

Energy Conservation

At the TEL Group, we promote energy conservation as a means of preventing global warming. At all our facilities, we universally strive to reduce power consumption through such means as turning lights off during lunch hour and regulating air conditioners' temperature setting. At ISO14001-certified plants, we systematically promote energy conservation toward specific objectives and targets.

Major Energy Conservation Measures

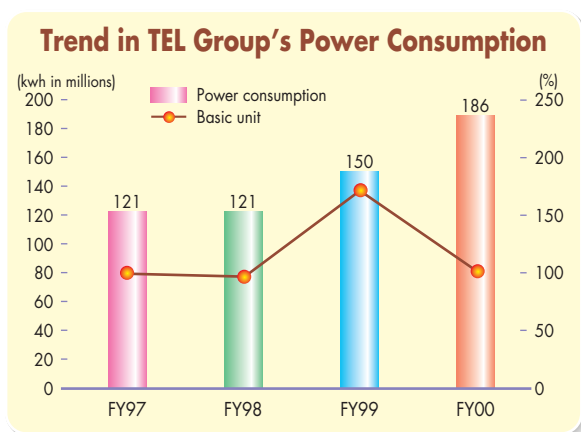
- Reduction of power consumption by lighting and office equipment (at all facilities)
- Regulation of air conditioning temperature setting (at all facilities)
- Design and operation of capacity utilization reduction system for demonstration equipment (Yamanashi)
- Turning-off of vending machines at night (Osaka)
- Partial suspension of clean room use (Saga)
- Scheduled equipment shutdowns (Ozu, Yamanashi)
- Turning-off of compressors at night (Yamanashi)
- Power saving stickers, which call for energy conservation, affixed to equipment used for product development and the like. (Sapporo)

Aggregate Power Consumption

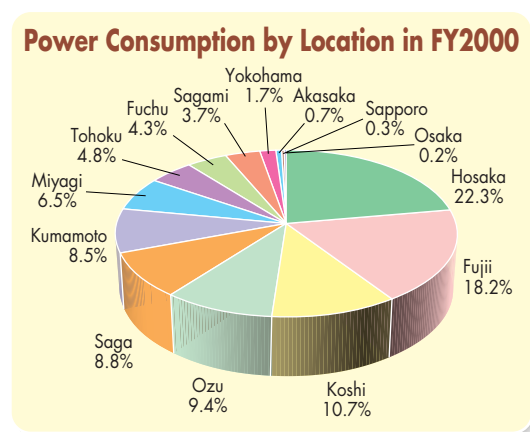
The bar graph at right shows the trend of the TEL Group's aggregate power consumption on a year-to-year basis. The linear graph shows changes in the basic units for each year, calculated by dividing total power consumption by sales for each year. For purposes of comparing yearly results, the basic units (used to show the relationship between sales and total power consumption) are calculated by taking the results for fiscal year 1997 to represent 100 points (100%). In fiscal year 1999, we started keeping a tally of the amount of power consumed by our non-manufacturing facilities, in addition to that by our manufacturing plants.

At our manufacturing plants and research facilities, production and assessment equipment have been operating continuously at full capacity throughout the fiscal year 2000. As a result, the TEL Group's aggregate power consumption increased in fiscal year 2000 compared to the previous year. However, the basic unit improved considerably, from 170.7 points in fiscal year 1999 to 96.8 points in fiscal year 2000. This represents a drop of over 40 percent, or, to 56.7% of the previous year's figure. This figure is even lower than the figure for the reference year of fiscal 1997.

We aim to further reduce our aggregate power consumption by continuing to promote energy conservation on an ongoing basis at all our facilities.



$$\text{Basic unit} = \frac{\text{Power consumption}}{\text{Sales}} \quad (\text{FY1997} = 100\%)$$



Examples of Energy Conservation Initiatives

- At the Ozu Plant, we reduced power consumption by turning off lights during the lunch hour and by allowing for an overall reduction in the number of lights used through an increase in luminosity of bulbs used throughout the plant. We also shut off the air conditioning at regular intervals. The result was a 1.1% (120,000 kwh per year) reduction in power consumption
- At our Osaka branch office, we installed timers on beverage vending machines. The timers conserve energy by automatically turning the machines off at night.