Environmental Report 2002

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TEL Environmental and Safety Activity Record

May. 1994	Standardization & Environmental, Safety Center (Environ-
	mental, Health & Safety Center)
Mar. 1996	Product Safety Subcommittee (TEL Group Worldwide
	Product EHS Committee) launched
Apr. 1996	Environmental Subcommittee (TEL Group EHS Committee)
	launched
Dec. 1997	Sagami Plant earns ISO14001 certification
Feb. 1998	Tohoku Plant earns ISO14001 certification
Mar. 1998	Saga Plant earns ISO14001 certification
Mar. 1998	Kumamoto and Koshi Plants earn ISO14001 certification
May. 1998	Yamanashi Plant earns ISO14001 certification
Sept. 1998	The TEL Group Credo on Environmental Preservation es-
	tablished
Nov. 1998	The TEL Group Credo and Principles on Safety & Health
	credo established
June.1999	"Safety First" declaration established
Aug. 1999	Ozu Plant earns ISO14001 certification
Dec. 1999	The item "Health, Safety and the Environment" added to
	the Management Philosophy
Jan. 2000	Study begins on implementing environmental accounting
Apr. 2000	Unified safety training system "Safety 2000" implemented
Apr. 2000	Study begins on implementing LCA (life-cycle assessment)
Sept.2000	Study begins on implementing green procurement
Dec. 2000	Environmental Report 2000 issued
Apr. 2001	Study begins on implementing environmental training for
	office not yet ISO14001-certified

Corporate Profile

Company name: Tokyo Electron Limited (TEL)

Address: TBS Broadcast Center, 3-6 Akasaka

5-chome, Minato-ku, Tokyo 107-8481

Phone: +81-3-5561-7000

Representative: Tetsuro Higashi, CEO, President

Established: November 11, 1963

Capital: ¥47,213,750,000 (as of April 1, 2002)
Main products: Semiconductor production equipment

(developed in-house), flat panel displays (FPD) production equipment (developed in-

house), semiconductor production

equipment (imported), computer network related products, electronic components

Employees: 1,530 (as of April 1, 2002) Group employees: 10,269 (as of April 1, 2002)

Sales (consolidated): ¥417.825.000.000 (FY ended March 2002)

Editorial Policy

This is TEL's third Environmental Report. Our first priority has been to make this report easy to read and comprehensive, to give you a better understanding of TEL's environmental, health and safety initiatives, as well as the achievements of its societal contribution efforts during fiscal 2001. The TEL Group's business operations are wide-ranging; therefore, it is our hope that this report will gain the widest possible readership and help further to open channels of communication with all those concerned with TEL. We welcome your opinions and impressions of this Environmental Report so that we may continue to develop our Editorial Policy.

The Ministry of the Environment's Environmental Reporting Guidelines (Fiscal Year 2000 Version) and the guidelines of the Global Reporting Initiative, which sets international guidelines for corporate reporting, helped to guide the creation of this report.

Range of Coverage

Organizations covered: This report covers initiatives of the entire TEL.

<Major Japanese Bases>

Tokyo Electron Limited, Tokyo Electron Tohoku Limited, Tokyo Electron AT Limited, Tokyo Electron Kyushu Limited, Tokyo Electron EE Limited, Tokyo Electron Sapporo Limited, Tokyo Electron FE Limited, Tokyo Electron Device Limited, Tokyo Electron Leasing Co., Limited, Tokyo Electron Logistics Limited, Tokyo Electron Agency Limited.

<Major American Bases>

Tokyo Electron America, Inc., Tokyo Electron Texas, LLC, Tokyo Electron Massachusetts, LLC, Tokyo Electron Arizona, Inc., Supercritical Systems, Inc., Timbre Technologies, Inc.

<Major European Bases>

Tokyo Electron Europe Ltd., Tokyo Electron Italia S.p.A., Tokyo Electron Deutschland GmbH, Tokyo Electron Switzerland Ltd., Tokyo Electron Nederland B.V., Tokyo Electron Espa_a S.L., Tokyo Electron Ireland Ltd., Tokyo Electron Israel Ltd., Tokyo Electron France S.A.R.L.

<Major Asian Bases>

Tokyo Electron Korea Ltd., Tokyo Electron Taiwan Ltd.,

Tokyo Electron (Shanghai) Ltd.

Period covered: This report contains data for the period April 1, 2001 - March 31, 2002. Areas covered: This reports addresses the TEL environmental management, as well as social and economic aspects of corporate societal contributions and other activities.

In brief...

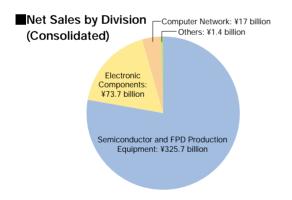
TEL's primary business is manufacturing equipment used to make semiconductors.

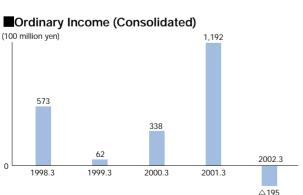
Japan's semiconductor production technology is said to be crucial to the entire world, but TEL got its start offering the most advanced semiconductor production equipment from the U.S. to semiconductor manufacturers in Japan. Later, Japanese manufacturers started looking for equipment built to their own specifications, so TEL's role grew to include equipment modification. In the process, TEL began to manufacture equipment for itself. Presently, we have grown into a company that develops and manufactures nearly all products we carry. Thus, TEL's history is the story of the evolution of a trading company into a manufacturer.

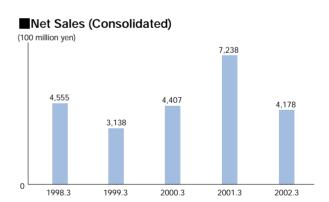
Manufacturing semiconductors and flat panel

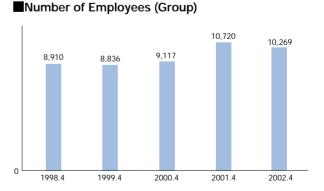
displays (FPDs) involves many processes which require assembly with specialized machinery during each process.TEL provides most major types of equipment used in the manufacturing process. At present, TEL is the second largest manufacturer of semiconductor and FPD production equipment worldwide, measured on the basis of sales.

TEL started with the import, sales and service of U.S.-made products, and since the 1990s, has exported Japanese-made equipment to semiconductor and FPD manufacturers in countries around the world, including the Americas, Europe and Asia. Currently, overseas sales account for about 70% of total sales.









FPD (flat panel display): A thin flat display. FPDs include liquid crystal and plasma displays.

Semiconductor and FPD production processes: Semiconductor production processes can be broadly divided into front end processes, in which circuits are formed on a silicon monocrystal panel (i.e., a wafer), and back end processes, in which packages are assembled. Semiconductors and FPDs are both produced using 200-300 process steps.