Environmental Report 2002

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Environmental and Safety Activity Record
May. 1994 Standardization & Environmental Safety Center (Environmental, Health & Safety Center)
Mar. 1996 Product Safety Subcommittee (TEL Group Worldwide Product EMS Committee) launched
Apr. 1996 Environmental Subcommittee (TEL Group EMS Committee) launched
Dec. 1997 Sagami Plant earns ISO14001 certification
Feb. 1998 Totsuka Plant earns ISO14001 certification
Mar. 1998 Saga Plant earns ISO14001 certification
Mar. 1998 Kumamoto and Korihi Plants earn ISO14001 certification
May. 1998 Yamanashi Plant earns ISO14001 certification
Sept. 1998 The TEL Group Credo on Environmental Preservation established
Nov. 1998 The TEL Group Credo and Principles on Safety & Health created established
June 1999 “Safety First” declaration established
Aug. 1999 Ozu Plant earns ISO14001 certification
Dec. 1999 The item “Health, Safety and the Environment” added to the Management Philosophy
Jan. 2000 Study begins on implementing environmental accounting
Apr. 2000 Unified safety training system “Safety 2000” implemented
Apr. 2000 Study begins on implementing LCA (life-cycle assessment)
Sept. 2000 Study begins on implementing green procurement
Apr. 2001 Study begins on implementing environmental training for office not yet ISO14001-certified

Corporate Profile

Company name: Tokyo Electron Limited (TEL)
Address: TBS Broadcast Center, 3-6 Akasaka
5-chome, Minato-ku, Tokyo 107-8481
Phone: +81-3-5561-7000
Representative: Tetsuro Higashi, CEO, President
Established: November 11, 1963
Capital: ¥47,213,750,000 (as of April 1, 2002)
Main products: Semiconductor production equipment (developed in-house), flat panel displays (FPD) production equipment (developed in-house), semiconductor production equipment (imported), computer network related products, electronic components
Employees: 1,530 (as of April 1, 2002)
Group employees: 10,269 (as of April 1, 2002)
Sales (consolidated): ¥417,825,000,000 (FY ended March 2002)

Editorial Policy

This is TEL’s third Environmental Report. Our first priority has been to make this report easy to read and comprehensive, to give you a better understanding of TEL’s environmental, health and safety initiatives, as well as the achievements of its societal contribution efforts during fiscal 2001. The TEL Group’s business operations are wide-ranging; therefore, it is our hope that this report will gain the widest possible reach and help further to open channels of communication with all those concerned with TEL. We welcome your opinions and impressions of this Environmental Report so that we may continue to develop our Editorial Policy.

The Ministry of the Environment’s Environmental Reporting Guidelines (Fiscal Year 2000 Version) and the guidelines of the Global Reporting Initiative, which sets international guidelines for corporate reporting, helped to guide the creation of this report.

Range of Coverage

Organizations covered: This report covers initiatives of the entire TEL.

<Major Asian Bases>

<Major American Bases>

<Major European Bases>

<Major Asian Bases>
Tokyo Electron Korea Ltd., Tokyo Electron Taiwan Ltd., Tokyo Electron (Shanghai) Ltd.

Period covered: This report contains data for the period April 1, 2001 - March 31, 2002.

Areas covered: This report addresses the TEL environmental management, as well as social and economic aspects of corporate societal contributions and other activities.
Japan's semiconductor production technology is said to be crucial to the entire world, but TEL got its start offering the most advanced semiconductor production equipment from the U.S. to semiconductor manufacturers in Japan. Later, Japanese manufacturers started looking for equipment built to their own specifications, so TEL’s role grew to include equipment modification. In the process, TEL began to manufacture equipment for itself. Presently, we have grown into a company that develops and manufactures nearly all products we carry. Thus, TEL’s history is the story of the evolution of a trading company into a manufacturer.

Manufacturing semiconductors and flat panel displays involves many processes which require assembly with specialized machinery during each process. TEL provides most major types of equipment used in the manufacturing process. At present, TEL is the second largest manufacturer of semiconductor and FPD production equipment worldwide, measured on the basis of sales.

TEL started with the import, sales and service of U.S.-made products, and since the 1990s, has exported Japanese-made equipment to semiconductor and FPD manufacturers in countries around the world, including the Americas, Europe and Asia. Currently, overseas sales account for about 70% of total sales.

**Net Sales by Division (Consolidated)**

- Semiconductor and FPD Production Equipment: ¥325.7 billion
- Electronic Components: ¥73.7 billion
- Computer Network: ¥17 billion
- Others: ¥1.4 billion

**Net Sales (Consolidated)**

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<th>Year</th>
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<tr>
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<td>7,238</td>
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<td>2002.3</td>
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**Ordinary Income (Consolidated)**

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<tr>
<td>1998.3</td>
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<td>1,192</td>
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<td>2002.3</td>
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**Number of Employees (Group)**

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<td>10,720</td>
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<td>2002.4</td>
<td>10,269</td>
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FPD (flat panel display): A thin flat display. FPDs include liquid crystal and plasma displays.

Semiconductor and FPD production processes: Semiconductor production processes can be broadly divided into front end processes, in which circuits are formed on a silicon monocrystal panel (i.e., a wafer), and back end processes, in which packages are assembled. Semiconductors and FPDs are both produced using 200-300 process steps.