

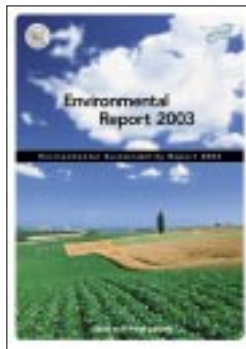
Communication with Stakeholders

At TEL, we believe that promoting communication with all of our various stakeholders will lead to the growth of TEL.

Our Stance on Communication

We actively encourage communication with all stakeholders. We think that it is essential to have interaction with all of the people involved in our business activities by sharing as much information as possible and gaining feedback in order to advance our efforts on the environment, health and safety.

TEL has been publishing an environmental report since 2000. We are also making efforts to disclose information through our website related not only to the environment, but also on health and safety. We will continue to proactively disclose environment, health and safety related information in order to facilitate two-way communication with stakeholders.



The Environmental Sustainability Report 2003

 <http://www.tel.com/eng/about/ehs/ehs.htm>

Publication the EHS Times and Using our Intranet

TEL publishes a bimonthly in-house magazine, the "EHS Times," focused on EHS and introducing in easy to understand terms a variety of information, such as the deliberations of each committee as well as initiatives in each company and region. Such EHS-related newsletters are also being made by each company and in each region and play an important role in heightening awareness among the employees. Also each company and region is actively using our intranet to post and exchange information.



EHS Times



Our intranet

EHS Promotion Activities in the Semiconductor Production Equipment Industry

TEL is actively pushing many EHS promotional activities in the semiconductor production equipment industry. In FY 2004, we participated in the EECA (The European Electronic Component Manufacturers Association) sponsored ISESH (International Semiconductor Environment, Safety and Health) Conference (June 29, 2003 to July 3 in Noordwijk, Holland) hosted by ESIA (European Semiconductor Industry Association) and presented our efforts on considering the environment in making our products.

We explained in detail our efforts through the "development of our gas supply/emission system" by way of an analogy describing the gas supply of our Thermal Processing System TELFORMULA as the upstream of a river and the emissions system as being the downstream of the river.



Presentation at ISESH

TOPICS

Establishing a Liaison Conference for Companies Collaborating on EHS

We have created a "Liaison Conference for Companies Collaborating on EHS" as a forum for communication for supporting companies among TEL's manufacturing plants.

The purpose of this conference is to deepen communication with supporting companies to counteract the growing number of people working within TEL plants, increasing diversity and complexity of the operations involved and outsourcing of operations.

TEL employees have always been made aware of the rules and relevant matters to be transmitted at our company through in-house training. However, the establishment of this conference has strengthened the regular exchange of information and encouraged an active exchange of opinions.



EHS Liaison Conference

Communication with Stakeholders

EHS Seminar in Taiwan

As in the past year, TEL held a "TEL EHS Seminar" in Hsin-chu with our Taiwanese customers.

The main themes we dealt with this time were overarching EHS issues and product EHS topics presented by representatives from each BU and Division.

General topics covered included TEL's stance on the environment, health and safety, and analysis of various accidents. We also had a special guest speaker from the Japan Institute of Human Factors who used case studies of accidents to explain the mechanism that causes accidents and the relationship with human factors.



TEL EHS Seminar Pamphlet

Under the topic of product EHS, representatives from each BU and Division introduced lead-free solder related policies, LOTO energy management methods, and the SEMI S10 matrix risk assessment method, which is a standard method used in the semiconductor production equipment industry. In conclusion, the EHS concept as applied to the latest thermal processing system

TELFORMULA was explained and compared with the conventional system.

Our customers gained a heightened understanding of TEL's EHS activities at the seminar and evaluated the event highly, giving us positive feedback and leaving us with comments like: "I really understood TEL's attitude toward EHS" and "This provided me with a lots of new ideas and inspirations."



EHS seminar



EHS staff of Tokyo Electron Taiwan

TOPICS

SEMI Akira Inoue EHS Award in 2003

The Akira Inoue EHS Award is administered by SEMI, an international industrial association for semiconductor material makers and the semiconductor and FPD production equipment manufacturers in the world. This award was established in commemoration of the former president of TEL, the late Akira Inoue, who was also a former board member of SEMI, and a great advocate of the environment and safety with major achievements in EHS activities. The selection process is conducted by SEMI's subcommittee and the award is given to groups or individuals that make great contributions to EHS development in the semiconductor industry or in society.

This award was created in 2000, and in 2003, the award's fourth year, it was awarded to the President & CEO of Seiko Epson Corporation, Mr. Saburo Kusama. The award was given to Mr. Kusama in recognition of his achievements in the advancement of EHS activities, including energy conservation as well as the reduction of waste and greenhouse gas emissions. Under the direction of Mr. Kusama, Epson has pursued the "Co-Existence" concept in all of its business operations and products.

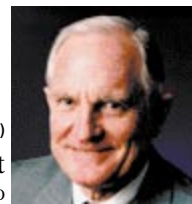
The inaugural award in 2000 went to the CEO of ST Micro Electronics, Mr. Pasquale Pistorio, the second award went to the CEO of Intel Corporation, Mr. Craig Barrett, and the third award went to Dr. Farhang Shadman of the University of Arizona.



First award (2000)

Mr. Pasquale Pistorio

ST Micro Electronics CEO



Second award (2001)

Mr. Craig Barrett

Intel Corporation CEO



Third award (2002)

Dr. Farhang Shadman

University of Arizona



Fourth award (2003)

Mr. Saburo Kusama

Seiko Epson Corporation President & CEO

Our Stance on Social Contributions

Our management philosophy states that “we always want to abide by the law and have a cooperative attitude toward society” and that “it is our duty to cooperate for the healthy development of the society.”

Under this philosophy, all TEL companies are building trustful relationships with the government and local society, while undertaking various activities to preserve the environment and contribute to society. Recognizing above as an important mission and element of being a corporation, we would like to advance with our customers and society while further enhancing these activities.

Our Social Contributions in Japan

● Local clean-up

TEL companies in each region help keep local neighborhoods clean as well as trim greenery as a part of local clean-up activities.

In Ozu town in Kumamoto Prefecture, “Ozu environment beautification campaign day” has been set for two days each year. On these days, beautification and landscaping activities are performed. Our Ozu plant has participated in this event since the plant was opened and cleaned places like the Kumamoto Central Industry District. A total of 49 employees from our companies and our suppliers participated in the activities during the first half of 2004.



Environmental clean-up activities

● Eco-drive

Based on a keen awareness of the need to prevent global warming, we are implementing campaigns to stop the idling of vehicles at each of our plants.

At our Tohoku plant, in order to educate our employees about the need to stop vehicles from idling when driving at work and the value in commuting to work, we have displayed Iwate Prefecture Eco-drive Advisory posters and distributed booklets to each department.

At our Yamanashi plant, stopping vehicles from idling is company policy. For example, all the cars entering and exiting the plant are encouraged at entrance the security station not to leave their vehicles idling in order to reduce CO₂ emissions and raise awareness about not leaving vehicles idling.



Iwate Prefecture's "Eco-drive Advisory" poster

Social Contributions Outside Japan

TEL is actively making social contributions in other countries as well, especially in the United States.

● Award-winning Environmental Campaign

Tokyo Electron America (Head Office in Austin, Texas) was awarded the National Citation of Merit in the Keep Texas Beautiful environmental contest in 2003. We have been actively providing many kinds of assistance, such as educational assistance, particularly in science and mathematics, health assistance for needy local residents, and improvements to make the community easier to live in, as well as landscaping and beautification activities. This award was based upon recognition of our assistance in programs in Austin, such as recycling activities at local schools, nature education programs for local residents, road administration by our employees and waste management programs.



Environmental Campaign Award

TOPICS

A Message from Barry Rapozo, Chairman of Tokyo Electron America, Inc.

What we aim to do is not only to run our business smoothly, but also to serve the welfare of local people. Toward that end, we are making contributions to the local community through various volunteer activities and providing financial support to the extent that it is possible. By expanding what has been done inside the company to the local community, and by working with the community residents, the level of activities is sure to rise steadily. These activities also boost our employee satisfaction levels and translate into higher productivity. We hope to continue with a variety of activities while improving the living standard of the community as a whole.



Barry Rapozo
Tokyo Electron America, Inc.
Chairman & CEO