

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 13, 2020

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <https://www.torex.co.jp>
 Representative: President Koji Shibamiya
 Director Motoi Hikasa
 General Manager, Administration Division TEL 03-6222-2852
 Scheduled date to file Quarterly Securities Report: February 13, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2019	15,929	(14.1)	534	(67.8)	518	(73.7)	290	(73.3)
Nine months ended December 31, 2018	18,543	3.9	1,662	1.4	1,969	15.0	1,087	36.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	26.44		26.40	
Nine months ended December 31, 2018	100.38		100.17	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2019	27,311	18,848	69.0	1,729.83
As of March 31, 2019	28,385	19,638	69.0	1,717.90

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	18.00	–	20.00	38.00
Year ending March 31, 2020	–	20.00	–		
Year ending March 31, 2020 (Forecast)				20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	22,000	(7.9)	850	(45.2)	800	(56.0)	550	(47.6)	50.47

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2019	11,554,200 shares	As of March 31, 2019	11,554,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	658,048 shares	As of March 31, 2019	148,248 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	11,000,736 shares	Nine months ended December 31, 2018	10,837,051 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	10,982,083	8,994,332
Notes and accounts receivable - trade	4,016,502	4,043,552
Inventories	4,601,888	4,983,922
Other	308,789	577,247
Allowance for doubtful accounts	(2,604)	(2,632)
Total current assets	19,906,658	18,596,421
Non-current assets		
Property, plant and equipment	6,249,033	5,941,553
Intangible assets	456,767	773,116
Investments and other assets		
Retirement benefit asset	–	15,271
Other	1,799,591	2,010,610
Allowance for doubtful accounts	(26,396)	(25,913)
Total investments and other assets	1,773,195	1,999,968
Total non-current assets	8,478,995	8,714,637
Total assets	28,385,653	27,311,059
Liabilities		
Current liabilities		
Notes and accounts payable - trade	909,520	969,500
Short-term borrowings	1,902,775	2,901,640
Current portion of long-term borrowings	1,021,033	776,700
Income taxes payable	326,813	18,184
Provision for bonuses	388,064	123,992
Provision for loss compensation	–	96,800
Other	1,662,337	1,487,769
Total current liabilities	6,210,544	6,374,588
Non-current liabilities		
Long-term borrowings	1,747,536	1,282,500
Retirement benefit liability	414,156	410,694
Provision for share-based remuneration	33,566	47,774
Other	341,753	346,954
Total non-current liabilities	2,537,012	2,087,923
Total liabilities	8,747,556	8,462,511
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,302,952	8,300,583
Retained earnings	8,606,806	8,449,710
Treasury shares	(206,316)	(798,002)
Total shareholders' equity	19,671,377	18,920,226
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(87,404)	(59,168)
Foreign currency translation adjustment	74,061	48,981
Remeasurements of defined benefit plans	(63,720)	(61,490)
Total accumulated other comprehensive income	(77,063)	(71,678)
Non-controlling interests	43,783	–
Total net assets	19,638,097	18,848,548
Total liabilities and net assets	28,385,653	27,311,059

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	18,543,845	15,929,956
Cost of sales	13,201,120	11,792,913
Gross profit	5,342,724	4,137,043
Selling, general and administrative expenses	3,679,951	3,602,106
Operating profit	1,662,773	534,936
Non-operating income		
Interest and dividend income	25,439	23,542
Foreign exchange gains	271,692	-
Royalty gain	6,536	5,167
Rental income	21,948	20,284
Other	14,926	13,096
Total non-operating income	340,545	62,092
Non-operating expenses		
Interest expenses	23,179	18,994
Foreign exchange losses	-	43,759
Commission expenses	6,000	6,000
Other	4,553	9,534
Total non-operating expenses	33,732	78,288
Ordinary profit	1,969,585	518,740
Extraordinary income		
Gain on sales of non-current assets	1,638	-
Insurance claim income	2,255	2,605
Surrender value of insurance policies	-	2,988
Other	886	-
Total extraordinary income	4,781	5,594
Extraordinary losses		
Loss on sales and retirement of non-current assets	19,637	2,520
Provision for loss compensation	-	96,800
Other	66	-
Total extraordinary losses	19,703	99,320
Profit before income taxes	1,954,662	425,014
Income taxes	591,579	134,259
Profit	1,363,083	290,754
Profit (loss) attributable to non-controlling interests	275,209	(192)
Profit attributable to owners of parent	1,087,874	290,946

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	1,363,083	290,754
Other comprehensive income		
Valuation difference on available-for-sale securities	(154,635)	28,236
Foreign currency translation adjustment	53,512	(26,296)
Remeasurements of defined benefit plans, net of tax	(6,698)	2,229
Total other comprehensive income	(107,820)	4,169
Comprehensive income	1,255,262	294,923
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,017,668	296,332
Comprehensive income attributable to non-controlling interests	237,593	(1,408)