

## People and workplaces

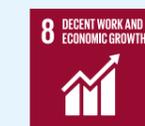
## Maximize dreams and drive

The business environment is changing significantly, with the acceleration of globalization and diversification of needs, and shrinkage of the productive population caused by changes to the population structure. In these circumstances, companies must hire, maintain and utilize outstanding human resources to realize sustainable growth. For this reason, Tokyo Electron is creating a workplace where a diversity of talent can flourish regardless of gender, age or value system, through fair employment, promotion, evaluation and remuneration, and promotion of work-life balance. At the same time, we are promoting career path development and nurturing human resources able to think and act independently. Employees who feel motivated to work and who are proud of the company will create new value and contribute to resolving society's problems.

### Priority themes



### Relevant SDGs



Decent work and economic growth



Reduced inequalities

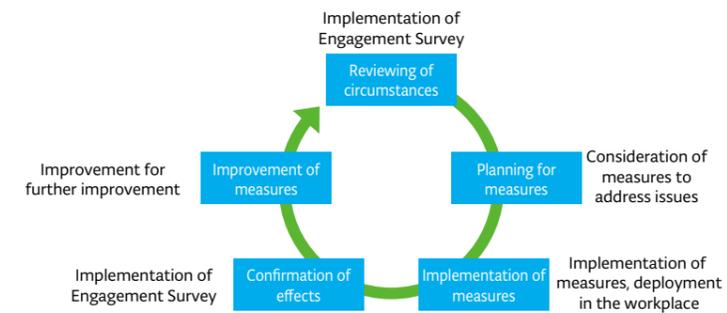


## Human resource management

### Human resource management system

Tokyo Electron (TEL) regularly conducts a global engagement survey which aims to enhance employee work satisfaction and motivation, achieving growth for both the company and its employees. Questions on issues such as pride in the company and work, and awareness and evaluation of the work environment help us to grasp the current situation. We use a continuous improvement cycle based on the characteristics of each region and workplace. We thereby aim to improve the workplace environment so that employees can work more actively.

In fiscal year 2018, we introduced a global human resources system that forms the basis of employee work styles. In fiscal year 2019, we will focus on the four topics of diversity, career development, work-life balance, and health and safety, driving initiatives to these ends.



## Diversity

### Approach to diversity

Our business extends globally, with overseas sales accounting for over 80% of total sales, placing us in circumstances requiring extremely fast technological innovation. Furthermore, it is essential that diverse talent plays an active role for a company to generate innovation and continue to grow. By developing a workplace where anyone, irrespective of gender, nationality, age, background or ability, can work easily and feel motivated, we will promote creation of an environment where the diversity of talent leads to greater competitiveness.

### Systems and initiatives

At Tokyo Electron (TEL), the corporate director in charge of human resources is responsible for promoting diversity activities. In fiscal year 2018, we started operation of a global human resources system where employees can clarify the roles and responsibilities expected by the company, and whereby evaluation and remuneration correspond with the level of achievement of targets. We have established an environment which promotes diversity where everyone receives fair assessment and opportunities to grow and which realizes a global work approach.

Furthermore, we are putting greater effort into harassment prevention education in order to realize a workplace where diverse employees can have greater mutual understanding. We are implementing e-learning for all executives and employees concerning matters including power, sexual and maternity harassment and LGBT issues, and seminars are being conducted by occupational physicians aimed at management. Prevention of harassment in the workplace is one of the goals of our action plan based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace.

We are establishing an environment where employees with disabilities can work with peace of mind, and are driving efforts to hire such people. In fiscal year 2018, people with disabilities accounted for 1.91% of employees in Japan operations overall.

In addition, in an effort to increase the ratio of women in management positions, we have set a target to double the number of women in management roles by fiscal year 2021 based on fiscal year 2018 levels, and we are striving to achieve this with our global human resources system.

Conference for Women Engineers

In February 2018, we held our Second Conference for Women Engineers, linking our Akasaka headquarters with offices throughout Japan via a video conferencing system. Women engineers discussed their respective field of specialty and work style as well as activities to promote women's participation. Group discussions were also conducted on topics including "How does a female engineer work?" and "What must be done to accelerate and promote creation of an environment where all employees can work more actively?" On this occasion, 104 employees, including men, participated. Lively discussions were held, and feedback was received to the effect that the active participation of men allowed them to understand and realize women's situation and feelings.

Voice | Participation at the Conference for Women Engineers

Following on from last year, I took part in the Second Conference for Women Engineers. At this conference, we were able to share a variety of examples and concerns, whereby we were able to reconsider our own careers. It provided a reference for developing work styles for women in the future. We also managed to build a network with those engaged in promotion activities at each of our bases. Through this conference, we hope for the opportunity to consider for ourselves how to boost the number of women engineers and promote participation, and to be well prepared to engage in activities that transcended barriers within the workplace.



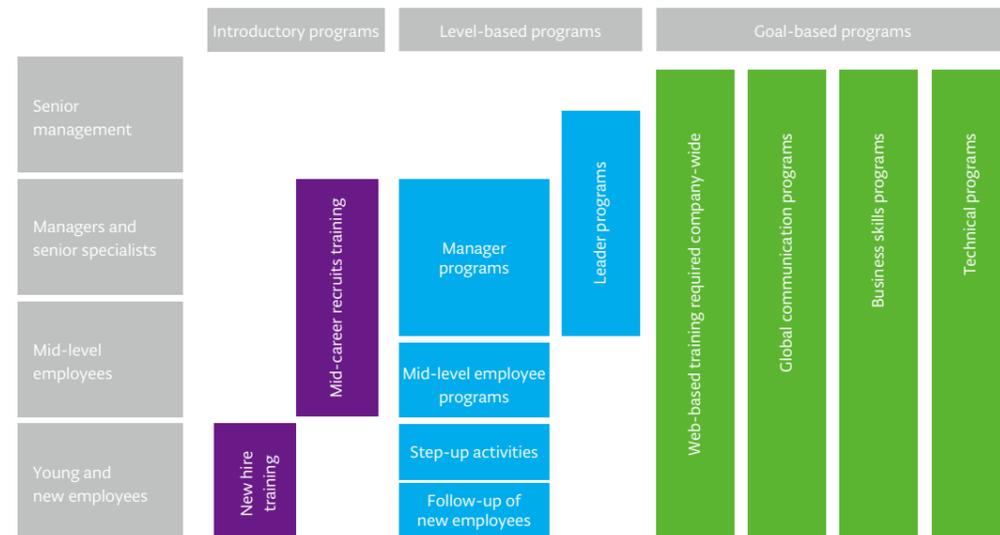
Career development

Human resource development system

Tokyo Electron (TEL) has established TEL UNIVERSITY as an educational facility for all the company with the aim of helping employees to independently develop their career and realize their personal goals. The curriculum of TEL UNIVERSITY includes courses that provide world-class knowledge and skills, with training programs adapted to different levels and goals.



Corporate education system (TEL UNIVERSITY)



Human resource development initiatives

Leader programs

TEL conducts programs to discover and systematically nurture people who will advance into management to realize medium- to long-term improvement of corporate value. In fiscal year 2018, TEL conducted training in the basic management skills required of leaders for selected mid-level employees. We also organized networking with internal and external business leaders, and proposed solutions to business problems. In the future, we are also planning a practical program to improve their perspective as management executives.

Manager programs

The role of managers is important to enable value creation by each individual. In fiscal year 2018, in order to nurture managers, we conducted training that helps trainees to understand managerial roles and responsibilities, required behavior, how to utilize managerial organization and nurture employees, together with practical workshops.

Step-up activities

TEL is implementing step-up activities for about half a year from the summer of employees' second year in company with the aim of encouraging autonomous young employees. The young employees set their own topics and targets in the workplace, and plan activities, which they advance, involving their superior and colleagues, providing opportunities to develop awareness of learning and growth.

Voice | Step-up activities

I tackled the activities with the aim of acquiring certification that usually take three to four years in just two. I experienced repeated failure in the challenging tasks, but by sharing the goals within the department, I received support from my boss and was able to achieve the goal and much more. Through these activities, I learned that we cannot grow unless we continue to take on challenges.  
(Tomohiro Ajiki, Tokai FE Department, Tokyo Electron FE)



Feedback from an executive who participated in the activity presentation

- It was an opportunity to realize that people grow by working in the field, by tackling work with topics themes and issues in mind, and by taking on challenges.
- I was surprised to see the young employees identify problems and focus on action with such keen insight, and that they were in just their second year career since joining the company. I look forward to their future success.

Life design seminar

Each year, TEL provides career development support to employees appropriate to their age. Within Japan, for employees aged 51 or above, we conduct a life design seminar every year to provide necessary knowledge and information for retirement. We also conduct programs to help with the next step in career and life planning, such as financial planning.

Visionary Talk

We have presented a Visionary Talk since fiscal year 2016, encouraging experts in various fields to talk about the future with the aim of nurturing the vision and creativity of employees. In December 2017, the lectures were presented by leading experts in the technology, design and management fields. Approximately 800 employees took part worldwide, providing them with great stimulation and making a deep impression. It was a good opportunity for them to assess themselves and gain new ideas.



## Work-life balance

### Work-life balance concept and systems

Tokyo Electron (TEL) believes that harmony between work and life for each employee produces a synergistic growth effect both of employees and the company, and we are building structures for this.

Our vision is to realize a truly global company that creates high added value and profit. We recognize that in order to achieve this, it is necessary to reduce overtime through efficient work techniques and to have mechanisms in place to evaluate the outcomes. In fiscal year 2018, we began global operation of a new unified human resources system. It clarifies the roles and responsibilities for each employee, sets appropriate targets and challenging targets, provides absolute evaluation of degree of achievement, awards performance bonuses and provides further career opportunities. We aim to encourage greater engagement by evaluating the proactiveness of employees. Furthermore, we will realize creative work styles through awareness of more efficient working, where time gained can be used for learning opportunities and can provide further benefit to our business.

#### Features of the global human resources system

- Rating system**  
 The system clarifies duties (the roles and responsibilities required of the employee) supporting a global way of working
- Evaluation system**  
 The system is designed to establish performance goals appropriate to employee level and stretch goals designed to develop the employee, and it assesses the employee based on achievement of (or contribution to) those goals
- Remuneration system**  
 In addition to a level of remuneration that is competitive in the market, the system provides the employee with career opportunities as well as a productivity-linked bonus proportionate to their degree of achievement (contribution)

### Supporting flexible work styles

TEL is implementing various initiatives to allow each employee to adopt a flexible approach to work according to their individual lifestyle and stage in life.

#### Leave-related systems

We are endeavoring to increase annual paid leave take-up rate among employees in order to realize a comfortable workplace environment for all employees. Regular monitoring of leave and efforts to raise awareness for planned use of leave resulted in a domestic take-up rate of 64.3% in fiscal year 2018. In fiscal year 2019, we aim for a take-up rate of 70%, and are therefore promoting management to improve this rate, such as planned of 5 days paid leave each half year.

In addition, we have introduced a unique refreshment leave system. Refreshment leave aims to provide refreshment for employees and to thereby boost their motivation to work. The system grants special (paid) leave from two weeks to one month for each five years of service to employees who have worked for more than 10 years. In fiscal year 2018, 639 employees in Japan took refreshment leave.

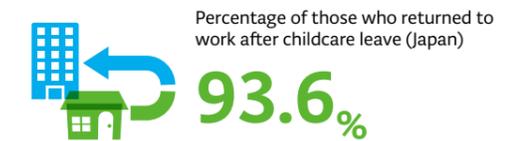


### Childcare and nursing systems

TEL has established a support system, in addition to that which is legally defined. In Japan in particular, we are working to enhance work styles for employees dealing with childcare and nursing.

In addition to allowing extension of the childcare leave period until the child reaches three years of age, we also expanded measures to reduce working hours for childcare to employees raising children until their graduation from elementary school. We have also established leave to care for a sick or injured child and childcare support leave. As a result, in Japan, we have achieved a return to work rate of 93.6% and 40% of female TEL employees are working mothers.

Furthermore, in addition to allowing paid nursing care leave up to the fifth day, we are also improving the nursing care system to make it possible to take nursing care leave three times per person requiring care and to allow nursing care leave of a total of one year.



### Flexible work styles

We are actively seeking new work styles for employees. In addition to introducing flextime system from fiscal year 2018, in some sales and administrative divisions we tested a teleworking system that allows employees to utilize time more effectively by eliminating commuting time.

#### Leave and other support systems for childcare and nursing care

System	Overview	Eligible employees	Notes
Relief for commuting difficulties	Allows work start times and finishing times to be moved forward or back by a maximum of one hour each day	Pregnant female employees who are under instruction from their doctor	As per the legal requirement
Childcare leave	(1) Allows leave to be taken up until a requested date but no later than the end of April after the child turns 18 months of age (2) If the child cannot gain admission into a nursery school, leave may be extended from the end of April after the child turns 18 months of age until the child turns three years of age (i.e. the day before their third birthday)	Employees with a child who will be less than 18 months of age at the end of the following April	More than the legal requirement (up to a maximum of three years of age)
Childcare time	Allows an employee to request time to care for their infant for two 30-minute periods per day, in addition to prescribed rest periods (treated as paid leave)	Female employees with an infant under one year of age	More than the legal requirement (paid component)
Flextime for childcare and nursing care	Allows work start times and finishing times to be moved forward or back by a maximum of 90 minutes per day	Employees with a child who has not graduated elementary school, or who are caring for a family member requiring nursing care	More than the legal requirement (up until the child finishes elementary school)
Leave to care for a sick/injured child	Allows leave to be taken for up to a maximum of five days for employees with one child, and 10 days for employees with two or more children, per business year (up to five days treated as paid leave)	Employees with a child not old enough to commence elementary school	More than the legal requirement (paid component)
Childcare support leave	Special leave to care for a child for up to a maximum of five days per business year (unpaid)	Employees with a child not old enough to commence junior high school	Unique system
Short nursing care leave	Allows leave to be taken for up to a maximum of five days for employees with one family member requiring nursing care, and 10 days for employees with two or more family members requiring nursing care, per business year (up to five days treated as paid leave)	Employees with a family member requiring nursing care	More than the legal requirement (paid component)
Extended nursing care leave	Allows an extended period of leave to be taken for up to three times per person requiring care, up to a maximum of one year in aggregate	Employees with a family member requiring nursing care	More than the legal requirement (up to one year of leave)



#### Executive message

Since its founding, TEL has consistently valued employee motivation. In order for employees to go about their daily work with a positive attitude, it is important that: (1) they have hope for the company's future, (2) they see their career taking shape within the company, and (3) the workplace environment allows them to make the most of their talents. TEL has put effort into cultivating cheerful and open workplaces, such as through a points-based personnel system focused on roles, responsibilities and contribution, as well as through providing opportunities for employees to challenge themselves in new jobs, with colleagues who support each other in developing personal careers and achieving goals, and supervisors who understand different work styles. We will continue to step up efforts to ensure that TEL remains a company full of dreams and vitality.

## Health and safety

Tokyo Electron (TEL) clearly states in its Management Policies that the highest consideration is given to the health and safety of every person connected with its business activities. Based on these policies, we are increasing our global efforts to improve the health and safety of our employees.

### Philosophy for health

So that employees can realize a fulfilling life's work, and at the same time, contribute to the advancement of TEL's business by harnessing their full capacity, it is important that each and every employee can maintain their health and dynamism while at work. By putting systems in place, we have built an environment where employees can work with peace of mind. We also believe that to maintain health, it is important that employees are aware of their own state of health and take self-directed steps for improving it. Based on our wellness declaration announced in February 2012, we have conducted a number of ongoing initiatives to support employees in this pursuit.

### Systems and initiatives for health

#### Support systems for health

We have built systems that are mindful of employee health. Besides conducting various medical checkups in accordance with the law, we also offer face-to-face consultations by doctors for employees who work long hours. We have also set up health help desks supported by doctors so that employees and their families can seek advice if they have any health concerns. We also offer counselling services supported by external industrial counselors if requested by an employee. Regular "line-care"<sup>1</sup> seminars are also held, targeted at line managers.

#### Stress checks

Within Japan, we have implemented comprehensive measures for mental health. Using a questionnaire recommended by the Ministry of Health, Labour and Welfare, employees complete a stress check once a year, and if determined to be under high stress, they are put in contact with a public health nurse or occupational health physician for in-depth face-to-face support. During fiscal year 2018, the stress check was taken by 92.7% of employees in Japan.



#### Wellness declaration

Based on the wellness declaration announced in 2012, we have promoted the improvement of employees' exercise habits based on a program of Eat-Rest-Walk-Talk. At nine of our factories and offices in Japan, we offer activities that allow employees to stay healthy every day, by giving employees small reminders in their day-to-day life, such as healthy food choices at company cafeterias and body composition measurement sessions.

#### Self-care platform

We have introduced the Pep Up personal healthcare platform, enabling employees to get healthier by monitoring their own state of health. The platform allows employees to easily check the results of their medical checkups, and to record their daily health management data, such as weight, blood pressure and body fat ratio. Other functions of Pep Up include offering employees information and suggesting activities suited to their state of health. Health age<sup>2</sup> is also displayed, incentivizing employees to improve their own health.

Making the most of the platform, during fiscal year 2018, as well as holding walking events, we distributed an activity tracker to help employees in managing their diet and exercise.

<sup>1</sup> Line-care: A workplace measure for mental health, in which managers and supervisors take a lead role in responding to requests by workers for advice, with an aim of improving the workplace environment

<sup>2</sup> Health age: An indicator showing risk of lifestyle diseases, calculated based on the results of an employee's medical checkup. The difference in years with the employee's actual age is displayed, helping them understand their equivalent age in terms of their health conditions.

### Example initiative

WELLatTEL, a Tokyo Electron U.S. program, provides resources for employees and their families to improve their health. Employees are provided a tracking device to increase awareness of their physical activity. Multiple locations have access to onsite gym equipment. Access to online financial education resources increases understanding of financial security. Rewards are provided for physical challenges, such as Step into Spring, and for completing sections of the financial awareness training. The WELLatTEL program contributes to the "Good health and well-being" for all employees and aligns with SDGs.



**Barry Mayer**  
Senior Vice President and General Manager,  
Global Strategy, Chairman, Tokyo Electron U.S.  
Holdings, Inc.

#### Executive message

A key ingredient to TEL's success has been to instill a spirit of challenge and pride in the hearts and minds of our employees. This comes to life in our workplace in many facets. We strive to create an environment where employees feel free to challenge new ideas while taking on new and bold projects. We recognize employees for their success and their willingness to explore new horizons. We view development as a shared responsibility. We accomplish this through an open door policy allowing employees to seek guidance from management on their career aspirations and partner with them to grow their knowledge, skills, and abilities. All of these actions lead to a vibrant and productive working environment.

### Safety management framework

Based on a culture of "Safety First," TEL carries out ongoing activities for safety promotion. Safety and occupational health are managed using a management system based on OHSMS.<sup>1</sup> We also strive to raise the overall level of safety and occupational health by following the PDCA cycle to reduce the potential risk of work-related accidents. Moreover, by sharing information of any issues with the EHS council and the manufacturing company presidents' council, we promote safety management as a company-wide initiative.

<sup>1</sup> Occupational Health and Safety Management System (OHSMS): A management system to improve the overall level of safety and occupational health

### Initiatives for safety

#### Safety and health committee meetings, and safety inspections

At each factory and office, monthly safety and health committee meetings are held to discuss measures for any workplace safety or employee health issues and to conduct safety inspections. TEL has also set up a system for autonomous problem-solving at manufacturing sites, with safety inspections by representatives from appropriate departments at least once per month.

#### Support the security operations

Increasing the safety awareness of individual workers is crucial for providing worksites where all workers can work safely. Therefore, before starting work at TEL manufacturing sites, all workers discuss the details of the job and the risks involved in an effort to prevent accidents. In addition, effort is also being directed to safety managers giving advice on how to manage hazards, as well as to the Stop Work Authority (SWA) program designed to compel workers to stop work and take corrective action in the event of an unforeseen incident while on the job.

#### Safety education

TEL promotes the creation of safe work environments by implementing two education programs globally. Our program on basic safety targets all employees and is provided as introductory training for new hires as well as refresher training every third year of employment. In total, more than 40,000 employees have completed this program. Our other program, advanced safety, targets employees working in clean rooms and on production lines, and must be completed every year. To eliminate accidents, we also provide risk assessment training and web-based training at offices and factories in Japan and overseas. Finally, we also provide safety information to suppliers as part of our support for initiatives to prevent accidents.

As a result of having maintained a high priority on creating safe work environments, TCIR<sup>2</sup> has been maintained at or below our target of 0.5, with 0.38 in fiscal year 2018.



<sup>2</sup> Total Case Incident Rate (TCIR): The number of workplace accidents per 200,000 work hours