

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 10, 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  
 Inquiries: Motoi Hikasa TEL 03-6222-2852  
 Division  
 Scheduled date to file Quarterly Securities Report: August 10, 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

#### (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	%
Three months ended June 30, 2018	6,203	8.6	675	48.3	923	98.3	496	112.1
Three months ended June 30, 2017	5,713	9.3	455	123.1	465	–	234	(89.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	45.82		45.72	
Three months ended June 30, 2017	25.95		25.87	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	29,187	19,455	54.0	1,455.70
As of March 31, 2018	27,995	19,085	51.8	1,338.74

### 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, 2018	–	16.00	–	18.00	34.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		18.00	–	20.00	38.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Six months ending September 30, 2018	12,900	9.2	1,050	(3.7)	1,280	15.6	700	39.6	64.60
Full year	26,300	9.6	2,000	(9.6)	2,230	11.6	1,290	43.0	119.06

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
 (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 June 30, 2018	11,089,200 shares	As of March 31, 2018	11,089,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	253,568 shares	As of March 31, 2018	255,568 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	10,834,485 shares	Three months ended June 30, 2017	9,018,362 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	10,834,842	12,955,498
Notes and accounts receivable - trade	4,362,900	4,539,516
Securities	1,600,000	100,000
Inventories	4,513,709	4,731,630
Other	359,278	434,437
Allowance for doubtful accounts	(1,932)	(824)
Total current assets	21,668,799	22,760,258
Non-current assets		
Property, plant and equipment	4,294,474	4,482,214
Intangible assets	234,389	265,422
Investments and other assets		
Net defined benefit asset	23,556	52,592
Other	1,798,974	1,653,077
Allowance for doubtful accounts	(25,194)	(26,177)
Total investments and other assets	1,797,337	1,679,492
Total non-current assets	6,326,201	6,427,130
Total assets	27,995,000	29,187,388
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	984,648	1,033,984
Short-term loans payable	2,483,191	2,303,306
Current portion of long-term loans payable	1,102,863	1,181,610
Income taxes payable	257,634	204,277
Provision for bonuses	450,961	137,633
Other	1,577,287	1,638,315
Total current liabilities	6,856,586	6,499,127
Non-current liabilities		
Long-term loans payable	1,393,569	2,565,446
Net defined benefit liability	263,810	273,796
Provision for stock benefits	26,728	33,832
Other	368,842	359,330
Total non-current liabilities	2,052,951	3,232,405
Total liabilities	8,909,537	9,731,532
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,967,934	2,967,934
Capital surplus	3,927,606	4,908,565
Retained earnings	7,949,646	8,250,140
Treasury shares	(416,335)	(413,153)
Total shareholders' equity	14,428,851	15,713,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(9,868)	(55,098)
Foreign currency translation adjustment	25,936	57,674
Remeasurements of defined benefit plans	58,536	57,397
Total accumulated other comprehensive income	74,604	59,972
Non-controlling interests	4,582,007	3,682,395
Total net assets	19,085,463	19,455,855
Total liabilities and net assets	27,995,000	29,187,388

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	5,713,555	6,203,204
Cost of sales	4,026,437	4,282,182
Gross profit	1,687,117	1,921,022
Selling, general and administrative expenses	1,231,971	1,246,009
Operating profit	455,145	675,012
Non-operating income		
Interest and dividend income	7,936	11,684
Foreign exchange gains	11,222	235,806
Royalty Income <sup>2</sup>	1,237	1,680
Other	6,829	12,255
Total non-operating income	27,225	261,427
Non-operating expenses		
Interest expenses	8,815	7,820
Commission fee	2,000	2,000
Other	5,616	2,674
Total non-operating expenses	16,432	12,495
Ordinary profit	465,938	923,944
Extraordinary income		
Subsidy income	28,661	–
Insurance income	–	2,255
Other	–	231
Total extraordinary income	28,661	2,487
Extraordinary losses		
Loss on reduction of non-current assets	13,814	–
Loss on sales and retirement of non-current assets	–	3,713
Other	–	66
Total extraordinary losses	13,814	3,779
Profit before income taxes	480,785	922,651
Income taxes	136,723	279,802
Profit	344,061	642,848
Profit attributable to non-controlling interests	109,998	146,405
Profit attributable to owners of parent	234,062	496,443

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

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	344,061	642,848
Other comprehensive income		
Valuation difference on available-for-sale securities	28,603	(60,298)
Foreign currency translation adjustment	1,865	33,406
Remeasurements of defined benefit plans, net of tax	(2,566)	(2,232)
Total other comprehensive income	27,903	(29,125)
Comprehensive income	371,964	613,723
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	253,052	481,812
Comprehensive income attributable to non-controlling interests	118,911	131,911