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Comments on Tokyo Electron Sustainability Report 2016

Company stakeholders expect business to thrive and grow with society in a sustainable manner. Corporations are nowadays requested to improve medium- to long-term corporate value by leveraging their business activities and company resources to contribute to the resolution of current social issues. To attain these goals, we must generate new value through a cycle of CSR activities that builds on itself and becomes even more competitive in the global market. The nature of CSR programs is shifting these days, from a passive set of activities to a proactive program based on societal needs. The thinking behind this approach is that by seamlessly integrating business operations with CSR, social contribution and profitability can be achieved simultaneously.

To emphasize TEL's new focus on sustainable development and growth that is aligned with society, the title of this report has been changed from "Environmental and Social Report" to "Sustainability Report." The report includes a description of the medium-term management plan formulated under the leadership of our new management team. The plan outlines TEL's business goals up to fiscal year 2020. The report also clarifies the relationship between the medium-term management plan and various social issues surrounding our business. It lists a revised set of key issues and provides a simple overview of the goals and activities of each department.

TEL chose five key issues for this fiscal year: "Product competitiveness", "Customer responsiveness", "Earnings power", "Maximizing dreams and drive", and "Establishing sustainable operations." The first three of these come from the medium-term management plan. A total of 15 themes and 16 goals have been established under these key issues, and we have been pursuing these goals. The themes and goals that fall under "Establishing sustainable operations" are especially important, as they include corporate governance, compliance and ethics, safety, environmental management, and supply chain management—items that are essential to the enhancement of corporate value. We hope to share our progress on these objectives with all employees and ultimately to achieve the goals through our united efforts.

Our business operations and CSR initiatives cannot be successful without strong stakeholder communication and engagement based on mutual trust. As we put our corporate philosophy into practice, we are aware how essential CSR is for enhancing our corporate value in both financial and non-financial terms. Just as we must engage in investor relations (IR) activities in the capital markets, we must keep our shareholders and other stakeholders well informed about both our basic position with CSR and the specific activities we are pursuing. This includes our CSR policy, the internal promotion system, our CSR goals, and company results. We believe such communication will give the stakeholders a deeper understanding of our CSR management overall.

Main awards and recognition received in fiscal year 2016

Category	Award received * Awards received in fiscal year 2017	Sponsor	Recipient*
Business partner	Excellent Service In F10 Expansion	Taiwan Semiconductor Manufacturing Co., Ltd.	TEL
	BEST PARTNER OF THE YEAR	SK hynix Inc.	TEL
	TowerJazz's 2015 "Most Reliable Tool Set" Supplier of the Year Award	Tower Semiconductor Ltd. (TowerJazz)	TEL
	2015 Partner Award	Fuji Electric Co., Ltd.	TEL
	Best in class	SanDisk Corporation	TEL
	Outstanding Support Award	WIN Semiconductors Corporation	TEL
	2015 SCQI Award	Intel Corporation	TEL
	Partnership Award	Yokkaichi Operations, Semiconductor & Storage Products Company, Toshiba Corporation	TEL
	Best Supplier Award 2015	Skyworks Panasonic Filter Solutions Japan Co., Ltd.	TEL
	Appreciation Award*	United Microelectronics Corporation	TET
	Supplier Excellence Award*	Texas Instruments Incorporated	TEL
	AUO Global Partner Summit 2016 Award*	AU Optronics Corporation	TEL
	Best Supplier Award	LG Display Co., Ltd.	TEL
	Special Contribution Award*	Xiamen Tianma Micro-electronics Co., Ltd.	TEL
Product	Semiconductor of the Year Excellence Award in the semiconductor manufacturing equipment category EXIM™ sputtering system for next-generation semiconductors	Sangyo Times, Inc.	TEL
Environment/ safety	Minnesota Safety Council Governor's Safety Award*	Minnesota Safety Council	TEF
	CDP Disclosure Score: 94 CDP Performance Score: B	CDP	TEL
	The 19th Nikkei Environmental Management Survey: Ranked 23rd	Nikkei Inc.	TEL
Communication/ society	Certificate of appreciation: For supporting the Tohoku Forum for Creativity and establishing the TOKYO ELECTRON House of Creativity	Tohoku University	TEL
	FTSE4 Good Global Index	FTSE	TEL
	The Sustainability Yearbook 2016 Yearbook Member and Industry Mover	RobecoSAM AG	TEL
	MSCI ACWI ESG Index and MSCI World ESG Index	MSCI	TEL
	2015 Internet IR Excellence Award	Daiwa Investor Relations Co., Ltd.	TEL

* TEL: Tokyo Electron Limited / TET: Tokyo Electron Taiwan Limited / TEF: TEL FSI, Inc.