ocial Report



We are striving to create a workplace that enables all of our employees to reach their full potential based on respect for their enthusiasm, autonomy, and willingness to take on challenges.

TEL's Basic Philosophy on its Personnel System

In pursuit of our vision of becoming an energetic, dynamic and creative company, the TEL Group respects the autonomy of its employees and their willingness to undertake challenges, thereby helping them to realize their full potential.

Our personnel system is designed to help each employee achieve self-development and to contribute to greater dynamism of the organization. Our evaluation system does not simply focus on results but also emphasizes the process leading up to the results, including in particular, the efforts made and the level of skills demonstrated by individual employees in achieving these results. The purpose of this system is to fairly evaluate employees' total job performance based on the following three criteria: individual role (mission), scope of abilities required at each step of a process (competency), and results achieved according to role (performance). The competency factor is used not only for evaluation and assessment purposes but also as a guideline to improve individual skills and nurture the capabilities required for each workgroup.

Career Developing Program

The TEL Group provides a variety of support to its employees in response to their different career ambitions.

Once a year, employees fill out a Self-Declaration form to communicate their preferences regarding job transfers or to share individual work-related requests. These employee requests are taken into consideration. We have also instituted an Open Job Posting System where employees can apply at their own volition to new projects or projects with a high degree of urgency. By widely recruiting eager and aspiring employees from within the Company and giving them opportunities to pursue their own career path, this system has added a greater level of dynamism to the organization. In addition, employees in the general job category are promoted to management positions, in line with their wishes, after they are evaluated for those positions through an interview.

Workplace to Support Employees

The TEL Group is committed to developing a system for helping employees to achieve work-life balance. These efforts include enhancement of childcare leave,¹ childcare support working hours,² nursing leave³ (5 days per year) and childcare support leave (5 days per year). In fiscal 2011, a total of 69 employees took childcare leave.

We have instituted a "refreshment vacation" system, which allows employees to take a two-week to one-month holiday when their term of service has reached 10, 15, 20, or 25 years. We are also taking active steps to prevent on-the-job mental health problems, which have increased recently in Japan, by increasing our healthcare staff and providing education on mental health issues.

- 1 Childcare leave: A system under which employees can take leave until the end of the April following the date on which their child turns 18 months old (or until their child reaches the age of three in some exceptional cases).
- 2 Childcare support working hours: A system under which employees can opt to work for shorter hours by one and a half hours per day until the end of the fiscal year in which their child completes elementary school (age 12).
- 3 Nursing leave: A system under which employees with children that have yet to enter elementary school are eligible to take 5 days of leave to provide nursing care to a child in need or 10 days for two or more children in need.

Enjoying both work and child-raising

This spring I returned to work from my second childcare leave. I have found that programs available to assist employees returning from childcare leave have improved and that there are more colleagues like me who are balancing childcare with work. Although it saddens me somewhat when my children cry after I drop them off at daycare, I arrive at work more focused and driven than ever knowing that at the end of the day they will be there to greet me with a great big smile and a hug when I pick them up. I



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am grateful knowing that this slice of happiness has been made possible by the warm support of my colleagues in my department.

	Mission	Competency	Performance
Employees	Understand your own role as well as the mission of the organization	Refine your own professional skills	Utilize your skills to attain your individual targets as well as the targets of the organization
Company	Convey the Company's mission and targets	Provide the skill-building and career development opportunities necessary for employees and the organization to reach their targets	Evaluate employees based on their merits Provide a fair distribution of compensation

Concept of the TEL Group's Personnel System

TEL's Basic Philosophy on Human Resource Development

Based on the belief that "employees are our valuable assets," the TEL Group fosters a spirit of learning among its employees, characterized by the following three principles established for its human resource development.

- (1) The workplace must support employee development.
- (2) Self-motivation and a sense of responsibility are the basic requirements for employees to develop their talents and careers.
- (3) The Company must build a platform or framework that provides employees with the opportunity and motivation to learn.

The Group believes that education and training only succeed when implemented continuously. In line with this belief, we are working to enhance our management organization and maintain our educational budget.



TEL UNIVERSITY

The TEL Group established an internal educational institution, TEL UNIVERSITY, with the aim of providing employees with opportunities for continued learning, thereby enhancing the capabilities of both individual employees and the overall organization. TEL UNIVERSITY is intended to provide employees with opportunities to obtain the knowledge and skills necessary for each to perform world-class work, build employees' management capabilities and organizational strengths, as well as develop the leaders of tomorrow.

As part of its curriculum to develop the leaders of tomorrow, TEL UNIVERSITY teaches employees about management philosophy grounded in ideals, perspective and humanity, as well as about general strategic ability. Through dialogue with TEL executives and experts from various fields, the training program also seeks to have employees establish their own values and create a cornerstone for their decision making abilities.

Reflecting on my time in the BLP-B Training Program

In the BLP-B Training Program,* younger employees active on the front lines of the TEL Group work together in a training camp format to discuss the concept of leadership and being a leader. Together we spent a total of one year and six months in the program. Before, I used to spend my days earnestly pursing the most cutting edge technologies as an engineer, but through the final assignment of the program, which requires participants to join forces to develop a

recommendation to TEL executives.



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became more willing to commit myself to growing our company and more aware of the role I can play in making this happen. Utilizing my newly acquired leadership skills from the BLP-B Training Program, I hope to contribute to the growth of the TEL Group by developing leading edge technologies that standout from our competitors.

BLP-B Training Program: A training program offered to mid-career employees that seeks to develop the future leaders of the TEL Group by teaching basic professional knowledge and skills as well as fostering participants' thought processes and awareness as leaders.

We also offer a training program for group leaders in charge of their respective workplaces. During the program, group leaders express their own vision and reflect on what actions to take today to reach that vision. Other group leaders taking part in the program also share their visions so that everyone can discuss ways of achieving them.

TEL executives also attend TEL UNIVERSITY courses and take part in lively discussions with employees. Successful human resource development requires employees that are enthusiastic about learning, as well as managers and a corporate culture that support employee growth. Employees actively learning at TEL UNIVERSITY and applying what they have learned to their work and workplaces promotes the growth of both individual employees and the organization as a whole.

Going forward, TEL UNIVERSITY will continue to contribute to the growth of the TEL Group by developing competent professionals.

TOPICS

Professional Development Education

With the aim to enhance the technical competencies of the TEL Group, TEL UNIVERSITY offers a special curriculum for the development of professionals that focuses on core technologies, shared platform technologies and semiconductor devices. Lectures on semiconductor devices are open to all employees, not just engineers, and teach employees about the history of the semiconductor, its operating principles, how it is made, and the growth of the industry. Employees taking part in the lecture have noted that they were able to better understand their job after knowing more about the technology, and that they had a stronger desire to provide even better production equipment to customers who manufacture semiconductor devices. As a result, employees have grown more proactive toward their work and overall the Company has been infused with a stronger sense of dynamism.



Lecture on semiconductor devices

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