Tokyo Electron (TEL) uses the following process to identify important and priority material issues (key issues) to be addressed for the medium- to long-term enhancement of corporate value.

**Issue awareness**

**Social environment**
While steady growth is forecast for the global economy, humans are also faced with various social issues, including abnormal climate conditions and natural disasters, conflicts between states and cyber-terrorism, water and food crises. TEL is deepening its awareness of social environments that may affect the value chain as a whole, and social issues with a high degree of relevance to the business, giving consideration to SDGs, the United Nations Global Compact, RBA, and recommendations from third-party organizations.

**Business issues**
With the spread of big data and AI, the dawn of IoT and the introduction of the SDGs next-generation communication standard, applications are expanding for semiconductors and flat panel displays (FPDs) that support social infrastructure and demand for technological innovation is also growing. In these circumstances, TEL, whose core business is semiconductor and FPD production equipment, must accurately grasp social trends and customer needs, and consider them from the early stages of development, in order to provide products for the market in a timely manner. Furthermore, it is important to provide high-value-added maintenance services for improving the productivity of delivered equipment, extending service life, and so on.

**Risks and opportunities**
TEL examined the risks and opportunities closely related to sustainable business development in consideration of social issues and social/business environments such as SDGs.

**Stakeholder engagement**
TEL learned about stakeholder opinions and requests through ongoing dialogue, before sorting through them and reviewing the important themes to be addressed.

**Identification of material issues**

**Analysis and selection**
TEL has ascertained the social and business environment, has considered the risks and opportunities, and has made arrangements according to the wishes of all stakeholders. The company has deliberated material issues from the perspectives of their importance to both the building of a sustainable society and importance to the business to lead to increasing TEL's corporate value.

As a result, the company has defined its material issues as product competitiveness, responsiveness to customers, and higher productivity, which are items identified for enhancement in the medium-term management plan, in addition to people and workplaces, which are important as a resource for creating value, and management foundation, which concerns corporate governance, the environment, human rights, and other issues.

**Examination of validity**
With regard to the defined material issues, an examination of validity was conducted at the review council which included external experts.