

February 14, 2014

Consolidated Financial Results for the Fiscal Year Ended December 31, 2013 (January 1, 2013 to December 31, 2013)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange, (First Section)
Head office:	Osaka, Japan
URL:	http://www.siix.co.jp
President & COO:	Yoshihito Kikyo
Contact:	Seiji Ono Executive Officer and General Manager, Finance and Accounting Department
Telephone:	+81-6-6266-6415
Annual Meeting of Shareholders:	March 28, 2014
Scheduled date of payment of cash dividends:	March 31, 2014
Scheduled date of filing financial statement:	March 28, 2014

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2013 – December 31, 2013)

(1) Consolidated Results of Operations

(The percentages in the table below represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Year ended Dec. 2013	207,009	8.6	5,011	7.8	5,427	9.1
Year ended Dec. 2012	190,692	13.6	4,647	15.4	4,973	8.5

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2013	3,321	7.9	140.73	—
Year ended Dec. 2012	3,076	13.0	130.37	—

(note) Comprehensive income

Year ended December 2013: 8,487 million yen (y/y 32.7%)

Year ended December 2012: 6,396 million yen (y/y 464.5%)

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2013	11.4	6.6	2.4
Year ended Dec. 2012	13.7	7.4	2.4

(Reference) Equity in net earnings (losses) of affiliates

Year ended December 2013: -0 million yen

Year ended December 2012: 190 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2013	89,204	33,185	37.0	1,397.73
Year ended Dec. 2012	74,703	25,453	33.8	1,071.09

(Reference) Stockholders' equity:

Year ended December 2013: 32,985 million yen

Year ended December 2012: 25,277 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in)			Cash and cash equivalents at fiscal year end
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2013	3,438	(3,216)	(105)	7,518
Year ended Dec. 2012	7,546	(4,598)	(1,932)	6,263

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
		Yen		Yen	Yen
Year ended Dec. 2012	—	14.00	—	16.00	30.00
Year ended Dec. 2013	—	16.00	—	16.00	32.00
Year ended Dec. 2014 (forecasts)	—	16.00	—	18.00	34.00

(Base date)	Amount of dividend (for the year)	Dividend ratio to net income (consolidated)	Dividend ratio to net assets (consolidated)
	Million Yen	%	%
Year ended Dec. 2012	707	23.0	3.1
Year ended Dec. 2013	755	22.7	2.6
Year ended Dec. 2014 (forecasts)	—	19.6	—

3. Consolidated Business Performance Forecasts for the Year Ending December 2013 (January 1, 2013 – December 31, 2013)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter ending Jun. 2014	—	—	—	—	—	—
Full year	225,000	8.7	6,000	19.7	5,900	8.7

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
2nd quarter ending Jun. 2014	—	—	—
Full year	4,100	23.4	173.73

4. Others

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): No transfer
- (2) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements
- (i) Changes associated with the revision of accounting standards: No change
- (ii) Changes other than those described in (i): No change
- (iii) Changes in accounting estimate: No change
- (iv) Restatement: No restatement
- (3) Number of outstanding shares (common shares)
- (i) Number of outstanding shares at the end of the fiscal year (including treasury stock):
- Year ended Dec. 2013: 25,200,000 shares
- Year ended Dec. 2012: 25,200,000 shares
- (ii) Number of treasury stock at the end of the fiscal year:
- Year ended Dec. 2013: 1,600,431 shares
- Year ended Dec. 2012: 1,600,431 shares
- (iii) Average number of shares outstanding:
- Year ended Dec. 2013: 23,599,569 shares
- Year ended Dec. 2012: 23,599,569 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2013 – December 31, 2013)**(1) Non-consolidated Results of Operations**

(The percentages in the table below represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Year ended Dec. 2013	72,473	5.0	(86)	–	1,574	(22.4)
Year ended Dec. 2012	69,052	8.5	218	–	2,029	37.7

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2013	1,409	(9.1)	59.71	—
Year ended Dec. 2012	1,550	14.7	65.71	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2013	29,296	7,835	26.7	332.03
Year ended Dec. 2012	25,536	6,995	27.4	296.44

(Reference) Stockholders' equity: Year ended December 2013: 7,835 million yen
Year ended December 2012: 6,995 million yen

*Indication regarding implementation status of quarterly review procedures

These financial statements have not been prepared for the purpose of review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for financial statements were in the process of being implemented as of the release of these financial statements.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

The consolidated business performance forecasts given above are based on the information available at the current time and assumptions of supposable market trends, etc., and thus may greatly differ from future performance for a variety of future reasons.

■ Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousand yen)

	As of Dec. 31, 2012	As of Dec. 31, 2013
Assets		
Current assets		
Cash and deposits	6,282,289	7,603,151
Notes and accounts receivable-trade	32,353,732	39,518,634
Merchandise and finished goods	11,600,820	14,450,233
Work in process	810,419	752,663
Raw materials and supplies	2,998,963	3,387,941
Deferred tax assets	299,063	254,548
Other	1,639,327	1,801,582
Allowance for doubtful accounts	(43,437)	(475,090)
Total current assets	55,941,179	67,293,664
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,562,435	9,176,072
Accumulated depreciation	(2,794,866)	(3,644,457)
Buildings and structures, net	4,767,568	5,531,614
Machinery, equipment and vehicles	16,351,118	20,031,047
Accumulated depreciation	(10,104,900)	(14,116,088)
Machinery, equipment and vehicles, net	6,246,218	5,914,959
Tools, furniture and fixtures	1,417,597	1,735,396
Accumulated depreciation	(1,040,658)	(1,285,924)
Tools, furniture and fixtures, net	376,938	449,472
Land	2,204,485	2,322,671
Construction in progress	239,450	190,502
Total property, plant and equipment	13,834,661	14,409,218
Intangible assets		
Software	623,083	506,600
Other	15,426	9,942
Total intangible assets	638,510	516,543
Investments and other assets		
Investment securities	2,223,771	3,449,719
Investments in capital	280,790	927,635
Long-term loans receivable	62,840	241,191
Deferred tax assets	420,189	574,962
Other	1,873,863	2,240,164
Allowance for doubtful accounts	(572,805)	(448,246)
Total Investments and other assets	4,288,649	6,985,427
Total noncurrent assets	18,761,821	21,911,189
Total assets	74,703,001	89,204,854

TRANSLATION

(Thousand yen)

	As of Dec. 31, 2012	As of Dec. 31, 2013
Liabilities		
Current liabilities		
Accounts payable-trade	27,015,850	29,829,428
Short-term loans payable	10,285,041	12,564,520
Accrued expenses	1,090,408	1,484,401
Deferred tax liabilities	-	14,450
Income taxes payable	655,208	691,515
Other	2,033,410	2,824,883
Total current liabilities	41,079,918	47,409,199
Noncurrent liabilities		
Long-term loans payable	5,833,630	5,675,766
Provision for retirement benefits	109,490	141,995
Deferred tax liabilities	1,735,871	2,463,725
Other	490,887	328,869
Total noncurrent liabilities	8,169,880	8,610,366
Total liabilities	49,249,798	56,019,565
Net assets		
Shareholders' equity		
Capital stock	2,144,000	2,144,000
Capital surplus	1,853,000	1,853,000
Retained earnings	23,832,070	26,398,071
Treasury stock	(677,780)	(677,780)
Total shareholders' equity	27,151,290	29,717,291
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	457,649	474,914
Deferred gains or losses on hedges	(9,449)	(5,803)
Foreign currency translation adjustment	(2,322,280)	2,799,512
Total accumulated comprehensive income	(1,874,080)	3,268,623
Minority interests	175,992	199,373
Total net assets	25,453,202	33,185,288
Total liabilities and net assets	74,703,001	89,204,854

(2) Consolidated Statements of Income

(Thousand yen)

	1st Jan 2012 - 31st Dec 2012	1st Jan 2013 - 31st Dec 2013
Net sales	190,692,332	207,009,020
Cost of sales	179,373,313	193,925,581
Gross profit	11,319,018	13,083,438
Selling, general and administrative expenses	6,671,698	8,072,324
Operating income	4,647,319	5,011,114
Non-operating income		
Interest income	33,426	46,768
Dividends income	40,944	56,017
Amortization of negative goodwill	38,020	-
Real estate rent	70,781	90,799
Equity in earnings of affiliates	190,917	-
Foreign exchange gains	-	170,644
Gain on sales of goods	86,784	132,081
Other	231,823	266,237
Total non-operating income	692,697	762,550
Non-operating expenses		
Interest expenses	207,895	211,589
Equity in losses of affiliates	-	19
Foreign exchange losses	31,633	-
Purchase goods	24,502	57,653
Other	102,047	76,422
Total non-operating expenses	366,078	345,685
Ordinary income	4,973,938	5,427,979
Extraordinary income		
Gain on sales of noncurrent assets	12,280	17,613
Insurance income	207,772	-
Total extraordinary income	220,052	17,613
Extraordinary loss		
Loss on sales of stocks of subsidiaries and affiliates	102,268	-
Loss on sales of noncurrent assets	1,217	2,682
Loss on retirement of noncurrent assets	5,310	1,790
Total extraordinary loss	108,796	4,472
Income before income taxes	5,085,195	5,441,121
Income taxes-current	1,498,621	1,440,264
Income taxes-deferred	425,508	698,248
Total income taxes-current	1,924,130	2,138,512
Income before minority interests in income	3,161,064	3,302,608
Minority interests in income	84,408	(18,579)
Net income	3,076,656	3,321,187

Consolidated Statements of Comprehensive Income

(Thousand yen)

	1st Jan 2012 - 31st Dec 2012	1st Jan 2013 - 31st Dec 2013
Income before minority interests in income	3,161,064	3,302,608
Other comprehensive income		
Valuation difference on available-for-sale securities	128,884	17,378
Deferred gains or losses on hedges	(13,844)	3,645
Foreign currency translation adjustment	3,005,710	5,066,227
Equity equivalent of equity method affiliate	114,323	97,412
Total other comprehensive income	3,235,074	5,184,664
Comprehensive income	6,396,138	8,487,272
(Content)		
Comprehensive income for the parent company's shareholders	6,237,719	8,463,891
Comprehensive income for minority shareholders	158,418	23,380

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	1st Jan 2012 - 31st Dec 2012	1st Jan 2013 - 31st Dec 2013
Net cash provided by (used in) operating activities		
Income before income taxes	5,085,195	5,441,121
Depreciation and amortization	2,404,052	2,916,809
Amortization of goodwill	16,550	-
Amortization of negative goodwill	(38,020)	-
Increase (decrease) in allowance for doubtful accounts	125,445	267,430
Interest and dividends income	(74,370)	(102,786)
Interest expenses	207,895	211,589
Foreign exchange losses (gains)	(13,111)	(145,623)
Equity in (earnings) losses of affiliates	(190,917)	19
Loss (gain) on sales of stocks of subsidiaries and affiliates	102,268	-
Decrease (increase) in notes and accounts receivable-trade	(6,002,142)	1,131,645
Decrease (increase) in inventories	22,483	(192,555)
Decrease (increase) in consumption taxes refund receivable	(72,364)	112,524
Increase (decrease) in notes and accounts payable-trade	6,713,917	(5,322,836)
Increase (decrease) in advances received	(59,418)	789,240
Other	872,665	(157,249)
Subtotal	9,100,128	4,949,328
Interest and dividends income received	167,300	225,669
Interest expenses paid	(209,447)	(220,207)
Income taxes paid	(1,511,500)	(1,516,182)
Net cash provided by (used in) operating activities	7,546,479	3,438,607
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(4,096,655)	(1,227,062)
Proceeds from sales of property, plant and equipment	14,151	49,123
Purchase of intangible assets	(78,888)	(91,277)
Payments of loans receivable	(992)	(222,276)
Collection of loans receivable	3,717	16,910
Purchase of stocks of subsidiaries and affiliates	(23,973)	(1,096,571)
Payments for investments in capital of subsidiaries and affiliates	-	(586,140)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(416,186)	-
Other	-	(58,943)
Net cash provided by (used in) investment activities	(4,598,828)	(3,216,237)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3,100,457)	(356,042)
Proceeds from long-term loans payable	2,958,310	2,560,270
Repayment of long-term loans payable	(1,221,500)	(1,396,366)
Cash dividends paid	(659,946)	(754,890)
Cash dividends paid to minority shareholders	(238,611)	-
Other	330,200	(158,159)
Net cash provided by (used in) financing activities	(1,932,004)	(105,188)
Effect of exchange rate change on cash and cash equivalents	797,218	1,137,457
Net increase (decrease) in cash and cash equivalents	1,812,864	1,254,638
Cash and cash equivalents at beginning of period	4,450,658	6,263,523
Cash and cash equivalents at end of period	6,263,523	7,518,161