

With a Dream for the Future— Taking on New Challenges for the Development of a Sustainable Society

■ Marking the 50th Anniversary

This year marks the 50th anniversary of the founding of the Tokyo Electron Group in November 1963. Over the past half-century, the discipline that has undergone the most rapid development is science and technology, particularly semiconductors, which are now used in a wide variety of electronic devices. It is fair to say that semiconductors have played a crucial role in the development of humanity and provided a foundation for the current era. As a semiconductor production equipment manufacturer, the TEL Group has made various efforts to accurately understand customer needs in order to provide high-quality products.

The world is at a turning point. Emerging countries, including in Asia, are becoming the global driving force, taking over from Western countries that have traditionally played a central role. In the next half century, global companies will find that simply sticking to the same old approaches

used in the past leaves them unable to grow, since public expectations towards businesses are constantly changing. There was a time when it was believed that reducing environmental impact and pursuing technological innovation were mutually exclusive. Today, balancing the two is a matter of course, and companies cannot grow unless they operate in ways that reduce their environmental impact.

It is not easy to reduce environmental impact and keep costs low while carrying out the world's most advanced technological development. As part of the TEL Group's effort to achieve it all, we set a high goal of reducing energy consumption on a per-wafer basis by 50% from the fiscal 2008 level with regard to major models of each business unit as of fiscal 2015. As of fiscal 2013, we succeeded in reducing energy consumption by 30% and are continuing to make persistent efforts to achieve the final target for the benefit of both society and the TEL Group.

■ Organizing Corporate Principles

In celebrating our 50th anniversary, we have established a Corporate Philosophy and revised our Management Policies in light of the emergence of a new generation of workers and possible changes in the business environment. Furthermore, we have set forth a CSR Policy and developed a CSR promotion framework. As the foundation of our CSR activities going forward, we joined the United Nations Global Compact in July 2013.

In carrying out and enhancing CSR activities, we will incorporate the EICC® Code of Conduct. By operating our business in a way that not only takes environmental issues into account but also respects human rights, is aligned with corporate ethics, and raises awareness of risk management, we will establish a management structure befitting a global company with the goal of gaining the lasting trust of our stakeholders.



Initiatives for Launching New Business

Originally founded as a trading company specializing in technology, the TEL Group established its position as a manufacturer in the 1980s. Because of this history, we have developed a corporate culture that encourages the flexible and aggressive incorporation of external technologies to support our cutting-edge technological development. With our most recent acquisition, we brought on board two European and two U.S. companies that are world leaders in cleaning, advanced packaging and thermal processing in magnetic fields, all of which are indispensable to both semiconductor production as well as ever-evolving photovoltaic panel production. By combining the world-class technologies of these firms with the TEL Group's expertise, we are confident that we will be able to satisfy every need of customers worldwide.

For the Next 50 Years

Throughout its 50-year history, the TEL Group has held to the belief that its most valuable asset is its employees. In order to continue to grow as a global provider of cutting-edge technologies, we recognize that we need to improve our workplace environment to create a culture that further encourages our employees to take on challenging tasks in a global business environment. With continued and concerted efforts, we are working to create an environment in which all employees can work comfortably, productively and passionately.

By taking advantage of experience and expertise acquired over the past five decades, the TEL Group will continue to contribute to the development of a sustainable society by providing high-value-added technologies and services for the next 50 years. We appreciate your continued support.



Tetsuro Higashi

Chairman, President & CEO
Tokyo Electron Limited



Joined the United Nations Global Compact

The TEL Group announced its participation in the United Nations Global Compact and was registered as a member company in July 2013. In support of the 10 principles, the TEL Group will work to maintain a harmonious pursuit of both its corporate activities and a sustainable society.

What is the United Nations Global Compact?

The UN Global Compact is a global initiative in which diverse organizations, including businesses, voluntarily participate for the development of sustainable society. It was established by then UN Secretary-General Kofi Annan in 2000. As of July 2013, about 11,570 organizations (including 7,580 corporate participants) from 140 countries have joined the initiative to carry out activities based on the 10 principles in four areas listed below:



Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.