

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 13, 2018

Company name: TOREX SEMICONDUCTOR LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6616 URL <https://www.torex.co.jp>  
 Representative: President Koji Shibamiya  
 Director General Manager, Administration Motoi Hikasa  
 Inquiries: Division TEL 03-6222-2852  
 Scheduled date to file Quarterly Securities Report: February 13, 2018  
 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, 2017 (from April 1, 2017 to December 31, 2017)

#### (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, 2017	17,845	13.0	1,640	89.0	1,713	158.6	794	(71.8)
Nine months ended December 31, 2016	15,786	100.4	867	(15.3)	662	(37.0)	2,821	295.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	88.09		87.80	
Nine months ended December 31, 2016	292.19		286.67	

#### (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, 2017	25,271	16,480	47.3	1,323.72
As of March 31, 2017	25,209	15,597	45.3	1,267.65

### 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, 2017	–	16.00	–	16.00	32.00
Year ending March 31, 2018	–	16.00	–		
Year ending March 31, 2018 (Forecast)				16.00	32.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	23,800	10.4	2,000	59.9	1,900	109.8	900	(69.3)	99.79

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017  
 (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: No
- 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, 2017	9,539,200 shares	As of March 31, 2017	9,539,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	518,068 shares	As of March 31, 2017	520,838 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, 2017	9,018,829 shares	Nine months ended December 31, 2016	9,657,461 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	7,769,351	9,737,734
Notes and accounts receivable - trade	4,195,006	4,164,930
Securities	2,300,000	300,000
Inventories	4,077,696	4,592,448
Other	827,778	704,059
Allowance for doubtful accounts	(3,387)	(1,311)
Total current assets	19,166,444	19,497,862
Non-current assets		
Property, plant and equipment	4,265,993	3,986,998
Intangible assets	212,883	249,010
Investments and other assets		
Other	1,590,844	1,564,427
Allowance for doubtful accounts	(26,601)	(26,401)
Total investments and other assets	1,564,242	1,538,026
Total non-current assets	6,043,119	5,774,034
Total assets	25,209,563	25,271,896
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,066,671	934,585
Short-term loans payable	2,423,369	2,603,393
Current portion of long-term loans payable	1,174,212	1,162,988
Income taxes payable	259,480	124,903
Provision for bonuses	345,685	127,393
Other	1,036,980	1,411,661
Total current liabilities	6,306,399	6,364,924
Non-current liabilities		
Long-term loans payable	2,496,432	1,698,320
Net defined benefit liability	316,680	278,223
Other	492,479	450,362
Total non-current liabilities	3,305,591	2,426,905
Total liabilities	9,611,991	8,791,829
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,838,178	1,838,178
Capital surplus	2,825,433	2,832,827
Retained earnings	7,336,898	7,841,945
Treasury shares	(828,661)	(833,973)
Total shareholders' equity	11,171,849	11,678,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93,545	61,898
Remeasurements of defined benefit plans	73,292	69,366
Foreign currency translation adjustment	93,463	131,201
Total accumulated other comprehensive income	260,301	262,466
Non-controlling interests	4,165,421	4,538,621
Total net assets	15,597,571	16,480,066
Total liabilities and net assets	25,209,563	25,271,896

**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, 2016	Nine months ended December 31, 2017
Net sales	15,786,991	17,845,379
Cost of sales	11,505,000	12,465,497
Gross profit	4,281,991	5,379,881
Selling, general and administrative expenses	3,414,053	3,739,814
Operating profit	867,937	1,640,067
Non-operating income		
Interest and dividend income	28,436	20,606
Foreign exchange gains	–	33,842
Royalty gain	6,325	7,352
Insurance premiums refunded cancellation	–	26,512
Other	19,822	25,279
Total non-operating income	54,584	113,593
Non-operating expenses		
Interest expenses	31,447	25,220
Foreign exchange losses	211,738	–
Commission fee	8,000	6,000
Other	8,820	9,049
Total non-operating expenses	260,006	40,270
Ordinary profit	662,516	1,713,390
Extraordinary income		
Subsidy income	–	28,661
Gain on bargain purchase	1,966,967	–
Compensation income	518,872	–
Insurance income	20,685	–
Other	84	3,347
Total extraordinary income	2,506,609	32,008
Extraordinary losses		
Loss on retirement of non-current assets	9,269	30,858
Loss on reduction of non-current assets	–	13,814
Other	23,266	5,791
Total extraordinary losses	32,536	50,463
Profit before income taxes	3,136,589	1,694,934
Income taxes	247,274	496,194
Profit	2,889,314	1,198,740
Profit attributable to non-controlling interests	67,430	404,265
Profit attributable to owners of parent	2,821,884	794,474

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	2,889,314	1,198,740
Other comprehensive income		
Valuation difference on available-for-sale securities	214,406	(52,463)
Remeasurements of defined benefit plans, net of tax	–	(7,698)
Foreign currency translation adjustment	27,149	37,287
Total other comprehensive income	241,556	(22,874)
Comprehensive income	3,130,871	1,175,865
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,977,821	796,639
Comprehensive income attributable to non-controlling interests	153,050	379,225