

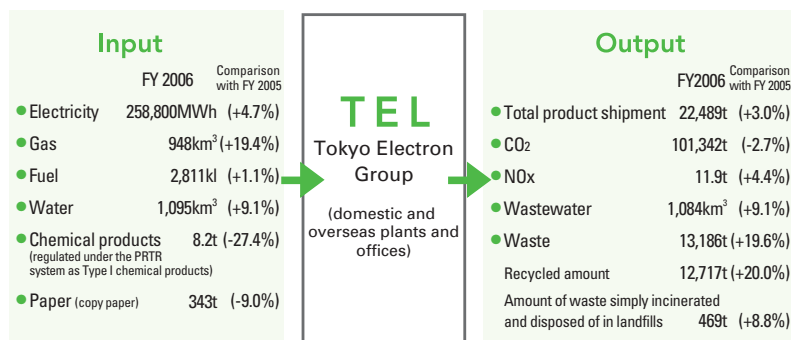
Details of Environmental Impact/Environmental Accounting

We fully understand the details of environmental impact caused by our business operations and obtain accurate environmental accounting data to utilize them in our business management.

■ Details of Total Environmental Impact

The Tokyo Electron Group uses a large amount of natural resources in conducting its business. As shown on the right, manufacturing plants and office facilities of the Group have material flows that can be characterized by large environmental impact caused in the process of evaluating products. This is because we evaluate our products (semiconductor production equipment) using electricity and diverse chemicals in the form of gases, as in the actual semiconductor manufacturing process.

Input-Output



■ Environmental Accounting

Scope: Major plants and offices in Japan (in Sapporo, Tohoku, Miyagi, Akasaka, Fuchu, Yokohama, Sagami, Hosaka, Fujii, Amagasaki, Osaka, Saga, Kumamoto, Koshi, and Ozu)

Period covered: April 1, 2005 – March 31, 2006

We conduct environmental accounting according to the Environmental Accounting Guidelines 2002 and the Environmental Guidebook II issued by the Ministry of the Environment.

Environmental Protection Costs in FY 2006

(In thousands of yen)

Item	Main initiatives	Capital investment	Expense
1. Business area cost		189,127	753,803
Itemization			
1.1 Pollution prevention costs	Prevention of air pollution, water pollution, soil pollution, etc.	65,719	330,228
1.2 Global environmental costs	Prevention of global warming, protection of the ozone layer, etc.	123,408	35,364
1.3 Resource circulation costs	Efficient use of resources, reduction of waste, etc.	0	388,211
2. Upstream/downstream costs	Green purchasing, green procurement, etc.	5,538	89,474
3. Management activity costs	Environmental education, monitoring and measurement of environmental impacts, etc.	12,852	183,974
4. Research and development costs	Product R&D, etc.	0	1,721,077
5. Social activity costs	Tree planting and vegetation, supporting of local environmental activities, information disclosure, etc.	0	79,134
6. Environmental damage costs	Repairing of damage to the natural environment, etc.	0	0
7. Other costs	Other	0	0
Total		207,517	2,827,462

Economic Benefits of Environment Protection Activities in FY 2006

(In thousands of yen)

Classifications of environmental costs		Details	Amount
Cost reduction	Benefits related to electricity and other energy	Reduced electricity usage (e.g. benefits from adopting an inverter system on refrigeration equipment)	126,763
	Water-related benefits	Reduced water usage (e.g. circulating of cooling water)	1,953
	Paper-related benefits	Reduced paper usage (e.g. encouragement of duplex copying and use of electronic media)	732
	Resource-related benefits	Reduced use of heavy oil and gas	-734
	Other benefits	Reduced use of liquid nitrogen and copying toners	103,240
	Waste-related benefits	Reduced waste volume	-168,242
Cost reduction subtotal			63,712
Profits	Waste-related benefits	Profits obtained from selling recyclable waste, etc.	2,389
Profit subtotal			2,389
Grand total			66,101