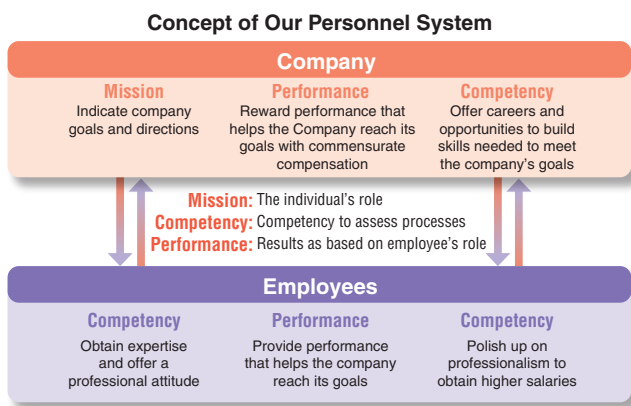


Relationship with Employees

The Tokyo Electron Group endeavors to create a workplace that motivates employees and values their self-initiative.

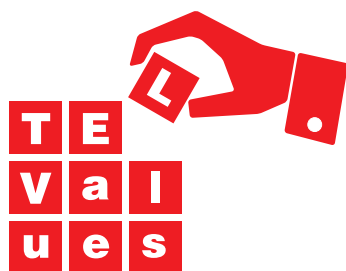
Concept Underpinning the Personnel System

The Tokyo Electron Group respects a spirit of challenge and independence among its employees and aspires to be a corporate group in which employees can take on a variety of challenges. We are improving the working environment to attain the following three targets: (1) fair evaluation of employees who fail while taking reasonable risks in creative endeavors; (2) rigorous fairness in handling of our personnel; and (3) fairness in compensation. Our personnel system is designed to motivate the organization and help each employee develop him/herself. The system does not only focus on results, but also attributes importance to the process leading to those results. Our goal is to fairly evaluate employees based on their contribution through the three mainstays of “competency to assess processes,” “the individual’s role (mission),” and “results based on the employee’s role (performance).” Competency is not just an objective of assessment and inspection, but a measure of growth of the individual employee’s skills and abilities as required for various task categories.



TEL Values

In April 2006, we summarized the values and codes of conduct of the Tokyo Electron Group as TEL Values. At present, various related programs are being implemented, including the Chairman’s visits to offices/plants and communicative forums among employees, in order to share TEL Values with all members of the Tokyo Electron Group.



In addition, we conduct an annual survey of employees to investigate their awareness of TEL Values and what effect they have on employee motivation. The results of this survey are shared with employees.

Providing Employees with Comfort in the Workplace

The Tokyo Electron Group is committed to providing employees with a comfortable workplace. As part of efforts, we revised our childcare leave system in April 2007 and introduced a parenting benefit program the following October. Our employees can now take extended periods of leave for child care¹ and choose to work shorter hours (one hour less than regular hours) for a longer period². In fiscal year 2008, a total of 54 employees took childcare leave. Our regular employees are also eligible to receive financial support of 500,000 yen; 300,000 yen; 200,000 yen; and 100,000 yen when their children are born, turn three years old, enter elementary school and enter junior high school, respectively³.

In addition, we have a “refresh vacation” system so that employees can refresh themselves both physically and mentally. Under this system, employees can take from two weeks to one month holiday when their term of service reaches 10 years, 15 years, or 25 years.

In recent years, mental health problems in the workplace have become a serious social concern. In response, we provide mental health education for our executives and are actively implementing measures to help employees look after their mental health.

- 1 In the past, employees were eligible for childcare leave until their children turned one year old (or 18 months in exceptional cases). However, they can now take leave until the end of the April following the date on which their child turns 18 months (or until their children are three years old in some exceptional cases).
- 2 Eligible employees can use this system until the end of the fiscal year when their children graduate from elementary school. In the past, eligibility was limited to those with children aged three or younger.
- 3 The benefit amount may vary if applicable children are not covered by the company’s health insurance program.

TEL University

The Tokyo Electron Group believes that employees are invaluable assets for the Group. Based on this belief, we foster our employees’ capabilities from a mid- and long-term perspective in order to achieve employees’ individual development and increase the vibrancy of the Group. In other words, we aspire to be a company filled with dreams and vitality. For this purpose, we established TEL University in August 2007. TEL University is designed to provide employees with opportunities to obtain the knowledge and skills necessary for us to pursue the number one position worldwide. What’s more, the University is useful in developing the capabilities of managers and educating the next generation of leaders as well as in promoting exchanges between management and employees and helping employees deepen their understanding of the TEL Values.