Celebrating Our 50th Anniversary

The year 2012 marks the 50th anniversary of the Tokyo Electron Group. I would like to take this opportunity to thank all our stakeholders for their support in our pursuit of excellence.

The Tokyo Electron Group manufactures production equipment and delivers tangible value to industrial customers through technical solutions and services. We are committed to helping enrich people’s lives, helping achieve a society that offers boundless opportunities, and using our proprietary technologies to address environmental challenges. All our officers and employees share this commitment and are working together to make Tokyo Electron a visionary and innovative company full of energy.

Over the past year, the Japanese economy has faced enormous challenges from external forces, such as the need to rebuild communities and industries damaged by the Great East Japan Earthquake, the yen’s appreciation to a record level, and the financial crisis in Europe. In this challenging environment, the Tokyo Electron Group—never losing sight of its vision of making environmental and social contributions—built up its current business lines while aggressively investing in laying the groundwork for long-term growth. Our major investment projects during fiscal 2012 included building additional plants and technology centers in Japan and abroad as well as acquiring foreign-based technology companies. We are ready to continue offering our customers tangible value.

—Semiconductor Production Equipment

The Tokyo Electron Group built a new plant in Miyagi Prefecture in October 2011 to expand our core etching system business. We also began operating two new technology centers—one in Taiwan in 2010 and the other in South Korea in April 2012—in addition to those we already have in Japan and the United States. These two additional technology centers, with their close proximity to our major customers in the fast-growing Asian market, enable us to work with those customers from an early stage of their R&D projects and to timely develop a new generation of production equipment tailored to meet their needs. Furthermore, in May 2012, we acquired U.S.-based NEXX Systems, Inc. to leverage its technological expertise to expand our position and business in the growing field of advanced semiconductor packaging.

In our core segment of semiconductor production equipment, the key to successful business growth is to be quick to understand customers’ needs and incorporate them into product development using our proprietary technologies. As the limits to the miniaturization of chips are getting closer, expectations are increasing in the market for innovation in the structures of and materials used for semiconductors. To meet these expectations, we are expanding our offerings of production equipment for three-dimensional packaging, and are working with Tohoku University to develop production equipment for STT-MRAM, a next-generation memory device of groundbreaking design.
—Flat-Panel Display Production Equipment

To meet fast-growing demand for flat-panel displays (FPDs) in China, we began manufacturing production equipment for FPDs in our new plant in Kunshan, China, in March 2012.

FPD manufacturers are having an increasingly hard time differentiating their liquid crystal display (LCD) TV products from the competition, and are looking to organic light-emitting diode (OLED) TVs as the future of FPDs—for they outperform LCD TVs in terms of response time, color reproducibility, lightness, thinness, and low power consumption. We will step up our efforts to develop much-anticipated equipment for mass-producing large OLED displays.

—Photovoltaic Panel Production Equipment

The Tokyo Electron Group leverages its technological prowess in production equipment to develop equipment for producing thin-film silicon photovoltaic (PV) panels. As thin-film silicon PV panels are less material-intensive than other PV panel designs, innovation in production equipment will enable better-performing PV panels to be made at lower costs. Furthermore, thin-film silicon PV panels are seen as one of the ideal key components to build large solar farms, and represent a huge potential for increased demand. To accelerate our efforts to expand our photovoltaic panel production equipment business, we acquired Swiss-based Oerlikon Solar in March 2012. In addition, a new technology center we built in Tsukuba, Ibaraki Prefecture in March 2012 has begun to work with universities and government-affiliated research institutions concentrated in the area to bring the performance of PV panels to a new level.

Becoming a Global Company That Leverages its Technological Prowess to Address Environmental Challenges

The Tokyo Electron Group announced its environmental commitment under the slogan “Technology for Eco Life” in May 2008. Our goals are to reduce the environmental impact associated with our manufacturing and distribution operations by half from the fiscal 2008 level by the end of March 31, 2015, and to help our industrial customers halve their total environmental impact in their factories during the same time frame. Now that we are well on track to achieve these goals, we will establish a set of new goals for beyond 2015.

Becoming a Company in Which All Employees Are Full of Energy and Passion

Throughout its history of 50 years, the Tokyo Electron Group has held to the belief that its employees are the company’s most valuable assets. When employees are full of energy and passion, they are ready to take on challenging tasks and accomplish them. To make our employees feel more proud of the company, we have been aggressively investing in building the Tokyo Electron brand since 2010. Moreover, as more people have a better idea of who we are and what we do, we are attracting an increasing number of talented people from diverse backgrounds. We will continue to upgrade our workplace environment so that employees can comfortably play their roles in keeping the company on a track of growth.

Community Investment

The Tokyo Electron Group strives to be a good corporate citizen by maintaining close ties with the communities in which we operate. We are engaged in a variety of community outreach programs so as to build and retain relationships of trust with local residents and to coevolve with society. As the scope of our business is becoming increasingly global, our community investment efforts to establish coevolving relationships with local communities are also going global—from Japan to other Asian countries to Europe and the United States.

The management vision that the Tokyo Electron Group has embraced over the past 50 years and will continue to embrace is focused on: (1) staying on the leading edge of R&D prowess in the global arena; (2) earning and retaining the complete trust of customers; and (3) motivating employees to achieve their potential and meet organizational objectives.

As we celebrate our 50th anniversary, we have a renewed commitment to listening to what our stakeholders have to say to us and making positive contributions to the growth of society over the next fifty years. We appreciate your support in our endeavor.

Hiroshi Takenaka
President & CEO
Tokyo Electron Limited