

Editorial Policy

We have prepared this environmental and social report to introduce our activities, in particular our environmental, health, and safety (EHS) activities, as intelligibly as possible. Key features of the report are as follows:

- In "Commitment by Top Management," the Chairman and President of TEL express their opinions on the roles of the IT and semiconductor industries and the social responsibilities that the Tokyo Electron Group should fulfill in those industries (see pages 4 to 7).
- We invited external stakeholders to a roundtable meeting on reducing the environmental impact of semiconductor production equipment, which is one of our priorities in fulfilling our social responsibilities (see pages 8 to 11).
- We report on supply chain management at two of our suppliers (see pages 24 and 25).

We hope that we can promote communication with all stakeholders of the Tokyo Electron Group through this report and incorporate their opinions into our future activities. We look forward to receiving your opinions and comments on this report.

In preparing this report, we referred to the *Environmental Reporting Guidelines (Fiscal Year 2003 Version)* issued by Japan's Ministry of the Environment and to the *2002 Sustainability Reporting Guidelines* published by the Global Reporting Initiative.

Scope of Reporting

■ Organizations covered: Tokyo Electron Group
<Japan>

Tokyo Electron Limited, Tokyo Electron AT Limited,
Tokyo Electron Tohoku Limited, Tokyo Electron TS Limited,
Tokyo Electron Kyushu Limited, Tokyo Electron Software Technologies Limited,
Tokyo Electron FE Limited, Tokyo Electron Device Limited,
Tokyo Electron BP Limited, Tokyo Electron Agency Limited
<United States>

Tokyo Electron U.S. Holdings, Inc., Tokyo Electron America, Inc.,
Tokyo Electron Massachusetts, LLC.

<Europe>

Tokyo Electron Europe Limited

<Asia>

Tokyo Electron Korea Limited, Tokyo Electron Korea Solution Limited,
Tokyo Electron Taiwan Limited, Tokyo Electron (Shanghai) Limited,
Tokyo Electron (Shanghai) Logistic Center Limited
(Company names as of August 2006)

■ Period covered: Fiscal year (FY) 2006 (April 1, 2005 to March 31, 2006)

■ Areas covered: Environment, society, and economy

Contents

TEL Values, Corporate Profile	2
Editorial Policy, Scope of Reporting, Environment and Safety Activity Milestones	3
Commitment by Top Management	4

Highlights

● Connecting the World with State-of-the-Art Technology	6
● Roundtable Meeting with Stakeholders Reducing the Environmental Impact of Semiconductor Production Equipment	8

Management Report

● Corporate Governance	12
● Compliance	13

EHS Report

● EHS Management	14
● EHS Activity Goals and Results	16
● Details of Environmental Impact/Environmental Accounting	17
● Product-Related Initiatives for the Environment	18
● Environmental Initiatives in Transportation	23
● Supplier's Environmental Initiatives	24
● Plant and Office Initiatives for the Environment	26
● Health and Safety	30

Social Report

● Relationship with Employees	32
● Communicating with Stakeholders	33
● Comment from a Stakeholder	35

Environment and Safety Activity Milestones

May. 1994	Standardization, Environment and Safety Center (Environment, Health & Safety Center) established	Dec. 1999	"Health, Safety, and the Environment" added to the Management Philosophy
Mar. 1996	Product Safety Subcommittee (Tokyo Electron Group Product EHS Technical Committee) launched	Apr. 2000	Environmental accounting introduced
Apr. 1996	Environmental Subcommittee (Tokyo Electron Group EHS Committee) launched	Apr. 2000	Unified safety training system "Safety 2000" implemented
Dec. 1997	Sagami Office acquires ISO 14001 certification	Dec. 2000	First Tokyo Electron Group environmental report published
Feb. 1998	Tohoku Plant acquires ISO 14001 certification	Apr. 2001	Product life cycle assessments started
Mar. 1998	Saga Plant acquires ISO 14001 certification	Oct. 2001	Green procurement launched
Mar. 1998	Kumamoto and Koshi Plants acquire ISO 14001 certification	Oct. 2001	Environmental training introduced in facilities not yet certified under ISO 14001
May. 1998	Yamanashi Plant acquires ISO 14001 certification	Apr. 2002	Original TEL Eco-Activity (environmental management system based on ISO 14001) begun
Sep. 1998	Tokyo Electron Group Credo and Principles on Environmental Preservation established	Dec. 2002	Tokyo Electron Group Internal Assessment mutual auditing by environment or safety representatives from each facility started
Nov. 1998	Tokyo Electron Group Credo and Principles on Safety & Health established	Apr. 2003	Lead-Free Task Team activities started
Jun. 1999	Safety First policy established	Jul. 2004	Yokohama office of Tokyo Electron Device acquires ISO 14001 certification
Aug. 1999	Ozu Plant acquires ISO 14001 certification	Mar. 2005	Miyagi Plant acquires ISO 14001 certification
		Oct. 2005	Energy-Conservation Task Force starts activities to promote energy-saving products