

(Translation)

December 18, 2013

Name of the Company: Tokyo Electron Limited
Name of the Representative: Tetsuro Higashi
Chairman, President & CEO
(Representative Director)
(Code No.8035; The First Section of the Tokyo Stock Exchange)
Person to contact: Yoshiteru Harada
Corporate Director,
VP & General Manager
(Tel: 03-5561-7000)

Announcement on Consolidated Financial Forecast Revision and Extraordinary Loss

Extraordinary losses will be expected to be recorded as follows, so that the consolidated financial forecast announced on October 23, 2013 has been revised.

1. Consolidated financial forecast revision for the year ending March 31, 2014 (April 1, 2013 - March 31, 2014)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share(Yen)
Previous forecast (A)	605,000	30,000	33,000	23,000	128.36
Revised forecast (B)	605,000	30,000	33,000	△22,000	△122.78
Change(B-A)	0	0	0	△45,000	
Change ratio(%)	0.0	0.0	0.0	-	
Results for the year ended March 31, 2013	497,299	12,548	16,696	6,076	33.91

Reason for financial forecast revision

As a result of recording an impairment loss for the goodwill and other assets that came out of reviews of the business plans of the PVE and TEL NEXX, Inc. businesses, and recording an extraordinary loss relating to fixed asset impairment loss and others associated with the facility restructuring plan, the consolidated financial forecast announced on October 23, 2013 has been revised.

2. Dividend forecast

There is no change to the dividend forecast announced on April 30, 2013 (25 yen per share year-end dividend).

3. Extraordinary loss

A. Extraordinary loss for consolidated results

(1) Impairment loss to goodwill and fixed assets related to PVE business	32.8 billion yen
(2) Impairment loss to goodwill and others related to TEL NEXX, Inc. business	5.0 billion yen
(3) Impairment loss and other extraordinary losses associated with facility restructuring plan	8.4 billion yen
Total	46.2 billion yen

(1) Impairment loss to goodwill and fixed assets related to PVE business

Relating to TEL Solar Holding AG and its consolidated subsidiaries which were acquired on November 26, 2012 and which serve end-to-end manufacturing line for the production of thin film silicon photovoltaic panels, an impairment loss of 32.8 billion yen for the unamortized balance of goodwill and fixed assets will be recorded as an extraordinary loss. Market conditions for the PVE business remain difficult. Despite some improvement to photovoltaic panel pricing, there is still a global surplus of supply in relation to production facilities and there has been no recovery in new investment. After reviewing business plans and future cash flows for the PVE business in this environment, such an impairment loss will be recorded.

(2) Impairment loss to goodwill and others related to TEL NEXX, Inc. business

TEL NEXX, Inc. was acquired on May 1, 2012 for the purpose of acquiring deposition technologies for advanced packaging. Market growth estimates for the company's plating equipment has fallen short of initial plans because of delays in customer's intended use of the TSV (Through Silicon Via) technology in the wiring process. For this reason, TEL has reviewed the business plans and reassessed the company's goodwill and intangible asset, so that an impairment loss of 5.0 billion yen will be recorded as an extraordinary loss.

(3) Impairment loss and other extraordinary losses associated with facility restructuring plan

For the purpose of business operation efficiencies for the Tokyo Electron group, the following facilities will be restructured by September 2014. At this time, an impairment loss of 8.4 billion yen for fixed assets, including idle building and equipment, will be recorded as an extraordinary loss.

- Closing of the old Process Technology Center in Hosaka Office at Nirasaki, Yamanashi Prefecture

- Integrating Technology Center Sendai business operations mainly with Taiwa Plant of Tokyo Electron Miyagi Limited (Taiwa, Kurokawa District, Miyagi Prefecture), and closing of Technology Center Sendai
- Restructuring of Technology Center Tsukuba business operations, and closing of Technology Center Tsukuba
- Integrating some Tokyo Electron FE Limited business operations, being carried out at Fuchu Technology Center, with Tokyo Electron Tohoku Limited head office (Oshu, Iwate Prefecture) and other manufacturing subsidiaries.

B. Extraordinary loss for non-consolidated results

(1) Loss on revaluation of stock of subsidiaries and affiliates	3.3 billion yen
(2) Provision of allowance for doubtful accounts	39.4 billion yen
Total	42.7 billion yen

From a review of the PVE business plan, TEL can see no possibility of recovery from a situation of excess liabilities within roughly five years, so a loss of 3.3 billion yen on revaluation of stock of TEL Solar Holding AG will be recorded. In addition, an allowance for doubtful accounts concerning the loan amount of 39.4 billion yen made by TEL to TEL Solar Holding AG will be recorded.

Note: The financial forecasts and estimates stated in this announcement are based on certain assumptions judged to be reasonable by the Company in light of information currently available concerning economic conditions in Japan and overseas, fluctuations in foreign exchange rates, and other factors that may have an impact on performance. The company does not promise that the forecasts or estimates will be accurate.

They are therefore susceptible to the impact of many uncertainties, including market conditions, competition, the launching of new products (and their success or failure), and global conditions in the semiconductor related industry. Consequently, actual sales and profits may differ substantially from the projections stated in this announcement.