

ENVIRONMENTAL, HEALTH AND SAFETY ACTIVITIES

BASIC POLICY

Tokyo Electron observes socially responsible corporate management as a means to achieve sustained corporate growth and continued social development. Assuring safety in our own facilities and those of our customers and minimizing environmental loads across our activities are the two defining principles of our CSR policy. Tokyo Electron aims to achieve cohesion of environmental protection and safety by investing the required management resources from the equipment development stage onwards.

In 1997, Tokyo Electron adopted environmental management policies based on ISO 14001 that have subsequently acquired ISO certification for our facilities. Tokyo Electron recognizes that making every effort to assure that everyone associated with our business can look forward to a comfortable, healthy and safe life is no less important than the environment. Acting on this, we established the Tokyo Electron Credo and Principles on Environment, Safety and Health in 1998. At Tokyo Electron, we are aware of the importance of the environment, health and safety. We have given them an important place in our statement of management philosophy and actively promote these activities throughout Tokyo Electron.

ENVIRONMENTAL ACTIVITIES

■ Preventing Global Warming

Following ratification of the Kyoto Protocol, companies are being asked to contribute more to prevent global warming.

Carbon dioxide is emitted during the operation of our equipment. It is also emitted by our manufacturing facilities and from the use of energy at our offices. The Life Cycle Assessment (LCA) method we use to quantitatively assess a product's environmental load showed that our products emit relatively high levels of carbon dioxide gas during the operation stage as compared to other stages in their life cycle. We are responding with special environmental measures to reduce such emissions.

■ Promoting Environmentally Friendly Products

We are active in incorporating environmental suggestions from our customers into our products in order to lower environmental loads during the semiconductor manufacturing process and to eliminate use of hazardous substances in the manufacture of our equipment. Particular about environmental loads

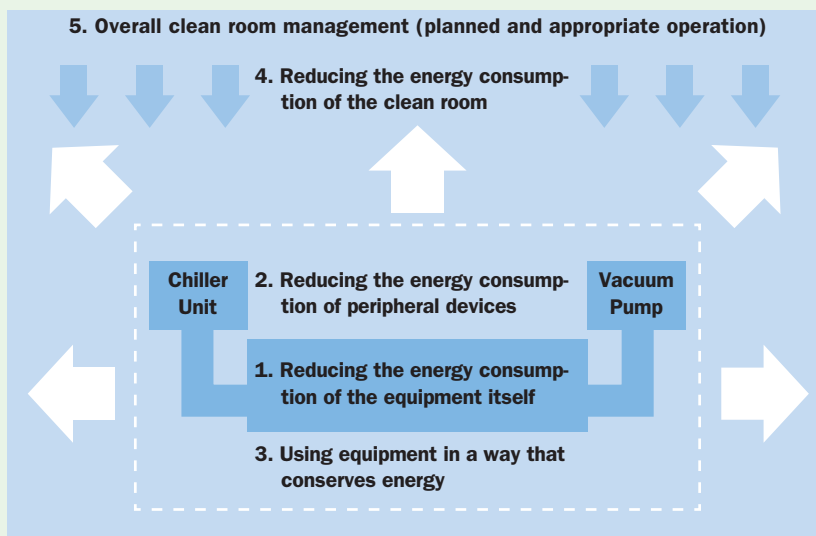
generated during their life cycles, we have compiled quantitative data on such environmental burdens during each stage of a product's life, from manufacturing and use to disposal, and built up a product LCA database. The ability to draw on this information in the design of our products has made us a leading company in our industry in energy conservation.

Since many of our products are manufactured and used in clean rooms, we take an all-inclusive approach that factors in the energy conservation aspect of the entire system, including the equipment and the clean room. The five major approaches taken in this respect are as follows:

1. Reducing the energy consumption of the equipment itself
2. Reducing the energy consumption of peripheral devices
3. Using equipment in a way that conserves energy
4. Reducing the energy consumption of the clean room
5. Overall clean room management (planned and appropriate operation)

Tokyo Electron will implement environmental activities concerning our equipment and operation of clean rooms in cooperation with customers.

Promoting these initiatives directs Tokyo Electron toward the manufacture of energy-efficient equipment and to advising customers on how to use the equipment in a way that minimizes energy consumption.



■ Lead-free Soldering Technology

European Union (EU) directives will ban the use of mercury, cadmium, lead and other hazardous substances in electrical and electronic equipment in Europe after June 2006. Although these directives do not apply to semiconductor manufacturing equipment, Tokyo Electron is voluntarily and systematically manufacturing lead-free products as part of efforts to forestall further pollution.

Tokyo Electron established the Lead-free Task Team, made up of leaders of Tokyo Electron's firms and operating divisions, to develop lead-free soldering technology for the manufacture of our equipment. Plans call for completing preparations for production of equipment using lead-free solder in the year ending March 31, 2006 and starting production in January 2006.

■ Introduction of Environmental Management System

Tokyo Electron's manufacturing facilities have developed and implemented environmental management systems based on ISO 14001 and are now ISO certified. The Tokyo Electron Device Limited Yokohama Office and the Tokyo Electron AT Limited Miyagi Plant became ISO 14001 certified in the year ended March 31, 2005.

■ Energy Conservation Initiatives

Each of our facilities is working to prevent the greenhouse effect by reducing energy use. Energy conservation programs include those to reduce power consumption for lighting and office equipment, and setting air-conditioning temperature targets. Our manufacturing and development facilities systematically shut down equipment during consecutive holiday periods, and implement measures to reduce energy consumption by enhancing operating efficiency.

Tokyo Electron Kyushu Limited's Koshi Plant in February 2005 won the Kyushu Bureau of Economy, Trade and Industry Director's Prize (Electrical Division), which is awarded to manufacturing plants in recognition of notable achievements in energy conservation.



Tokyo Electron Kyushu Limited, Koshi Plant

The Koshi Plant was cited for its energy conservation measures, such as adjusting air circulation in its clean room facilities at night and on holidays and for reducing lighting in its logistics areas.

■ Green Procurement

Almost all of our materials and parts for the manufacturing of semiconductor production equipment are sourced from suppliers. If we are to reduce environmental loads across all of our business activities, components and raw materials must be produced in ways that take the environment into account. In this respect, we are making an effort to conduct procurement based on our Green Procurement Guideline, buying only from those suppliers who are actively making efforts to reduce environmental impacts. In the future, we intend to start procuring materials only from suppliers who meet specific environmental standards.



Green Procurement Guideline

■ Environmental Sustainability Report

Tokyo Electron has been publishing environmental reports since 2000. We believe that it is important to strengthen communication with the public by providing and sharing as much information as possible about our environmental activities. The environmental report for the fiscal year ended March 2005 is to be published in autumn 2005.



Environmental Sustainability Report 2004

■ Safety and Health Activities

Tokyo Electron promotes health and safety in all of its operations. This includes giving top priority to the health and safety of our employees and customers, and ensuring safety rules are adhered to with regard to equipment.

The Tokyo Electron Credo and Principles on Environment, Safety and Health clearly state that employees are responsible for being constantly aware of health and safety considerations in each and every business activity. To implement these guidelines, we conduct risk assessments of our shipped products and each assembly and start-up process. Where safety risk is judged to be high, we take systematic steps to reduce it. We are also making efforts to identify and eliminate dangers in our work processes before problems occur.