

## Comments from a Third-Party Expert

I have read Tokyo Electron's Environmental and Social Report 2011 and received an explanation of the Company's environmental and social activities from staff at TEL's Corporate Environment Promotion Department. Here I express my view on this report as a third-party expert. I would also like to note that I had an opportunity to visit the Company's Fuchu Technology Center as part of this review.

### 1. TEL's Corporate Philosophy and Support of the Earthquake Recovery Effort

First, I would like to comment on the Company's initiatives to support the recovery effort in the wake of the Great East Japan Earthquake as mentioned in the report's highlights section. Based on its business continuity plan (BCP), the TEL Group set up the Earthquake Emergency Response Headquarters immediately after the earthquake, then investigated and confirmed the extent of damage suffered by its four plants in the Tohoku region. This prompt and precise response enabled the Company to return each of its plants and offices back to normal operations at present. As part of its basic management philosophy, the TEL Group states that it will provide high value added technologies and services to its customers as a leading supplier, and under this basic philosophy, the Group dispatched a large number of engineers to the afflicted areas following the earthquake and was able to provide a speedy response to ensure that its customers were able to maintain their operations. During emergencies, leadership and its orders tend to fall into disarray, in many cases leading to difficulties and problems, but I believe the daily commitment of each and every employee to share and understand the Company's philosophy and code of conduct helped the TEL Group respond in an appropriate manner.

### 2. Overseas Expansion and Environmental Initiatives

The TEL Group's overseas sales now account for around 73% of its total sales (fiscal 2011). Of this, Asia, including South Korea and Taiwan, accounts for approximately three-fourths of the Group's overseas sales. Therefore, the Company's environmental initiatives are needed not only in Japan, but on a global scale. As such, the TEL Group has defined an environmental commitment in which it is aiming to develop products that will reduce its total environmental impact by half in 2015, compared to 2007 figures, including CO<sub>2</sub> emissions from new customer plants. This will naturally help protect the global environment. And, by sharing its environmental philosophy and targets with customers—thus generating more shared values—the TEL Group will be able to develop a positive relationship with customers and society. I believe this will have a positive effect on the Company's business performance over the long run. This commitment specifically promotes the development of products from the design stage that are more energy efficient and use lower amounts of regulated chemical substances, as well as spells out solutions to curbing environmental impacts, reducing steps and streamlining equipment for customers' semiconductor manufacturing processes. Going forward, I hope that the TEL Group will continue to fulfill its responsibilities to society as a leading supplier.

### 3. Environmental Initiatives in Plants and Offices

Today, companies are faced with added demands to curb the use of commercial electricity as a result of shortages in the wake of the Great East Japan Earthquake. The TEL Group has responded by installing photovoltaic power generation systems and graphically visualizing its electricity usage through power monitors at several of its plants and offices. As part of this third-party comment, I visited the Fuchu

Technology Center and got a first-hand look at the front lines of the Field Solutions business which engages in the maintenance, repair and modification of the Group's semiconductor production equipment already in use by customers. During my visit, TEL employees provided an explanation about the fact that many of the Company's older models are still being used because modifications have helped to extend their service life. I understood that this helps reduce the environmental impact as well as enables the customer to curb their use of natural resources and cut costs.



### 4. Health and Safety Initiatives

Employees are the most essential resource for enhancing the performance of a company. Therefore, it is important to build a work environment where all people involved in business activities can work safely and stay healthy. The key to bringing out the best in employees is good health. According to the Constitution of the World Health Organization, health is the state of complete physical, mental and social well-being, but also encompasses a wide range of other conditions. This report mentions that the number of workplace accidents involving injuries or fatalities in fiscal 2011 increased over the previous year. Although this is attributable to an increase in production due to a rapid launch into new markets, I would like to closely monitor the future results of the TEL Group's initiatives already underway to reduce the number of workplace accidents.

### 5. Future Issues

I was able to fully understand the TEL Group's passion and serious efforts toward the environment and society from this report. My recommendation would be to better reflect the needs of stakeholders in the content of this report by including greater commentary on eco-friendly products and solutions for customers, and explanations of semiconductors and production equipment for general consumers. In addition, greater explanation of the relationship between the Company's environmental as well as social activities and its business performance and future outlook would be helpful for investors and stockholders. I believe these additions would enable the report to win over an even larger audience of readers.

Note: The third-party comment above does not contain opinions on the accuracy or completeness of the information included in this report.

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