Corporate Sustainability Management

— For a dream-inspiring society

CEO's Message

We aim for medium- to long-term profit expansion and continuous corporate value enhancement by promoting sustainability activities through the realization of our Vision and the practice of our Corporate Philosophy.

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2025.05.26	Tokyo Electron Miyagi Head Office Achieves Platinum Status in RBA VAP
2025.04.04	Selected as One of the Excellent Integrated Reports by the GPIF's Domestic Equity Managers
2025.04.04	Tokyo Electron Kyushu achieves Platinum Status in RBA VAP
2025.03.24	TEL Hosts Fourth Annual E-COMPASS Day
2025.03.17	Tokyo Electron is rated as Low risk by Sustainalytics ESG Risk Rating

Our
Material Issues

Tokyo Electron identifies important and priority material issues (key issues) to be addressed for the medium- to long-term enhancement of corporate value by examining both social and business environments, evaluating risks and opportunities and holding active dialogs with stakeholders.

- Climate Change and Net Zero
- Product Energy Efficiency
- Best Products with Innovative Technology
- Best Technical Service with High Added Value
- Customer Satisfaction and Trust
- Supplier Relationship
- Respect for Human Rights
- Employee Engagement
- Safety First Operation
- Quality Management
- Compliance
- Ethical Behavior
- Information Security
- Enterprise Risk Management

See from ESG
Sustainability initiatives

Environment

Social

Governance

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Green procurement, Report, Environmental data...

Recommended keywords

Quality | Safety | Compliance | Human Resource | Human Rights | Supply Chain Management | Environmental goals | TCFD | E-COMPASS | Third-party Recognition | Actual data

Integrated report

The report details our medium- to long-term profit expansion and continuous corporate value enhancement through value chain initiatives that leverage our strengths.

Sustainability Archive

The report clarifies TEL's material issues, SDGs initiatives, and our global efforts to contribute to developing and solving industrial and social issues through our business.

CEO's Message

To build a strong and resilient society in which economic activities do not stop under any circumstances, we will contribute to balancing the digitalization and preservation of the global environment through technological innovation in semiconductors.

Toshiki Kawai
Representative Director,
President & CEO

Toward Further Growth Based on Trust and Reliability

I would like to start by thanking all our stakeholders for their constant support. On November 11, 2023, Tokyo Electron celebrated 60 years since its founding in 1963. From that time, we have been able to contribute to the development of the semiconductor industry, and achieve the level of growth that we have, entirely thanks to this support from our stakeholders. Prioritizing the building of trust and reliability, we aim to practice our Corporate Philosophy of “We strive to contribute to the development of a dream-inspiring society through our leadingedge technologies and reliable service and support,” endeavoring to expand medium- to long-term profit and to continuously enhance our corporate value.

The birth of the transistor in 1947 led to the development of personal computers, mobile phones and other electronic devices, and to the internet and IT platform services. Over recent years, it has also led to a transition toward a full-fledged data-driven society. Going forward, it is expected that applications requiring large-scale computing, such as AI, autonomous driving and virtual reality, will become technology drivers and that further market growth will continue. And it is technological innovation in semiconductors that will support these trends.

Under such circumstances, the semiconductor market is forecast to reach US$1 trillion by 2030. This means that a market that has grown to US$530 billion over 76 years will roughly double in size in just 6–7 years. On the other hand, using many different applications will require higher data processing capabilities, and therefore will increase power consumption, so there is concern about the impact on preservation of the global environment. For this reason, innovative technologies are needed to not only achieve higher speeds, larger capacity and superior reliability in semiconductors, but lower power consumption as well.

With semiconductor market growth, about 100 new semiconductor fabs are predicted to start operating globally in the years from 2022 to 2026, so the semiconductor production equipment market in which we operate will also expand further.

Continuous Enhancement of Corporate Value through A Double-offensive Management Style

Vision Realization and the Medium-term Management Plan

Digitalization and decarbonization for preservation of the global environment, to build a strong and resilient society in which economic activities do not stop under any circumstances, are becoming global trends. To help realize balancing the digitalization and preservation of the global environment, we are leveraging our expertise as a semiconductor production equipment manufacturer, and promoting technological innovation in semiconductors. And for this purpose, we formulated our Vision of becoming “A company filled with dreams and vitality that contributes to technological innovation in semiconductors.” This Vision is based on the Creating Shared Value (CSV) concept of utilizing our unique resources and expertise to solve social issues. We have defined our own CSV as TEL’s Shared Value (TSV), through which we strive to create social and economic value in our business activities.

As we implement TSV, we have set fiscal year 2027 financial targets in our Medium-term Management Plan of an operating margin of 35% or more and ROE of 30% or more, with net sales of 3 trillion yen or more. We consider profit to be an important measure of value in our products and services, and we aim to achieve a world-class operating margin and ROE by providing the Best Products with innovative technology, and the Best Technical Service with high added value.

Our pursuit of this aim is a more aggressive style of management. At the same time, though, we are focusing on Safety, Quality, Compliance and other essentials for continuous growth of the Company. Our efforts on these areas may appear at first glance to be defensive in nature; however, we believe that more proactive action will help our company become stronger, or more aggressive. By promoting such a double-offensive management style, and ensuring short-, medium- to long-term profit expansion and continuous corporate value enhancement, which are also part of my mission as CEO, we aim to become a truly excellent global company.

Business Activities Anchored around Material Issues

As part of efforts to achieve our Medium-term Management Plan, we identify key items to be worked on with priority in our businesses as material issues. In fiscal year 2024, we looked at our previous material issues of Product Competitiveness, Customer Responsiveness, Higher Productivity, and Management Foundation, and developed a more granular level of material issues with respect to their significance to the Company and to society.

Initiatives for Further Growth

We consider the following to be our strengths: (1) being the world's only manufacturer with products in deposition, coater/developer, etch and cleaning, the four sequential key processes necessary for semiconductor scaling, (2) a 100% share in coater/developer for EUV lithography, which are necessary for semiconductor evolution, (3) our product lines being strongly positioned in their respective segments, all of which having achieved first or second place in market share, (4) technical service and marketing developed based on relationships of absolute trust with customers, built through the highest number of installations in the world (approximately 92,000 units) and (5) more than 23,000 patents owned, the largest number in the industry globally. Leveraging these strengths, we plan to spend 1.5 trillion yen or more on R&D investment and 700 billion yen or more on capital investment over five years from fiscal year 2025 to accomplish our Medium-term Management Plan and achieve further growth thereafter.

What is vital for us is timely and continuous creation of nextgeneration products that are both “only one” and “number one.”We will work to provide high-value-added equipment with worldleading performance through not only our own R&D activities, but through collaborations with customers and consortiums as well, and we will ensure the outcomes of this R&D leads efficiently to increased profits.

As we expand the scale of our business, it is also important that we improve production efficiency. By implementing digital transformation, we will actively promote standardization and leveling of tasks in a range of operations, and adopt Smart Manufacturing at our manufacturing sites.

Reducing Environmental Impact and Achieving Net Zero Emissions through E-COMPASS

With preservation of the global environment growing in importance in society, we are conducting a range of activities through our environment-focused E-COMPASS initiative. Specifically, we are working with our customers and partner companies to achieve technological innovation in semiconductors, and reduce their environmental impact throughout the entire supply chain, from the following three perspectives.

- Pursuing higher performance and lower power consumption in semiconductors
- Achieving both the process performance and environmental performance of equipment
- Reduction of CO_2 emissions in all business activities

While our original long-term environmental goal was to achieve net zero by 2050, during implementation of these initiatives, in December 2023, we brought that date forward to fiscal year 2041 as we continue working to reduce our greenhouse gas emissions.

Practicing Motivation-oriented Management

Based on our belief that "our corporate growth is enabled by people, and our employees both create and fulfill company values," we conduct management focused on employee motivation so they can fully exercise their capabilities, centered on the following five points.

In addition, we are working to secure a diverse workforce in line with our "ONE TEL, DIFFERENT TOGETHER™" slogan focusing mainly on 3G (Global, Gender, Generation), while also improving work-life balance, implementing measures aimed at creating career paths for employees and enhancing educational programs.

The Five Points and Main Activities for Motivation-oriented Management

1. **Awareness that our company and work contributes to the development of industry and society**
   - Realization of our Vision based on TSV
2. **Dreams and expectations of the Company's future**
   - To achieve net sales of 3 trillion yen or more, an operating margin of 35% or more, and ROE of 30% or more
3. **Opportunities to take on challenges**
   - 1.5 trillion yen or more in R&D investment over five years
4. **Fair evaluations that recognize employee efforts and globally competitive rewards**
   - Performance-linked compensation
5. **Workplace with an open atmosphere and positive communication**
   - Convening employee meetings and round-table discussions with employees globally

Focusing on Sustainable Industry Development

As a leading company in semiconductor production equipment, we are actively engaged in supply chain management, not just within the Company, and in the education of students, researchers and others who will be responsible for the future of the industry, which we consider to be our mission. We will therefore contribute to the sustainable development of industry in a number of ways. For the supply chain, we will further enhance the E-COMPASS initiative that I described earlier, and to strengthen human resource development, we will promote a program of industry-academia-government collaboration, which includes collaboration with universities in Japan and abroad.

Aiming to Become a Company That Is Cherished and Trusted by All Stakeholders

We have now entered a new growth phase in terms of a prosperous future made possible by semiconductors, their ongoing evolution, and the semiconductor production equipment market that supports them. To achieve our goal of becoming number one globally, we will continue to take on challenges and evolve, create high-value-added technologies that the world has never seen and only we can, and provide them to society. We will also strive to become a company that is cherished and deeply trusted by all stakeholders, and that continues to be a company filled with dreams and vitality. We look forward to your continued support and patronage.

Toshiki Kawai
Representative Director, President & CEO
Tokyo Electron Limited

* This message is the CEO's message in the Integrated Report 2024.

TEL's Sustainability

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.

People. Technology. Commitment.

Sustainability and Framework of Corporate Principles

Tokyo Electron's sustainability initiatives are the practice of its Corporate Philosophy through achieving its vision. We make clear the material issues in our growth and promote these initiatives. Together with the building of a resilient management foundation, by providing high-value-added products and services, we contribute to the resolution of issues and development of industry and society as well as the achievement of the SDGs.

To be a company that is highly trusted and loved by society, we work on medium- to long-term profit expansion and continuous corporate value enhancement.

Sustainability initiatives

Our approach to sustainability is to practice our Corporate Philosophy through realizing our Vision. We conduct activities for sustainability initiatives that we have organized into the following four frameworks: Governance, Strategy, Risk Management, and Metrics and Targets.

Main Initiatives in the Four Frameworks

Governance 	■ Corporate Sustainability Management Department established at headquarters and the sustainability initiatives are promoted throughout the entire Group ■ Meetings of the Sustainability Committee, chaired by the executive officer in charge of sustainability, are held twice a year. Corporate Officers, Division Officers and presidents of domestic Group companies and overseas subsidiaries attend the meetings to set short-, medium-, and long-term sustainability goals, manage progress, formulate sustainability-related policies and discuss individual themes. Decisions on important matters are made at Corporate Officers Meetings, the highest decision-making body on the executive side ■ Group-wide sustainability initiatives are reported on as necessary at meetings of the Board of Directors, and the Board of Directors supervises those initiatives
Strategy 	■ Focus on the creation of social and economic value of business activities based on the idea of TSV (TEL's Shared Value), which is the same as CSV, to solve social issues using our unique corporate resources and expertise ■ Identify key items to be worked on with priority as material issues*1 and develop the value chain through business activities anchored around material issues while leveraging the strengths built by the driving forces of growth behind our company ■ While implementing a range of sustainability initiatives through business activities, contribute to solving issues in industry and society and achieving the SDGs by providing the Best Products with innovative technology, and the Best Technical Service with high added value, and achieve medium- to long-term profit expansion and continuous corporate value enhancement
Risk Management*2 	■ Respond appropriately and promptly to a diverse range of risks related to semiconductors, including geopolitics and market changes, develop a risk management structure for achieving sustainable growth, and carry out enterprise risk management to promote more effective activities ■ In addition to minimizing the impact of risks, that may be faced when conducting business, by giving them full consideration from a future perspective, also view them as business opportunities and appropriately address them ■ Uncover Group-wide comprehensive risks, identify high-impact and high-probability risks as material risks for the Company, and appoint a risk owner for each risk. Focus on risks that are particular issues in meetings of the CEO and Division Officers, confirm status of related initiates and discuss improvement measures
Metrics and Targets 	■ Set key indicators for continuous corporate value enhancement*3 in our Medium-term Management Plan and annual sustainability goals*4 ■ The results and status of the achievement of key indicators and annual goals are reviewed at the review meeting ■ Conduct activities to achieve each indicator and goal under the persons responsible for each indicator and goal

*1 Material issues were revised in fiscal 2024.Refer to Material issues

*2 Refer to Risk Management

*3 Refer to Integrated Report Key Indicators for Continuous Corporate Value Enhancement

*4 Refer to Annual Sustainability goals and result

Sustainability Promotion Framework

We promote sustainability activities throughout the entire Group through the following committees.

Conference Name	Participants	Function	Meeting Frequency
Sustainability Committee	■ Corporate Officers and Division Officers ■ Presidents of the Group companies in Japan and overseas companies	■ Set and manage progress of sustainability goal (short-, medium-, and long-term) ■ Promote company-wide projects*1	Twice annually
Sustainability Global Committee	■ The executive officer in charge of the sustainability promotion ■ Heads of related departments ■ Sustainability managers of the Group companies in Japan and overseas companies*2	■ Promote activities for achieving annual sustainability goals (short- and medium-term) ■ Implement global projects	Twice annually
Sustainability Monthly Meeting	■ Person in charge of sustainability at relate divisions	■ Share information on sustainability activities ■ Discuss cross-division sustainability initiatives	Monthly

*1 Report and discuss important issues at the Corporate Officers Meeting, the highest decision-making body on the executive side Corporate Officers' Meeting: Refer to the Corporate Governance System

*2 Sustainability Manager: Person responsible for coordinating all aspects of sustainability at the Group companies in Japan and overseas companies

In addition to these committees, we invite all employees to submit examples of sustainability in the workplace, toward issue resolution and advancement of industry and society, and practice of our Corporate Philosophy. Outstanding initiatives are awarded the TEL Sustainability Award by the CEO and shared throughout the entire Group as best practices.

Initiatives for Sustainable Development Goals (SDGs)

The SDGs are a universal set of goals to achieve by 2030, which were unanimously adopted by the United Nations Sustainable Development Summit in 2015.We conduct activities on a company-wide basis, and for each CSR fiscal year and medium-term goal, and each material issue, we clarified the SDGs it is working toward through business.

Additionally, we regularly hold SDGs workshops where employees working in a variety of fields come together autonomously to share activities through business and discuss issues such as future prospects toward the achievement of the SDGs.

Tokyo Electron Supports the SDGs

In fiscal year 2022, we reaffirmed the 17 goals and 169 targets* being undertaken by the priority themes of our material issues.

* 169 targets reaffirmed: Our initiatives toward the 17 goals and 169 targets that make up the SDGs. Refer to 169 Targets of the SDGs

Medium-term Management Plan

In addition to pursuing sustainable operations in line with our approach to sustainability, we also strive to generate medium- to long-term profit expansion and continuing corporate value enhancement by creating new value through our business and contributing to the resolution of industrial and social issues and to the development of industry and society. In June 2022, we revised our vision and set new financial targets in the new Medium-term Management Plan and also announced our main initiatives for the future to achieve the new Medium-term Management Plan as well as our capital policy, shareholder return policy and other measures.

Financial Model Targets in the New Medium-Term Management Plan

In addition, we have expressed our approval of the recommendations offered by the Task Force on Climate-related Financial Disclosures (TCFD[*3]) and are pursuing initiatives based on the framework of governance, strategy, risk management, indicators and targets relating to the risks and opportunities that climate change presents to its business.

Financial Targets

Financial Targets(by FY2027)	
Net Sales	3 trillion yen or more
Operating Margin	35% or more
ROE[*]	30% or more

* ROE: Return On Equity

Participation in Global Initiatives

We actively participate in a variety of global initiatives and practice sustainability in our business activities.

United Nations Global Compact

We signed onto the United Nations Global Compact (UNGC) in 2013 and are working to contribute to the realization of sound globalization and a sustainable society in accordance with its Ten Principles.

Responsible Business Alliance

We joined the Responsible Business Alliance (RBA) in 2015, and we work together with suppliers to ensure compliance with the RBA Code of Conduct comprised of "labor", "environment", "health and safety", "ethics" and "management systems".

Task Force on Climate-related Financial Disclosures

In 2020, we expressed our approval of the recommendations offered by the Task Force on Climate-related Financial Disclosures (TCFD)*1 and are conducting disclosures based on the framework of governance, strategy, risk management and metrics and targets relating to the risks and opportunities that climate change presents to our overall business.

Taskforce on Nature-related Financial Disclosures

We concur with the vision of the Taskforce on Nature-related Financial Disclosures (TNFD) and in 2023, joined the TNFD Forum, which appropriately evaluates risks and opportunities related to natural capital and biodiversity.

We joined a global industry association, SEMI*2 which aims for the global development of the semiconductor industry, in 1978 as a member company, and engage in the promotion of the establishment and standardization of international guidelines as well as the promotion of sustainability.

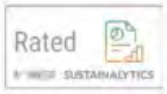
*1 Refer to TCFD

*2 SEMI: Semiconductor Equipment and Materials International

Third-party Recognition

Our sustainability initiatives have allowed us to continue to be selected as a constituent stock under leading global ESG indices. Some examples are, the Dow Jones Sustainability™ Asia/Pacific Index*1, FTSE4Good Index Series*2, MSCI ESG Leaders Indexes*3, Euronext Vigeo World 120 Index*4 and STOXX Global ESG Leaders indices*5. We were evaluated as a Low Risk company in Sustainaltics' ESG Risk Ratings*6, continuing from the previous year. In May of 2024, we were also selected as an SX Brand*7 as a progressive company that engages in long-term and sustainable corporate value.
The Tokyo Electron Integrated Report 2023 was selected again as an "Excellent Integrated Report" by the Government Pension Investment Fund (GPIF)'s external asset managers entrusted with domestic equity investment for the third consecutive year, and we were selected for the Excellence Award at the Third NIKKEI Integrated Report Award.

Learn more >



*1 DJSI: Dow Jones Sustainability Indices. An ESG investment index of S&P Dow Jones Indices LLC. The DJSI Asia Pacific covers companies in that region.

*2 FTSE4Good Index Series: An index related to environmental performance and corporate social responsibility developed by FTSE Russell.

*3 MSCI ESG Leaders Indexes: Companies that have high ESG performance are selected from the MSCI Global Sustainability Index, an ESG investment index developed by Morgan Stanley Capital International (MSCI). Please refer to the link for the logo's disclaimer.Please refer to the link for the logo's disclaimer.

*4 Euronext Vigeo World 120 Index: An index selected by NYSE Euronext and Vigeo Eiris composed of 120 companies that excel from an ESG perspective.

*5 STOXX Global ESG Leaders indices: STOXX, a subsidiary of Deutsche Börse, selects companies that meet its evaluation standards based on the results of research from the ESG research company Sustainalytics.

*6 Sustainalytics' ESG Risk Ratings: An ESG risk measured for institutional investors by Sustainalytics in the Netherlands. The rating is based on a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. ©2024 Sustainalytics. All rights reserved. This article contains information developed by Sustainalytics (www.sustainalytics.com).Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.

*7 SX Brands: Brands established by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in 2024

Stakeholder Engagement

We actively create opportunities for dialogue and hold mutual communication with our stakeholders to allow us to accurately comprehend their demands and expectations as we deploy our business activities. We strive to build a solid relationship of mutual trust with all the stakeholders surrounding our company by working steadily to fulfill our roles and responsibilities in society.

Shareholders/Investors

Relationship with Stakeholders	■ Shareholders and investors provide our company's capital, while expressing their opinions, demands and expectations of our company from the shareholder/investor perspective through constructive dialogue and through exercising their voting rights at the Shareholders' Meeting ■ We share our management vision and growth scenario with shareholders and investors, and incorporate the opinions and demands we hear from them into our management in an effort to enhance our corporate value
Value Provided to Stakeholders	■ Return of profit generated from business activities ■ Enhanced corporate value through the realization of our medium- and long-term growth
Main Engagement Opportunities	■ Earnings release conference, Medium-term Management Plan briefing, IR Day ■ IR conference, IR road show*, individual IR interview ■ Shareholders' Meeting

* IR road show: IR activities presented directly to shareholders and investors

Customers

Relationship with Stakeholders	■ Customers purchase the semiconductor production equipment we provide and also utilize services necessary for maintaining that equipment ■ We not only provide products, services and solutions but also create technology roadmaps spanning multiple generations and carry out joint technology development with customers
Value Provided to Stakeholders	■ Best Products with innovative technology ■ Best Technical Service with high added value ■ Environmentally friendly products and services with a focus on safety and quality ■ Solutions that satisfy a variety of application needs
Main Engagement Opportunities	■ Technology conference ■ Joint development ■ Customer Satisfaction Survey

Suppliers

Relationship with Stakeholders	■ Suppliers supply the materials and human resources necessary for our company's business administration, and also perform customs clearance, logistics operations and other operational services ■ In addition to purchasing these materials and operational services, we cooperate with our suppliers on the further development and improvement of these aspects and enhancement of their quality. We build a sustainable supply chain that takes into account labor, the environment, health and safety, ethics and the like
Value Provided to Stakeholders	■ Social issue initiatives and further improving added value of products and services through collaboration with our company ■ Business opportunities in the semiconductor production equipment markets ■ Maintaining soundness and strengthening competitiveness throughout the entire supply chain
Main Engagement Opportunities	■ Production update briefing ■ TEL Partners' Day/TEL E-COMPASS Day ■ Sustainability Assessment ■ STQA* audit

* STQA: Supplier Total Quality Assessment

Governments/Associations

Relationship with Stakeholders	■ Governments and associations not only require companies to comply with laws, regulations, industry codes of conduct and other rules, but also aim to work in partnership with companies to bring about development at the industrywide, national and community level ■ While carrying out our business activities in compliance with such laws, regulations, industry codes of conduct and the like in the countries and communities where we operate, we contribute to social development and the resolution of societal issues by accurately grasping social needs
Value Provided to Stakeholders	■ Solutions that help the industry and society solve issues and develop ■ Business activities that comply with laws, regulations, industry codes of conduct and other rules
Main Engagement Opportunities	■ Cooperation with government and administrative agencies ■ Collaboration with global initiatives and NGOs etc. ■ Industry group activities

Local Communities

Relationship with Stakeholders	■ Local communities are striving to offer more value by working to foster local industry and educate human resources ■ We contribute to the development of the local communities where we operate through employment opportunities, initiatives to preserve the local environment and paying taxes to local municipalities
Value Provided to Stakeholders	■ Human resources development and employment opportunities ■ Promotion of environmental preservation in communities ■ Financial contributions through tax payments
Main Engagement Opportunities	■ TEL FOR GOOD (Social contribution activities) ■ Tours of plants and offices ■ Environmental debriefing

Employees

Relationship with Stakeholders	■ Our employees contribute to enhancing our corporate value by demonstrating their individual capabilities and pursuing personal growth through making use of opportunities for education ■ We promote the improvement of employee engagement under management that emphasizes employee motivation
Value Provided to Stakeholders	■ A workplace environment replete with dreams and vitality that respects diversity and enables employees to realize their full potential based on mutual trust between the organization and individuals ■ Opportunities for career development and skill improvement ■ Fair performance review and remuneration commensurate with results
Main Engagement Opportunities	■ Employee meeting ■ Global engagement survey ■ Training and workshops

Engagement with Governments, Industry Groups, and Other External Stakeholders

Basic Stance on "Engagement with Governments, Industry Groups, and Other External Stakeholders"

We have formulated a vision to become "a company filled with dreams and vitality that contributes to technological innovation in semiconductors." We are engaged in business activities based on TEL's Shared Value (TSV), aiming for sustainable corporate value enhancement through the advancement of semiconductor technological innovation. This is based on the idea of Creating Shared Value (CSV). The concept behind CSV is that, by using their unique resources and expertise to help resolve societal issues , companies can realize sustainable growth through the creation of social and economic value.
We believe that, for sustainable corporate value enhancement, it is important to build trusting relationships with a wide variety of stakeholders. As such, we engage with governments, industry groups, and a variety of other relevant external stakeholders in each country and region where we do business. In doing so, we aim to increase medium- to long-term profit, enhance sustainable corporate value, and help resolve issues that meet the demands of society and contribute to societal development.

Engagement with Governments

As a company that is expanding its business globally, our activities are influenced by the various polices and regulatory measures that the governments in each country and /region where we do business implement. To respond appropriately and quickly to policy and regulatory developments, we have established specialized organizations and representatives in each major country and /region where we operate. These organizations create opportunities for us to engage with relevant government personnel and communicate information about our business activities accurately and appropriately. In these ways, we are indirectly involved in policy-making processes. In addition to protecting our business interests, we seek to leverage our unique resources and expertise to help find solutions to societal problems while considering the various policies in each country or region.

- Examples of Engagement with Governments
  - Outreach to promote the understanding of our business operations
  - Explanation of our business to government officials and policymakers in Japan, Europe, the U.S., Asia, and elsewhere*1
  - Participation in workforce training and development initiatives, such as the UPWARDS Program*2
  - Participation in side events held during inter-governmental discussions

*1 In the U.S., we disclose information in accordance with the Lobbying Disclosure Act. See here for details.

*2 UPWARDS: U.S.- Japan University Partnership for Workforce Advancement and Research & Development in Semiconductors

Engagement with Industry Groups and Other External Stakeholders

We participate in a variety of trade associations and semiconductor and electronics-related industry groups to collect information relevant to our operations, including future business opportunities, policy trends and risks, and important societal issues.
In addition, through discussions with other industry group member companies, we share perspectives and acknowledge the effects of common issues on industry.
For example, through our involvement in trade associations and industry groups,*1 including SEMI and the Semiconductor Equipment Association of Japan,*2 several of our executives and employees participate in committee activities, analyze industry studies, and contribute to the formulation of policy recommendations while collaborating with other domestic and international stakeholders. In addition to facilitating the healthy development of the semiconductor equipment manufacturing industry and related industries, we aim to contribute to solutions to global issues that cannot be handled by individual companies alone, such as climate change, human rights, supply chain resilience, workforce training, and research and development.

*1 This includes organizations that make recommendations on political and societal issues, but does not mean that we support all of the policy positions of those organizations.

*2 Tokyo Electron's Representative Director, President & CEO Toshiki Kawai has served as Chairman of the Semiconductor Equipment Association of Japan since May 2023.

Material issues

By realizing our vision and practicing our corporate philosophy, we aim to expand our profits over the medium to long term and enhance our corporate value continuously; to that end, we have positioned key items that should be given priority as our material issues, and these are reviewed each year. In the fiscal year 2024, we reviewed the content of our existing material issues to make them more detailed, and identified new material issues.

Material Issues Identification Process

Identified Material Issues

Material Issues Identification Process

We obtain the advice of a third party specialist regarding consideration of the process by which we identify material issues.

Prepare environment and determine issues	We analyze the status of social issues and the SDGs, business environments, the results of engagement with stakeholders*1 and key risks in our business activities*2 to determine issues that could become our material issues. ■ Social Issues Climate change, human rights issues, geopolitical confrontations, supply chain management, cybersecurity, price rises, etc. ■ Business Environment Further expansion of semiconductors and semiconductor production equipment markets as we move rapidly to a data-driven society, initiatives for the preservation of the global environment, human rights initiatives, further strengthening of corporate governance

Prioritizing / Mapping	Determined issues are evaluated and mapped on two axes: “Importance to stakeholders,” which considers the impact on and interest of stakeholders, and “Impact on our performance and corporate value,” which aims to continuously enhance our corporate value. 
Identifying Material Issues	We identified key items as material issues following discussions and decisions by the Corporate Officers Meeting, participated in by the CEO, and a report to and approval of the Board of Directors. In addition, we confirmed the material issues’ relation to key indicators for continuous corporate value enhancement*3 and the SDGs to be addressed. Furthermore, we clarified the main material issue initiatives in the value chain.

*1 Refer to Stakeholder Engagement

*2 Refer to Risk Management

*3 Refer to integrated report “Key Indicators for Continuous Corporate Value Enhancement”

Identified Material Issues

Material Issues	Significance as Material Issues		Main Initiatives	Relevant SDGs
	Our Significance	Significance to Society		
Climate Change and Net Zero	Reduce the environmental impact of businesses, products, and services to achieve net zero emissions	Reduce climate change risks and create new opportunities	■ Medium- and Long-term Environmental Goals and State of Progress	
Product Energy Efficiency	Achieve both the process performance and environmental performance of products	Preservation of the global environment by providing environmentally friendly products	■ Product Initiatives	

Best Products with Innovative Technology	Establish superiority by creating high-value-added products with innovative technology	Promote innovation and development of society through the evolution of semiconductors	■ Research and Development	
Best Technical Service with High-Value-Added	Expand business opportunities by providing advanced field solutions that solve customer issues	Improve semiconductor device yield and maximize equipment utilization rates	■ Field Solutions	
Customer Satisfaction and Trust	Pursue customer satisfaction and build relationships of absolute trust as a unique strategic partner	Maximize return on investment and expand mutual benefits through co-creation	■ Customer Satisfaction ■ Solutions that Create Value for Customers	
Supplier Relationship	Carry out activities such as development, improvement, and quality improvement through collaboration	Maintain soundness and strengthen competitiveness throughout the supply chain	■ Supply Chain Management	
Respect for Human Rights	Reduce human rights risks and respect individual dignity in business activities	Solve issues such as discrimination, inequality, and those related to labor and safety	■ Human Rights	
Employee Engagement	Create an environment where individuals can maximize their abilities and work actively	Provide various kinds of value that are beneficial to stakeholders	■ Employee Engagement	
Safety First Operation	Achieve sustainable operations by putting safety first	Build a safe society	■ Safety	
Quality Management	Pursue management efficiency through quality-focused operations	Create new value by strengthening competitiveness through quality improvement	■ Quality	
Compliance	Comply with laws, regulations, industry codes of conduct, etc. as the basis for corporate reliability and sustainable growth	Improve compliance awareness and develop a compliance-oriented culture	■ Compliance	

Ethical Behavior	Strive to be a company with a strong sense of corporate social responsibility where our employees can take pride in their work and feel happy	Form a fair and orderly society	■ Compliance/Code of Ethics	
Information Security	Balance data utilization and information security by tackling cyberattacks, information leaks, etc.	Ensure information security without sacrificing convenience	■ Information Security	
Enterprise Risk Management	Aim for sustainable growth by appropriately responding to business risks and their impacts	Contribute to the medium- to long-term development of industry and society	■ Risk Management	

Sustainability goals and results

Annual Sustainability Goals for Each Material Issues

Tokyo Electron is identifying the priority themes for each material issue, setting annual sustainability goals for each fiscal year, and understanding and verifying the progress of results.

We have also clearly identified the persons responsible for each goal, and by conducting various activities to achieve said goals, we are in turn contributing to the SDGs and further enhancing our corporate value.

Annual Sustainability Goals and Results

Goals and Results for Fiscal Year 2024

Goals for Fiscal Year 2025

Goals and Results for Fiscal Year 2024

Target Area	Annual Sustainability Goals	Results	Material Issues
Research and Development	■ Maintain the previous year's global patent application rate*1 (±10 percentage points)	■ Maintained the previous year's rate (CY2021:80.1%,CY2022:79.9%)	■ Best Products with Innovative Technology
Customer Responsiveness	■ Increase Tokyo Electron's value to customers	■ While leading-edge capital investment was curtailed along with customer inventory adjustments, investments to increase production capacity for mature generations were brought ahead of schedule.	■ Best Products with Innovative Technology ■ Best Technical Service with High Added Value ■ Customer Satisfaction and Trust
Customer Responsiveness	■ Achieve evaluations of "Very Satisfied" or "Satisfied" for 100% of customer satisfaction survey responses*2	■ 100%	
Higher Productivity	■ Target a 10% improvement in operational efficiency as a medium- to long-term goal, achieve centralized data management through adoption of a new ERP system and build a business foundation where employees can focus even more on high-value work 1. Launch ERP introduction to overseas subsidiaries 2. Start ERP introduction to manufacturing sites in Japan	1. Completed adoption of first ERP at overseas subsidiaries 2. Completed adoption of first ERP at manufacturing sites in Japan	■ Quality Management

Quality	■ Check the impact of important common issues and thoroughly implement measures to prevent recurrence of similar faults	■ Continued and thoroughly implemented QA-BOX*3 operations ■ Held regular monthly meetings ■ Implemented horizontal deployment of cases posted in the QA-BOX across business units (BU) ■ Conducted surveys in each BU on permeation, responded by deciding on a company-wide unified policy in consideration of risks ■ Began monitoring activities after deciding on a company-wide unified policy ■ Improved necessary system (tools)
Quality	■ Strengthen the information environment for more accurate quality status and promote improvement activities	1. Operated and thoroughly continued regular updates of Quality Dashboard 2. Implemented plant inspections based on Quality Regulations (Quality TEL Manual/TEL Guidelines*4) for the improvement and establishment of quality rules ■ Completed Tokyo Electron FE and Tokyo Electron Korea onsite audits ■ Issued requests for improvement on issues and problems discovered during audits
Quality	■ Identify root causes of market failures and promote and strengthen Shift Left initiatives by thoroughly implementing countermeasure activities	■ Made visible risks from market failures ■ Executed B-FMEA*5 strengthening activities with reference to specific plants ■ Conducted evaluations and implemented deliberations for development across Groups
Quality	■ Extract risks from initial development stage and ensure countermeasures (ensure prevention before issues arise)	■ Implemented and shared beneficial improvement measures handled by each plant ■ Confirmed issues that cannot be resolved with existing measures ■ Planned countermeasures based on themes

Employees/Engagement	■ Employee retention rates Japan: 99% overseas: Higher than the industry average	■ Respect for Human Rights ■ Employee Engagement ■ Ethical Behavior
Employees/Diversity, Equity & Inclusion	■ Conduct a diversity-conscious talent pipeline (plan for developing human resources) for succession planning and achieve the goal of increasing the ratio of female managers*3 to 8% globally and 5% in Japan (by fiscal year 2027)	
Employees/Careers	■ Foster a culture of learning and development in the workplace through 1. Leader development a culture of business ethics and compliance programs 2. Provision of personalized global learning opportunities 3. Support for career development throughout working life	
Employees/Work-life Balance	■ Take-up rate of annual paid leave Japan: 80% or more Overseas: Equal to or better than the previous fiscal year's results	
Safety	■ Reduce the number of workplace injuries per 200,000 work hours Target: TCIR is less than 0.20	■ Best Technical Service with High Added Value ■ Safety First Operation

Corporate Governance	■ We are working at all times to establish an optimal and highly effective Board of Directors and an aggressive management execution system, and by continuously addressing issues based on evaluations of the effectiveness of the Board of Directors and input from institutional investors and other stakeholders, we will achieve solid corporate governance for enhancing corporate value over the medium to long term and sustainable growth. 1. Seeking a Board of Directors with high effectiveness ■ Audit & Supervisory Board System:Majority ratio of outside directors, Free and open discussions including corporate auditors ■ Off-site meetings: For discussions on medium- to long-term strategies, issues, etc. (twice annually) ■ CEO reports: Reports to the Board of Directors on the status of execution of key duties by the CEO (every Board of Directors meeting) ■ CEO mission: Information is shared concerning the CEO's mission for achieving the Medium-term Management Plan ■ Representative director assessment closed sessions: Sessions including directors and Audit & Supervisory Board members but excluding the representative director (once annually) 2. Operating rhythm supporting the execution of business ■ Corporate Officers Meeting: The highest decision-making body on the executive side (once monthly) ■ CSS (Corporate Senior Staff) meeting: Global, across-the-board coordination of company-wide business execution (four times annually) ■ Quarterly review meeting: Monitoring the progress of the Medium-term Management Plan (four times annually)	■ Compliance ■ Enterprise Risk Management
Risk Management	■ We are building and further improving a highly effective risk management system that supports a strong management foundation. ■ We are enhancing risk management and compliance based on the slogan "Safety, Quality and Compliance. Our top priority. It's our pride." ■ Close collaboration between the Chief Compliance officer of Tokyo Electron Group and Compliance officers at domestic and international subsidiaries and continually foster a corporate ethical culture to prevent serious incidents, and establish a compliance posture ■ We are conducting supervision and monitoring through reports to the Corporate Officers Meeting—the highest decision-making body on the executive side—and the Board of Directors (twice annually). ■ To conduct appropriate measures with certainty across the entire Group, we are identifying risks (12 risks in fiscal 2024) expected in the execution of business centered on the Risk Management Committee and deploying them in the activities of each company. ■ We are continuously conducting activities to foster awareness about safety, compliance and risk management, and reflecting the awareness of all executives and employees as well as their autonomous and specific initiatives in our human resource evaluation.	■ Safety First Operation ■ Quality Management ■ Compliance ■ Ethical Behavior ■ Information Security ■ Enterprise Risk Management
Risk Management	■ Establish a compliance system and ongoing fostering of corporate ethics/culture to prevent major incidents before they happen. 1. Construction of a compliance promotion system Group-wide and increase sophistication of operating rhythm 2. Revise and execute a system to spread awareness about compliance and change actions 3. Sustained improvements and execution of programs based on compliance risk assessments 4. Digital promotion of compliance work and programs	■ Compliance ■ Ethical Behavior ■ Enterprise Risk Management

Environment/Logistics	■ Reduce the usage ratio of wood packaging for products to 50% or less (packaging of semiconductor production equipment, by fiscal year 2025)	■ Climate Change and Net Zero ■ Product Energy Efficiency ■ Customer Satisfaction and Trust ■ Supplier Relationship
Environment/Plants and Offices	■ Reduce energy consumption (per-unit basis*4) by 1% from the previous fiscal year at each plant and office	
Environment/Plants and Offices	■ Maintain water consumption (per-unit basis*5) at each plant and office at individual base year levels	
Supply Chain Management	■ Supply chain sustainability assessment implementation rate and Implementation of improvement activities in response to assessment results ■ Material suppliers: Covering at least 85% of our procurement spend ■ Logistics suppliers: 100% of customs-related operators ■ Staffing suppliers: 100% of employment agencies and contracting companies (internal contractors)	■ Supplier Relationship ■ Compliance ■ Enterprise Risk Management
Supply Chain Management	■ Supply chain BCP*6 assessment implementation rate and Implementation of improvement activities in response to assessment results ■ Material suppliers: Covering at least 85% of our procurement spend	

*1 Global patent filing rate: Percentage of inventions filed as a patent application in multiple countries

*2 For each question, average score is calculated for all customers who responded

*3 QA-BOX: Tool for the sharing and horizontal deployment of important quality-related information within our Group companies

*4 TEL Manual/TEL Guidelines: Regulations based on company-wide quality policies set for each major business category, such as development, designed, manufacturing, and services

*5 B-FMEA: Base-Failure Mode and Effect Analysis

*6 Include individual contributors and employees reemployed after retirement

*7 GRC tools: A system that contributes to managerial decision-making in a timely manner by systematically organizing multi-layered and complex corporate management functions and management information collected through the integration of Governance, Risk and Compliance (GRC) measures

*8 Per-unit basis: Calculated using complex weighting of the number of developed evaluation machines, units produced, floor area and labor-hours for each district

*9 Per-unit basis: Calculated based on floor area and labor-hours, etc., for each district

*10 BCP: Business Continuity Plan

Goals for Fiscal Year 2025

Target Area	Annual Sustainability Golas	Material Issues
Research and Development	■ Maintain the previous year's global patent application rate*1 (±10 percentage points)	■ Best Products with Innovative Technology
Customer Responsiveness	■ Increase Tokyo Electron's value to customers	■ Best Products with Innovative Technology ■ Best Technical Service with High Added Value ■ Customer Satisfaction and Trust
Customer Responsiveness	■ Achieve evaluations of "Very Satisfied" or "Satisfied" for 100% of customer satisfaction survey responses*2	
Higher Productivity	■ Target a 10% improvement in operational efficiency as a medium- to long-term goal, achieve centralized data management through adoption of a new ERP system and build a business foundation where employees can focus even more on high-value work ■ Development of ERP at manufacturing sites in Japan	■ Quality Management
Quality	■ Promotion of responses to important common issues and prevent recurrence of faults relating to impact	
Quality	■ Monitor quality status, set up and inspect KPI to make improvements, promote improvement activities	
Quality	■ Identify root causes of market failures and promote and strengthen Shift Left initiatives by thoroughly implementing countermeasure activities	
Quality	■ Extract risks from initial development stage and ensure countermeasures (ensure prevention before issues arise)	
Employees/Engagement	■ Employee retention rates Japan: 99% overseas: Higher than the industry average	■ Respect for Human Rights ■ Employee Engagement ■ Ethical Behavior
Employees/Diversity, Equity & Inclusion	■ Conduct a diversity-conscious talent pipeline (plan for developing human resources) for succession planning and achieve the goal of increasing the ratio of female managers*3 to 8% globally and 5% in Japan (by fiscal year 2027)	
Employees/Careers	■ Foster a culture of learning and development in the workplace through 1. Leader development a culture of business ethics and compliance programs 2. Provision of personalized global learning opportunities 3. Support for career development throughout working life	
Employees/Work-life Balance	■ Take-up rate of annual paid leave Japan: 80% or more Overseas: Equal to or better than the previous fiscal year's results	
Safety	■ Reduce the number of workplace injuries per 200,000 work hours Target: TCIR is less than 0.20	■ Best Technical Service with High Added Value ■ Safety First Operation
Corporate Governance	■ We are working at all times to establish an optimal and highly effective Board of Directors and an aggressive management execution system, and by continuously addressing issues based on evaluations of the effectiveness of the Board of Directors and input from institutional investors and other stakeholders, we will achieve solid corporate governance for enhancing corporate value over the medium to long term and sustainable growth. 1. Seeking a Board of Directors with high effectiveness ■ Audit & Supervisory Board System:Majority ratio of outside directors, Free and open discussions including corporate auditors ■ Off-site meetings: For discussions on medium- to long-term strategies, issues, etc. (twice annually) ■ CEO reports: Reports to the Board of Directors on the status of execution of key duties by the CEO (every Board of Directors meeting) ■ CEO mission: Information is shared concerning the CEO's mission for achieving the Medium-term Management Plan ■ Representative director assessment closed sessions: Sessions including directors and Audit & Supervisory Board members but excluding the representative director (once annually)	■ Compliance ■ Enterprise Risk Management

	2. Operating rhythm supporting the execution of business ■ Corporate Officers Meeting: The highest decision-making body on the executive side (once monthly) ■ CSS (Corporate Senior Staff) meeting: Global, across-the-board coordination of company-wide business execution (four times annually) ■ Quarterly review meeting: Monitoring the progress of the Medium-term Management Plan (four times annually)	
Risk Management	■ We are building and further improving a highly effective risk management system that supports a strong management foundation. ■ We are enhancing risk management and compliance based on the slogan “Safety, Quality and Compliance. Our top priority. It’s our pride.” ■ Close collaboration between the Chief Compliance officer of Tokyo Electron Group and Compliance officers at domestic and international subsidiaries and continually foster a corporate ethical culture to prevent serious incidents, and establish a compliance posture ■ We are conducting supervision and monitoring through reports to the Corporate Officers Meeting—the highest decision-making body on the executive side—and the Board of Directors (twice annually). ■ To conduct appropriate measures with certainty across the entire Group, we are identifying risks (12 risks in fiscal 2024) expected in the execution of business centered on the Risk Management Committee and deploying them in the activities of each company. ■ We are continuously conducting activities to foster awareness about safety, compliance and risk management, and reflecting the awareness of all executives and employees as well as their autonomous and specific initiatives in our human resource evaluation.	■ Safety First Operation ■ Quality Management ■ Compliance ■ Ethical Behavior ■ Information Security ■ Enterprise Risk Management
Risk Management	■ Establish a compliance system and ongoing fostering of corporate ethics/culture to prevent major incidents before they happen. 1. Construction of a compliance promotion system Group-wide and increase sophistication of operating rhythm 2. Revise and execute a system to spread awareness about compliance and change actions 3. Sustained improvements and execution of programs based on compliance risk assessments 4. Digital promotion of compliance work and programs	■ Compliance ■ Ethical Behavior ■ Enterprise Risk Management
Environment/Logistics	■ Reduce the usage ratio of wood packaging for products to 50% or less (packaging of semiconductor production equipment, by fiscal year 2025)	■ Climate Change and Net Zero ■ Product Energy Efficiency ■ Customer Satisfaction and Trust ■ Supplier Relationship
Environment/Plants and Offices	■ Reduce energy consumption (per-unit basis*4) by 1% from the previous fiscal year at each plant and office	
Environment/Plants and Offices	■ Maintain water consumption (per-unit basis*5) at each plant and office at individual base year levels	
Supply Chain Management	■ Supply chain sustainability assessment implementation rate and Implementation of improvement activities in response to assessment results ■ Material suppliers: Covering at least 85% of our procurement spend ■ Logistics suppliers: 100% of customs-related operators ■ Staffing suppliers: 100% of employment agencies and contracting companies (internal contractors)	■ Supplier Relationship ■ Compliance ■ Enterprise Risk Management
Supply Chain Management	■ Supply chain BCP*6 assessment implementation rate and Implementation of improvement activities in response to assessment results	

*1 Global patent filing rate: Percentage of inventions filed as a patent application in multiple countries

*2 For each question, average score is calculated for all customers who responded

*3 Include individual contributors and employees reemployed after retirement

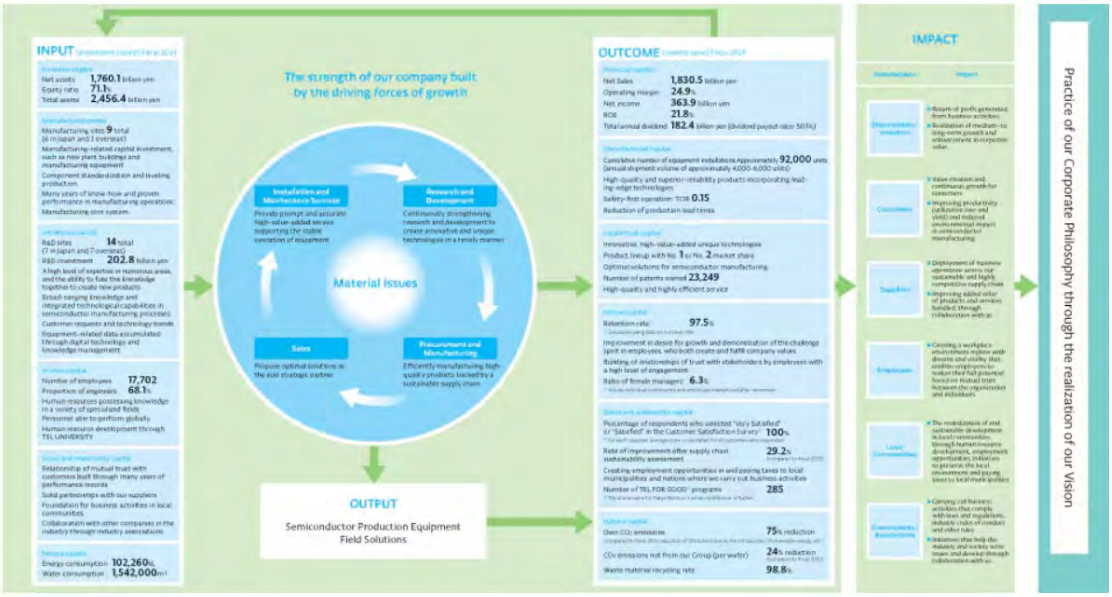
*4 Per-unit basis: Calculated using complex weighting of the number of developed evaluation machines, units produced, floor area and labor-hours for each district

*5 Per-unit basis: Calculated based on floor area and labor-hours, etc., for each district

*6 BCP: Business Continuity Plan

Value creation model

Tokyo Electron will make the most of the capital we own and continue to provide new value that contributes to the resolution of issues and development of industry and society through the development of a value chain in our business activities in research and development, procurement and manufacturing, sales and installation and maintenance services.



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Environment

Our Approach to the Environment

Tokyo Electron aims to solve environmental issues through our leading-edge technology and services under the slogan of "Technology for Eco Life." We strive to contribute to the establishment of a sustainable society by reducing our impact on the consumption of resources, on biodiversity, and on climate change by taking actions that both directly and indirectly contribute to the protection and conservation of the environment.

Environment Policy +

Environmental Management System +

Conference Name	Participants	Function	Meeting Frequency
Council for the Regular Reporting of Environmental Activities	CEO, Corporate Officer, manufacturing companies president, corporate director in charge of the environment	Report on matters discussed at the Global Environment Council and the TEL Corporate Environment Council and review items for approval	Quarterly
Manufacturing Companies Presidents' Council*	Manufacturing companies president, corporate director in charge of the environment, etc.	Monitor and supervise progress related to environmental issues	Quarterly
TEL Corporate Environment Council	The GMs in charge of the environment and vice presidents of department, etc.	The promotion of environmental activities across the entire Group, set Group-wide goals	Appropriately
Global Environment Council	Appointed members by the executives at headquarters and the Group companies	Set individual goals related to environmental issues, monitor progress, work to achieve our goals	Twice annually

* At the Manufacturing Companies Presidents' Council, information is shared on business affairs and issues regarding environment, safety, quality, supply chain management, etc.

ISO 14001:2015 Certified Plants and Offices

Company Name	Plant/Office name	Certification Number	Certification Date	Update Date
Tokyo Electron	Environment Promotion Department (Fuchu Technology Center)	1124-1998 -AE-KOB-RvA	May 1998	Mar. 2023
Tokyo Electron Technology Solutions	Fujii Office/Hosaka Office/Tohoku Office			
Tokyo Electron Kyushu	Koshi/Ozu Office			
Tokyo Electron Miyagi	Taiwa Office			
Tokyo Electron (Kunshan)	—	130755-2013-AE-RGC-RvA	Mar. 2013	Mar. 2022
TEL Manufacturing and Engineering of America	Chaska Office, North Chelmsford Office	EMS586278	Mar.2013	Feb. 2022
Tokyo Electron Korea	TEL Technology Center Korea, Balan Plant	ESC2795	July 2014	Aug. 2023

E-COMPASS

Environmental Risks and Opportunities

TCFD

CO_2 Emissions Across the Value Chain

Environmental Goals and Progress

Product Initiatives

Plant and Office Initiatives

Biodiversity and Forest Conservation (TNFD)

Environmental Communication

Green Procurement

Logistics Initiatives

E-COMPASS

As an industry leader in the domain of environmental management company, we rolling out E-COMPASS (Environmental Co-Creation by Material, Process and Subcomponent Solutions) , our environment-focused initiative.. Through E-COMPASS, we will work together with our customers and partner companies to preserve the global environment by promoting technological innovation and aiming to reduce the environmental impact of semiconductors throughout the entire supply chain, centering on the three following perspectives.

- Pursuing higher performance and lower consumption in semiconductors
- Achievement of both process performance and environmental performance of equipment
- Reducing of CO_2 emissions in all business activities

Main Activities

Under three perspectives, we are executing following projects.

Activities in FY2024

Initiatives with suppliers

We believe we must further accelerate our efforts to preserve the global environment and the "data-driven society," which will be a growing reality in the years ahead. To reinforce our partnerships with our suppliers, in March 2024, we held "TEL E-COMPASS Day 2024", a briefing session with all of our suppliers. At this briefing session, which was held using a hybrid approach, both online and in-person, we shared information about the progress we've made in our E-COMPASS activities and our net zero efforts. We also provided detailed explanations of environmentally-focused training materials, support plans, and more. This session, the third of its type, was attended by roughly 900 suppliers, of which roughly 70 attended in person, engaging in lively exchanges of information.

In December 2023, we awarded three of our suppliers the status of Environmental Partners at "TEL Partners' Day", in recognition of their tremendous cooperation with the activities of E-COMPASS. In April 2024, we also conducted the "E-COMPASS Survey" to confirm matters including the state of suppliers' eco-friendliness with respect to the products they carry, the status of their products' compliance with environmental laws and regulations, activities for reducing the environmental burden of their operations and more. Based on the results of the survey, in September, we plan to certify suppliers with an exceptional level of compliance with environmental laws and regulations and who are conducting excellent CO_2 emission reduction activities as Green Partners as an expression of our feelings of respect and gratitude.

Achieving net zero by fiscal year 2041 will require not only reductions in CO_2 emissions within Tokyo Electron but also cooperation in reducing emissions by our customers' and suppliers' production lines. We are engaging in discussions with some of our suppliers and fleshing out measures achieving these goals. We are also assigning persons in charge of net zero initiatives at each of our manufacturing sites and developing our internal systems.

We will work proactively to preserve the global environment across the entire supply chain through our partnerships with customers and suppliers.

Joint Research Open Call

We are inviting all businesses and research organizations to submit proposals on the measures to reduce the lifetime environmental impact of our semiconductor production equipment, covering everything from its design, development, and manufacturing to its use in production lines and eventual disposal/recycling.

A Call for Proposals on Reducing Environmental Impact throughout the Lifecycle of Semiconductors and FPDs >

Environmental Risks and Opportunities

Various environmental issues affect our daily lives and corporate activities. Physical risks, such as rising average global temperatures, strong winds, disasters and water shortages caused by climate change and abnormal weather, are expected to damage assets, increase operating costs and impact the supply chain. In addition, legal risks including stronger environmental laws and regulations, more stringent regulations on greenhouse gas emissions and the introduction of carbon taxes are expected to lead to higher costs for associated measures.

At the same time, promoting environmental initiatives leads to more opportunities to sell environmentally friendly products and reduce operating costs. We also recognize that providing high-value-added products that contribute to higher performance and lower power consumption of semiconductors and FPDs leads to the building of an energy-saving society that makes the most of information technology, and thus provides an opportunity to improve corporate value.

Based on the requirements of ISO 14001, we identified and analyzed internal and external issues in relation to the environment, namely, our relationship with the climate, air quality and water quality. We also clarified the environmental needs and expectations of customers, suppliers, governments and employees and identified our compliance obligations as an organization. In addition, we define risks and opportunities to address as: (1) environmental management by reducing the environmental impact of our business activities, (2) compliance with applicable laws and (3) enhancing product competitiveness with the environmental contribution of products.

In addition, we are also considering risks and opportunities that are expected to occur due to the impact of climate change based on recommendations of the TCFD.

TCFD

Initiatives Related to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Based on the TCFD recommendations, we examine the risks and opportunities that climate change poses to our business and take various response measures as we endeavor to make disclosures high in transparency. In fiscal year 2024, we are considering the contents of IFRS S2* and are disclosing them to the extent possible.

In addition, we moved the net zero goals ahead of schedule from 2050 to fiscal year 2041 and are actively pursuing initiatives to attain these goals.

* IFRS S2: International Financial Reporting Standards (IFRS) Sustainability Standards of Disclosure S2 Climate-related disclosures

Status of Initiatives Related to Recommendations of the TCFD

Items	Contents
Governance	■ We have established the Environment Promotion Department and the Corporate Sustainability Management Department at our headquarters, and are pursuing initiatives for the TCFD under the entire Group. ■ Our responses to climate-related risks and opportunities and progress toward our goals have been reported on and deliberated at the Sustainability Committee, and approved at the Corporate Officers Meeting attended by the CEO. ■ The executive officers in charge of the environment and sustainability issues report on these initiatives at the Board of Directors, with the Board undertaking supervision. ■ At the Global Environmental Council, comprised of members appointed by executives of the headquarters and Group companies, goals are set, progress is monitored, and the achievement of these goals is promoted.
Strategy	■ We are conducting analysis that takes into account the following points in order to identify medium- to long-term risks and opportunities that climate change poses for our business. ■ Location of plants and offices ■ Occurrence of natural disasters caused by climate change and status of damages ■ Demands from customers, investors, NGOs and local communities

	■ Government policies and regulations and taxation ■ Technological and market trends relating to renewable energy and energy saving ■ Climate change scenarios predicted by external agencies and research results ■ Under the 1.5˚C scenario, we identified transition risks including rising energy costs associated with fuel and energy taxes, and under the 4 ˚C scenario we identified physical risks such as the impact of abnormal weather.On the opportunity side, we identified advanced initiatives to address climate change through technological development. ■ Risks manifest upstream, in direct operations and downstream, while opportunities manifest and are analyzed in direct operations and downstream in the value chain. ■ In response to these risks and opportunities, we are implementing the findings from our scenario analyses into our business strategies and are undertaking initiatives aimed at reducing greenhouse gas emissions across the entire supply chain and achieving our medium- to long-term environmental goals, through introducing renewable energy and providing innovative manufacturing technologies that will contribute to lower power consumption in electronic products.We will increase our resilience (responsiveness to climate change) as a company by periodically reviewing the identified risks and opportunities and our responses thereto.
Risk Management	■ We have utilized enterprise risk management*1 to identify a wide range of risks arising in business activities, and have classified “Environmental Issues” including climate change as a key risk having high impact and probability of manifestation, and developed initiatives relating to this risk. ■ We have formulated and executed measures to minimize the risks of these “Environmental Issues,” and are monitoring the effect of said measures, working to understand the status of risk control and implementing the PDCA cycle for management. ■ Short-, medium- to long-term company-wide risk management initiatives that are recommended by relevant divisions and councils are being undertaken at the facilities and divisions of the Group companies, after approval by the Manufacturing Companies Presidents' Council, which includes the corporate director in charge of the environment. ■ For Scope 1 and 2 CO_2 emissions, in addition to implementing measures to reduce CO_2 emissions at our key manufacturing sites in Japan with high emissions, we are pursuing the adoption of renewable energy on a global scale. ■ For Scope 3 emissions, we are focusing on the development of a range of environmental technologies and reducing CO_2 emissions in our suppliers' operations, based on recognition of the importance of providing products that generate fewer CO_2 emissions because about 70% of the emissions in our entire value chain are generated during use of products after sale. ■ We have formulated business continuity plans (BCPs) in anticipation of natural disasters caused by abnormal weather and other factors, and are working with our suppliers to implement measures to ensure that business operations can be maintained. We have conducted analysis of the risk of natural disasters at our key manufacturing sites in Japan, and confirmed such risks to be low.
Metrics and Targets	■ We are pursuing E-COMPASS initiatives*2 to help develop a data-driven society and preserve the global environment across the entire supply chain. ■ With our semiconductor production equipment technology, we are contributing to enhancing the performance and lowering the power consumption of semiconductor devices being used around the world. ■ We are delivering achievements in both process performance and environmental performance for semiconductor production equipment. ■ We are reducing CO_2 emissions in all of our business activities. ■ Initiatives for our medium- to long-term environmental goals*3. ■ Moved Scope 3 net zero goals ahead of schedule to fiscal year 2041 based on the world situation and market trends. ■ Considering offsetting carbon credit certificates for emissions which are difficult to reduce in terms of net zero goals. ■ Disclosures concerning IFRS GHG emissions*3.

*1 Refer to Risk Management

*2 Refer to E-COMPASS, Initiatives with Suppliers (E-COMPASS)

*3 Refer to Environmental Goals and State of Progress

Anticipated Risks and Opportunities of Climate Change Impact and Our Response

We conducted a climate change scenario analysis in accordance with the TCFD recommendations.

We refer to the 1.5°C scenario*1for risks related to the transition to a low-carbon economy and the 4°C scenario*2 for risks related to the physical impacts of climate change. We assessed the impact of anticipated risks and opportunities over the short-, medium-, and long-term, and clarified our response.

- Timeline: Short-term = five years or less; medium-term = 2030; long-term = 2050
- Scenarios used: 1.5˚C scenario (1.5˚C temperature increase), 4˚C scenario (4˚C temperature increase)
- Scope: The entire Group as well as the entire value chain including upstream and downstream

*1 1.5˚C scenario: Scenario to limit the temperature increase from pre-industrial times to1.5°C

*2 4˚C scenario: Scenario with no additional easing measures against climate change 93%

Type (Scenario)	Risk or Opportunity Items	Timeline of Risk Manifestation	Anticipated Risks or Opportunities	Impact on Tokyo Electron	R
	■ Carbon tax*2 and increased energy costs	Short- to medium-term	■ It has been projected that the following levels of carbon tax will be levied: Fiscal year 2026: Approx. 10,875 yen/t-CO_2 Fiscal year 2041: Approx. 29,725 yen/t-CO_2 ■ Soaring electricity/ fuel costs	■ Assuming that our greenhouse gas (GHG) emissions and renewable energy usage levels remained at the levels of fiscal year 2024, the carbon tax burden would rise as follows: Fiscal year 2026: Increase of 0.5 billion yen/year Fiscal year 2041: Increase of 1.2 billion yen/year ■ Increased transportation costs ■ Increased procurement costs (energy costs would be passed on to suppliers)	Low

*1 Risk evaluation: Sets out the findings of evaluations of the impact of risks or opportunities within Tokyo Electron.

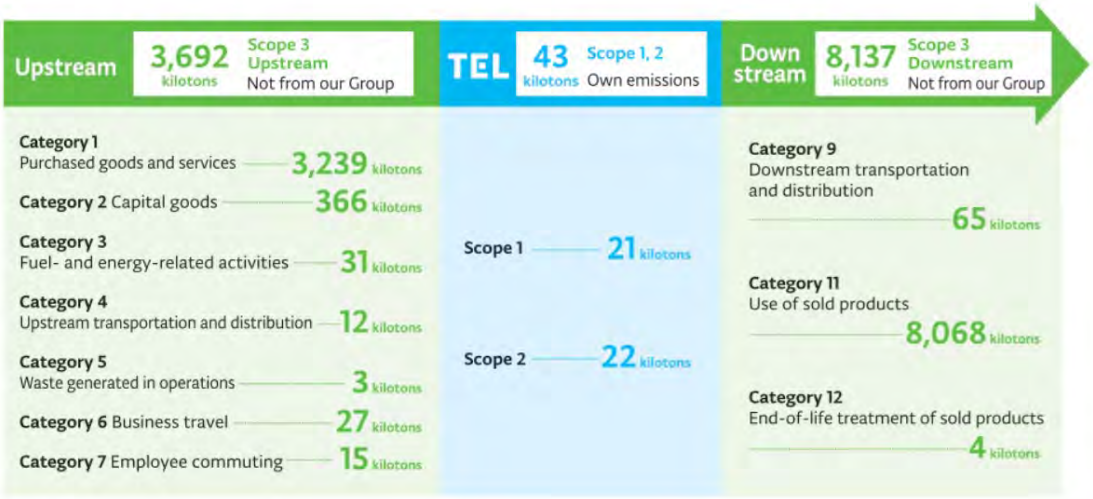
*2 Carbon tax: We referred to the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario for the increase in tax associated with GHG emissions. 1 U.S. dollar was converted as 145 yen.

*3 Suppliers' BCP assessments: Surveys have been conducted since fiscal year 2014 for suppliers accounting for more than 80% of our procurement spend (more than 85% of our procurement spend from fiscal year 2023).

CO_2 Emissions Across the Value Chain

Based on our slogan “Technology for Eco Life,” we aim to resolve environmental problems through leading technology and reliable services, understand the environmental impact generated throughout our entire value chain and promote business activities to reduce that impact.

Our total CO_2 emissions of Scope 1 and Scope 2 is 43 kilotons, while Scope 3 as the sum of upstream and downstream activities accounts for a total of 11,829 kilotons, 99.6% of the total. Of this, CO_2 emissions when using products stand at 8,068 kilotons, about 70% of the total. This is why we consider the development of products with low CO_2 emissions during operation to be important.



- Scope 1: Direct greenhouse gas (GHG) emissions from use of fuel and gas we owned or controlled
- Scope 2: Indirect GHG emissions from use of electricity, steam and heat we purchased
- Scope 3*: Emissions from corporate value chains (excluding Scope 1 and 2 emissions), such as product transportation, employee business travel and major outsourced production processes

* Scope 3 is divided into upstream activities, which include emissions associated with purchased or procured products and services, and downstream activities, which include emissions associated with sold products and services.

Environmental Goals and Progress

In December 2023, we moved up the target year of our net zero*1 target for 2050 by a decade, to fiscal year 2041. We recognize dealing with climate change as a pressing global issue. We will implement various new measures, based on newly set targets. Through this, we will strive to protect the environment and actively lead efforts to achieve net zero emissions as a company of global excellence.
In October 2023, we received SBT*2 certification from the Science Based Targets initiative (SBTi)*3, recognizing that the greenhouse gas reduction targets we had set for fiscal year 2031 were scientifically based. In January 2025, we also received SBT certification for our value chain-wide scope 1*4,2*5 and 3*6 net zero greenhouse gas (GHG) emission reduction targets for fiscal year 2041. As a result, we have received SBT certification both near-term and long-term targets.

*1 Achievement of net zero greenhouse gas emissions from Group activities (Scopes 1 & 2) and from activities outside the Group (Scope 3) by fiscal year 2041

*2 SBT: Science Based Targets. SBTs are targets that are set by companies for 5 to 15 years in the future and that match the standards required by the Paris Agreement.

*3 SBTi: An international initiative that assesses and validates corporate GHG emission reduction targets.

*4 Scope 1: Direct GHG emissions from using fuels and gases owned or controlled by the company.

*5 Scope 2: Indirect GHG emissions from the use of purchased electricity, steam, and heat.

*6 Scope 3: Emissions from corporate value chains (excluding scope 1 and 2 emissions), such as product transportation, employee business travel, and major outsourced production processes. Scope 3 is divided into upstream activities, which including emissions associated with purchased or sourced products and services, and downstream activities, which include those associated with sold products and services.

Targets recognized as SBTs

- Reducing absolute scope 1 and 2 GHG emissions 70% by fiscal year 2031, using fiscal year 2019 as a baseline
- Increasing active annual sourcing of renewable electricity from 2% in fiscal year 2019 to 100% by fiscal year 2031
- Reducing scope 3 GHG emissions caused from the use of sold products by 55% per wafer processed by fiscal year 2031, using fiscal year 2022 as a baseline
- Balance scope 1, 2, and 3 GHG emissions with reductions (net zero) by fiscal year 2041

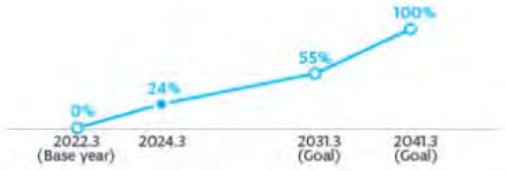
Initiatives Concerning Own Emissions (Scope 1 and 2)

We aim to cut total CO_2 emissions from plants and offices by 70% (compared to fiscal year 2019 levels) and use renewable energy for 100% of our power by fiscal year 2031. By fiscal year 2041, we plan to achieve net zero emissions. The ratio of renewable energy used in all companies in fiscal year 2024 was 90%, which reduced CO_2 emissions by 75% compared with the amount in the reference fiscal year. As a result of this, and assisted also by energy-saving activities, we have reduced total CO_2 emissions from our plants and offices by 75%, enabling us to reach our target ahead of schedule. From fiscal year 2025, we will change our target to a reduction of 85% and further promote initiatives to reduce CO_2 emissions.

CO_2 emissions reductions from the introduction of renewable energy, etc.

Initiatives Concerning Emissions Not from Our Group (Scope 3)

We aim to reduce CO_2 emissions per wafer by 55% compared to fiscal year 2022 levels by fiscal year 2031. We also seek to achieve net zero emissions by fiscal year 2041. As of fiscal year 2024, we have reduced CO_2 emissions per wafer by 24% compared to the base year.



Reduction Rate in CO_2 emissions related to products

Achievement levels of goals

◎Exceeded target ○Proceeding well △Need to accelerate to achieve the goal

Item	Scope	Target	Target FY	FY 2024 Results	Evaluation
Plants and offices	Total CO_2 emissions	70% reduction	2031	75% reduction	◎
	Renewable energy (electricity)	100%	2031	90%	○
	Energy consumption (per-unit basis)	1% year-on-year reduction	Maintain each year	Achieved by 2 out of 11 plants and offices	△
	Water consumption (per-unit basis)	Maintain base year level	Maintain each year	Achieved 10 out of 13 targets	○
Products	CO2 emissions per wafer	55% reduction	2031	24% reduction	◎
Logistics	CO_2 emissions	30% reduction	2027	18.4% reduction	○
	Switch from wooden crates to STW*	50%	2024	22.4% over full year period (26.4% in fourth quarter)	△ (Extended to fiscal year 2025)

* STW: Strong Triple Wall. Reinforced cardboard made up of three layers.

Based on the roadmap for products to achieve the goals, for each product we calculated the reduction in consumption of electricity, process gases and chemicals, water, and other resources depending on how much of the above are consumed when the relevant product is manufactured or used, effects of the reduction in consumption of these resources, and the reduction in consumption due to improved productivity. In October 2023, we have received the certification from the SBT initiative* for our greenhouse gas emission reduction targets set for 2030 (Scope 1,2 and 3). We will continue to work as one company-wide on initiatives aimed at achieving net zero by fiscal year 2041.

* Science Based Targets initiative(SBTi): The Paris Agreement aims to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. SBTi is an international initiative to certify greenhouse gas emission reduction targets set by companies for the next five to 15 years, consistent with the levels required by the Paris Agreement.

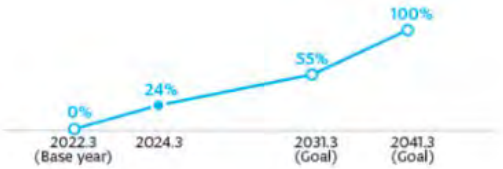
Progress in related initiative

- Reduction of water consumption: Initiatives to Conserve Water Resources and Reduce Water Consumption
- Reduction of waste: Initiatives to Reduce Waste
- Management of toxic substance emissions: Management of Chemical Substances, Initiatives for Product Environmental Laws and Regulations

Product Initiatives

Products that Contribute to a Sustainable Society

Of the CO_2 emissions from our value chain, emissions during product use account for about 70%. We believe that the low energy consumption of products is important as part of our social responsibility as a semiconductor production equipment manufacturer and are working on environmentally friendly product design.
One of our SBTs is to reduce Scope 3 greenhouse gas emissions from the use of the products we sell by 55% per wafer by fiscal year 2031 (in comparison to fiscal year 2022). In fiscal year 2024, to work towards achieving this target, we calculated figures for the base year of fiscal year 2022 and simulated results for the years leading to fiscal year 2031. O ur actual reduction for fiscal year 2024 was 24%.



In addition, we use the Green Transformation (GX) Monitor, which captures information on energy use including electricity, water and nitrogen, as well as equipment operating status, and turns it into a database, to visualize energy consumption information during product use. Specifically, we have introduced a system that allows us to check equipment operating status and energy consumption information in chronological order through our intranet, and are planning to expand the scope of this system going forward.
We will continue to work to further raise environmental awareness and incorporate environmental technologies as important added value in our technological strategies, thus contributing to the reduction of the environmental impact of society as a whole.

Example Initiative1

In order to achieve the mid-term environmental goals for fiscal year 2031, we are developing and employing energy-saving accessories, improving the productivity of equipment through high-throughput*, and reducing consumption of utilities via flow rate control. Furthermore, we are also actively implementing activities such as enhancing the yields of product parts, increasing the lengths of maintenance cycles, stabilizing operations, and reducing footprints that indirectly contribute to reductions of CO_2 emissions and environmental loads.
In fiscal year 2024, we are promoting the development of devices with high levels of environmental performance that leverage our technologies, such as etch technologies for 3D NAND use that are exceptionally fast yet an 84% lower global warming potential and laser separation technologies that contribute to technological innovation in state-of-the-art 3D device mounting and require no pure water for laser processing.

* throughput : the capacity of processing wafers during a certain length of time

Example Initiative 2

To achieve our target of net zero emissions, we believe it is important to reduce greenhouse gas emissions across the entire supply chain. To do that, we must assess the emissions from each product (their carbon footprint, or CFP). This is an area of growing interest for our customers.
We conducted a CFP study of our suppliers in fiscal year 2024. This study covered their net zero targets, their CFP investigations and level of understanding, their collection of information from their own suppliers and the status of their information collection and other issues and concerns. Through our study, we were able to confirm information regarding CFPs and the methods used to investigate and calculate them, along with human resource-related issues. We shared our opinions with suppliers on a one-on-one basis and deliberated with them about how to determine their CFPs. Semiconductor production equipment is made up of numerous materials and components, so identifying the CFPs of each component presents a formidable challenge, but we will continue to work toward this goal with the cooperation of our suppliers.

Initiatives for Product Environmental Laws and Regulations

In order to comply with each country's environmental laws and regulations pertaining to products, we promptly collect information and promote proactive responses. For example, we provide our suppliers with information on US TSCA*1 that will prohibit PIP(3:1)*2 from being included in and after November 2024 in order to prompt them to ensure that the substance will not be included in their products, or to use alternative substances. In addition, we have been introducing the chemSHERPA*3 format since fiscal year 2021 and collected information from suppliers on chemical substances in concentrations in the parts per billion (ppb*4). As a response toward GHS*5 requirements, we provide the necessary safety data sheets (SDS*6) and labels when supplying chemical products to customers, in addition to promoting the local procurement of chemical products.
To comply with the frequently revised environmental laws and regulations, we continue to offer "Product Environment Compliance" training to all employees, and provide suppliers with information related to the relevant environmental laws and regulations.
We will continue to grasp each country's environmental laws and regulations rapidly and strive to respond appropriately.

*1 US TSCA: The Toxic Substances Control Act

*2 PIP(3:1): Phenol, isopropyl phosphate (3:1)

*3 chemSHERPA: A data entry support tool for appropriately communicating information on chemical substances in products across the entire supply chain, and a common system for communicating information on chemical substances contained in products

*4 ppb: parts per billion (1×10-9)

*5 GHS: Globally Harmonized System of Classification and Labelling of Chemicals

*6 SDS: Safety Data Sheet. Refers to the document containing hazard information about chemical substances that is issued when a company transfers or provides chemical substances, or products containing chemical substances, to another company

Product Reuse and Recycling

Semiconductors are in greater demand and are becoming more diverse than ever. This has driven a corresponding rise in the need for more varied semiconductor production equipment. As a leading manufacturer of semiconductor equipment, we are strongly encouraging reuse and recycling of equipment and components by marketing refurbished TEL equipment and offering modification services to customers who already have our equipment installed.

Our refurbished equipment operations start with procuring used equipment from the market, which takes place either directly or through leasing companies. This equipment is then properly tested and refurbished, before being offered to customers as our Certified Used Equipment.

Plant and Office Initiatives

Introducing Renewable Energy

We have set medium-term environmental goals of total CO_2 emissions at plants and offices by 70% (compared with fiscal year 2019) and rate of 100% renewable energy (electricity) usage at plants and offices by fiscal year 2031. The ratio of renewable energy used in all companies in fiscal year 2024 was 90%, which reduced CO_2 emissions by 75% compared with the amount in the reference fiscal year. This enabled us to achieve the goal of reducing total CO_2 emissions from plants and offices by 70% (compared with fiscal year 2019) ahead of the scheduled fiscal year of 2031.
In fiscal year 2025, we have changed our environmental target to be reducing total CO_2 emissions from plants and offices by 85% by fiscal year 2031 (in comparison to fiscal year 2019).

CO_2 emissions reductions from the introduction of renewable energy, etc.

In Japan, all manufacturing sites, plants and offices including tenants began introducing renewable energy in fiscal year 2023. In fiscal year 2024, we expanded these efforts to include introducing renewable energy in the U.S. as well. Through this, we have now completed the introduction of renewable energy at all of our sites in Japan, the U.S. and China. We plan to introduce the system at more overseas offices in the future.

Example initiative

At Tokyo Electron Miyagi (Taiwa), monitors displaying the energy profile of renewable energy generated from solar panels have been set up at the entrance to the plant. At Tokyo Electron Kyushu (Koshi), renewable energy generation initiatives are being promoted, such as the sale of generated energy. In fiscal year 2024, a total of 3,901 MWh of renewable energy was generated in Japan.

Initiatives to Prevent Global Warming and Save Energy

We have brought in a number of initiatives to achieve our medium-term environmental goal at plants and offices, including energy-saving cleanroom operation, setting office air-conditioning at appropriate temperatures, introducing devices that offer superior energy-saving performance and bringing in renewable energy.

Specifically, we are analyzing hourly and seasonal energy usage trends, usage efficiency and more, and we are identifying buildings, equipment and processes with especially high energy usage levels. We are also deliberating and implementing measures for cutting energy usage and for using energy more efficiently.

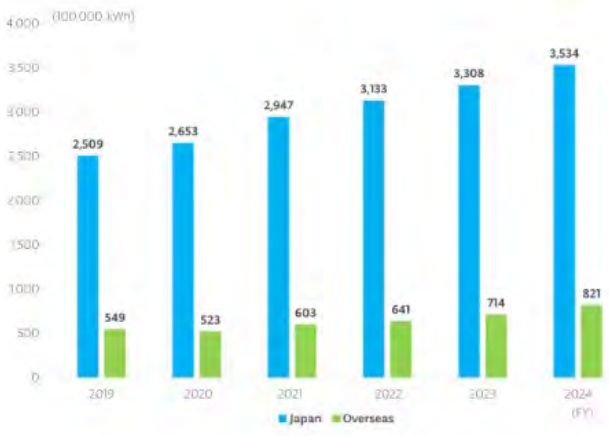
While we are still reaping the benefits of introducing renewable energy in Japan, the U.S. and China in fiscal year 2024, the amount of power being consumed in sites which do not use renewable energy is rising, and the CO_2*1 emitted by our energy sources1 was 34 kilotons (a 7.6% increase year-on-year). Our power consumption was 436 GWh (an 8% increase year on year) due to the launch of operations in a new building and an increase in the amount of energy used by product development evaluation.

From fiscal year 2019, we revised*2 and shared the per-unit basis for plants and offices in Japan to more appropriate levels based on the correlation between business operations and energy. In fiscal 2024, we achieved our annual targets for per-unit energy sustainability at two of our 11 total plants and offices in Japan and overseas.

*1 The emission coefficient for power consumption in Japan in fiscal year 2023 uses the post-adjustment emission coefficient on a per-electricity supplier basis, while the emission coefficients for power consumption overseas uses the emission coefficients in Emissions Factors 2019 edition issued by the International Energy Agency (IEA).

*2 The per-unit basis is calculated by compound weighting using data on the number of development and evaluation machines, production volume, floor space, and man-hours in each region.

Energy Consumption and Energy Consumption per Net Sales



Example initiative 1

The introduction of a system to visualize clearly how much energy is saved at our plants and offices was completed at our major manufacturing sites in Japan in fiscal year 2022. Previously, energy consumption data had to be manually extracted and changes graphed by hand, but integrated management on the cloud has made it possible to check changes at any time. This has made it easier to check the deployment and effects of BKM* at each plant as well as study or implement measures.
More concretely, while in the past we were able to monitor increases and decreases in power consumption for entire business sites and buildings, now we are able to check increases and decreases for each piece of equipment such as refrigeration units, compressors, and lighting, making it easier to analyze and clarify the causes of increases and decreases in usage. In addition, this visualization system has made it possible to compare the effects of capital investment for energy conservation with pre-investment data for a more accurate understanding of the effects. We will accelerate our energy-conservation activities related to operations.

* BKM: Best Known Method

Example initiative 2

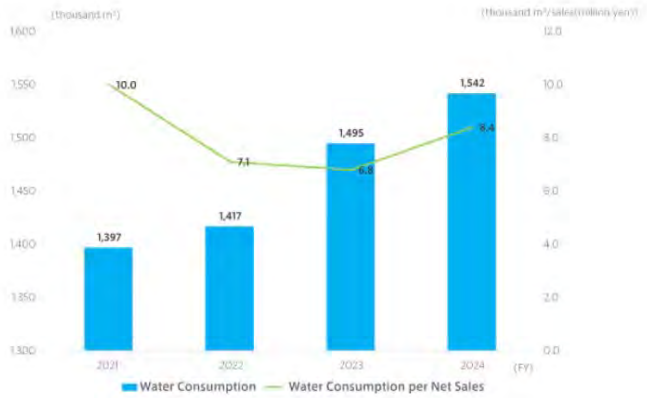
Tokyo Electron BP holds Energy Conservation Competitions in which employees at each site are encouraged to offer ideas for achieving "net zero" (both Scope 1, 2 and 3 emissions and water resource usage) that are feasible within three years. Excellent proposals are announced, reviewed and publicly recognized. In fiscal year 2024, the fifth competition was held and "Shutdown of Unnecessary Existing Facilities" presented by Tokyo Electron Technology Solutions (Hosaka) won the top prize. It is expected that annual CO_2 emissions will be reduced by 123 tons when this idea is put into practice. These Energy Conservation Competitions provide us with new ideas about how to conserve energy and resources, and we will continue these activities in the future.

Initiatives to Conserve Water Resources and Reduce Water Consumption

With the growing importance of water resource preservation, we use WRI Aqueduct* and freshwater resource quantity indicators to conduct water risk assessments in Japan and overseas. In addition, we confirm the status of water resource use in the supply chain, rainwater and wastewater management and goal setting with suppliers once a year.
To achieve these goals , we analyze hourly and seasonal water usage trends, water usage efficiency and the like. We identify buildings, processes and equipment with particularly high water usage rates and consider and implement measures for reducing water usage and improving energy usage efficiency. Specifically, we are carrying out initiatives for cutting water usage such as reusing pure water from our manufacturing operations, installing water-saving devices for domestic water, watering lawns with rainwater, implementing the intermittent operation of cafeteria faucets and reusing runoff in combustion-based exhaust abatement systems.
We are also performing regular water quality studies to prevent any impact on our development or production processes. Water discharge is treated using water treatment facilities and then is confirmed to fall below legal and regulatory limits before being discharged.
In fiscal 2024, due to an increase in usage resulting from launching operations in a new building and performing product development evaluation, the amount of water we used rose by 3% year on year to 1,542,000 m^3. Water consumption per net sales also increased 23% year on year, but we achieved our targets at 10 of our 13 plants and offices in Japan and overseas.

*1 WRI Aqueduct: A water risk assessment tool developed by the World Resources Institute

Water Consumption and Water Consumption per Net Sales



Example initiative

At Tokyo Electron Kyushu (Koshi Office), rejected water* from purified water production is recycled to replenish cooling tower water. This is expected to reduce annual water consumption by roughly 14,000 m³.

* Water containing a high concentration of impurities produced when separating impurities from water

Initiatives to Reduce Waste

To reduce waste, we are striving to curb the amount of waste we generate and to recycle waste. In addition to using an electronic manifest system*1 to properly manage waste, we are confirming statistical data regarding waste and performing on-site equipment confirmation to assess waste production trends and their causes. We are identifying buildings, processes and equipment which generate particularly large amounts of waste and implementing measures to reduce the waste they generate. These measures include separating waste and adding new processes. Specifically, to raise recycling rates and cut the amount of waste, we are thoroughly separating waste, thoroughly preventing the wasting of resources, rationalizing parts inventories, using reusable boxes for deliveries, reusing cushioning material and contracting with waste operators capable of performing recycling. Through these efforts we are reducing the amount of waste that is sent to landfills or incinerated without recovering energy. We are also renovating our waste storage sites to increase their capacity while reducing the frequency of collection. Through this, we are striving to not only cut waste processing costs but also to reduce environmental impact. Through these efforts, in fiscal year 2024 we produced 234 tons of waste to be incinerated without recovering energy or buried in a landfill and achieved a recycling rate*2 of 98.8%. This marked the 18th consecutive year, starting in fiscal year 2007, that we have met our target of a recycling rate of 97% or above. We also maintained a high recycling rate at our overseas sites of 92.9%.

*1 Electronic manifest system: A system in which, instead of using printed manifests to manage industrial waste, the flow of industrial waste products is managed through a communications network that connects information processing centers, waste generating enterprises, waste collection enterprises and waste disposal enterprises

*2 Recycling rate: (Recycled amount/Amount of waste generated) × 100

Example initiative

At Tokyo Electron Kyushu, pallets that are partly made from ocean-bound plastics (recycled plastics known as OBPs) are used to store products in stock. Environmental issues related to plastic waste have been drawing attention in recent years. In particular, marine plastic waste is posing serious problems. OBPs, which are plastic waste disposed of in land areas within 50 km from the sea may, if left uncollected, flow into the sea as marine plastic waste and contaminate the environment. We use pallets made from OBP to help combat the problem of ocean pollution.

Management of Chemical Substances

We constantly monitor and manage our use and release of any chemical substances used in product development and manufacturing subject to the Japanese PRTR* law. Whenever we introduce a new chemical substance or change the way an existing substance is used, we check for environmental, health and safety risks beforehand and conduct appropriate processing after use such as by contracting expert vendors and using in-house processing facilities. In response to the Fluorocarbons Recovery and Destruction Law, we conduct simple checks, regular inspections and so on based on law in an effort to monitor the amounts of fluorocarbons filled and recovered.

* PRTR: Pollutant Release and Transfer Register. A framework for tracking, tabulating and disclosing quantitative data on chemical substances that may be hazardous to human health and the ecosystem, including the amounts used and discharged into the environment and the amounts transferred (as part of waste) from the plants and offices

Biodiversity and Forest Conservation (TNFD)

Our business activities are made possible by biodiversity. We recognize that our business activities have some impact on biodiversity, so we work to protect this biodiversity. We set a goal of conducting ecosystem tours or conservation activities at our plants and offices in Japan at least twice a year. In fiscal year 2024, we held a total of 19 such events, with a total of 288 participants.
In fiscal year 2023, we formulated commitments to biodiversity and forest conservation with the approval of the CEO.
These commitments applied to our entire value chain, and at the 3rd TEL E-COMPASS Day, an event held in March 2024 for all of our suppliers, we shared the contents of these commitments and the measures we were conducting in relation to them.

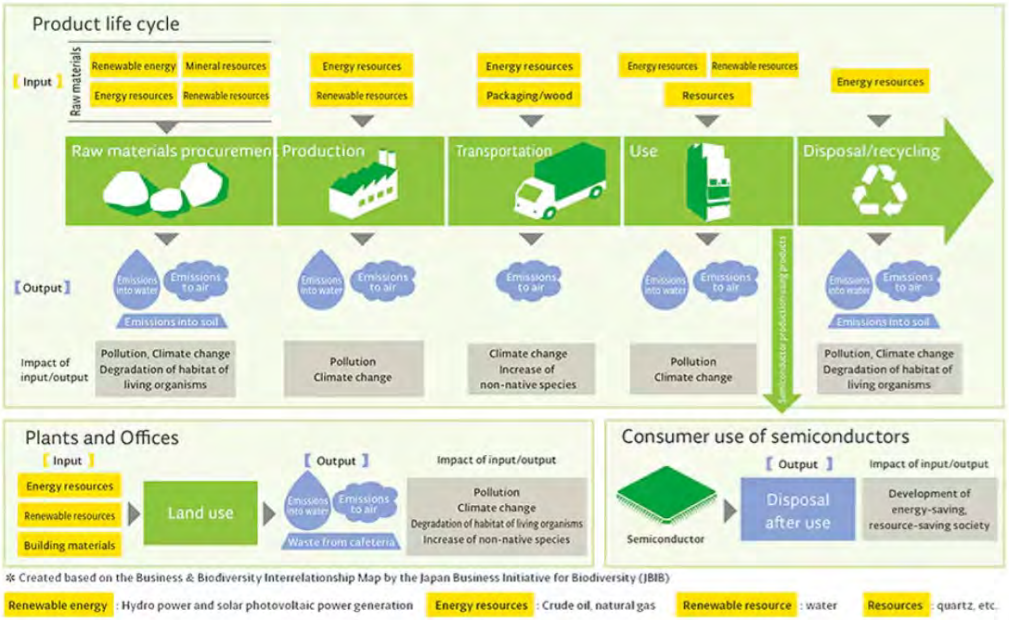
Biodiversity and Forest Conservation Commitments

The benefits of biodiversity are essential for the sustainable development of society. However, human society's activities are having a major impact on biodiversity.
Through "TEL's Shared Value," we are working to resolve social issues through business activities that make use of our expertise. We aim to realize "Net Positive Impact (NPI)"* across our entire value chain through ongoing initiatives to preserve biodiversity. We believe that promoting activities in partnership with our stakeholders will help to boost our corporate value in an ongoing manner. As part of these efforts, we aim to achieve zero deforestation through working proactively to protect forests, which are home to ecosystems comprising numerous organisms and which constitute important CO_2 sinks.

We make a map of biodiversity relationships based on the product life cycle assessments. We promote biodiversity initiatives based on the activity guidelines and the relationship map.

* NPI: When loss of the natural environment cannot be avoided and the decision is instead taken to generate gains for the natural environment to offset the losses, ensuring that losses and gains are balanced constitutes "No Net Loss (NNL)," while going beyond this by ensuring that the gains outweigh the losses constitutes "Net Positive Impact (NPI)."

Interrelationship Map of Biodiversity Activities



Taskforce on Nature-related Financial Disclosures(TNFD)

Join the Taskforce on Nature-related Financial Disclosures(TNFD) Forum

In July 2023, we announced that we concur with the vision of the Taskforce on Nature-related Financial Disclosures(TNFD)*1 and has joined the TNFD Forum, a group of institutions that support the activities of the taskforce.
TNFD is an international initiative established in June 2021 to support the transition to a nature-positive*2 world, aiming to develop a risk management and disclosure framework for businesses with stakes in natural capital and biodiversity. The TNFD Forum was established in September 2021 as the taskforce's support organization that provides expert insights and technical assistance to TNFD.
At TEL, we are assessing the impact on nature caused by our business activities and the risks of nature loss, and are working to disclose relevant information in an appropriate manner. We are also collaborating with our stakeholders to enhance natural capital and biodiversity through our entire value chain.
We are assessing the impact of our business activities on nature and the risks the loss of nature poses to our business. We are working to disclose this information in an appropriate manner. We will also collaborate with our stakeholders to enhance natural capital and biodiversity through our entire value chain.

*1 The Taskforce on Nature-related Financial Disclosures (TNFD) was launched in June 2021 with founding members including the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF), and a British non-profit organization Global Canopy. With the aim of shifting global financial flows away from nature-negative outcomes and toward restoring biodiversity, the taskforce is developing a framework that drives businesses, institutions, and organizations to disclose risks and opportunities impacting natural capital and biodiversity.

*2 Being "nature positive" means putting nature on the path to recovery by stopping and reversing the loss of biodiversity.

TNFD-based reporting

Having confirmed dependencies and impacts on biodiversity of our company's businesses in fiscal year 2013, we prepared action guidelines to start our biodiversity initiatives. In fiscal year 2023, we formulated the commitments on biodiversity and forest conservation with the approval of the CEO. In fiscal year 2024, we joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum to understand the basic overview of TNFD and the LEAP* approach that it recommends. Based on this understanding, we investigated the circumstances surrounding our supply chains and identified and compiled the latest information on priority locations . We also interviewed our suppliers to explore the current conditions and outlook concerning sustainability of raw materials. By obtaining information on measures against land use and pollution related to mineral mining, water consumed by manufacturing processes, and commodity production with risks , among others, we assessed the sustainability of raw materials as well as confirmed the current conditions for measures to be taken in the future to identify the traceability of the places of origin of raw materials and the environmental impacts of raw material procurement and to reduce these impacts. Furthermore, we assessed the following risks related to biodiversity.

* Locate, Evaluate, Assess, and Prepare: Four steps of risk and opportunity assessment

Biodiversity risk assessment

Impacts and dependencies of our businesses on nature

We analyzed the impacts and dependencies of our supply chains on nature utilizing ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), provided by Global Canopy, a UK non-profit organization engaging in monitoring of corporate impacts and dependencies on nature, the UN Environment Programme Finance Initiative, and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) . As a result, we identified that our upstream supply chains have large impacts and dependencies on nature.

		Supply chain Upstream	Our company	Supply chain Downstream
Dependencies	Ground/surface water	High	Middle	Middle
	Climate regulation	High	Low	Low
Impacts	Water use	High	Low	High
	GHG emissions	High	Low	Middle
	Pollutants (Air, water, and soil)	High	Middle	Middle
	Solid waste	High	Middle	Middle
	Noise/light pollution	High	Middle	Middle

Risks

■ Water risks

We analyzed risks related to water, such as flooding, droughts, and water stress, of each site in and out of Japan utilizing Aqueduct 4.0, provided by the not-for-profit World Resources Institute (WRI). As a result, it was found that our sites in China and the U.K. are located in areas with high water-related risks (Refer to Results of Analyses using Various Tools).

■ Biodiversity risks

Concerning the potential impact of our business activities on biodiversity, we surveyed the numbers of IUCN Red List species*1 and KBAs*2 within an approximately 50 km radius from each site in and out of Japan utilizing Integrated Biodiversity Assessment Tool (IBAT), provided by UNEP-WCMC. As a result, we identified that large numbers of threatened species exist around our sites in Taiwan and Singapore.
Our risk analysis using the Biodiversity Risk Filter, provided by World Wildlife Fund (WWF), also revealed that our sites in China have high risks related to water quality, soil, and air quality (Refer to Results of Analyses using Various Tools).

*1 IUCN Red Lis t: List of threatened wildlife species prepared by International Union for Conservation of Nature (IUCN)

*2 Key Biodiversity Area KBA: Key areas for biodiversity conservation

■ Deforestation risks

We surveyed the extent of deforestation over the past two decades in the areas where our sites in and out of Japan are located using the Global Forest Watch, provided by WRI, to grasp the forest conservation status. Korea has seen progress in deforestation, compared to other areas, with an approximately 18% decrease in the forest area over the past two decades (Refer to Results of Analyses using Various Tools).

Results of Analyses using Various Tools

	Aqueduct			IBAT		Biodiversity Risk Filter	Global Forest Watch
	Water Stress	Water Risk	Water Pollution	IUCN Red list species*	KBAs	Scape Physical Risk	Deforestation Rate
Japan	Middle	Middle	Middle	1,444	7	Middle	4%
Korea	Middle	Middle	Middle	926	7	Middle	18%
Taiwan	Middle	Middle	Middle	3,220	5	Middle	No Data available
China	High	High	High	1,250	2	High	2%
U.S.	Middle	Low	Low	968	2	Middle	3%
Europe (UK)	High	Middle	Low	1,000	7	Middle	3%
Singapore	Low	Middle	Low	3,192	7	Middle	13%

* Averages for areas with multiple sites.

TNFD Risk Analysis

Type	Risk	Timeline of Risk Manifestation	Anticipated Risks	Impact on Tokyo Electron
Water	■ Decrease in the volume of available water	Medium- to long-term	■ Impacts on us, our customers and suppliers (supply chain disruptions, production/shipping delays, and other factors) ■ Increases in the water procurement cost ■ Negative impacts on local residents and ecosystems	■ Production delays and decreases in productior efficiency resulting from unstable parts procurement due to a water shortage in the upstream supply chain ■ Delays in production and development processes of our company ■ Deteriorations in reputations among loca stakeholders

*1 CMRT: Conflict Minerals Reporting Template. Survey format for reporting conflict materials, provided by the Responsible Minerals Initiative (RMI), which has established international guidelines on conflict minerals.

*2 3TG: Tantalum, tin, tungsten and gold

As steps toward considering our measures against the water risks identified and specifying our commitments to biodiversity and forest conservation, we are planning to set indicators and action policies, perform detailed surveys of and activities in the surrounding areas of our sites, and engage in management of environmental and social risks related to minerals.

Example initiative

Tokyo Electron Miyagi has named a 4.2 ha area of prefectural forest in Yamato Town "Tokyo Electron Forest" as part of its efforts to nurture forests and preserve the environment, and has been conducting tree-planting activities (tree-planting events) since 2017. A total of 283 participants planted 324 trees in six years. In addition to planting trees and capturing trees, full-scale forest maintenance was carried out, including sorting out depleted trees and moving logs, and the participating children also had the opportunity to climb a cliff using ropes, make wreaths, and experience nature crafts.
In the sixth year of this activity, the forest, which was covered with dead and damaged trees before maintenance, is regaining its original appearance and has become like a park with a walking trail. In addition to the landscape, the number of shrimps, gentians, butterflies, and dragonflies in the ponds and puddles has increased, contributing to biodiversity.

Environmental Communication

Our environmental policy requires that we respond appropriately to the expectations of society. We promote initiatives for the environment while engaging in ongoing communication with all of our stakeholders.
In addition, to better promote environmental communication internally, we provide an environmental program for new employees and mid-career recruits, plus a refresher program for existing employees.
In fiscal year 2024, approximately 12,000 employees in Japan participated in the refresher program for existing employees. This training relates to our efforts to cut energy usage, our renewable energy initiatives, our efforts to reduce water usage and our initiatives for reducing waste and raising recycling rates, helping change employees' mentalities regarding these issues. In fiscal 2025, we will carry out an educational program for suppliers that will provide them with a greater understanding of our environmental policies and goals. Specifically, the training will cover topics such as Tokyo Electron's Environment Policy, our medium- and long-term environmental goals, the importance of environmental and climate change-related measures, abnormal weather and global warming and the methods used to calculate Scope 1, 2 and 3 CO_2 emissions from the supply chain .

Example initiative 1

At Esashi Plant in Iwate, employees participate in activities of "Oshu Megumi Net", a citizens' environmental conference in Oshu City. In fiscal year 2023, they are promoting communication through activities such as delivering a lecture titled "Environmental Activities: Technology for Eco Life" and participating in nature observation activities with local residents.

Example initiative 2

As part of our enlightenment activities aimed at providing increased opportunities to consider biodiversity, eco-life, and the environment through taking photos and/or painting pictures, we have been holding the TEL Eco-Life Art and Photo Contest annually since 2009. The contest, which is held for employees and their families, has attracted more entries every year. As many as 2,877 entries were submitted in fiscal year 2024 from the entire Group companies worldwide, with a grand total of over 11,000 submissions over the past 15 years.

Example 1 of the TEL Eco-Life Art and Photo Contest

Example 2 of the TEL Eco-Life Art and Photo Contest

Green Procurement

Green Procurement Guideline

We have been conducting business operations based on our environmental policy, which aims to conserve the environment and create a global recycling-oriented society. As part of this policy, we issued "Green Procurement Guidelines". We want every supplier to understand our sustainable global environmental conservation activities and these guidelines and provide us with your kind cooperation.

Guideline for Green Procurement Rev. 4.2 (61KB)

The Substance List（Revised Nov.2024）

As global environmental laws and regulations become increasingly diverse and complex, we have prepared the TEL Substances List to reflect the latest laws and regulations and revise it every six months. This documentation provides information on prohibited substances controlled during our business activities, the threshold values, and the reportable applications. If a substance designated as a TEL Prohibited Substance is contained, it must be decontaminated or replaced immediately.

TEL Substances List Rev. 4.2 (2.7MB)

Related Documents

As environmental laws and regulations regarding products are being strengthened, please refer to the following document for our approach and efforts to comply and conform to each law and regulation.

Our View on Management of Chemical Substances in Tokyo Electron Group Products Rev. 4.2 (58KB)

Explanation of How TEL Addresses Issues Regarding Environmental Laws and Regulations in Products Rev. 2.0 (168KB)

Request for Provision of Environmental Information Regarding Delivered Products

We are researching contained chemical substances used in all parts and products purchased from our suppliers.

Research on Contained Chemical Substance in Articles

We implement contained chemical substances in articles based on the TEL substance list.
We use chemSHERPA-AI* for the research on contained chemical substances in articles. The tool of chemSHERPA-AI can be downloaded from https://chemsherpa.net/english/
If you need more details about the research process, please contact us using the Sustainability inquiry form.

Sustainability inquiry form

*1 chemSHERPA-AI : The information transmission sheet to be used to communicate information about chemical substances contained in products

Research on Environmental Laws and Regulations

In addition to regulations on contained chemical substances, there are also regulations on energy efficiency and recycling in various countries. We are researching our suppliers and promoting their compliance with these regulations. We appreciate your cooperation.

Logistics Initiatives

Environmental Considerations in Logistics

Because of worldwide environmental concerns such as global climate change and the rising demand to reduce the environmental burden of logistics activities, transportation regulations are becoming more stringent. We continue to adjust our logistics operations to meet these demands.

CO_2 Reduction Initiatives

As logistics regulations are tightened from the perspective of preventing global warming and addressing climate change, there is a growing demand to reduce the environmental impact of business activities. We have been actively implementing measures such as a modal shift*1 in transportation in Japan and overseas and the adoption of packaging methods that reduce environmental impact, as well as promoting activities designed to reduce the environmental impact of its logistics.
For logistics in Japan, we calculate and clarify CO_2 emissions within the scope defined by the Act on the Rational Use of Energy and Conversion into Non-Fossil Fuel, Etc. (Energy Saving Act). For logistics overseas, we calculate and clarify CO_2 emissions for both our Group companies and also for logistics in which our customers are serving as shippers.

Source: Tokyo Electron BP

In fiscal year 2023, we actively promoted the use of reinforced corrugated cardboard packaging and modal shifts to achieve our annual sustainability goal set in fiscal year 2021. Reinforced corrugated cardboard is lighter in weight, which is expected to reduce CO_2 emissions during transportation. It is also recyclable and has a lower environmental impact than wood.

By fiscal year 2024, we had aimed to have a switchover rate from wooden crates to STW of 50% or above, but the actual switchover rate was 22.4%. We will work to standardize STW packaging and promote its use with customers. Additionally, we will extend the target achievement period for the fiscal year 2025 and promote our activities.

In fiscal year 2024, we carried out activities to achieve our annual sustainability goal of further promoting modal shifts and joint delivery and reducing CO_2 emissions from overall logistics (own delivery) by 30% (by fiscal year 2027). As a result, CO_2 emissions from domestic logistics were reduced by approximately 3 kilotons (18.4%) compared with estimated emissions had modal shifts and joint delivery not been implemented.

These initiatives were positively evaluated, and we and Tokyo Electron BP, a Group company, were nominated for commendation by the Director-General, Maritime Bureau, Ministry of Land, Infrastructure, Transport and Tourism in relation to the accreditation of the "Eco-ship Mark"*2 for fiscal year 2023 organized by the Eco-ship modal shift business execution committee, as corporations that contribute to environmental measures through sea transportation, and were commended in May 2023.

*1 Modal shift: Efforts to transform the means of transportation. Refers to the shift of transportation from car and air to rail and ship, which have lower environmental impacts.

*2 Accreditation of the "Eco-ship Mark": The Eco-ship modal shift business execution committee organized by the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, and operators of ferries, RORO ships, container vessels, automobile vessels, etc. awards the "Eco-ship Mark" to cargo owners and logistics operators that contributed to the modal shift to marine transport, and the Director-General at the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism grants an award every year to an operator that made a notable contribution.

Example initiatives

We are proactively promoting modal shifts to reduce environmental loads. In fiscal year 2023, we replaced more than 4,000 trucks used for transportation between Osaka and Fukuoka with ferries.

Tokyo Electron Miyagi has been making modal shifts to railways to transport components from suppliers in the Kansai district. In fiscal year 2023, they started to carry out modal shifts for transportation of components from suppliers in the Hokuriku and Kyushu districts. Because modal shifts will contribute to the mitigation of "year 2024 problems" that are expected to reduce the number of available truck drivers as a result of strengthening of overtime work regulations, we will continue to proceed with this initiative.

Resource-saving Initiatives

Because our products are precision equipment, they must be shipped with care and in clean conditions, requiring the use of wooden crates and cardboard boxes. To conserve some of these resources, We use recyclable cardboard boxes for packaging. After the equipment has been shipped and installed, casters and other specialized transport fixtures are collected and brought back to our factories for reuse. These are only a few examples of our resource-saving efforts.

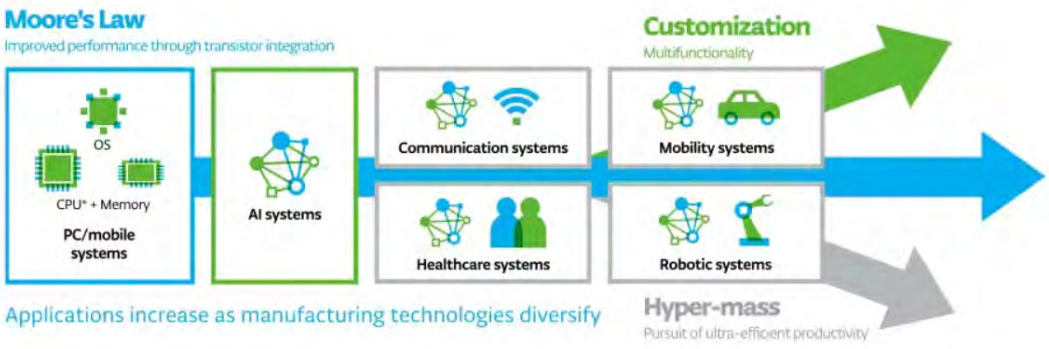
Research and Development

Research and Development for the Future

With the evolution of ICT, electronics are more and more indispensable to people's lives. In addition, there is an increasing need to realize both the development of a data-driven society and preservation of the global environment, with the growing demand for semiconductors, which is the base of ICT and increasing global awareness of the environment. The performance required of semiconductors is also becoming more diversified.

In order to contribute to the development of a dream-inspiring society, Tokyo Electron is engaged in R&D with an eye on the future to capture changes in society, including innovations in manufacturing technology and the pursuit of ultra-efficient productivity.

Market Heading toward Diversification



* CPU: Central Processing Unit. A semiconductor chip that serves as the brain of a computer.

Strengthening Research and Development Capabilities

To continuously create the high-value-added next-generation products needed for technological innovation in semiconductors and bring them to the market in a timely manner, domestic and overseas development sites, our business divisions and the Corporate Innovation Division take advantage of their respective individuality and collaborate in necessary areas for us to promote technological development and integration. We construct development systems ranging from fundamental technologies to mass-produced products and promote DX that uses AI technologies in our R&D. In five years starting from fiscal year 2025, we will spend more than 1.5 trillion yen for R&D expenses to continue and accelerate these activities. In addition, by monitoring the contribution of the R&D expenses and their deliverables to net sales, we will check our development efficiency using R&D expenses in the past five years and net sales in the next five years to implement activities to further increase our development efficiency.

Each development site and business divisions have an eye toward future generations and are engaged in the development of innovative technologies. They also promote R&D related to peripheral technologies. The Corporate Innovation Division is developing cross-functional initiatives in each product area as well as promoting and optimizing R&D with a bird's eye view on the entire development structure. In addition, the division is also engaged in a search for potential growth areas, as well as in R&D of fundamental technologies toward creating value in the future.

For excellent deliverables of research and development in each site of our Group, awards from Global Awarding System as well as Excellence awards of our internal technology conference, Sustainable Technology Award and DX Award are granted to enhance engineers' motivation to create products.

Further Strengthening of Development Structure

We are actively investing with a focus on further growth as we endeavor to further strengthen our development structure.
To this end, we have completed construction of Miyagi Technology Innovation Center and a new development building at Tokyo Electron Technology Solutions Hosaka Office. We are also planning to open and operate new development buildings at Tokyo Electron Miyagi and Tokyo Electron Kyushu from 2025.

Miyagi Technology Innovation Center
(Completed in September 2021)

Tokyo Electron Technology Solutions
Hosaka Office New Development Building
(Completed in July 2023)

Tokyo Electron Miyagi
New Development Building
(Completion scheduled for spring 2025)

Tokyo Electron Kyushu
New Development Building
(Completion scheduled for summer 2025)

Shift Left

We are focused on using the Shift Left approach, investing resources such as technology, personnel and expense into the early processes of product development. Through this approach, we are endeavoring to develop various technologies and conducting research for multiple future generations to realize the technology roadmaps we have created with customers.

With product development through the Shift Left approach, we understand customer needs at an earlier stage, reflect the information obtained from feedback into our technological development and propose superior products. This contributes to maximizing yield for customer devices and capacity utilization of their mass production line equipment. We are also promoting on-site collaboration for early delivery of evaluation equipment to customers' fabs and development and research laboratories, and are working to accelerate the process in which technological development is reflected in mass production equipment as well as to optimize development efficiency.

- Joint development of technology roadmaps spanning multiple generations
- Promotion of early engagement
- Maximization of yield for customer devices and equipment operating rate from early stages of mass production, and also reduction of environmental impact
- Promotion of improvement in work efficiency and per person productivity, and further increase in investments into human resources and development
- Increase in equipment efficiency per unit area by achieving higher productivity and using less space

Marketing

Based on the roadmaps of device technology and customer products as well as competitive analysis, marketing departments of business divisions, accounts and the corporate organization play respective roles appropriately and collaborate with each other to realize medium-term and long-term management plans.

Marketing departments of Business Units (BUs) in Business Divisions conduct planning of advanced next-generation products and promotion activities based on it to satisfy the needs of customers in the target market segments of respective BUs. On the other hand, marketing departments of account and corporate organizations conduct planning of integration that combines next-generation products of business divisions across BUs and planning of advanced new products not included in the product portfolio of business divisions to solve future High Value Problems (HVPs) of the customers. In addition, they propose solutions based on the above planning.

In the semiconductor industry, where business environment changes drastically, companies need the flexibility to change policies in a timely manner as circumstances require. Our marketing departments work together in performing their activities that anticipate market needs and contribute to customers' products as well as help improve our product competitiveness and promote our Shift Left approach.

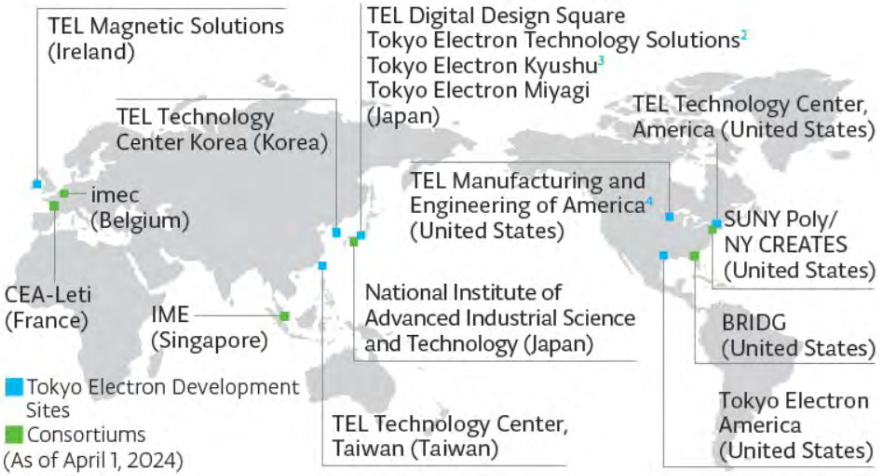
Collaboration with Consortiums and Academia

For many years, we have been focusing on joint research and development efforts with domestic and international consortiums and academia (universities). These initiatives help develop the development infrastructure to maximize the benefits of openinnovation-based development in each region. In recent years, we are also making efforts to boost human resource development in the semiconductor industry through collaboration with major universities in Japan and abroad.

We continue our development in various areas from applications to products through efforts such as R&D underway for the front-end and back-end areas at TEL Technology Center, America, participation in a global research hub for hardware development of next-generation AI, leading-edge logic development and quantum computing development, collaboration with "imec" in the logic process development and for patterning technology in EUV and high-NA EUV ranges, and collaboration with BRIDG, a not-for-profit, public-private partnership. In the semiconductor industry, in which the speed of technological innovation is rapid, developing new echnologies in advance is a source of corporate growth. We will not only develop leading-edge exposure technology but contribute to the creation of innovation with new structures/new materials such as CFET and TMDC*1 by extracting and identifying technology change points by conducting market research with an eye towards ten years ahead.

In our collaboration with the National Institute of Advanced Industrial Science and Technology (AIST), one of Japan's largest public research institutions, we leverage its world-class research environment and personnel to enhance our own research and development capabilities by conducting development of leading-edge fundamental technologies required for diversified semiconductor device production and research in TMDC and 2D materials.

*1 TMDC: Transition Metal Di-Chalcogenide, a material used for 2D transistors such as WS2, MoSe2.



*2 Fujii Head Office, Hosaka Office, Tohoku Office

*3 Koshi Head Office, Ozu Office

*4 Chaska Head Office, Chelmsford Office

Intellectual property management

We are promoting intellectual property (IP) management under the fundamental tenet of contributing to an increase of corporate profits by supporting our business activities through IP protection and its utilization.

To achieve sustainable growth in the semiconductor industry where the growth is driven by technological innovation, we are globally expanding our R&D activity including industry-academia collaborations. Our IP department collaborates with R&D departments and business departments at each of our R&D and production sites, and with the marketing department at headquarters. The aim is to provide appropriate protection for innovations created based on development seeds and market needs, and to build an IP portfolio that is compatible with our R&D strategy and its shift-left focus.

In 2023, the number of inventions created in Japan was 1,186 and 303 overseas. We have maintained the global patent application rate approximately 75% for 5 consecutive years, and the allowance rate* of the filed patents has reached 81% in Japan and 80% in the United States. Furthermore, various inventions have been created through collaboration with domestic and overseas business partners, consortium and academia, and we have jointly filed patent applications on 61 inventions in the past three years.

Consequently, the number of active issued patents as of March 31, 2024 is 23,249, which is the largest number in the semiconductor production equipment industry, and we are building our competitive edge in the intellectual property field on a global level.

Our patent portfolio has also been rated highly for aspects such as impact on other companies and improved technological value over recent years. As in 2024, we have again been selected in the Clarivate Top 100 Global Innovators 2025 and the LexisNexis Innovation Momentum 2025: The Global Top 100.

We consider IP to be an important asset for improving medium- to long-term corporate value. We will therefore continue striving to improve the competitiveness of our products through differentiation of our technologies by building a competitive IP portfolio in terms of both quantity and quality.

* Figures calculated in 2023

Tackling Technological Innovation

Research and Development for Next-Generation Computing

Demand for semiconductors is increasing on a global scale and production is expected to grow even further in the future. Under such conditions, an unchecked increase in power consumption due to the growing use of semiconductors may lead to an energy supply risk in the market. In modern-day computing, focus for edge devices is placed on lower power consumption, but for the server-side the focus is more on performance rather than power consumption. This is in response to the market needs. Therefore in the future, we may need to rethink the balance of Power usage, Performance, Area of silicon, Cost and Environmental impact (PPACE) of our devices in order to address this energy issue. At Tokyo Electron, we recognize these and other issues and are working to resolve them through our semiconductor production equipment business.

One solution to the power efficiency problem is to place memory devices closer to logic devices (computational circuits). By shortening the electrical pathway, one can reduce the electrical resistance and thereby reduce power consumption during information transfer between the devices. Optimization of device architecture using this technique is effective, and development in this area has been gaining momentum in recent years.

Additionally, for logic devices, SoCs[*1] that take advantage of the computing characteristics of CPUs, GPUs[*2] and NPUs[*3] and distribute computational tasks to the most efficient circuits are increasingly popular. This SoC architecture can be built by a monolithic process that does not use bonding technology, but can also be built using 3D system integration techniques which leverage bonding technology. Also called “heterogeneous integration[*4]”, 3D system integration technology combines and packages a variety of different materials such as silicon and non-silicon elements, CPUs and DRAMs[*5], analog and other electronic components.

In AI technology, development of analog neural devices[*6] and nonvolatile resistive random access memories[*7] which mimic the energy-efficient human brain function is well underway. Our film deposition technology contributes to this development.

By combining and applying these technologies, we will be able to further reduce power consumption and improve computing efficiencies in a variety of devices.

Realizing next-generation computing requires the development of AI chipsets with an even higher processing speed and greater energy efficiency. By taking maximum advantage of a wide range of technologies and techniques from semiconductor production, we are working to create high-value-added equipment that can help meet one of the next-generation computing needs of bringing computer performance closer to that of the human brain. We are expanding the technological areas in which we can contribute by developing new materials and boosting the performance of chipsets through 3D system integration equipment offerings, which in turn optimize the power efficiency of semiconductors by realizing next-generation computing requirements.

We are also working on the development and application of quantum computing technology for the next generation and beyond.

*1 SoC: System on a Chip, a design technique in which many or all of the functions required for system operation are mounted on a single semiconductor chip, or a chip built using this technique.

*2 GPU: Graphics Processing Unit, a dedicated electronic circuit designed to manipulate and modify memory to speed up the generation of images used for displays.

*3 NPU: Neural network Processing Unit, a processor dedicated to AI that incorporates a neural network that is modeled after the human cranial nervous system.

*4 Heterogeneous Integration: Packaging that unites different kinds of chips

*5 DRAM: Dynamic Random Access Memory. A type of semiconductor memory used in the main storage unit (or other electronic devices) of a computer as a large-capacity working memory

*6 Analog neural devices: Electronic devices capable of continuously changing resistance

*7 Nonvolatile Resistive random access memory: Random access memory that uses nonvolatile resistive memory elements

Process Development with AI Using Machine Learning

We have been quick to introduce a generative AI system that is available across the Company, as AI has been more and more put to practical use in society. In addition, we are developing generative AI specialized in software for semiconductor production equipment to accelerate product development.

In the development for semiconductor manufacturing process, we use images taken by Scanning Electron Microscope (SEM) and measure the sizes of various microscopic structures such as linewidth and hole diameter to check process results on wafers to determine whether required results are obtained.

For this task, we have developed and used a tool applying machine learning so far, but preparation for measuring new shapes has taken long hours. In fiscal year 2024, we developed a new image length measuring tool that can measure any shape quickly and easily. With this new tool, preparation for measurement is no longer required and engineers involved in the process development can measure shapes on wafers by a simple operation, increasing productivity in process development.

Field Solutions

Globalize Field Engineers and Strengthen Customer Responsiveness

Amid the expectation for rapid expansion of the scale of business, going forward, it is extremely important to increase field engineers, develop people that can promptly play an active role as well as effectively improve the skills of existing field engineers.

Our company establishes a Group-wide common skills management system that meets the standards of Semiconductor Equipment and Materials International (SEMI) and plans to upgrade skills according to the detailed goals established every year. The system helps us to improve the quality of the services we deliver to customers, by enabling the optimized deployment of human resources that utilize information about engineers' skills which have been managed in this manner.

Furthermore, we are expanding our program to reassign engineers who had undergone training at manufacturing sites in Japan for a fixed period to the field after their return to their companies, as part of our education for expert engineers for overseas subsidiaries. By participating in this program, engineers can not only deepen their understanding of equipment technology but can further improve their communication skills with engineers in the development and manufacturing divisions and business units. In addition, we offer high quality technical support that incorporates customer needs and implement programs to develop leaders in the field who can play an active role globally using high level skills.

In our equipment training geared toward our customers and our company engineers, we have established an environment where even more engineers can take courses by centrally managing information, such as training machines, instructor schedules and a record of training requests to courses taken, in a dedicated system.

We have also assigned engineers to our customers' onsite operations, and created a system where those engineers can be efficiently dispatched to where they are needed, regardless of country. We are proceeding with innovations to effectively implement education that is provided at the optimal time and short in duration, in which the whole structure is transparent, while promptly confirming the certifications and educational situations of our dispatched engineers to ensure high quality service.

In addition, we are undergoing renewals and expansion at each of our service sites and creating an environment where we can provide quick and efficient support to match the needs of our customers.

Support Services that Extend the Life Cycle of Equipment

As part of our efforts to have our customers use our equipment over a long period of time, we provide LEAP*, a support service that extends the life cycle of our equipment. Support for semiconductor production equipment typically ends seven to eight years after discontinuation of equipment due to the discontinuation of parts or the difficulty in maintaining safety and quality. For this reason, equipment for which support has ended is discarded and replaced with succeeding equipment. We now provide support service that makes the extension of the life cycle of equipment whose production was discontinued over 15 years ago possible by redesigning discontinued parts and restructuring and strengthening our support system including repairs.

We support customers who have difficulty with replacement with newer equipment due to restrictions on change management of equipment specifications or operations, or who hope to continue using their equipment. Through this support, while implementing initiatives that reduce equipment disposal and environmental impact, we contribute to the continuous operation of customers' equipment over a long period of time.

* LEAP: Lifecycle Extension and Availability Program

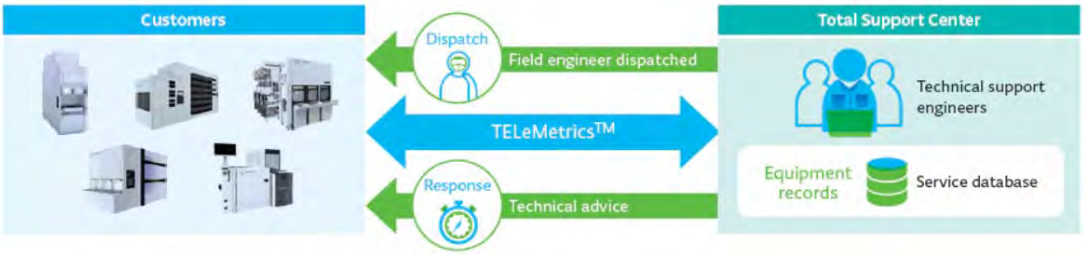
Promotion of High-value-added Services

We have built a global support system by highly specialized engineers, establishing Total Support Centers (TSCs) in Japan, the United States, China and Europe.

By accumulating large amounts of operation history, such as equipment support in everyday activities in Service CRM, which is centrally managed globally, as well as creating equipment records and building troubleshooting search tools as knowledge management activities, TSC and onsite field engineers use these tools to provide prompt and high-quality services to our customers. We are also developing a system that centrally manages internal operation procedures created by field engineers onsite to improve the efficiency of procedure creation, quality, and searchability of operation procedures, and are preparing to roll them out globally. In addition, we strive to resolve our customers' various issues through the use of TELeMetrics™, a remote maintenance service, and remote support tools.

Our company provides several contractual services for the stable operation of equipment, such as services in which our field engineers are stationed at customers' manufacturing sites to maintain their equipment, as well as a comprehensive contractual service (TEL Service Advantage Premium) in which we offer pay-as-you-go or flat-rate maintenance services, supply maintenance/consumable parts and repairs in an integrated manner.

Furthermore, to shorten trouble resolution time and stabilize process performance, we aggregate and analyze data output from equipment, predict the timing of failure of major parts and suggest replacements in advance so that we can continually implement activities that lead to improved equipment utilization rates.



Engineer’s Skill Up

In fiscal year 2019, we established our training operations center to enhance the training structure and promote globalization of field engineers. The center establishes a company-wide common skills management system that meets the standards of SEMATECH (a U.S. consortium for the joint development of semiconductors). The system helps us to deploy the most suitable human resources to provide customers with service based on an objective measurement of the skills of our engineers.

In fiscal year 2021, we began providing education for expert engineers to improve the skills of engineers at our overseas subsidiaries. The education includes training programs that enable technical support engineers from overseas to learn not only technical support but also acquire advanced skills related to development in a practical manner at our manufacturing sites in Japan. Furthermore, we also conduct training for field engineers of our Global Data Engineering Team, established in fiscal year 2021, to develop data analysts specializing in digital transformation (DX)*.

In fiscal year 2022, field engineers who have acquired DX skills developed a program for the continuous improvement of business operations and are rolling it out globally. By linking this program to the field information database, it became possible to automatically update, analyze and visualize field information.

* Digital transformation: Refer to Strengthening of Product Competitiveness through Digital Transformation (DX) and refer to Higher Productivity through Digital Transformation (DX)

Customer Satisfaction

Initiatives for Improvement of Customer Satisfaction

We are working to build solid relationships of mutual trust with customers by enhancing customer satisfaction, which we have valued highly since our founding. In the semiconductor production equipment industry, in which the speed of technological innovation is rapid, we co-create future technology roadmaps with the semiconductor manufacturers that are our customers, to promote the concurrent evaluation of technologies four generations into the future and beyond and accelerate the technological development of Shift Left. This allows us to offer highly competitive products that help improve customers' productivity by improving the yield rate of devices and maximizing equipment utilization rate.

Furthermore, at customer sites around the world, we are continuously implementing customer-oriented initiatives such as assigning our company engineers to quickly install equipment to operate at maximum performance, proposing solutions to any specific technical issue and providing feedback on nextgeneration
equipment.

In addition to these activities, we conduct our own Customer Satisfaction Survey every year. The information obtained from this survey is analyzed by business unit (product), account (customer) and function (software, development, etc.), and the results are shared with relevant divisions, such as sales, equipment/plants and service, to develop a PDCA cycle that leads to practical improvements.

Our activities were highly evaluated and we received best awards consecutively from many of our customers in fiscal year 2024. We will continue to provide the Best Products with innovative technology and Best Technical Service with high added value and strive to further improve customer satisfaction to be the sole strategic partner for our customers.

Customer Satisfaction Survey

We conduct our own customer satisfaction surveys and use the feedback we receive from our customers to improve our services. This survey, which began in some divisions in fiscal year 2004, expanded its targets to include all semiconductor production equipment divisions in fiscal year 2014, and the display production equipment division and overseas subsidiaries in fiscal year 2016. This survey, called the Customer Satisfaction Survey Program (CSSP), is now conducted company-wide.

Percentage of responses that indicated Very Satisfied or Satisfied

100%

The CSSP conducts surveys at the same time each year, analyzes the information obtained for each business unit (product), account (customer) and function (software, development, etc.), and shares the results with related departments such as sales, equipment/plants and

service, to improve the level of practical business operations. We are also making improvements in all aspects, including survey questions, analysis methods and the overall operation of CSSP activities.

In the survey for fiscal year 2024, approximately 1,600 customers responded (a response rate of 77.4%), with an average score of 3 points or higher ("very satisfied" or "satisfied") for all survey items*, allowing us to achieve our annual sustainability goals for a third year in a row. On the other hand, we are promoting Shift Left, which is an early-stage improvement initiative, such as promptly responding to customers who gave a score of 1 "Very Dissatisfied."

We will continue to work as company-wide to engage in CSSP activities so that we can continue to achieve our annual sustainability goals in the future.

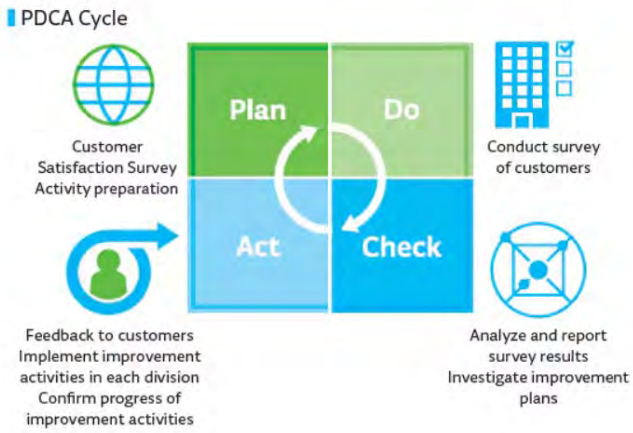
* For each question, average score is calculated for all customers who responded

Improvement Example

Business units led the implementation of the following improvement measures for the two customer companies that did not respond with an average of 3 or higher points (“Very Satisfied” or “Satisfied”) across all survey items up to the previous survey.

- Implementation of activities to improve response speed toward the customers and enhance employees' degree of technological understanding
- Active introduction of technology, proposals to improve existing equipment, and regular meetings to increase engagement opportunities with the customers
- Strengthening relationships with the customers by solving problems for onsite evaluation equipment
- Implementation of regular "Improvement Work Progress Report Briefings" related to services/software

By developing a PDCA cycle in these improvement measures, levels of satisfaction with all departments increased including sales, equipment/plants and services, enabling us to achieve the targeted three points and higher in the current survey.
This resulted in the strengthening of the project, enabling us to contribute to the enhancement of customer satisfaction with our company as a whole.



Solutions that Create Value for Customers

Development of Global Operations

We established the Customer Collaboration Group and are working to further strengthen our customer support capabilities in order to be the sole strategic partner for our customers. The Customer Collaboration Group consists of the Account Sales Division, and the Global Sales Division. Major semiconductor manufacturers, who are our traditional customers, share the needs for next-generation leading-edge technologies in memory, logic devices, foundry and other fields, to the Account Sales Division, and this leads to R&D of new technologies, and the Global Sales Division responds to the needs of domestic and overseas customers that handle products for the rapidly growing Chinese market and the industrial IoT market.

These two divisions work closely with business units, development and manufacturing divisions, service divisions and overseas subsidiaries to develop global operations throughout our entire Group (=One-TEL), enabling us to quickly provide the technologies, services and solutions that our customers demand.

Proposing Customer Solutions Leveraging a Wide Range of Product Lineup

We are expanding the wide range of our product lineup, including equipment for the four sequential key processes of deposition, coater/developer, etch and cleaning in the front-end process, as well as equipment for testing and bonding/debonding processes in the back-end process. By leveraging this product lineup in our proposal activities, we will solve customers' issues and contribute to the manufacturing of highly competitive semiconductors.

In the front-end process, we are undertaking the development of equipment with innovative and extreme processing performance, centered on (1) deposition systems that can handle new materials and structure while utilizing batch, semi-batch and single-wafer characteristics and allow optimal film thickness and film quality control, (2) coater/developers for leading-edge EUV lithography, (3) etch systems that achieve precision processing of fine structure and processing of deep holes and trenches with high selectivity, and (4) cleaning systems that remove particles and residues—which are causes of lower yields—without causing the collapse of fine patterns. Possessing equipment with four sequential key processes allows us to propose solutions for issues faced by customers from a variety of approaches, including process integration based on an understanding of upstream and downstream processes. Specific proposals include processing methods in the deposition and etch of hard masks necessary for the processing of ultra-fine patterns as well as proposals for cleaning methods according to the residues generated after deep-hole etching and deposition methods—including preprocessing—according to the surface state after cleaning.

We also possess wafer probers used in wafer testing and bonder/debonder that realizes 3D packaging in the back-end process. In the future, there will be a demand for further improvements in the performance of semiconductors as well as scaling technology using cutting-edge nodes to improve the performance in generative AI services and expand the application range. To achieve this higher performance, the introduction of advanced packaging technology called Chiplet is accelerating, which combines individualized semiconductors. To meet these demands, we will proactively provide solutions for bonding processes necessary for both next-generation scaling technology and packaging technology, and introduce KGD* testing equipment, essential for Chiplet.

In addition to these measures, we strive to help customers improve productivity and quality in their development and manufacturing by providing optimal solutions that include remote support systems and software for maximizing equipment utilization rates. We are also continuously working to improve the performance of installed equipment to respond to customer requests for the manufacture of products that span multiple generations.

* KGD: Known Good Die. Semiconductor chips with guaranteed quality, including reliability

Supply Chain Management

Principles and System of Supply Chain Management

To build a supply chain that is sound and sustainable, Tokyo Electron has formulated a procurement policy based on the laws, regulations and social norms of each country, as well as the RBA Code of Conduct, and together with its suppliers, is implementing activities based on this policy.

To identify issues in the supply chain from a variety of perspectives, we also value ongoing communication with diverse suppliers, including materials suppliers that handle parts and raw materials, staffing suppliers that provide services and logistics suppliers that handle physical distribution operations. Any issues which are identified are shared among the relevant departments which then work on improvement measures, under the supervision of the CEO. We will continue striving to create value across the supply chain by working to build relationships of trust with our suppliers, who support our business as partners, and by working together to deploy our operations in compliance with global standards.

Procurement Policy +

Procurement Policy - Supplement: Requests to Our Suppliers +

Framework +

Sustainability Operations

Responsible Procurement of Minerals

Procurement BCP

Sustainability Operations

Initiatives with Suppliers

To promote quality improvement of the Tokyo Electron Group and implement sustainability in our supply chain, it is essential to build strong partnerships with diverse suppliers, including materials suppliers that handle parts and raw materials, staffing suppliers that provide services, and logistics suppliers that handle physical distribution operations.

Before starting business with new suppliers, a Supplier Total Quality Assessment (STQA)-our Group's in-house assessment system-is conducted via self-assessment to confirm the state of their product quality, costs, and information security. The assessment also includes CSR issues, including human rights, ethics, safety, and the environment. In addition, we conduct on-site audits to check quality, and if any risks are found, we explain to the supplier the problems and our expectations for the level of quality we require. After the supplier understands the issues, we ask that they plan and implement improvement measures. We also offer continual support to suppliers until all necessary improvements have been made. In fiscal year 2024, the percentage of new important suppliers screened using social criteria was 100%.
Furthermore, we conduct on-site audits once every three years at suppliers who manufacture important components and at suppliers where quality issues have been found.

Sustainability Assessment

We identify impacts to the business and various risks, and conduct screening of suppliers that require prioritized and continuous confirmation of their implementation states. In accordance with RBA auditing standards, we conduct the Tokyo Electron Group Supply Chain Sustainability Assessment each year in areas such as labor, health and safety, the environment and ethics since fiscal year 2014 for the materials*1, staffing*2, and logistics*3 suppliers selected through screening. We provide feedback on the assessment results to all suppliers who cooperated with the assessment and ask them to carry out any improvement activities required.

*1 Materials suppliers: Suppliers accounting for more than 80% of our procurement spend (85% from fiscal year 2023)

*2 Staffing suppliers: 100% of employment agencies and contracting companies (internal contractors)

*3 Logistics suppliers: 100% of customs-related operators

Supply Chain Sustainability Process

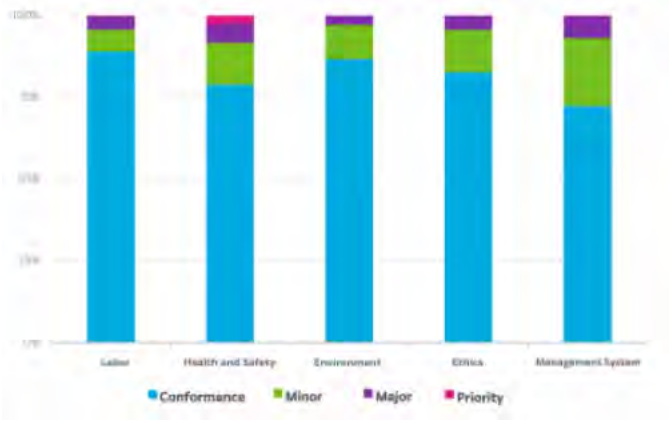
Annual Sustainability Goals and Results for Supply Chain Management

Percentage of suppliers for which supply chain sustainability assessments were implemented	Goal for FY 2024	Results
Materials	At least 85% of procurement spend	Achieved at least 85% of procurement spend
Logistics / 100% of customs-related operators	100%	Achieved 100%
Staffing / Employment agencies and contracting companies (internal contractors)	100%	Achieved 100%

In fiscal year 2024, we identified 704 suppliers that require prioritized and continuous confirmation of their implementation states. We conducted sustainability assessments for all these suppliers and received responses from all of them. The assessment results showed two suppliers with potential /actual risks that needed to be improved with priority, and we have requested to them to carry out corrective activities. In addition, we will confirm the implementation states and corrective action plans for each 56 suppliers in fiscal year 2025. We will provide support for corrective action as well as undertake monitoring.

Results of Supply Chain Sustainability Assessments Implemented in Fiscal Year 2024

Number of suppliers applicable for assessments	704
Assessment response rate	100%
Number of suppliers confirmed to have risks that needed to be improved with priority	2
Number of suppliers requested to carry out non-conformance activities for risks	2



We also conduct briefings for suppliers regarding the results of each year's sustainability assessments. Together with explaining the latest assessment results and the points of corrective actions for each area, we also request suppliers to work on non-conformances. Furthermore, to ensure that all workers in our supply chain can work based on their own free will, we have explicitly stipulated our zero-tolerance policy for forced labor and bonded labor, and have communicated this to our suppliers.
In fiscal year 2024, we individually engaged suppliers that have been found to have non-conformances in employment-related expenses. We sought their understanding and remediation for the issues toward improvement.

Ongoing Efforts with Suppliers

Example initiative 1

Tokyo Electron Technology Solutions (Iwate) conducts activities to prevent quality issues jointly with suppliers. By implementing STQA for suppliers, we confirm their quality management systems and respond to. However, defects still occur in our manufacturing process, we launched a Supplier Quality Improvement Program (SQIP) to investigate and analyze the root cause of quality issues . In addition, under this program, for certain suppliers with high defect rates, we delve deep into defects that have already occurred to prevent reoccurrence and consider their repercussions, and focus on preventing other similar defects. The goal is to reduce the defect rate by 50% through ongoing efforts with suppliers and contribute to the further improvement of the relationships of trust with suppliers.

Example initiative 2

In fiscal year 2023, we underwent had RBA audit at Tokyo Electron Technology Solutions (Yamanashi), one of our main manufacturing sites in Japan, and have carried out the necessary corrective actions together with our suppliers. Going forward, we will further promote compliance with the RBA Code of Conduct through having our other major manufacturing sites undergo RBA audit, including those located overseas, and will expand sustainability initiatives throughout the supply chain. To promote such initiatives, we also conduct briefings on the RBA audit standards to our employees in charge of suppliers management　to support the efforts of our suppliers.

Responsible Procurement of Minerals

We see taking action against conflict minerals obtained through illegal exploitation, which lead to human rights violations and poor working conditions, as our corporate social responsibility. Our resolute goal is to eliminate the use of raw materials made from these conflict minerals, as well as any parts or components containing them. In alignment with this way of thinking, we conduct surveys on the responsible procurement of minerals in accordance with the OECD*1 Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In fiscal year 2024, we set 3TG*2 as the scope of minerals and conducted our 10th survey using CMRT*3, through which we were able to identify 238 smelters conformant with RMAP*4 (one of the standards used for determining whether minerals are connected with conflict). In addition, none of the materials we procured were found to contain 3TG involved in conflict. The survey results are shared with suppliers, and from fiscal year 2025, we will continue to conduct due diligence activities, including adding cobalt to the list of applicable minerals.

*1 OECD: Organisation for Economic Co-operation and Development

*2 3TG: Tantalum, tin, tungsten and gold

*3 CMRT: Conflict Minerals Reporting Template. Survey format for reporting conflict materials, provided by the Responsible Minerals Initiative (RMI), which has established international guidelines on conflict minerals.

*4 RMAP: Responsible Minerals Assurance Process. A program promoted and led by the RMI for auditing smelters/refiners to validate that they do not use conflict minerals.

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of identified RMAP conformant smelters	261	236	243	234	238
Rate of identification	100%	100%	100%	100%	100%

Procurement BCP

As part of our business continuity plans (BCPs), we collaborate with suppliers on ongoing disaster preparation. To properly grasp our supply chain, which is becoming more complex, we are using IT systems for the visualization of our supply chain. At the same time, we maintain a database of suppliers' production sites so that if a crisis arises, we can promptly identify impacted suppliers and quickly collaborate in recovery efforts. There are now approximately 32,000 registered production sites as of fiscal year 2024, and post-disaster impact assessments (conducted when disasters occur) have been implemented three times. In addition, we conduct BCP assessments on our suppliers and analyze their responses to provide them with feedback so that they can promote improvements in areas of concern.

	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of suppliers for which supply chain BCP assessments were implemented	At least 85%	At least 85%	At least 85%	At least 85%	At least 85%
Rate of improvement after	16.0	20.3	24.4	22.2	20.4

Environmental Initiatives

With the cooperation of our suppliers, we are promoting green procurement, prioritizing the purchase of environmentally friendly parts, products and materials. We also conduct surveys on product environmental laws and regulations for all parts and products purchased from our suppliers.

We also strive to establish and strengthen our environmental supply chain management through E-COMPASS initiatives. At the annual TEL E-COMPASS Day, we report on our E-COMPASS activities, provide the latest environmental information, and share information about activity policies. At the same time, we promote environmental initiatives across the entire supply chain together with our suppliers. We also grant the “Environmental Partners” to suppliers that especially cooperate in and contribute to our environmental efforts through E-COMPASS activities and certify them as "Green Partners."

On March 18, 2024, we held TEL E-COMPASS Day to provide a report on our environmental activities to suppliers.
This is the third iteration of this event. It was held in a hybrid format, with about 845 participants from our suppliers attending either in-person or online. The main theme of the event was TEL’s Net Zero 2040* target announced in December 2023. Featured presentations included a panel discussion, a report on the Group’s E-COMPASS activities, updates on the environment, and activity plans for the coming year.

* TEL is targeting to reduce all its greenhouse gas emissions to net zero by fiscal year 2041, including Scope 1 and 2 emissions (i.e., emissions by TEL) and Scope 3 emissions (i.e., those by its supply chain).

Please see here for details. >

Building of Partnerships

For daily communication and as opportunities for strengthening relationships with our suppliers, each of our manufacturing sites in Japan holds production update briefings twice each year. We also hold TEL Partners' Day annually. Through these events, we communicate and share information about our management policy, market trends, business policies, and sustainability initiatives with our suppliers. We also present awards to recognize particularly excellent suppliers to express our appreciation for their daily cooperation, and at the same time, ask for our suppliers' continued understanding of and cooperation in activities toward building a sound and sustainable supply chain. Overseas Group companies also create opportunities to share market trends, sustainability initiatives, and other such information with major suppliers to build strong partnerships and strengthen local supply chain management.

Source : Tokyo Electron

Example initiatives (Grobal)

Since fiscal year 2023, Tokyo Electron Taiwan has been organizing TEL Taiwan Partners' Day to build partnerships and strengthen supply chain management in Taiwan. Besides sharing the Group's management policies and trends in the semiconductor industry, this event expresses appreciation for daily business activities and asks for cooperation in various future initiatives in hope of developing the industry and contributing toward society and the environment.

In addition, Tokyo Electron Korea organized TEK Friends Day in fiscal year 2024 to share about the state of the Group's business activities, initiatives for net zero and sustainability, and other such information to strengthen communication and collaboration with business partners.

Partnerships with Suppliers

In addition, Tokyo Electron announced the "Declaration of Partnership Building" in September 2022 to support the purpose of the Council on Promoting Partnership Building for Cultivating the Future, and in February 2023 Tokyo Electron Technology Solutions, Tokyo Electron Kyushu and Tokyo Electron Miyagi also announced, that is promoted by the Cabinet Office, the Ministry of Economy, Trade and Industry (METI), the Small and Medium Enterprise Agency (SMEA), and others.

パートナーシップ構築宣言

Declaration of Partnership Building (Tokyo Electron) (143KB)

Declaration of Partnership Building (Tokyo Electron Technology Solutions) (144KB)

Declaration of Partnership Building (Tokyo Electron Kyushu) (228KB)

Declaration of Partnership Building (Tokyo Electron Miyagi) (144KB)

Declaration of Partnership Building (Tokyo Electron FE) (149KB)

Declaration of Partnership Building (Tokyo Electron BP) (146KB)

Implementing RBA Initiatives

In June 2015, Tokyo Electron Group joined the RBA*, a global initiative promoting supply chain sustainability focused on the electronics industry. RBA has stipulated the RBA Code of Conduct to promote improvements in labor, health and safety, the environment, and ethics through the supply chain. Based on the RBA Code of Conduct, we are working to build a sound supply chain while collaborating with other member companies.
In addition, to promote such initiatives, we also conduct briefings on the RBA audit standards to our employees in charge of suppliers to support the efforts of our suppliers.

* RBA: Responsible Business Alliance

Example initiative

In fiscal year 2023, we had Tokyo Electron Technology Solutions (Yamanashi), one of our main manufacturing sites in Japan, undergo audit based on the RBA Validated Assessment Program (VAP), and have carried out the necessary corrective activities together with our suppliers to achieve the highest recognition of platinum status.
The VAP audit evaluates if business activities are being properly conducted in accordance with the RBA Code of Conduct, confirming for proper management under the audit's sections of Labor, Health and Safety, Environment, Ethics, and Management Systems.
In preparation for the audit, corrective actions have been undertaken internally, such as developing evacuation routes and establishing lactation rooms and prayer rooms. At the same time, with the cooperation of suppliers, we promote various initiatives, such as the management of working hours and leave, bearing of employment fees, and multilingual support for pay slip.

Whistleblowing System for Suppliers

The Tokyo Electron Group has a supplier hotline for whistleblowing with the aim of early detection and the prevention of compliance issues.

Please see here for details. >

Human Rights

Approach to Human Rights

As the activities of companies expand worldwide, human rights issues are getting serious in society . We believe it is important to eliminate human rights issues throughout the entire supply chain, including us, and to engage in sustainable business activities.
We are conscious of our corporate social responsibility, and we recognize that it is important to conduct ourselves with ethical behavior. We have firmly upheld human rights since our founding, as reflected in the spirit of our Corporate Philosophy and Management Policies. For us, respecting human rights is a significant undertaking, consisting not only of eliminating the adverse impacts of our business activities on human rights, but also of respecting everyone who supports our business activities and contributing to the realization of a sustainable, hope-inspiring society. We incorporate the concept of respect into every aspect of our business activities, and strive to nurture a dynamic corporate culture where each person can realize their full potential.

Tokyo Electron Group Human Rights Policy +

東京エレクトロングループ人権方針 +

Tokyo Electron Group 인권 방침 +

Tokyo Electron Group人权方针 +

Tokyo Electron Group人權方針 +

Chính sách về nhân quyền của Tập đoàn Tokyo Electron +

UK Modern Slavery Act Statement for FY2024

UK Modern Slavery Act Statement for FY2024
(267KB) PDF

CTPAT Forced Labor Policy Statement (85KB)

Human Rights Policy and Promotion Framework
Human Rights Due Diligence
Addressing grievances

Human Rights Policy and Promotion Framework

We formulated a Human Rights Policy*1 , referring to the United Nations' Guiding Principles on Business and Human Rights and the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work referred to therein, the Ten Principles of the United Nations Global Compact and the RBA Code of Conduct*2. Our Human Rights Policy specifies the following five areas as "Human Rights of Most Importance": Freedom, Equality & Non-Discrimination; Freely Chosen Employment; Product Safety & Workplace Health and Safety; Freedom of Association; and Appropriate Working Hours & Breaks/ Holidays/Vacations. We thoroughly familiarize our executives and employees with the Policy and we demand that our suppliers also conduct their business activities in line with our Policy.

Initiatives Which Align With the United Nations' Guiding

We engage in active dialogue with all of our stakeholders, such as shareholders, investors and suppliers, striving to meet the demands and expectations of society. We also increase human rights awareness through internal online training and briefings for suppliers. Through this, we are promoting more effective protection of human rights.

Our Corporate Sustainability Management Department leads the promotion of human rights initiatives and important issues are deliberated by the Sustainability Committee and approved at the Corporate Officers Meeting attended by the CEO. The executive officers in charge of sustainability report on the status of important human rights-related issues, the results of initiatives and the like at Board of Directors meetings, and the Board supervises these efforts.

*1 Tokyo Electron Group Human Rights Policy: www.tel.com/sustainability/management-foundation/human-rights/index.html

*2 RBA Code of Conduct: A set of standards established by the Responsible Business Alliance (RBA) for supply chains in the electronics industry, to ensure that labor environments are safe, that workers are treated with respect and dignity, and that companies take responsibility for the environmental impacts of manufacturing processes and procurement

The Process for Considering the Human Rights of Most Importance

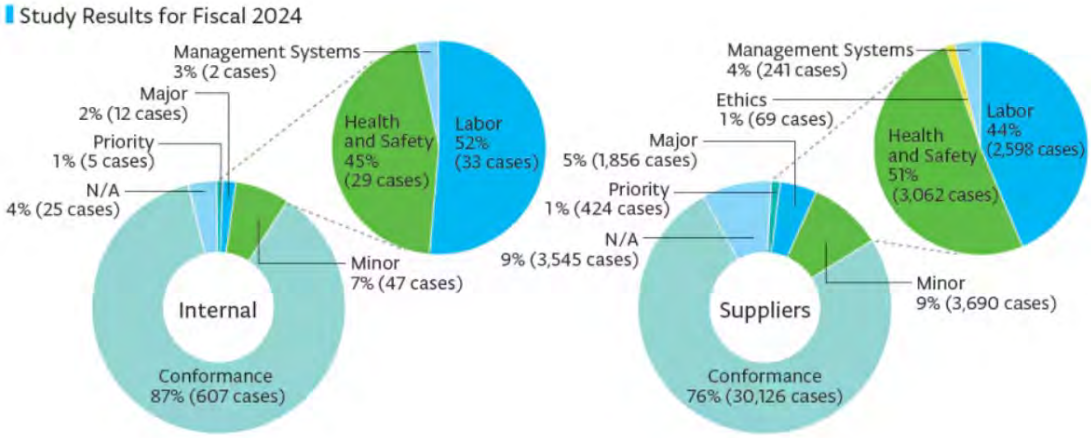
The Process for Considering the Human Rights of Most Importance

(1) Identify human rights issues based on international standards
(2) Sort human rights issues in each country and region
(3) Select human rights issues highly relevant to our business activities
(4) Group selected human rights issues
(5) Conduct matrix analysis based on likelihood and severity
(6) Identify the human rights of most importance

Human Rights Due Diligence

We actively conduct human rights due diligence annually to identify the adverse human rights impact (human rights risks) of the entire supply chain, take corrective actions and track the effectiveness of their response.
In fiscal year 2024, we conducted a survey based on RBA auditing standards of 12 Group companies in Japan and overseas and approximately 690 suppliers involved in materials, staffing, customs services, packaging, etc. Consequently, "policies and procedures," "working hours and consecutive working days," "evacuation drills," "first aid" and "grievance mechanisms" were identified as high priority human rights risks. Various corrective actions are being implemented to reduce these risks throughout the supply chain. Furthermore, of the high priority human rights risks identified in fiscal year 2023, the issue of "retention of personal identification documents by the company" was addressed by returning pension booklets to employees, and other improvements were made to "policies and procedures," "first aid" and other risks. We verified the effectiveness of these corrective actions. We are currently verifying the effectiveness of other corrective actions with some issues requiring further improvements.

Study results for fiscal year 2024



Percentages may not add up to 100 because they have been rounded

* Our classifications and definitions of conformance as well as human rights risks based on RBA auditing standards are as follows.
Priority: Issues considered particularly serious, which are at significant risk and require immediate priority remediation
Major: High-urgency issues which are at significant risk and require immediate remediation
Minor: Minor issues and risks recognized in each area which require remediation
Conformance: No issues were recognized in each area and requirements are being met
N/A: Indicates that the respondent answered that "the question is not applicable."

Human rights due diligence steps

High priority human rights risks, corrective actions, and status of improvements

Human Rights Risk	Main Issues	Internal	Suppliers	Corrective Actions	Improvements Status*
Labor					
Policies and procedures ■ Forced labor/bonded labor ■ Child labor ■ Pay reduction as disciplinary sanction ■ Religious practices ■ Freedom of association	■ Policies and procedures are insufficiently defined ■ Programs for measuring effectiveness have not been implemented ■ Policies and procedures are not available in languages that can be understood by foreign laborers ■ Employees are not made sufficiently aware of policies or procedures		☑	Suppliers ■ Disseminate the Tokyo Electron Group Human Rights Policy ■ Hold briefings regarding the contents of RBA demands ■ Formulate policies and procedures and translate them into multiple languages ■ Internal dissemination	○
Working hours and consecutive working days	■ Excessive working hours ■ Excessive consecutive working days	☑	☑	Internal ■ Disseminate the working hours/days ■ Regularly monitoring to call for attention and confirm effectiveness Suppliers Suppliers ■ Weekly working hours management ■ Regularly monitoring to call for attention and confirm effectiveness	△
Health and Safety					
Evacuation drills	■ Less than 100% of employees take part ■ Drills are not performed after sunset	☑	☑	Internal/suppliers ■ Define procedures ■ Conduct drills and follow up with people who do not participate in them ■ Plan and conduct drills after sunset ■ Create and manage drill implementation records. Organize and share information regarding problems.	△
First aid	■ First aid procedures have not been defined ■ There aren't enough first aid personnel		☑	Suppliers ■ Define procedures ■ Assign an appropriate number of first aid personnel	○

Management Systems					
Grievance mechanism	■ Grievance mechanisms are not available in languages that can be understood by foreign laborers ■ Employees are not made sufficiently aware of the grievance mechanisms		☑	Suppliers ■ Multilingual support ■ Internal dissemination	△

* Improvements Status ○: Significant improvements made △: Some issues remain

Addressing grievances

We recognize the importance of addressing the harm caused by human rights violations swiftly and appropriately, so we make active efforts to address grievances. We have developed grievance mechanisms that are able to reliably address grievances by leveraging our Internal Reporting System, which is available to all stakeholders.

One specific measure we have taken is to request corrective actions of suppliers who we have confirmed to have failed to comply with requirements regarding the bearing of employees' employment-related expenses in fiscal year 2024.

Going forward, we will proactively roll out human rights-related initiatives based on a high level of ethics, and will continue working to mitigate human rights risks and address grievances within ourselves and across the entire supply chain.

Human Resource

Approach to Human Resource management

We believe that our corporate growth are enabled by people, and our employees we create and fulfill company values. Based on this approach, we practice motivation-oriented management. We actively invest in our employees and implement a variety of measures while also providing many opportunities for employees to challenge themselves to achieve high-level goals by making the most of their individual potential.

These initiatives have led to continuous improvement of employee engagement scores and the maintenance of high retention rates. This has also helped us earn the trust of our customers by ensuring reliable technology.

Our global uniform human resource platform discloses information such as job duties and career opportunities to all employees. Through this, we are implementing autonomous career development and visualizing career paths.

In addition, to promote career development, we are investing in capability development through TEL UNIVERSITY*. Furthermore, we differentiate employee evaluations based on Company performance as well as employee's individual responsibilities and contributions to the Company. Through this, we achieve fair and competitive global level compensation while striving to attract and retain the best human resources.

* TEL UNIVERSITY: Refer to Developing Human Resources. An in-house education platform that helps employees independently build their careers and realize their personal goals for their growth and development

Personnel Policy +

Framework +

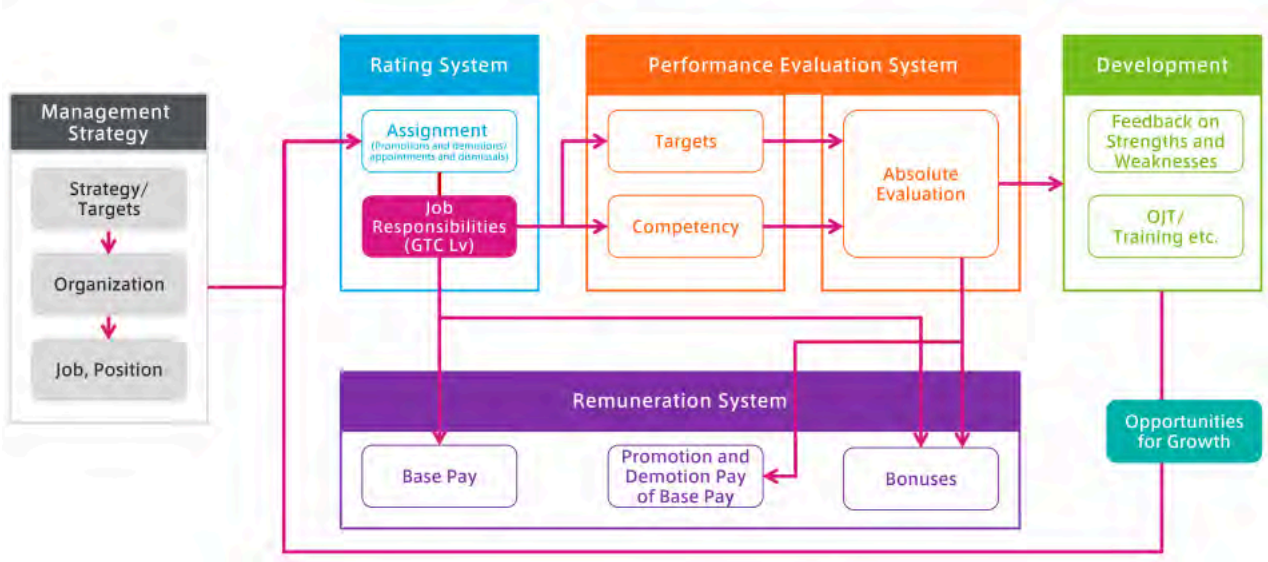
Global Human Resource System
Employee Engagement
Diversity, Equity and Inclusion (DE&I)
TEL Values
Human Resource Development
Work-life Balance
Initiatives for Preventing Harassment

Global Human Resources System

We operate in 87 sites in 19 countries and regions. We believe it is important for human resources with different cultural backgrounds, experiences and attributes to share values and work together as one toward value creation.

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. We are also focusing on global human resource management to promote career advancement under a common platform without biases against any country or the Group companies affiliation. This allows us to respond to changes in business environments and allocate resources in an agile and optimal manner.

The Overview of Human Resource Management System



Human Resource System Key Points

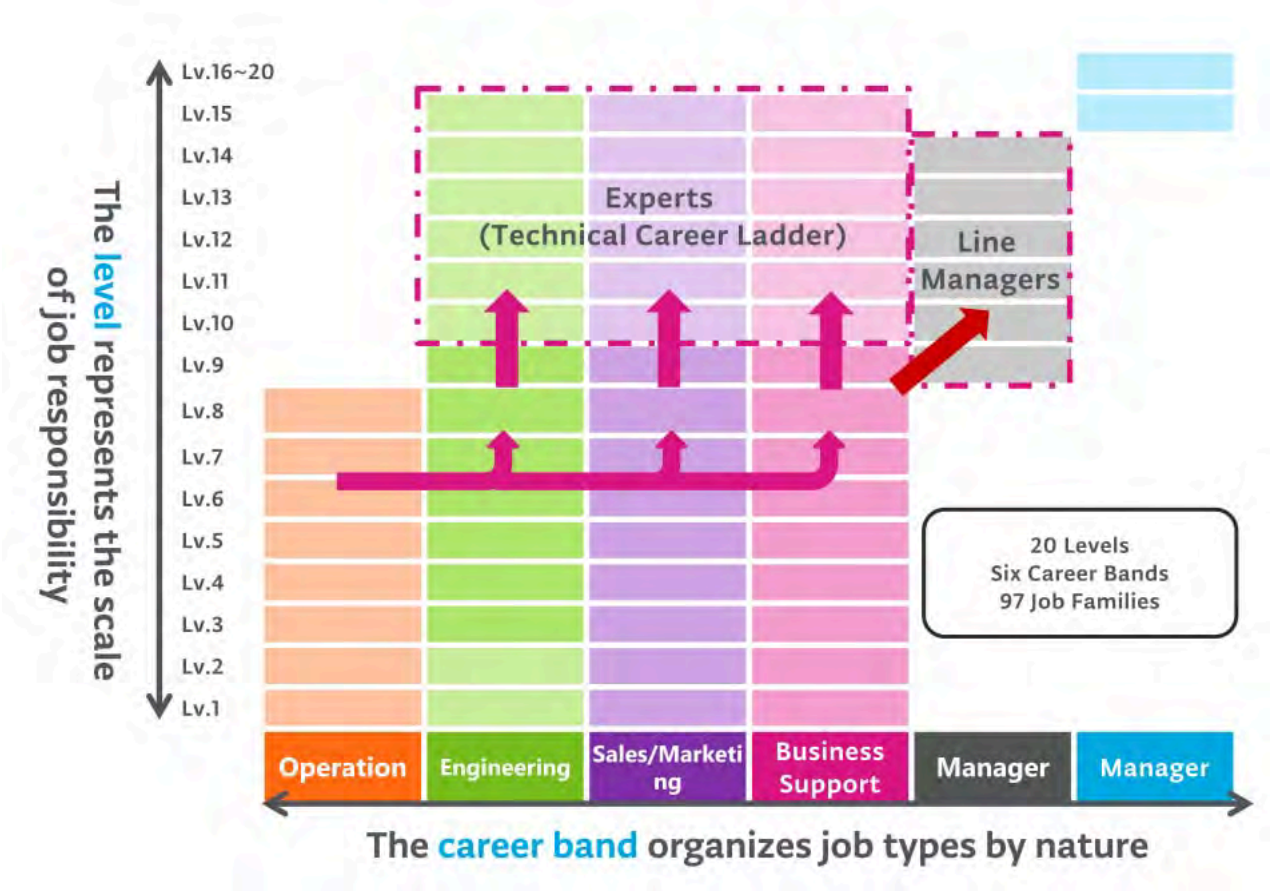
- Common global rating system (GTC)/Evaluation system
- Evaluated on the two axes of targets and competencies
- Career paths for not only manager, but also experts
- Feedback by absolute evaluation and a point system that leads to development
- Setting Levels based on the responsibility of the job role

Rating System (GTC)

We operate a common global job-based human resources system (GTC: Global TEL Career-Paths).

GTC is a system that places personnel in appropriate departments according to individual abilities, decides on rating/treatment depending on the job role and scale of job responsibilities and clarifies the duties each individual should achieve. In addition, by operating a common system in Japan and overseas, we promote global career development in not only managers, but also experts, without restricting work location.

Global TEL Career-paths



TEL Global Performance Management System

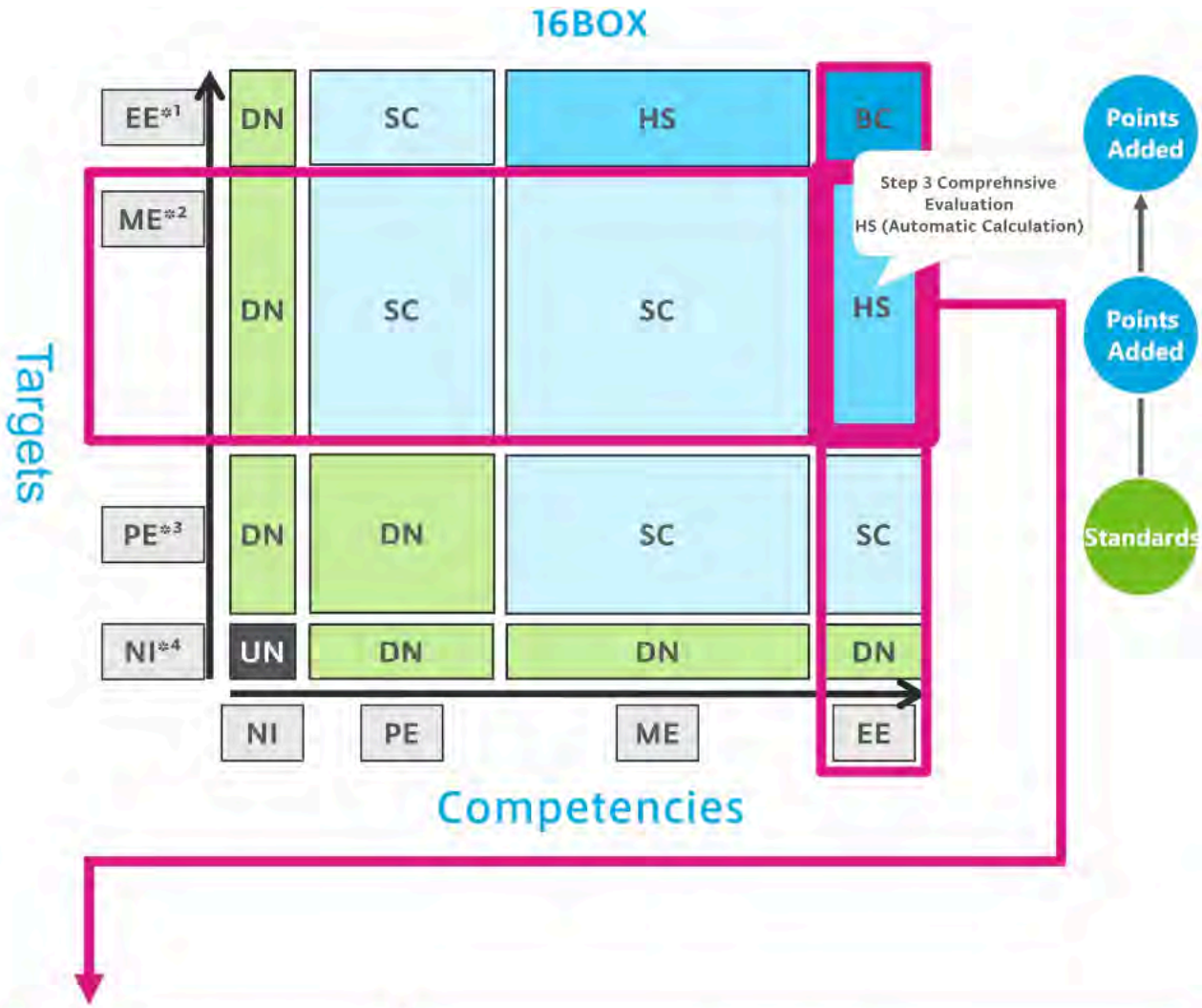
We operate TEL global performance management system, which is a global system that conducts evaluations based on the two axes of target and competencies evaluation.

Each employee sets goals according to their job responsibilities through interviews with managers, which are evaluated every semi-annual. Evaluations confirm the degree of target achievement and degree to which thoughts and actions are demonstrated in work as determined by GTC levels.

Evaluations consider not only evaluations by superiors, but also employee self-evaluations and the multifaceted feedback of people responsible for work duties. We are conducted on absolute rather than relative evaluations on a five-point scale, so as to provide fair

evaluations.

Evaluation results are used in interviews between employees and managers where each individual’s strengths and challenges are shared in addition to their achievement against their goals to encourage awareness that will lead to higher performance and employee growth.



Comprehensive Evaluation Symbols	Definitions
BC : Best in Class	As a result of taking on and overcoming creative challenges, demonstrates outstanding performance far better than expected at that job level (Surpassing average performance of the top level)
HS : Highly Successful	As a result of taking on and overcoming new challenges, demonstrates above standard expected performance at that job level
SC : Successful	Consistently demonstrates performance expected at that job level
DN : Development Needed	Does not demonstrate performance expected at that job level; therefore, needs improvement
UN : Unsatisfactory	Does not demonstrate performance expected at that job level (Below average performance of the low level)

*1 EE: Exceeds Expectations

*2 ME: Meets Expectations

*3 PE: Partially Meets Expectations

*4 NI: Needs Improvement

Employee Engagement

Improving employee engagement is essential to maximize corporate performance and achieve sustainable growth. Recognizing that employees both create and fulfill company values for us, we have been regularly conducting Group-wide engagement surveys since fiscal year 2016 to assess the current state of employee engagement and identify issues .

This survey measures employee engagement rather than employee satisfaction, and its main objectives are 1) to understand what motivates employees to enable them to maintain a high level of engagement, exercise their abilities to the fullest and continue growing with the company, and 2) to confirm and share employees' voices and opinions about the company and their workplace environments.

The survey includes 20 items identified as engagement factors, such as "teamwork," "productive operational improvement," "work-life balance," "career opportunities," and "compliance," and relates to how everyday work is done as well as future growth. An engagement score is calculated based on the ratio of highly engaged employees.

Survey results are reported to management and shared among each division, and action plans for the whole company and divisions are deliberated and implemented. As a result of these initiatives, employee engagement scores improved in nearly all Group companies in Japan and overseas subsidiaries between fiscal year 2016 and fiscal year 2023. Our overall employee engagement score has risen by 18 points since fiscal year 2016 and by 6 points since fiscal year 2021, and in Japan our employee engagement score now falls within the top 25% of the overall benchmark.

In addition, after applying past survey results to improvement measures relating to "communication with management," "factors relating to the human resources system" and "factors relating to career and management training," our scores rose, enabling us to confirm the results of these initiatives. Along with the rise in our employee engagement score, our employee retention rate* reached extremely high levels in fiscal year 2024 of 97.5% globally and 98.8% in Japan . We believe that improving employee engagement is vital for providing increased value to our stakeholders. To this end, we will continuously and efficiently implement various activities , such as further enhancing our employees' work-life balance, improving work efficiency through DX, and strengthening safety, quality and compliance.

* Retention rate is calculated using data on turnover rate.

Diversity, Equity and Inclusion (DE&I)

With the strong commitment of managements, we actively promote DE&I as one of management pillars that leads to the continuous generation of innovation and increased corporate value. Based on the idea that “ONE TEL and DIFFERENT TOGETHER with 3G (Global, Gender, and Generation),” we have taken on gender, nationality and generation as major themes. Each Group company is implementing various initiatives, such as setting the following goals.

- To enable employees with diverse experiences from around the world (ratio of domestic employees to overseas employees is 55:45) to play an active part, we promote career development and personnel exchange across countries and regions based on a common global human resources system.
- Conduct a gender diversity-conscious talent pipeline (plan for developing human resources) for succession planning and achieve the target of increasing the ratio of female managers*1 to 5.0% in Japan and 8.0% globally (by fiscal 2027). Set further future target values upon based on the shifting ratio of female employees

Ratio of Female Managers

- Taking into consideration that many of our employees are engineers, we actively invest in the use of recruiters and employer branding to hire female engineers at a level that is equal to or greater than the general ratio of female engineers*2 in each region
- We plan to hire a total of 10,000 employees globally through new graduates and mid-career hires over the next five years. In addition, in Japan, we revised a post-retirement reemployment system that allow employees to utilize the experience, knowledge and skills they acquired in the Group. Through such initiatives, we will revitalize the organization so that employees over a wide range of generations can maximize their capabilities.
- In 2020, we began the “Diversity, Equity and Inclusion Talk (DE&I Talk)” with TEL’s project leaders and external experts. We create

*1 Include individual contributors and employees reemployed after retirement

*2 The ratio of females majoring in science or engineering

“Diversity, Equity and Inclusion Week (DE&I Week)”

In January 2024, we expanded the scale of the DE&I Talk we had been holding until then and held DE&I Week for Group employees around the world. Specifically, we held a total of 15 events dealing with DE&I from a variety of angles, such as training using VR where employees experienced “If I were in that position, how would I feel and what would I think? ” to promote the understanding of DE&I, a conference for women engineers, an event promoting paternity leave and talks about topics such as unconscious bias*3. Through participation in such events, we promote DE&I throughout the entire Group to deepen employees’ interest and understanding of DE&I with “ONE TEL, DIFFERENT TOGETHER™” as our slogan.

* Unconscious bias: unconscious prejudice. Distortions and partiality regarding how one perceives and interprets things that the person themself is unaware of.

Diversity, Equity and Inclusion Talks (DE&I Talks)

In March 2023, we held a DE&I Talk that was streamed simultaneously online to the Group companies worldwide. As the fifth of these events held, “equity” was added to the discussion this year, with the name “DE&I Talk” being used for the first time. While there have been no significant changes to the original purpose and policy of these talks, this addition aims to more proactively pursue the development of environments where diverse employees can play active roles.
In his opening speech at the event, the CEO stated “By continually driving motivation-oriented management, while improving diversity through our 3G policy, we aim to further grow the company.” Guest speakers also helped deepen our understanding of DE&I, with one speech titled “The Importance of Equity: World Trends D&I to DE&I” and another titled Corporate Transformation through Diversity: An Organization That maintains strength through its recognition of the “differences” from LGBTQ+.

Diversity and Inclusion Day

Diversity and Inclusion Day, an online event with simultaneous streaming for Group companies worldwide, was held in February 2022.
In his opening speech, the CEO stated “We need to incorporate all wisdom and diverse ideas to maximize the growth potential of the entire Group. In order to do this, it is essential to promote diversity and inclusion.” In addition, members from the U.S. including the president of Tokyo Electron America spoke about the importance of diversity and inclusion at a talk session. From Japan, two outside directors participated in a panel discussion regarding the roles of the Company in a rapidly changing global society. Through this event, the importance of embracing and making the most of diversity was once again confirmed.

Diversity and Inclusion Day

Diversity and Inclusion Talk Event

To realize a workplace where diverse employees have a better understanding of each other and can play an active role, we have been implementing awareness activities globally. In January 2020, we held a D&I Talk event at our headquarters in Akasaka. The event included guest speakers and a panel discussion, and was well attended by employees.

The event was streamed live to business sites in Japan and overseas in an effort to raise awareness for D&I among all employees in the Group. The second event was held online for global employees to attend.

We aim to further promote D&I throughout the Group.

Diversity and Inclusion Talk Event

Tokyo Electron Receives Gold Rating in the Pride Index 2024

Tokyo Electron and its Group companies in Japan* have achieved a significant milestone by being awarded a Gold rating in the prestigious Pride Index 2024 for their first application. This recognition, developed and awarded by the "work with Pride Association", underscores our commitment to workplace initiatives related to LGBTQ+ and other sexual minority groups.

We are committed to creating a workplace where all employees, regardless of gender, feel comfortable and highly motivated to work. Our commitment to LGBTQ+ initiatives is unwavering, and we believe that diversity is a strength that transforms individual differences into a competitive advantage. Past initiatives include the establishment of an LGBTQ+ helpline and the inclusion of same-sex partners in employee benefit schemes. We have also conducted orientation sessions for all employees to help them understand LGBTQ+ identities.

Under our slogan “ONE TEL, DIFFERENT TOGETHER™,” we are steadfast in our commitment to reinforcing our Diversity, Equity, and Inclusion (DE&I) initiatives. Our aim is to create a work environment and culture where all employees, regardless of their unique differences, feel valued, respected, and included, and can work to their full potential.

work with Pride Gold 2024

* The companies evaluated as a group include the following: Tokyo Electron Ltd., Tokyo Electron Technology Solutions Ltd., Tokyo Electron Kyushu Ltd., Tokyo Electron Miyagi Ltd., Tokyo Electron FE Ltd., and Tokyo Electron BP Ltd.

Major DE&I Activities

As a global, borderless company, we are implementing various initiatives as detailed below to leverage the strengths of our diverse human resources and create well-balanced systems and teams.

- By creating and publishing reports on the DE&I activities in all of our Group companies, including overseas subsidiaries, we make the activities of each site more visible. We also communicate internally and externally through an internal newsletter, intranet, social media and other channels.

- We newly launched “DE&I” within our external website in 2024. Under the idea of “ONE TEL, DIFFERENT TOGETHER™”, we introduce activities that actively promote DE&I, consisting of four focus areas, including Diverse Work Styles in addition to the 3Gs.
- Hold Career Design Seminars for Female employees. With voluntary attendance of about 160 employees, participants acquire basic knowledge of such things as self-leadership skills for independent career planning. Participants explore their career potential at us by learning self-centered career design and personal strength-based leadership, etc.
- Employees have participated in NPO J-Win*1 programs since 2021. By meeting role models and aiming for career advancement through activities with members of other companies in external environments with high levels of diversity, the programs help participants increase their willingness to take on the challenge of positions in management or senior director and above*2.
- We continuously support the Employee Resource Group (ERG) to create networking opportunities for employees with similar characteristics and experiences.
- An LGBTQ+ helpline was established in April 2021, and a congratulations and condolences system that includes same-gender partners was adopted from October 1, 2022. The aim is to improve and expand systems and facilities going forward to ensure ongoing development of workplaces where everyone, not just the people concerned, can work with enthusiasm and energy.
- New graduates and mid-career recruits are continually employed on the basis of whether they will work actively at us, regardless of gender, nationality, generation or other characteristic, by considering such aspects as their expertise, experience, and expectations for

*1 NPO J-Win: Japan Women’s Innovative Network was established in April 2007 as a corporate member-based organization with the aim of supporting the promotion and establishment of

*2 Employees of a certain level or position based on the global human resources system

Related Information >

Initiatives at Group companies in Japan

Tokyo Electron Limited (Employer action plans PDF) (349KB)

Tokyo Electron Technology Solutions Limited (Employer action plans PDF) (215KB)

Tokyo Electron Kyushu Limited (Employer action plans PDF) (349KB)

Tokyo Electron Miyagi Limited (Employer action plans PDF) (433KB)

Tokyo Electron FE Limited (Employer action plans PDF) (349KB)

Tokyo Electron BP Limited (Employer action plans PDF) (348KB)

Disclosure of information about women in leadership roles

	FY2020		FY2021		FY2022		FY2023		FY2024	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Average service years*	17 yrs. 5 mos.	15 yrs. 11 mos.	17 yrs. 7 mos.	15 yrs. 10 mos.	17 yrs. 6 mos.	15 yrs. 8 mos.	16 yrs. 10 mos.	15 yrs. 7 mos.	16 yrs. 8 mos.	15 yrs. 7 mos.
	17 yrs.2 mos.		17 yrs.4 mos.		17 yrs.2 mos.		16 yrs.8 mos.		16 yrs.6 mos.	
Use of annua										

* Group companies in Japan

Disclosure of the career-track recruits ratio of regular employees in accordance with the Labor Measures Comprehensive Promotion Act.(Disclosure date: May 1st , 2023)

	FY2020	FY2021	FY2022	FY2023	FY2024
New graduates hired	281	253	209	232	353
Career-track recruits	140	152	391	566	271
Total	421	405	600	798	624
Tokyo Electron Group's Career-track recruits ratio*	33.3%	37.5%	65.2%	70.9%	43.4%

* In the Tokyo Electron Group, all new graduate recruitment is done by headquarters. Career-track recruits are done by each of the Group companies

Diversity Activities

Employee Resource Group "DRIVE"

DRIVE is a working group comprising engineers who gather from sites located all over Japan under the vision "To aim to be a company where anyone can play an active role and generate high added value and profits." Members share opinions and actively conduct activities

based on the activity policy of creating opportunities to know about diversity and inclusion (D&I), listening to various ways of thinking transcending site boundaries, and developing proposals on creating workplaces where anyone can play an active role.

Activity Report

So far, as opportunities to learn about D&I, we have conducted regular workshops by members and invited external lecturers to give lectures on themes such as promoting women's participation and awareness of unconscious bias. In fiscal year 2021, we conducted an online forum to share problems and concerns about nursing care and a LEGO® SERIOUS PLAY® workshop where employees learn about D&I while using LEGO blocks. Approximately 50 employees participated in these events. Through these activities, employees were able to think deeply and share their awareness about the differences and diversity in their ways of thinking and positions. Going forward, together with creating opportunities for mutual interaction and learning about diverse values through repeated dialogues between employees, we will promote activities that allows such initiatives to lead to the driving force that generates high added value and profits.

Active Involvement of Diverse Human Resources

We seek to be a corporation where a diverse range of employees can work to their full potential. By developing a workplace where anyone, irrespective of gender, nationality, age, background or ability, can work easily and feel motivated, TEL will promote creation of an environment where the diversity of talent leads to greater competitiveness.
Furthermore, TEL have established an inclusive working environment for people with disabilities. People with disabilities account for 2.43% of employees at TEL headquarters and 2.3% of employees in Japan operations overall. *

* As of March 31, 2021

Employee voices | Active Involvement of Employees with Various Nationalities

In 2018 I relocated to Japan and joined Tokyo Electron FE as Co-Leader of the Global FE(Field Engineer) Training Operations Center. Many things have changed in TEL since my first business trip to Japan in 1994. Technology now makes it easy to communicate and navigate in a country where the language and culture are so different from my own. I often use the translation technology that TEL has integrated into the work environment to enhance communication with co-workers in Japan and abroad. As a member of Global FE Training Operations Center and the Global Service Solutions Committee, I collaborate with training and service leaders from all over the world. I've been fortunate to experience TEL's unique culture, which for me is about a team of people who are friendly, helpful, dedicated to quality and focused on building and maintaining good relationships.

For relocating my home and start working in Japan, I have experienced the respect, encouragement, and strong support of my co-workers. I was able to quickly adapt to the office working style and effectively perform my job. I feel included in the team and the experience has been very enjoyable in a comfortable work environment where everyone can work effectively.

GLOBAL FE TRAINING OPERATION CENTER

Expert

Mccloud, Ethan

Employee voices | **Active Involvement of Employees with Disabilities**

After joining the company mid-career, I currently work in the management of the Compliance Policy & Program Group of the Compliance Department. Workplaces not only take measures reasonably to ensure accessibility depending on the type and degree of disability (such as barrier-free designs and permitting commuting to work by car) but also nurture an organizational culture that allows individuals to freely apply themselves without reservation or hesitation even if they have disabilities. Because the environment allows us to see disabilities as positive individual characteristics, I strongly feel that I am able to apply my skills. Going forward, I hope to utilize my strong specialty to bravely undertake new and difficult issues.

Masashi Tamura

Group leader

Compliance Policy & Program Group, Compliance Department

TEL Values

Systems and Initiatives for TEL Values

A total of 17,204* employees are working at Tokyo Electron, which operates worldwide. We believe that each of them maintaining a high level of engagement and demonstrating their full potential will lead directly to our growth as a company.

By sharing with our employees the direction toward which management is aiming and providing platforms for direct dialogue through the employee meetings and discussions held at each site, we are striving to build mutual trust between the organization and individuals. Furthermore, to realize our Corporate Philosophy, we established TEL Values, which delineate Tokyo Electron's values, the mindset that each employee must possess and the codes of conduct to be passed on to the future. The TEL Values—pride, challenge, ownership, teamwork and awareness—are being put into practice by our employees all over the world.

* As of March 31, 2023

Human Resource Development

Principles of Human Resource Development

We are making continued efforts for employee education and training while encouraging and supporting employees' proactive approaches toward learning in line with our basic human resource development policy, which consists of the following three principles:

1. Self-motivation and a sense of responsibility are the basic requirements for developing the talents of employees.
2. The workplace supports employee development.
3. The company provides employees with opportunities and incentives to learn and must build the necessary platform or framework.

Developing Human Resources

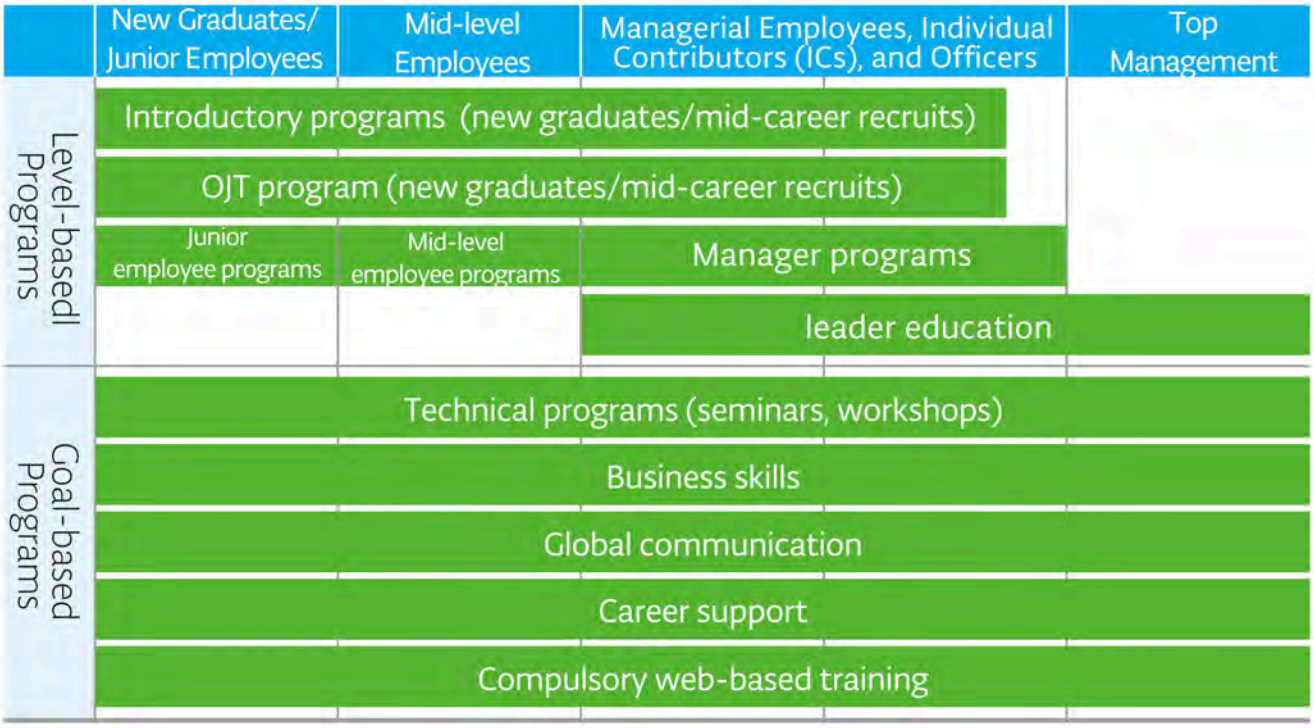
Our company is engaged with the development of human resources that can play an active role on the global stage amid rapidly changing business environments. To maximize the performance of each employee, we place importance on our employees' motivation and are globally developing human resources strategies so that the company and our employees can both continue to grow.

In 2023, with the aim of contributing to the development of individuals capable of leading the technological innovation in semiconductors, we participated in the "U.S.-Japan University Partnership for Workforce Advancement and Research & Development in Semiconductors (UPWARDS) for the Future."

In 2007, we established TEL UNIVERSITY as an internal educational institution for all employees, to support them in building their careers and achieving self-realization through voluntary self-growth. To realize our company's vision of being a company filled with dreams and vitality that contributes to technological innovation in semiconductors, it is essential to develop our human resources. Therefore, each of our Group companies conducts education tailored to the needs of each location and offers level-based and goal-based training programs, in order to carry out effective human resources development. We are creating a foundation for growth where the organization and employees trust each other, and we support lifelong self-growth and rich career formation.

Karuizawa Training Center

Corporate Education System (TEL UNIVERSITY)



Through TEL UNIVERSITY, we implement various initiatives for developing human resources indispensable to our future growth.

Three Pillars of Human Resource Development

Provision of Global and On-demand Learning Opportunities	Support for Career Development	Leader Programs

Provision of Global and On-demand Learning Opportunities

Since each employee develops differently, we provide on-demand education* that enables learning in multiple languages according to individual needs and timing. In addition to group training, we actively use online education and other methods to provide a common platform for learning from any location in the world.

Since fiscal year 2023, we have been offering LinkedIn Learning to all Group employees. In fiscal year 2024, 80% of all employees are registered as users and are undertaking independent learning.

* On-demand education: Education programs that allow employees to learn at their own convenience, anywhere, anytime

Support for Career Development

We are expanding our training programs to support employees quickly acquire basic skills according to their GTC levels*1 and goals based on our global human resources system. We also provide information and tools so that employees can gain a more concrete image of their own accumulated learning and experiences as well as their career development.
For example, in training for new graduates, we conduct training that forms the foundation as a member of society, seeking to (1) transform mindsets to that of a working adult, (2) acquire knowledge and skills common to all occupations, and (3) acquire knowledge and skills specific to each occupation. For employees in their second year onward, we have junior employee programs that check the skills acquired, provide opportunities for reflecting on their thinking and actions, and so on. Through such support, we strive to develop human resources that can play active roles as our employees and learn the necessary skills through understanding and practice of our philosophy and the TEL Values*2 to deliver even greater results.
In fiscal year 2024, for our training targeting managers, the attendance rate was 99.1% for new managers (attended by 216 out of 218 new managers) and 78.1% for new department heads (attended by 25 out of 32 new department heads).

*1 GTC levels: Refer to the global human resources system

*2 TEL Values: Refer to TEL Values

Leader Programs

To nurture the next generation of leaders to support our future, we identify potential future leaders at an early stage and systematically nurture them. We provide next-generation management candidates with opportunities to build networks through participation in events such as external training, to develop a broader perspective, and to receive 360-degree feedback*. In addition, management, including outside directors, conduct systematic assignment considerations and reviews.
We are working to promote human resources development cycles at our business sites; for those in the management of potential future leaders, we provide level-based training for various duties, with the goal of improving their skills in a practical manner.

* 360-degree feedback: Process for collecting feedback from the subordinates, peers and supervisors of employees, as well as self-assessments by the employees themselves

Onboarding Education

We provide important knowledge and skills related to ethics and compliance, information security, environment, safety and quality, risk management, and sustainability at the time of joining the company. We have prepared appropriate programs in accordance with the laws and cultures of each country. Additionally, we are expanding DX basic education to all employees to ensure they understand the importance of DX and can take action towards transformation.

Category		Human Resource Development Programs	Goal
Level-based Training	Basic Training	Introductory programs for new graduates, Values Up basic, business essentials, etc.	Clarify action guidelines for putting TEL Values into practice, encourage self-establishment and skill acquisition, and drive mindset transformation through dialogue in the workplace.
	Leader Training	MBA courses, management skills, reflection round table, etc.	Equip executives and managers with the essential skills through practical case studies, fostering external networking and a culture of learning.
Goal-based Training	Personalized Training	Language training (including English proficiency assessment), intercultural training, etc.	Acquire specialized terminology and expressions required for the global business environment, while deepening mutual understanding across different cultures.
		LinkedIn Learning, Udemy, etc.	Promote a culture of self-directed learning for sustainable growth to enhance global competitiveness.
		Workshops (AI, Plasma, Simulation, Clean Energy, Semiconductor Devices), analytical technique seminars, etc.	In workshops, we deliver presentations and engage in discussions on topics related to conference proceedings and internal knowledge sharing. In analytical technique seminars, participants acquire skills in thermal, fluid, and structural analysis.
	Career Training	Career ownership, career design, occupational personality tests, etc.	Reflect on your life and career development in rapidly changing environments, and take a step forward from your past self.

Example initiative (Japan)

	Business Benefits	Impact of Business Benefits	Employee Participation Rate
Program for Engineers	■ As part of the program for engineers, workshops (AI, Plasma, Simulation, Clean Technology, Semiconductor Devices) and seminars (Analytical Techniques, Statistical/Reliability Engineering) are held throughout the year to develop technical networks within the organization and enhance individual technical capabilities. ■ Acquire knowledge to enhance overall organizational competitiveness and adapt to industry changes. ■ In seminars, enhance problem-solving and data analysis skills to make data-driven decisions and improve quality and productivity.	■ Improve market share, revenue, and customer satisfaction ■ Accelerate time to market, differentiate from competitors, and enhance the ability to adapt to industry changes ■ Reduce problem solving time, improve problem solving rates, increase efficiency in data utilization, and streamline business processes ■ Reduce defect rates, improve lead times, and enhance production efficiency	Target: Engineers in Japan Percentage: 56%

Example initiative (Global)

	Business Benefits	Impact of Business Benefits	Employee Participation Rate
On-demand Learning	■ Foster a culture of self-directed learning for continuous growth ■ Identify employees' skill gaps and provide necessary training to enhance knowledge ■ Increase employee engagement and motivation ■ Improve leadership skills ■ Strengthen the practice of TEL global competencies ■ Enhance overall organizational performance by promoting productivity and innovation for sustained competitive advantage ■ Acquire business and digital skills	■ Increase productivity through employee skill development ■ Enhance employee engagement to improve retention rates ■ Reduce costs (training expenses and downtime) ■ Boost revenue (increase customer satisfaction and drive innovation) ■ Strengthen compliance and improve risk management ■ Promote organizational learning and innovation	Target: All global employees Percentage: 80%

Education and Training Expenses (Global)

Item	FY2022	FY2023	FY2024
Education and Training Time	5,900 hours	7,200 hours	8,600 hours
Education and Training Expenses	650 million yen	700 million yen	540 million yen
Learning time per person	52 hours	53 hours	55 hours
Training expenses per person	47,000 yen	41,000 yen	30,000 yen

Training time: Total training time, excluding compulsory companywide education (such as safety and compliance), etc.

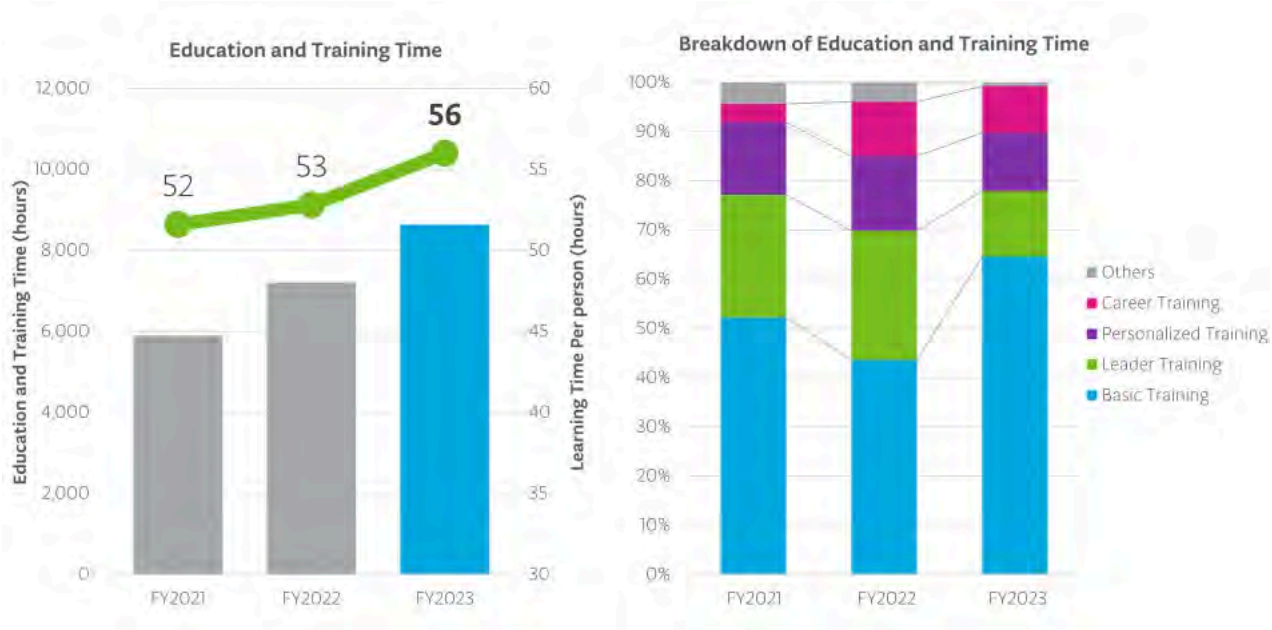
Education and training expenses: Total training expenses (converted to Japanese yen)

Training time per person: Total training time* ÷ Number of employees = 17,702 (as of March 31, 2024)

Learning time per person: Total learning time ÷ Number of employees

* Total training time: Number of participants for each training × Number of hours conducted

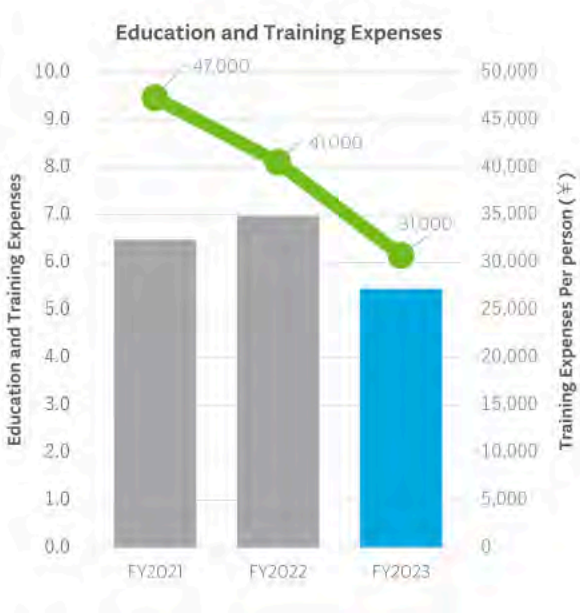
Education and Training Time

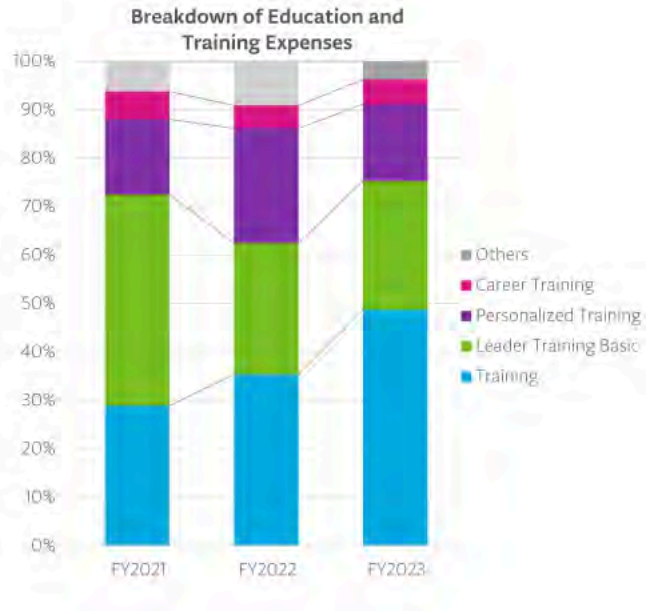


Education and training time continues to increase each year, reaching 8,600 hours in fiscal year 2024. Total learning time per person was 55 hours in fiscal year 2024, its highest in the past three years. In addition, company-wide education and training time is increasing due to the increase in the number of employees.

As for the breakdown of education and training time in fiscal year 2024 basic training accounted for 65%, personalized training for 12%, leader training for 13%, and 1% came from other types of training. Basic training increased by 21% from the previous fiscal year.

Education and Training Expenses





Regarding the breakdown of education and training expenses in fiscal year 2024 basic training accounted for 49%, leader training for 27%, personalized training for 16%, and 4% came from other types of training. Basic training increased by 14% from the previous fiscal year, while leader training remained at a similar level. In addition, training expenses decreased due to the introduction of on-demand, online education, amounting to 540 million yen in fiscal year 2024 with training expenses per person being 30,000 yen.

Human Capital ROI

	FY2022	FY2023	FY2024
Human Capital ROI	—	5.4	4.3

Human capital ROI: Consolidated net sales – (Total consolidated operating expenses - (Total expenses*)) ÷ Total expenses)

* Total expenses = Wages in Japan + Welfare (Globally for education and training expenses)

Work-life Balance

Work-life Balance Concept and Systems

We believe 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.

Work Styles and Offices

We endorse work styles that contribute to a positive work-life balance, and are continually working to create environments that facilitate this. For example, we recommend that both mothers and fathers take advantage of our parental leave systems—one of several childcare leave systems we operate—and this has resulted in a high proportion of our employees returning to work after taking maternity/paternity leave and childcare leave. We also offer a range of work style programs, such as flextime system that allow employees to work flexible hours, and work from home system. We incorporate user feedback to improve our programs and promote efficient work styles that cater to diverse lifestyles and social situations.

We are engaged in building unprecedented new office environments that are work-friendly for all our employees and that support their endeavors.

To take one example, the Miyagi Technology Innovation Center we opened at Tokyo Electron Miyagi in 2021 features an “Innovation Area,” which is a communal space for creating new technologies, and a “Creative Office,” which is centered on a bright and open communication space. We are also working on creating office spaces at our other sites that encourage interactions between different departments and that provide support for new innovations.

Leave System

We believe that employees are high productivity when they can properly manage their work hours and take leave. Accordingly, we are working to eliminate long working hours, and to both enhance our leave systems and encourage employees to make use of them. We have set a medium-term target of ensuring that our employees take 80%[1] or more of the paid leave available to them . To this end, we educate employees on how to take leave in a systematic manner, regularly monitor how much leave employees have available and encourage management styles aimed at improving leave usage rates . In fiscal 2024, the rate of employees taking advantage of paid leave was 80%, achieving our medium-term target.

We also operate a unique “refreshment leave system” in different countries around the world, depending on the prevailing circumstances. This system aims to provide both mental and physical refreshment for employees, and so boost their motivation to work. In Japan, employees who have worked at the company for 10 years or more are granted special, supplementary paid leave of between two weeks and one month for every five years of continuous service. In fiscal 2024, 630 employees in Japan and 827 employees overseas took advantage of refreshment paid leave. We are also working to establish various other leave systems for different life events, including childcare leave, leave to care for a sick or injured child, childcare support leave[2] and paid leave to provide nursing care. Employees are permitted to extend

childcare leave until the day the child reaches three years of age; employees are now also eligible for the reduced working-hours program for childcare until the child graduates from elementary school[1].

*1 Usage for employees in Japan

*2 Leave to care for a sick or injured child: employees are granted five days of paid leave per year until the child enters elementary school; childcare support leave: employees are granted five days of unpaid leave per year until the child enters junior high school

Childcare and Nursing Systems・Employee Life Support

Childcare and Nursing Systems

We respect the various lifestyles of its employees and is investing effort into providing an environment where each employee can thrive. In addition, to the system made available by existing laws, we are independently building a substantial framework that allows employees to adopt a flexible approach to work that accords with diverse life events such as raising children or caring for family members.

With regard to the situation in Japan, we have acknowledged the maximum extension of the childcare leave period to the day a child reaches three years of age, as well as expanding our provision of a reduced working hours program for childcare to include employees rearing children as far as graduation from elementary school. In addition to leave to care for a sick or injured child, we are enriching the provision of support through establishment of our own childcare leave, etc. As a result, currently in Japan, 42% of female TEL employees are working mothers. To further our support for the compatibility of work, and nursing care, nursing care leave on full pay is available for up to five days. We are advancing improvement of the system, for instance, by allowing nursing care leave to be taken up to three times per person requiring nursing care for a one year in total.

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

System	Overview	Eligible employees	Notes
			(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	Employees with a family member requiring nursing care	More than the legal requirement

Support for Employees During Childrearing

The Group provides work environments in which employees who are childrearing can work with a sense of security. In manufacturing sites in Japan, we have established rooms to support nursing mothers that can be used for pumping breastmilk and for other needs during childrearing necessary for the management of maternal health.

Support for Female Employees During Childrearing

Employee Life Support

We are enacting a diverse range of support toward achieving a workplace environment where employees can work energetically while each making full use of their abilities. We present regular opportunities for employees aged 50 or over to attend seminars providing necessary information and review of financial planning, encouraging them to consider their way of working after retirement. Furthermore, we support employees' everyday lives by offering assistance to all age groups on familiar topics such as nursing care for family members and inheritance.

Employee voices | Childcare leave for men

My eldest son was born in November 2018, and I took childcare leave for six months from June 2019. Working in sales means a life with many business trips, and I decided to take childcare leave because I wanted to play an active part in raising my son and support my wife. I also thought it could be my first and also final time to experience raising children. My supervisor respected my intention and I was able to hand over my work based on reassuring support. During childcare leave, I was close to my son as he grew each day, and I recorded things down in a childcare diary. I look forward to looking back on this precious time someday together with my family. When I returned to work, I was able to go back to the same team. I am sincerely grateful to my supervisor and colleagues. Taking childcare leave became an opportunity to learn about the importance of being involved in raising children and the difficulty of raising children, which continues without a break. At the same time, I think it also led me toward a work attitude of being further aware about improving efficiency.

Kiyohisa Motoda
CT Product Group
Field Solutions Department 1

Initiatives for Preventing Harassment

As stated in the Tokyo Electron Group Code of Ethics and the Tokyo Electron Group Human Rights Policy , we have zero tolerance for any form of harassment.

To promote and entrench understanding of preventing harassment, we provide online-trainings for executives and all employees, while training is also provided specifically for managers. The key is to stop harassment before it happens. Training imparts the knowledge and information required to do this, with a focus on good communication in the workplace and prompt action when issues do occur. Personnel directly involved in fielding contact about harassment or related matters will participate in additional training to upgrade their own skills.

Each Group company has its own harassment consultation desk. To ensure that employees are not mistreated or otherwise disadvantaged for making contact, consultation desk personnel will act in good faith, taking due care to keep matters private, including facts about the contact itself. If it is determined that a serious instance of harassment has occurred, the Disciplinary Committee will discuss what action to take against the harasser in accordance with the Rules of Employment. Appropriate corrective and preventive measures will be implemented.

Health

Approach to Health and Productivity Management

Tokyo Electron believes that for a company to grow and develop continuously, it is essential for each employee to lead a fulfilling life and maximize their full capacity. In addition to creating an environment where employees can work healthily and energetically, it is important for employees to be aware of their own health and actively work to maintain and improve it. We have been promoting health and productivity management under our Health and Productivity Management Declaration announced in February 2012, led by a corporate officer who serves as a health promotion general manager.

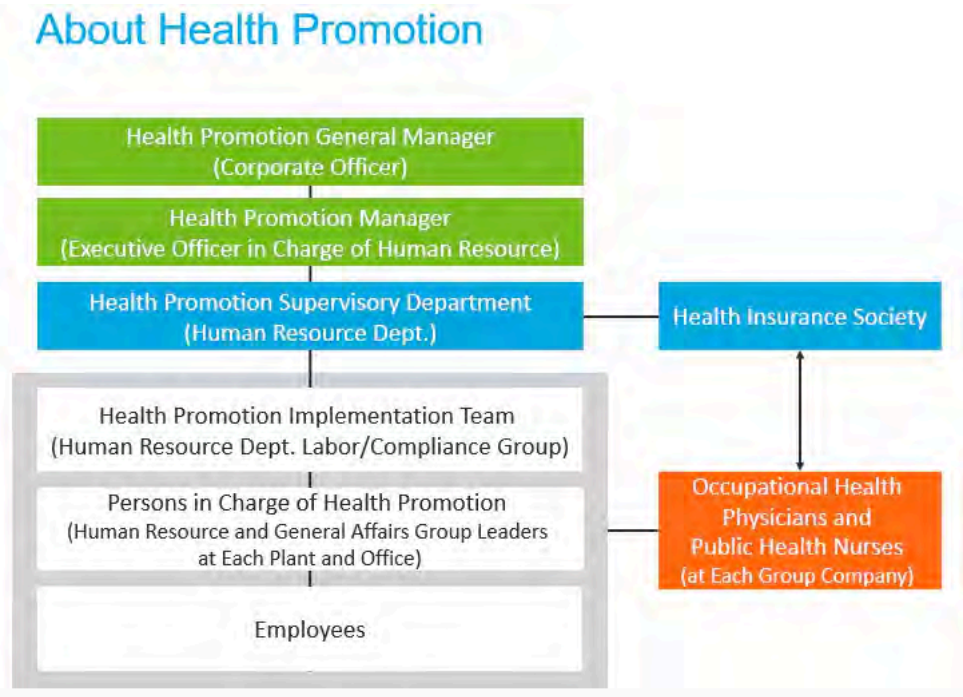
Objectives of Health and Productivity Management

We are committed to enabling employees to maintain and improve their health, achieve personal growth and lead fulfilling lives. At the same time, we engage in health and productivity management to enhance corporate value by creating an environment where employees can fully demonstrate their abilities.

Health and Productivity Management Promotion System

To advance health and productivity management, we have established a promotion system with a corporate officer in charge of health promotion as a general manager. Through that system, activity policies are determined and activities are monitored. We announced our Health and Productivity Management Declaration* in 2012, and the Human Resource Department at our headquarters, occupational health professionals such as occupational health physicians and public health nurses at Group companies are working together with the Tokyo Electron Health Insurance Society to address health-related issues.

* Health and Productivity Management Declaration :Promoting various initiatives in response to health issues from the perspectives of Eat, Rest, Walk and Talk



Specific Initiatives

We consider improving employee engagement and productivity essential to enhancing corporate value by maintaining and improving employee health and enabling them to fully utilize their abilities. Accordingly, we have developed a health and productivity management strategy map and are implementing related initiatives.

Health and Productivity Management Strategy Map

Mental Health Measures

As part of our efforts to manage employees' mental health, we conduct an annual stress check in Japan using a questionnaire recommended by the Ministry of Health, Labour and Welfare. Employees determined to be under high stress through the stress check results are encouraged to attend consultations with an occupational health physician or public health nurses , and consultations are provided to those who wish to consult. Additionally, we have introduced external counselors and an Employee Assistance Program (EAP)* to enhance mental health support for employees.

* Employee Assistance Program (EAP): A program designed to support employees with mental health issues

Building of a Framework for Self-care

We have introduced the healthcare platform "Pep Up" as part of our health management efforts. This platform allows employees to easily check their health-related data, including blood pressure, weight, body fat percentage and health age* based on their medical checkup results, enabling them to engage in self-care for their health. Through the platform, we provide employees with health-related information tailored to their individual health status and organize walking events. Additionally, we distribute wearable devices that track physical activity and calories burned, helping to promote health improvement.

* Health age: This refers to 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.

Promotion of Specific Health Guidance

Together with the Tokyo Electron Health Insurance Society, we provide specific health guidance to address lifestyle diseases early and prevent their progression.

Hosting of Health-related Seminars

We hold Group-wide seminars on topics such as sleep, exercise and nutrition. Additionally, Group companies organize seminars tailored to their specific issues. In collaboration with the Tokyo Electron Health Insurance Society, we also host events aimed at raising employee health awareness and encouraging lifestyle improvements.

Various Indicators and Achievements

Recognizing our employees both create and fulfill corporate values , we have set a goal of achieving an employee retention rate of 99.0% in Japan. While our retention rate for fiscal year 2024 was 98.8%, we will continue to implement sustained and effective measures to further enhance employee engagement.
Moreover, efforts to improve the implementation rate of specific health guidance and the paid leave utilization rate have made progress. We will continue working to improve employees' lifestyle habits as well as mental and physical health, maintaining and enhancing their health .

Changes in major items over time (Japan)	Target	FY2022	FY2023	FY2024
Absenteeism (including physical and mental health issues, calculated as the percentage of employees on long-term leave of absence of one month or more out of the total number of employees)	—	1.8% (Number of employees: 8,296)	2.4% (Number of employees: 8,661)	1.8% (Number of employees: 9,325)
Participation rate for Stress Check program	—	92.7%	93.6%	94.1%
Rate of high-stress employees in Stress Check program	10% or less (every fiscal year)	10.9%	10.2%	9.3%
Take-up rate of annual paid leave	80% (until FY2027)	64.6%	70.0%	80.6%

Number of employees taking refreshment leave	—	512	1,731	630
Retention rate	99% (every fiscal year)	99%	98.9%	98.2%
Specific health guidance implementation rate*1	60% (until FY2030)	43.7% (FY2021)*1	50.4% (FY2021)*1	55.2% (FY2022)*1
Regular medical checkup uptake rate	100%(every fiscal year)	100%	100%	100%
Rate of employees with an exercise habit*2	—	26.5%	27.6%	27.7%
Rate of employees getting sufficient rest through sleep*2	—	65.6%	65.4%	63.5%
Number and rate of employees registered on healthcare platform Pep Up*3	—	—	8,697 (95.0%)	9,826 (89.4%)

*1 The year of calculation is different from other items.

*2 Valid responses to the questionnaire from Specific Health Examinations conducted as part of comprehensive medical checkups

*3 Calculated from FY2023

Safety

Our Approach to Safety and Health

Tokyo Electron Group upholds the principle of "Safety First" as part of our Corporate Philosophy. In accordance with this principle, we give the highest priority to the occupational safety and health of all individuals, including management, employees, and the employees of business partners working within and outside the Group, as well as our suppliers and customers, in various business operations such as development, manufacturing, transportation, start up, and maintenance. We set goals to improve safety and good health and strive for ongoing, proactive improvements.

Our Safety Policy and healthy work environments are approved by the CEO and the corporate director in charge of safety and are applied to not only management and employees but everyone involved in our business.

Safety Policy +

Safety Management System +

Safety Activities

Safety and Health Committee

Safety Training

Product Safety

Customer Safety

Incident Prevention Initiatives

Safety Activities

We establish appropriate targets* based on quantitative evaluation and analysis of safety activities and formulate implementation plans aligned with our priorities.
Employee representatives and relevant parties participate in Safety and Health Committee and other relevant meetings to discuss safety activities, share issues, and explore corrective and preventative measures. We work to deploy safety activities Group-wide and pursue ongoing improvements.

* Achievement of the Medium-term Management Plan target—a total case incident rate (TCIR) of less than 0.10 workplace injuries per 200,000 work hours

Global Safety Council

Working together to reduce the number of incidents, safety representatives of every plant and every overseas affiliate gather once every six months to discuss matters such as the state and results of safety activities in each region, information on incidents, and recurrence prevention measures, and to share targets for the following term. This information is shared with contingent worker at meetings of the premises safety and health councils and Group-wide efforts are advanced.

Special Audits

To ascertain the realities of actual on sites, we visit Group-wide and customers to check on efforts relating to operating environments, equipment, and safety activities.

Incident Reporting System

Accessible to all employees, the TEL Incident Report System (TIRS)* is used to quickly share information with the relevant personnel, confirm the current situation, and deploy recurrence prevention measures. As a rule, incidents must be reported within 24 hours.

* TIRS is Tokyo Electron Group's TEL Incident Report System. The system is also used with all group company for report data aggregation, investigation of causes, analysis of trends and impacted personnel, and other activities as a recurrence prevention online system.

Near-Miss Incident and Hazard Reporting

TIRS is used not only for reporting incidents, but also to closely examine and specify near-miss incident and hazard reports in detail. A selection of reports are sent out to safety personnel worldwide in five languages once every two weeks to help prevent major incidents.

Risk Assessment and Stop Work Authority

Before we start to work, the work details and the risks are shared with all workers involved, and they each raise their safety awareness in an effort to prevent incidents. In addition to promoting guidance to safety management personnel, we are focusing on "stop work" to pause work and implement countermeasures when unexpected situations arise during works.

As a result of these ongoing initiatives in relation to reinforcing safety training and product safety design, our TCIR* reached 0.15 in fiscal year 2024, which is top class in the semiconductor production equipment industry. We will make further efforts toward achieving the target in our Medium-term Management Plan of 0.10 or less.

* TCIR: Total Case Incident Rate. The number of workplace incidents per 200,000 work hours

Safety and Health Committee

Safety and Health Committee are convened monthly by employee representatives at each place of work. Participants discuss activities on workplace safety and employee health and safety and incorporate employees' opinion. Information from the Global Safety Meeting is also shared as a way of promoting Group-wide safety efforts. In addition, each place of work has in place systems enabling workplaces to resolve issues on their own, with representatives of each department regularly conducting safety patrol at least once a month.

Safety Patrols

Each place of work has safety activity systems enabling workplaces to resolve issues on their own, with representatives of each department conducting a safety patrol at least once a month.

Safety Training

To raise employee awareness about safety and to build safe workplace environments, we develop training programs corresponding to the job responsibilities of employees and relevant personnel which are implemented Group-wide.

Safety Foundation Training

"Safety Foundation Training" teaches the basics of safety to enable all employees to perform their operations safely in the workplace. Training programs are regularly reviewed to reflect analysis of the latest incident data. Employees undergo introductory training when they join the company and a refresher program every three years to maintain and enhance their safety awareness.

Example initiative

A "Safety training for second-year employees" program tailored to employees in their second year was introduced in fiscal year 2024 given the growing percentage in recent years of incidents involving employees with limited work experience, particularly those in their second year of service. The main purpose of this program is to remind employees of "Safety Foundation Training". It focuses on prevention of back pain, caused by lifting of heavy items, and accidental falls as these are the incidents most reported. Hazard prediction training is provided at the same time to enhance employees' sensitivity toward safety matters.

Safety Technical Training

"Safety Technical Training" is a more specialized program for engineers working on production lines or in cleanrooms. Refresher training is carried out each year. We also provide training about safety rules and legislation in each countries and regions for employees transferring overseas.

Country-Specific Statutory Training

For overseas transferees, the laws and regulations in their previous and future places of employment are compared, and additional safety education is added as necessary.

Enhancement of Training Facilities

Tokyo Electron Korea established the TEK Safety Academy in fiscal year 2024 to raise employee safety awareness and enhance their incident prevention skills through practical hazard experience. The slogan followed is “Watch, Try, Feel and Experience Safety First.”
Tokyo Electron Shanghai opened a new training center allowing practical training programs with a focus on experiential training (e.g. LOTO* simulation, heavy lifting).

* LOTO: Lock Out Tag Out is a safety procedure used to prevent incidents and injuries that may be caused by the unexpected release of energy from facility or equipment.

TEK Safety Academy

The facility houses a large conference room with a 60-person capacity

Product Safety

We adhere to international safety standards, country regulations and industry guidelines to provide customers with safe and reliable products.

Safe Design of Equipment

Taking the entire product life cycle into consideration, we carry out product risk assessments as early as possible in the development phase. We implement safe equipment design*1 to reduce the risks posed to humans by incorporating the assessment results in the design. We conduct global surveys of increasingly strict laws and regulations and conduct compliance checks through third-party assessment bodies to ensure conformity with international safety standards and SEMI Standards*2 on the equipment we ship. We have also established a system to comply with safety regulations of the regions where our equipment is delivered while working with overseas subsidiaries.

*1 Intrinsically - safe design: A design concept that eliminates the cause of the machine's harm to humans through the safety design of the machine

*2 SEMI Standards: SEMI Standards are regulations formed by SEMI, an international industry body which serves manufacturers of semiconductor production equipment, display production equipment, PV power generation equipment, materials and the like, to unify all of these international industrial standards.

Equipment Safety Training

To entrench safe equipment design approaches in design through to manufacturing and servicing operations, we conduct safe equipment design training at manufacturing sites in Japan. We also promote our initiatives to prevent incidents, by providing our suppliers and customers with safety information as circumstances demand.

In recent years, it has become increasingly important for us to ensure compliance with international safety standards and guidelines early in the equipment design and development processes. Since fiscal year 2008, we have been offering its engineers web-based training on safe equipment design. Through risk assessment exercises and examples of actual incidents, the participants acquire basic safety knowledge for equipment design.

Feedback on Equipment Safety Specifications

If changes relating to safety specifications are requested by customers, or if an incident occurs as a result of equipment design, we provide the information to the Production Design Department as feedback and review to improve the organizational structures that will move forward with the necessary discussions as quickly as possible.

Customer Safety

We strive to prevent equipment-related incidents before they occur by providing equipment training to customers to ensure they use the equipment safely. We also proactively disclose safety information to customers and make company-wide efforts to improve safety.

Equipment Training for Customers

We establish training centers all over the world, mainly at our development and production sites, and provide customers with training on equipment operation and maintenance so that equipment can be used safely. To make training accessible even outside our training centers, we provide remote training* for most of our equipment. We try to enhance the training using video contents in some places, having prepared video captured from angles for easy viewing. In addition, we are working to improve the content and quality of not only remote training but also WBT by sharing the equipment and methods we introduced with each training center.

* Remote training: A training course, although remote, where trainees interact with the instructor in real time while viewing actual equipment through their monitors

Provision of Safety-Related Information

We are committed to providing sufficient safety information on our products so that customers can safely use them. All our products come not only with a manual specific to the product specifications, but also a TEL Safety and Environmental Guidelines manual applicable to all our products. The TEL Safety and Environmental Guidelines manual is available in 12 languages* to ensure that customers around the world can understand the content accurately; it describes examples of potential risks associated with using our products together with the methods for averting those risks, as well as safety measures applied to products and recommended methods for product disposal, divided into such categories as chemical, electrical, mechanical and ergonomic.

If new safety warnings are identified after a product ships, we promptly report these to the affected customers.

We also make particular efforts to ensure that necessary information is communicated to customers to whom we deliver products that involve the use of hazardous chemicals or high-voltage electricity.

* 12 languages: Japanese, English, German, French, Italian, Dutch, Russian, Portuguese, Korean, Traditional Chinese, Simplified Chinese and Finnish

Communication

We recognize that the basis of safety activities lies in fostering trust-based relationships. Management, employees, and related parties will strive for effective communication between all people, including customers.

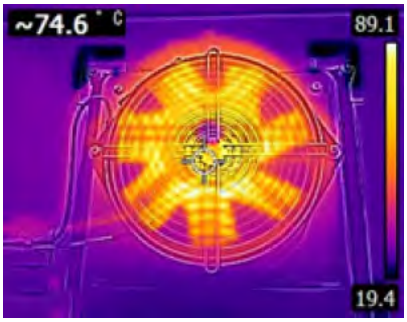
Incident Prevention Initiatives

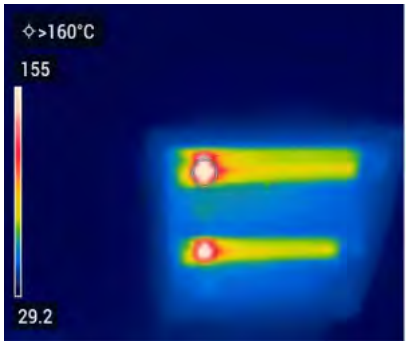
Regular Safety Inspections

Regularly safety inspections are conducted throughout the Group using predetermined safety inspection items relating to work carried out at our own manufacturing locations and in-house management of our equipment. By revealing issues in work safety, training methods, safety management methods for equipment and the like, these regular inspections assist each Group-wide with their voluntary activities for maintaining and improving their safety environments.

Example initiative

In addition to inspection items for regular generators, other electrical equipment, rotating equipment, and motion transmission equipment, which require mandatory servicing and maintenance under law, Tokyo Electron's safety inspections include infrared thermography to check for abnormal heat generation. These are carried out Group-wide.





Response to Disasters and Major Incidents

In the event of extensive damage due to an earthquake, storm, other natural disaster, or an incident, such as a fire, we will accurately ascertain the facts, prioritize protecting and rescuing human lives,and work together as one to quickly and calmly minimize losses, repair damage, and prevent recurrence.

We have Business Continuity Plans in place in the event of a major incident and, will enact a Group-wide response under the direction of management, along with experts who will investigate the cause, and work to prevent recurrence.

For information on risk management and business continuity plans, see Risk Management in the About TEL section.

Risk Management (BCP) >

Safe Equipment Design

Safe Design of Equipment

Taking the entire product life cycle into consideration, we carry out product risk assessments as early as possible in the development phase. We implement safe equipment design*1 to reduce the risks posed to humans by incorporating the assessment results in the design. We conduct global surveys of increasingly strict laws and regulations and conduct compliance checks through third-party assessment bodies to ensure conformity with international safety standards and SEMI Standards*2 on the equipment we ship. We have also established a system to comply with safety regulations of the regions where our equipment is delivered while working with overseas subsidiaries.

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*2 SEMI Standards: SEMI Standards are regulations formed by SEMI, an international industry body which serves manufacturers of semiconductor production equipment, display production equipment, PV power generation equipment, materials and the like, to unify all of these international industrial standards.

Safety Education

In recent years, it has become increasingly important for us to ensure compliance with international safety standards and guidelines early in the equipment design and development processes. Since fiscal year 2008, we have been offering its engineers web-based training on safe equipment design. Through risk assessment exercises and examples of actual accidents, the participants acquire basic safety knowledge for equipment design.

In fiscal year 2016, we revised the education program using updated information, including new safety standards.

In addition to the training for design engineers, we are also promoting equipment safety education for all workers in areas such as manufacturing, start-up, service, and on-site logistics. This allows these employees to apply the knowledge to the handling of equipment as well as assist in the development of safer equipment. From fiscal year 2017, lectures and training by outside experts are provided.

Quality

TEL Quality Global No.1

Knowing our customers' real needs enables us to attain world-leading product quality.

Approach to Quality

Tokyo Electron defines it's approach to quality in the following way: “The Tokyo Electron Group seeks to provide the highest-quality products and services. This pursuit of quality begins at development and continues through all manufacturing, installation, maintenance, sales and support processes. Our employees must work to deliver quality products, quality services and innovative solutions that enable customer success.” We strive to implement this policy.

Quality Policy +

Quality Management System +

ISO 9001 Certified Plants and Offices

Company Name	Plant/Office Name	Certification Number	Certification Date
Tokyo Electron Technology Solutions	Fujii Office／Hosaka Office	00225-1994-AQ-KOB-RvA	Sep.1994
	Tohoku Office		Dec. 1994
Tokyo Electron Kyushu	Koshi Office	5569-1997-AQ-KOB-RvA	Mar.1997
TEL Magnetic Solutions	-	IE09/66498	Nov.2009
Tokyo Electron Miyagi	Taiwa Office	02609-2012-AQ-KOB-RvA	Sep.2012
Tokyo Electron Korea	Balan Plant	QSC1680	Sep.2011
TEL Manufacturing and Engineering of America	Chaska Office	FM586277	Mar.2013
Tokyo Electron (Kunshan)	-	260147-2018-AQ-RGC-RvA	May 2018

Process Improvement Activities ▼

Ensuring Self-Process Assurance Systems and Promoting Shift Left ▼

Measures to Prevent Quality Problems from Occurring and Recurring ▼

Initiatives with Suppliers ▼

Quality Education ▼

Process Improvement Activities

The production sites of our customers require limited variations in quality between equipment, accurate process repeatability and high productivity. To provide products that match such customer needs, we focus on process improvement activities (PCS*1) using a statistical method.

We create control diagrams for the information of various types of critical components (components directly in contact with wafers and components that directly affect the process of systems, such as components that transfer mechanical, thermal, electrical or electromagnetic energy to wafers) and analyze variations to quickly detect and respond to changes in manufacturing processes. By undertaking such PCS activities together with suppliers handling specific critical components, we work on the suppression of component quality variability and maintenance/improvement of manufacturing processes that produce quality products to help provide products surpassing customer expectations.

In addition, manufacturing processes handling new critical components need constant review and improvement. Our products comprise several tens of thousands of components, and the task to select specific components from these and carry out regular aggregation and analysis require many man-hours.

To optimize and streamline this task, we reexamine our operational flow, including the adoption of automation, and improve our systems by collecting information from customers, holding discussions among our manufacturing sites in Japan and interviewing our suppliers. By continuously carrying out these activities that are based on the concept of Shift Left, we are striving to improve our productivity further.

Example Initiatives

At Tokyo Electron Technology Solutions (Tohoku), design of experiments*2 based on statistics is used to establish quality metrics for critical components and the level of quality activities is being improved together with suppliers.

The best quality metrics established using the designs of experiments are set as the targets. Conditions that give rise to variations in inspection, adjustment and other values in the manufacturing processes of critical components are strictly managed using PCS activities to seek accuracy and stability in the manufacturing processes.

In the future, we will promote the automation of processing—from collection to assessment—of suppliers' data regarding quality and detect the state of quality in real time to further improve the manufacturing processes of critical components.

*1 PCS: Process Control System

*2 Design of experiments: A branch of applied statistics that aims to design efficient experimental methods and properly analyze the results

Ensuring Self-process Assurance Systems and Promoting Shift Left

In order to improve the quality of products, it is important to prevent non-conformance from occurring in upstream processes and to ensure thorough quality control in each process so that nonconforming products— if they occur—are not allowed to flow into later processes. From this perspective, we promote activities focused on self-process assurance systems. In particular, we aim to further improve quality by implementing thorough risk detection and mitigation measures (FMEA*1) from the initial stages of product design, as well as carrying out thorough inspections in each process and conducting verification using simulation.

These activities for in-process quality control make it possible to create high-

value-added technologies and products in the upstream processes by improving the precision of each process and reducing reworking costs[*2], and at the same time, lead to the promotion of the Shift Left[*3] concept.

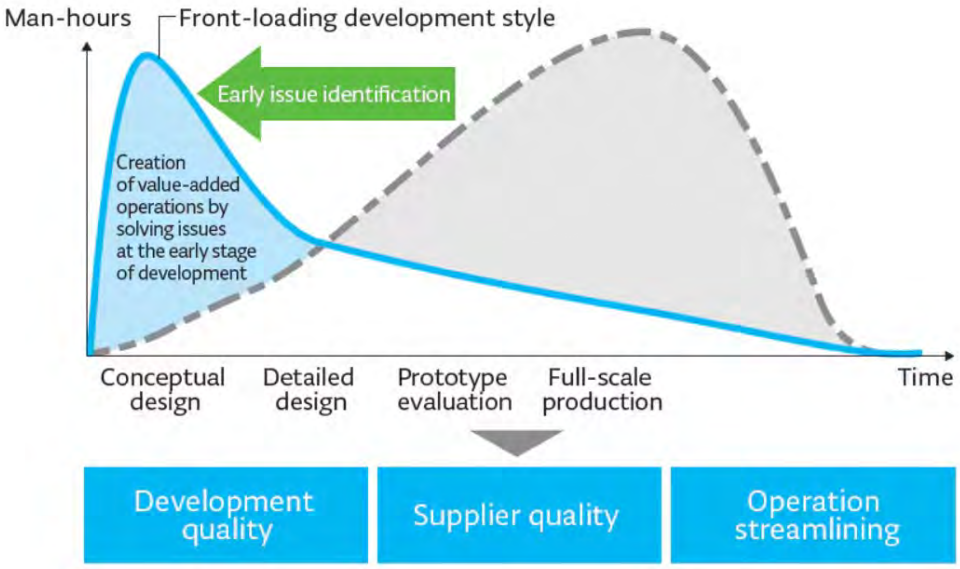
We are also promoting Product Lifecycle Management (PLM) by using in-process quality control to comprehensively manage and analyze all processes from product planning, development, design and production through to service in an effort to facilitate the earlier release of products, enhance operational efficiency, improve quality and reduce costs.

*1 FMEA: Refer to Approach to Quality

*2 Reworking costs: Costs incurred by going up the chain of processes and reworking when there is non-conformance

*3 Shift Left: Refer

Shift Left (Front-loading) Initiatives



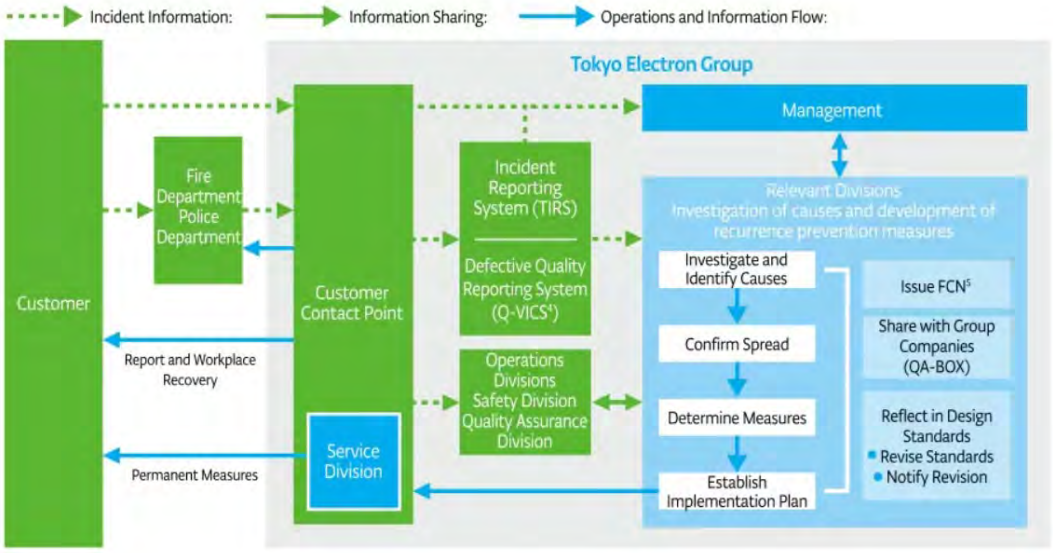
Measures to Prevent Quality Problems from Occurring and Recurring

To comply with ISO and EN[*1] safety standards and achieve higher safety levels, we have established its own design rules for each product. At the same time, we have developed systems for manufacturing products, which include safety considerations. We also have other systems in place for responding to issues such as equipment design and production non-conformance and any occupational incidents.

In the event of an incident, we use our TIRS[*2] incident reporting system to distribute information to safety and quality personnel in each division and officers and management, including senior management. An incident investigation is also conducted immediately to identify the cause and plan preventive measures.

We use a proprietary system called QA-BOX[*3] to share information on equipment quality and any major non-conformance across all quality departments in accordance with our operating rules. Measures obtained from the results of an incident investigation are promptly applied, not only to the problem equipment but also to relevant equipment operated by other customers. At the same time, after finding the root cause, revisions are also made to the current design standards and processes to perpetually prevent the occurrence of major non-conformances.

For departments that become subjects of incident investigations, we validate repercussions to other equipment and commonalities and share the issues and countermeasures at regularly scheduled QA-BOX meetings together with the heads of quality assurance divisions. This allows us to examine various approaches to prevent similar non-conformances. The common policies determined at the regular meetings are quickly deployed across the entire Group and reflected in the respective equipment. This helps to reduce nonconformances caused by equipment.



*1 EN: European Norm. Uniform standard for the European Union complimenting parts of technical standards not stated in European Commission directives ("New Approach" directives)

*2 TIRS: TEL Incident Report System

*3 QA-BOX: Tool for the sharing and horizontal deployment of important quality-related information within our Group companies

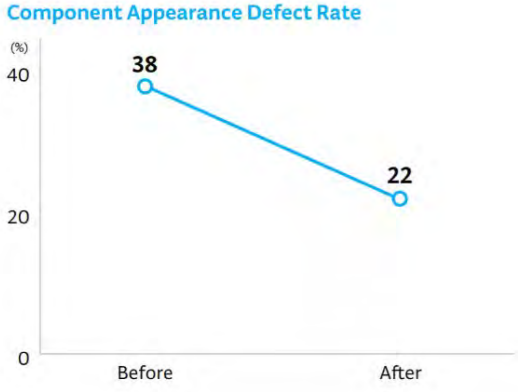
*4 Q-VICS: Quality Valuable Information Chain System

*5 FCN: Field change notice. Refers to the general recall notice

Initiatives with Suppliers

Continuously improving quality based on strong partnerships with suppliers is essential for providing high-quality products quickly to the market. Since fiscal year 2001, we have conducted our unique Supplier Total Quality Assessments (STQA) in an effort to ensure our suppliers properly understand the level of quality expected from them.

Before starting a new business with suppliers, we conduct an STQA via self-assessment to evaluate their product quality, costs and information security. The assessment also includes their corporate social responsibility initiatives, including human rights, ethics, safety, and the environment. If a risk is identified in this assessment, we visit the supplier and confirm the area of non-conformance on-site.



Once our approaches to quality and other important related issues have been shared with the supplier, we request that they plan and implement improvement measures and provide continuous
support until all of them have been completed. In addition, we also conduct audits once every three years for suppliers who handle important components and for suppliers where quality issues have been found.

We also hold regular meetings with the leaders of various manufacturing sites in Japan who use STQA to share supplier-related information and discuss measures to resolve issues.

Example Initiatives

The quality assurance division of Tokyo Electron Technology Solutions is strengthening the acceptance inspection process to allow signs of component non-conformance to be discovered early. Component appearance defects from scratches and dents make up approximately 40% of all non-conformances discovered
during acceptance inspection. As a result of efforts to improve and strengthen component appearance, such as working with suppliers to find the causes and selecting appropriate packaging materials, the target value of 130 ppm (130 nonconforming products in every one million products) was achieved in fiscal year 2022 even though the number of shipments increased. Going forward, we will continue to strengthen cooperation with suppliers and undertake continuous improvement activities.

Quality Education

We are striving to enhance the awareness of every employee toward quality by conducting various education programs. In addition to the basic education on quality that new employees receive, we have also globally rolled out PDCA Education and other programs that target all TEL group employees. In PDCA Education, employees learn about the need for continuous improvement through the four processes of plan, do, check, and act. As of FY2020, 84% of employees had completed this program.

We also implement our own education program, called TEL 6-Step, for employees closely involved in quality control, such as developers, designers, quality managers, and service personnel, through which they acquire a problem-solving model to handle important issues. The program is a modified version of the eight discipline (8D) problem-solving method[*1], widely used in quality control, customized to replace our problem-solving process. The program cultivates the ability to resolve problems quickly and to take measures preventing recurrence, by thoroughly investigating the true nature of problems, and determining the technical factors and root causes. As of FY2020, approximately 5,800 employees had attended this program. We also conduct group training targeted at quality control leaders to provide them exercise-based learning opportunities for resolving quality-related issues to further enhance their work improvement skills at production and development sites.

Moreover, so that employees can tackle quality improvement autonomously, we advocate QC certification[*2] and encourage them to acquire fundamental skills. Since fiscal year 2012, the number of QC certified employees has increased yearly to approximately 2,400 as of FY2020.

*1 8D problem-solving method: A method for solving problems in quality improvement through eight disciplines or processes

*2 QC certification: Quality management certification operated by the Japanese Standards Association and the Union of Japanese Scientists and Engineers. The total number of certified people nationwide exceeds 580,000 (as of September 2019)

Promotion of Improved Productivity

Initiatives of Digital Transformation (DX)

Based on the idea that DX initiatives are a means and an opportunity to achieve our management vision and management plan, and to create corporate value, in January 2021, we formulated the TEL DX Vision and the TEL DX Grand Design.

Through digital technologies, we will promote product transformation and business transformation* to accelerate and strengthen business activities associated with important material management issues.

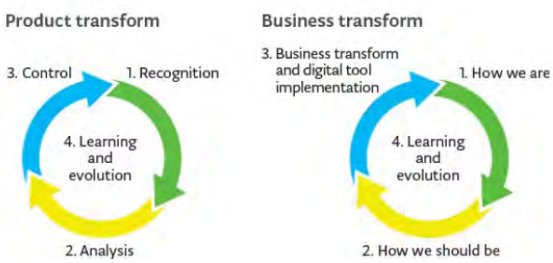
* Product transformation: Contributing to customer value creation in a variety of situations, from development to mass production, business transformation: Improving capital efficiency in a variety of situations, from the product planning stage to maintenance.

TEL DX Grand Design

* Material issues

In product transform, we will solve high-level issues while repeating the processes of (1) Recognition (sensing and monitoring), (2) Analysis and prediction, (3) Control and (4) Learning and evolution (autonomous), while aiming to improve customer value.

In addition, in business transform, we will grasp the current state of internal business while envisioning how work should be, and change our work



processes by using digital tools, to improve our capital efficiency. We are also promoting the use of digital technology in our management foundation and business support departments, which are necessary to realize these transform initiatives.

To develop DX human resources, we define the human resources necessary for promoting DX (DX engineers), and formulate a training plan to acquire skills We also create a data platform and data governance, and work to cultivate a digital culture, so that not just DX engineers, but all employees can utilize data in their daily operations. Specifically, this means that we invite outside DX and AI experts to give presentations and hold various digital-related events internally.

Digital Transformation Certification

To enable our DX initiatives to lead to the creation of corporate value, we opened the TEL Digital Design Square in Sapporo in November 2020 as the home base for out DX activities. We are also developing leading-edge software technologies needed for semiconductor production and leading-edge digital technologies such as generative AI.

In May 2023, our headquarters was also recognized as a DX-certified business operator under the Digital Transformation Certification initiative established by the Ministry of Economy, Trade and Industry.

Continuous Improvement of Business Operations

We are implementing a new enterprise system (ERP*) to further improve productivity and quality. The purpose of the system is to significantly improve operational efficiency, make management decisions that respond quickly to changes and create new value by utilizing globally integrated information with an eye toward overall digital transformation.

In addition to the headquarters, where the system has already been implemented, we first completed the implementation of this system at overseas subsidiaries and manufacturing sites in Japan in fiscal year 2024. Going forward, we will make maximum use of the knowledge we have gained through the process so far, and will proceed with the implementation of the system to subsequent sites. In addition, we will work with our partner companies to realize a globally integrated system by developing functions and others to improve operational efficiency and further enhance system performance.

Overview of the New Enterprise System

* ERP: Enterprise Resource Planning. A system that integrates the core business operations of an enterprise, such as accounting, personnel, production, logistics and sales, for better efficiency and centralized information.

Initiatives for Higher Productivity

As a manufacturer of semiconductors and flat panel display production equipment, we are committed to continuously improving productivity while remaining focused on safety and quality in operations along the entire value chain.

Specifically, under the slogan “Safety First*1,” we are striving to improve the safety and work environments of every person connected with our business activities, and at the same time, we are building quality management systems and pursuing quality improvement throughout the value chain in order to understand the true needs of our customers and to achieve the world’s best quality. We are also conducting company-wide activities for compliance with safety and environmental laws and regulations and to make software development more efficient and smarter.

In manufacturing operations, our current initiatives include labor saving in production through a system that links BOM*2 to MES*3, and transforming production performance into a Digital Twin*4.

Furthermore, to respond swiftly to customer requests and market fluctuations, we have built a production system that centralizes all information related to production, and have developed an IT infrastructure with manufacturing execution system (MES) and a supply chain management (SCM)*5 system.

By utilizing the wide range of data aggregated through these systems in each business operation, we are working on optimizing and streamlining production planning as well as visualizing delivery dates of parts by strengthening information coordination with our suppliers. We are also promoting comprehensive
improvement of business productivity by achieving stronger coordination between sales planning and production/procurement/inventory planning.

Additionally, in our manufacturing and logistics operations, where we deal with a wide variety of components, we are also working on labor savings and efficiency improvements by establishing automated warehouses, introducing a warehousing navigation system and promoting automated inspections.

*1 Safety First: Company slogan that prioritizes the safety of every person connected with our business activities

*2 BOM: Bill Of Materials. This shows the hierarchical structure of the product and includes basic information of each part, including which parts are used to assemble the product.

*3 MES: Manufacturing Execution System. A system for understanding and managing production processes and for providing instructions and support to workers.

*4 Digital Twin: A "Twin in digital space" refers to a technology that copies and replicates various data collected from physical objects in the real world onto a digital space.

*5 Manufacturing execution system (MES) and a supply chain management (SCM): Refer to Continuous Improvement of Business Operations

Compliance

Approach to Compliance
Compliance System
Compliance Initiatives

Approach to Compliance

As an industry leader, we regard business ethics and compliance as important values. Compliance—like safety and quality—is the basis for corporate reliability and sustainable growth. It requires a strong sense of ethics and integrity in individual and organizational behavior, not to mention compliance with laws and regulations. In addition to strengthening systems for raising awareness about compliance and changing behavior in order to prevent compliance violations, we promote effective programs. These efforts will support the enhancement of our corporate value.

Learn more >

Compliance System

In order to effectively promote compliance programs that are expected of a global company, we have appointed a Chief Compliance Officer (CCO) and established a dedicated Compliance Department at our headquarters. We have also appointed Regional Compliance Heads at key overseas sites, and have established a framework for direct reporting to the CCO and Compliance Department.

Compliance Initiatives

Business Ethics and Compliance

To more effectively instill and promote business ethics and compliance, we have formulated the Tokyo Electron Group Code of Ethics as a code of conduct for all executives and employees and established the Business Ethics Committee. We have set up the Disciplinary Committee as a subordinate organization of the Business Ethics Committee to ensure the implementation of reasonable and appropriate disciplinary action and proper procedures. In addition, through regular meetings with each of the Group companies, we discuss and implement measures to promote compliance.

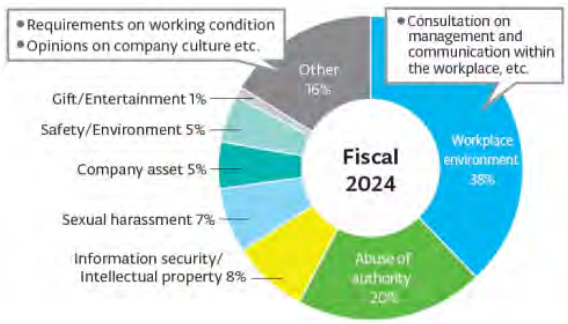
We have also set up an award system for employees who have engaged in particularly excellent activities relating to business ethics and compliance, to raise awareness within the Group and fostering a compliance-oriented culture.

Initiatives for Anti-bribery and Corruption and for Competition Laws

We have globally established the Basic Policy on the Prevention of Bribery and Corruption and the Guidelines for Gift, Hospitality and Entertainment in the area of anti-bribery and corruption, and the Basic Policy on Competition Law Compliance and Guidelines in the area of competition laws. To prevent violations, we regularly conduct activities to foster awareness, and we are committed to promoting understanding and instilling these Policies and Guidelines.

Internal Reporting System

We have established an internal reporting system that allows employees to safely and securely raise concerns and seek redress outside the chain of command, and to report and discuss any behavior that is, or may be, in violation of laws, regulations, or business ethics. This system ensures complete confidentiality, anonymity and the prohibition of retribution and unfavorable treatment. An internal leniency system has also been introduced, whereby any disciplinary action may be reduced or exempted in the event that an employee involved in a compliance violation has made a report or sought advice on their own volition. This encourages employees to proactively provide information and leads to problems being discovered and resolved at earlier stages.



Breakdown of Report/Consultation Contents

As part of this internal reporting system, we have established and are operating the Tokyo Electron Group Ethics & Compliance Hotline—a global common internal point of contact that uses a third-party system and is also accessible to our suppliers and retirees—as well as an external point of contact that allows direct consultation with an outside law firm. The internal point of contact can be accessed via phone or a dedicated website 24 hours a day, 365 days a year, and accommodates all languages used by employees. Reports and consultations received via these points of contact are handled with sincerity and investigations are undertaken in accordance with internal regulations. If a compliance violation is found, disciplinary actions in accordance with the Rules of Employment, corrective measures such as improvements to the workplace environment and preventive measures are implemented as necessary.

In fiscal year 2024, a total of 110 reports and consultations were received via the internal reporting system, of which 16* were recognized as compliance violations. The reports and consultations primarily related to the workplace environment, including harassment.

Based on the results, we continue to conduct regular education programs for our employees with the goal of preventing harassment, and we provide thorough follow-up with those concerned or involved. The CCO also provided compliance training for managers, which included the importance of establishing an open work environment.

There were no reports or cases of violations of laws/regulations in our operations that could have had a serious impact on our business or on local communities.

* There were no cases filed or prosecuted by the authorities

Global Response to Internal Reports

Information Security

Approach to Information Security

Main Activities

Approach to Information Security

As the data-driven society advances and the importance of information security increases, we aim to achieve both data utilization and information security by promoting digital transformation and other measures. We are working with our suppliers to promote ongoing measures to protect the entire supply chain from the risk of cyberattacks that could target Tokyo Electron.

Main Activities

Information Security Systems

Information Security Management

The Vice President and General Manager, Information Security, run the Security Committee and implement measures on a global scale. We hold the TEL Group Information Security Committee twice a year, and Information Security Committees at each company more than twice a year

Security at Manufacturing Sites and in Products

We implement security measures at each manufacturing site to ensure that the manufacturing systems that support our business activities are operating safely and stably while maintaining QCD*1.

We are also working to ensure information security in our products as one of our services and as part of the quality that is required to meet our customers' expectations.

* QCD: Quality, Cost, Delivery

We regularly verify and revise our global information security regulations, and continuously conduct information security education and phishing email training for all executives and employees. We also hold seminars for management twice a year to share the latest situation on information security, including cyber security. In addition, we implement risk assessments and internal audits for each department of the entire Company, evaluate risks and undertake improvement activities for technological, human, organizational and physical security measures.

Supply Chain Security

We respond to customer requests for security and work with our suppliers to visualize, evaluate and improve their security situations, to ensure that confidential information and information on our customers and suppliers that is shared in the course of business activities can be used safely without a loss of convenience.

Responses to Security Threats

We have proactively introduced advanced technology and established a dedicated security organization, and are operating a robust monitoring system, to respond to security threats such as cyberattacks (including ransomware) and information leaks.

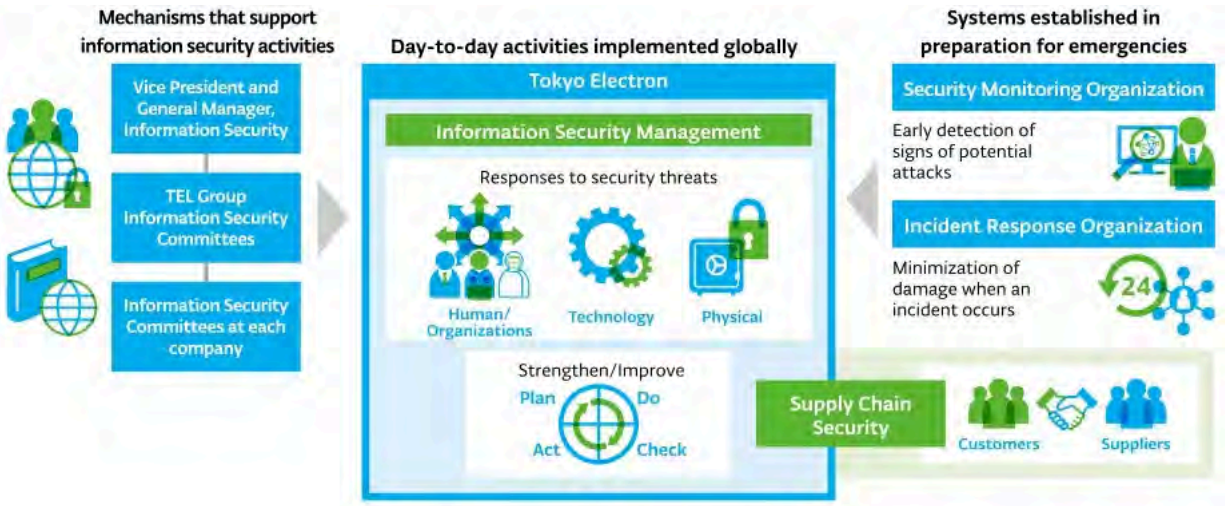
Increasing Resilience

We operate a system that can detect the occurrence of security incidents, and have structures in place that aim to respond to issues and recover systems swiftly. We also carry out incident response training for the entire Company, including management, and confirm pre-determined procedures to ensure that impacts on operations and on customers will be minimized even in the event of operations being disrupted by an incident. We also implement a penetration test* for systems-related aspects twice a year and are developing

improvement activities on an ongoing basis.

* Penetration test: A test method for verifying vulnerabilities in networks, PCs, servers and systems.

Overview of Information Security



Learn more >

Risk Management

Approach to Risk Management
Risk Management System and Implementation
Risk Management Initiatives

Approach to Risk Management

Our Group has built and developed a risk management system to respond appropriately and promptly to various risks, such as geopolitical and market changes surrounding semiconductors, and to achieve sustainable growth. We believe that in addition to minimizing the impact of risks, that may be faced when conducting business, by giving them full consideration from a future perspective, also viewing them as business opportunities and appropriately addressing them are essential as a company that is trusted by society.

Learn more >

Risk Management System and Implementation

In April 2024, we established the Corporate Project & Risk Management Office (CPRO) at the head office as a strategic department directly under the CEO to promote more effective risk management, and are working to further promote enterprise risk management*1.

For major risks in business activities, we are implementing the following PDCA cycle throughout the Group.

1. The CPRO and the departments in charge of each business activities, together to comprehensively uncover various risks in our business activities, such as related to compliance, human resources and labor, and business continuity, based on their degree of impact on the Group and likelihood, identify 12 risk items, and appoint risk owners for each.

2. The 12 identified risk items are shared at the Risk Management Committee, which includes each risk owner.
3. Recognizing that mitigating risks is an opportunity that directly leads to improved business performance, quarterly review meetings attended by the CEO and each division officer review the progress of efforts on issues that are particularly problematic among the 12 risk items and discuss improvement measures.

The Group's risk management activities are regularly reported to the Board of Directors, which oversees various initiatives centered on those implemented by each risk owner. To continue practicing autonomous and highly effective risk management, we will carry out group-wide agile operations.

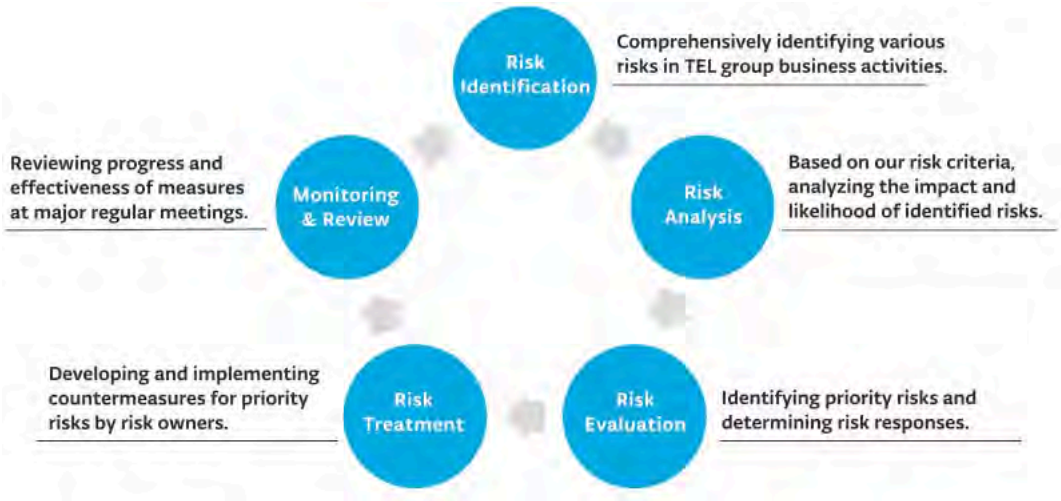
Additionally, we are also continuing to focus on the revision and operational improvement of our BCP for all Group companies, and we regularly conduct BCP drills and disaster drills to foster the practical ability to ensure the continuation of business operations in the event of an emergency.

Furthermore, we are actively promoting digital transformation in our risk management activities, and have been introducing GRC tools* that utilize digital technology since fiscal 2023. This introduction has made it possible to visualize the assessment of risks and response measures across the entire Group as well as to conduct global, cross-sectional information sharing between each owner and each responsible department.

To continue practicing autonomous and highly effective risk management, each owner will implement activities to further strengthen risk management for the 12 risk items across the entire Group.

*1 Enterprise risk management: Group-wide systems and processes related to risk management activities

*2 GRC tools: A system that contributes to managerial decision-making in a timely manner by systematically organizing multi-layered and complex corporate management functions and management information collected through the integration of Governance, Risk and Compliance (GRC) measures related to corporate activities



Risk Management Initiatives

We have begun assessing the current risk management state, identifying and examining mitigation measures for not only known and unknown risks that may surround the company in the future, but also emerging risks from a medium- to long-term perspective. As for fiscal 2024, the 12 risks identified to date were reviewed and reevaluated from the perspective of their potential to have a significant impact on our operating results, financial condition and cash flow. We then pushed forward risk management initiatives for each identified risk even further.

12 Risks

Item	Main Potential Risks	Main Risk Management Initiatives
1.Market Fluctuations	■ A rapid contraction of the semiconductor market could lead to overproduction or an increase in dead inventory ■ A sharp increase in demand could lead to an inability to supply customers with products in a timely manner, resulting in lost opportunities	■ Periodically review market conditions and orders received at the Board of Directors and other important meetings, and appropriately adjust capital investments, personnel/inventory planning and other aspects of business ■ Establish a dedicated division to work closely with a wide range of customers around the world and to quickly identify their needs and capital spending trends. Through these efforts and others, we strive to strengthen our sales framework and further improve our customer responsiveness
2.Research and Development	■ Delays in the launch of new products or the mismatch of such products with customer needs could lead to a decline in the competitiveness of products	■ Establish the Corporate Innovation Division and build a Group-wide development framework that integrates innovative technology development with the technologies of each development division ■ Provide highly competitive next-generation products ahead of competitors by collaborating with research institutions and sharing a technology roadmap spanning multiple generations with leading-edge customers
3.Geopolitics	■ Geopolitical tensions and regional conflicts that influence international order and global macroeconomic conditions can affect the national security, diplomatic, industrial or environmental policies of countries and regions. This could in turn lead to supply chain disruptions or deterioration of the macroeconomic environment, restricting the Company's ability to operate business	■ Carefully monitor the international situation as well as the diplomatic and security measures and industrial policy trends in each country and region ■ Analyze the implications on our business of regulations concerning product exports and imports and technological development and changes in the macroeconomic environment while actively engaging in dialogues with the policy-making authorities, industry groups and experts in various fields, and consider countermeasures in advance
4.Procurement, Production and Supply	■ Interruptions in the Company's production due to natural disasters, delays in component procurement	■ Develop BCP, such as by establishing alternate production capabilities, seismically reinforcing our plants, promoting production

Item	Main Potential Risks	Main Risk Management Initiatives
	stemming from deterioration of suppliers' business conditions, increased demand that exceeds suppliers' supply capacities, changes in laws and regulations, a shrinking working population or other factors, and strains on domestic or international logistics networks could lead to delays in the supply of products to customers	leveling, maintaining backups of information systems, developing multiple sources of important components, and maintaining an appropriate level of inventory ■ Share forecasts based on demand projections for semiconductors with suppliers and build a system for the stable supply of products
5.Safety	■ Safety problems with the Company's products or serious accidents resulting in workplace injuries could lead to damage to customers, liability for damages and a decline in public trust and confidence in the Company's safety initiatives	■ Based on the "Safety First" approach, we implement thorough safety design at the product development phase with risk reduction in mind ■ By conducting risk assessments such as frontline workers' hazard prediction meetings, we implement company-wide efforts such as identifying potential risks and implementing preventative or mitigation measures, promoting safety through in-house competency qualification and safety training programs that are designed according to job requirements and developing an accident reporting system
6.Quality	■ The occurrence of a product defect could lead to liability for damages, costs for countermeasures and a decline in the Group's brand and credibility	■ Promote continuous education on quality to employees and suppliers to establish a quality assurance system and a world-class service system ■ Resolve technical issues from the product development and design stage ■ Thoroughly investigate the cause of any defects and implement measures to prevent the same or similar defects from occurring ■ Monitor the quality status of suppliers, conduct audits and provide support for improvement
7.Environmental Issues	■ The inability to respond appropriately to each country's climate change policies, environmental laws and regulations, and customer needs could lead to additional related costs such as for developing new products or changing specifications, as well as to reduced product competitiveness and diminished public confidence in the Company	■ To achieve industry leading medium- to long-term environmental goals that include the net zero target, implement measures such as reducing greenhouse emissions from the use of our products, increase the rate of renewable energy usage at plants and offices, reduce overall power consumption, review packaging materials, and promote a model shift ■ Provide technologies, etc., that contribute to higher performance and energy efficiency of semiconductor devices through implementation of our E-COMPASS initiative

Item	Main Potential Risks	Main Risk Management Initiatives
8.Laws and Regulations	■ Violations of the laws and regulations of the countries and regions where the Company operates could lead to diminished public confidence in the Company, fines, liability for damages or restrictions on business activities	■ Monitor compliance activities at key sites in and outside Japan under the direction of the Chief Compliance Officer ■ Have assessments conducted by external experts and report identified issues to the CEO, the Board of Directors and the Audit & Supervisory Board for swift and effective action
9.Intellectual Property Rights	■ The inability to obtain exclusive rights to proprietary technologies could lead to reduced product competitiveness ■ Infringement of the intellectual property rights of third parties could lead to restrictions on the production and sale of products as well as liability for damages	■ Advance the intellectual property strategy, business strategy and R&D strategy in an integrated manner to build an appropriate intellectual property portfolio ■ Reduce the risk of infringement of other companies' patents by continuously monitoring other companies' patents and establishing a system to take appropriate measures in cooperation with the business and R&D departments
10.Information Security	■ Cyberattacks, internal fraud and other incidents against the Company or suppliers that cause data breaches or service disruptions could result in a loss of our competitiveness or technological superiority, interruptions of our manufacturing and other operations, diminished public confidence in us and damage claims	■ We strive to properly manage and protect our information assets through establishing a global security policy, educating and training employees to increase awareness, while implementing cybersecurity solutions, security monitoring, and safeguards against internal fraud and other technical and operational measures ■ We have established an Information Security Committee to strengthen our group-wide security posture and are working to further enhance the effectiveness of our information security measures, including through internal audits and assessments by external agencies

Integrated Report/Annual Report

The "Integrated Report" is issued in place of the "Annual Report" from 2021.

Integrated Report 2024

Download(8.8MB) PDF

Chapter 1 About Tokyo Electron(1.3MB) PDF

- CEO's Message
- Corporate Principles System
- Company Overview
- Highlights of Key Indicators for Continuous Corporate Value Enhancement

Chapter 2 Value Creation Story(976KB) PDF

- Characteristics of Semiconductor Production Equipment Business
- The Driving Forces of Growth and Strengths behind Our Company
- Material Issues
- Medium-term Management Plan
- Value Creation Model
- Stakeholder Engagement

Chapter 3 Value Creation by the Value Chain(5.5MB) PDF

- Initiatives in the Value Chain
- Research and Development
- Procurement and Manufacturing
- Sales
- Installation and Maintenance Services
- Sustainability Initiatives in the Value Chain
  - Human Resources
  - Human Rights
  - Environment
  - Safety
  - Quality
  - Supply Chain Management
  - Continuous Improvement of Business Operations and Creation of New Values
  - Intellectual Property Management
  - Corporate Governance
  - Roundtable with the Chairman and Outside Directors
  - Engagement with Capital Markets
  - Compliance
  - Risk Management

- Information Security
- Evaluation from Third-party Institutions
- Participation in Global Initiatives

Chapter 4 Toward Further Growth(439KB) PDF

- Medium- to Long-term Outlook

Data Section(528KB) PDF

- Financial Review
- Consolidated Eleven-year Summary
- Sustainability Data
- Stock Information

Corrections to Integrated Report 2024 (Changes reflected in the PDF on this website)(164KB) PDF

Archive

Please select from pull-down menu

FY2023

Integrated Report 2023

Download(6.8MB) PDF

Integrated Report 2023 (Itemized)

Chapter 1 About Tokyo Electron(1.4MB) PDF

- CEO's Message
- Corporate Principles System
- Company Overview
- Highlights of Key Indicators for Continuous Corporate Value Enhancement

Chapter 2 Value Creation Story(902KB) PDF

- Characteristics of Semiconductor Production Equipment Business
- The Driving Forces of Growth and Strengths behind Our Company

- Material Issues
- Medium-term Management Plan
- Value Creation Model
- Stakeholder Engagement

Chapter 3 Value Creation by the Value Chain(3.5MB) PDF

- Initiatives in the Value Chain
- Research and Development
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  - Corporate Governance
  - Interview with Outside Directors
  - Risk Management
  - Information Security
  - Engagement with Capital Markets
  - Evaluation from Third-party Institutions
  - Participation in Global Initiatives

Chapter 4 Toward Further Growth(175KB) PDF

- Medium- to Long-term Outlook

Data Section(716KB) PDF

- Financial Review
- Consolidated Five-year Summary
- Stock Information
- Sustainability Data

Corrections and Supplement to Integrated Report 2023 (Changes reflected in the PDF on this website)(216KB) PDF

Sustainability Archive

We disclose our latest sustainability performance and initiatives on our website.
Please refer to the Sustainability Report until 2022, and the Sustainability Website Archive thereafter.

Sustainability Website

GRI Comparison / Boundaries of Material Aspects >

Global Compact Comparison >

Sustainability Report

Please select the relevant year from the dropdown list.
Please be aware that the web links in the PDF data may not be available due to website management reasons.

Past Sustainability Report ▼

INPUT (investment capital) Fiscal 2024

Financial capital
Net assets **1,760.1** billion yen
Equity ratio **71.1**%
Total assets **2,456.4** billion yen

Manufactured capital
Manufacturing sites **9** total
(6 in Japan and 3 overseas)
Manufacturing-related capital investment, such as new plant buildings and manufacturing equipment
Component standardization and leveling production
Many years of know-how and proven performance in manufacturing operations
Manufacturing core system

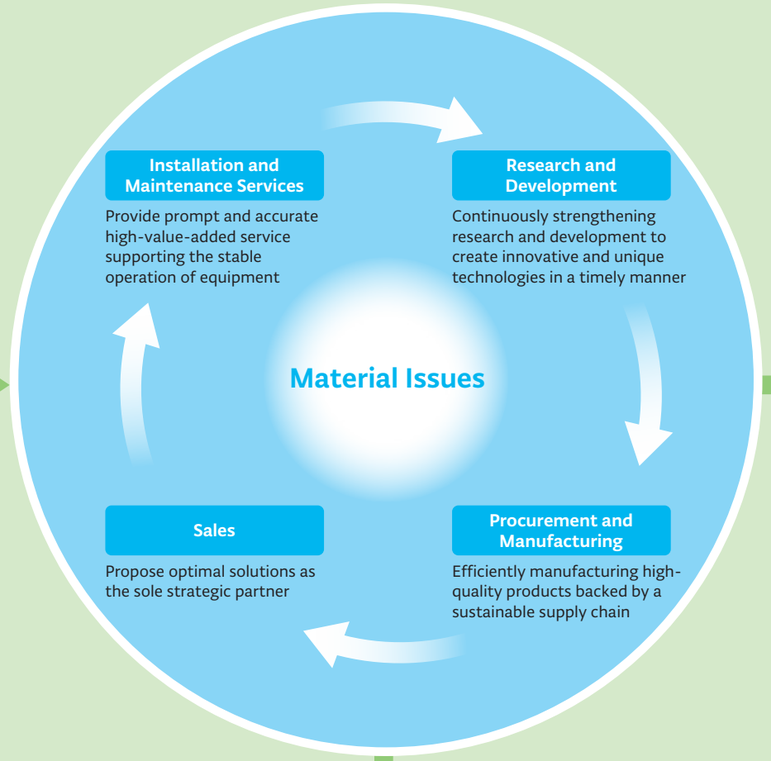
Intellectual capital
R&D sites **14** total
(7 in Japan and 7 overseas)
R&D investment **202.8** billion yen
A high level of expertise in numerous areas, and the ability to fuse this knowledge together to create new products
Broad-ranging knowledge and integrated technological capabilities in semiconductor manufacturing processes
Customer requests and technology trends
Equipment-related data accumulated through digital technology and knowledge management

Human capital
Number of employees **17,702**
Proportion of engineers **68.1**%
Human resources possessing knowledge in a variety of specialized fields
Personnel able to perform globally
Human resource development through TEL UNIVERSITY

Social and relationship capital
Relationship of mutual trust with customers built through many years of performance records
Solid partnerships with our suppliers
Foundation for business activities in local communities
Collaboration with other companies in the industry through industry associations

Natural capital
Energy consumption **102,260**kL
Water consumption **1,542,000**m³

The strength of our company built by the driving forces of growth



OUTPUT

Semiconductor Production Equipment
Field Solutions

OUTCOME (created value) Fiscal 2024

Financial capital
Net Sales **1,830.5** billion yen
Operating margin **24.9**%
Net income **363.9** billion yen
ROE **21.8**%
Total annual dividend **182.4** billion yen (dividend payout ratio: 50.1%)

Manufactured capital
Cumulative number of equipment installations Approximately **92,000** units (annual shipment volume of approximately 4,000-6,000 units)
High-quality and superior-reliability products incorporating leading-edge technologies
Safety-first operation: TCIR **0.15**
Reduction of production lead times

Intellectual capital
Innovative, high-value-added unique technologies
Product lineup with No. **1** or No. **2** market share
Optimal solutions for semiconductor manufacturing
Number of patents owned **23,249**
High-quality and highly efficient service

Human capital
Retention rate* **97.5**%
* Calculated using data on turnover rate
Improvement in desire for growth and demonstration of the challenge spirit in employees, who both create and fulfill company values
Building of relationships of trust with stakeholders by employees with a high level of engagement
Ratio of female managers* **6.3**%
* Include individual contributors and employees reemployed after retirement

Social and relationship capital
Percentage of respondents who selected "Very Satisfied" or "Satisfied" in the Customer Satisfaction Survey* **100**%
* For each question, average score is calculated for all customers who responded
Rate of improvement after supply chain sustainability assessment **29.2**% (compared to fiscal 2023)
Creating employment opportunities in and paying taxes to local municipalities and nations where we carry out business activities
Number of TEL FOR GOOD* programs **285**
* The brand name for Tokyo Electron's social contribution activities

Natural capital
Own CO_2 emissions **75**% reduction
(compared to fiscal 2019, reduction of 131 kilotons due to the introduction of renewable energy, etc.)
CO_2 emissions not from our Group (per wafer) **24**% reduction (compared to fiscal 2022)
Waste material recycling rate **98.8**%

IMPACT

Stakeholders	Impact
Shareholders/ Investors	● Return of profit generated from business activities ● Realization of medium- to long-term growth and enhancement in corporate value
Customers	● Value creation and continuous growth for customers ● Improving productivity (utilization rate and yield) and reduced environmental impact in semiconductor manufacturing
Suppliers	● Deployment of business operations across our sustainable and highly competitive supply chain ● Improving added value of products and services handled, through collaboration with us
Employees	● Creating a workplace environment replete with dreams and vitality that enables employees to realize their full potential based on mutual trust between the organization and individuals
Local Communities	● The revitalization of and sustainable development in local communities through human resource development, employment opportunities, initiatives to preserve the local environment and paying taxes to local municipalities
Governments/ Associations	● Carrying out business activities that comply with laws and regulations, industry codes of conduct and other rules ● Initiatives that help the industry and society solve issues and develop through collaboration with us

Practice of our Corporate Philosophy through the realization of our Vision

July 20, 2020
Tokyo Electron Limited
EHS Promotion Center

Green Procurement Guidelines

As global environmental issues have been becoming a greater concern, Tokyo Electron Group has been conducting business operations based on its environmental policy, which aims to conserve the global environment and create a recycling-oriented society.

In order to develop an environment-conscious manufacturing system, it is essential that the impact the parts and devices that comprise products have on the environment is reduced to a minimum. Furthermore, on January 15, 2001, Tokyo Electron Group issued "Green Procurement Guidelines" to ensure that its green procurement processes, which include activities to help suppliers reduce environmental load, are correctly implemented.

Looking at every area of this planet and considering the fact that laws and regulations concerning environmental conservation have become increasingly comprehensive in terms of both depth and scope, we have concluded that we need to revise the "Green Procurement Guidelines". The aim of this revision is to accelerate our compliance with applicable laws and regulations.

Tokyo Electron Group will strive to continue and develop our sustainable global environmental conservation activities. We would like to ask every supplier to understand these guidelines and provide us with your kind cooperation.

Our Approach toward the Environment

Based on our slogan, "Technology for Eco Life", Tokyo Electron Group aims to help solve environmental issues by providing leading-edge technologies and services. We aim to reduce environmental load and preserve the global environment through all our business activities. We also promote environmental activities in consideration of biodiversity in order to help create a sustainable society.

1. Development of an environmental management system

Using ISO 14001 (Environmental Management System) and "Environmental Activity Evaluation Program" as references, develop an environmental management system that ensures corporate-based sustainable global environmental conservation activities.

◆ In general, the following activities should be promoted to develop an environmental management system:

(i) Develop a corporate credo concerning global environmental conservation.
(ii) Appoint an executive officer, dedicated organization, committee, and other people in charge of promoting environmental conservation so that the system can be operated accordingly.
(iii) Understand the environmental loads (emissions of chemical substances and waste, energy consumption, etc.) caused due to business activities.
(iv) Implement management systems that continuously reduce environmental loads, and that observe environment-related laws, regulations, and local ordinances.
(v) Disclose information related to environmental conservation.
(vi) Provide enlightenment and education related to the environment.
(vii) Undertake biodiversity conservation activities.
(viii) Run a green procurement system.

◆ The "Environmental Activity Evaluation Program", formulated by the Ministry of the Environment, provides simple methods that Japanese business operators can use to voluntarily "be aware of their relationship with the environment, set a goal, and start an action". The environmental activity evaluation program, called "EcoAction 21", is available at the following URL of the Ministry of the Environment.
https://www.env.go.jp/policy/j-hiroba/kigyo/EA21_2017%20English.pdf

2. Understanding and reducing environmental impact due to business activities, and disclosure of related information

- Business operators should be conscious of a broader range of environmental issues. Tokyo Electron Group is also expected to consider how to reduce environmental loads generated by our suppliers and customers, as well as those generated as a result of our own business activities.
- Environmental loads can be seen in a wide range of aspects including resource and energy restrictions, changes in climate, water pollution, chemical substance control, air pollution, forest preservation, and biodiversity conservation. All of these have varying impacts on the environment.

We would like to ask you to understand and reduce the environmental impact resulting from your business operations. Tokyo Electron Group may ask you to provide information about environmental activities and impacts related to your business activities. Your cooperation would be appreciated.

3. Environment-conscious measures on products

(1) Delivery of gases or chemical products

- Apply necessary labels and attach safety data sheets (SDSs). Labels and MSDSs should be written in the local language of the country or region where our customer or we will carry out business activities. Depending on the chemical product, you may be asked to provide a JAMP MSDS plus.

(2) Measures related to chemical substances contained in components, parts, materials, or chemical products used for maintenance

- Please implement necessary measures based on our list of substances that are prohibited, restricted, and that must be controlled. Also, please provide necessary information in the specified format together with the products delivered to us.

(3) Measures related to chemical products incorporated in components or parts

- Transportation of a device incorporating a chemical product may be subject to a relevant regulation(s). When delivering a component or part that incorporates a chemical product(s), indicate the name(s) and total weight of the chemical product(s), and safety measures provided for the device.

(4) Information on built-in batteries of components or parts

- Built-in batteries refer to batteries that were built into components or parts during your manufacturing process, and those that had already been built into components or parts before you procured them. When delivering a product that contains a built-in battery, provide information such as the names of countries the product can be used in and the product specifications, and also implement labeling that is required in the relevant country.

(5) Energy-saving and high energy efficiency measures

- Strive to develop energy-saving products. Aim to reduce standby power consumption as much as possible.
- Some electrical appliances have already been subject to laws and regulations that stipulate the energy efficiency level, and these regulations are considered to become applicable to more types of appliances. Products that you procure from your suppliers may have already been included in the list of controlled items. Provide your written judgment regarding the product's compliance or non-compliance with the laws and regulations applicable in the country or region we are referencing. If you consider that the relevant product does conform, present a certificate of conformity or documented conformity plan.

(6) Saving, reusing, and recycling resources

- Strive to reduce the size and weight of products, and the amount of materials to be used.
- Select and use materials that can be easily recycled.
- Strive to reduce the number of types of materials, and to employ a structure that enables the product to be easily disassembled.
- Indicate the recyclability information of as many materials as possible.

(7) Packing

- Use reusable packing materials, and collect and reuse them as much as possible.
- Use packing materials made of substances that have the smallest possible impact on the global environment after they are disposed of.
- Provide information as to whether the packing materials comply with the laws and regulations applicable in the country or region we are referencing.

(8) Provision of information

- We may ask you to provide us with environment-related information about your products. Please provide as much information as possible.

Scope

These guidelines are applicable to companies that manufacture components, parts, or materials we purchase, companies that assemble units or assemblies we use to manufacture our products, and companies that provide distribution or other services.

Other notes

These guidelines are subject to revision to reflect changes in social situations and legal trends.

Contact
Tokyo Electron Limited
EHS Promotion Center
30-7 Sumiyoshi-cho 2-chome, Fuchu City, Tokyo 183-8705
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July 20, 2020
Tokyo Electron Limited
EHS Promotion Center

Our View on Management of Chemical Substances in Tokyo Electron Group Products

Contents

1. PURPOSE

In accordance with the basic environmental policies of Tokyo Electron Group (hereinafter referred to as TEL), the company established the Green Procurement Guidelines in January 2001 in order to manufacture environment-friendly products. TEL then launched the Compliance-with-RoHS Activity in 2006 to ensure the company voluntarily conforms to the EU RoHS directive. The China RoHS directive was enforced in March 2007 and EU REACH was enforced in June of the same year, kicking off a new era of chemical substance control. Similar laws and regulations have also been enacted and are enforced in other countries. In Japan, too, the movement toward stricter management of chemical substances has started through enactment of the Revised Act on Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. In order to ensure compliance with the above-stated laws and regulations on chemical substances, TEL brings our view on management of chemical substances into operation. This view applies, as part of green procurement, to prohibition and management of chemical substances contained in components used in TEL products, and auxiliary materials incidental to production such as solvents.

2. SCOPE

This procedure applies to management of chemical substances (simply called substances) contained in procured components used in TEL products, jigs shipped together with TEL products, and shaped products (also called articles) such as packaging materials.

3. DEFINITIONS

3.1 TEL Managed Substances Group

This term refers to all substances that fall under any of the following categories: TEL prohibited substances, TEL restricted substances, TEL mandatory managed substances, and TEL general managed substances. Applicable substances shall be designated by the TEL Contained Substance Steering Meeting. If the same substance is included in two or more lists, priority regarding its categorization shall be given in the order of

TEL prohibited substances, TEL restricted substances, TEL mandatory managed substances, and TEL general managed substances.

3.2 TEL Prohibited Substances

3.2.1 Substances prohibited by international regulations

Every group listed in Annexes A, B and E, and Group II of Annex C in the Montreal Protocol on Substances that Deplete the Ozone Layer

3.2.2 Substances that are legally prohibited in countries TEL operates in

3.2.3 Substances that TEL voluntarily prohibits

3.3 TEL Restricted Substances

These are six substances designated in the RoHS directive 2011/65/EU. However, TEL does not apply the exemptions admitted depending on the intended use stated in the RoHS directive. The six substances and their threshold values are shown below.

① Cadmium and cadmium compounds [100 ppm]
② Lead and lead compounds [1000 ppm]
③ Mercury and mercury compounds [1000 ppm]
④ Hexavalent chromium compounds [1000 ppm]
⑤ Polybromobiphenyl (PBB) [1000 ppm]
⑥ Polybrominated diphenyl ethers (PBDE) including Decabromodiphenyl ether (DecaBDE) [1000 ppm]
⑦ Bis(2-ethylhexyl) phthalate (DEHP) [1000 ppm]
⑧ Butyl benzyl phthalate (BBP) [1000 ppm]
⑨ Dibutyl phthalate (DBP) (0,1 %) [1000 ppm]
⑩ Diisobutyl phthalate (DIBP) (0,1 %) [1000 ppm]

3.4 TEL Mandatory Managed Substances

This term refers to substances that TEL specified, from the chemSHERPA Managed Substance List (hereinafter referred to as the chemSHERPA Management List), and from legally restricted substances in other countries, as those for which management is mandatory.

3.5 TEL General Managed Substances

This term refers to substances TEL specified from the chemSHERPA Management List (see 3.12.) as those for which information must be communicated.

3.6 TEL Substances Group List

3.6.1 About the TEL Substances Group List

The TEL Substances Group List is a list of substances included in the TEL Managed Substances Group. This list was developed based on the substance names and other information. In the list, the chemSHERPA Management List is in principle used as the main reference source. For details, see Attachment "TEL Substances List".

3.6.2 Supplement: On use of the chemSHERPA Management List

Since the chemSHERPA Management List is incorporated into the chemSHERPA data entry support tool for articles / chemicals provided by JAMP, almost all the substances in the TEL Managed Chemical Substances Group can be checked using this system. However, coverage of the list in the support system is limited to the

practical domain. Therefore, before presenting a final reply to TEL, the person in charge of reporting the inclusion must refer to the TEL Substances Group List for confirmation purposes.

3.6.3 Examples of the substances to be managed for which provision of information is required:

① Carcinogenic, reprotoxic and mutagenic substances listed in EU CLP Regulation Annex VI Table 3.2.
<Category 1 and Category 2>

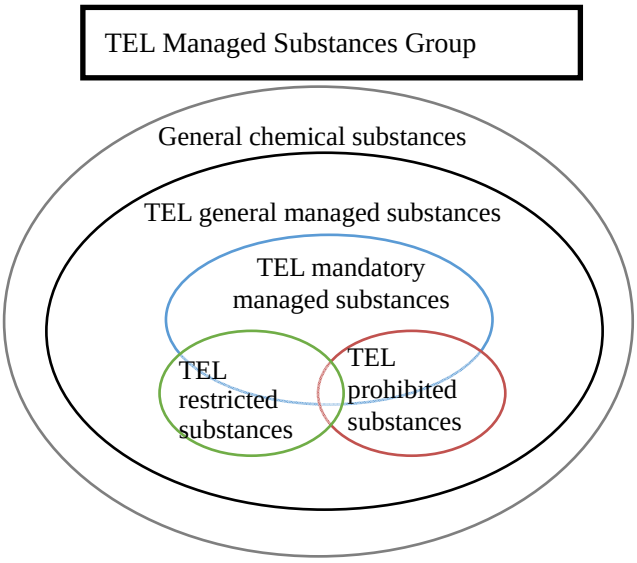
② Restricted substances listed in EU REACH Annex XVII (excluding ① above).

③ Substances listed in EU REACH Annex XIV that require approval, and their candidates.

④ Other substances, excluding ①, ② and ③ above, that are regulated by domestic or international regulations.

3.7 Chart Explaining Relationships between Types of Substances in the TEL Managed Chemical Substances Group

The chart shows the relationships between the substances described in 3.1 to 3.5 above.



3.8 EU RoHS

This is the abbreviation for the EU directive "Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment". Visit the following URL for details.
https://j-net21.smrj.go.jp/development/rohs/basic/basic.html

3.9 EU REACH

This is the abbreviation for Registration, Evaluation, Authorization and Restriction of Chemicals. This is a new regulation concerning chemical substances that was enacted on June 1, 2008. Visit the following URL for details.
https://www.meti.go.jp/policy/chemical_management/081127gaiyou.pdf

3.10 Format Specified by TEL

This term refers to the Contained Chemical Substances Inspection Format used by TEL. TEL uses the chemSHERPA-AI format, the format recommended by JAMP to use to communicate information about substances contained in shaped products.

3.11 JAMP

This is the abbreviation for Joint Article Management Promotion consortium. Visit the following website for details.
https://chemsherpa.net/english/jamp/about

3.12 chemSHERPA Managed Substance List

https://chemsherpa.net/tool#declarable

3.13 Shaped Product (Article)

This term refers to an object that has a specific shape, surface or design that exerts a greater influence on its function than its chemical composition does.

4. AWARENESS OF HAZARDOUS SUBSTANCES AND THEIR MANAGEMENT

4.1 TEL Prohibited Substances

TEL prohibits inclusion of these substances in products. If a regulatory standard has been defined, the concentration - including impurities - must be below the standard.

4.2 TEL Restricted Substances

TEL prohibits inclusion of these substances in products. If a regulatory standard has been defined for the target substances, the inclusion level must be below the threshold value. However, in spite of the foregoing, delivery of products containing quantities of substances beyond the threshold levels shall be permitted if such inclusion is reported using the format specified by TEL.

4.3 TEL Mandatory Managed Substances

This term refers to substances for which the relevant suppliers must be aware of inclusion levels. With the exception of prohibited and restricted substances, TEL does not immediately restrict inclusion of substances contained in this group in products. Rather, TEL mandates that suppliers submit to TEL data on use and inclusion levels of relevant substances that is obtained via investigation based on reasonably maximum possible efforts. In cases where TEL is subject to legal regulations, TEL manages the applicable substances based on facts known to it.

4.4 TEL General Managed Substances

This term refers to substances included in the chemSHERPA Managed Substance List. Such substances include TEL prohibited substances, TEL restricted substances, and TEL mandatory managed substances. TEL does not immediately restrict inclusion of substances contained in this group in products. Rather, TEL requires suppliers to submit data on the inclusion levels of such substances to TEL when "the inclusion is known". TEL sets the substances contained in this group as the managing target when "the inclusion is known". "The inclusion is known" means that "TEL has received information from an upstream supplier (e.g., a raw material manufacturer) in the supply chain about the fact that a target substance of management

March 28, 2023 Rev.2.0
Tokyo Electron Limited
Environment Promotion Dept.

Explanation of How TEL Addresses Issues Regarding Environmental Laws and Regulations in Products

- View of Tokyo Electron Group

  Enactment of environmental laws and regulations has accelerated in many countries due to concerns over the impact on the environment and ecosystems of chemical substances contained in parts and materials and CO2 emissions. Tokyo Electron Group has set our basic method of response to environmental laws and regulations as follows:

  - We will deliver products that are promptly and appropriately attuned to relevant environmental laws and regulations to customers worldwide.
  - We will continue our voluntary activities to set our own standards and work on product environmental laws and regulations.

- Conformity to applicable laws in respective countries and regions

  - It has been announced that EU REACH[*1], China RoHS Restriction[*2], GHS Restriction[*3], Battery Restrictions[*4], Energy efficiency regulation[*5], F-Gas regulation[*6] and other restrictions will increasingly deepen. Moreover, these restrictions have been adopted in an increasing number of countries and regions. It is anticipated that new requirements will be proposed by several countries. We will conform to all new requirements by further strengthening liaison with local affiliates and obtaining information about laws and regulations as early as possible.

- Our voluntary efforts to reduce chemical substances contained in equipment

  The EU RoHS directive[*7] that went into effect in July 2006 is one of a number of well-known measures aimed at regulating hazardous chemical substances. Although Tokyo Electron Group's semiconductor manufacturing equipment, flat panel display manufacturing equipment, and solar panel manufacturing equipment are not targets of the regulation, we are voluntarily promoting reduction of ten substances (lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP and DIBP) that are regulated in the EU RoHS directive. We will continue to comply with the EU RoHS Directive through cooperation with our suppliers.

Note:

[*1] EU REACH:

EU REACH: This is a new EU restriction on chemical substances that went into effect on June 1, 2008. Its official name is Registration, Evaluation, Authorization and Restriction of Chemicals. If any SVHC candidate is contained in a product, the new restriction demands that manufacturers provide relevant details on its inclusion as well as information regarding safe use of the product. Visit the following URL for details.

https://www.meti.go.jp/policy/chemical_management/081127gaiyou.pdf

[*2] China RoHS Restriction:

It is a law officially known as Administrative Measures for the Restriction of the Use of Hazardous

Substances in Electrical and Electronic Products. This restriction demands that manufacturers provide information on inclusion of the six substances (lead, mercury, cadmium, hexavalent chromium, PBB and PBDE) with respect to each part of the equipment.

*3 GHS Restriction:

GHS is the abbreviation for Globally Harmonized System of Classification and Labeling of Chemicals. The United Nations agreed to set classification criteria for degrees of toxicity of chemicals, and to ensure integrated harmony of labeling and contents of SDSs. In order to introduce GHS, many countries have enacted new laws or revised existing laws related to chemical substances.

*4 Battery Restrictions:

This law is already in place in many countries. It requires that manufacturers apply the recycling mark to their products and bear the costs of collecting used batteries in order to promote collection and recycling of batteries.

*5 Energy efficiency regulation:

Energy efficiency regulations for components have been established in each country, including the EU. For example, ErP Directive (Energy-related Products) in EU, Energy Consumption Efficiency Label Management Act in China, and EISA (Energy Independence and Security Act) in US.
Each component has its own requirements for energy efficiency, and some components require labeling, registration with government authorities, etc.

*6F-Gas regulation:

Starting with the EU Fluorinated Greenhouse Gases Regulation, countries are restricting HFCs, PFCs, SF6, etc. based on the Montreal Protocol. Refrigerants used in refrigerators such as chillers are also subject to this regulation, and the production and use of high GWP F-Gas are restricted.

GWP: Global Warming Potential

*7 EU RoHS Directive:

RoHS is the abbreviation for Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment. It prohibits sales of electronic products in the European market when such products contain lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP and DIBP beyond the threshold.

is included", or that "TEL has confirmed in some way that such substances are included". TEL may restrict or prohibit use of specific substances based on facts known to it.

5. EXEMPTION OF INVESTIGATION BASED ON THE FORMAT SPECIFIED BY TEL

On the condition that the following requirements are satisfied, suppliers are exempted from submitting investigation results using the format specified by TEL:

5.1 Suppliers must define the responsibility and procedures in document format to satisfy the requirements described in the "Guidelines for the management of chemical substances in products" published by JAMP in relation to items and details of management actions concerning information on chemical substances contained in products.

5.2 Suppliers must evaluate their conformity to the "Guidelines for the management of chemical substances in products" published by JAMP. Based on the judgment, suppliers issue and submit a self-declaration of conformity to TEL, attached with the JAMP Guidelines for the Management of Chemical Substance in Products Annex - List of Action Items and Check Sheet (hereinafter referred to as the Guideline Check Sheet).

5.3 TEL checks the Guideline Check Sheet to confirm the validity of the self-declaration of conformity, and verifies that the management system has been constructed as demanded by TEL.

5.4 If the delivered items do not contain any chemical substances that TEL must manage, that is, TEL prohibited substances, TEL restricted substances, and TEL mandatory managed substances, the supplier is exempted from providing the relevant information using the format specified by TEL.

5.5 If TEL has specified an additional chemical substance(s) about which information must be reported in order to observe laws, regulations, or other rules applicable in Japan or other related countries, the supplier must immediately check that the delivered items do not contain the specified chemical substance(s). If the supplier has discovered that the substance(s) is contained, the supplier must report the relevant fact using the format specified by TEL and cooperate to ensure conformity when requested by TEL.

6. REVISION AND OTHER POINTS

TEL revises the TEL Substances Group List and other information as needed.

「パートナーシップ構築宣言」

当社は、サプライチェーンの取引先の皆様や価値創造を図る事業者の皆様との連携・共存共栄を進めることで、新たなパートナーシップを構築するため、以下の項目に重点的に取り組むことを宣言します。

１．　サプライチェーン全体の共存共栄と規模・系列等を超えた新たな連携

直接の取引先を通じてその先の取引先に働きかける（「Tier N」から「Tier N+1」へ）ことにより、サプライチェーン全体での付加価値向上に取り組むとともに、既存の取引関係や企業規模等を超えた連携により、取引先との共存共栄の構築を目指します。その際、災害時等の事業継続や働き方改革の観点から、取引先のテレワーク導入やBCP（事業継続計画）策定の助言等の支援も進めます。

加えて、当社は地球環境保全に十分配慮した持続可能なサプライチェーンの構築に向けた取り組みとしてE-COMPASS（Environmental Co-Creation by Material, Process and Subcomponent Solutions）を立ち上げました。E-COMPASSは、製品はもとより事業活動全体を通して環境にフォーカスし、パートナーシップのさらなる強化とサプライチェーン全体での価値共創を目指した新たな取り組みです。当社はあらゆる経営資源を活用し、今後大きな潮流となる社会のデジタル化とグリーン化の両立を目指し、サプライチェーン全体の協働により、脱炭素社会の実現に向けて取り組みます。

２．　「振興基準」の遵守

親事業者と下請事業者との望ましい取引慣行（下請中小企業振興法に基づく「振興基準」）を遵守し、取引先とのパートナーシップ構築の妨げとなる取引慣行や商慣行の是正に積極的に取り組みます。

① 価格決定方法

不合理な原価低減要請を行いません。取引対価の決定に当たっては、下請事業者から協議の申入れがあった場合には協議に応じ、労務費上昇分の影響を考慮するなど下請事業者の適正な利益を含むよう、十分に協議します。取引対価の決定を含め契約に当たっては、親事業者は契約条件の書面等による明示・交付を行います。

② 型管理などのコスト負担

下請事業者との協議および合意に基づく適正な型取引を行い、不要な型の廃棄を促進するとともに、下請事業者からの要望に反する型の無償保管要請を行いません。

③支払条件

下請事業者との取引に対する下請代金は、全額現金で支払います。

④知的財産・ノウハウ

取引における下請事業者の知的財産権やノウハウ等について、下請事業者が損失を被ることのないよう十分配慮するものとし、下請事業者から協議の申し入れがあった場合はこれに誠実に

応じるものとします。

⑤働き方改革等に伴うしわ寄せ

取引先も働き方改革に対応できるよう、生産動向に関する説明会を通じた取引先への情報提供等を行い、下請事業者に対する急な納期変更や短納期発注の場合には、下請事業者に対して、不合理なコスト負担が発生しないよう努めます。災害時等においては、下請事業者に取引上一方的な負担を押し付けないように、また、事業再開時等には、できる限り取引関係の継続等に配慮します。

３．その他（任意記載）

当社は、サプライチェーン全体が健全で持続可能であることを目指し、法令および社会規範に基づいてさまざまな観点から策定した調達方針に従い、調達およびそれにかかわる活動を行います。さらに、取引先との信頼関係の構築に努め、協働でグローバルスタンダードに準拠したオペレーションを展開することにより、サプライチェーンにおける付加価値向上に努めます。

2022 年 9 月 20 日

東京エレクトロン株式会社　　代表取締役社長・CEO　　河合　利樹

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2023 年 2 月 23 日
（2023 年 6 月 21 日　代表者変更による更新）

東京エレクトロン テクノロジーソリューションズ株式会社　　代表取締役社長　　両角 友一朗

「パートナーシップ構築宣言」

当社は、サプライチェーンの取引先の皆様や価値創造を図る事業者の皆様との連携・共存共栄を進めることで、新たなパートナーシップを構築するため、以下の項目に重点的に取り組むことを宣言します。

１．　サプライチェーン全体の共存共栄と規模・系列等を超えた新たな連携

直接の取引先を通じてその先の取引先に働きかける（「Tier N」から「Tier N+1」へ）ことにより、サプライチェーン全体での付加価値向上に取り組むとともに、既存の取引関係や企業規模等を超えた連携により、取引先との共存共栄の構築を目指します。その際、災害時等の事業継続や働き方改革の観点から、取引先のテレワーク導入やBCP（事業継続計画）策定の助言等の支援も進めます。

加えて、当社は地球環境保全に十分配慮した持続可能なサプライチェーンの構築に向けた取り組みとしてE-COMPASS（Environmental Co-Creation by Material, Process and Subcomponent Solutions）を立ち上げました。E-COMPASSは、製品はもとより事業活動全体を通して環境にフォーカスし、パートナーシップのさらなる強化とサプライチェーン全体での価値共創を目指した新たな取り組みです。当社はあらゆる経営資源を活用し、今後大きな潮流となる社会のデジタル化とグリーン化の両立を目指し、サプライチェーン全体の協働により、脱炭素社会の実現に向けて取り組みます。

２．　「振興基準」の遵守

親事業者と下請事業者との望ましい取引慣行（下請中小企業振興法に基づく「振興基準」）を遵守し、取引先とのパートナーシップ構築の妨げとなる取引慣行や商慣行の是正に積極的に取り組みます。

① 価格決定方法

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② 型管理などのコスト負担

下請事業者との協議および合意に基づく適正な型取引を行い、不要な型の廃棄を促進するとともに、下請事業者からの要望に反する型の無償保管要請を行いません。

③支払条件

下請事業者との取引に対する下請代金は、全額現金で支払います。

④知的財産・ノウハウ

取引における下請事業者の知的財産権やノウハウ等について、下請事業者が損失を被ることのないよう十分配慮するものとし、下請事業者から協議の申し入れがあった場合はこれに誠実に

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取引先も働き方改革に対応できるよう、生産動向に関する説明会を通じた取引先への情報提供等を行い、下請事業者に対する急な納期変更や短納期発注の場合には、下請事業者に対して、不合理なコスト負担が発生しないよう努めます。災害時等においては、下請事業者に取引上一方的な負担を押し付けないように、また、事業再開時等には、できる限り取引関係の継続等に配慮します。

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2023 年 2 月 24 日
（2023 年 6 月 21 日　代表者変更による更新）

東京エレクトロン宮城株式会社　　代表取締役社長　　神原　弘光

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2023 年 2 月 24 日

東京エレクトロン九州株式会社　　代表取締役社長　林 伸一

「パートナーシップ構築宣言」

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その際、「労務費の適切な転嫁のための価格交渉に関する指針」に掲げられた行動を適切にとった上で決定します。

また、原材料費やエネルギーコストの高騰があった場合には、要請額の妥当性について取引先と十分に協議のうえ、適切なコスト増加分の全額転嫁を目指します。

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2025 年 1 月 20 日

東京エレクトロンＢＰ株式会社　　代表取締役社長 八木 勝義

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「型取引の適正化推進協議会報告書」に掲げられている「型取引の基本的な考え方・基本原則について」を踏まえて型取引を行い、不要な型の廃棄を促進するとともに、下請事業者に対して型の無償保管要請を行いません。

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2025 年 1 月 20 日

東京エレクトロンＦＥ株式会社　　代表取締役社長 郡 宗一郎

UK Modern Slavery Act 2015 Transparency Statement

Introduction from the Representative Director, President and Managing Director

As a responsible manufacturing and supply business operating in the global business community, the Tokyo Electron Group (the Group) recognizes the risk of unintentionally being involved in human rights exploitation and is committed to collaborating with its supply chains to combat human rights abuses such as modern slavery and human trafficking. This commitment is recognized in the Group's corporate philosophy which defines its mission in society as "*we strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support*".

To respond to the increasing global concerns of, amongst other things, modern slavery, human trafficking and human rights, the Group has assigned the dedicated function to promote sustainability to lead this important initiative throughout the Group. As the guiding principle of sustainability, the Group has incorporated universal guidelines and standards, including the United Nations Global Compact and an industry standard, Responsible Business Alliance (RBA) Code of Conduct, into the Group's strategies, policies and procedures, and has established and continues to cultivate a culture of integrity.

Organisation's structure and business[1]

Tokyo Electron Limited is a global manufacturer of semiconductor production equipment and flat panel display production equipment in the technology sector and has its head office in Japan. It is the parent company of the Group which has 17,702[2] employees worldwide and operates in 19 countries.

Tokyo Electron Europe Limited is a subsidiary of Tokyo Electron Limited and engages in sales and services in a wide range of high-technology fields in Europe. Tokyo Electron Europe Limited, located in the United Kingdom, is the headquarters of our European operation, comprising, 720[3] employees in 4 companies across 10 countries.

The Group has a global annual turnover of 1,830,527million Japanese Yen.

Our supply chains

Our main direct suppliers are manufacturers of components and parts for semiconductor production equipment, as well as labour service providers for supporting such equipment. Among the Group-wide supply chains, the majority of our suppliers by spend are located in Japan.

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[1] This statement is made on behalf of Tokyo Electron Limited and its subsidiary Tokyo Electron Europe Limited, which are both required to make a statement pursuant to s54 of the Modern Slavery Act.

[2] As of 31 March 2024

[3] As of 31 March 2024

The Group is committed to partner with its people and supply chains to create an environment where workers' human rights are fully respected in each location in which it operates.

Our policies on anti-modern slavery and human trafficking

The Group has established Tokyo Electron Group Human Rights Policy referring to the United Nations' Guiding Principles on Business and Human Rights and the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work referred to therein, the Ten Principles of the United Nations Global Compact, and the RBA Code of Conduct. We have firmly upheld human rights since our founding as reflected in the spirit of "the Corporate Philosophy" and "the Management Policies" of the Group. Key human rights issues are also addressed in the Group's Code of Ethics and Procurement Policy, which covers the Group's entire operations and direct supply chains.

We incorporate the concept of respect into every aspect of our business activities, and strive for the creation of a corporate culture that enables each person to realize his or her full potential and freely enjoy their livelihoods. We also give the highest consideration to the health and safety of every person and respect his or her dignity.

For us, respecting human rights means a significant understanding not only to fulfil our responsibility for eliminating modern slavery and other adverse impacts on people through business activities, but also those who support our business activities, and contribute to the realization of a sustainable dream-inspiring society.

In recent years there has been an emerging concern in the electronics industry for better treatment of workers in supply chains, we therefore publicly announced our membership of the RBA in June 2015 and our commitment that the Group would conform to the RBA Code of Conduct. In line with this we are committed to pursue socially responsible practices in line with global standards and to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business with a continuous improvement approach.

Due diligence processes for slavery and human trafficking

We have zero tolerance to slavery and human trafficking. As part of our initiative to identify and mitigate slavery and human trafficking risk the Group has worked to establish a robust due diligence system throughout the organization.

Key steps we have taken as of the fiscal year ending 31 March 2024 are as follows:

- We continue to assess our conformity with the RBA Code of Conduct. This is conducted by way of a sustainability assessment in the areas of labour and employment practices, health and safety, ethics, the protection of the environment, and management systems. This has been extended to cover human resources, logistics, customs and facility service suppliers in addition to our materials suppliers.

- We investigated our suppliers to mitigate risks associated with forced labour and debt labour in our supply chain. Our suppliers worked with us to take the corrective actions

that we had identified. With the understanding and cooperation of our suppliers, we continue to combat modern slavery in our supply chain.

- In 2023, continuing from the previous year, we also investigated our Group companies to identify whether there are internal risks of breaching human rights. Our investigation included distribution of a unified survey to each Group company. The survey contained the same questions and indicators as the survey we ask our suppliers to complete. Following review of the responses, we provided feedback to each group company, and requested corrective actions where required to further reduce any internal risks related to breach of human rights. We also visited at the site of overseas group company to confirm the actual situation and discuss the effectiveness of corrective actions taken.

- We have published “Tokyo Electron Group Code of Ethics” as a code of conduct for all executives and employees and to ensure awareness of our Code of Ethics, we have translated it into 6 languages. Our Code of Ethics includes a statement to secure human rights and commit to ensuring human rights and not discriminating or supporting forced labour, debt labour, child labour, or any other form of modern slavery. We conduct mandatory annual training on the Code of Ethics and collect acknowledgements of compliance from executives and employees, aiming to achieve a pledge rate of 100%.

  We have established an internal reporting system that is also accessible to our suppliers, “TEL Group Ethics & Compliance Hotline” as a global common internal point of contact that uses a third-party system, and to maintain confidentiality and anonymity. This hotline can be accessed via phone or a dedicated website 24 hours a day, 365 days a year, and accommodates all languages used by employees. Also, we provide an external point of contact at a law firm that can be contacted directly. We responded to all reports we received through these points of contact, conducted investigations in accordance with internal rules to implement corrective measures as well as preventive measures. We do not tolerate retaliation against those who report ethics and compliance concerns in good faith, ensuring no one is permitted to engage in retaliation, or any form of retaliatory behaviours, against another for reporting ethics and compliance concerns. We promote enhancement of the reporting system. Breakdown of Consultation/Report Contents is disclosed in our integrated report 2023.

- We proactively continued activities of our human rights project team with representatives from our compliance, human resources, procurement, logistics, facility service and sustainability departments. The team has focused on conducting the sustainability assessment, evaluation and analysis of assessment results. With the process established, the team promotes and supports established corrective actions by each Group company as well as our suppliers and requested them for their cooperation for corrective actions to mitigate the risk in our supply chain.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide human rights training to all our employees.

Our effectiveness in combating slavery and human trafficking

Our Group's major sites are currently rated as low risk and we will continue to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains:

Further steps

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- Strengthen the structure and activities of human rights projects to deepen our due diligence process.
- Continue to assess and monitor the risks in our supply chain.
- Implement corrective actions in our supply chain to mitigate risks based on evaluation and analysis of the sustainability assessment results.
- We are actively working to evaluate the effectiveness of corrective actions. If there is a problem with effectiveness, the corrective measures themselves will be reviewed.
- Additionally, we will further improve our grievance mechanisms and make it more effective so that we can quickly and appropriately deal with negative impacts on human rights.
- Pursuit of transparency and enhancement of disclosed information.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 March 2024.

This statement has been unanimously approved by the board of directors of Tokyo Electron Europe Limited.

DocuSigned by:
William Lussier
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Tokyo Electron Europe Limited

Date: 11 June 2024

CTPAT Forced Labor Policy Statement

As a responsible manufacturing and supply business operating in the global business community, Tokyo Electron U.S. Holdings, Inc. ("TEH") a wholly owned subsidiary of the Tokyo Electron Limited (the "TEL Group"), is committed to collaborating with partners across its supply chain to combat human rights abuses such as forced labor. This commitment is recognized in TEL Group's Corporate Philosophy which defines its mission in society as follows: "we strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support."

As emphasized in the TEL Group Human Rights Policy, we are committed to forbidding forced labor in any form and complying with all applicable laws, regulations, and industry compliance standards, including those related to TEH's status as a Customs Trade Partnership Against Terrorism ("CTPAT") Trade Partner. In support of these commitments, TEL Group maintains a robust compliance, due diligence, training, and monitoring system throughout the organization to identify and mitigate human rights risk. We regularly interface with and conduct compliance assessments on our suppliers and partners on these issues and expect and require that participants in our supply chain forbid the use of forced labor completely.

To further advance these principles and respond to the increasing global concerns regarding forced labor, TEL Group promotes compliance and sustainability as an important initiative throughout TEL Group. We have incorporated universal guidelines and standards, including the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact and an industry standard, Responsible Business Alliance ("RBA") Code of Conduct, into the TEL Group's strategies, policies and procedures, and have established and continue to cultivate a culture of integrity.

TEL Group is committed to partnering with its people and partners across its supply chains to help create and sustain an environment where workers' human rights are fully respected in each location in which it operates. We believe this is a matter of legal compliance, a sound business practice, and the right thing to do.

2023 年 9 月 30 日

東京エレクトロン テクノロジーソリューションズ株式会社行動計画

東京エレクトロン テクノロジーソリューションズにおいてダイバーシティ、エクイティ＆インクルージョンは、継続的なイノベーションの創出、企業価値の向上につながる経営の柱であり、経営陣の強いコミットメントのもと、積極的に取り組んでいます。東京エレクトロン テクノロジーソリューションズにおける本行動計画では、女性社員の活躍推進に焦点を当て、次のとおり行動計画を策定します。

１．　計画期間：　2023年10月1日～2027年3月31日までの3年6か月間

２．　数値目標：

⑴　女性管理職者数※（2023年9月末時点：9名）を2027/3 期中に17名にする

※高度専門職含む

⑵　計画期間内において、年次有給休暇取得率80%を達成する

３．　内容：

取り組み1：サクセッションプランニングにおいて、管理職におけるジェンダーダイバーシティの向上に取り組む

＜計画期間＞

2023年10月1日～

＜対策＞

- ダイバーシティを意識したタレントパイプライン（人材育成計画）形成をおこなう
- 人材育成プログラム・リーダーシップ開発を支援する取り組みをおこなう

取り組み２：女性社員比率を高めるため、採用活動に注力する

＜計画期間＞

2023年10月1日～

＜対策＞

- 従業員の大半をエンジニアが占める当社の状況を踏まえて、リクルーターの活用やブランディングなどに積極的な投資をおこなう
- 女性採用者比率の目標を、エンジニアは20%、それ以外の職種は50%とする

取り組み３：女性社員の活躍を促す

2023 年 9 月 30 日

＜計画期間＞

2023年10月1日～

＜対策＞

- 社内外の専門家やリーダーによるダイバーシティ、エクイティ＆インクルージョン・トークといったイベントを実施し、意識啓発をおこなう
- ロールモデル等、効果的な情報共有を通じて、女性社員本人だけではなく、職場のマネージャーや同僚の意識改革をおこなう
- 共通の特性や経験をもった従業員のネットワーク機会を創出する
- 産休や育休の取得前後でのキャリア座談会などを実施し、両立支援をおこなう

取り組み4：すべての社員の働きやすさと活躍を支援する職場環境を整備する

＜計画期間＞

2023年10月1日～

＜対策＞

- 年次有給休暇の取得しやすい職場環境づくりおよび計画的取得に向けた意識啓発等を実施し、計画期間内において、年次有給休暇取得率80%を達成する
- 定期的な取得状況のモニタリングおよび取得促進に向けたフォロー実施

以上

2022 年 3 月 31 日

東京エレクトロンＢＰ株式会社行動計画

東京エレクトロンＢＰにおいてダイバーシティ＆インクルージョンは、継続的なイノベーションの創出、企業価値の向上につながる経営の柱であり、経営陣の強いコミットメントのもと、積極的に取り組んでいます。東京エレクトロンＢＰにおける本行動計画では、女性社員の活躍推進に焦点を当て、次のとおり行動計画を策定します。

１．　計画期間：　2022年4月1日～2027年3月31日までの5年間

２．　数値目標：

⑴　女性管理職者数※（2021年3月末時点：１名）を2027/3 期中に２名にする

※高度専門職含む

⑵　計画期間内において、年次有給休暇取得率70%を達成する

３．　内容：

取り組み1：サクセッションプランニングにおいて、管理職における女性比率の向上に取り組む

＜計画期間＞

2022年4月1日～

＜対策＞

- ダイバーシティを意識したタレントパイプライン（人材育成計画）形成をおこなう
- 女性社員向け育成プログラム・リーダーシップ開発を支援する取り組みをおこなう

取り組み２：女性社員比率を高めるため、採用活動に注力する

＜計画期間＞

2022年4月1日～

＜対策＞

- リクルーターの活用やブランディングなどに積極的な投資をおこなう
- 各地域における一般的な女性比率と同等以上の女性を採用する

取り組み３：女性社員の活躍を促すため、社員の意識改革をおこなう

＜計画期間＞

2022年4月1日～

2022 年 3 月 31 日

＜対策＞

- 社内外の専門家やリーダーによるダイバーシティ＆インクルージョン・トークといったイベントを実施し、意識啓発をおこなう
- ロールモデル等、効果的な情報共有を通じて、女性社員本人だけではなく、職場のマネージャーや同僚の意識改革をおこなう
- 共通の特性や経験をもった従業員のネットワーク機会を創出する
- 産休や育休の取得前後でのキャリア座談会などを実施し、両立支援をおこなう

取り組み4：すべての社員の働きやすさと活躍を支援する職場環境を整備する

＜計画期間＞

2022年4月1日～

＜対策＞

- 年次有給休暇の取得しやすい職場環境づくりおよび計画的取得に向けた意識啓発等を実施し、計画期間内において、年次有給休暇取得率70%を達成する
- 定期的な取得状況のモニタリングおよび取得促進に向けたフォロー実施

以上

2022 年 3 月 31 日

東京エレクトロンFE株式会社行動計画

東京エレクトロンFEにおいてダイバーシティ＆インクルージョンは、継続的なイノベーションの創出、企業価値の向上につながる経営の柱であり、経営陣の強いコミットメントのもと、積極的に取り組んでいます。東京エレクトロンFEにおける本行動計画では、女性社員の活躍推進に焦点を当て、次のとおり行動計画を策定します。

１．　計画期間：　2022年4月1日～2027年3月31日までの5年間

２．　数値目標：

⑴　女性管理職者数※（2021年3月末時点：2名）を2027/3 期中に4名にする
※高度専門職含む

⑵　計画期間内において、年次有給休暇取得率80%を達成する

３．　内容：

取り組み1：サクセッションプランニングにおいて、管理職における女性比率の向上に取り組む

＜計画期間＞

2022年4月1日～

＜対策＞

- ダイバーシティを意識したタレントパイプライン（人材育成計画）形成をおこなう
- 女性社員向け育成プログラム・リーダーシップ開発を支援する取り組みをおこなう

取り組み２：女性社員比率を高めるため、採用活動に注力する

＜計画期間＞

2022年4月1日～

＜対策＞

- 従業員の大半をエンジニアが占める当社の状況を踏まえて、リクルーターの活用やブランディングなどに積極的な投資をおこなう
- 各地域における一般的な女性比率（エンジニアの場合、理工学専攻の女性比率）と同等以上の女性を採用する

取り組み３：女性社員の活躍を促すため、社員の意識改革をおこなう

2022 年 3 月 31 日

＜計画期間＞

2022年4月1日～

＜対策＞

- 社内外の専門家やリーダーによるダイバーシティ＆インクルージョン・トークといったイベントを実施し、意識啓発をおこなう
- ロールモデル等、効果的な情報共有を通じて、女性社員本人だけではなく、職場のマネージャーや同僚の意識改革をおこなう
- 共通の特性や経験をもった従業員のネットワーク機会を創出する
- 産休や育休の取得前後でのキャリア座談会などを実施し、両立支援をおこなう

取り組み4：すべての社員の働きやすさと活躍を支援する職場環境を整備する

＜計画期間＞

2022年4月1日～

＜対策＞

- 年次有給休暇の取得しやすい職場環境づくりおよび計画的取得に向けた意識啓発等を実施し、計画期間内において、年次有給休暇取得率80%を達成する
- 定期的な取得状況のモニタリングおよび取得促進に向けたフォロー実施

以上

2022 年 3 月 31 日

東京エレクトロン株式会社行動計画

東京エレクトロンにおいてダイバーシティ＆インクルージョンは、継続的なイノベーションの創出、企業価値の向上につながる経営の柱であり、経営陣の強いコミットメントのもと、積極的に取り組んでいます。東京エレクトロンにおける本行動計画では、女性社員の活躍推進に焦点を当て、次のとおり行動計画を策定します。

１．　計画期間：　2022年4月1日～2027年3月31日までの5年間

２．　数値目標：

⑴　女性管理職者数※（2021年3月末時点：26名）を2027/3 期中に56名にする

※高度専門職含む

⑵　計画期間内において、年次有給休暇取得率70%を達成する

３．　内容：

取り組み1：サクセッションプランニングにおいて、管理職における女性比率の向上に取り組む

＜計画期間＞

2022年4月1日～

＜対策＞

- ダイバーシティを意識したタレントパイプライン（人材育成計画）形成をおこなう
- 女性社員向け育成プログラム・リーダーシップ開発を支援する取り組みをおこなう

取り組み２：女性社員比率を高めるため、採用活動に注力する

＜計画期間＞

2022年4月1日～

＜対策＞

- 従業員の大半をエンジニアが占める当社の状況を踏まえて、リクルーターの活用やブランディングなどに積極的な投資をおこなう
- 各地域における一般的な女性比率（エンジニアの場合、理工学専攻の女性比率）と同等以上の女性を採用する

取り組み３：女性社員の活躍を促すため、社員の意識改革をおこなう

2022 年 3 月 31 日

＜計画期間＞

2022年4月1日～

＜対策＞

- 社内外の専門家やリーダーによるダイバーシティ＆インクルージョン・トークといったイベントを実施し、意識啓発をおこなう
- ロールモデル等、効果的な情報共有を通じて、女性社員本人だけではなく、職場のマネージャーや同僚の意識改革をおこなう
- 共通の特性や経験をもった従業員のネットワーク機会を創出する
- 産休や育休の取得前後でのキャリア座談会などを実施し、両立支援をおこなう

取り組み4：すべての社員の働きやすさと活躍を支援する職場環境を整備する

＜計画期間＞

2022年4月1日～

＜対策＞

- 年次有給休暇の取得しやすい職場環境づくりおよび計画的取得に向けた意識啓発等を実施し、計画期間内において、年次有給休暇取得率70%を達成する
- 定期的な取得状況のモニタリングおよび取得促進に向けたフォロー実施

以上

2022 年 3 月 31 日

東京エレクトロン宮城株式会社行動計画

東京エレクトロンにおいてダイバーシティ＆インクルージョンは、継続的なイノベーションの創出、企業価値の向上につながる経営の柱であり、経営陣の強いコミットメントのもと、積極的に取り組んでいます。東京エレクトロンにおける本行動計画では、女性社員の活躍推進に焦点を当て、次のとおり行動計画を策定します。

１．　計画期間：　2022年4月1日～2027年3月31日までの5年間

２．　数値目標：

(1) 女性管理職者数※（2021年3月末時点：0名）を2027/3 期中に5名にする

(2) 計画期間内において、年次有給休暇取得率70%を達成する

３．　内容：

取り組み1：サクセッションプランニングにおいて、管理職における女性比率の向上に取り組む

＜計画期間＞

2022年4月1日～

＜対策＞

- メンターを設定し、ダイバーシティを意識したタレントパイプライン（人材育成計画）形成をおこなう
- 女性社員向け育成プログラム・リーダーシップ開発を支援する取り組みをおこなう

取り組み２：女性社員比率を高めるため、採用活動に注力する

＜計画期間＞

2022年4月1日～

＜対策＞

- 従業員の大半をエンジニアが占める当社の状況を踏まえて、リクルーターの活用やブランディングなどに積極的な投資をおこなう
- 各地域における一般的な女性比率（エンジニアの場合、理工学専攻の女性比率）と同等以上の女性を採用する

取り組み３：女性社員の活躍を促すため、社員の意識改革をおこなう

2022 年 3 月 31 日

＜計画期間＞

2022年4月1日～

＜対策＞

- 社内外の専門家やリーダーによるダイバーシティ＆インクルージョン・トークといったイベントを実施し、意識啓発をおこなう
- ロールモデル等、効果的な情報共有を通じて、女性社員本人だけではなく、職場のマネージャーや同僚の意識改革をおこなう
- 共通の特性や経験をもった従業員のネットワーク機会を創出する
- 産休や育休の取得前後でのキャリア座談会などを実施し、両立支援をおこなう

取り組み4：すべての社員の働きやすさと活躍を支援する職場環境を整備する

＜計画期間＞

2022年4月1日～

＜対策＞

- 年次有給休暇の取得しやすい職場環境づくりおよび計画的取得に向けた意識啓発等を実施し、計画期間内において、年次有給休暇取得率70%を達成する
- 定期的な取得状況のモニタリングおよび取得促進に向けたフォロー実施

以上

2022 年 3 月 31 日

東京エレクトロン九州株式会社行動計画

東京エレクトロン九州株式会社においてダイバーシティ＆インクルージョンは、継続的なイノベーションの創出、企業価値の向上につながる経営の柱であり、経営陣の強いコミットメントのもと、積極的に取り組んでいます。東京エレクトロン九州株式会社における本行動計画では、女性社員の活躍推進に焦点を当て、次のとおり行動計画を策定します。

１．　計画期間：　2022年4月1日～2027年3月31日までの5年間

２．　数値目標：

(1)　女性管理職者数※（2021年3月末時点：3名）を2027/3 期中に8名にする
※高度専門職含む

(2)　計画期間内において、年次有給休暇取得率70%を達成する

３．　内容：

取り組み1：サクセッションプランニングにおいて、管理職における女性比率の向上に取り組む

＜計画期間＞

2022年4月1日～

＜対策＞

- ダイバーシティを意識したタレントパイプライン（人材育成計画）形成をおこなう
- 女性社員向け育成プログラム・リーダーシップ開発を支援する取り組みをおこなう

取り組み２：女性社員比率を高めるため、採用活動に注力する

＜計画期間＞

2022年4月1日～

＜対策＞

- 従業員の大半をエンジニアが占める当社の状況を踏まえて、リクルーターの活用やブランディングなどに積極的な投資をおこなう
- 各地域における一般的な女性比率（エンジニアの場合、理工学専攻の女性比率）と同等以上の女性を採用する

取り組み３：女性社員の活躍を促すため、社員の意識改革をおこなう

2022 年 3 月 31 日

＜計画期間＞

2022年4月1日～

＜対策＞

- 社内外の専門家やリーダーによるダイバーシティ＆インクルージョン・トークといったイベントを実施し、意識啓発をおこなう
- ロールモデル等、効果的な情報共有を通じて、女性社員本人だけではなく、職場のマネージャーや同僚の意識改革をおこなう
- 共通の特性や経験をもった従業員のネットワーク機会を創出する
- 産休や育休の取得前後でのキャリア座談会などを実施し、両立支援をおこなう

取り組み4：すべての社員の働きやすさと活躍を支援する職場環境を整備する

＜計画期間＞

2022年4月1日～

＜対策＞

- 年次有給休暇の取得しやすい職場環境づくりおよび計画的取得に向けた意識啓発等を実施し、計画期間内において、年次有給休暇取得率70%を達成する
- 定期的な取得状況のモニタリングおよび取得促進に向けたフォロー実施

以上