

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 15, 2021

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 15, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	17,170	7.8	693	29.7	526	1.4	388	33.5
Nine months ended December 31, 2019	15,929	(14.1)	534	(67.8)	518	(73.7)	290	(73.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	35.53		–	
Nine months ended December 31, 2019	26.44		26.40	

(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, 2020	30,134	18,613	61.8	1,701.46
As of March 31, 2020	27,846	18,671	67.1	1,712.30

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, 2020	–	20.00	–	20.00	40.00
Year ending March 31, 2021	–	16.00	–		
Year ending March 31, 2021 (Forecast)				16.00	32.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	23,500	9.3	900	32.7	700	3.5	500	19.8	45.76

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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, 2020	11,554,200 shares	As of March 31, 2020	11,554,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	614,259 shares	As of March 31, 2020	649,648 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, 2020	10,925,522 shares	Nine months ended December 31, 2019	11,000,736 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	9,281,215	11,168,080
Notes and accounts receivable - trade	4,020,517	4,167,639
Inventories	5,006,813	5,415,630
Other	540,103	490,629
Allowance for doubtful accounts	(2,983)	(4,710)
Total current assets	18,845,666	21,237,269
Non-current assets		
Property, plant and equipment	6,204,524	6,001,215
Intangible assets	801,474	955,833
Investments and other assets		
Other	2,020,976	1,964,713
Allowance for doubtful accounts	(25,680)	(24,730)
Total investments and other assets	1,995,296	1,939,982
Total non-current assets	9,001,295	8,897,032
Total assets	27,846,962	30,134,301
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,065,830	1,078,316
Short-term borrowings	2,901,627	2,901,555
Current portion of long-term borrowings	605,036	1,120,000
Income taxes payable	51,380	37,670
Provision for bonuses	355,975	113,115
Other	1,962,749	1,664,549
Total current liabilities	6,942,598	6,915,207
Non-current liabilities		
Long-term borrowings	1,142,500	3,637,500
Retirement benefit liability	656,153	644,222
Provision for share-based remuneration	53,546	37,635
Other	380,261	285,820
Total non-current liabilities	2,232,461	4,605,178
Total liabilities	9,175,060	11,520,385
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,297,198	8,299,941
Retained earnings	8,576,276	8,570,631
Treasury shares	(788,207)	(749,981)
Total shareholders' equity	19,053,202	19,088,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(145,538)	(209,834)
Foreign currency translation adjustment	15,011	(26,410)
Remeasurements of defined benefit plans	(250,774)	(238,364)
Total accumulated other comprehensive income	(381,300)	(474,609)
Total net assets	18,671,901	18,613,916
Total liabilities and net assets	27,846,962	30,134,301

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, 2019	Nine months ended December 31, 2020
Net sales	15,929,956	17,170,536
Cost of sales	11,792,913	13,028,151
Gross profit	4,137,043	4,142,385
Selling, general and administrative expenses	3,602,106	3,448,551
Operating profit	534,936	693,834
Non-operating income		
Interest and dividend income	23,542	17,426
Royalty gain	5,167	3,158
Rental income	20,284	22,651
Other	13,096	25,940
Total non-operating income	62,092	69,177
Non-operating expenses		
Interest expenses	18,994	32,314
Foreign exchange losses	43,759	197,394
Commission expenses	6,000	6,000
Other	9,534	1,068
Total non-operating expenses	78,288	236,777
Ordinary profit	518,740	526,234
Extraordinary income		
Subsidy income	–	7,333
Insurance claim income	2,605	9,808
Surrender value of insurance policies	2,988	–
Total extraordinary income	5,594	17,141
Extraordinary losses		
Loss on sales and retirement of non-current assets	2,520	17,012
Loss on cancellation of insurance policies	–	11,736
Loss on disaster	–	7,297
Guarantee loss	–	19,932
Provision for loss compensation	96,800	–
Total extraordinary losses	99,320	55,979
Profit before income taxes	425,014	487,396
Income taxes	134,259	99,108
Profit	290,754	388,288
Loss attributable to non-controlling interests	(192)	–
Profit attributable to owners of parent	290,946	388,288

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	290,754	388,288
Other comprehensive income		
Valuation difference on available-for-sale securities	28,236	(64,296)
Foreign currency translation adjustment	(26,296)	(41,422)
Remeasurements of defined benefit plans, net of tax	2,229	12,409
Total other comprehensive income	4,169	(93,309)
Comprehensive income	294,923	294,979
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	296,332	294,979
Comprehensive income attributable to non-controlling interests	(1,408)	—