

## People and workplaces

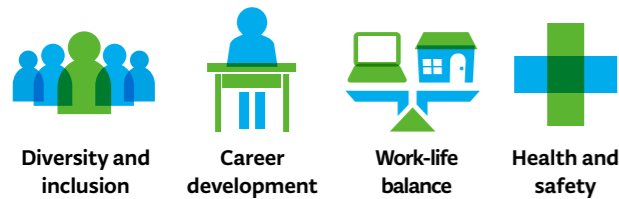


Recently, it has become important for companies to develop operations that are sustainable from the perspectives of people and workplaces, meeting the new demands of society, responding to new demands of society, such as the decline in the working population and diversification of workstyles, employing people with diverse values, and so on. By promoting work-life balance, as well as diversity and inclusion, Tokyo Electron shows respect for various work styles, as well as the individuality and values of each of its human resources, treasuring the new value introduced when individuals exercise their capabilities. In addition, the company is strengthening operation of a global human resource system, evaluation system, and its human resource development program, promoting health and safety, among other measures, in an effort to nurture employees who feel their work is rewarding, and who are proud of the company.

### Medium-term goals (4)

## Maximize dreams and drive

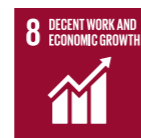
#### Priority themes, Main activities



- Diversity and inclusion**  
Human resource management system
- Diversity and inclusion**  
System and initiatives, Conference for Women Engineers
- Career development**
- Human resource development initiatives**
- Work-life balance**  
Basic skill enhancement initiatives, global human resource system, promotion of paid leave-taking, childcare and nursing systems
- Health and safety**  
Support systems for health, self-care platform, safety initiatives, accident reporting system

#### SDGs initiatives

- By globally promoting a highly transparent human resource system, together with fair appointment and remuneration, strive to facilitate rewarding, human-focused employment (decent work)
- Proactively develop work-life balance, diversity and inclusion, and pursue equality among people and in the workplace



Decent work and economic growth



Reduced inequalities

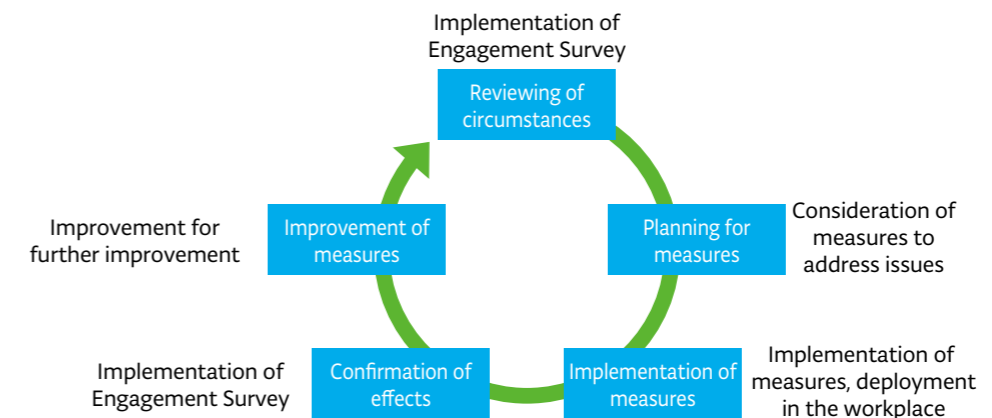


## Human resource management

### Human resource management system

Tokyo Electron (TEL) regularly conducts a global engagement survey which aims to enhance employee work satisfaction and motivation, achieving growth for both the company and its employees. Questions on issues such as pride in the company and work, and awareness and evaluation of the work environment help TEL to grasp the current situation. The company uses a continuous improvement cycle based on the characteristics of each region and workplace, whereby it aims to improve the workplace environment.

In fiscal year 2019, TEL established a new evaluation system to support the global human resources system introduced the previous year. The company also focused on the four topics of diversity and inclusion, career development, work-life balance, and health and safety, to promote the creation of a workplace environment where employees can work more happily.



## Diversity and inclusion

### Systems and initiatives

Overseas sales account for over 80% of total sales for Tokyo Electron (TEL), positioning the company in circumstances requiring extremely fast technological innovation. In order for TEL to generate innovation and continue to grow, it is essential for the company to be one where personnel with diverse individuality and strengths can play an active role while exercising their capabilities. TEL is actively promoting the creation of an environment where the diversity of talent leads to greater competitiveness, by developing a workplace where anyone, irrespective of gender, nationality, age, background, disability, or stage of life, can work while feeling at ease, tackle challenges with strong motivation, and be able to grow.

In fiscal year 2019, TEL launched a Diversity Promotion Team. It conducted an employee awareness survey, focusing on female employees, managers, regarding one element of diversity: gender diversity, achieving a response rate of approximately 80%. The company has built a foundation that promotes diversity, through lively debate, with a greater workplace perspective, on what kind of workplace to create, on work styles, and on what is needed to support development of abilities, to ensure that employees from various backgrounds, including those with time constraints, can continue to work at TEL. In fiscal year 2020, the company will launch a dedicated taskforce to promote diversity and inclusion, which it will develop with a core human resource strategy of promoting an environment where diverse talent from around the world can play an active role and produce results irrespective of gender, nationality, or disability, while minimizing the impact of the stage of their lives.

Furthermore, TEL is putting effort into harassment prevention education and awareness activities in order to realize a workplace where diverse employees can play an active role with greater mutual understanding. In fiscal year 2019, legal advisors conducted live seminars to raise awareness of the issue of power harassment in particular, attended by roughly 90% of the company's approximately 1,100 executives and managers. TEL is working to establish an environment where employees with disabilities can work with peace of mind, and is driving efforts to hire such people. In fiscal year 2019, people with disabilities accounted for 2.04% of employees in Japan operations overall.

**Conference for Women Engineers**

Since fiscal year 2018, TEL has held a Conference for Women Engineers, linking Akasaka headquarters with offices throughout Japan via a video conferencing system, to support networking among women engineers, and to provide opportunities for learning and awareness. At the third conference, held in February 2019, an external speaker was invited to talk about careers for women, and other lectures were given by young women engineers and women in management. On this occasion, around 100 employees, including men, participated. Feedback included comments that the opinions from external parties help the participants to broaden their horizons, and that they were able to exchange information and build communication with other engineers, indicating that they recognized the impact of the event. In the future, the company plans to expand the scope of such events beyond engineers.

**Career development**

**Human resource development system**

Tokyo Electron (TEL) has established TEL UNIVERSITY as an in-house educational establishment for the entire company to help employees to develop their careers and realize their personal goals independently. The curriculum of TEL UNIVERSITY includes courses that provide world-class knowledge and skills, with training programs adapted to different levels and goals.

**Corporate education system (TEL UNIVERSITY)**

	Management	Executives	Leaders	Mid-level employees	Junior employees New employees
Level-based programs		Introductory programs (new graduates, mid-career recruits)			
		OJT <sup>1</sup> programs (new graduates, mid-career recruits)			
		Manager programs		Mid-level employees	Junior employee programs
		Leader programs			
Goal-based programs		Compulsory WBT <sup>2</sup>			
		Business skills			
		Global communication			
		Life support			
		Technical programs (seminars & workshops)			



Management education costs

**¥49M**

- 1 OJT: On the Job Training
- 2 WBT: Web-Based Training

**Human resource development initiatives**

**Leader programs**

TEL conducts succession programs to identify and systematically nurture staff who will advance into management and realize medium- to long-term improvement of corporate value. In fiscal year 2019, TEL conducted training for selected next-generation management candidates and dispatched them to external training, supporting them to gain a broader perspective and to build networks outside the company. TEL is also developing practical programs that meet the expectations and development needs of each person.

**Manager programs**

The role of managers is important for enabling value creation by each individual. In fiscal year 2019, the company conducted group training for newly appointed managers, incorporating third-party assessment and other elements in order to nurture the practical skills and mindset required for managers, including the development of subordinates, self-reflection, and personnel evaluation.

**Step-up activities**

TEL implements step-up activities for about six months from the summer of each employees' second year in the company, to encourage autonomy among junior employees. Junior employees set their own themes and targets in the workplace while planning activities, which they advance, that provide opportunities to develop learning and awareness of growth. This is done with the involvement of their superiors and colleagues.

**Life support**

TEL provides employees with various programs so that they can make full use of their abilities and feel peace of mind while in the company. Within Japan, TEL conducts a life design seminar every year for employees aged 51 or over in order to provide important information for retirement, including how to spend their years until retirement as well as financial planning beyond retirement. In an effort to support staff development, the company also conducts seminars for other age groups on topics relevant to many employees, including nursing of family members and psychological self-care.

**Work-life balance**

**Initiatives to improve basic skills**

Tokyo Electron (TEL) has set its vision to be "A truly global company generating high added value and profits in the semiconductor and flat panel display industries through innovative technologies and groundbreaking proactive solutions that integrate diverse technologies." To realize this, each employee must be able to strike a balance between their work and private life, so that synergy is created between employees and the company to enable each to grow.

Based on its global human resources system, TEL is promoting the creation of an environment to enable employees to both improve their basic skills and grow while striking a balance between their work and private life. TEL works to enhance and offer an education program whereby employees can learn business skills adapted to their individual level, aims, and schedule. TEL provides a skill map whereby employees can grasp the business skills expected of them, a skills development guide that summarizes the importance of learning and techniques for learning, and a course guide that outlines details of lectures offered in order to support each individual in proactive study.

**Global human resources system**

The global human resources system, introduced in 2017, considers the role each individual is expected to play and their career, to encourage proactive contribution to improving the corporate value of TEL. In order to achieve this, the system clarifies individual roles and responsibilities, and allows absolute evaluation of the level of achievement by individuals against goals set, to facilitate more acceptable remuneration.

By evaluating the autonomous challenges of employees, TEL is able to make their treatment more transparent, as the company strives to nurture an organizational culture with dreams and vitality where individuals who proactively accept challenges without fear of failure can flourish.

**Encouraging leave-taking**

In order to enable employees to continue working while taking sufficient leave, TEL strives to correct long work hours and aims to enhance the leave system, and promote leave-taking.

In fiscal year 2019, TEL set a target of 70% annual leave-taking, promoting management to improve leave-taking rates through initiatives such as five days planned leave every six months, regular monitoring of annual leave-taking status, and encouraging awareness of planned leave-taking, resulting in leave-taking rates of 67.2% in Japan and 80.9% overseas during fiscal year 2019.

In addition, TEL has introduced a unique refreshment leave system. It aims to provide refreshments for employees and to thereby boost their motivation to work. The system grants special (paid) leave from two weeks to one month of service to employees who have worked for more than 10 years. In fiscal year 2019, 605 employees in Japan took refreshment leave, and 473 overseas.



Take-up rate of annual paid leave (global)

**72.5%**

Childcare and nursing systems

In order to allow each employee dealing with childcare and nursing to adopt a flexible approach to work according to their individual lifestyle and stage in life, TEL has established a support system, in addition to that which is legally defined. In Japan in particular, we are working to enhance work styles for employees.

In addition to allowing extension of the childcare leave period until the child reaches three years of age at the longest, TEL also expanded measures to reduce working hours for childcare to employees raising children until their graduation from elementary school. We have also established leave to care for a sick or injured child and childcare support leave. As a result, in Japan, we have achieved a return to work rate of 93.5%, and 41% of female TEL employees are working mothers. Furthermore, in addition to allowing paid nursing care leave up to the fifth day, we are also improving the nursing care system to make it possible to take nursing care leave three times per person requiring care and to allow nursing care leave of a total of one year.



New work styles

TEL is continuing to seek new work styles for employees. In addition to introducing a flextime system, we are testing a teleworking system that enables employees to utilize time more effectively by eliminating commuting time at Tokyo Electron Headquarters.

Health and productivity management promotion

So that employees can realize a fulfilling life's work, and at the same time, contribute to the advancement of TEL's business by harnessing their full capacity, it is important that every employee can maintain their health and dynamism while at work. By putting systems in place, we strive to build an environment where employees can work with peace of mind.

In acknowledgment of these initiatives, TEL was recognized as a White 500 company under the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program.<sup>1</sup> Taking advantage of this opportunity, we will continue to promote global initiatives with each TEL Group company to drive efforts to improve the health and productivity of its employees.



<sup>1</sup> Certified Health & Productivity Management Outstanding Organizations Recognition Program: The program publicly recognizes particularly outstanding organizations that are practicing health-oriented business management, based on initiatives attuned to local health-related challenges and on health-promotion initiatives led by the Nippon Kenko Kaigi.

Health and safety

Support systems for health

TEL has built systems that are mindful of employee health. Besides conducting various medical checkups in accordance with the law, TEL also offers face-to-face consultations by designated occupational health physicians for employees who work long hours. We have also set up health help desks supported by occupational health physicians so that employees and their families can seek advice if they have any health issues to discuss. TEL also offers counseling services supported by external industrial counselors if requested by an employee. Regular "line-care"<sup>2</sup> seminars are also held, targeted at line managers.

In fiscal year 2019, in order to strengthen its support structure, we held liaison meetings with the designated occupational health physicians at each company to share information on current issues faced by the TEL Group. In the future, we will continue to steadily carry out initiatives to resolve these issues.

Wellness declaration

Based on the wellness declaration announced in 2012, we have promoted the improvement of employees' exercise habits based on a program of Eat-Rest-Walk-Talk. In regards to the "Eat" aspect, the renovated company cafeteria at Fuchu regional office offers healthy food choices. In addition, nine of our plants and offices in Japan offer activities to support daily health development, such as body composition measurement sessions.



Company cafeteria at Fuchu Technology Center incorporating SDGs colors

<sup>2</sup> Line-care: A workplace measure for mental health, in which managers and supervisors take a lead role in responding to requests by workers for advice, with an aim of improving the workplace environment

Stress checks

Within Japan, TEL has implemented comprehensive measures for mental health. Using a questionnaire recommended by the Ministry of Health, Labour and Welfare, employees complete a stress check once a year, and if determined to be under high stress, they are put in contact with an occupational health physician or public health nurse for in-depth face-to-face support as stipulated under law. In addition, the company also implements thorough mental support for employees whereby those who wish to may meet for discussion with an occupational health physician or public health nurse in the form of a health consultation. The company also undertakes organizational analysis to deal with organizations which have a comparatively heavy burden.

During fiscal year 2019, the stress check was taken by 92.2% of employees in Japan.



Self-care platform

We have introduced the Pep Up personal healthcare platform, enabling employees to check the results of their medical checkups quickly, and to understand their daily health management data, such as weight, blood pressure, and body fat ratio, as well as their health age.<sup>1</sup> Using this platform, we hold walking events, and distribute activity trackers to help employees in managing their diet and exercise.

Safety management framework

Based on a culture of "Safety First," TEL carries out ongoing activities for safety promotion. In its effort to raise the overall level of safety and occupational health, TEL uses a management system based on OHSMS<sup>2</sup> to manage safety and occupational health and follows the PDCA cycle, to reduce the potential risk of work-related accidents. Moreover, by sharing information of any issues with the EHS council and the manufacturing company presidents' council, the company promotes safety management as a company-wide initiative.

Activities for safety

At each factory and office, monthly safety and health committee meetings are held to discuss measures for any workplace safety or employee health issues and to conduct safety inspections. TEL has also set up a system for autonomous problem-solving at manufacturing sites, with safety inspections by representatives from appropriate departments at least once per month.

Before starting work at TEL manufacturing sites, the details of the job and the risks are shared with all workers involved, and they each increase their awareness in an effort to prevent accidents. In addition, effort is also being directed to safety managers giving advice on how to manage hazards, as well as to make workers stop work and take corrective action in the event of an unforeseen incident while on the job.

In addition, TEL is implementing two education programs globally for the establishment of safe work environments. TEL's program on basic safety targets all employees and is provided as introductory training for new hires as well as refresher training every third year of employment. In total, more than 50,000 employees have completed this program. Our other program, advanced safety, targets employees working in cleanrooms and on production lines. Participants are required to complete the course every year. Some portions of rules pertaining to safety are based on Japanese law, therefore when employees are transferred overseas, they undertake training regarding any differences in a language that they understand, with the aim of standardizing the company's education.

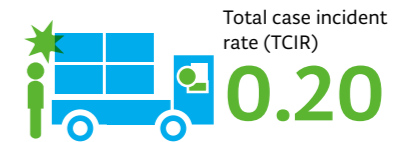
To eliminate accidents, TEL also provides risk assessment training and web-based training at offices and factories in Japan and overseas. Finally, we also provide safety information to suppliers as part of support for initiatives to prevent accidents.

As a result of having maintained a high priority on creating safe work environments, TCIR<sup>3</sup> has been maintained at or below the company's target of 0.5, with 0.20 in fiscal year 2019.

Accident reporting system

If a safety-related accident occurs, the information is shared with related parties and persons in charge through the accident reporting system, creating a system which resolves issues and leads to the proposal of measures to prevent reoccurrence.

In fiscal year 2019, the company commenced operation of TEL Incident Report System (TIRS), a newly developed accident reporting system, to further improve the accuracy of report content.



<sup>1</sup> Health age: An indicator showing risk of lifestyle diseases, calculated based on the results of an employee's medical checkup. The difference in years with the employee's actual age is displayed, helping them understand their equivalent age in terms of their health conditions.

<sup>2</sup> OHSMS (Occupational Health and Safety Management System): A management system to improve the overall level of safety and occupational health

<sup>3</sup> TCIR (Total Case Incidence Rate): The number of workplace accidents per 200,000 work hours