

Performance summary: Social

Composition of employees

		FY2015	FY2016	FY2017	FY2018	FY2019
Regular employees (Region/Group)	Number of employees	10,531	10,306	10,920	11,696	12,469
	Japan	6,853	6,737	6,967	7,268	7,526
	Rest of Asia	1,386	1,543	1,850	2,218	2,832
	Europe and Middle East	670	440	448	492	513
	North America	1,622	1,586	1,655	1,718	1,598

		FY2015	FY2016	FY2017	FY2018	FY2019
Employees (Employment type/Japan)	Number of employees	7,166	7,060	7,288	7,516	7,797
	Regular employees	6,853	6,737	6,967	7,268	7,526
	Men	5,982	5,874	6,079	6,292	6,479
	Women	871	863	888	976	1,047
	Non-regular employees	313	323	321	248	271
	Men	183	201	209	181	220
	Women	130	122	112	67	51

Recruitment/employment (Japan)

		FY2015	FY2016	FY2017	FY2018	FY2019
New graduates hired	Number hired	73	25	72	167	199
	Under 30 yrs old	73	24	72	163	198
	Men	65	20	70	131	166
	Women	8	4	2	32	32
	30-49 yrs old	0	1	0	4	1
	Men	0	1	0	4	1
	Women	0	0	0	0	0
	Over 50 yrs old	0	0	0	0	0
	Men	0	0	0	0	0
	Women	0	0	0	0	0
	Percentage of women	11.0	16.0	2.8	19.2	16.1
Career-track recruits	Number hired	62	66	279	262	239
	Under 30 yrs old	11	17	102	102	85
	Men	3	13	85	85	67
	Women	8	4	17	17	18
	30-49 yrs old	45	47	170	156	145
	Men	29	31	155	135	119
	Women	16	16	15	21	26
	Over 50 yrs old	6	2	7	4	9
	Men	4	2	6	3	5
	Women	2	0	1	1	4
	Percentage of women	41.9	30.3	11.8	14.9	20.1
Employees with disabilities	Percentage hired (TEL)	2.00	1.96	2.13	2.22	2.18
	Percentage hired (Group)	1.94	1.98	1.98	1.91	2.04
Female managers (Group)	Number of people	32	39	42	20*	22*
	Percentage	1.3	1.5	1.6	1.8*	2*
Reemployment system	Number of users	74	101	125	156	201
	Men	74	98	123	155	196
	Women	0	3	2	1	5
Second career support system	Number of users	69	49	34	31	30
	Men	59	43	30	30	28
	Women	10	6	4	1	2
Percentage of regular employees who received regular performance and career evaluations		100.0	100.0	100.0	100.0	100.0

* Grade resetting through global human resources system

Employee retention (Japan)

		FY2015	FY2016	FY2017	FY2018	FY2019
Employee retention	Retention after three years of joining TEL*	94.2	93.6	92.9	93.4	93.0
	Men	95.0	94.1	94.1	94.3	93.5
	Women	90.3	90.2	85.2	87.1	88.0
	Average service years	16 yrs. 4 mos.	17 yrs. 0 mos.	17 yrs. 1 mos.	17 yrs. 1 mos.	17 yrs. 2 mos.
	Men	16 yrs. 6 mos.	17 yrs. 2 mos.	17 yrs. 4 mos.	17 yrs. 4 mos.	17 yrs. 5 mos.
	Women	15 yrs. 3 mos.	16 yrs. 0 mos.	15 yrs. 5 mos.	15 yrs. 7 mos.	15 yrs. 8 mos.
Turnover	Employee turnover	198	131	102	103	108
	Men	164	94	82	82	88
	Women	34	37	20	21	20
	Turnover percentage	2.7	1.8	1.4	1.4	1.4

* Average in recent five years

Work-life balance (Japan)

		FY2015	FY2016	FY2017	FY2018	FY2019
Annual paid leave	Take-up rate	61.8	62.6	64.1	64.3	67.2
Refreshment leave	Number of those who took leave	1,285	1,045	586	639	605
	Men	1,091	926	499	556	507
	Women	194	119	87	83	98
Paternity leave	Number of those who took leave	192	172	179	180	155
Childcare leave	Number of those who took leave	52	42	44	41	56
	Men	3	2	2	4	8
	Women (percentage who took leave)	49 (94.5)	40 (93.3)	42 (95.7)	37 (93.2)	48 (100.0)
	Number of those who returned to work after leave	46	46	44	44	43
	Men	2	1	2	6	6
	Women	44	45	42	38	37
	Percentage reinstated	88.5	85.2	93.6	93.6	93.5
	Retention rate	94.3	91.3	95.7	90.0	88.9
Shorter working hour system	Number of those who used	183	188	170	176	153
	Men	11	13	23	24	8
	Women	172	175	147	152	145
Leave to care for a sick/ injured child	Number of those who used	460	453	464	455	517
	Men	246	245	263	281	334
	Women	214	208	201	174	183
Childcare support leave	Number of those who took leave	96	103	106	120	129
	Men	24	15	16	19	26
	Women	72	88	90	101	103
Extended nursing care leave	Number of those who took leave	2	0	2	3	5
	Men	0	0	1	2	2
	Women	2	0	1	1	3
Short nursing care leave	Number of those who took leave	20	31	50	47	63
	Men	11	10	31	25	38
	Women	9	21	19	22	25
Shorter working hour system for nursing care	Number of those who used	1	0	0	0	2
	Men	1	0	0	0	0
	Women	0	0	0	0	2

Safety

	FY2015	FY2016	FY2017	FY2018	FY2019
Percentage of employees who received training on basic safety	100	100	100	100	100
Percentage of employees who received training on advanced safety	100	100	100	100	100
Lost time incident rate (LTIR)	0.53	0.42	0.46	0.77	0.40
Number of workplace injuries per 200,000 work hours (TCIR)	0.24	0.21	0.28	0.38	0.20

Performance summary: Social

Products/Innovation

	FY2015	FY2016	FY2017	FY2018	FY2019
Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	0	0	0	0	0
Number of active issued patents	16,421	16,300	16,023	16,767	17,473
Japan	5,288	5,172	4,984	5,091	5,304
North America	4,326	4,361	4,224	4,321	4,415
Active issued patents (country)					
Europe	354	241	199	185	179
Korea	2,847	2,784	2,672	2,864	3,076
Taiwan	1,983	2,131	2,387	2,675	2,817
China	1,623	1,611	1,557	1,631	1,682

	CY2013*	CY2014*	CY2015*	CY2016*	CY2017*
Global patent application rate	69.5	68.0	70.0	76.1	81.2
Patent application success rate					
Japan	74.0	78.0	66.5	71.5	82.9
North America	62.8	71.2	72.3	78.0	85.1

* Calendar year when patents were filed/granted

Customers

	FY2015	FY2016	FY2017	FY2018	FY2019
Percentage of customers who said they were satisfied in the customer satisfaction survey	80.5	81.1	82.6	81.2	85.3

Governance

	FY2015	FY2016	FY2017	FY2018	FY2019
Total number of critical incidents notified to Board of Directors	—	—	1	0	0
Total number of incidents subject to legal action on the basis of anti-competitive conduct, anti-trust activity, or monopolistic practices where the governance body's involvement was revealed	0	0	0	0	0
Number of executive officers who received training on anti-corruption*	—	—	12	13	0
Total number (percentage) of directors who provided instructions on the body's policies and procedures in relation to anti-corruption*	—	—	11 (100)	12 (100)	12 (100)
Total number (percentage) of directors who received training on anti-corruption*	—	—	9 (81.8)	9 (75.0)	0 (0.0)
Payment to industry groups, etc. (thousand yen)	—	—	—	16,616	17,374
Payment to politically affiliated organizations (yen)	—	—	—	0	0
Average tenure of directors	—	—	—	8.04	7.36
Average rate of attendance for board meetings	—	—	—	99.46	98.24

* Scope: Japan

Compliance

	FY2015	FY2016	FY2017	FY2018	FY2019
Percentage of employees who have received web-based training on business ethics and compliance*	99.7	98.4	98.0	99.4	99.2
Percentage of employees who have consented to the information security agreement	100	99.9	99.9	99.9	100.0
Significant fines and non-monetary sanctions for noncompliance with laws and regulations in the social and economic area	0	0	0	0	0

* Scope: Japan

Procurement

	FY2015	FY2016	FY2017	FY2018	FY2019
Percentage of new important suppliers screened using social criteria	—	100	100	100	100
Rate of improvement after supply chain CSR assessment (including green procurement survey from fiscal year 2016)	25.3	33.8	16.9	20.7	Unable to compare with previous fiscal year due to comprehensive revisions, including the survey
Rate of improvement after supply chain BCP assessment	41.2	26.5	32.3	21.2	19.4
Number of identified RMAP conformant smelters	117	204	237	249	253

Social contribution

	FY2015	FY2016	FY2017	FY2018	FY2019
Spending on social contribution (million yen)	184	277	242	238	281
Cash donations breakdown					
Charity donations (providing donations/relief supplies to charity organizations)	2	14	17	13	11
Community investment (charitable expenses for long-term cause for community)	47	52	43	49	55
Commercial initiatives (charitable expenses with anticipated effects on business growth)	51	34	40	38	34

Performance summary: Environment

The scope for calculating environmental data is the Tokyo Electron Group (34 consolidated subsidiaries).

Within Japan: Tokyo Electron Ltd. and six consolidated subsidiaries (including Tokyo Electron Technology Solutions Ltd., Tokyo Electron Kyushu Ltd., Tokyo Electron Miyagi Ltd., and Tokyo Electron FE Ltd.)

Overseas: 27 consolidated subsidiaries (including Tokyo Electron America, Inc., Tokyo Electron Europe Ltd., Tokyo Electron Korea Ltd., Tokyo Electron Taiwan Ltd., Tokyo Electron (Shanghai) Ltd., and Tokyo Electron Singapore Pte. Ltd.)

Greenhouse gas consumption/emissions

☑ denotes data with third-party assurance

Scope		FY2015	FY2016	FY2017	FY2018	FY2019
CO ₂ from energy consumption	Emissions metric (sales) (t-CO ₂ /billion yen)	2.61	2.22	1.77	1.34	1.24
	Emissions (kt-CO ₂)	160	148	141	152	159
	Japan	126	115	110	119	127 ☑
	Overseas	35	33	31	33	32
	Scope 1 ¹ emissions (kt-CO ₂)	10	8	8	9	9
CO ₂ by scope	Japan, energy-derived	7	6	6	7	7 ☑
	Overseas, energy-derived	3	2	2	2	2
	Scope 2 ² emissions (kt-CO ₂)	151	140	133	143	150
	Japan	119	109	104	112	120 ☑
	Overseas	31	30	29	31	30
	Scope 3 ³ emissions (kt-CO ₂)	3,566	3,491	4,028	5,855	6,467
	Scope 1 ⁴ emissions (kt-CO ₂ e)	10	12	9	8	15
Non-energy-derived greenhouse gas	Emissions (kt-CO ₂ e) (Japan)	22	33	28	26	47
	HFCs	2	1	3	3	3
	PFCs	6	8	8	11	18
	SF ₆	14	17	9	4	11
	Other	0.01	6	8	8	15
	Scope 1 ⁴ emissions (kt-CO ₂ e)	10	12	9	8	15

1 Scope 1: Direct GHG emissions from use of fuel and gas owned or controlled by TEL.

Calculation method: Emissions = Σ (fuel consumed × CO₂ emission factor)

Emission factor based on Japan's Act on Promotion of Global Warming Countermeasures

2 Scope 2: Indirect GHG emissions from use of electricity purchased by TEL.

Calculation method: Emissions = Σ (purchased electricity × CO₂ emission factor)

Adjusted emission factors for the electrical power providers concerned based on Japan's Act on Promotion of Global Warming Countermeasures were used as the emission factor for Japan

Estimated factors calculated by The Federation of Electric Power Companies of Japan based on values published by the International Energy Agency (IEA) were used as the emission factor for overseas electricity consumption

3 Scope 3: Emissions from corporate value chains (excluding scope 1 and 2 emissions), such as product transportation, employee business travel, and major outsourced production processes.

The entire scope is divided into 15 categories, of which calculations were made for categories 1, 2, 3, 4, 5, 6, 7, 9, 11, and 12. Calculations for categories 8, 10, 13, 14, and 15 were not made as they are either not included in TEL's activities, or have already been included in other categories.

4 Scope 1: Non-energy-derived CO₂ and greenhouse gases other than CO₂.

Calculation method: Emissions = Σ (consumption × emission per unit consumption – amount recovered/properly treated)

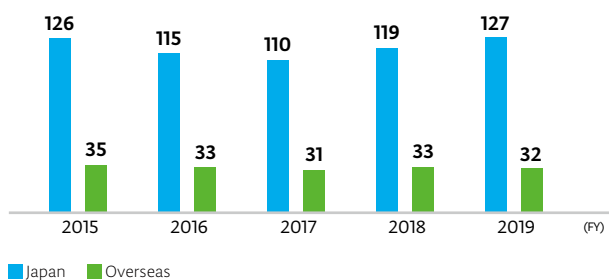
Resource consumption

☑ denotes data with third-party assurance

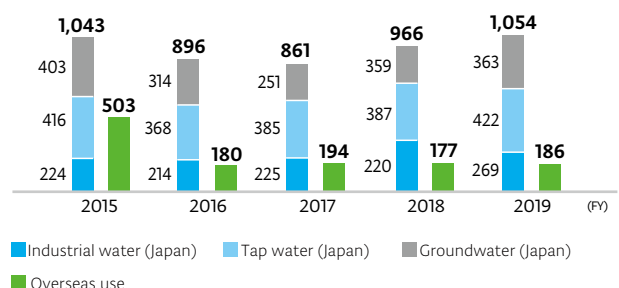
Scope		FY2015	FY2016	FY2017	FY2018	FY2019
Water	Consumption (thousand m ³)	1,546	1,076	1,055	1,143	1,240
	Japan*	1,043	896	861	966	1,054 ☑
	Groundwater	403	314	251	359	363
	Tap water	416	368	385	387	422
	Industrial water	224	214	225	220	269
	Overseas	503	180	194	177	186
Copier paper	Use (t) (Japan)	162	128	157	194	165

* With regard to water consumption in Japan, past figures have been revised based on the actual situation.

CO₂ emissions from energy consumption (kt-CO₂)



Water consumption (thousand m³)



Performance summary: Environment

Energy consumption/generation

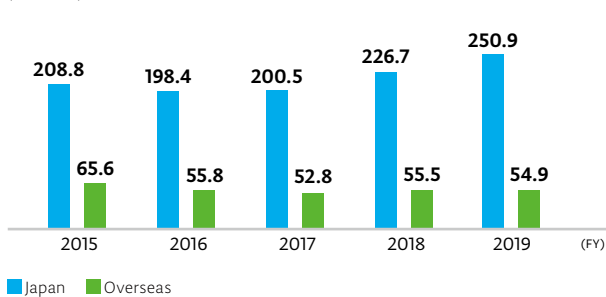
Scope		FY2015	FY2016	FY2017	FY2018	FY2019
Energy	Consumption metric (energy consumption/sales) (kL/billion yen)	1.2	1.02	0.84	0.66	0.63
	Consumption (crude oil equivalent) (kL)	73,421	67,499	67,457	75,033	80,918
	Japan	54,973	52,002	52,676	59,613	65,757
	Overseas	18,448	15,497	14,781	15,420	15,161
Electricity	Consumption (MWh)	274,368	254,201	253,300	282,274	305,795
	Japan	208,753	198,404	200,547	226,747	250,911
	Overseas	65,615	55,797	52,753	55,527	54,884
Gas	Consumption (crude oil equivalent) (kL)	3,501	2,748	2,877	3,083	2,991
	Japan	1,929	1,602	1,666	1,947	1,948
	Overseas	1,572	1,146	1,211	1,136	1,043
Fuel	Consumption (crude oil equivalent) (kL)	871	706	797	875	915
	Japan	870	706	796	874	915
	Overseas	1	0	1	1	0
Green power	Purchase (MWh)	2,405	3,833	3,334	3,458	3,834
	Japan	0	0	0	0	0
	Overseas	2,405	3,833	3,334	3,458	3,834
PV power generation system	Power generation (MWh)	4,559	4,486	4,436	4,414	4,392
	Japan	4,536	4,486	4,436	4,414	4,392
	Overseas	23	0	0	0	0
Power sales	Power sales (MWh)*	1,337	1,331	1,346	1,386	1,382
	Japan	1,337	1,331	1,346	1,386	1,382
	Overseas	0	0	0	0	0

* Heating, cooling and steam not sold

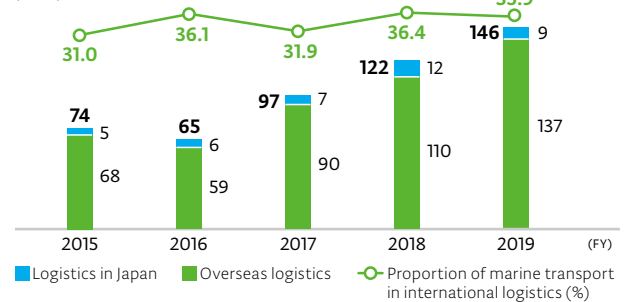
Environmental impact of logistics

Scope		FY2015	FY2016	FY2017	FY2018	FY2019
CO ₂	Emissions (kt-CO ₂)	74	65	97	122	146
	Japan	5	6	7	12	9
	Overseas	68	59	90	110	137
Proportion of marine transport (international)		31.0	36.1	31.9	36.4	35.9

Electricity consumption
(Million kWh)



CO₂ emissions from logistics and the proportion of marine transport
(kt-CO₂)



Amount of waste generated

Scope		FY2015	FY2016	FY2017	FY2018	FY2019
Waste	Amount generated (t)	10,064	8,384	12,318	14,435	14,960
	Japan	8,858	7,721	11,393	13,694	14,208
	Overseas	1,206	663	925	741	752
Specially controlled industrial waste	Amount generated (t) (Japan)	2,842	2,125	3,683	4,904	6,619
	Recycled amount (t)	9,828	8,182	12,128	14,211	14,770
Recycling	Japan	8,764	7,599	11,281	13,561	14,092
	Overseas	1,064	583	847	650	678
	Amount of waste (t)	236	202	190	224	190
Incinerated and landfill waste	Japan	94	122	112	133	116
	Overseas	142	80	78	91	74
	Water discharge volume (thousand m ³)	—	904	874	905	1,006
Water discharges	Japan	—	750	709	759	850
	Overseas	—	154	165	146	156

Chemical substances consumption/emissions (Japan)

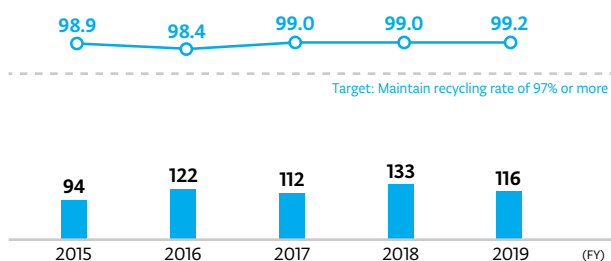
Scope		FY2015	FY2016	FY2017	FY2018	FY2019
PRTR Class I designated chemical substances	Volume handled (t)	48	35	64	100	101
	Ferric chloride	38	21	33	82	84
	Hydrogen fluoride and its water-soluble salts	7	9	25	12	11
	Methylnaphthalene	2	4	5	5	5
	Other	1	1	1	1	1
	Amount transported (waste amount) (t)	46	31	59	95	96
	Consumption (t)	2	4	5	5	5
	NOx Emissions (t)	1.2	7.5	7.9	11.5	9.6
SOx Emissions (t)	2.7	2.2	2.5	2.7	2.8	

Other

Scope		FY2015	FY2016	FY2017	FY2018	FY2019
ISO 14001	Number of certified offices	8	7	8	9	9
	Japan	4	4	5	5	5
	Overseas	4	3	3	4	4
Biodiversity	Number of ecosystem tours*	13	15	18	22	17
	Number of ecosystem tour participants*	69	281	396	718	595
Environmental laws and regulations	Number of breaches of environmental laws and regulations	0	0	0	0	0
	Amount of fines on legal breaches	0	0	0	0	0
Total product shipment (t)*		13,596	17,342	20,445	34,110	32,715

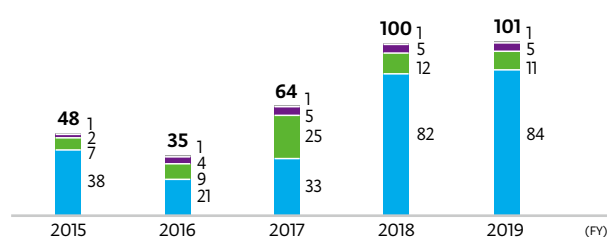
* Scope: Japan

Recycling rate/generation of incinerated and landfill waste in Japan



■ Incinerated and landfill waste (t)
 ○ Recycling rate (%): (Recycled amount / Amount of waste generated) × 100

Volume of PRTR Class I designated chemical substances handled in Japan (t)



■ Ferric chloride ■ Hydrogen fluoride and its water-soluble salts
 ■ Methylnaphthalene ■ Other

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(TRANSLATION)

Independent Practitioner's Assurance Report

June 21, 2019

Mr. Toshiki Kawai,
Representative Director, President & CEO,
Tokyo Electron Ltd.

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the CO₂ Emissions from Energy Consumption in Japan and the Water Consumption in Japan indicated with ✓ for the year ended March 31, 2019 (the "Quantitative Environmental Information") included in the "TOKYO ELECTRON SUSTAINABILITY REPORT 2019" (the "Report") of Tokyo Electron Ltd. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Quantitative Environmental Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Quantitative Environmental Information included in the Report). CO₂ quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Quantitative Environmental Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Quantitative Environmental Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited