

## To Our Stakeholders Message from the COO



# As Technology Advances, New Opportunities Arise

## Expanding our Competitive Strengths to Maximize Growth Opportunities

I am pleased to have assumed the position of representative director, senior executive vice president and COO in June 2015. I would like to thank our shareholders and other stakeholders for their support and confidence.

The internet of things (IoT), which will connect not only conventional PCs and mobile devices, but

also various other objects, is nearly upon us. According to Cisco Systems, a U.S.-based networking equipment manufacturer, the number of devices connected to the internet is expected to grow from 14.5 billion in 2014 to 50 billion in 2020, and annual global IP traffic is thus expected to grow an average of 21% per year from 2013 to 2018. Technological innovation in semiconductors

» Under a new executive framework designed to maximize Tokyo Electron's strengths, we are pursuing world-class product competitiveness and profitability and thus seeking to enhance corporate value.

has an important part to play in the arrival of this new era, as do the cutting-edge production equipment technologies that support such innovation.

The semiconductor industry is now right on the brink of the most important inflection points in its history. Until now, semiconductors have developed through ongoing miniaturization. However, as miniaturization progresses, we are encountering various technological barriers that cannot be overcome by existing technologies. To break through these barriers, innovative new technologies are emerging. These include 3D structure devices, such as 3D NAND flash and FinFET, the use of new semiconductor materials, and multiple patterning that realizes finer patterns by using etch and deposition with current lithography technology. By developing products suited for these new technologies, Tokyo Electron raised its market share in every one of its product categories in 2014. We regard technological inflection points as unparalleled opportunities for business expansion.

Going forward, under a new organizational structure, we will focus on our mainstay semiconductor production equipment (SPE) and flat panel display (FPD) production equipment businesses to further enhance product competitiveness. First, we are forcefully implementing our region and account management structures to construct an organizational system that can better respond to customers' needs by quickly offering sophisticated solutions. Furthermore, as technological

demands grow more advanced, process control across product categories grows more important. Tokyo Electron will therefore leverage the strength of its large and diverse product lineup to develop higher-added-value products. We are concentrating resources in areas that are expected to grow and streamlining development to accelerate the implementation of our product strategies.

As a market leader in the fields of SPE and FPD production equipment, we seek to contribute to the creation of a bright future for the world and, in doing so, continue to increase Tokyo Electron's corporate value. To make Tokyo Electron a truly global company, we will do our utmost to achieve world-class profitability and product competitiveness. To succeed, I ask for your continued support and confidence as we continue to move forward.

June 2015

**Toshiki Kawai**  
Senior Executive Vice President & COO