

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 13, 2015

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <http://www.torex.co.jp>
 Representative: President Koji Shibamiya
 Managing Director
 Inquiries: General Manager, Strategic Business Hiroshi Kimura TEL 03-6222-2875
 Planning Unit
 Scheduled date to file Quarterly Securities Report: November 13, 2015
 Scheduled date to commence dividend payments: December 4, 2015
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 30, 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	%
Six months ended September 30, 2015	5,330	11.9	745	31.1	761	14.9	519	22.1
Six months ended September 30, 2014	4,765	-	568	-	662	-	425	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	48.93		48.02	
Six months ended September 30, 2014	40.44		39.86	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	13,174	11,218	84.8	1,051.59
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	11,000	10.3	1,400	3.7	1,350	(19.6)	950	(23.9)	89.43

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2015	10,625,200 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 September 30, 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)

Six months ended September 30, 2015	10,623,418 shares	Six months ended September 30, 2014	10,526,155 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	6,202,023	5,935,540
Notes and accounts receivable - trade	1,937,495	2,018,803
Securities	500,000	500,000
Inventories	1,807,225	1,873,849
Other	306,813	303,857
Allowance for doubtful accounts	(268)	(2,461)
Total current assets	10,753,288	10,629,589
Non-current assets		
Property, plant and equipment	1,046,078	1,152,439
Intangible assets	206,961	188,102
Investments and other assets	1,164,661	1,204,260
Total non-current assets	2,417,702	2,544,801
Total assets	13,170,991	13,174,391
Liabilities		
Current liabilities		
Notes and accounts payable - trade	890,202	772,676
Short-term loans payable	3,567	3,616
Current portion of bonds	108,000	60,000
Income taxes payable	415,556	238,888
Provision for bonuses	111,802	124,929
Other	357,870	351,145
Total current liabilities	1,886,999	1,551,256
Non-current liabilities		
Net defined benefit liability	207,289	222,899
Provision for directors' retirement benefits	6,800	8,620
Other	180,530	172,705
Total non-current liabilities	394,620	404,225
Total liabilities	2,281,620	1,955,481
Net assets		
Shareholders' equity		
Capital stock	1,810,148	1,811,038
Capital surplus	4,277,122	4,278,012
Retained earnings	4,439,763	4,800,227
Total shareholders' equity	10,527,033	10,889,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,219	21,927
Foreign currency translation adjustment	294,208	262,161
Total accumulated other comprehensive income	317,428	284,089
Non-controlling interests	44,909	45,541
Total net assets	10,889,371	11,218,909
Total liabilities and net assets	13,170,991	13,174,391

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	4,765,632	5,330,842
Cost of sales	2,486,387	2,707,794
Gross profit	2,279,244	2,623,047
Selling, general and administrative expenses	1,710,411	1,877,298
Operating income	568,832	745,748
Non-operating income		
Interest and dividend income	2,679	4,790
Foreign exchange gains	118,284	12,709
Royalty Income ²	2,487	2,601
Other	2,721	7,268
Total non-operating income	126,173	27,369
Non-operating expenses		
Interest expenses	3,258	531
Commission fee	–	8,000
Going public expenses	24,726	–
Other	4,074	2,773
Total non-operating expenses	32,058	11,305
Ordinary income	662,946	761,812
Income before income taxes and minority interests	662,946	761,812
Income taxes	235,671	241,277
Profit	427,275	520,535
Profit attributable to non-controlling interests	1,566	729
Profit attributable to owners of parent	425,709	519,805

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	427,275	520,535
Other comprehensive income		
Valuation difference on available-for-sale securities	7,635	(1,291)
Foreign currency translation adjustment	102,401	(32,145)
Total other comprehensive income	110,037	(33,436)
Comprehensive income	537,312	487,098
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	533,482	486,466
Comprehensive income attributable to non-controlling interests	3,830	631

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	662,946	761,812
Depreciation	182,977	200,202
Amortization of goodwill	5,084	–
Increase (decrease) in allowance for doubtful accounts	1,910	2,251
Increase (decrease) in provision for bonuses	15,628	13,587
Increase (decrease) in provision for retirement benefits	15,842	15,609
Increase (decrease) in provision for directors' retirement benefits	400	1,820
Interest and dividend income	(2,679)	(4,790)
Interest expenses	3,258	531
Foreign exchange losses (gains)	(129,849)	41,260
Decrease (increase) in notes and accounts receivable - trade	(18,962)	(103,870)
Decrease (increase) in inventories	(8,551)	(70,904)
Increase (decrease) in notes and accounts payable - trade	121,238	(117,132)
Other, net	(38,744)	(6,201)
Subtotal	810,502	734,177
Interest and dividend income received	2,679	4,790
Interest expenses paid	(2,578)	(353)
Income taxes paid	(107,579)	(407,001)
Income taxes refund	607	5,773
Net cash provided by (used in) operating activities	703,631	337,386
Cash flows from investing activities		
Net decrease (increase) in time deposits	81,739	34,810
Purchase of investment securities	(198,704)	(1,831)
Purchase of property, plant and equipment	(187,095)	(282,864)
Proceeds from sales of property, plant and equipment	–	5,471
Purchase of intangible assets	(140,900)	(36,742)
Proceeds from collection of lease and guarantee deposits	–	840
Other, net	(35,270)	(37,938)
Net cash provided by (used in) investing activities	(480,232)	(318,254)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,002,045)	–
Repayments of long-term loans payable	(17,511)	–
Redemption of bonds	(48,000)	(48,000)
Repayments of lease obligations	(2,480)	(2,384)
Cash dividends paid	(91,684)	(158,723)
Proceeds from issuance of common shares	1,610,000	–
Other, net	(2,699)	1,781
Net cash provided by (used in) financing activities	445,578	(207,326)
Effect of exchange rate change on cash and cash equivalents	136,928	(41,507)
Net increase (decrease) in cash and cash equivalents	805,907	(229,701)
Cash and cash equivalents at beginning of period	5,556,025	6,478,864
Cash and cash equivalents at end of period	6,361,932	6,249,162