

## TO OUR STAKEHOLDERS



**Tetsuro Higashi,**  
Chairman of the Board

**Hiroshi Takenaka,**  
President & CEO

In fiscal 2012, the year ended March 31, 2012, the economic environment surrounding Japan saw a year of increasingly severe and even chaotic conditions. The environment was characterized by the effects of the massive floods in Thailand, the yen's prolonged and historic appreciation, and the European financial market risk, in addition to the impact of the Great East Japan Earthquake. In the electronics industry, where Tokyo Electron operates, even the largest Japanese companies faced extremely severe conditions, as reported on a daily basis in the media.

In this environment, Tokyo Electron finished fiscal 2012 with net sales of ¥633.1 billion, operating income of ¥60.4 billion and net income of ¥36.7 billion, despite some impact due to tax code reforms and other factors. This performance was only possible with the support of our customers and all other stakeholders. Accordingly, we wish to take this opportunity to express our heartfelt gratitude for your continued support.

Smartphones and tablets have come to the forefront at blinding speed. Indeed, we are currently standing on the threshold of the mobile device era. Dramatic growth in shipment volume of these types of mobile devices should continue going forward, fueled by an expanding base of purchasers in emerging economies, along with further market penetration in developed countries. These IT devices, which exchange immense amounts of data, will require even higher performing semiconductors than before. This evolution in semiconductors will be made possible by technological innovation in semiconductor production equipment (SPE). Though the market for SPE is subject to the short-term impact of the silicon cycle and macro-economic factors, the market is tipped for sustained growth as it undergoes repeated cycles of technological innovation in support of the evolution of semiconductors and tremendous volume-based expansion. In this dynamic market, Tokyo Electron will continue to fulfill its role of supporting the very foundations of the mobile device era by providing outstanding products and technologies that our customers demand.

Based on its medium- and long-term vision, Tokyo Electron has positioned the past 2 years as a period for laying the foundations of business growth for the next 5 to 10 years down the road. Accordingly, we have made high levels of investment in growth. R&D expenses have been allocated not only to strengthening our existing mainstay SPE business, but also to building new businesses that fully harness our core SPE technology. Examples include 3DI packaging, which has been spotlighted as an advanced wafer level packaging technology; production equipment for OLED displays, which are emerging as the next-generation of flat panel displays (FPD); and production equipment for thin-film silicon photovoltaic cells, which we consider to be an optimal environmentally friendly energy technology for megasolar power generation. We will make every effort to nurture these new fields into future growth drivers that take Tokyo Electron to an even higher level in the near future.

Tokyo Electron will mark the 50th year of its founding in November. The semiconductor industry is a unique and exceptional sector in which growth continues to be driven today by repeated cycles of technological innovation even after more than half a century has passed since the invention of the semiconductor. In this industry, as it remains a global leader in semiconductor production equipment, Tokyo Electron aspires not only to help achieve the betterment of people's lives, but also to make a contribution to the global environment through technology. To realize this vision, we believe that it is crucial for management and employees to come together and share this common mission, while making Tokyo Electron a company brimming with aspirations and vitality that we can all be more proud of. At the same time, we will continue to take a diligent approach to management in order to make Tokyo Electron an even more attractive, high-value company for all of our stakeholders. We look forward to your continued understanding and support as we endeavor to reach these goals.

**Tetsuro Higashi,** Chairman of the Board

**Hiroshi Takenaka,** President & CEO