage successfully any such integration of potential acquisitions, disposition of product lines or technologies, or reduction in personnel, or that our management, personnel, or systems will be adequate to support continued operations. Any such inability or inadequacy could have a material adverse effect on our business, operating results, financial condition, and / or cash flows. In addition, any acquisition could result in changes such as potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities, the amortization of related intangible assets, and goodwill impairment charges, any of which could materially adversely affect our business, financial condition, results of operations, cash flows, and / or the price of our Common Stock.

LEGAL, REGULATORY AND TAX RISKS

~~Our Sales to Customers in China, a Region of Growing Significance to Us, Could be Materially and Adversely Affected by Export License Requirements and Other Regulatory Changes, or Other Governmental Actions in the Course of the Trade Relationship Between the U. S. and China.~~ China represents a large and fast- developing market for the semiconductor equipment industry and therefore is important to our business. Revenue in China, which includes global customers and domestic Chinese customers with manufacturing facilities in China, represented approximately **26 %**, **31 %**, **and 35 %**, **and 31 %** of our total revenue for fiscal years **2023**, **2022**, **and 2021**, **and 2020**, respectively. The U. S. and China have historically had a complex relationship that has included actions that have impacted trade between the two countries. Recently, these actions have included an expansion of export license requirements imposed by the U. S. government, which have limited the market for our products, adversely impacted our revenues, and increased our exposure to foreign competition, **Lam Research Corporation 2023 10- K 20** and could potentially do so to an even greater extent in the future. **Most recently** ~~For example, since the start of calendar year 2020,~~ the U. S. **government has enacted new rules aimed at restricting China’ s ability to manufacture advanced semiconductors, which include restrictions on exports, reexports or transfers to, or shipping, transmitting, transferring, or facilitating such movement to, or performing services at, customer facilities in China engaged in certain technology end- uses, without appropriate authorizations obtained from U. S. authorities. In addition, the U. S.** Department of Commerce **has** enacted **a new rule- rules** that **have** expanded export license requirements for U. S. companies to sell certain items to companies and other end- users in China that are designated as military end- users or have operations that could support military end –uses **;** **has** added additional Chinese companies to its restricted entity list **and unverified list** under ~~suspicious-~~ **suspicion** of military- civil fusion, support of Russia, or other factors associated with a broadening scope of national security concerns (including Semiconductor Manufacturing International ~~Lam Research Corporation 2022 10- K 20 Corporation,~~ or SMIC **, and related entities, and Yangtze Memory Technologies Co., Ltd., or YMTC**, and related entities) **;** **and has** expanded an existing rule (referred to as the foreign direct product rule) in a manner that could cause foreign- made wafers, chipsets, and certain related items produced with many of our products to be subject to U. S. licensing requirements if Huawei Technologies Co. Ltd (“ Huawei ”) or its affiliates are parties to a transaction involving the items. These rules have required and may require us to apply for and obtain additional export licenses to supply certain of our products to ~~specified~~ customers in China, such as SMIC **, YMTC** (where those products would not otherwise require an **and export license to China**) **ChangXin Memory Technologies, Inc.**, and there is no assurance that we will be issued licenses that we apply for on a timely basis or at all. In addition, our customers (including but not limited to Chinese customers) may require U. S. export licenses for the use of our products in order to manufacture products, including semiconductor wafers and integrated circuits, for those of their customers (i. e. Huawei and its affiliates) that are subject to the expanded foreign direct product rule, which may adversely impact the demand for our products. The U. S. Department of Commerce could in the future add additional Chinese companies to its restricted entity list or **unverified list** or take other actions that could expand licensing requirements or otherwise impact the market for our products and our revenue. The implementation, interpretation and impact on our business of these rules and other regulatory actions taken by the U. S. government is uncertain and evolving, and these rules, other regulatory actions or changes, and other actions taken by the governments of either the U. S. or China, or both, that have occurred and may occur in the future could materially and adversely affect our results of operations.

We Are Exposed to Various Risks from Our Regulatory Environment We are subject to various risks related to (1) new, different, inconsistent, or even conflicting laws, rules, and regulations that may be enacted by legislative or executive bodies and / or regulatory agencies in the countries that we operate; (2) disagreements or disputes related to international trade; and (3) the interpretation and application of laws, rules, and regulations. As a public company with global operations, we are subject to the laws of multiple jurisdictions and the rules and regulations of various governing bodies, including those related to export controls, financial and other disclosures, corporate governance, privacy, anti- corruption, such as the Foreign Corrupt Practices Act and other local laws prohibiting corrupt payments to governmental officials, anti- boycott compliance, conflict minerals or other social responsibility legislation, immigration or travel regulations, antitrust regulations, and laws or regulations relating to carbon emissions, as well as other laws or regulations imposed in response to climate change concerns, among others. Each of these

laws, rules, and regulations imposes costs on our business, including financial costs and potential diversion of our management's attention associated with compliance, and may present risks to our business, including potential fines, restrictions on our actions, and reputational damage if we do not fully comply. To maintain high standards of corporate governance and public disclosure, we intend to invest appropriate resources to comply with evolving standards. Changes in or ambiguous interpretations of laws, regulations, and standards may create uncertainty regarding compliance matters. Efforts to comply with new and changing regulations have resulted in, and are likely to continue to result in, reduced operating income, and a diversion of management's time and attention from revenue-generating activities to compliance activities. If we are found by a court or regulatory agency not to be in compliance with the laws and regulations, our business, financial condition, and / or results of operations could be adversely affected. Intellectual Property, Indemnity, and Other Claims Against Us Can Be Costly and We Could Lose Significant Rights That Are Necessary to Our Continued Business and Profitability Third parties may assert infringement, misappropriation, unfair competition, product liability, breach of contract, or other claims against us. From time to time, other persons send us notices alleging that our products infringe or misappropriate their patent or other intellectual property rights. In addition, law enforcement authorities may seek criminal charges relating to intellectual property or other issues. We also face risks of claims arising from commercial and other relationships. In addition, our bylaws and other indemnity obligations provide that we will indemnify officers and members of our Board of Directors against losses that they may incur in legal proceedings resulting from their service to us. From time to time, in the normal course of business, we indemnify third parties with whom we enter into contractual relationships, including customers and suppliers, with respect to certain matters. We have agreed, under certain conditions, to hold these third parties harmless against specified losses, such as those arising from a breach of representations or covenants, other third-party claims that our products when used for their intended purposes infringe the intellectual property rights of such other third parties, or other claims made against certain parties. In such cases, it is our policy either to defend the claims or to negotiate licenses or other settlements on commercially reasonable terms. However, we may be unable in the future to negotiate necessary licenses or reach agreement on other settlements on commercially reasonable terms, or at all, and any litigation resulting from these claims by other parties may materially and adversely affect our business and financial results, and we may be subject to substantial damage awards and penalties. Moreover, although we have insurance to protect us from certain claims and cover certain losses to our property, such insurance may not cover us for the full amount of any losses, or at all, and may be subject to substantial exclusions and deductibles.

Lam Research Corporation 2023 10- K 21 Our Financial Results May Be Adversely Impacted by Higher than Expected Tax Rates or Exposure to Additional Tax Liabilities We are subject to income, transaction, and other taxes in the United States and various foreign jurisdictions, and significant judgment is required to determine worldwide tax liabilities. The amount of taxes we pay is subject to ongoing audits in various jurisdictions, and a material assessment by a governing tax authority could affect our profitability. As a global company, our effective tax rate is highly dependent upon the geographic composition of worldwide earnings and tax regulations governing each region. ~~Our effective tax rate could be adversely affected by changes~~ **Changes** in the split of earnings between countries with differing statutory tax rates, in the valuation allowance of deferred tax assets, in tax laws, ~~by in~~ material audit assessments, or ~~by changes in or~~ expirations of agreements with tax authorities. ~~These factors could~~ **adversely** affect our ~~profitability~~ **effective tax rate**. In particular, the carrying value of deferred tax assets, which are predominantly in the United States, is dependent ~~on upon~~ our ability to generate future taxable income in the United States. ~~Lam Research Corporation 2022 10- K 21~~ On August 16, 2022, the Inflation Reduction Act (the "IRA ") was signed into law. In general, the provisions of the IRA will be effective beginning with our fiscal year 2024, with certain exceptions. The IRA includes a new 15 % corporate minimum tax ~~as well as a 1 % excise tax on corporate stock repurchases applicable to repurchases after December 31, 2022~~. We ~~have evaluated~~ **are in the process of evaluating** the potential impacts of the IRA ~~and~~. ~~While we do not currently expect~~ **it the IRA to have a material impact on our effective tax rate**. ~~However~~, ~~our analysis~~ **we expect future guidance from the Treasury Department and will further analyze when the guidance is issued** ongoing and incomplete, and it is possible that the IRA could have a material adverse effect on our tax ~~liability~~. Recommendations made by the Organization for Economic Co- operation and Development's Base Erosion and Profit Shifting **2.0 (" BEPS 2.0 ")** project have the potential to lead to changes in the tax laws in numerous countries, **including the implementation of a global minimum tax. Several countries around the world have enacted or proposed changes to their existing tax laws based on these recommendations. As each country in which we operate evaluates their alignment with the recommendations, the timing and ultimate impact of any such changes on our effective tax rate remain uncertain. When fully enacted, such changes could have a material impact on our effective tax rate. We will continue to monitor the progress of the BEPS 2.0 implementation**. In addition, ~~President Joseph Biden~~ **the U. S.** has made several corporate income tax proposals, including ~~a significant increase to the U. S. corporate income tax rate and~~ changes in the taxation of non- U. S. income. If enacted, such changes could have a material impact on our effective tax rate. **Increasing and Evolving** ~~A Failure to Comply with~~ Environmental Regulations May Adversely Affect Our Operating Results We are subject to a variety of domestic and international governmental regulations related to the handling, discharge, **sale,** and disposal of toxic, volatile, or otherwise hazardous ~~chemicals~~ **or potentially hazardous substances, and the regulatory environment is dynamic**. Failure to comply with present or future environmental regulations **(such as future regulations imposed on the use or sale of PFAS or PFAS-containing products)** could result in fines being imposed on us, require us to undertake remediation activities, suspend production, and / or cease operations, or cause our customers to not accept our products. These regulations could require us to alter ~~or discontinue~~ our current operations **in certain jurisdictions**, acquire significant additional equipment, incur substantial other expenses to comply with environmental regulations, or take other actions. ~~Any~~ **Compliance obligations, as well as any** failure to comply with **current or future** regulations governing the use, handling, sale, transport, or disposal of hazardous ~~or~~ **potentially hazardous** substances **(including, but not limited to, PFAS)** could subject us to future **costs and** liabilities that may adversely affect our operating results, financial condition, and ability to operate our business. Our Bylaws Designate the

Court of Chancery of the State of Delaware as the Sole and Exclusive Judicial Forum for Certain Legal Actions Between the Company and its Stockholders, Which May Discourage Lawsuits with Respect to Such Claims Our bylaws provide that, unless we consent otherwise, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for lawsuits asserting certain stockholder claims (including claims asserted derivatively for our benefit), such as claims against directors and officers for breach of a fiduciary duty, claims arising under any provision of the General Corporation Law of Delaware or our certificate of incorporation or our bylaws, or claims governed by the internal affairs doctrine. This is a general summary of the bylaw provision; you should refer to the language of the bylaws for details. While the forum provision does not generally apply to direct claims arising under the Securities Exchange Act of 1934 or the Securities Act of 1933, derivative lawsuits that assert legal claims arising under these statutes could fall within the provision, as recent court decisions have held. As a Delaware corporation, Delaware law controls issues of our internal affairs, including duties that our directors, officers, employees, and others owe to the Company and its stockholders. We believe that our exclusive forum provision benefits us, and our stockholders, by permitting relatively prompt resolution of lawsuits concerning our internal affairs, promoting consistent application of Delaware law in these lawsuits, and reducing the possibility of duplicative, costly, multi-jurisdictional litigation with the potential for inconsistent outcomes. However, the forum provision limits a stockholder's ability to bring a claim in a judicial forum that it believes may be more favorable than Delaware, and this could discourage the filing of such lawsuits.

FINANCIAL, ACCOUNTING AND CAPITAL MARKETS RISKS

The Market for Our Common Stock Is Volatile, Which May Affect Our Ability to Raise Capital or Make Acquisitions or May Subject Our Business to Additional Costs

The market price for our Common Stock is volatile and has fluctuated significantly over the past years. The trading price of our Common Stock could continue to be highly volatile and fluctuate widely in response to a variety of factors, many of which are not within our control or influence. These factors include but are not limited to the following: **Lam Research Corporation 2023 10- K 22**

- general market, semiconductor, or semiconductor equipment industry conditions;
- economic or political events, trends, and unexpected developments occurring nationally, globally, or in any of our key sales regions ;
- **macroeconomic, industry and market conditions, including those caused by the Russian invasion of Ukraine or bank failures; and geopolitical issues** ;
- variations in our quarterly operating results and financial condition, including our liquidity;
- variations in our revenues, earnings, or other business and financial metrics from forecasts by us or securities analysts or from those experienced by other companies in our industry;
- announcements of restructurings, reductions in force, departure of key employees, and / or consolidations of operations;
- margin trading, short sales, hedging and derivative transactions involving our Common Stock;
- government regulations;
- developments in, or claims relating to, patent or other proprietary rights;
- technological innovations and the introduction of new products by us or our competitors;
- commercial success or failure of our new and existing products; or
- disruptions of relationships with key customers or suppliers.

In addition, the stock market experiences significant price and volume fluctuations. Historically, we have witnessed significant volatility in the price of our Common Stock due in part to the price of and markets for semiconductors. These and other factors have adversely affected and may again adversely affect the price of our Common Stock, regardless of our actual operating performance. In the past, following volatile periods in the price of their stock, many companies became the object of securities class action litigation. If we are **Lam Research Corporation 2022 10- K 22** sued in a securities class action, we could incur substantial costs, and it could divert management's attention and resources and have an unfavorable impact on our financial performance and the price for our Common Stock.

We May Incur Impairments to Goodwill or Long-lived Assets

We review our goodwill identified in business combinations for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may exceed the fair value. We review all other long-lived assets, including finite-lived intangible assets, whenever events or changes in circumstance indicate that these assets may not be recoverable. The process of evaluating the potential impairment of goodwill and other long-lived assets requires significant judgement. Negative industry or economic trends, including reduced market prices of our Common Stock, reduced estimates of future cash flows, disruptions to our business, slower growth rates, or lack of growth in our relevant business units, could lead to impairment charges against our long-lived assets, including goodwill and other intangible assets. When evaluating goodwill, if we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative impairment test is performed and we may be required to record an impairment charge in that period, which could adversely affect our result of operations. When evaluating other long-lived assets, if we conclude that the estimated undiscounted cash flows attributable to the assets are less than their carrying value, we recognize an impairment loss based on the excess of the carrying amount of the assets over their respective fair values, which could adversely affect our results of operations. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely heavily on projections of future operating performance. We operate in a highly competitive environment and projections of future operating results and cash flows may vary significantly from actual results. Additionally, if our analysis indicates potential impairment, we may be required to record additional charges to earnings in our financial statements, which could negatively affect our results of operations.

Our Leverage and Debt Service Obligations May Adversely Affect Our Financial Condition, Results of Operations, and Earnings per Share

We have \$ 5. 0 billion in aggregate principal amount of senior unsecured notes outstanding. Additionally, we have funding available to us under our \$ 1. 5 billion commercial paper program and our \$ 1. 5 billion revolving credit facility, which serves as a backstop to our commercial paper program. Our revolving credit facility also includes an option to increase the amount up to an additional \$ 600. 0 million, for a potential total commitment of \$ 2. 1 billion. We may, in the future, decide to enter into additional debt arrangements. In addition, we have entered, and in the future may enter, into derivative instrument arrangements to hedge against the variability of cash flows due to changes in the benchmark interest rate of fixed rate debt. We could be exposed to losses in the event of nonperformance by the counterparties to our derivative instruments. Our indebtedness could have adverse consequences, including:

- risk associated with **the alternative reference rate reform (e. g. LIBOR transition)**;
- risk associated with any inability to satisfy our obligations;
- a portion of our cash flows that may have to be dedicated to interest and

principal payments and may not be available for operations, working capital, capital expenditures, expansion, acquisitions, or general corporate or other purposes; and • impairment of our ability to obtain additional financing in the future. **Lam Research Corporation 2023 10- K 23** Our ability to meet our expenses and debt obligations will depend on our future performance, which will be affected by financial, business, economic, regulatory, and other factors. Furthermore, our operations may not generate sufficient cash flows, to enable us to meet our expenses and service our debt. As a result, we may need to enter into new financing arrangements to obtain the necessary funds. If we determine it is necessary to seek additional funding for any reason, we may not be able to obtain such funding or, if funding is available, obtain it on acceptable terms. If we fail to make a payment on our debt, we could be in default on such debt, and this default could cause us to be in default on our other outstanding indebtedness. Our Credit Agreements Contain Covenant Restrictions That May Limit Our Ability to Operate Our Business We may be unable to respond to changes in business and economic conditions, engage in transactions that might otherwise be beneficial to us, or obtain additional financing because our debt agreements contain, and any of our other future similar agreements may contain, covenant restrictions that limit our ability to, among other things: • incur additional debt, assume obligations in connection with letters of credit, or issue guarantees; • create liens; • enter into transactions with our affiliates; • sell certain assets; and • merge or consolidate with any person. ~~Lam Research Corporation 2022 10- K 23~~ Our ability to comply with these covenants is dependent on our future performance, which will be subject to many factors, some of which are beyond our control, including prevailing economic conditions. In addition, our failure to comply with these covenants could result in a default under the Senior Notes, or our other debt, which could permit the holders to accelerate such debt. If any of our debt is accelerated, we may not have sufficient funds available to repay such debt, which could materially and negatively affect our financial condition and results of operation. There Can Be No Assurance That We Will Continue to Declare Cash Dividends or Repurchase Our Shares at All or in Any Particular Amounts Our Board of Directors has declared quarterly dividends since April 2014. Our intent to continue to pay quarterly dividends and to repurchase our shares is subject to capital availability and periodic determinations by our Board of Directors that cash dividends and share repurchases are in the best interest of our stockholders and are in compliance with all laws and agreements applicable to the declaration and payment of cash dividends or the repurchasing of shares by us. Future dividends and share repurchases may also be affected by, among other factors, our views on potential future capital requirements for investments in acquisitions and the funding of our research and development; legal risks; changes in federal, state, and international tax laws or corporate laws; contractual restrictions, such as financial or operating covenants in our debt arrangements; availability of onshore cash flow; and changes to our business model. Our dividend payments and share repurchases may change from time to time, and we cannot provide assurance that we will continue to declare dividends or repurchase shares at all or in any particular amounts. A reduction or suspension in our dividend payments or share repurchases could have a negative effect on the price of our Common Stock. **If One or More of Our Counterparty Financial Institutions Default on Their Obligations To Us or Fail, We May Incur Significant Losses. As part of our hedging activities, we enter into transactions involving derivative financial instruments, which may include forward contracts, option contracts, collars and swaps with various financial institutions. In addition, we have significant amounts of cash, cash equivalents and other investments on deposit or in accounts with banks or other financial institutions both in and out of the United States. As a result, we are exposed to the risk of default by or failure of counterparty financial institutions, which may be heightened during economic downturns and periods of uncertainty in the financial markets. If one of our counterparties were to become insolvent or file for bankruptcy, our ability to recover losses incurred as a result of default, or our assets deposited or held in accounts with such counterparty, may be limited by the counterparty' s liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. In the event of default or failure of one or more of our counterparties, we could incur significant losses, which could negatively impact our results of operations and financial condition.**