

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 12, 2016

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <http://www.torex.co.jp>
 Representative: President Koji Shibamiya
 Inquiries: Managing Director General Manager, Hiroshi Kimura TEL 03-6222-2875
 Strategic Business Planning Unit
 Scheduled date to file Quarterly Securities Report: February 12, 2016
 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, 2015 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	7,879	6.7	1,024	0.0	1,051	(21.6)	713	(19.1)
Nine months ended December 31, 2014	7,383	5.0	1,024	(6.3)	1,340	23.5	881	(23.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	67.15		65.89	
Nine months ended December 31, 2014	83.57		81.64	

(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, 2015	13,233	11,249	84.7	1,052.24
As of March 31, 2015	13,170	10,889	82.3	1,020.86

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, 2015	–	50.00	–	60.00	110.00
Year ending March 31, 2016	–	16.00	–		
Year ending March 31, 2016 (Forecast)				16.00	32.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,500	5.3	1,250	(7.4)	1,000	(40.4)	600	(51.9)	56.46

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015
(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, 2015	10,647,200 shares	As of March 31, 2015	10,622,800 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	– shares	As of March 31, 2015	– 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, 2015	10,625,207 shares	Nine months ended December 31, 2014	10,548,573 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	6,202,023	6,061,032
Notes and accounts receivable - trade	1,937,495	2,040,696
Securities	500,000	700,000
Inventories	1,807,225	1,910,059
Other	306,813	302,306
Allowance for doubtful accounts	(268)	(3,271)
Total current assets	10,753,288	11,010,823
Non-current assets		
Property, plant and equipment	1,046,078	1,092,443
Intangible assets	206,961	177,014
Investments and other assets	1,164,661	952,859
Total non-current assets	2,417,702	2,222,317
Total assets	13,170,991	13,233,140
Liabilities		
Current liabilities		
Notes and accounts payable - trade	890,202	870,312
Short-term loans payable	3,567	3,568
Current portion of bonds	108,000	60,000
Income taxes payable	415,556	112,086
Provision for bonuses	111,802	39,690
Reserve for Guarantee Loss	–	110,000
Other	357,870	381,496
Total current liabilities	1,886,999	1,577,154
Non-current liabilities		
Net defined benefit liability	207,289	228,261
Provision for directors' retirement benefits	6,800	8,858
Other	180,530	169,225
Total non-current liabilities	394,620	406,345
Total liabilities	2,281,620	1,983,499
Net assets		
Shareholders' equity		
Capital stock	1,810,148	1,819,146
Capital surplus	4,277,122	4,286,120
Retained earnings	4,439,763	4,823,992
Total shareholders' equity	10,527,033	10,929,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,219	10,230
Foreign currency translation adjustment	294,208	264,016
Total accumulated other comprehensive income	317,428	274,246
Non-controlling interests	44,909	46,134
Total net assets	10,889,371	11,249,641
Total liabilities and net assets	13,170,991	13,233,140

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, 2014	Nine months ended December 31, 2015
Net sales	7,383,763	7,879,525
Cost of sales	3,791,224	4,017,950
Gross profit	3,592,538	3,861,575
Selling, general and administrative expenses	2,568,182	2,837,163
Operating income	1,024,355	1,024,412
Non-operating income		
Interest and dividend income	4,950	10,589
Foreign exchange gains	338,399	37,211
Royalty gain	4,001	4,199
Other	5,600	7,681
Total non-operating income	352,951	59,681
Non-operating expenses		
Interest expenses	3,574	827
Commission fee	–	28,000
Going public expenses	24,726	–
Other	8,289	3,477
Total non-operating expenses	36,589	32,304
Ordinary income	1,340,717	1,051,789
Extraordinary income		
Insurance income	–	104,610
Total extraordinary income	–	104,610
Extraordinary losses		
provision for Guarantee Loss	–	110,000
Total extraordinary losses	–	110,000
Income before income taxes and minority interests	1,340,717	1,046,399
Income taxes	456,572	331,732
Profit	884,144	714,666
Profit attributable to non-controlling interests	2,583	1,092
Profit attributable to owners of parent	881,561	713,574

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	884,144	714,666
Other comprehensive income		
Valuation difference on available-for-sale securities	10,894	(12,988)
Foreign currency translation adjustment	281,523	(30,060)
Total other comprehensive income	292,418	(43,048)
Comprehensive income	1,176,563	671,617
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,167,590	670,393
Comprehensive income attributable to non-controlling interests	8,972	1,224