Value Creation Model

We 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 our business activities in research and development, procurement and manufacturing, sales and installation and maintenance services in our value chain.

INPUT (investment capital) fiscal year 2021 Financial capital 1,024.5 billion yen

Net assets

Equity ratio 71.1%

Manufactured capital

Manufacturing sites **9** total

Manufacturing-related capital investment, such as new plant buildings and manufacturing equipment

Many years of know-how and proven performance in manufacturing operations

Vertical transfer system, from development to mass production

Production capacity and capabilities that can respond to increases in demand

Intellectual capital

R&D sites

12 total (6 in Japan and 6 overseas)

R&D investment **136.6** billion yen



Broad-ranging knowledge and technological capabilities in semiconductor and flat panel display (FPD) manufacturing processes

Customer needs and equipment-related data obtained from installed equipment base

Infrastructure for promoting digital transformation (enterprise system/database/talents and skills)

Human capital

Number of employees 14,479 Proportion of engineers **66.9**%



Personnel able to perform globally

Employee skill upgrade programs and human resource development

Social and relationship capital

Foundation for business activities in local communities



Relationship of mutual trust with customers built through many years of performance records

Solid cooperative working relationships with

Natural capital



94,640 kL Energy consumption

Water consumption

1,397 km³

Corporate Philosophy

Management Policies

TEL Values

Installation and Research and Maintenance Services Development

support the stable operations of equipment and provide

Sales

Value Chain

Manufacturing

Procurement and

The driving forces behind our company

Abundant technological capabilities cultivated as an industry leader

Trust from customers based on our reliable technical services

Challenging spirit of our employees,

who are capable of flexibly and rapidly adapting to changes in the environment

OUTPUT (value created through business activities) fiscal year 2021

1,399.1 billion yen Net sales

22.9% Operating margin

242.9 billion yen Net income

26.5% ROF

121.9 billion yen (payout ratio: 50%) Total annual dividend

Cumulative number of equipment installations Approximately 76,000 units (annual shipment volume of approximately 4,000 units)

High-quality and high-reliability products incorporating leading-edge technologies

Contributing to customers' productivity enhancement

Safety-first operation (TCIR*) **0.27**

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

Observing equipment delivery and installation schedules

Innovative and unique technologies

Building a product portfolio with technical superiority

18.692 Number of patents owned

Product lineup with No. 1 or 2 market share Semiconductor production equipment

2.5% Turnover rate

17 years and 4 months (Japan) Average service years

Improvement in engagement score 12 points (compared to fiscal year 2016)

Improvement in desire for growth and demonstration of the challenging spirit in employees, who both create and fulfill company values

Human capital

property rights

Financial capital

Manufactured capital

Intellectual capital

■ Returning generated profit to stakeholders

Building a solid financial foundation Continuing proactive investment for growth

■ Creating fulfilling workplace environments that motivate employees

OUTCOME (value provided to industry and society)

Contributing to customers' product manufacturing and the

Contributing to customers' fab utilization rate and yield

improvement through the Best Technical Service

growth of semiconductor and FPD markets through the Best

■ Providing leading-edge technologies to contribute to technological

innovation and manufacturing in semiconductors and FPDs

Operating a fair and sound business that respects intellectual

Improving value provided to stakeholders by cultivating employees with a high level of engagement

Providing new value to industry and society through

■ Building a sustainable operation

technological innovation

Percentage of respondents who selected "Very Satisfied" or "Satisfied" in the customer satisfaction survey

96.7% 23.1% Rate of improvement after supply chain CSR assessment 136

Creating employment opportunities in and paying taxes to local municipalities and

nations where we carry out business activities

Per-wafer CO₂ emissions

7,763 MWh Renewable energy consumption

Energy consumption at plants and offices per net sales

Number of TEL FOR GOOD programs

Waste material recycling rate

16% reduction (compared to fiscal year 2014)

10% reduction (compared to fiscal year 2020)

98.8%

Social and relationship capital

- Maintaining soundness and strengthening competitiveness throughout the entire supply chain
- Contributing to customer value creation by providing the Best Products and Best Technical Service
- Contributing to the revitalization of and sustainable development in local communities

Natural capital

- Implementing products and business activities that have a low environmental impact and help to preserve the global environment
- Providing technologies that help customers manufacture semiconductors and FPDs that have a low environmental impact

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