

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 2019

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 TEL 03-6222-2852
 General Manager, Administration Division
 Scheduled date to file Quarterly Securities Report: August 9, 2019
 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, 2019 (from April 1, 2019 to June 30, 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	%
Three months ended June 30, 2019	4,797	(22.7)	78	(88.4)	11	(98.8)	12	(97.6)
Three months ended June 30, 2018	6,203	8.6	675	48.3	923	98.3	496	112.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	1.07		1.07	
Three months ended June 30, 2018	45.82		45.72	

(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, 2019	26,619	18,793	70.4	1,711.74
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	–				
Year ending March 31, 2020 (Forecast)		20.00	–	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	23,600	(1.2)	1,100	(29.1)	1,100	(39.6)	770	(26.6)	70.28

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 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 June 30, 2019	599,548 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)

Three months ended June 30, 2019	11,204,489 shares	Three months ended June 30, 2018	10,834,485 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	10,982,083	9,355,799
Notes and accounts receivable - trade	4,016,502	3,553,134
Inventories	4,601,888	4,847,855
Other	308,789	436,645
Allowance for doubtful accounts	(2,604)	(963)
Total current assets	19,906,658	18,192,471
Non-current assets		
Property, plant and equipment	6,249,033	6,264,462
Intangible assets	456,767	462,882
Investments and other assets		
Other	1,799,591	1,725,388
Allowance for doubtful accounts	(26,396)	(25,395)
Total investments and other assets	1,773,195	1,699,992
Total non-current assets	8,478,995	8,427,337
Total assets	28,385,653	26,619,808
Liabilities		
Current liabilities		
Notes and accounts payable - trade	909,520	842,490
Short-term borrowings	1,902,775	1,902,694
Current portion of long-term borrowings	1,021,033	992,908
Income taxes payable	326,813	43,860
Provision for bonuses	388,064	122,593
Other	1,662,337	1,545,319
Total current liabilities	6,210,544	5,449,867
Non-current liabilities		
Long-term borrowings	1,747,536	1,572,538
Retirement benefit liability	414,156	405,014
Provision for share-based remuneration	33,566	36,230
Other	341,753	362,248
Total non-current liabilities	2,537,012	2,376,031
Total liabilities	8,747,556	7,825,898
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,302,952	8,309,859
Retained earnings	8,606,806	8,389,733
Treasury shares	(206,316)	(728,127)
Total shareholders' equity	19,671,377	18,939,400
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(87,404)	(138,805)
Foreign currency translation adjustment	74,061	11,126
Remeasurements of defined benefit plans	(63,720)	(60,138)
Total accumulated other comprehensive income	(77,063)	(187,816)
Non-controlling interests	43,783	42,326
Total net assets	19,638,097	18,793,910
Total liabilities and net assets	28,385,653	26,619,808

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, 2018	Three months ended June 30, 2019
Net sales	6,203,204	4,797,479
Cost of sales	4,282,182	3,528,203
Gross profit	1,921,022	1,269,276
Selling, general and administrative expenses	1,246,009	1,190,731
Operating profit	675,012	78,545
Non-operating income		
Interest and dividend income	11,684	10,371
Foreign exchange gains	235,806	–
Royalty Income ²	1,680	827
Rental income	6,382	7,578
Other	5,873	2,590
Total non-operating income	261,427	21,368
Non-operating expenses		
Interest expenses	7,820	6,285
Foreign exchange losses	–	78,589
Commission expenses	2,000	2,000
Other	2,674	1,575
Total non-operating expenses	12,495	88,450
Ordinary profit	923,944	11,463
Extraordinary income		
Insurance claim income	2,255	–
Other	231	–
Total extraordinary income	2,487	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	3,713	998
Other	66	–
Total extraordinary losses	3,779	998
Profit before income taxes	922,651	10,464
Income taxes	279,802	(1,412)
Profit	642,848	11,877
Profit (loss) attributable to non-controlling interests	146,405	(169)
Profit attributable to owners of parent	496,443	12,046

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	642,848	11,877
Other comprehensive income		
Valuation difference on available-for-sale securities	(60,298)	(41,654)
Foreign currency translation adjustment	33,406	(64,222)
Remeasurements of defined benefit plans, net of tax	(2,232)	743
Total other comprehensive income	(29,125)	(105,133)
Comprehensive income	613,723	(93,256)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	481,812	(91,799)
Comprehensive income attributable to non-controlling interests	131,911	(1,457)