

Compliance

The TEL Group acts in strict compliance with corporate ethics and applicable laws to ensure that its corporate activities are fair and reliable.

Stance on Corporate Ethics and Legal Compliance

Trust is the cornerstone of the TEL Group's business foundation. The fundamental requirements for maintaining trust are rigorous conformity to ethical standards and compliance with the law, by individual employees and by each of our organizations.

In line with the basic policy for internal control systems in the Tokyo Electron Group, all Group employees are required to maintain high standards of ethics and to act with a clear awareness of compliance.

Ethical Standards, Chief Business Ethics Director and Ethics Committee

In 1998, the Company formulated the Tokyo Electron Code of Ethics (revised in June 2007) to establish uniform standards to govern all of its global business activities.

In the same year, Tokyo Electron appointed a Chief Business Ethics Director and established the Ethics Committee, which is responsible for promoting awareness of business ethics throughout the Company.

The Tokyo Electron Code of Ethics prescribes a common code of behavior for all employees of Tokyo Electron and the Group and the Company distributes it to all Group employees, including those overseas.

The Code of Ethics of the Tokyo Electron Group

Introduction

I. Principles

1. Compliance with Applicable Laws
2. Acting in Accordance with Social Conscience
3. Maintaining Harmonious Relationships with Local Communities

II. Honest and Fair Business Activities

- II - 1 Technology, Safety, and the Environment
4. Ensuring Safety and Pursuing Quality
5. Promoting Environmental Preservation Activities
6. Ethics in Manufacturing
- II - 2 Fair Trade
7. Implementing Fair and Open Competition
8. Fair Business with Suppliers
9. Handling of Confidential Information
10. Strict Export/Import Controls
11. Reasonable Exchanges of Gifts and Entertainment within the Bounds of Common Sense
- II - 3 Relationship between the Company and Individuals
12. Prohibition of Conduct Causing Conflicts of Interests
13. Prohibition of Improper Use of Company Assets
14. Prohibition of Conduct of Harassment

III. Being a Good Corporate Citizen

15. Prohibition of Insider Trading
16. Prohibition of Political Activities and Contributions
17. Prohibition of Involvement in Antisocial Forces
18. Respect for Individuals

Implementation of the Code of Ethics*

* The "Implementation" section provides specific matters and procedures

Compliance & Internal Control Executive Officer

Since April 2009, Tokyo Electron has appointed Compliance & Internal Control Executive Officer from among its executive officers to raise awareness of compliance across the Group and further improve its implementation.

Framework for Thorough Implementation of Compliance

Tokyo Electron has drawn up compliance regulations setting out basic compliance-related requirements in line with its Code of Ethics. The compliance regulations are intended to ensure that all individuals who take part in the business activities of the Group clearly understand the pertinent laws, regulations, international standards, and internal company rules and continuously apply these rules in all of their activities.

(1) Internal Reporting System

In the event that an employee becomes aware of any activity which may violate laws, regulations or principles of business ethics, the Company operates an internal reporting system (hotline) that employees may use to report their concerns. Strict confidentiality is maintained to protect the whistle blower, and to ensure that they are not subjected to any disadvantages or repercussions.

(2) Employee Training

Tokyo Electron conducts Web-based training programs for all its employees, makes information on compliance issue available to employees via the Company intranet, and takes other steps to promote broad awareness of compliance throughout the Company.

(3) Management of Information on Japanese Laws

In order to reduce the risk of legal compliance violations, Tokyo Electron regularly identifies and clarifies the Japanese laws that affect company operations and regulations. Information regarding revisions to relevant laws is received in a timely manner via an external Web service and appropriate responses taken such as amending regulations, changing operational procedures, and notifying all personnel affected by the revisions.

(4) Protection of Personal Information

When the Act on the Protection of Personal Information came into full effect, the Tokyo Electron adopted a basic policy and regulations concerning the protection of personal information and prepared various manuals regarding the handling of personal information. Tokyo Electron has also been conducting Web-based training for employees and taking other measures to ensure the proper implementation of these policies and regulations in business operations. In addition, Tokyo Electron has been strengthening personal information management through such measures as installing computer servers specially equipped to handle the storing of personal information, introducing encryption functions, and using auxiliary storage units with password-based access control.