

## ■ Message from the Chairman of the Board

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**Tetsuo Tsuneishi**  
Chairman of the Board

## Proactive Governance for Sustainable Growth Achieving Both Effective Decision Making and Oversight

Corporate governance has been growing in significance since 2001, when a major U.S. scandal involving corporate accounting fraud brought the issue to the public consciousness. In Japan, the Tokyo Stock Exchange's Corporate Governance Code came into effect last year. Under this new set of governance principles, all listed companies must disclose their overall approach, specific measures and future policy with regard to each of the code's recommendations on a "comply or explain" basis. Our related disclosure is detailed on Tokyo Electron's website. I invite all our stakeholders to take a look.

At Tokyo Electron, we aim to maintain and enhance our competitiveness at the cutting-edge of the global electronics and semiconductor industries. We will consider multiple perspectives, spanning short to long horizons, to significantly increase shareholder value and achieve continued growth. Effective corporate governance is essential to achieving these goals. Governance must comprise management structures, including the Board of Directors and executive systems, that facilitate optimal, timely discussions and decision making in light of changing conditions in relevant markets and beyond. As I see it, the basic systems for increasing corporate value as quickly as possible form the foundation of corporate governance. However, Tokyo Electron does not rely solely on such systems. In addition, we strive to maintain a corporate culture in which employees act with initiative and ambition and all stakeholders are treated with honesty and fairness. Tokyo Electron has fostered this culture since its founding. It is both a source of pride and a notable element of the Company's corporate governance.

Tokyo Electron was among the earliest companies in Japan to establish highly independent nomination and compensation committees within its Board of Directors. We have also established a five-member Audit & Supervisory Board that is independent of the Board of Directors, creating a robust governance system. Furthermore, the Board of Directors comprises directors who serve concurrently as executive officers, directors who do not, and outside directors. Those who are concurrently executive officers bring expertise necessary to navigate the particularities of the semiconductor and display industries. Their business execution is overseen and supported by the non-executive directors, who offer rich experience in these industries. And Tokyo Electron's outside directors possess rich management experience at other companies, not limited to the industries in which Tokyo Electron operates. I believe that our board is unique, reflecting the increased emphasis on diversity in recent years, and its composition enables strong corporate governance.

As chairman of the board, I will continue do my utmost to make the Board of Directors even more effective, striving to maintain and strengthen optimal governance that facilitates timely, appropriate business execution and oversight while emphasizing vigorous discussion and swift decision making.

Sustainability