TO OUR STAKEHOLDERS

Creating *High Corporate Value* by building a company that is full of *Vision and Energy*

*Tetsuro Higashi*, Chairman & CEO
In fiscal 2007, the year ended March 31, 2007, Tokyo Electron far surpassed initial targets, with net sales of ¥852.0 billion, operating income of ¥144.0 billion and net income of ¥91.3 billion. All of these figures were new record highs for the Company. In accordance with our efforts to return profits to shareholders, we also paid the largest dividends in our history, increasing the dividend by ¥48 from last year to ¥103 per share. We wish to thank you for your continued support.

Over the past year, we made significant strides in improving the quality of the Company. We improved our development capabilities, manufacturing skills, and management efficiency, and as a result, increased operating income by 90.2% compared with fiscal 2006.

We are entering an era in which people around the world can communicate freely with others beyond time and borders—a Wireless Digital Network era. The semiconductor industry and the flat panel display (FPD) industry are drivers of this change, and the technologies that support them are steadily becoming more important, offering companies in this sector strong opportunities for growth. In this context, the manufacturers of semiconductors and FPDs—Tokyo Electron’s core customers—are shifting their focus to developing basic architecture and software for a new generation of products. In turn, they have come to rely on equipment manufacturers, such as Tokyo Electron, to develop and enhance the process and manufacturing technologies that have a significant bearing on the performance of their semiconductors and FPDs in terms of achieving faster speed, lower power consumption, and reduced environmental impact.

At Tokyo Electron, we are dedicated to becoming the trusted equipment manufacturer of choice for our customers, providing technology to help create a society of the future that reflects the dreams and aspirations of its inhabitants today. Our people will make the difference, and by supporting their development we aim to build a company full of vision and energy. Furthermore, we will continuously return profits, an indicator of our contribution to society, to all our stakeholders—shareholders, customers, employees and society in general.

I would like to thank stakeholders for your continuing support in helping Tokyo Electron to grow, expand, and fulfill our ambitious goals.

Tetsuro Higashi, Chairman & CEO