

Our people and workplace

TEL provides a workplace filled with dreams and vitality where employees can reach their full potential.

We strive to create a workplace where employees are engaged and collaborate as a cohesive team of creative and responsible individuals. We also provide challenges to develop our employees and distribute compensation in a fair manner based on performance. We respect basic human rights and have mutual respect for our diverse values. This allows us to utilize the full potential of our employees and build a dynamic organization.

Highlights*



Percentage of qualified employees who took child care leave

93%



Number of employees who took refreshment leave

1,045 people

* Target: All TEL companies in Japan

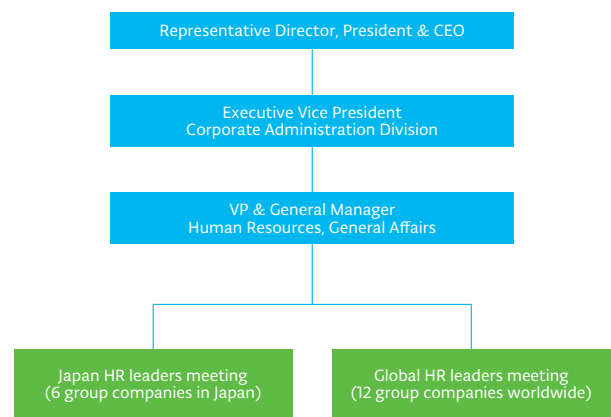
Goals and results for fiscal year 2016

Theme	Goals	Results
Diversity	<ul style="list-style-type: none"> Leverage diverse workforce and help individuals unleash their full potential. 	<ul style="list-style-type: none"> Planned and implemented the Global HR Project.
	<ul style="list-style-type: none"> Understand and respect cultural values in global operations. 	<ul style="list-style-type: none"> Implemented employee training in management and communication skills.
	<ul style="list-style-type: none"> Provide work environments that empower women. 	<ul style="list-style-type: none"> Analyzed issues related to empowerment of women and formulated an action plan.
Work-life balance	<ul style="list-style-type: none"> Support work-life balance. Offer support systems to improve working behavior to achieve a better balance between work and personal life. 	<ul style="list-style-type: none"> Conducted a self-declaration questionnaire.

Framework

TEL maximizes its corporate value by maintaining an open and dynamic organization that enables all employees to apply their abilities to the fullest extent. TEL is also optimally structured to be flexible and respond quickly to any changes in the operating environment.

The HR (human resources) departments at the head office and in the various TEL companies work closely together on personnel issues, convening the Japan HR leaders meeting¹ every month and Global HR leaders meeting² twice a year. These meetings serve as the forum for sharing corporate missions, setting goals, communicating activities, and discussing key issues. Under this management framework, our HR departments identify risks from an organization-wide perspective and make sure appropriate measures are implemented throughout TEL.



1 Japan HR leaders meeting: A meeting comprising the heads and principal managers of HR departments at Japanese Group companies

2 Global HR leaders meeting: A meeting comprising the heads and principal managers of HR departments at worldwide Group companies

Realizing an engaging work environment

Principles on diversity

TEL operates globally through 38 subsidiary companies (at 74 locations in 16 countries and regions), with overseas sales of semiconductor production equipment accounting for over 80% of our total sales. In this operating environment, TEL is making every effort to enhance our energy and creativity by ensuring that our diverse workforce can realize its full potential regardless of gender, age, race, special needs, or religion.

As part of this endeavor, TEL is focused on establishing an inclusive working environment for people with disabilities, and implemented a project to promote their employment in fiscal year 2016. As a result, the proportion of employees with disabilities in fiscal year 2016 was 1.96% at TEL headquarters and 1.98% at all TEL companies in Japan.

Initiatives for work-life balance

TEL has a refreshment leave system that offers employees with 10 years or more of continuous service a special paid leave every five years, ranging from two weeks to one month*. The purpose is to encourage employees to refresh their body and mind so they can fully utilize their abilities when they return to work. In fiscal year 2016, 1,045 employees in Japan took the leave.

TEL has also enhanced our family and medical leave systems, enabling employees to navigate through various life events and maintain their employment and careers.

TEL's childcare support system in Japan allows employees to extend their leave until a child's third birthday. Also, TEL gives guardians of children an option of taking reduced work hours until their children finish elementary school, which goes significantly beyond the legal requirement. As a result of these measures, 42 employees (or 93% of those eligible) took childcare leave in fiscal year 2016, and 46 returned to work after taking childcare leave during previous years. About 35% of female TEL employees in Japan are successfully balancing work and family as working mothers.

* Employees with 10, 15, 20, and 25 years of continuous service can take a leave of two weeks, three weeks, two weeks, and one month, respectively.

Employees' voice: On child care leave for men

When my first baby was born, I took a leave of absence to care for our child for about a month. My colleagues were supportive by helping the transition and allowed me to go on leave with few worries.

The fact that I was taking child care leave was very reassuring for my wife as she faced the challenge of giving birth. I was also able to spend a lot of time with my wife and our newborn, and could help with household chores.

It is great that TEL not only has a program for child care leave, but also an environment that encourages men to take it. I recommend my male colleagues take advantage of this benefit and participate more actively in raising their children.



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Employee motivation

Highly motivated employees are essential to a workplace filled with dreams and vitality. That is why TEL provides a wide range of HR development programs, including career building for individual employees.

The Global Engagement Survey is conducted annually for all TEL employees. The anonymous survey results help improve the organization and ensure proper use and management of our human resources.

To improve engagement, a self-declaration questionnaire on desired career paths and reassignment is provided to all employees once a year. Private consultation is offered to those who request it.

In addition, each year TEL presents the Employee Excellence Award. The award recognizes employees who have achieved outstanding results during the year, based on nominations by respective departments. In fiscal year 2016, 17 TEL employees both in Japan and abroad received the honor.

Human resource development

TEL UNIVERSITY

To enhance its HR development and organizational capabilities, TEL has established a corporate educational institution called TEL UNIVERSITY. Its curriculum includes courses that provide world-class knowledge and skills, training programs for next-generation leaders, and courses for developing managerial and organizational capabilities.

Main activities in fiscal year 2016

In fiscal year 2016, a number of on-demand programs for learning English were introduced for employees whose work involves global interactions. Examples include: consultations in work-related practical English, team-based classes in English, self-paced online courses, and a learning method seminar. In addition to language courses, support for e-learning and correspondence courses on other subjects was also made available.

The TEL University also organized workshops by TEL's experts in specialized technologies, and training for new employees was enhanced by taking full advantage of internal skills and talents. A joint group training course for young employees offered an opportunity to reflect on their current work and to take their careers to the next level.

Life design seminars were offered for employees who were aged 51 or over as they neared retirement. The program used concrete examples and Q&A sessions to show what preparations were needed before the retirement is reached, helping the participants to clear up any doubts and worries they may have on the subject.

Example of programs hosted by TEL UNIVERSITY

Number of participants by program for fiscal year 2016

English conversation classes	2,775 in total
Support for self-learning language study	440
Workshop for engineers	183
Semiconductor seminars (12 classes)	141
Training for young employees	215
Life design seminars	276

Improving employee health and work environment

Initiatives based on wellness declarations

TEL places the highest priority on the health and safety of its employees, and issued a wellness declaration in February 2012. Based on this declaration, TEL is conducting a number of ongoing wellness promotion programs, including walking events, healthy food choice initiatives for company cafeterias, and body composition measurement sessions.

Other ongoing initiatives for workplace wellness promotion include health help desks, supported by doctors, and regular counseling services supported by clinical psychologists.

In fiscal year 2016, various events were organized according to the specific needs of each location. Of these, a nutrition seminar held for employees in the Akasaka area (Japan headquarters) was particularly well received, as it helped them to understand the importance of improving their diet.

Introduction of stress checks

Effective December 2015, Japanese companies were mandated by law to offer stress checks to employees. This involves testing the employees' stress levels regularly and informing the employees of the results to raise their stress awareness. The goal is to reduce mental health risks and improve working conditions through analysis of aggregate results. TEL is planning to implement the first stress check in July 2016, and is currently preparing the implementation plan, methods, and manuals.

Long Term Disability insurance coverage

In fiscal year 2016, TEL started providing Group Long Term Disability (GLTD) insurance coverage to companies in Japan. Under this plan, workers who become unable to work due to illness or injury can receive partial income replacement benefits, allowing them to focus on recovery.

All TEL employees, excluding part-time and temporary workers, are covered in this plan. It includes both standard coverage, paid for by TEL, that provides 50% of the employee's standard monthly remuneration to qualified employees, and optional coverage that provides additional monthly benefits of 10% to 30% of standard monthly remuneration that can be purchased by individual employees.