

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 13, 2019

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <https://www.torex.co.jp>
 Representative: President Koji Shibamiya
 Director Motoi Hikasa TEL 03-6222-2852
 General Manager, Administration Division
 Inquiries: Motoi Hikasa
 Scheduled date to file Quarterly Securities Report: February 13, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	18,543	3.9	1,662	1.4	1,969	15.0	1,087	36.9
Nine months ended December 31, 2017	17,845	13.0	1,640	89.0	1,713	158.6	794	(71.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	100.38		100.17	
Nine months ended December 31, 2017	88.09		87.80	

(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, 2018	28,333	19,906	56.9	1,487.05
As of March 31, 2018	27,995	19,085	51.8	1,338.74

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, 2018	–	16.00	–	18.00	34.00
Year ending March 31, 2019	–	18.00	–		
Year ending March 31, 2019 (Forecast)				20.00	38.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	24,000	0.0	1,700	(23.2)	2,000	0.1	1,050	16.4	95.95

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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, 2018	11,089,200 shares	As of March 31, 2018	11,089,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	249,888 shares	As of March 31, 2018	255,568 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, 2018	10,837,051 shares	Nine months ended December 31, 2017	9,018,829 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	10,834,842	10,651,486
Notes and accounts receivable - trade	4,362,900	4,184,296
Securities	1,600,000	–
Inventories	4,513,709	4,955,287
Other	359,278	359,064
Allowance for doubtful accounts	(1,932)	(2,523)
Total current assets	21,668,799	20,147,610
Non-current assets		
Property, plant and equipment	4,294,474	6,179,756
Intangible assets	234,389	354,165
Investments and other assets		
Net defined benefit asset	23,556	101,990
Other	1,798,974	1,575,856
Allowance for doubtful accounts	(25,194)	(26,325)
Total investments and other assets	1,797,337	1,651,521
Total non-current assets	6,326,201	8,185,443
Total assets	27,995,000	28,333,054
Liabilities		
Current liabilities		
Notes and accounts payable - trade	984,648	819,695
Short-term loans payable	2,483,191	1,902,772
Current portion of long-term loans payable	1,102,863	1,039,120
Income taxes payable	257,634	303,583
Provision for bonuses	450,961	116,528
Other	1,577,287	1,512,781
Total current liabilities	6,856,586	5,694,482
Non-current liabilities		
Long-term loans payable	1,393,569	2,059,200
Net defined benefit liability	263,810	291,327
Provision for stock benefits	26,728	40,492
Other	368,842	340,873
Total non-current liabilities	2,052,951	2,731,894
Total liabilities	8,909,537	8,426,376
Net assets		
Shareholders' equity		
Capital stock	2,967,934	2,967,934
Capital surplus	3,927,606	4,907,543
Retained earnings	7,949,646	8,645,562
Treasury shares	(416,335)	(406,840)
Total shareholders' equity	14,428,851	16,114,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(9,868)	(127,026)
Foreign currency translation adjustment	25,936	77,551
Remeasurements of defined benefit plans	58,536	53,873
Total accumulated other comprehensive income	74,604	4,398
Non-controlling interests	4,582,007	3,788,078
Total net assets	19,085,463	19,906,677
Total liabilities and net assets	27,995,000	28,333,054

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, 2017	Nine months ended December 31, 2018
Net sales	17,845,379	18,543,845
Cost of sales	12,465,497	13,201,120
Gross profit	5,379,881	5,342,724
Selling, general and administrative expenses	3,739,814	3,679,951
Operating profit	1,640,067	1,662,773
Non-operating income		
Interest and dividend income	20,606	25,439
Foreign exchange gains	33,842	271,692
Royalty gain	7,352	6,536
Insurance premiums refunded cancellation	26,512	–
Other	25,279	36,875
Total non-operating income	113,593	340,545
Non-operating expenses		
Interest expenses	25,220	23,179
Commission fee	6,000	6,000
Other	9,049	4,553
Total non-operating expenses	40,270	33,732
Ordinary profit	1,713,390	1,969,585
Extraordinary income		
Gain on sales of non-current assets	–	1,638
Subsidy income	28,661	–
Insurance income	–	2,255
Other	3,347	886
Total extraordinary income	32,008	4,781
Extraordinary losses		
Loss on sales and retirement of non-current assets	30,858	19,637
Loss on reduction of non-current assets	13,814	–
Other	5,791	66
Total extraordinary losses	50,463	19,703
Profit before income taxes	1,694,934	1,954,662
Income taxes	496,194	591,579
Profit	1,198,740	1,363,083
Profit attributable to non-controlling interests	404,265	275,209
Profit attributable to owners of parent	794,474	1,087,874

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	1,198,740	1,363,083
Other comprehensive income		
Valuation difference on available-for-sale securities	(52,463)	(154,635)
Foreign currency translation adjustment	37,287	53,512
Remeasurements of defined benefit plans, net of tax	(7,698)	(6,698)
Total other comprehensive income	(22,874)	(107,820)
Comprehensive income	1,175,865	1,255,262
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	796,639	1,017,668
Comprehensive income attributable to non-controlling interests	379,225	237,593