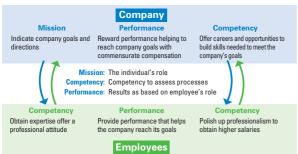
# Relationship with Employees

Our personnel system allows employees to take on various challenges.

#### Concept of the Personnel System

The Tokyo Electron Group respects a spirit of challenge and independence amongst its employees and aspires to be a corporate group in which employees can take on a variety of challenges. Based on this, we are improving the working environment to attain the following three targets: (1) no penalizing of employees who fail while taking reasonable risks in creative endeavors; (2) rigorous fairness in handling of our personnel; and (3) fairness in compensation. Our personnel system is designed to motivate the organization and help each employee develop him/herself. The system does not simply focus on the results, but also attributes importance to the process leading to the results. Our goal is to fairly evaluate employees based on their contribution through the three mainstays of "competency to assess processes," "the individual's role (mission)," and "results based on the employee's role (performance)." Competency is not just the objective of assessment and inspection, but a measure of the growth of the employee's skills and abilities required for task categories. We will always support our employees in their efforts to improve themselves and provide them with opportunities to upgrade their skills and advance their careers.

## **Concept of Our Personnel System**



#### Motivating Employees

We conduct two types of employee surveys once a year: a personal survey in which employees describe any job changes they would like to make, their hopes and opinions about the company, and advice they would like to ask for; and a morale survey in which employees describe their view of their own morale levels and ideas about their organizations and workplaces. In the morale survey held in FY 2006, employees were asked for their opinions on management policies. their jobs, safety and health, their working environment, their bosses, and the company's evaluation of them, and the survey results were posted on the intranet as feedback to employees. In addition to the surveys, we have introduced an in-house staff recruitment system to help employees decide on and pursue their own career paths, which matches employees wanting to improve their careers with departments in need of staff.

## Providing Employees with Comfort in the Workplace

The Tokyo Electron Group is committed to providing employees with a comfortable workplace. For example, we try to ensure that employees do not work too much overtime. At each workplace, the manager in charge identifies the overtime hours for each employee and takes action to reduce the hours. In the month following a busy month in which employees worked much overtime, the manager encourages them to take paid holidays and ensure that no one works disproportionately more than others. Also, we have established some rules to provide employees with a better working environment, including the introduction of a no overtime rule on Wednesdays.

For maternity and childcare leave, we have improved the system so that both male and female employees can easily take childcare leave by simply applying to their manager. In FY 2006, a total of 40 employees took childcare leave.

We have also improved the working environment for employees with disabilities. At our sites, we are establishing facilities for the disabled. including barrier-free access and toilet facilities for physically handicapped people, thereby increasing the employment of people with disabilities within the Group



Toilet facilities for physically handicapped people

# ■ Test for Employees Wishing to Change Work

In the Tokyo Electron Group, office employees are classified into two categories: those engaged in routine work and those engaged in more versatile tasks. For those who are engaged in routine work but have sufficient abilities and the willingness to take on more versatile tasks including planning, negotiation, and making comprehensive decisions, we administer a test comprising essay writing, a written examination, a presentation, and an interview, and those who met the absolute evaluation criteria of the test are allowed to change their work to more versatile tasks. We value willingness, awareness as a professional, determination, and future potential in the evaluation. In FY 2006, seven employees passed the test and changed their work category. We will continue to provide highly motivated employees with an opportunity to change their work category under this system.