

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2014 (Based on Japanese GAAP)

November 14, 2014

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <http://www.torex.co.jp>
 Representative: President Tomoyuki Fujisaka
 Managing Director
 Inquiries: General Manager, Strategic Business Hiroshi Kimura TEL 03-6222-2875
 Planning Unit
 Scheduled date to file Quarterly Securities Report: November 14, 2014
 Scheduled date to commence dividend payments: December 5, 2014
 Preparation of supplementary material on quarterly financial results: No
 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, 2014 (from April 1, 2014 to September 30, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2014	4,765	—	568	—	662	—	425	—
Six months ended September 30, 2013	—	—	—	—	—	—	—	—

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	161.77	159.44
Six months ended September 30, 2013	—	—

(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, 2014	12,030	9,972	82.6	3,754.87
As of March 31, 2014	10,800	7,904	72.9	3,433.14

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	—	0.00	—	40.00	40.00
Year ending March 31, 2015	—	50.00	—	—	—
Year ending March 31, 2015 (Forecast)	—	—	—	50.00	100.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,900	5.4	1,420	0.4	1,500	12.0	1,100	(18.9)	416.79

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2014
(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 September 30, 2014	2,645,300 shares	As of March 31, 2014	2,292,100 shares
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Number of treasury shares at the end of the period

As of September 30, 2014	– shares	As of March 31, 2014	– 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, 2014	2,631,538 shares	Six months ended September 30, 2013	– shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	5,646,537	5,871,336
Notes and accounts receivable - trade	1,844,655	1,929,180
Securities	–	500,000
Inventories	1,618,415	1,647,374
Other	301,617	300,088
Allowance for doubtful accounts	(918)	(2,947)
Total current assets	9,410,307	10,245,031
Non-current assets		
Property, plant and equipment	994,173	983,811
Intangible assets	43,084	204,517
Investments and other assets	353,076	597,383
Total non-current assets	1,390,334	1,785,712
Total assets	10,800,641	12,030,744
Liabilities		
Current liabilities		
Notes and accounts payable - trade	718,351	840,769
Short-term loans payable	1,008,165	6,541
Current portion of long-term loans payable	17,489	–
Current portion of bonds	96,000	96,000
Income taxes payable	119,297	205,417
Provision for bonuses	99,742	116,772
Other	354,201	344,303
Total current liabilities	2,413,247	1,609,805
Non-current liabilities		
Bonds payable	108,000	60,000
Net defined benefit liability	183,912	199,755
Provision for directors' retirement benefits	6,000	6,400
Other	184,736	182,553
Total non-current liabilities	482,648	448,708
Total liabilities	2,895,896	2,058,514
Net assets		
Shareholders' equity		
Capital stock	984,780	1,794,576
Capital surplus	3,451,754	4,261,550
Retained earnings	3,415,983	3,750,008
Total shareholders' equity	7,852,517	9,806,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	738	8,373
Foreign currency translation adjustment	15,862	118,263
Total accumulated other comprehensive income	16,600	126,637
Minority interests	35,627	39,457
Total net assets	7,904,745	9,972,230
Total liabilities and net assets	10,800,641	12,030,744

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
Net sales	4,765,632
Cost of sales	2,486,387
Gross profit	2,279,244
Selling, general and administrative expenses	1,710,411
Operating income	568,832
Non-operating income	
Interest and dividend income	2,679
Foreign exchange gains	118,284
Royalty Income ²	2,487
Other	2,721
Total non-operating income	126,173
Non-operating expenses	
Interest expenses	3,258
Going public expenses	24,726
Other	4,074
Total non-operating expenses	32,058
Ordinary income	662,946
Income before income taxes and minority interests	662,946
Income taxes	235,671
Income before minority interests	427,275
Minority interests in income	1,566
Net income	425,709

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2014
Income before minority interests	427,275
Other comprehensive income	
Valuation difference on available-for-sale securities	7,635
Foreign currency translation adjustment	102,401
Total other comprehensive income	110,037
Comprehensive income	537,312
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	533,482
Comprehensive income attributable to minority interests	3,830

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2014
Cash flows from operating activities	
Income before income taxes and minority interests	662,946
Depreciation	182,977
Amortization of goodwill	5,084
Increase (decrease) in allowance for doubtful accounts	1,910
Increase (decrease) in provision for bonuses	15,628
Increase (decrease) in provision for retirement benefits	15,842
Increase (decrease) in provision for directors' retirement benefits	400
Interest and dividend income	(2,679)
Interest expenses	3,258
Foreign exchange losses (gains)	(129,849)
Decrease (increase) in notes and accounts receivable - trade	(18,962)
Decrease (increase) in inventories	(8,551)
Decrease (increase) in consumption taxes refund receivable	3,712
Increase (decrease) in notes and accounts payable - trade	121,238
Increase (decrease) in long-term accounts payable - other	(12)
Other, net	(42,444)
Subtotal	810,502
Interest and dividend income received	2,679
Interest expenses paid	(2,578)
Income taxes paid	(107,579)
Income taxes refund	607
Net cash provided by (used in) operating activities	703,631
Cash flows from investing activities	
Net decrease (increase) in time deposits	81,739
Purchase of investment securities	(198,704)
Purchase of property, plant and equipment	(187,095)
Purchase of intangible assets	(140,900)
Other, net	(35,270)
Net cash provided by (used in) investing activities	(480,232)
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)
Repayments of lease obligations	(2,480)
Cash dividends paid	(91,684)
Proceeds from issuance of common shares	1,610,000
Other, net	(2,699)
Net cash provided by (used in) financing activities	445,578
Effect of exchange rate change on cash and cash equivalents	136,928
Net increase (decrease) in cash and cash equivalents	805,907
Cash and cash equivalents at beginning of period	5,556,025
Cash and cash equivalents at end of period	6,361,932