

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 2020

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
 General Manager, Administration Division TEL 03-6222-2852
 Scheduled date to file Quarterly Securities Report: August 7, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	5,858	22.1	195	148.9	180	–	168	–
Three months ended June 30, 2019	4,797	(22.7)	78	(88.4)	11	(98.8)	12	(97.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	15.47		15.46	
Three months ended June 30, 2019	1.07		1.07	

(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, 2020	30,838	18,639	60.4	1,708.51
As of March 31, 2020	27,846	18,671	67.1	1,712.30

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, 2020	–	20.00	–	20.00	40.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	16.00	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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
Six months ending September 30, 2020	11,400	10.3	220	(33.4)	180	(35.5)	170	7.8	15.58

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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 June 30, 2020	11,554,200 shares	As of March 31, 2020	11,554,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	644,448 shares	As of March 31, 2020	649,648 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, 2020	10,905,541 shares	Three months ended June 30, 2019	11,204,489 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	9,281,215	11,788,948
Notes and accounts receivable - trade	4,020,517	4,227,313
Inventories	5,006,813	5,090,909
Other	540,103	662,017
Allowance for doubtful accounts	(2,983)	(843)
Total current assets	18,845,666	21,768,344
Non-current assets		
Property, plant and equipment	6,204,524	6,253,549
Intangible assets	801,474	802,533
Investments and other assets		
Other	2,020,976	2,039,883
Allowance for doubtful accounts	(25,680)	(25,437)
Total investments and other assets	1,995,296	2,014,445
Total non-current assets	9,001,295	9,070,528
Total assets	27,846,962	30,838,873
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,065,830	1,118,571
Short-term borrowings	2,901,627	2,901,617
Current portion of long-term borrowings	605,036	1,307,538
Income taxes payable	51,380	35,258
Provision for bonuses	355,975	117,449
Other	1,962,749	1,699,856
Total current liabilities	6,942,598	7,180,291
Non-current liabilities		
Long-term borrowings	1,142,500	4,115,000
Retirement benefit liability	656,153	651,761
Provision for share-based remuneration	53,546	59,318
Other	380,261	192,987
Total non-current liabilities	2,232,461	5,019,067
Total liabilities	9,175,060	12,199,358
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,297,198	8,295,102
Retained earnings	8,576,276	8,526,745
Treasury shares	(788,207)	(782,144)
Total shareholders' equity	19,053,202	19,007,637
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(145,538)	(128,353)
Foreign currency translation adjustment	15,011	6,866
Remeasurements of defined benefit plans	(250,774)	(246,637)
Total accumulated other comprehensive income	(381,300)	(368,123)
Total net assets	18,671,901	18,639,514
Total liabilities and net assets	27,846,962	30,838,873

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, 2019	Three months ended June 30, 2020
Net sales	4,797,479	5,858,103
Cost of sales	3,528,203	4,533,496
Gross profit	1,269,276	1,324,606
Selling, general and administrative expenses	1,190,731	1,129,115
Operating profit	78,545	195,491
Non-operating income		
Interest and dividend income	10,371	8,214
Royalty Income ²	827	1,088
Rental income	7,578	7,320
Other	2,590	6,543
Total non-operating income	21,368	23,166
Non-operating expenses		
Interest expenses	6,285	9,851
Foreign exchange losses	78,589	26,701
Commission expenses	2,000	2,000
Other	1,575	95
Total non-operating expenses	88,450	38,648
Ordinary profit	11,463	180,009
Extraordinary losses		
Loss on sales and retirement of non-current assets	998	1,414
Loss on cancellation of insurance policies	–	11,736
Total extraordinary losses	998	13,151
Profit before income taxes	10,464	166,858
Income taxes	(1,412)	(1,925)
Profit	11,877	168,783
Loss attributable to non-controlling interests	(169)	–
Profit attributable to owners of parent	12,046	168,783

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	11,877	168,783
Other comprehensive income		
Valuation difference on available-for-sale securities	(41,654)	17,184
Foreign currency translation adjustment	(64,222)	(8,144)
Remeasurements of defined benefit plans, net of tax	743	4,136
Total other comprehensive income	(105,133)	13,176
Comprehensive income	(93,256)	181,960
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(91,799)	181,960
Comprehensive income attributable to non-controlling interests	(1,457)	—