

Comments from a Third-Party Expert

I have read Tokyo Electron's *Environmental and Social Report 2010* and received an explanation of the Company's environmental and social activities from staff at TEL's Environment, Health & Safety Center. Here I express my view on this report as a third-party expert.

1. TEL's Basic Philosophy and Environmental Initiatives

TEL's basic philosophy includes "providing high-value products and services (mainly semiconductor production equipment) around the world in order to realize healthy and enriched lives." Accordingly, TEL is tirelessly promoting technological innovation and addressing environmental issues. Today, as companies continue to grow, the impact their activities exert on society is growing larger and their responsibility to society is becoming increasingly significant. One major aspect of this corporate responsibility involves global environmental issues, which are being addressed by companies in a host of ways depending on their business areas and activities. The main theme of TEL's approach to environmental issues is the reduction of greenhouse gasses (CO₂), and its efforts in this area are made in two stages: the production phase and use phase of the product life cycle. A high evaluation should be given to its proactive efforts to reduce environmental impact during the use phase by improving productivity of and implementing a variety of environmental measures for the semiconductor production equipment it has already delivered worldwide (approximately 50,000 units).

2. Environmental Initiatives for Product Use

Out of the amount of CO₂ emitted throughout the lifecycle of TEL's main products—semiconductor and FPD production equipment—, approximately 80% stems from the use of these products at its customers' sites. In response to this, TEL has set goals for the Company's commitment to reduce environmental impact, specifically by reducing the amount of pure water required for and CO₂ emissions generated by the use of new equipment to be installed at customers' sites in 2015 by 50% from the fiscal 2008 level. I hope that the Company's efforts to achieve this goal will help encourage customers to make efforts to reduce environmental impact and costs, thereby increasing their overall satisfaction. I advise that TEL should continue with these efforts.

3. Environmental Initiatives in Plants and Offices

TEL aims to reduce the amount of CO₂ emissions from its plants and

offices by fiscal 2015 by 50 % per unit sales from the fiscal 2008 level. In addition, the Company has been working to reduce waste for disposal, and its recycling rate for resources has been increasing for years. All TEL group plants and offices have achieved zero emissions. This achievement can be attributed to the Group's persistent environmental efforts.

4. Relationship with Employees

In order to help people lead healthy and enriched lives, the Company itself must be energetic and creative and have good employee relations—by nurturing the enthusiasm and autonomy of individual employees, enhancing their skills and supporting career development. TEL endeavors to improve the workplace environment and develop effective personnel systems. In particular, high regard should be given to its efforts to develop and enhance the professionalism of its employees, including the managers, mainly through its internal educational institution, TEL UNIVERSITY.

5. Future Issues

TEL's main business field—the supply of semiconductor production equipment—is not widely known to the general public. To compensate for this general unfamiliarity, efforts are needed to provide more easy-to-understand descriptions of the Company, in particular, its business activities, management policies, corporate responsibility and details of the Group companies. In addition, while TEL's proactive efforts to address environmental issues should be highly regarded, something still needs to be done with regard to explaining what we are doing in other aspects of social responsibility, including the roles of semiconductors in society and messages to shareholders and investors.

* The Third-Party Comment above does not contain opinions on the accuracy of the information included in this report.

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Response to the Third-Party Comment

I am deeply grateful for Professor Nakamura's comments regarding the environmental and social activities of the TEL Group. The semiconductor, FPD, and PV cell production equipment industry, which the TEL Group is part of, is capable of contributing tremendously to environmental conservation and improvement, and we believe that making continued efforts to provide excellent products and services is an effective way of fulfilling our social responsibility.

Following the advice given by Professor Nakamura, we will work to provide explanations that allow all our stakeholders to easily understand semiconductors and the other fields of business in which

we are involved. In this way, we will continue to make an effort under our basic philosophy, which places emphasis on demonstrating consistent leadership as a world class company by creating hope for the future and addressing environmental problems, and seek to become a company with high corporate value that is needed and trusted by society.

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