

Relationship with Suppliers

We view our suppliers as indispensable partners in the effort to provide society with real value. Therefore, we strive to facilitate mutual growth by maintaining excellent communication with our suppliers.

Approach to Procurement

As part of its corporate message, the Tokyo Electron Group focuses on the following three items and strives to achieve the goals related to them:

- People:** We respect people and provide value that is meaningful to them.
- Technology:** We strive to achieve the most advanced technologies in the world.
- Commitment:** We promise to contribute to our customers', stakeholders' and local communities' success through corporate social responsibility.

The foundation of these goals is our philosophy of "respecting people," which has been TEL's guiding principle since its inception. Applying this basic philosophy to our procurement activities as well, we have established the following Basic Procurement Policy and are striving to fully implement it:

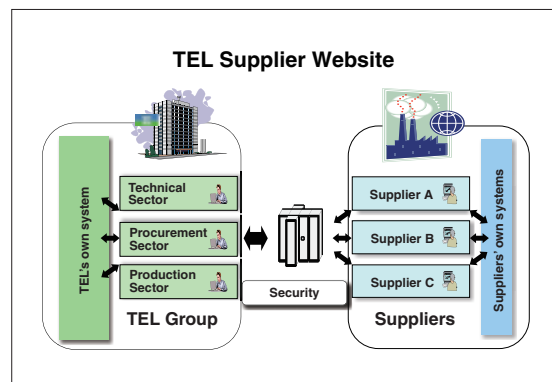
TEL Group's Procurement Policy

1. We will seek suppliers throughout the world and provide them with opportunities for fair and equitable business opportunities.
2. We will conduct our procurement activities by comprehensively evaluating functions, performance, quality, price, delivery lead-time, service, and stable supply.
3. We will share our medium- to long-term vision with our suppliers, pursue technical innovations and profit based on mutual trust, and build partnerships that will continue to grow together.
4. We will comply with all legal and social codes of the countries in which we conduct business, and engage in business transactions that are safe and environmentally considerate.

Communication with Suppliers

The TEL Group uses EDI* for procuring parts and materials, but also operates its own website as a two-way tool for communicating with suppliers. The website can be linked to the internal systems of both the TEL Group and the supplier. Utilizing the various types of content on the website, data and information required for day-to-day operations can be exchanged quickly and accurately in a paperless and bi-directional manner. In addition, the website also makes delivery/receipt history and progress management visible, thereby improving overall efficiency. For building this system, the Group has strived to put in place a secure environment that maintains a high level of security and allows for quick recovery after a system failure.

*EDI (Electronic Data Interchange) is a framework to electronically exchange information among corporations that is related to commercial transactions, in a unified standard format.



Strengthening the Supply Chain

In order to strengthen our supply chain, the TEL Group has launched joint projects with our suppliers. In FY2009, for example, we held the annual presentation and discussion on growth strategies and environmental initiatives, addressing the specific topic of "Targeting medium to long term growth together in a new economic environment."



Ensuring Future Growth

The semiconductor and FPD production equipment industry, which constitutes a pillar sector of the TEL Group's business, is an extremely volatile market. TEL understands this market uniqueness as the opportunity for the next growth, and commit to increase share and improve our ability of development and manufacturing.

In pursuit of these goals, we have made many improvements as a result of repeated discussions with our suppliers; and we will consider their future suggestions as well, as we continue to work to create solid value for our customers and ensure their growth along with our own.