

Working Together with Employees

Business growth requires that each employee, as the core of the company, have creativity, a positive attitude, flexibility, enthusiasm, and a sense of responsibility. The Tokyo Electron Group seeks to be a corporation where a diverse range of employees can work to their full potential.

Worker-friendly Environment

Personnel system

In order to achieve our goal of creating an inspired, innovative and energetic company, we adopted a personnel system that promotes both the growth of individual employees and the organization as a whole. For example, our evaluation system values not only results, but also the initiatives taken to achieve them. We also provide our employees with opportunities for personal development. Furthermore, we engage in fair treatment and skills evaluation, so that talented employees who make significant achievements are well rewarded, and managerial personnel have incentives matched to their level of responsibility (job grade).

Initiatives for work-life balance

We have enhanced our childcare support system and nursing care leave system to help employees continue to pursue their career while experiencing various life events. According to Japanese law, for example, companies must take measures such as reducing regular working hours for parents with children under the age of three. Tokyo Electron goes beyond this minimum, giving parents of children of elementary school age or younger the option to work shorter hours, as well as offering additional assistance in balancing work and family life (see the graph on the right). As a result of these measures, in fiscal year 2015, 52 employees (95% of the total number of eligible employees) took childcare leave, and another 46 returned to work after taking childcare leave. At the same time, about 34% of female employees in Japan are successfully balancing work and family as working mothers, continuing to develop their careers.

Improving employee health and the workplace environment

The TEL Group places the highest priority on safety and health of its employees. In February 2012, we issued a health declaration stating our commitment to providing our employees with services like walking activities to promote health, healthy meals at company cafeterias, physical health counseling with doctors, and mental health counseling.

In fiscal year 2015, we organized health seminars and various events with a "healthy diet" theme, while holding events to measure body composition, bone health, and blood vessel age to help employees understand the state of their health.

Additionally, we are making continued efforts to ensure that TEL is a safe and productive workplace by providing all employees with mandatory education for preventing workplace harassment, as well as external professional counseling services.

Employee retention rate three years after joining the company

93.6%

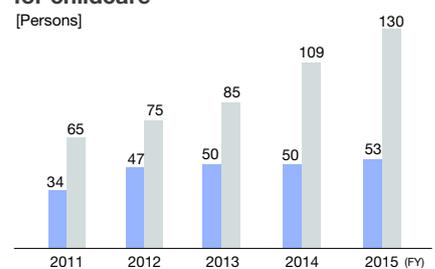
* Average in recent five years; refers to Group company employees in Japan excluding Tokyo Electron Device Limited

To enable new hires to quickly get oriented in their workplace and comfortable with performing their duties, the TEL Group has adopted an Off-JT System¹ and an OJT System². We also hold regular interviews to keep up-to-date with and discuss the state of the workplace and employee relations, in order to ensure a pleasant work environment for all employees.

¹ Off-JT System: Off-the-job training system. The system allows employees to develop their skills off the job, such as by participating in collective training and attending classes.

² OJT System: On-the-job training system. This education method allows employees to learn through the performance of actual work and to hone their skills through a gradual increase in the level difficulty.

Users of shorter working hour system for childcare



■ Children under the age of three
■ Children over three years old but not yet completed elementary school

* Refers to employees of Group companies in Japan excluding Tokyo Electron Device Limited



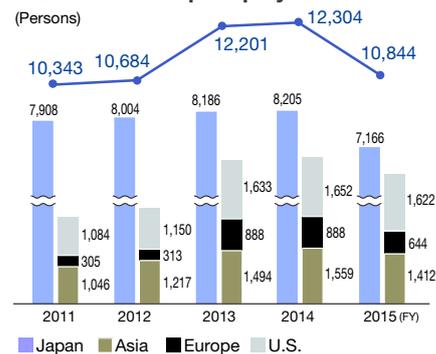
Examples of healthy meals at company cafeterias

Initiatives for globalization and diversification

The TEL Group globally operates its business. As of March 2015, sales outside of Japan make up 85% of the Group's total sales. Meanwhile, about 34% of TEL Group employees work outside Japan.

Recognizing that every person is entitled to have his or her basic human rights respected, the TEL Group works to create an excellent work environment and strives to be a corporation where employees with diverse backgrounds and abilities can work to their full potential. One such effort is establishing an environment where physically-challenged employees can work without any inconvenience to promote employment of those who are physically-challenged. As a result, the proportion of physically-challenged employees is 2.0% at TEL and 1.9% at all Group companies in Japan.

Number of Group employees



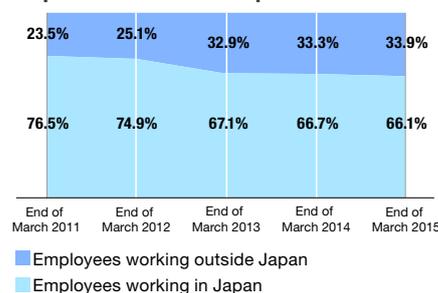
* Excluding Tokyo Electron Device Limited in fiscal year 2015

Human Resource Development

TEL UNIVERSITY

The TEL Group has an internal education institution, TEL UNIVERSITY, for strengthened people development as well as enhanced capabilities of the entire organization. TEL UNIVERSITY courses include such programs that provide individual employees with world-class knowledge and skills, leadership development programs for next-generation leaders, and management and organizational training programs.

Proportion of employees working in Japan and outside Japan



* Data as of the end of March 2015 excludes Tokyo Electron Device Limited.

Main initiatives for fiscal year 2015

For TEL Group employees working around the globe, ability to communicate is one of the most important skillsets. In fiscal year 2015, we held seminars on improving communication and facilitation skills at TEL Group companies in Japan. To help employees from different cultures understand each other, achieve common goals, and unleash the full extent of individual and organizational abilities, we provided a cross-cultural communication program in which 1,420 employees participated. As for English learning, we improved English conversation and self-learning courses so that each employee can choose a class that suits his or her duties and current skill level.

Furthermore, we hold career design seminars to help individual employees think about the way they live and work, and to take proactive and positive action accordingly.

Examples of programs hosted by TEL UNIVERSITY

Number of participants by program for fiscal year 2015

English conversation class	478 classes	2,742 persons
Communication seminar	15 classes	250 persons
Cross-cultural communication program	42 times	1,420 persons
Career design seminar	12 times	290 persons
Next-generation leaders development program	10 times	10 persons
Management training	4 times	69 persons
Semiconductor seminar	6 times	89 persons

Voice <Balancing Work and Childcare>

I took childcare leave twice, and I am now using the reduced working hours system for childcare. Particularly in the first year after returning to work, I often had to take a sudden leave of absence when my child became sick. There was a time when I couldn't make it to work more than half the time in any one week, and I found it difficult to pursue my career in this condition. Fortunately, many of my colleagues are aware of the importance of mothering. Thanks to the understanding and support of people around me, I have been able to balance my work and family responsibilities.

I am so grateful, not only for the childcare support system, but also for a work environment that allows me to continue to work and pursue my career development while raising my children.



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