

Energy Conservation

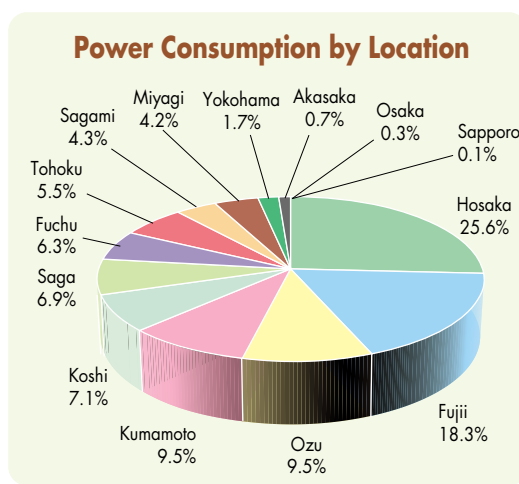
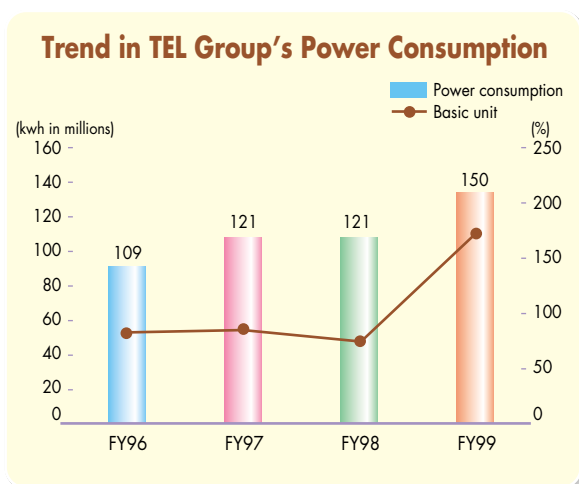


At the TEL Group, we promote energy conservation as a means preventing global warming. At all our facilities, we universally strive to reduce power consumption through such means as turning lights off during lunch hour and regulating air conditioners' temperature setting. At ISO14001-certified plants, we systematically promote energy conservation toward specific objectives and targets.

■ Main Energy Conservation Measures

- Reduction of power consumption by lighting and office equipment (at all facilities)
- Regulation of air conditioning temperature setting (at all facilities)
- Design and operation of capacity utilization reduction system for demonstration equipment (Yamanashi)
- Turning-off of vending machines at night (Osaka)
- Partial suspension of clean room use (Saga)
- Scheduled equipment shutdowns (Ozu, Yamanashi)
- Turning-off of compressors at night (Yamanashi)

In fiscal year 1999, we began keeping a tally of power consumption at non-manufacturing facilities in addition to manufacturing plants. At our manufacturing plants and research facilities, production and assessment equipment has continuously been operating at full capacity since the second half of fiscal year 1999. As a result, the TEL Group's aggregate power consumption increased substantially on a year-over-year basis in fiscal year 1999. Nonetheless, we will continue to promote energy conservation on an ongoing basis at all our facilities. For reference, the graph below includes fiscal year 1996 data for certain facilities.



Basic unit = $\frac{\text{Power consumption}}{\text{Sales}}$ (FY1997 = 100%)

■ Examples of Energy Conservation Initiatives

- In fiscal year 1999, the Saga Plant reduced its basic unit of power consumption per square meter by 20.4% relative to the fiscal year 1996 level, surpassing its target by 10%. The plants' energy conservation activities thus yielded substantial results, although the results were inflated by reduced production at the plant.
- At the Ozu Plant, we reduced power consumption by turning off lights during lunch hour throughout the plant and limiting use of air conditioning in certain areas. The result was a 9,000 kwh reduction in power consumption.
- At our Osaka Branch, we installed timers on beverage vending machines. The timers conserve energy by automatically turning the machines off at night.