

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2019  
(Based on Japanese GAAP)**

May 14, 2019

Company name: TOREX SEMICONDUCTOR LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6616 URL <https://www.torex.co.jp/>  
 Representative: President Koji Shibamiya  
 Director  
 Inquiries: Motoi Hikasa TEL 03-6222-2852  
 General Manager, Administration Division  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2019  
 Scheduled date to file Securities Report: June 26, 2019  
 Scheduled date to commence dividend payments: June 26, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	23,896	(0.4)	1,550	(29.9)	1,820	(8.9)	1,049	16.3
Year ended March 31, 2018	23,996	11.3	2,212	76.8	1,998	120.6	902	(69.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	95.89	95.70	6.2	6.5	6.5
Year ended March 31, 2018	99.44	99.12	7.0	7.5	9.2

(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, 2019	28,385	19,638	69.0	1,717.90
As of March 31, 2018	27,995	19,085	51.8	1,338.74

(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, 2019	2,699	(3,256)	(928)	10,883
Year ended March 31, 2018	2,335	(697)	1,151	12,280

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, 2018	–	16.00	–	18.00	34.00	341	34.2	2.6
Year ended March 31, 2019	–	18.00	–	20.00	38.00	425	39.6	2.5
Year ending March 31, 2020 (Forecast)	–	20.00	–	20.00	40.00		59.3	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	23,600	(1.2)	1,100	(29.1)	1,100	(39.6)	770	(26.6)	67.50

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(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: 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, 2019	11,554,200 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 March 31, 2019	148,248 shares	As of March 31, 2018	255,568 shares
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Average number of shares during the period

Year ended March 31, 2019	10,940,414 shares	Year ended March 31, 2018	9,072,514 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	10,834,842	10,982,083
Notes and accounts receivable - trade	4,362,900	4,016,502
Securities	1,600,000	–
Merchandise and finished goods	1,554,060	1,731,140
Work in process	1,660,971	1,459,942
Raw materials and supplies	1,298,677	1,410,804
Other	359,278	308,789
Allowance for doubtful accounts	(1,932)	(2,604)
Total current assets	21,668,799	19,906,658
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,450,861	2,646,692
Machinery, equipment and vehicles, net	526,889	1,423,379
Tools, furniture and fixtures, net	644,770	654,877
Land	1,148,192	1,147,187
Leased assets, net	75,751	41,497
Construction in progress	448,009	335,398
Total property, plant and equipment	4,294,474	6,249,033
Intangible assets		
Software	224,470	163,578
Other	9,919	293,188
Total intangible assets	234,389	456,767
Investments and other assets		
Investment securities	883,241	740,067
Retirement benefit asset	23,556	–
Deferred tax assets	493,748	613,154
Other	421,984	446,370
Allowance for doubtful accounts	(25,194)	(26,396)
Total investments and other assets	1,797,337	1,773,195
Total non-current assets	6,326,201	8,478,995
Total assets	27,995,000	28,385,653

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	984,648	909,520
Short-term loans payable	2,483,191	1,902,775
Current portion of long-term loans payable	1,102,863	1,021,033
Lease obligations	45,393	19,726
Accounts payable - other	1,162,090	1,080,493
Income taxes payable	257,634	326,813
Provision for bonuses	450,961	388,064
Other	369,804	562,117
<b>Total current liabilities</b>	<b>6,856,586</b>	<b>6,210,544</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,393,569	1,747,536
Lease obligations	34,136	25,028
Long-term accounts payable - other	245,831	223,631
Retirement benefit liability	263,810	414,156
Provision for stock benefits	26,728	33,566
Asset retirement obligations	79,373	80,712
Deferred tax liabilities	737	752
Other	8,763	11,627
<b>Total non-current liabilities</b>	<b>2,052,951</b>	<b>2,537,012</b>
<b>Total liabilities</b>	<b>8,909,537</b>	<b>8,747,556</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,967,934	2,967,934
Capital surplus	3,927,606	8,302,952
Retained earnings	7,949,646	8,606,806
Treasury shares	(416,335)	(206,316)
<b>Total shareholders' equity</b>	<b>14,428,851</b>	<b>19,671,377</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(9,868)	(87,404)
Foreign currency translation adjustment	25,936	74,061
Remeasurements of defined benefit plans	58,536	(63,720)
<b>Total accumulated other comprehensive income</b>	<b>74,604</b>	<b>(77,063)</b>
<b>Non-controlling interests</b>	<b>4,582,007</b>	<b>43,783</b>
<b>Total net assets</b>	<b>19,085,463</b>	<b>19,638,097</b>
<b>Total liabilities and net assets</b>	<b>27,995,000</b>	<b>28,385,653</b>

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

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	23,996,944	23,896,699
Cost of sales	16,820,392	17,402,840
Gross profit	7,176,552	6,493,859
Selling, general and administrative expenses	4,964,228	4,942,896
Operating profit	2,212,324	1,550,962
Non-operating income		
Interest and dividend income	24,876	29,864
Foreign exchange gains	–	216,743
Royalty gain	11,792	9,945
Insurance premiums refunded cancellation	26,512	–
Rent income	20,681	28,717
Other	17,260	27,315
Total non-operating income	101,123	312,586
Non-operating expenses		
Interest expenses	32,467	30,187
Foreign exchange losses	235,540	–
Commission expenses	37,855	8,000
Other	9,397	5,112
Total non-operating expenses	315,260	43,300
Ordinary profit	1,998,187	1,820,249
Extraordinary income		
Gain on sales of non-current assets	–	1,637
Subsidy income	30,426	3,400
Insurance income	3,826	2,742
Total extraordinary income	34,252	7,780
Extraordinary losses		
Loss on reduction of non-current assets	13,814	–
Loss on sales and retirement of non-current assets	42,411	23,159
Loss on disaster	5,321	66
Total extraordinary losses	61,547	23,226
Profit before income taxes	1,970,892	1,804,803
Income taxes - current	458,563	480,997
Income taxes - deferred	102,655	2,766
Total income taxes	561,219	483,763
Profit	1,409,673	1,321,039
Profit attributable to non-controlling interests	507,496	271,921
Profit attributable to owners of parent	902,176	1,049,117

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	1,409,673	1,321,039
Other comprehensive income		
Valuation difference on available-for-sale securities	(170,989)	(102,250)
Foreign currency translation adjustment	(70,659)	50,014
Remeasurements of defined benefit plans, net of tax	(28,933)	(124,863)
Total other comprehensive income	(270,583)	(177,099)
Comprehensive income	1,139,090	1,143,939
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	716,478	897,450
Comprehensive income attributable to non-controlling interests	422,611	246,489

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,838,178	2,825,433	7,336,898	(828,661)	11,171,849
Changes of items during period					
Issuance of new shares	1,129,756	1,129,756			2,259,512
Dividends of surplus			(289,427)		(289,427)
Profit attributable to owners of parent			902,176		902,176
Purchase of treasury shares				(54)	(54)
Disposal of treasury shares		(37,296)		422,092	384,795
Receipt of treasury stock by the trust company				(93,240)	(93,240)
Transfer of treasury stock by the trust company		9,712		83,527	93,240
Net changes of items other than shareholders' equity					
Total changes of items during period	1,129,756	1,102,172	612,748	412,325	3,257,002
Balance at end of current period	2,967,934	3,927,606	7,949,646	(416,335)	14,428,851

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	93,545	93,463	73,292	260,301	4,165,421	15,597,571
Changes of items during period						
Issuance of new shares						2,259,512
Dividends of surplus						(289,427)
Profit attributable to owners of parent						902,176
Purchase of treasury shares						(54)
Disposal of treasury shares						384,795
Receipt of treasury stock by the trust company						(93,240)
Transfer of treasury stock by the trust company						93,240
Net changes of items other than shareholders' equity	(103,413)	(67,526)	(14,756)	(185,697)	416,586	230,888
Total changes of items during period	(103,413)	(67,526)	(14,756)	(185,697)	416,586	3,487,891
Balance at end of current period	(9,868)	25,936	58,536	74,604	4,582,007	19,085,463

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,967,934	3,927,606	7,949,646	(416,335)	14,428,851
Changes of items during period					
Dividends of surplus			(391,958)		(391,958)
Profit attributable to owners of parent			1,049,117		1,049,117
Purchase of treasury shares				(107,383)	(107,383)
Disposal of treasury shares		(6,362)		14,095	7,732
Increased or decreased by the stock exchange		3,399,093		303,308	3,702,401
Purchase of shares of consolidated subsidiaries		982,615			982,615
Net changes of items other than shareholders' equity					
Total changes of items during period	–	4,375,346	657,159	210,019	5,242,525
Balance at end of current period	2,967,934	8,302,952	8,606,806	(206,316)	19,671,377

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(9,868)	25,936	58,536	74,604	4,582,007	19,085,463
Changes of items during period						
Dividends of surplus						(391,958)
Profit attributable to owners of parent						1,049,117
Purchase of treasury shares						(107,383)
Disposal of treasury shares						7,732
Increased or decreased by the stock exchange						3,702,401
Purchase of shares of consolidated subsidiaries						982,615
Net changes of items other than shareholders' equity	(77,536)	48,125	(122,256)	(151,667)	(4,538,223)	(4,689,891)
Total changes of items during period	(77,536)	48,125	(122,256)	(151,667)	(4,538,223)	552,633
Balance at end of current period	(87,404)	74,061	(63,720)	(77,063)	43,783	19,638,097



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	1,970,892	1,804,803
Depreciation	934,277	1,085,436
Loss on reduction of non-current assets	13,814	–
Loss on disaster	5,321	66
Loss (gain) on sales and retirement of non-current assets	42,411	21,522
Insurance income	(3,826)	(2,742)
Subsidy income	(30,426)	(3,400)
Increase (decrease) in allowance for doubtful accounts	(1,970)	1,050
Increase (decrease) in provision for bonuses	105,982	(63,384)
Increase (decrease) in provision for stock benefits	26,728	11,100
Decrease (increase) in retirement benefit asset	(23,556)	23,556
Increase (decrease) in retirement benefit liability	(52,870)	150,346
Interest and dividend income	(24,876)	(29,864)
Interest expenses	32,467	30,187
Foreign exchange losses (gains)	204,012	(70,837)
Decrease (increase) in notes and accounts receivable - trade	(145,018)	378,343
Decrease (increase) in inventories	(442,565)	(83,669)
Increase (decrease) in notes and accounts payable - trade	(87,895)	(56,440)
Increase (decrease) in long-term accounts payable - other	(19,974)	368
Other, net	227,668	(38,931)
Subtotal	2,730,596	3,157,509
Interest and dividend income received	24,793	29,781
Interest expenses paid	(34,486)	(29,378)
Income taxes paid	(414,481)	(464,208)
Proceeds from insurance income	3,826	2,742
Proceeds from subsidy income	30,426	3,400
Payments for loss on disaster	(5,321)	(66)
Net cash provided by (used in) operating activities	2,335,353	2,699,779

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Net decrease (increase) in time deposits	(102)	(44,365)
Purchase of securities	(100,000)	(100,000)
Proceeds from redemption of securities	300,000	200,000
Purchase of property, plant and equipment	(757,134)	(3,083,337)
Proceeds from sales of property, plant and equipment	8,816	1,637
Purchase of intangible assets	(159,906)	(193,222)
Purchase of investment securities	(3,788)	(3,932)
Payments for leasehold and guarantee deposits	(2,897)	(455)
Proceeds from collection of leasehold and guarantee deposits	3,746	3,534
Proceeds from cancellation of insurance funds	55,626	–
Other, net	(41,767)	(36,607)
Net cash provided by (used in) investing activities	(697,406)	(3,256,749)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	60,000	(580,572)
Proceeds from long-term loans payable	–	1,500,000
Repayments of long-term loans payable	(1,174,212)	(1,227,863)
Proceeds from issuance of common shares	2,259,512	–
Purchase of treasury shares	(54)	(107,395)
Proceeds from disposal of treasury shares	382,659	112
Proceeds from disposal of treasury shares from exercise of subscription rights to shares	2,136	3,357
Repayments of lease obligations	(49,134)	(45,521)
Cash dividends paid	(289,198)	(390,955)
Dividends paid to non-controlling interests	(6,024)	(48,907)
Other, net	(33,931)	(30,574)
Net cash provided by (used in) financing activities	1,151,752	(928,319)
Effect of exchange rate change on cash and cash equivalents	(224,161)	88,167
Net increase (decrease) in cash and cash equivalents	2,565,538	(1,397,121)
Cash and cash equivalents at beginning of period	9,714,789	12,280,327
Cash and cash equivalents at end of period	12,280,327	10,883,205