

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 17, 2021

Company name: TOREX SEMICONDUCTOR LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6616 URL <https://www.torex.co.jp/>  
 Representative: President Koji Shibamiya  
 Corporate Officer  
 Inquiries: Senior Manager, Business Planning Takashi Maegawa TEL 03-6222-2875  
 Department  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2021  
 Scheduled date to file Securities Report: June 24, 2021  
 Scheduled date to commence dividend payments: June 25, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	23,712	10.3	1,209	78.3	1,206	78.4	933	123.6
Year ended March 31, 2020	21,500	(10.0)	678	(56.3)	676	(62.8)	417	(60.2)

	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, 2021	85.42	–	4.9	4.1	5.1
Year ended March 31, 2020	38.03	37.97	2.2	2.4	3.2

(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, 2021	31,512	19,789	62.8	1,808.96
As of March 31, 2020	27,846	18,671	67.1	1,712.30

(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, 2021	1,790	(1,545)	2,175	11,681
Year ended March 31, 2020	1,144	(1,549)	(1,176)	9,172

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, 2020	–	20.00	–	20.00	40.00	438	105.2	2.3
Year ended March 31, 2021	–	16.00	–	20.00	36.00	396	42.1	2.0
Year ending March 31, 2022 (Forecast)	–	20.00	–	20.00	40.00		31.3	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	26,000	9.6	2,000	65.4	2,000	65.8	1,400	50.0	127.97

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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: Yes

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, 2021	11,554,200 shares	As of March 31, 2020	11,554,200 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	614,259 shares	As of March 31, 2020	649,648 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2021	10,929,077 shares	Year ended March 31, 2020	10,975,995 shares
---------------------------	-------------------	---------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	9,281,215	11,737,170
Notes and accounts receivable - trade	4,020,517	4,629,998
Merchandise and finished goods	2,042,628	1,734,438
Work in process	1,900,144	2,448,495
Raw materials and supplies	1,064,040	1,287,325
Other	540,103	590,124
Allowance for doubtful accounts	(2,983)	(5,948)
Total current assets	18,845,666	22,421,604
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,525,605	2,429,076
Machinery, equipment and vehicles, net	1,228,729	1,259,066
Tools, furniture and fixtures, net	494,403	375,861
Land	1,147,187	1,247,258
Leased assets, net	155,134	148,070
Construction in progress	653,463	506,612
Total property, plant and equipment	6,204,524	5,965,946
Intangible assets		
Software	170,524	870,668
Other	630,949	48,683
Total intangible assets	801,474	919,351
Investments and other assets		
Investment securities	913,366	966,440
Retirement benefit asset	–	321,973
Deferred tax assets	693,158	535,578
Other	414,452	407,657
Allowance for doubtful accounts	(25,680)	(26,422)
Total investments and other assets	1,995,296	2,205,227
Total non-current assets	9,001,295	9,090,525
Total assets	27,846,962	31,512,129

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,065,830	1,344,974
Short-term borrowings	2,901,627	2,901,661
Current portion of long-term borrowings	605,036	1,030,000
Lease obligations	56,114	47,560
Accounts payable - other	1,503,574	1,052,957
Income taxes payable	51,380	203,234
Provision for bonuses	355,975	424,979
Other	403,059	673,724
<b>Total current liabilities</b>	<b>6,942,598</b>	<b>7,679,092</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,142,500	3,362,500
Lease obligations	43,283	45,248
Long-term accounts payable - other	202,648	68,476
Retirement benefit liability	656,153	344,767
Provision for share awards	53,546	49,109
Asset retirement obligations	81,965	83,336
Deferred tax liabilities	41,455	60,769
Other	10,908	28,906
<b>Total non-current liabilities</b>	<b>2,232,461</b>	<b>4,043,114</b>
<b>Total liabilities</b>	<b>9,175,060</b>	<b>11,722,207</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,967,934	2,967,934
Capital surplus	8,297,198	8,299,941
Retained earnings	8,576,276	9,115,933
Treasury shares	(788,207)	(749,981)
<b>Total shareholders' equity</b>	<b>19,053,202</b>	<b>19,633,828</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(145,538)	(146,619)
Foreign currency translation adjustment	15,011	113,934
Remeasurements of defined benefit plans	(250,774)	188,778
<b>Total accumulated other comprehensive income</b>	<b>(381,300)</b>	<b>156,093</b>
<b>Total net assets</b>	<b>18,671,901</b>	<b>19,789,922</b>
<b>Total liabilities and net assets</b>	<b>27,846,962</b>	<b>31,512,129</b>

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

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	21,500,955	23,712,981
Cost of sales	16,049,185	17,753,827
Gross profit	5,451,769	5,959,153
Selling, general and administrative expenses	4,773,608	4,749,858
Operating profit	678,161	1,209,294
Non-operating income		
Interest and dividend income	26,095	18,651
Royalty gain	8,104	4,548
Rental income	27,353	31,705
Subsidy income	–	9,672
Other	17,188	30,712
Total non-operating income	78,741	95,290
Non-operating expenses		
Interest expenses	26,587	42,583
Foreign exchange losses	37,541	46,077
Commission expenses	8,000	8,000
Other	8,551	1,713
Total non-operating expenses	80,680	98,374
Ordinary profit	676,222	1,206,211
Extraordinary income		
Subsidy income	20,340	7,333
Insurance claim income	9,013	19,808
Surrender value of insurance policies	2,988	–
Total extraordinary income	32,342	27,141
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,587	17,217
Loss on disaster	4,500	7,297
Guarantee loss	109,691	25,072
Loss on cancellation of insurance policies	–	11,736
Other	–	903
Total extraordinary losses	116,779	62,227
Profit before income taxes	591,785	1,171,125
Income taxes - current	105,603	252,574
Income taxes - deferred	68,861	(15,040)
Total income taxes	174,464	237,533
Profit	417,321	933,591
Loss attributable to non-controlling interests	(192)	–
Profit attributable to owners of parent	417,513	933,591

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	417,321	933,591
Other comprehensive income		
Valuation difference on available-for-sale securities	(58,133)	(1,081)
Foreign currency translation adjustment	(60,266)	98,922
Remeasurements of defined benefit plans, net of tax	(187,053)	439,552
Total other comprehensive income	(305,453)	537,394
Comprehensive income	111,868	1,470,985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	113,276	1,470,985
Comprehensive income attributable to non-controlling interests	(1,408)	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,967,934	8,302,952	8,606,806	(206,316)	19,671,377
Changes during period					
Dividends of surplus			(448,042)		(448,042)
Profit attributable to owners of parent			417,513		417,513
Purchase of treasury shares				(591,686)	(591,686)
Disposal of treasury shares		(3,385)		9,794	6,409
Purchase of shares of consolidated subsidiaries		(2,368)			(2,368)
Net changes in items other than shareholders' equity					
Total changes during period	–	(5,754)	(30,529)	(581,891)	(618,175)
Balance at end of period	2,967,934	8,297,198	8,576,276	(788,207)	19,053,202

	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 period	(87,404)	74,061	(63,720)	(77,063)	43,783	19,638,097
Changes during period						
Dividends of surplus						(448,042)
Profit attributable to owners of parent						417,513
Purchase of treasury shares						(591,686)
Disposal of treasury shares						6,409
Purchase of shares of consolidated subsidiaries						(2,368)
Net changes in items other than shareholders' equity	(58,133)	(59,049)	(187,053)	(304,236)	(43,783)	(348,020)
Total changes during period	(58,133)	(59,049)	(187,053)	(304,236)	(43,783)	(966,195)
Balance at end of period	(145,538)	15,011	(250,774)	(381,300)	–	18,671,901

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,967,934	8,297,198	8,576,276	(788,207)	19,053,202
Changes during period					
Dividends of surplus			(394,710)		(394,710)
Profit attributable to owners of parent			933,591		933,591
Purchase of treasury shares				(76,870)	(76,870)
Disposal of treasury shares		2,743		115,096	117,840
Change in scope of consolidation			775		775
Net changes in items other than shareholders' equity					
Total changes during period		2,743	539,657	38,226	580,626
Balance at end of period	2,967,934	8,299,941	9,115,933	(749,981)	19,633,828

	Accumulated other comprehensive income				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 period	(145,538)	15,011	(250,774)	(381,300)	18,671,901
Changes during period					
Dividends of surplus					(394,710)
Profit attributable to owners of parent					933,591
Purchase of treasury shares					(76,870)
Disposal of treasury shares					117,840
Change in scope of consolidation					775
Net changes in items other than shareholders' equity	(1,081)	98,922	439,552	537,394	537,394
Total changes during period	(1,081)	98,922	439,552	537,394	1,118,021
Balance at end of period	(146,619)	113,934	188,778	156,093	19,789,922



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	591,785	1,171,125
Depreciation	1,312,244	1,208,486
Loss on disaster	4,500	7,297
Guarantee loss	109,691	25,072
Loss (gain) on sale and retirement of non-current assets	2,587	17,217
Loss (gain) on cancellation of insurance policies	–	11,736
Insurance claim income	(9,013)	(19,808)
Surrender value of insurance policies	(2,988)	–
Subsidy income	(20,340)	(7,333)
Increase (decrease) in allowance for doubtful accounts	609	2,441
Increase (decrease) in provision for bonuses	(31,732)	68,066
Increase (decrease) in provision for share awards	19,980	(4,436)
Decrease (increase) in retirement benefit asset	–	(321,973)
Increase (decrease) in retirement benefit liability	241,996	(311,386)
Interest and dividend income	(26,095)	(18,651)
Interest expenses	26,587	42,583
Foreign exchange losses (gains)	113,291	(66,251)
Decrease (increase) in trade receivables	(26,006)	(535,975)
Decrease (increase) in inventories	(412,928)	(450,782)
Increase (decrease) in trade payables	127,239	279,271
Increase (decrease) in long-term accounts payable - other	(11,596)	(115,865)
Other, net	(389,043)	975,184
Subtotal	1,620,769	1,956,019
Interest and dividends received	26,095	18,651
Interest paid	(25,273)	(45,219)
Income taxes refund (paid)	(498,021)	(42,676)
Proceeds from insurance income	9,013	19,808
Proceeds from surrender value of Insurance	2,988	–
Subsidies received	20,340	7,333
Guarantee loss paid	(11,079)	(111,644)
Payments associated with disaster loss	–	(11,797)
Net cash provided by (used in) operating activities	1,144,832	1,790,473

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Net decrease (increase) in time deposits	(11,004)	52,981
Purchase of property, plant and equipment	(741,254)	(1,241,697)
Purchase of intangible assets	(516,519)	(243,256)
Purchase of investment securities	(253,033)	(54,598)
Proceeds from cancellation of insurance funds	–	20,070
Payments of leasehold and guarantee deposits	(2,417)	(11,446)
Proceeds from refund of leasehold and guarantee deposits	2,029	3,632
Other, net	(27,638)	(71,518)
Net cash provided by (used in) investing activities	(1,549,839)	(1,545,832)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	998,895	–
Proceeds from long-term borrowings	–	4,000,000
Repayments of long-term borrowings	(1,021,033)	(1,355,036)
Purchase of treasury shares	(598,999)	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(44,744)	–
Proceeds from disposal of treasury shares from exercise of subscription rights to shares	6,409	16,555
Repayments of lease obligations	(52,164)	(65,776)
Dividends paid	(447,659)	(394,324)
Other, net	(17,377)	(26,396)
Net cash provided by (used in) financing activities	(1,176,672)	2,175,021
Effect of exchange rate change on cash and cash equivalents	(129,297)	83,020
Net increase (decrease) in cash and cash equivalents	(1,710,976)	2,502,683
Cash and cash equivalents at beginning of period	10,883,205	9,172,228
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	6,797
Cash and cash equivalents at end of period	9,172,228	11,681,709