

## To Our Stakeholders



## Pursuing technological innovation that drives the evolution of semiconductors

Tokyo Electron will celebrate the 50th anniversary of its founding in November 2013. To begin, I would like to express my deepest gratitude to Tokyo Electron's many stakeholders for their ongoing support over all these years.

During fiscal 2013, the year ended March 31, 2013, we felt the ongoing impact of the global economic slowdown. In the electronics industry, capital investment by semiconductor manufacturers decreased considerably. Amid these circumstances, Tokyo Electron finished fiscal 2013 with net sales of ¥497.3 billion, operating income of ¥12.5 billion and net income of ¥6.1 billion. To recognize the long-standing support shown by our shareholders, we issued annual dividends totaling ¥51, including a commemorative 50 year anniversary dividend of ¥20. Again, I would like to express my deepest thanks.

Since this spring, capital investment by semiconductor manufacturers and flat panel display manufacturers has begun to pick up after a long period of restraint, leading in turn to a rise in orders received. We predict this is the start of a solid upward trajectory. Short-term reasons include the continuing recovery of the global economy and reductions in semiconductor inventories. Over the medium to long term, momentum will be provided by the full arrival of the global network era, the spread of cloud computing, and the global marketing of new IT devices such as smartphones and tablet PCs, even in emerging economies. These trends will cause nothing less than a tectonic shift in information network infrastructure.

The systems that support global networks will need to ceaselessly transmit, receive and store huge amounts of data, including audio and images, leading to volume demand for high performance semiconductors. The more these networks expand and evolve, the greater the need

will be for higher performance, higher productivity semiconductor manufacturing equipment, and in turn the need for advanced technological innovation.

To support the new network era from the ground up as a truly global company, Tokyo Electron will vigorously pursue technological innovation that drives the evolution of semiconductors and fulfills volume-based expansion needs. We will do this from a foundation of financial strength.

In April, I was appointed President and CEO of Tokyo Electron, while continuing to serve as Chairman of the Board. Keeping the following management precepts in mind at all times, I intend to place the Company on a firm growth footing and continuously improve management to meet the expectations of our stakeholders. We will:

1. Remain committed to creating new markets and expanding profit through technological innovation
2. Reinforce technical support and service capabilities on a global level under a policy of placing the customer first
3. Build a dynamic company that is inspired with creativity, eagerness to take on new challenges, passion, and a sense of responsibility from the frontlines to top management.
4. Meet the expectations of all stakeholders by realizing world class profitability and sustained growth.

I welcome your continued support and understanding.

**Tetsuro Higashi**

Chairman of the Board, President & CEO