

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <https://www.torex.co.jp/>
 Representative: President Takeshi Kimura
 Director, Corporate Officer
 Inquiries: General Manager, Corporate Planning Takashi Maegawa TEL 03-6222-2875
 Headquarters
 Scheduled date to file Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: December 5, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	12,524	(5.5)	336	277.2	69	–	5	–
Six months ended September 30, 2023	13,252	(23.8)	89	(97.4)	(266)	–	(199)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	0.51		–	
Six months ended September 30, 2023	(18.15)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	37,640	20,185	53.6	1,833.01
As of March 31, 2024	36,636	20,552	56.1	1,868.50

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, 2024	–	28.00	–	28.00	56.00
Year ending March 31, 2025	–	28.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	28.00	56.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	25,000	(2.9)	400	–	100	–	0	–	–

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	11,554,200 shares	As of March 31, 2024	11,554,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	541,963 shares	As of March 31, 2024	554,563 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	11,002,754 shares	Six months ended September 30, 2023	10,998,298 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	9,226,032	10,762,374
Notes and accounts receivable - trade	4,751,294	4,256,463
Inventories	7,527,153	7,331,930
Other	1,142,708	809,097
Allowance for doubtful accounts	(3,480)	(5,578)
Total current assets	22,643,707	23,154,287
Non-current assets		
Property, plant and equipment	10,145,060	10,815,751
Intangible assets	759,675	648,519
Investments and other assets		
Other	3,092,617	3,026,244
Allowance for doubtful accounts	(4,919)	(4,774)
Total investments and other assets	3,087,698	3,021,469
Total non-current assets	13,992,433	14,485,740
Total assets	36,636,141	37,640,027
Liabilities		
Current liabilities		
Notes and accounts payable - trade	650,238	650,042
Short-term borrowings	–	1,900,000
Current portion of bonds payable	–	100,000
Current portion of long-term borrowings	2,090,292	2,448,500
Income taxes payable	73,147	88,843
Contract liabilities	8,276	27,508
Provision for bonuses	492,732	549,682
Other	2,719,075	1,431,557
Total current liabilities	6,033,762	7,196,135
Non-current liabilities		
Bonds payable	100,000	–
Long-term borrowings	9,124,078	9,510,996
Retirement benefit liability	393,827	390,726
Provision for share awards	95,996	102,265
Other	335,572	254,361
Total non-current liabilities	10,049,475	10,258,349
Total liabilities	16,083,237	17,454,484
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,420,205	8,420,205
Retained earnings	8,504,353	8,198,614
Treasury shares	(706,062)	(684,339)
Total shareholders' equity	19,186,430	18,902,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113,344	167,487
Foreign currency translation adjustment	912,010	790,494
Remeasurements of defined benefit plans	341,118	325,145
Total accumulated other comprehensive income	1,366,473	1,283,127
Total net assets	20,552,904	20,185,542
Total liabilities and net assets	36,636,141	37,640,027

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	13,252,878	12,524,347
Cost of sales	10,328,851	9,172,292
Gross profit	2,924,027	3,352,055
Selling, general and administrative expenses	2,834,733	3,015,252
Operating profit	89,294	336,802
Non-operating income		
Interest and dividend income	24,769	100,133
Royalty Income ²	1,345	795
Rental income	24,031	23,253
Other	12,993	28,034
Total non-operating income	63,141	152,218
Non-operating expenses		
Interest expenses	68,416	83,564
Foreign exchange losses	344,535	330,227
Commission expenses	4,000	4,000
Other	2,309	1,236
Total non-operating expenses	419,260	419,028
Ordinary profit (loss)	(266,825)	69,992
Extraordinary income		
Gain on sale of non-current assets	170	6,709
Gain on sale of investment securities	–	48,970
Subsidy income	126,320	7,559
Surrender value of insurance policies	–	12,169
Total extraordinary income	126,491	75,408
Extraordinary losses		
Loss on sale and retirement of non-current assets	4,609	7,690
Loss on tax purpose reduction entry of non-current assets	112,262	–
Loss on disaster	–	9,816
Other	1,352	–
Total extraordinary losses	118,224	17,507
Profit (loss) before income taxes	(258,559)	127,893
Income taxes	(58,830)	122,275
Profit (loss)	(199,729)	5,617
Profit (loss) attributable to owners of parent	(199,729)	5,617

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit (loss)	(199,729)	5,617
Other comprehensive income		
Valuation difference on available-for-sale securities	117,262	54,142
Foreign currency translation adjustment	308,468	(121,516)
Remeasurements of defined benefit plans, net of tax	(4,080)	(15,972)
Total other comprehensive income	421,650	(83,346)
Comprehensive income	221,921	(77,728)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221,921	(77,728)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(258,559)	127,893
Depreciation	924,581	1,066,871
Loss (gain) on sale of investment securities	–	(48,970)
Loss (gain) on sale and retirement of non-current assets	4,439	980
Loss on tax purpose reduction entry of non-current assets	112,262	–
Loss (gain) on cancellation of insurance policies	–	(12,169)
Loss on disaster	–	9,816
Subsidy income	(126,320)	(7,559)
Increase (decrease) in allowance for doubtful accounts	2,176	2,284
Increase (decrease) in provision for bonuses	(88,953)	58,855
Decrease (increase) in retirement benefit asset	(25,265)	(21,377)
Increase (decrease) in retirement benefit liability	(3,961)	(3,101)
Increase (decrease) in provision for share awards	13,386	6,269
Interest and dividend income	(24,769)	(100,133)
Interest expenses	68,416	83,564
Foreign exchange losses (gains)	(181,801)	167,666
Decrease (increase) in trade receivables	24,123	451,075
Decrease (increase) in inventories	305,103	170,324
Increase (decrease) in trade payables	(353,726)	1,308
Other, net	458,279	126,538
Subtotal	849,411	2,080,139
Interest and dividends received	24,769	89,616
Interest paid	(67,573)	(85,473)
Income taxes refund (paid)	(119,149)	190,711
Subsidies received	126,248	7,559
Net cash provided by (used in) operating activities	813,706	2,282,551
Cash flows from investing activities		
Net decrease (increase) in time deposits	(153)	(51,509)
Purchase of property, plant and equipment	(2,445,855)	(2,793,553)
Proceeds from sale of property, plant and equipment	–	89
Purchase of intangible assets	(33,999)	(37,211)
Purchase of investment securities	(102,062)	(3,013)
Proceeds from sale of investment securities	–	61,114
Proceeds from repayments of investment securities	204,558	–
Payments of leasehold and guarantee deposits	(292)	(50,675)
Proceeds from refund of leasehold and guarantee deposits	3,857	608
Other, net	(5,269)	(4,992)
Net cash provided by (used in) investing activities	(2,379,216)	(2,879,143)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	1,900,000
Proceeds from long-term borrowings	2,500,000	2,000,000
Repayments of long-term borrowings	(715,066)	(1,192,534)
Purchase of treasury shares	(91)	–
Repayments of lease liabilities	(27,980)	(39,666)
Dividends paid	(309,731)	(310,877)
Other, net	(4,000)	13,473
Net cash provided by (used in) financing activities	1,443,130	2,370,395
Effect of exchange rate change on cash and cash equivalents	484,331	(285,203)
Net increase (decrease) in cash and cash equivalents	361,952	1,488,600
Cash and cash equivalents at beginning of period	8,515,480	9,140,420
Cash and cash equivalents at end of period	8,877,432	10,629,020