

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

Company name: TOREX SEMICONDUCTOR LTD.
 Stock exchange listing: Tokyo
 Stock code: 6616 URL <https://www.torex.co.jp/>
 Representative: President Takeshi Kimura
 Corporate Officer
 Inquiries: General Manager, Corporate Planning Takashi Maegawa TEL 03-6222-2875
 Headquarters
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	25,751	(19.4)	(1,778)	–	(2,452)	–	(4,297)	–
Year ended March 31, 2023	31,956	3.5	3,976	2.0	3,981	(3.5)	2,179	(31.0)

	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, 2024	(390.73)	–	(19.0)	(6.7)	(6.9)
Year ended March 31, 2023	198.69	–	9.2	11.1	12.4

(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, 2024	36,636	20,552	56.1	1,868.50
As of March 31, 2023	37,048	24,593	66.4	2,236.24

(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, 2024	1,927	(4,552)	2,705	9,140
Year ended March 31, 2023	1,294	(4,567)	1,510	8,515

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, 2023	–	28.00	–	28.00	56.00	620	28.2	2.6
Year ended March 31, 2024	–	28.00	–	28.00	56.00	621	–	2.7
Year ending March 31, 2025 (Forecast)	–	28.00	–	28.00	56.00		88.0	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	28,000	8.7	1,000	–	1,000	–	700	–	63.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	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 March 31, 2024	554,563 shares	As of March 31, 2023	556,324 shares
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Average number of shares during the period

Year ended March 31, 2024	10,999,000 shares	Year ended March 31, 2023	10,970,698 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,572,536	9,226,032
Notes and accounts receivable - trade	5,332,969	4,751,294
Merchandise and finished goods	6,193,443	4,016,827
Work in process	2,199,331	1,800,522
Raw materials and supplies	1,641,954	1,709,803
Other	777,874	1,142,708
Allowance for doubtful accounts	(3,213)	(3,480)
Total current assets	24,714,896	22,643,707
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,101,302	4,426,343
Machinery, equipment and vehicles, net	2,000,128	2,329,207
Tools, furniture and fixtures, net	399,281	447,056
Land	1,225,620	1,045,339
Leased assets, net	158,304	230,677
Construction in progress	2,316,849	1,666,436
Total property, plant and equipment	9,201,486	10,145,060
Intangible assets		
Software	530,708	650,792
Other	52,371	108,883
Total intangible assets	583,080	759,675
Investments and other assets		
Investment securities	937,875	1,127,651
Retirement benefit asset	442,377	926,682
Deferred tax assets	774,009	686,193
Other	426,670	352,090
Allowance for doubtful accounts	(31,656)	(4,919)
Total investments and other assets	2,549,276	3,087,698
Total non-current assets	12,333,842	13,992,433
Total assets	37,048,739	36,636,141

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,200,122	650,238
Short-term borrowings	1,900,000	–
Current portion of long-term borrowings	1,470,496	2,090,292
Lease liabilities	52,857	91,335
Accounts payable - other	1,581,038	2,071,320
Income taxes payable	184,425	73,147
Contract liabilities	673	8,276
Provision for bonuses	589,493	492,732
Provision for bonuses for directors (and other officers)	24,070	–
Other	378,919	556,420
Total current liabilities	7,382,096	6,033,762
Non-current liabilities		
Bonds payable	100,000	100,000
Long-term borrowings	4,264,360	9,124,078
Lease liabilities	95,206	114,426
Long-term accounts payable - other	27,984	28,544
Retirement benefit liability	391,063	393,827
Provision for share awards	77,183	95,996
Asset retirement obligations	85,844	86,984
Deferred tax liabilities	1,703	74,693
Other	29,362	30,924
Total non-current liabilities	5,072,708	10,049,475
Total liabilities	12,454,805	16,083,237
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	8,504,353
Treasury shares	(678,960)	(706,062)
Total shareholders' equity	24,100,165	19,186,430
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(105,201)	113,344
Foreign currency translation adjustment	550,361	912,010
Remeasurements of defined benefit plans	48,608	341,118
Total accumulated other comprehensive income	493,768	1,366,473
Total net assets	24,593,934	20,552,904
Total liabilities and net assets	37,048,739	36,636,141

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	31,956,887	25,751,982
Cost of sales	21,935,691	21,765,756
Gross profit	10,021,195	3,986,225
Selling, general and administrative expenses	6,044,976	5,764,406
Operating profit (loss)	3,976,219	(1,778,180)
Non-operating income		
Interest and dividend income	32,252	50,660
Royalty gain	3,954	2,219
Rental income	42,202	50,551
Other	32,142	27,102
Total non-operating income	110,552	130,535
Non-operating expenses		
Interest expenses	66,885	140,849
Commission expenses	8,000	8,000
Foreign exchange losses	25,058	643,309
Other	5,528	12,309
Total non-operating expenses	105,473	804,469
Ordinary profit (loss)	3,981,298	(2,452,114)
Extraordinary income		
Gain on sale of non-current assets	–	1,363
Subsidy income	–	179,700
Total extraordinary income	–	181,064
Extraordinary losses		
Impairment losses	793,424	1,705,379
Loss on sale and retirement of non-current assets	54,095	27,799
Loss on tax purpose reduction entry of non-current assets	–	112,262
Loss on valuation of investment securities	132,033	–
Factory relocation expenses	–	37,513
Loss on cancellation of insurance policies	10,180	–
Other	3,132	5,008
Total extraordinary losses	992,867	1,887,963
Profit (loss) before income taxes	2,988,430	(4,159,013)
Income taxes - current	952,443	157,724
Income taxes - deferred	(143,820)	(19,019)
Total income taxes	808,622	138,704
Profit (loss)	2,179,807	(4,297,717)
Profit (loss) attributable to owners of parent	2,179,807	(4,297,717)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	2,179,807	(4,297,717)
Other comprehensive income		
Valuation difference on available-for-sale securities	6,733	218,545
Foreign currency translation adjustment	196,679	361,648
Remeasurements of defined benefit plans, net of tax	(103,492)	292,510
Total other comprehensive income	99,919	872,705
Comprehensive income	2,279,727	(3,425,012)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,279,727	(3,425,012)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,967,934	8,299,941	11,817,830	(750,278)	22,335,428
Changes during period					
Dividends of surplus	–	–	(575,051)	–	(575,051)
Profit (loss) attributable to owners of parent	–	–	2,179,807	–	2,179,807
Purchase of treasury shares	–	–	–	(227)	(227)
Disposal of treasury shares	–	88,663	–	71,545	160,208
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	88,663	1,604,756	71,317	1,764,737
Balance at end of period	2,967,934	8,388,605	13,422,586	(678,960)	24,100,165

	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	(111,934)	353,682	152,101	393,849	22,729,277
Changes during period					
Dividends of surplus	–	–	–	–	(575,051)
Profit (loss) attributable to owners of parent	–	–	–	–	2,179,807
Purchase of treasury shares	–	–	–	–	(227)
Disposal of treasury shares	–	–	–	–	160,208
Net changes in items other than shareholders' equity	6,733	196,679	(103,492)	99,919	99,919
Total changes during period	6,733	196,679	(103,492)	99,919	1,864,657
Balance at end of period	(105,201)	550,361	48,608	493,768	24,593,934

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,967,934	8,388,605	13,422,586	(678,960)	24,100,165
Changes during period					
Dividends of surplus	–	–	(620,515)	–	(620,515)
Profit (loss) attributable to owners of parent	–	–	(4,297,717)	–	(4,297,717)
Purchase of treasury shares	–	–	–	(78,251)	(78,251)
Disposal of treasury shares	–	31,600	–	51,149	82,749
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	31,600	(4,918,233)	(27,101)	(4,913,735)
Balance at end of period	2,967,934	8,420,205	8,504,353	(706,062)	19,186,430

	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	(105,201)	550,361	48,608	493,768	24,593,934
Changes during period					
Dividends of surplus	–	–	–	–	(620,515)
Profit (loss) attributable to owners of parent	–	–	–	–	(4,297,717)
Purchase of treasury shares	–	–	–	–	(78,251)
Disposal of treasury shares	–	–	–	–	82,749
Net changes in items other than shareholders' equity	218,545	361,648	292,510	872,705	872,705
Total changes during period	218,545	361,648	292,510	872,705	(4,041,030)
Balance at end of period	113,344	912,010	341,118	1,366,473	20,552,904

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	2,988,430	(4,159,013)
Depreciation	1,645,952	2,350,143
Impairment losses	793,424	1,705,379
Loss on valuation of investment securities	132,033	–
Loss (gain) on sale and retirement of non-current assets	54,095	26,435
Loss on tax purpose reduction entry of non-current assets	–	112,262
Loss (gain) on cancellation of insurance policies	10,180	–
Subsidy income	–	(179,700)
Increase (decrease) in allowance for doubtful accounts	(3,134)	(426)
Increase (decrease) in provision for bonuses	16,056	(100,123)
Increase (decrease) in provision for share awards	14,916	23,402
Decrease (increase) in retirement benefit asset	20,686	(484,305)
Increase (decrease) in retirement benefit liability	7,932	2,764
Interest and dividend income	(32,252)	(50,660)
Interest expenses	66,885	140,849
Foreign exchange losses (gains)	(250,476)	(217,457)
Decrease (increase) in trade receivables	686,243	710,654
Decrease (increase) in inventories	(1,778,503)	2,763,429
Increase (decrease) in trade payables	(524,624)	(559,457)
Increase (decrease) in long-term accounts payable - other	2,212	29,941
Other, net	(387,237)	113,947
Subtotal	3,462,825	2,228,064
Interest and dividends received	32,252	49,608
Interest paid	(60,205)	(139,961)
Income taxes refund (paid)	(2,150,086)	(390,010)
Subsidies received	10,000	179,593
Net cash provided by (used in) operating activities	1,294,785	1,927,295

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Net decrease (increase) in time deposits	(96)	(26,175)
Purchase of property, plant and equipment	(4,484,750)	(4,232,369)
Proceeds from sale of property, plant and equipment	13,510	1,063
Purchase of intangible assets	(130,416)	(356,622)
Purchase of investment securities	(3,983)	(103,473)
Proceeds from repayments of investment securities	–	204,558
Proceeds from cancellation of insurance funds	68,975	–
Payments of leasehold and guarantee deposits	(1,442)	(800)
Proceeds from refund of leasehold and guarantee deposits	4,842	4,258
Other, net	(33,826)	(42,783)
Net cash provided by (used in) investing activities	(4,567,187)	(4,552,344)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(500,000)	(1,900,000)
Proceeds from long-term borrowings	3,779,360	6,900,000
Repayments of long-term borrowings	(1,228,276)	(1,603,390)
Proceeds from issuance of bonds	100,000	–
Purchase of treasury shares	(227)	(74,751)
Proceeds from disposal of treasury shares	–	78,160
Repayments of lease liabilities	(57,591)	(66,864)
Dividends paid	(575,047)	(619,756)
Other, net	(8,000)	(8,000)
Net cash provided by (used in) financing activities	1,510,217	2,705,397
Effect of exchange rate change on cash and cash equivalents	114,594	544,591
Net increase (decrease) in cash and cash equivalents	(1,647,589)	624,940
Cash and cash equivalents at beginning of period	10,163,070	8,515,480
Cash and cash equivalents at end of period	8,515,480	9,140,420