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June 13, 2025

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Director and President
(Securities code: 6616; Prime Market
of the Tokyo Stock Exchange)
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**Notice Regarding Plan to Comply with the Continued Listing Criteria
(Entering the Improvement Period)**

As of March 31, 2025, our company no longer meets the continued listing criteria for the Prime Market of the Tokyo Stock Exchange. We hereby announce that we have formulated a plan to regain compliance with the continued listing criteria, as outlined below.

1. Status of Compliance with Continued Listing Criteria, Plan Period, and Improvement Period

As of March 31, 2025, our company does not meet the continued listing criteria for the Prime Market of the Tokyo Stock Exchange, as shown in the table below. Specifically, we do not meet the requirement regarding the market capitalization of tradable shares.

To address this, we will implement various initiatives aimed at improving compliance with the continued listing criteria, particularly in relation to the market capitalization of tradable shares.

If it is not confirmed that we meet the tradable share market capitalization criterion by the end of the improvement period on March 31, 2026, our stock will be designated as a Securities Under Supervision (Confirmation) by the Tokyo Stock Exchange.

Furthermore, if, based on the Distribution Report we submit as of March 31, 2026, the Tokyo Stock Exchange determines that we still do not meet the criterion, our stock will be designated as a Securities to be Delisted, and will be delisted on October 1, 2026.

	Number of Shareholders	Number of Tradable Shares	Market Capitalization of Tradable Shares	Tradable Share Ratio	Average Daily Trading Value	Net Assets
Our Status (as of Reference Date)	3,842	66,611 units	¥8.12 billion	57.6%	¥51.76 million	¥17.4 billion
Continued Listing Criteria	At least 800	At least 20,000 units	At least ¥10 billion	At least 35%	At least ¥20 million per day	Must be positive
Plan Period (Improvement Period)			Until the end of March 2026			

The status of our compliance has been calculated based on the distribution of our shares and other relevant information as of the reference date, as recognized by the Tokyo Stock Exchange.

2. Basic Policy, Challenges, and Initiatives for Compliance with Continued Listing Criteria

(1) Basic Policy

To meet the unmet criterion — market capitalization of tradable shares — we aim to improve profitability, which in turn is expected to lead to a rise in our stock price and, consequently, an increase in our overall market capitalization. Through this approach, we intend to achieve compliance with the continued listing criteria by the end of the fiscal year ending March 2026.

(2) Challenges and Initiative

While our company currently meets the criteria for the number of shareholders, the number of tradable shares, and the tradable share ratio, we do not meet the criterion for the market capitalization of tradable shares.

We recognize that improving our stock price is essential to increasing the market capitalization of tradable shares. Therefore, in order to gain favorable evaluation from the capital markets, we will implement the following initiatives to enhance our profitability.

① Expansion of Sales in Core Businesses

Torex Semiconductor Ltd. (“Torex”) will strengthen the promotion of its DC/DC converters and integrated coil DC/DC converters, aiming to expand sales through enhanced technical support provided by Field Application Engineers (FAE).

Phenitec Semiconductor Ltd. (“Phenitec”), a subsidiary, will work to increase sales by promoting general-purpose low-power discrete products, and in the area of power semiconductor devices, will drive sales growth by promoting its proprietary SiC products using bonded substrates.

② Enhancing Profitability by Leveraging Core Strengths

Torex will improve profitability by strengthening sales of its core-competence products, which are characterized by compact size, low power consumption, and low noise.

Phenitec will enhance profitability by reinforcing contract manufacturing of key compound semiconductor devices.

In addition, we will implement internal improvement initiatives to reduce operating expenses.

③ Non-Financial Disclosure and Human Capital-Oriented Initiatives

In the previous fiscal year, we established and disclosed our Basic Sustainability Policy and materiality issues.

Among these material issues, we are promoting initiatives aligned with human capital management—particularly in the area of “creating an environment where diverse and unique talent can thrive”—in accordance with our basic policy.

We will continue to enhance non-financial disclosure efforts in the current fiscal year as well.

④ New Medium-Term Management Plan

We are currently working company-wide on formulating a new Medium-Term Management Plan, which will commence in fiscal year 2026.

The new plan is scheduled to be announced in November 2025.

By deepening discussions around our Group’s core businesses and growth strategies, we aim to demonstrate both improved profitability and a high probability of sustainable growth.

⑤ IR Initiatives

Through proactive IR activities, we aim to deepen relationships with existing shareholders and investors and promote investment from new shareholders and investors.

⑥ Shareholder Return

Regarding dividends, we will maintain a consolidated dividend payout ratio of at least 20% as profit distribution reflecting the level of business performance, and a dividend on equity (DOE) ratio of around 3% as a stable and continuous expansion of shareholder returns.