Over the past two years, the world has experienced one of the most severe economic recessions in living memory. I would like to sincerely thank all our stakeholders for continuing to support Tokyo Electron through these difficult times. Although global financial uncertainty has not yet been fully dispelled, in the electronics industry in which Tokyo Electron serves, notably in information and communication technologies (ICT)-related fields, our customers started to resume capital investment from spring 2009, and it has gained momentum since the beginning of 2010. Having completed a long period of structural reform, and with the advent of innovative technologies, I believe that the industry is now moving into a new phase of growth. Despite the fact that we were unable to achieve a net profit for the full fiscal year ended March 31, 2010, the Company moved into the black in the second half. Now we are seeing orders picking up, reflecting strong demand from customers for Tokyo Electron products.

The markets that we serve have been changing, with a shift to new types of network infrastructure as typified by “cloud computing.” Accompanying this trend, new products have emerged, such as tablets and smartphones, and these new applications have helped to boost global semiconductor demand in emerging economies as well as established ones. At the same time, people are recognizing that the issue of reducing our impact on the global environment is one that must be addressed by all of mankind. Semiconductor technology, and the applied technologies that have been accumulated through the manufacture of semiconductors, will play a critical role in addressing this challenge. Semiconductor technology forms the basis for a host of other “green” technologies, from “smart grids” (new types of energy infrastructure) to photovoltaic cells, LEDs and OLEDs. The Tokyo Electron Group will do its utmost to encourage all of these trends, and turn them into opportunities for new growth, maximizing earnings to the levels that our stakeholders expect.

In order to better address the global trends and challenges mentioned above, Tokyo Electron will need a new generation of dynamic leadership to guide it into the future. For that reason, as of April 1, I handed over the top management responsibilities to our company president, Hiroshi Takenaka. As Chairman of the Board, I will lend my unwavering support to our new CEO, and help him to steer the company towards its goals. I am sure that the management team will fully meet the expectations of shareholders, customers, and all of Tokyo Electron’s stakeholders, and I thank everyone for your ongoing support.

Tetsuro Higashi, Chairman of the Board