ENVIRONMENTAL, HEALTH AND SAFETY ACTIVITIES

As a business enterprise, Tokyo Electron has an important mission: to give top priority to people's health and safety and consider environmental protection in the conduct of its business activities.

Fundamental Policy

Tokyo Electron positions environmental, health and safety activities as one of its most important management issues to achieve sustained corporate growth and continued development of society. With that in mind, Tokyo Electron is committed to reducing environmental loads across its activities, and to ensuring absolute safety in the Company's business premises and in those of its customers.

Tokyo Electron embodied these commitments in "TEL's Credo and Principles on Environmental Preservation" and "TEL's Safety and Health Credo and Principles" formulated in 1998. Both statements were reviewed and revised in May 2006 in light of the direction the business is taking and the Company's evolving approach to these issues. The recent revisions clarify a road map for environmental protection measures in product development; they mandate evaluation of environmental issues in the design, manufacture and utilization of our products, and disclosure of information to stakeholders through the publication of environmental and other reports.

EHS Management

Since 1997, Tokyo Electron has developed and implemented environmental management systems based on ISO 14001 standards, mainly for manufacturing operations, and obtained such certification. In fiscal 2006, Tokyo Electron Kyushu Limited completed integration of ISO 14001 certification for four plants: Saga, Kumamoto, Koshi and Ozu, which had already been certified.

Adoption of Environmental Accounting

Tokyo Electron has introduced an environmental accounting system that quantifies the cost of its activities in respect of environmental protection, and uses this as the basis for developing corporate action policies. For more information on achievements in fiscal 2006, please see the "Environmental and Social Report 2006" to be released in September 2006.

Environmental Activities With Regard to Products

Proactive Environmentally Conscious Product Design

As clearly set forth in our revised TEL's Credo and Principles on Environmental Preservation, Tokyo Electron believes that promotion of product designs sensitive to the environment is vital. Tokyo Electron has positioned promotion of energy conservation in its products, and reduction and replacement of hazardous chemicals in its products as priority issues.

1. Energy Conservation During Equipment Use

Since many of our products are manufactured and used in clean rooms, we take an all-inclusive approach that factors in the energy conservation aspect of the entire system, including the equipment and the clean room. The five major targets in this respect are as follows:

1. Reduce energy consumption of the equipment itself
2. Reduce energy consumption of peripheral devices
3. Use equipment in ways that conserve energy
4. Reduce energy consumption of the clean room
5. Overall clean room management (planned and appropriate operation)

Tokyo Electron played a central role in developing the 2005 SEMI S23 Guide for Conservation of Energy, Utilities and Materials Used by Semiconductor Manufacturing Equipment that was adopted as the global standard by the semiconductor industry.

2. Hazardous Substances in Products

Growing out of the concern that hazardous substances in parts and materials could affect the environment and the ecological system, regulations restricting the use of such substances in automotive and electrical products are being tightened throughout the world. The European Union's WEEE*1 and RoHS*2 directives and the China RoHS directive*3 are of particular interest to the electronics and related industries. These directives will have an impact on the products manufactured by Tokyo Electron. Tokyo Electron Group is thus responding proactively by taking measures on hazardous substances in advance of regulatory requirements.

*1 Waste Electrical and Electronic Equipment
*2 Restriction of the Use of Certain Hazardous Substances in electrical and electronic equipment
*3 The official name of the Chinese version of RoHS is Measures to Control Pollution From Electronic Information Products

Company/plant	Plant	Certification date	Certification number
Tokyo Electron AT Limited Tokyo Electron FE Limited	Sagami Plant	December 10, 1997	1110-1997-AE-KOB-RvA
Tokyo Electron Tohoku Limited	Tohoku Plant	February 19, 1998	1118-1998-AE-KOB-RvA Rev.2
Tokyo Electron Kyushu Limited	Kumamoto/Koshi/Ozu/Saga plants	March 26, 1998	1120-1998-AE-KOB-RvA Rev.2
Tokyo Electron AT Limited	Yamanashi Plant (Fujii/Hosaka area)	May 15, 1998	1124-1998-AE-KOB-RvA
	Miyagi Plant	March 1, 2005	01245-2005-AE-KOB-RvA
Tokyo Electron Device Limited	Yokohama Office	July 14, 2004	EC04J0144

Targeted Hazardous Substances

Priority 1 substances
- Cadmium: pigments, stabilization agents, resins
- Hexavalent chromium: chromium plating
- Lead: solder, paints, electrical wire insulation, free-cutting metals
- Mercury: batteries, fluorescent lamps
- PBBs: resin parts
- PBDEs: resin parts

Priority 2 substances

JIG Level A designated substances (includes many substances for which measures are already in place)

JIG: Joint Industry Guide. The JIG is a list of chemicals that require countermeasures, prepared jointly by U.S., European and Japanese private-sector organizations. The substances are classified as Level A or Level B. The Level A list contains 16 substances, such as cadmium, hexavalent chromium, lead, mercury, PBBs, and PBDEs. The Level B list contains more than 400 substances.

Tokyo Electron group has established an Action Team for Substances Contained in Equipment comprised of representatives of manufacturing divisions. The goal is to share necessary information, seek active cooperation from suppliers, and investigate composition and to find and promote substitutes.

Health and Safety Activities

Tokyo Electron promotes health and safety in all of its operations. This includes giving top priority to the health and safety of our employees and customers, and designing products with safety in mind. TEL's Safety and Health Credo and Principles clearly state that all employees are responsible for being constantly aware of health and safety considerations in all their business activities. The Company held six safety training programs for top management at group sites in fiscal 2006, with the participation of executive officers and other employees, including those of affiliates. The program was divided into theory, practice, and discussion. The theory included such topics as the importance of systematic approaches to the human risk factor and risk management. The practice section included reports from sites and on issues from the standpoint of safety. The discussion session debated how best to establish a culture of safety at Tokyo Electron.

This section only discusses some of Tokyo Electron's environmental, safety and health activities. For further details, see "Environmental and Social Report 2006" (to be published in September 2006).
URL: http://www.tel.com/eng/about/ehs/ehsreport/ehsreport.htm

TOPICS

Approach to Reducing Environmental Burden in New Products

Tokyo Electron is reducing the environmental burden in each type of equipment it produces, as appropriate for the environmental characteristics of the equipment. The auto wet station, one of our main products, uses a large volume of pure water during the processes to remove dust and contamination adhering to the wafer surface. Reducing this consumption was one of the goals during the development of the new auto wet station EXPEDIUS. A new water-saving specification has been set for the supply flow during standby, which reduces water consumption by 15% compared to the previous model. Next, a valve was added to the pure water supply line to provide intermittent supply, and this allowed a 70% reduction compared to earlier models. Other new features we are working on at present are control of exhaust air during standby (to reduce the load on the air conditioner of the clean room), shortening of the cleaning time with pure water, and cleaning with a lower-power unit.

EXPEDIUS

Reducing pure water usage during standby