

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 14, 2024

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: General Manager, Corporate Planning Takashi Maegawa TEL 03-6222-2875
 Headquarters
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	19,557	(22.0)	(412)	–	(902)	–	(812)	–
Nine months ended December 31, 2022	25,083	9.4	4,289	48.1	4,268	44.9	2,973	45.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	(73.85)		–	
Nine months ended December 31, 2022	271.27		–	

(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, 2023	40,699		23,415		57.5		2,128.78	
As of March 31, 2023	37,048		24,593		66.4		2,236.24	

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, 2023	–	28.00	–	28.00	56.00
Year ending March 31, 2024	–	28.00	–		
Year ending March 31, 2024 (Forecast)				28.00	56.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	26,500	(17.1)	(900)	–	(1,200)	–	(840)	–	(76.36)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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, 2023	11,554,200 shares	As of March 31, 2023	11,554,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	554,563 shares	As of March 31, 2023	556,324 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, 2023	10,998,788 shares	Nine months ended December 31, 2022	10,961,761 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	8,572,536	12,524,863
Notes and accounts receivable - trade	5,332,969	4,720,970
Inventories	10,034,728	9,060,563
Other	777,874	853,167
Allowance for doubtful accounts	(3,213)	(6,513)
Total current assets	24,714,896	27,153,051
Non-current assets		
Property, plant and equipment	9,201,486	9,918,382
Intangible assets	583,080	774,474
Investments and other assets		
Other	2,580,932	2,858,477
Allowance for doubtful accounts	(31,656)	(4,698)
Total investments and other assets	2,549,276	2,853,778
Total non-current assets	12,333,842	13,546,635
Total assets	37,048,739	40,699,686
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,200,122	947,527
Short-term borrowings	1,900,000	1,900,000
Current portion of long-term borrowings	1,470,496	1,980,792
Income taxes payable	184,425	46,048
Contract liabilities	673	88,643
Provision for bonuses	589,493	138,076
Provision for bonuses for directors (and other officers)	24,070	–
Other	2,012,815	1,656,904
Total current liabilities	7,382,096	6,757,992
Non-current liabilities		
Bonds payable	100,000	100,000
Long-term borrowings	4,264,360	9,643,276
Retirement benefit liability	391,063	383,330
Provision for share awards	77,183	91,818
Other	240,101	307,386
Total non-current liabilities	5,072,708	10,525,811
Total liabilities	12,454,805	17,283,803
Net assets		
Shareholders' equity		
Share capital	2,967,934	2,967,934
Capital surplus	8,388,605	8,420,205
Retained earnings	13,422,586	11,989,787
Treasury shares	(678,960)	(706,062)
Total shareholders' equity	24,100,165	22,671,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(105,201)	(48,496)
Foreign currency translation adjustment	550,361	749,722
Remeasurements of defined benefit plans	48,608	42,792
Total accumulated other comprehensive income	493,768	744,018
Total net assets	24,593,934	23,415,883
Total liabilities and net assets	37,048,739	40,699,686

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, 2022	Nine months ended December 31, 2023
Net sales	25,083,475	19,557,245
Cost of sales	16,357,273	15,726,298
Gross profit	8,726,202	3,830,947
Selling, general and administrative expenses	4,436,798	4,243,258
Operating profit (loss)	4,289,403	(412,310)
Non-operating income		
Interest and dividend income	26,155	38,441
Royalty gain	2,761	1,345
Rental income	31,189	38,515
Other	13,721	22,258
Total non-operating income	73,828	100,561
Non-operating expenses		
Interest expenses	36,930	102,824
Foreign exchange losses	47,842	475,670
Commission expenses	6,000	6,000
Other	3,845	6,287
Total non-operating expenses	94,618	590,782
Ordinary profit (loss)	4,268,613	(902,532)
Extraordinary income		
Gain on sale of non-current assets	–	1,340
Subsidy income	–	128,045
Total extraordinary income	–	129,386
Extraordinary losses		
Loss on sale and retirement of non-current assets	10,187	7,976
Loss on tax purpose reduction entry of non-current assets	–	112,262
Factory relocation expenses	–	37,513
Loss on cancellation of insurance policies	10,180	–
Other	–	1,352
Total extraordinary losses	20,368	159,105
Profit (loss) before income taxes	4,248,245	(932,250)
Income taxes	1,274,603	(119,967)
Profit (loss)	2,973,641	(812,283)
Profit (loss) attributable to owners of parent	2,973,641	(812,283)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	2,973,641	(812,283)
Other comprehensive income		
Valuation difference on available-for-sale securities	39,146	56,704
Foreign currency translation adjustment	152,148	199,360
Remeasurements of defined benefit plans, net of tax	(10,810)	(5,815)
Total other comprehensive income	180,483	250,249
Comprehensive income	3,154,125	(562,033)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,154,125	(562,033)