

Relationship with Customers and Suppliers

- In order to enhance customer satisfaction and realize mutual prosperity
- with suppliers, the Tokyo Electron Group ensures that its policies on
- product quality and procurement are and remain fair and honest.

● Our approach to product quality

The objective of the Tokyo Electron Group's product quality policy is to generate customer trust in the Group through continuous provision of products and services that consistently satisfy its customers. In order to establish and maintain a manufacturing system that does not produce defective products, we have acquired ISO 9001 certification and work to ensure that our product quality management system operates effectively.

■ The Tokyo Electron Group's Commitment to Quality

1. Quality is our top priority

TEL's goal is to achieve the highest quality in the world.

2. Product quality awareness

All employees must understand the importance of product quality to the TEL's business. Quality must always be given priority, even if profits are temporarily affected. That is how we build long-term trust, and contribute to society.

3. Observing company rules

Employees must observe the rules stipulated by each TEL organization to ensure that quality remains our top priority and continues to improve. These rules and regulations are reviewed regularly to ensure that they are appropriate and effective in our effort to improve quality.

4. Employee responsibility

Employees are responsible for making product quality their top priority. They must remain aware of potential problems, actively identify and analyze them, and take necessary action for improvement.

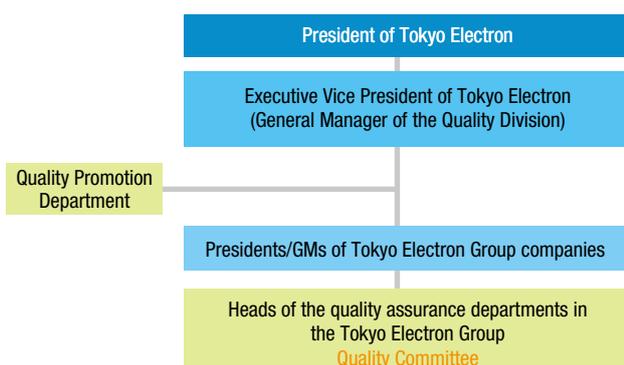
5. Managers' responsibility

Managers must monitor on-site conditions at all times, spot problem areas, and give instructions for improvement. Managers must ensure that their subordinates have a good understanding of the overall TEL business environment, including customers' requirements, and must make employees aware of the importance of enhancing the quality of all TEL products and services.

● Quality assurance system

The Tokyo Electron Group has established a quality committee comprising heads of the quality assurance departments of each business unit. The committee meets regularly to oversee efforts to enhance product quality and address priority issues, thus promoting the improvement of product quality for the entire Group.

■ Framework for the Tokyo Electron Group's product quality system



● Our approach to procurement

The Tokyo Electron Group considers it important to build partnerships with suppliers based on its corporate philosophy and code of conduct, to develop mutual trust with them, and to seek mutual growth.

■ Procurement Policy of the Tokyo Electron Group

1. Partnerships

Our business partners are focused on creating products that achieve genuine customer satisfaction.

We evaluate fairly and select our suppliers based on our selection criteria, and on the premise of continuous pursuit of high-value technologies and open competition.

We are forging links with our suppliers that enable us to rely on each other and to grow.

2. Compliance with applicable laws and social norms

We comply with laws and social norms aimed at ensuring fairness in transactions and respect for individuals, and we engage in procurement activities with integrity based on corporate ethics, so that we will be highly valued as an excellent global company.

3. Ensuring quality and safety

Under our management policies of 'Safety first' and 'Quality is our top priority' we pursue safety and quality in our parts and products, on a global level.

4. Coexistence with the global environment

By actively employing environmentally-friendly parts and technologies (promotion of green procurement), we create products with a low environmental impact.

5. Promoting lead-time reduction

To enable us to respond flexibly to market needs, we ensure lead-time reduction and stable supply to our customers.

6. Promoting cost reduction

We are reducing overall costs to enable us to offer products that meet market needs at prices that satisfy our customers.

7. Global procurement activity

In order to offer our customers parts and products that are compatible with market needs, we have an open-door policy and promote flexible and prompt procurement.

8. Information management

We keep strict control of the confidential information of our customers and suppliers obtained by us in the course of our business.

● Communication with suppliers

The Tokyo Electron Group not only uses electronic data interchange (EDI)* for procuring parts and materials online, it also operates its own website as a supplementary tool to promote efficient two-way communication with suppliers.

We promote suppliers' understanding of the general circumstances of our business as well as our policies and creed through joint projects involving a variety of issues, general day-to-day opportunities, and various specific platforms, including the semiannual Production Update Briefing held by the Group's manufacturing companies and the annual TEL Partners Day.

* Electronic data interchange (EDI): A framework to facilitate the electronic exchange of information related to commercial transactions among corporations in a unified standard format



TEL Partners Day held in fiscal 2012