To our stakeholders

In fiscal 2008, the year ended March 31, 2008, Tokyo Electron posted net sales of ¥906.1 billion, operating income of ¥168.5 billion and net income of ¥106.3 billion. All of these figures represent new record highs for the Company. With this performance, we believe that the Company’s overall growth framework for the future has been demonstrably strengthened. We increased the dividend by ¥22 from last year to ¥125 per share, which is the largest dividend in the Company’s history. We are deeply grateful to all of you for your continued support.

Turning attention to future market trends, the IT market, in which the Company operates, has entered an adjustment phase, and the environment remains harsh. However, forecasts are for the IT market to recover and return to a growth track from 2009 onward.

Under these conditions, Tokyo Electron redoubled its efforts in R&D, the source of future growth, and took steps to further enhance its financial structure. We also started considering new strategies for achieving growth over the medium to long term. An overview of these measures is provided below. We remain committed to working in unison to build a company full of vision and energy under the key words ‘innovation,’ ‘growth’ and ‘environment.’

Overview of Tokyo Electron’s New Growth Strategies

The electronics industry, in which Tokyo Electron operates, and the information and telecommunications technology field in particular, is becoming increasingly important globally. The reason is that it supplies core technologies for various industries expected to demonstrate high growth in the future, including the medical, educational, financial, automotive, aerospace, safety and environmental fields. As core technologies supporting these industries, Tokyo Electron’s products have contributed greatly to the development of industry along with its technological innovations. Looking ahead, the technological innovation of these
Aiming to further enhance *Corporate Value* through *‘Innovation’* and *‘Growth’*

Tetsuro Higashi, Chairman & CEO

Fields themselves is expected to be accompanied by additional growth supported by new advances incorporating technologies in the adjacent fields of nanotechnology, biotechnology and MEMS technology. Tokyo Electron reaffirms its commitment to continue its unremittent endeavors with regard to the existing products and technologies that are the cornerstone of its business, as well as new fields adjacent to them. In this way, we will take the lead on a worldwide scale through ‘Innovation’ and ‘Growth.’

Furthermore, while technological development contributes to an improved quality of life for humans, it can also have an adverse impact upon safety and the environment, and if not addressed, this situation could speed up the depletion of global energy resources and the degradation of the global environment. Tokyo Electron intends to contribute to the healthy development of humankind, and the Company acknowledges that one of its most important missions is to contribute to reducing environmental impact, both as a global phenomenon, and as an issue inherent within the technological fields in which it is active.

I would like to thank all of our stakeholders for their ongoing support, and their belief in Tokyo Electron's potential for further growth.

Tetsuro Higashi, Chairman & CEO