

Consolidated Cumulative 2nd quarter Financial Results
for the Fiscal Year Ended December 31, 2014
(January 1, 2014 to June 30, 2014)

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:	Yoshihito Kikyo
Contact:	Seiji Ono Executive Officer and General Manager, Finance and Accounting Department
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Submission date of quarterly financial statement:	August 12, 2014
Scheduled date of payment of cash dividends:	September 2, 2014

(Amounts rounded down to million yen)

1. Consolidated 2nd quarter Financial Results (January 1, 2014 – June 30, 2014)

(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 (%)
2nd quarter ended Jun. 2014	98,141	(0.4)	2,336	5.9	2,405	5.2
2nd quarter ended Jun. 2013	98,523	8.4	2,205	(14.9)	2,287	(14.5)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2014	1,737	27.0	73.63	-
2nd quarter ended Jun. 2013	1,368	(27.6)	58.00	-

(Note) Comprehensive Income:

2nd quarter ended June 2014:	551 million yen	(-88.3%)
2nd quarter ended June 2013:	4,699 million yen	(99.5%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
2nd quarter ended Jun. 2014	88,954	33,282	37.2
Year ended Dec. 2013	89,204	33,185	37.0

(Reference) Stockholders' equity:

2nd quarter ended June 2014:	33,113 million yen
Year ended December 2013:	32,985 million yen

2. Dividends

(Base date)	Annual dividends per share				
	2nd quarter	2nd quarter	2nd quarter	Term-end	Annual dividends
Year ended Dec. 2013	—	Yen 16.00	—	Yen 16.00	Yen 32.00
Year ended Dec. 2014	—	16.00			
Year ended Dec. 2014 (forecasts)			—	18.00	34.00

(note) Changes in Forecasts for Dividends during this quarter: No change

3. Consolidated Business Performance Forecasts for the Year Ending December 2014 (January 1, 2014 – December 31, 2014)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
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
Full year	4,100	23.4	173.73

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2014 during this quarter: No change

4. Others

- (1) Transfer of important subsidiaries during the period: No transfer
- (2) Adoption or non-adoption of a specific method in accounting procedures: No adoption
- (3) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements
- (i) Changes in accounting policy associated with the revision of accounting standards: No change
- (ii) Changes in accounting policy other than those described in (i): No change
- (iii) Changes in accounting estimate: No change
- (iv) Restatement: No restatement
- (note) For details, please refer "2. Other (3) Changes in accounting policy and accounting estimate, and restatement" on page 5.
- (4) Number of outstanding shares (common shares)
- (i) Number of outstanding shares (including treasury stock):
- | | |
|------------------------------|-------------------|
| 2nd quarter ended June 2014: | 25,200,000 shares |
| Year ended December 2013: | 25,200,000 shares |
- (ii) Number of treasury stock:
- | | |
|------------------------------|------------------|
| 2nd quarter ended June 2014: | 1,600,431 shares |
| Year ended December 2013: | 1,600,431 shares |
- (iii) Average number of outstanding shares (quarterly accumulated period)
- | | |
|------------------------------|-------------------|
| 2nd quarter ended June 2014: | 23,599,569 shares |
| 2nd quarter ended June 2013: | 23,599,569 shares |

*Indication regarding implementation status of quarterly review procedures

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

(Million yen)

	Previous fiscal year As of Dec. 31, 2013	Current 2nd quarter As of Jun. 30, 2014
Assets		
Current assets		
Cash and deposits	7,603	7,178
Notes and accounts receivable-trade	39,518	39,270
Merchandise and finished goods	14,450	14,654
Work in process	752	654
Raw materials and supplies	3,387	3,538
Other	2,056	2,420
Allowance for doubtful accounts	(475)	(476)
Total current assets	67,293	67,239
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,531	6,052
Machinery, equipment and vehicles	5,914	5,860
Land	2,322	2,451
Other	639	763
Total property, plant and equipment	14,409	15,127
Intangible assets	516	476
Investments and other assets		
Investment securities	3,449	2,854
Investments in capital	927	899
Other	3,056	2,798
Allowance for doubtful accounts	(448)	(440)
Total Investments and other assets	6,985	6,111
Total noncurrent assets	21,911	21,715
Total assets	89,204	88,954

TRANSLATION

(Million yen)

	Previous fiscal year As of Dec. 31, 2013	Current 2nd quarter As of Jun. 30, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	29,829	29,602
Short-term loans payable	12,564	12,192
Income taxes payable	691	721
Other	4,323	4,255
Total current liabilities	47,409	46,771
Noncurrent liabilities		
Long-term loans payable	5,675	5,952
Provision for retirement benefits	141	160
Other	2,792	2,787
Total noncurrent liabilities	8,610	8,900
Total liabilities	56,019	55,672
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	26,398	27,622
Treasury stock	(677)	(677)
Total shareholders' equity	29,717	30,941
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	474	678
Deferred gains or losses on hedges	(5)	2
Foreign currency translation adjustment	2,799	1,490
Total accumulated other comprehensive income	3,268	2,171
Minority interests	199	169
Total net assets	33,185	33,282
Total liabilities and net assets	89,204	88,954

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of
Comprehensive Income
Quarterly Consolidated Statements of Income [2nd quarter (January 1, 2014 – June 30, 2014)]

(Million yen)

	Previous 2nd quarter Jan. 1, 2013 - Jun. 30, 2013	Current 2nd quarter Jan. 1, 2014 - Jun. 30, 2014
Net sales	98,523	98,141
Cost of sales	92,643	91,614
Gross profit	5,879	6,527
Selling, general and administrative expenses	3,673	4,191
Operating income	2,205	2,336
Non-operating income		
Interest income	20	28
Dividends income	10	13
Equity in earnings of affiliates	-	63
Real estate rent	43	45
Foreign exchange gains	10	-
Gain on sales of goods	57	39
Other	143	124
Total non-operating income	284	313
Non-operating expenses		
Interest expenses	104	102
Equity in losses of affiliates	57	-
Foreign exchange losses	-	87
Purchase of goods	26	21
Other	15	32
Total non-operating expenses	203	244
Ordinary income	2,287	2,405
Extraordinary income		
Gain on sales of noncurrent assets	14	-
Total extraordinary income	14	-
Extraordinary loss		
Loss on sales of noncurrent assets	2	-
Loss on retirement of noncurrent assets	0	-
Total extraordinary loss	3	-
Income before income taxes	2,298	2,405
Income taxes-current	767	873
Income taxes-deferred	172	(185)
Total income taxes-current	940	688
Net Income before Minority Interests in Income	1,358	1,717
Minority interests in income	(10)	(20)
Net income	1,368	1,737

Quarterly Consolidated Statements of Comprehensive Income
 [2nd quarter (January 1, 2014 – June 30, 2014)]

(Million yen)

	Previous 2nd quarter Jan. 1, 2013 - Jun. 30, 2013	Current 2nd quarter Jan. 1, 2014 - Jun. 30, 2014
Income before minority interests in income	1,358	1,717
Other comprehensive income		
Valuation difference on available-for-sale securities	(120)	203
Deferred gains or losses on hedges	6	8
Foreign currency translation adjustment	3,389	(1,362)
Equity equivalent of equity method affiliate	65	(15)
Total other comprehensive income	3,341	(1,166)
Comprehensive income	4,699	551
(Content)		
Comprehensive income for the parent company's shareholders	4,683	582
Comprehensive income for minority shareholders	16	(31)

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Previous 2nd quarter Jan. 1, 2013 - Jun. 30, 2013	Current 2nd quarter Jan. 1, 2014 - Jun. 30, 2014
Net cash provided by (used in) operating activities		
Income before income taxes	2,298	2,405
Depreciation and amortization	1,439	1,514
Increase (decrease) in allowance for doubtful accounts	37	2
Interest and dividends income	(30)	(41)
Interest expenses	104	102
Foreign exchange losses (gains)	(30)	52
Equity in (earnings) losses of affiliates	57	(63)
Decrease (increase) in notes and accounts receivable-trade	2,823	(1,654)
Decrease (increase) in inventories	(1,016)	(982)
Decrease (increase) in consumption taxes refund receivable	46	54
Increase (decrease) in notes and accounts payable-trade	(3,361)	1,526
Increase (decrease) in advances received	532	(632)
Other	(484)	(87)
Subtotal	2,417	2,197
Interest and dividends income received	91	91
Interest expenses paid	(107)	(99)
Income taxes paid	(868)	(711)
Net cash provided by (used in) operating activities	1,534	1,477
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(697)	(880)
Proceeds from sales of property, plant and equipment	29	19
Purchase of intangible assets	(38)	(91)
Payments of loans receivable	(211)	(143)
Collection of loans receivable	11	8
Purchase of stocks of subsidiaries and affiliates	(1,096)	(259)
Other	-	60
Net cash provided by (used in) investment activities	(2,002)	(1,286)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,330)	(867)
Proceeds from long-term loans payable	1,583	1,815
Repayment of long-term loans payable	(633)	(802)
Cash dividends paid	(378)	(377)
Other	(42)	(65)
Net cash provided by (used in) financing activities	(800)	(299)
Effect of exchange rate change on cash and cash equivalents	742	(279)
Net increase (decrease) in cash and cash equivalents	(526)	(387)
Cash and cash equivalents at beginning of period	6,263	7,518
Increase in cash and cash equivalents from newly consolidated subsidiary	-	26
Cash and cash equivalents at end of period	5,737	7,156