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Announcement of the Recording of Extraordinary Losses and Revisions to the Consolidated Financial Forecasts for the Fiscal Year Ended March 31, 2022

TOKYO ELECTRON DEVICE LIMITED (the “Company”), hereby announces that based on the resolution (deemed resolution) adopted by its Board of Directors on April 14, 2022, the Company has recorded impairment losses on goodwill, etc., as extraordinary losses in the consolidated financial statements for the fiscal year ended March 31, 2022 and that it has revised the consolidated financial forecasts for the fiscal year ended March 31, 2022, which was announced on October 28, 2021, as below.

1. Recording of extraordinary losses (impairment losses)

Pursuing our vision of “To become a manufacturer with a technical trading firm function,” upheld in the Medium-Term Management Plan, the Company considers that the development of a “manufacturing system” that fully utilized image processing and robotics in manufacturing goods is a crucial growing business. With a view to providing more advanced image processing application solutions and promoting the development of new products integrating image recognition and robotics, the Company acquired the shares of FAST CORPORATION and made it a consolidated subsidiary in 2018.

Since becoming a consolidated subsidiary, FAST CORPORATION has launched a number of new products through the integration of the technology/marketing functions held by the Company and the subsidiary’s proprietary technology. However, due to the deterioration of the external environment including trade frictions between the US and China, the restrictions on business activities amid the prolonged COVID-19 pandemic, as well as the recent difficulties in procuring materials such as semiconductors and electronic parts, a marked gap has emerged between the initial business plan of FAST CORPORATION and its actual results.

In light of this situation, the Company cautiously and conservatively examined the business plan going forward without postponing any potential risks for future growth. Consequently, the Company has decided, in accordance with the Accounting Standard for Impairment of Fixed Assets, to record ¥1,351 million in impairment losses on the goodwill and intangible assets of the subsidiary as extraordinary losses in the consolidated financial statements for the fiscal year ended March 31, 2022.

2. Revision of the consolidated financial forecasts for the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

	Net sales	Ordinary income	Net income attributable to owners of parent	Basic net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast announced on October 28, 2021 (A)	172,000	6,200	5,200	518.79
Revised forecast (B)	179,900	7,300	5,050	500.61
Difference (B – A)	7,900	1,100	(150)	
Changes from previous forecast (%)	4.6	17.7	(2.9)	
(Reference) Results for the previous fiscal year (fiscal year ended March 31, 2021)	143,268	4,625	3,143	312.38

3. Reasons for revisions

As stated in section 1. above, the Company recorded extraordinary losses in the fiscal year ended March 31, 2022. However, the demand for a wide range of semiconductor products, including products for industrial and automotive equipment, remains high, and the expansion of customer commercial rights have also contributed to the Group's performance. Accordingly, the Company has revised its previous consolidated financial forecasts (announced on October 28, 2021).

The forecast for the year-end dividend remains unchanged from the previous forecast of 100 yen per share.

(Note) The financial forecasts and forward-looking statements herein are based on information currently available for the Company and certain assumptions deemed reasonable. The Company does not guarantee the achievement of these forecasts. Actual operating results may differ from the forecasts due to various factors.