

The Code of Ethics of Tokyo Electron Group

Established Date : August 14, 1998

Revision Date: August 1, 2016

Introduction

Tokyo Electron Group, in its aim to be a globally excellent company recognized by people worldwide, established this Code of Ethics to be observed by its board members and employees.

In dealing with shareholders, customers, business associates, local communities, and others outside the company with whom we come in contact during the course of business, we must make the utmost effort to disclose accurate information in the appropriate manner and at the appropriate time, meet the expectations of our shareholders, and earn the trust of customers and business associates. We must not pursue short-term gains by concealing or distorting information that should be disclosed, or lose the trust of people outside the company by providing misleading information.

Moreover, in doing our business globally, Tokyo Electron Group board members and employees all over the world must maintain high ethical standards and a spirit of fairness and honesty. We are also required at all times to comply with the laws of each country and region, as well as international regulations, and maintain high standards of ethics, morals and social conscience. We do not tolerate corruption among our personnel or business partners and seek to comply with all applicable anti-corruption laws.

In particular, Top Management must be aware that its role is to create a corporate culture that ensures compliance with and implementation of this Code of Ethics by all board members and employees, and must take the initiative and set a good example in order for strict compliance within the Tokyo Electron Group.

When a deviation from this Code of Ethics occurs, Top Management and particularly the Chief Business Ethics Director will initiate an investigation of the causes, and take measures to prevent any reoccurrence. Top Management will also promptly and accurately disclose information and undertake accountability, clarifying where responsibility lies, and severely punish those involved, with management being no exception.

In the future, this Code of Ethics may be revised in response to changes in the environment of the company and the requirements of the times.

Compliance with Applicable Laws

Tokyo Electron Group board members and employees must comply at all times with the applicable laws and regulations of each country and region as well as with international regulations, in doing the global business activities, while abiding with corporate ethics and putting them into practice in a spirit of good faith.

[Explanations]

Business activities of Tokyo Electron Group (referred to as "TEL" in the Explanation hereinafter) have expanded to a global scale. When conducting these activities, it is necessary to understand fully and comply with the laws and regulations of each country and region as well as the international regulations so that we can meet the expectations of stakeholders, including customers, suppliers, shareholders, investors, and governmental agencies, and engage in effective and efficient business activities.

It is important to remember, however, that these laws and regulations are the minimum standards with which TEL board members and employees must comply. In addition, it must regulate its own conduct and establish corporate ethics that suit its activities as a member of global community.

And, laws, regulations, and corporate ethics undergo constant change in line with changing times and social developments, and therefore we must act in compliance with these changes.

Furthermore, as a publicly listed company group, TEL has a social and legal obligation to disclose publicly its financial and other information. TEL has implemented controls and procedures to promote full, fair, accurate, timely and understandable disclosure in its published reports and documents.



Acting in Accordance with Social Conscience

Tokyo Electron Group board members and employees must act in accordance with social conscience based on a high ethical awareness.

[Explanations]

TEL board members and employees must at all times maintain an awareness of being members of society and act in accordance with social conscience. In addition, they must continuously strive to raise their ethical awareness. This requires self-development by each individual. At the same time, by reinforcing the company's ethical education, we will achieve improvements in both the individual and organizational levels.



Maintaining Harmonious Relationships with Local Communities

Tokyo Electron Group board members and employees must be aware that both themselves and the company are members of their local communities, and must strive to achieve mutually beneficial development while collaborating with these communities.

[Explanations]

TEL conducts business around the world. No matter where we conduct business, we must act appropriately as a member of the local community. This means that we must place great emphasis on our relationships within each country and region, and fulfill the roles that we are expected to play. TEL board members and employees must have an adequate understanding of the history, culture, customs, and social conditions of the countries and regions in which they conduct business, and in addition to respecting local practices, the company must strive as good corporate citizens to contribute more to the prosperity of local communities.



Ensuring Safety and Pursuing Quality

Tokyo Electron Group board members and employees must ensure safety and pursue quality in all their business activities including development, manufacturing, sales, service, and administration.

[Explanations]

Accidents that arise from a lack of consideration for safety will harm the social trust that TEL has built up over many years. A minor error concerning quality may result in substantial losses to the customer, and also destroy the trust our customers have in the company. Safety and quality must take priority over everything else. TEL board members and employees must be aware that underestimating safety and quality may easily destroy trust and confidence in the company. We must build a corporate culture that places the highest priority on safety and quality even if it leads to temporary increases in costs.

When conducting our business, we must promote the concepts of safety-first and quality to all people involved in TEL's business, including customers and employees, based on the "Management Polices," the "Safety Policy," and the "Quality Policy" and strive to obtain their understanding for such concepts. For example, safety and quality should not be compromised to increase profit or bring forward a schedule. In case of a potential conflict of this nature, the concerned person in charge should notify a supervisor to report the situation and seek ways to resolve the conflict. The supervisor should consult with customers regarding changes in cost and scheduling that would be necessary to maintain the concepts of safety-first and quality.

In addition, we must comply with occupational safety and health laws and regulations as well as internal rules to ensure that worksites are safe and clean, to prevent work-related accidents and to maintain the health of all personnel.



Promoting Environmental Preservation Activities

Tokyo Electron Group must conduct its business activities while maintaining harmony with the global environment.

[Explanations]

TEL has a social responsibility to preserve and continuously improve the global environment, which is the common heritage of mankind, and has made environmental protection a top priority. Based on this awareness, we have formulated the "Environment Policy," with the objective of integrating environmental preservation activities and being a company trusted by all people that have a relationship with our businesses. In addition, we work to minimize the environmental impact of our products from the initial development stage by promoting measures such as:

- (1) limiting materials used and waste generated;
- (2) using recyclable products; and
- (3) placing priority on the use of safer alternatives to hazardous substances.

All TEL board members and employees are requested to share this commitment to preserving the global environment, understand the company's policies, and should strive to act in a way that reduces the burden placed on the environment in the course of day-to-day business.



Ethics in Manufacturing

Tokyo Electron Group board members and employees must engage in manufacturing with a high ethical awareness and a spirit of good faith.

[Explanations]

TEL provides high-tech products that would bring numerous conveniences and comforts in the day-to-day lives of people. To continue providing high-quality products and services, TEL strives ceaselessly to achieve new technological innovations. At the same time, however, technological development may also entail risks to the life and assets of individuals as well as to the global environment. The materials that we handle, for example, can have a variety of effects on the global environment, and the improper use of technology may have adverse effects on the safety and health of people as well as the safety of society.

TEL board members and employees must understand these two aspects of technology (both the benefits and the risks) and strive to provide excellent products and services while taking the highest level of care. This requires that personnel efforts to enhance their expertise and skills as well as raise their awareness of ethics concerning manufacturing. Manufacturing, as the term is used here, refers not only to the production of goods, but to all aspects of the production and sale of goods, including product development, start up, maintenance and remodeling, and transportation.

Furthermore, TEL will work to nurture next-generation engineers with a high ethical awareness and hand down technologies to ensure the continuous development and prosperity of both TEL and society.



Implementing Fair and Open Competition

Tokyo Electron Group must not engage in any conduct that hinders competition in fair and open markets.

[Explanations]

Conduct that hinders fair and open competition, including discussions with competitors concerning pricing, terms of trade, and allocation of markets or customers, are prohibited by antitrust laws and shall be subject to penalties. As a business entity, TEL needs to make efforts to make a profit, but we must always aim to develop our business fairly with the goal of generating profit by doing so.

In so far as we sell products and services, we must explain the advantages of these products and services in an appropriate manner. For example, using language that slanders other businesses, or utilizing data which is not backed up by factual proof to compare our products favorably with those of other companies, is impermissible.

Arrangements and agreements regarding restrictions on competition (including bid-rigging) are said to be often concluded in meetings, including meetings of industry associations. Even if the intent is a simple exchange of information, there are instances where the result can be interpreted as a restriction on competition, and consequently it is necessary under these circumstances to be sure that topics such as pricing and terms of trade must be avoided.



Fair Business with Suppliers

Tokyo Electron Group selects suppliers based on fair standards. When conducting business with suppliers, we must not use our dominant bargaining position in a transaction to unfairly harm the interests of suppliers.

[Explanations]

TEL conducts business with a wide range of suppliers that provide products and services, such as supplying materials and goods, and services related to systems or software. TEL selects suppliers based on objective and fair assessments taking into consideration quality, technology, price, delivery times, and other reasonable standards.

Furthermore, TEL must conduct business with suppliers fairly, recognizing that we are generally in a dominant bargaining position vis-à-vis suppliers when we are a customer purchasing products and services. TEL must not use this dominant position to unfairly harm the interests of suppliers. Conduct such as cutting prices unfairly, delaying payment, unreasonably refusing to accept or return goods ordered, and forcing suppliers to purchase products specified by TEL is strictly prohibited.



Respect for Intellectual Property

Tokyo Electron Group respects the intellectual properties both of ours and also third parties, and protects, manages and utilizes them appropriately.

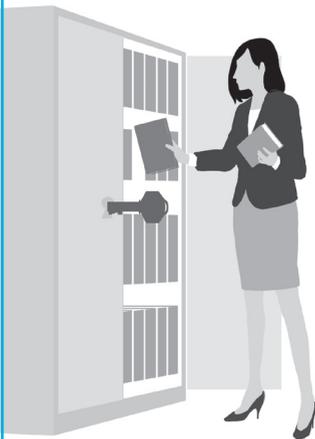
[Explanations]

Intellectual property rights, including patent rights, utility model rights, design rights, trademark rights and copyrights, and confidential information, such as know-how, are essential intellectual properties for securing advantages of company's products and services. In order to achieve sustainable growth of TEL, it is essential to protect, manage and utilize the intellectual property generated through its business activities in an appropriate manner. In addition, in view of fair competition, it is also crucial to respect the intellectual property of third parties.

TEL board members and employees encourage activities to create the intellectual properties in TEL's business, including inventions, ideas and designs, and to protect and utilize the results of these activities as intellectual property rights. At the same time, we must also ensure that TEL's products and services do not infringe upon the intellectual property rights of third parties.

TEL board members and employees must define the classification and scope of disclosure of confidential information, control access to such information in an appropriate manner so as to prevent improper dissemination. Both while employed at the company and after leaving employment, it is also prohibited to disclose confidential information beyond its authorized limits. When leaving TEL employment, persons must erase, destroy or return electronic files and material objects that contain confidential information.

TEL respects the confidential information of third parties and prohibits the improper acquisition of confidential information as well as its improper use. Unnecessary confidential information should not be acquired from third parties without due consideration, even if it is acquired properly. Improper use of information includes the use of confidential information obtained while working for other companies before joining TEL. Confidential information of third parties that has been properly obtained must be managed in an appropriate manner, in accordance with company rules and with arrangements made with the third parties.



Strict Export/ Import Controls

Tokyo Electron Group board members and employees must comply with all applicable laws and the company's regulations based thereon concerning the import and export of goods and transfers of technology.

[Explanations]

The products, materials, and technologies that TEL handles have the potential to be used for the development of weapons, and for this reason they are subject to control under export/import-related laws and regulations. TEL board members and employees must be aware that the improper use by others of TEL products and technologies may threaten international peace and stability, and that consequently TEL must implement strict import and export controls to prevent any such occurrences.

TEL board members and employees shall comply with security trade laws and regulations as well as other applicable laws and regulations of various countries and regions with respect to all imports and exports of products, materials, and technologies, and shall comply with all internal regulations and act based on them, including necessary licensing procedures with supervisory governmental agencies.



Reasonable Exchanges of Gifts and Entertainment within the Bounds of Common Sense

Tokyo Electron Group board members and employees must not give gifts to, or receive them from, a company or individual based on a business relationship, beyond the bounds of common business practice in the relevant location. Giving or receiving gifts of cash or cash equivalents is prohibited, regardless of the amount.

Furthermore, entertainment with companies or individuals with whom one has a work-based relationship must be carried out moderately within the bounds of common sense.

[Explanations]

The decision to give or receive gifts should be based on common sense. Giving or receiving gifts in a manner that interferes with fair business practices, or could be viewed as illegal, is prohibited whether one is to give or to be given. In addition, giving a gift must conform to the policies of the other party. In receiving gifts, care must also be taken to avoid any conflicts of interest or damage to TEL's image. Giving or receiving sums of money or monetary equivalents is prohibited regardless of the amount, except for purposes recognized as appropriate in common practice and subject to the internal rules, such as condolences or expressions of sympathy in some countries and regions.

In general, dining and entertainment within the scope of generally accepted social practice is acceptable, but care must always be exercised to avoid any irregularities.

In principle, gifts or entertainments of any kind must not be provided to government or public officials. Exceptions to this principle, such as giving novelty items bearing the corporate logo, must not exceed the limits of what can be considered reasonable from both a legal and commercial practices perspective. This is intended to prevent acts that may be considered bribery or collusion. In most countries, giving gifts to or entertaining government or public officials is subject to regulations, and special care should be exercised. Transgressions may result in severe punishments not only for the company but also for the individual responsible for giving the gift or entertainment.

From November 1998, TEL has prohibited giving or receiving seasonal gifts.

For specific guidelines on sending gifts, refer to the "Internal Rules Concerning Gifts" in this Code of Ethics.



Prohibition of Conduct Causing Conflicts of Interests

Tokyo Electron Group board members and employees must not, without due cause, engage in conduct that is, or appears to be, to their own personal benefit and contrary to the interests of the company (conduct causing conflicts of interests), or which runs the risk of leading to such conduct. In addition, Tokyo Electron Group board members and employees must not use their position in their work for their own personal benefit.

[Explanations]

Conduct that is, or appears to be, to the benefit of an individual and contrary to the interests of the company (conduct causing conflicts of interests), or which runs the risk of leading to such conflicts of interests, include:

- (1) receiving personal privileges from a supplier and others or
- (2) combining with a board member or an employee of another organization.

Such conduct poses a risk of placing higher priority on the interests of the individual and harming the interests of the company.

TEL board members and employees have an obligation and a responsibility to perform their duties for the benefit of the company and must be cautious to not engage in conduct that causes or appears to cause conflicts of interests. TEL board members and employees must not seek or receive privileges or special treatment from suppliers and others, even if that is the preference of them.

Concurrent employment with another organization is prohibited except when approved by the company.



Prohibition of the Improper Use of Company Assets

Tokyo Electron Group board members and employees must not improperly use company assets for their own personal benefit.

[Explanations]

TEL's facilities, equipment, tools, materials, office supplies, and so on are to be used for the performance of the company's business. TEL board members and employees need to be aware that if these items are used for any other purpose, wasted, or removed from company facilities without permission it constitutes improper use and in some instances may even constitute criminal conduct.

The prohibition against improper use is not limited to the above-mentioned tangible items, and also includes TEL's intangible assets such as software, internal information, customer information, and data concerning market shares and so on. For example, installing on a home PC a copy of software that the company purchased or using a company PC for personal purposes are clear cases of improper usage of company assets, and TEL board members and employees must not conduct such improper usage.



Prohibition of Conduct of Harassment

Tokyo Electron Group does not allow any form of harassment in the workplace.

[Explanations]

Harassment generally refers to inappropriate conduct that is disagreeable to others and can take a variety of different forms. Common forms of harassment in the workplace include sexual harassment and power harassment, which is made on the basis of any kind of power or influence in the workplace. In all cases, harassment results in a deterioration of an individual's working environment and leads to unease about continuing employment at TEL.

TEL board members and employees must respect each person as an individual and endeavor to create a working environment that allows people to fully display their abilities. Harassment keeps employees from optimizing their abilities causing loss for the company, and should never be allowed. The company will deal with any type of harassment severely, and discipline may include termination of employment. In addition, further harassment and retaliation of personnel who report harassment will be treated in the same severe manner.

Sexual harassment generally entails harassment of a woman by a man, but also includes harassment of a man by a woman.

TEL board members and employees must maintain a proper understanding of harassment and strive to maintain a unified workplace by preventing harassment. The "workplace" means not only the regular places of work, but also customer facilities, restaurants, and other places where meetings and interaction among personnel may occur for business reasons.



Prohibition of Insider Trading

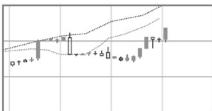
Tokyo Electron Group board members and employees must not engage in the purchase or sale of stocks on the basis of information not disclosed to the public that they obtained in connection to their work duties or business transactions (insider trading).

[Explanations]

Personnel have access to information within the company that has not yet been disclosed to general investors, and the use of such information for buying or selling stocks could result in significant profits. Because general investors are not able to use this information, the use of it is extremely unfair, and therefore prohibited by regulations on insider trading. The scope of insider trading regulations includes transactions using family members and the names of any other connected parties.

When buying and selling shares of other companies, whether they are publicly traded or not, it is necessary to exercise care that regulations on insider trading are not violated. This includes accepting offers of shares at low prices with respect to shares that are privately-owned or have yet to be released on the market, as well as purchasing the shares of suppliers or others based on information that has not yet been made public. These types of conduct must be avoided.

If you have a question on whether a particular transaction constitutes insider trading, please consult with Tokyo Electron Limited's General Affairs Dept.



Prohibition of Political Activities and Contributions

Tokyo Electron Group board members and employees must not engage in political activities at the workplace. In addition, Tokyo Electron Group does not make donations of money or company assets to politicians (including candidates) or political parties.

【Explanations】

Political activities are prohibited in TEL's workplaces.

TEL does not support any political party, political organization, or politician (including candidates) at the local, regional or national level. TEL's business should be based on activities aimed at providing high-quality products and services, not on receiving support as a result of contributions to political organizations and politicians.

TEL's capital and assets are not deployed with the goal of supporting political organizations and politicians. Such activities may also violate the law.

If entities with which TEL does business attempt to involve TEL in political activities involving the support of political organizations or politicians, we will explain our policies so that our refusal to offer support will be understood.



Prohibition of Involvement in Antisocial Forces

Tokyo Electron Group must not have any relationship, including business relationships, whatsoever with antisocial forces that are likely to disrupt the public order, safety of the public, or the corporate activities. In addition, Tokyo Electron Group must not provide any financial support or accommodation for any reason to antisocial forces.

[Explanations]

Antisocial forces (such as gang group) often disguise their intentions to take advantage of unwitting corporations and individuals. There has been an increase in deceitful and malicious practices where antisocial forces masquerade as ordinary businesses and organizations and seek donations or participation in business transactions. There have also been cases where antisocial forces send unsolicited books or magazines and then demand payment or subscription. Even in the case of legal transactions, proceeds may become funds that support the activities of antisocial forces. Firm refusal to comply with improper demands from antisocial forces and avoiding all relationship with such organizations is an important responsibility as a member of society. Behind-the-scenes transactions that hide the actual facts must never be conducted even in cases of improper demands arising from scandals involving business activities or employees.

Undue demands from antisocial forces should be dealt with by the entire organization with a lead role played by the General Affairs Department of the company in question. If a dubious organization makes contact, immediately contact your General Affairs Department. TEL will respond to such undue demands by coordinating with the police, other concerned bodies and its attorneys, and will adopt a firm attitude, including taking appropriate civil and criminal legal measures.



Respect for Human Rights

Tokyo Electron Group respects human rights and does not discriminate on the basis of gender, nationality, age, race, creed, religion, mental or physical disabilities, sexual orientation, or any other reason. Tokyo Electron Group does not use forced labor or child labor.

[Explanations]

TEL does business globally with a broad variety of people. Moreover, TEL board members and employees include people from around the world with widely varying backgrounds. TEL respects all human rights, including labor rights. In addition, TEL respects each person as an individual, and does not discriminate on the basis of gender, nationality, age, race, creed, religion, mental or physical disabilities, sexual orientation, or any other reason. It is important that personnel respect and understand the different customs and values of their colleagues.

In addition, TEL makes positive efforts with respect to both physical and nonphysical aspects, to create work environments where diverse individuals can fully display their abilities, including the development of work environments (e.g. barrier-free).



Implementation of the Code of Ethics

(Individual matters)

An outline of how to handle individual matters (details) concerning each item of the Code of Ethics shall be determined separately by the Business Ethics Committee.

(Procedures)

Procedures for necessary items, such as reports to superiors in accordance with the Code of Ethics, shall be determined separately by the Business Ethics Committee.

(Inquiries)

Any person with questions about the Code of Ethics should follow the procedure below.

- (1) Firstly, a person who has a question and/or issue about the Code of Ethics, or ethics in general, should discuss with their superior.
- (2) The superior shall report the conclusion of the issue to the Human Resources (HR) department of each company when the issue is resolved by the superior. The HR department shall deal with any issue not resolved by the superior.
- (3) Tokyo Electron Limited's HR department shall report the above matters to the regular meeting of the Business Ethics Committee. Also, the Business Ethics Committee shall solve the matters deemed necessary.
- (4) In the event that an individual (including a superior), group, or organization within the company deviates from this Code of Ethics or attempts or carries out antisocial activities, the Business Ethics Committee Chairman or the Chief Business Ethics Director shall be notified without delay. The source of such information shall be kept confidential.

E-mail address for ethics inquiries: telhotline-ethics@tel.com

Access to this e-mail account is limited to the Business Ethics Committee Chairman and the Chief Business Ethics Director.

(No detrimental treatment)

No person who submits a question, seek advice, or provides information concerning this Code of Ethics shall be subject to any disadvantageous treatment or prejudice as a result thereof.

(Deviation from the Code of Ethics)

Responses to occurrences of behavior which deviate from the Code of Ethics shall be reported immediately by Business Ethics Committee Chairman to Chief Business Ethics Director and appropriate action will be taken by the company. The company will conduct promptly a full and fair investigation of alleged violations of law or company policy. Violation by any board member or employee may result in disciplinary action, up to and including termination of employment for actions that violate this Code of Ethics, or other TEL's policies, or any laws.

(Revisions to the Code of Ethics)

This Code of Ethics may be revised by the Chief Business Ethics Director following discussions with the Business Ethics Committee. In the case of any revisions, the Chief Business Ethics Director will communicate the contents of the revisions to the Tokyo Electron Limited board of directors before the revisions come into effect.