

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2015
(Based on Japanese GAAP)**

May 14, 2015

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <http://torex.co.jp/>
 Representative: President Tomoyuki Fujisaka
 Managing Director
 Inquiries: General Manager, Strategic Business Hiroshi Kimura TEL 03-6222-2875
 Planning Unit
 Scheduled date of ordinary general meeting of shareholders: June 25, 2015
 Scheduled date to file Securities Report: June 26, 2015
 Scheduled date to commence dividend payments: June 26, 2015
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

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	%
Year ended March 31, 2015	9,971	6.2	1,350	(4.5)	1,678	25.4	1,247	(8.1)
Year ended March 31, 2014	9,390	9.2	1,414	149.5	1,339	201.2	1,357	607.7

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	118.10	115.26	13.3	14.0	13.5
Year ended March 31, 2014	148.01	—	19.1	12.5	15.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	13,170	10,889	82.3	1,020.86
As of March 31, 2014	10,800	7,904	72.9	858.28

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	1,736	(1,412)	290	6,478
Year ended March 31, 2014	1,437	(189)	(1,237)	5,556

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	—	0.00	—	40.00	40.00	91	6.8	1.3
Year ended March 31, 2015	—	50.00	—	60.00	110.00	291	23.3	2.7
Year ending March 31, 2016 (Forecast)	—	16.00	—	16.00	32.00		35.8	

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		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	5,250	10.2	580	2.0	550	(17.0)	400	(6.0)	37.65
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 year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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 after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2015	10,622,800 shares	As of March 31, 2014	9,168,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	– shares	As of March 31, 2014	– shares
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Average number of shares during the period

Year ended March 31, 2015	10,564,191 shares	Year ended March 31, 2014	9,168,400 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	5,646,537	6,202,023
Notes and accounts receivable - trade	1,844,655	1,937,495
Securities	–	500,000
Merchandise and finished goods	1,464,769	1,615,089
Work in process	116,423	143,028
Raw materials and supplies	37,222	49,106
Income taxes receivable	1,059	6,776
Deferred tax assets	135,920	114,801
Other	164,637	185,235
Allowance for doubtful accounts	(918)	(268)
Total current assets	9,410,307	10,753,288
Non-current assets		
Property, plant and equipment		
Buildings and structures	570,641	636,134
Accumulated depreciation	(240,560)	(293,630)
Buildings and structures, net	330,080	342,503
Machinery, equipment and vehicles	556,323	668,665
Accumulated depreciation	(391,437)	(516,334)
Machinery, equipment and vehicles, net	164,885	152,330
Tools, furniture and fixtures	2,028,983	2,175,970
Accumulated depreciation	(1,597,831)	(1,730,755)
Tools, furniture and fixtures, net	431,151	445,214
Leased assets	22,702	22,702
Accumulated depreciation	(4,086)	(8,626)
Leased assets, net	18,616	14,075
Construction in progress	49,439	91,953
Total property, plant and equipment	994,173	1,046,078
Intangible assets		
Goodwill	5,318	–
Software	34,272	202,920
Other	3,494	4,041
Total intangible assets	43,084	206,961
Investments and other assets		
Investment securities	3,457	738,597
Deferred tax assets	27,283	69,140
Other	322,335	356,924
Total investments and other assets	353,076	1,164,661
Total non-current assets	1,390,334	2,417,702
Total assets	10,800,641	13,170,991

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	718,351	890,202
Short-term loans payable	1,008,165	3,567
Current portion of long-term loans payable	17,489	–
Current portion of bonds	96,000	108,000
Lease obligations	4,864	4,768
Accounts payable - other	265,199	264,360
Income taxes payable	119,297	415,556
Provision for bonuses	99,742	111,802
Other	84,137	88,741
Total current liabilities	2,413,247	1,886,999
Non-current liabilities		
Bonds payable	108,000	–
Lease obligations	14,781	10,013
Long-term accounts payable - other	168,802	168,912
Net defined benefit liability	183,912	207,289
Provision for directors' retirement benefits	6,000	6,800
Asset retirement obligations	1,152	1,480
Deferred tax liabilities	–	123
Total non-current liabilities	482,648	394,620
Total liabilities	2,895,896	2,281,620
Net assets		
Shareholders' equity		
Capital stock	984,780	1,810,148
Capital surplus	3,451,754	4,277,122
Retained earnings	3,415,983	4,439,763
Total shareholders' equity	7,852,517	10,527,033
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	738	23,219
Foreign currency translation adjustment	15,862	294,208
Total accumulated other comprehensive income	16,600	317,428
Minority interests	35,627	44,909
Total net assets	7,904,745	10,889,371
Total liabilities and net assets	10,800,641	13,170,991

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	9,390,563	9,971,975
Cost of sales	5,053,646	5,149,889
Gross profit	4,336,916	4,822,085
Selling, general and administrative expenses	2,922,475	3,471,882
Operating income	1,414,441	1,350,203
Non-operating income		
Interest and dividend income	5,571	6,187
Foreign exchange gains	–	341,915
Royalty gain	6,192	5,240
Temporary	5,421	135
Other	4,079	10,602
Total non-operating income	21,264	364,081
Non-operating expenses		
Interest expenses	23,399	3,875
Foreign exchange losses	18,354	–
Loss on liquidation business	23,206	–
Commission fee	13,000	–
Going public expenses	–	24,726
Other	18,618	6,754
Total non-operating expenses	96,579	35,356
Ordinary income	1,339,126	1,678,928
Extraordinary losses		
Loss on insurance cancellation	15,396	–
Total extraordinary losses	15,396	–
Income before income taxes and minority interests	1,323,730	1,678,928
Income taxes - current	119,838	461,193
Income taxes - deferred	(154,612)	(33,102)
Total income taxes	(34,773)	428,090
Income before minority interests	1,358,504	1,250,837
Minority interests in income	1,451	3,109
Net income	1,357,052	1,247,728

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	1,358,504	1,250,837
Other comprehensive income		
Valuation difference on available-for-sale securities	333	22,481
Deferred gains or losses on hedges	37,958	–
Foreign currency translation adjustment	132,886	285,099
Total other comprehensive income	171,178	307,580
Comprehensive income	1,529,682	1,558,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,525,228	1,549,136
Comprehensive income attributable to minority interests	4,453	9,282

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Thousands of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of current period	984,780	3,451,754	2,093,312	6,529,846
Changes of items during period				
Issuance of new shares				
Issuance of new shares - exercise of subscription rights to shares				
Dividends of surplus			(34,381)	(34,381)
Net income			1,357,052	1,357,052
Net changes of items other than shareholders' equity				
Total changes of items during period	-	-	1,322,670	1,322,670
Balance at end of current period	984,780	3,451,754	3,415,983	7,852,517

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	405	(37,958)	(117,024)	(154,577)	31,173	6,406,442
Changes of items during period						
Issuance of new shares						
Issuance of new shares - exercise of subscription rights to shares						
Dividends of surplus						(34,381)
Net income						1,357,052
Net changes of items other than shareholders' equity	333	37,958	132,886	171,178	4,453	175,631
Total changes of items during period	333	37,958	132,886	171,178	4,453	1,498,302
Balance at end of current period	738	-	15,862	16,600	35,627	7,904,745

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of current period	984,780	3,451,754	3,415,983	7,852,517
Changes of items during period				
Issuance of new shares	805,000	805,000		1,610,000
Issuance of new shares - exercise of subscription rights to shares	20,368	20,368		40,736
Dividends of surplus			(223,949)	(223,949)
Net income			1,247,728	1,247,728
Net changes of items other than shareholders' equity				
Total changes of items during period	825,368	825,368	1,023,779	2,674,515
Balance at end of current period	1,810,148	4,277,122	4,439,763	10,527,033

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	738	15,862	16,600	35,627	7,904,745
Changes of items during period					
Issuance of new shares					1,610,000
Issuance of new shares - exercise of subscription rights to shares					40,736
Dividends of surplus					(223,949)
Net income					1,247,728
Net changes of items other than shareholders' equity	22,481	278,346	300,827	9,282	310,109
Total changes of items during period	22,481	278,346	300,827	9,282	2,984,625
Balance at end of current period	23,219	294,208	317,428	44,909	10,889,371

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	1,323,730	1,678,928
Depreciation	458,188	404,538
Amortization of goodwill	10,156	5,349
Increase (decrease) in allowance for doubtful accounts	(328)	(726)
Increase (decrease) in provision for bonuses	4,382	9,987
Increase (decrease) in provision for directors' retirement benefits	800	800
Increase (decrease) in net defined benefit liability	23,924	23,377
Loss (gain) on cancellation of insurance contract	15,396	–
Interest and dividend income	(5,571)	(6,187)
Interest expenses	23,399	3,875
Foreign exchange losses (gains)	(164,620)	(307,813)
Decrease (increase) in notes and accounts receivable - trade	(93,880)	60,223
Decrease (increase) in inventories	119,941	(138,101)
Decrease (increase) in consumption taxes refund receivable	6,220	(2,432)
Increase (decrease) in notes and accounts payable - trade	(40,960)	165,341
Increase (decrease) in long-term accounts payable - other	(6,423)	(1,097)
Other, net	(199,903)	7,190
Subtotal	1,474,453	1,903,252
Interest and dividend income received	5,628	6,187
Interest expenses paid	(23,277)	(3,292)
Income taxes paid	(25,140)	(170,556)
Income taxes refund	5,954	689
Net cash provided by (used in) operating activities	1,437,619	1,736,281
Cash flows from investing activities		
Net decrease (increase) in time deposits	21,885	(110,300)
Purchase of property, plant and equipment	(246,410)	(391,646)
Proceeds from sales of property, plant and equipment	800	260
Purchase of intangible assets	(19,990)	(194,469)
Purchase of investment securities	–	(700,503)
Proceeds from collection of lease and guarantee deposits	1,844	27,975
Proceeds from cancellation of insurance funds	95,568	–
Other, net	(43,263)	(44,002)
Net cash provided by (used in) investing activities	(189,566)	(1,412,687)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(103,502)	(1,005,429)
Repayments of long-term loans payable	(19,953)	(18,659)
Redemption of bonds	(1,046,000)	(96,000)
Proceeds from issuance of common shares	–	1,610,000
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	–	40,736
Repayments of lease obligations	(9,081)	(4,864)
Cash dividends paid	(34,381)	(223,188)
Other, net	(24,583)	(12,291)
Net cash provided by (used in) financing activities	(1,237,502)	290,302
Effect of exchange rate change on cash and cash equivalents	146,781	308,943
Net increase (decrease) in cash and cash equivalents	157,331	922,839
Cash and cash equivalents at beginning of period	5,398,694	5,556,025
Cash and cash equivalents at end of period	5,556,025	6,478,864