

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 2022

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <https://www.torex.co.jp/>
 Representative: President Koji Shibamiya
 Corporate Officer
 Inquiries: Senior Manager, Business Planning Takashi Maegawa TEL 03-6222-2875
 Department
 Scheduled date to file Quarterly Securities Report: February 14, 2022
 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, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021	22,920	33.5	2,897	317.6	2,946	459.9	2,044	426.6
Nine months ended December 31, 2020	17,170	7.8	693	29.7	526	1.4	388	33.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	186.88		–	
Nine months ended December 31, 2020	35.53		–	

(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, 2021	32,750	21,456	65.5	1,961.35
As of March 31, 2021	31,512	19,789	62.8	1,808.96

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, 2021	–	16.00	–	20.00	36.00
Year ending March 31, 2022	–	20.00	–		
Year ending March 31, 2022 (Forecast)				24.00	44.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	30,500	28.6	3,300	172.9	3,300	173.6	2,600	178.5	237.66

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(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, 2021	11,554,200 shares	As of March 31, 2021	11,554,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	614,350 shares	As of March 31, 2021	614,259 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, 2021	10,939,871 shares	Nine months ended December 31, 2020	10,925,522 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	11,737,170	10,013,696
Notes and accounts receivable - trade	4,629,998	5,664,957
Inventories	5,470,259	7,298,686
Other	590,124	546,877
Allowance for doubtful accounts	(5,948)	(5,438)
Total current assets	22,421,604	23,518,779
Non-current assets		
Property, plant and equipment	5,965,946	6,199,523
Intangible assets	919,351	813,926
Investments and other assets		
Other	2,231,649	2,245,490
Allowance for doubtful accounts	(26,422)	(27,272)
Total investments and other assets	2,205,227	2,218,217
Total non-current assets	9,090,525	9,231,666
Total assets	31,512,129	32,750,445
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,344,974	1,730,750
Short-term borrowings	2,901,661	2,400,000
Current portion of long-term borrowings	1,030,000	950,000
Income taxes payable	203,234	663,387
Provision for bonuses	424,979	147,812
Other	1,774,241	2,086,274
Total current liabilities	7,679,092	7,978,223
Non-current liabilities		
Long-term borrowings	3,362,500	2,687,500
Retirement benefit liability	344,767	371,039
Provision for share awards	49,109	68,616
Other	286,737	188,088
Total non-current liabilities	4,043,114	3,315,244
Total liabilities	11,722,207	11,293,467
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,299,941	8,299,941
Retained earnings	9,115,933	10,705,028
Treasury shares	(749,981)	(750,278)
Total shareholders' equity	19,633,828	21,222,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(146,619)	(165,902)
Foreign currency translation adjustment	113,934	223,571
Remeasurements of defined benefit plans	188,778	176,683
Total accumulated other comprehensive income	156,093	234,351
Total net assets	19,789,922	21,456,978
Total liabilities and net assets	31,512,129	32,750,445

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, 2020	Nine months ended December 31, 2021
Net sales	17,170,536	22,920,727
Cost of sales	13,028,151	16,092,169
Gross profit	4,142,385	6,828,557
Selling, general and administrative expenses	3,448,551	3,931,299
Operating profit	693,834	2,897,257
Non-operating income		
Interest and dividend income	17,426	18,126
Foreign exchange gains	–	17,975
Royalty gain	3,158	1,852
Rental income	22,651	30,407
Other	25,940	15,723
Total non-operating income	69,177	84,085
Non-operating expenses		
Interest expenses	32,314	26,752
Foreign exchange losses	197,394	–
Commission expenses	6,000	6,000
Other	1,068	2,279
Total non-operating expenses	236,777	35,032
Ordinary profit	526,234	2,946,310
Extraordinary income		
Gain on sale of non-current assets	–	2,079
Subsidy income	7,333	–
Insurance claim income	9,808	–
Total extraordinary income	17,141	2,079
Extraordinary losses		
Loss on sale and retirement of non-current assets	17,012	20,480
Loss on cancellation of insurance policies	11,736	–
Loss on disaster	7,297	–
Guarantee loss	19,932	–
Total extraordinary losses	55,979	20,480
Profit before income taxes	487,396	2,927,910
Income taxes	99,108	883,363
Profit	388,288	2,044,547
Profit attributable to owners of parent	388,288	2,044,547

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	388,288	2,044,547
Other comprehensive income		
Valuation difference on available-for-sale securities	(64,296)	(19,283)
Foreign currency translation adjustment	(41,422)	109,636
Remeasurements of defined benefit plans, net of tax	12,409	(12,095)
Total other comprehensive income	(93,309)	78,257
Comprehensive income	294,979	2,122,804
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	294,979	2,122,804