

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 10, 2016

Company name: TOREX SEMICONDUCTOR LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6616 URL <https://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: August 10, 2016  
 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(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	%
Three months ended June 30, 2016	5,227	100.1	204	(43.9)	(384)	–	2,209	756.3
Three months ended June 30, 2015	2,612	14.2	363	46.8	387	111.6	258	120.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	226.60		221.75	
Three months ended June 30, 2015	24.29		23.78	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2016	25,255	13,613	44.7	1,157.65
As of March 31, 2016	12,972	10,928	83.9	1,022.30

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, 2016	–	16.00	–	16.00	32.00
Year ending March 31, 2017	–				
Year ending March 31, 2017 (Forecast)		16.00	–	16.00	32.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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
Six months ending September 30, 2016	10,300	93.5	400	(50.0)	(100)	(118.1)	2,400	360.9	225.35
Full year	20,500	93.0	900	(21.0)	400	(55.3)	2,700	365.2	253.52

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 June 30, 2016	10,650,000 shares	As of March 31, 2016	10,648,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	– shares	As of March 31, 2016	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	10,649,680 shares	Three months ended June 30, 2015	10,623,134 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	6,616,828	11,079,184
Notes and accounts receivable - trade	1,921,877	3,096,503
Securities	300,000	400,000
Inventories	1,678,821	3,559,438
Other	301,519	961,157
Allowance for doubtful accounts	(1,424)	(1,127)
Total current assets	10,817,621	19,095,156
Non-current assets		
Property, plant and equipment	1,120,046	4,455,522
Intangible assets	203,813	267,566
Investments and other assets		
Other	831,390	1,461,920
Allowance for doubtful accounts	–	(24,304)
Total investments and other assets	831,390	1,437,616
Total non-current assets	2,155,250	6,160,704
Total assets	12,972,871	25,255,860
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	797,787	947,206
Short-term loans payable	3,366	3,603,075
Current portion of long-term loans payable	–	1,074,820
Current portion of bonds	–	500,000
Income taxes payable	133,315	148,619
Provision for bonuses	96,695	122,367
Other	591,223	993,147
Total current liabilities	1,622,388	7,389,236
Non-current liabilities		
Long-term loans payable	–	2,570,268
Net defined benefit liability	236,616	503,165
Provision for directors' retirement benefits	9,095	–
Other	175,781	1,179,725
Total non-current liabilities	421,494	4,253,159
Total liabilities	2,043,883	11,642,395
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,819,585	1,820,171
Capital surplus	4,286,559	4,287,145
Retained earnings	4,690,819	6,758,444
Treasury shares	–	(1,428,147)
Total shareholders' equity	10,796,965	11,437,613
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(31,266)	(70,845)
Foreign currency translation adjustment	120,242	(76,990)
Total accumulated other comprehensive income	88,975	(147,836)
Non-controlling interests	43,047	2,323,687
Total net assets	10,928,988	13,613,465
Total liabilities and net assets	12,972,871	25,255,860

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	2,612,701	5,227,355
Cost of sales	1,292,771	3,758,745
Gross profit	1,319,930	1,468,610
Selling, general and administrative expenses	956,175	1,264,586
Operating income	363,755	204,023
Non-operating income		
Interest and dividend income	2,825	14,111
Foreign exchange gains	24,072	–
Royalty Income <sup>2</sup>	1,146	1,051
Other	5,653	5,430
Total non-operating income	33,698	20,593
Non-operating expenses		
Interest expenses	266	8,769
Foreign exchange losses	–	580,273
Commission fee	8,000	8,000
Other	1,925	12,099
Total non-operating expenses	10,191	609,141
Ordinary income (loss)	387,262	(384,524)
Extraordinary income		
Gain on bargain purchase	–	1,966,967
Compensation income	–	518,872
Insurance income	–	11,523
Total extraordinary income	–	2,497,363
Extraordinary losses		
Loss on disaster	–	5,740
Total extraordinary losses	–	5,740
Profit before income taxes	387,262	2,107,099
Income taxes	128,816	11,690
Profit	258,445	2,095,408
Profit (loss) attributable to non-controlling interests	388	(114,430)
Profit attributable to owners of parent	258,057	2,209,838

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	258,445	2,095,408
Other comprehensive income		
Valuation difference on available-for-sale securities	13,285	(64,313)
Foreign currency translation adjustment	51,247	(200,169)
Total other comprehensive income	64,532	(264,483)
Comprehensive income	322,978	1,830,925
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	321,723	1,973,026
Comprehensive income attributable to non-controlling interests	1,254	(142,101)