

On behalf of Tokyo Electron (TEL), I would first like to express my sincere gratitude to all stakeholders for their continued support and patronage.

Recently, activities are being expanded in various fields worldwide for building a sustainable society, such as an increase in United Nations Sustainable Development Goals (SDGs) initiatives, and Environmental, Social and Governance (ESG) investment activities. Companies are required to utilize their management resources effectively and to create and provide new value through their business activities in order to contribute to the resolution of social issues.

The arrival of the age of IoT, where almost everything is connected to the Internet, is seeing the spread of big data and AI, and progress in preparation for the introduction of 5G next-generation communication standard on a global level. Semiconductors and flat panel display (FPD) are taking on a central role for the data society, and expanded application and demand for technological innovation is leading further growth in their production equipment market.

Our Corporate Philosophy urges us to "contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support." In order to realize our Corporate Philosophy, we strive for the steady promotion of effective governance and compliance, as well as contributing through business to the development of the industry and society, and improving our corporate value both in terms of financial and social value.

In fiscal year 2017, we established three pillars of product competitiveness, responsiveness to customers, and higher productivity in our medium-term management plan, and identified two additional material issues: people and workplaces, which is important as a source for value creation, and management foundation, which relates to corporate governance, the environment, and human rights. This fiscal year, we again set annual medium-term goals tied to these material issues and are deploying company-wide activities for their achievement. Moving forward, we will continue to promote sustainability-focused management, aiming to remain a company which is trusted by the community, and in which our employees take pride.

TEL became a signatory to the UN Global Compact in 2013 to promote sustainability management in line with international frameworks, and is implementing SDGs initiatives on a company-wide basis.

Your continued support and patronage are very much appreciated by all of us at TEL.

Toshiki Kawai

Representative Director, President & CEO

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Tokyo Electron Limited