

Compliance

The TEL Group acts in strict compliance with business ethics and applicable laws to ensure that its corporate activities are fair and reliable.

Stance on Business Ethics and Compliance

Trust is the cornerstone of the TEL Group's business foundation. The fundamental requirements for maintaining trust are rigorous conformity to ethical standards and compliance with the law, by individual employees and by each of our organizations.

In line with the basic policy for internal control systems in the Tokyo Electron Group, all Group employees are required to maintain high standards of ethics and to act with a clear awareness of compliance.

Code of Ethics, Chief Business Ethics Director and Ethics Committee

In 1998, Tokyo Electron formulated the Code of Ethics of the Tokyo Electron Group (revised in April 2011) to establish uniform standards to govern all of its global business activities.

In the same year, Tokyo Electron appointed a Chief Business Ethics Director and established the Ethics Committee, which is responsible for promoting awareness of business ethics throughout Tokyo Electron.

This Code of Ethics prescribes a common code of behavior for all employees of Tokyo Electron and the Group, and Tokyo Electron distributes it to all Group employees, including those overseas.

The Code of Ethics of the Tokyo Electron Group

I. Principles

1. Compliance with Applicable Laws
2. Acting in Accordance with Social Conscience
3. Maintaining Harmonious Relationships with Local Communities

II. Honest and Fair Business Activities

- (A) Technology, Safety, and the Environment
 4. Ensuring Safety and Pursuing Quality
 5. Promoting Environmental Preservation Activities
 6. Ethics in Manufacturing
- (B) Fair Trade
 7. Implementing Fair and Open Competition
 8. Fair Business with Suppliers
 9. Handling of Confidential Information
 10. Strict Export/Import Controls
 11. Reasonable Exchanges of Gifts and Entertainment within the Bounds of Common Sense
- (C) Relationship between the Company and Individuals
 12. Prohibition of Conduct Causing Conflicts of Interests
 13. Prohibition of Improper Use of Company Assets
 14. Prohibition of Conduct of Harassment

III. Being a Good Corporate Citizen

15. Prohibition of Insider Trading
16. Prohibition of Political Activities and Contributions
17. Prohibition of Involvement in Antisocial Forces
18. Respect for Individuals

Compliance & Internal Control Executive Officer

Since April 2009, Tokyo Electron has appointed Compliance & Internal Control Executive Officer from among its executive officers to raise awareness of compliance across the Group and further improve its implementation.

Framework for Thorough Implementation of Compliance

Tokyo Electron has drawn up the Compliance Regulations setting out basic compliance-related requirements in line with its Code of Ethics. The Compliance Regulations are intended to ensure that all individuals who take part in the business activities of the Group clearly understand the pertinent laws, regulations, international standards, and internal company rules and continuously apply these rules in all of their activities.

(1) Internal Reporting System

In the event that an employee becomes aware of any activity which may violate laws, regulations or principles of business ethics, Tokyo Electron operates an internal reporting system (Hotline) that employees may use to report their concerns. Strict confidentiality is maintained to protect the whistle blower, and to ensure that they are not subjected to any disadvantages or repercussions.

(2) Employee Training

Tokyo Electron conducts web-based training programs for employees, makes information on compliance issues available to employees via the Intranet, and takes other steps to promote broad awareness of compliance throughout Tokyo Electron.

(3) Confirming Information on Japanese Laws

In order to reduce the risk of legal compliance violations, Tokyo Electron regularly identifies and clarifies the Japanese laws that affect company operations and regulations. Information regarding revisions to relevant laws is received in a timely manner via an external Web service and appropriate responses are taken such as amending regulations, changing operational procedures, and notifying all personnel affected by the revisions.

(4) Compliance Survey

In December 2010, the TEL Group conducted an anonymous compliance survey via the Internet targeting approximately 12,000 employees and executives from its Group companies in Japan and overseas with the purpose to ascertain the understanding, penetration and inherent risks regarding compliance within the TEL Group and to utilize this to develop improvement measures and prioritize its actions. Going forward, we will use the results of this survey to continually enhance our compliance practices and programs.