

Consolidated 2nd quarter Financial Results for the Fiscal Year Ended December 31, 2015 (January 1, 2015 to June 30, 2015)

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
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Scheduled date of filing quarterly financial statement:	August 11, 2015
Scheduled date of payment of cash dividends:	September 2, 2015

(Amounts rounded down to million yen)

1. Consolidated 2nd quarter Financial Results (January 1, 2015 – June 30, 2015)

(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. 2015	112,669	14.8	3,965	69.8	4,144	72.3
2nd quarter ended Jun. 2014	98,141	(0.4)	2,336	5.9	2,405	5.2

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2015	3,021	73.9	128.02	-
2nd quarter ended Jun. 2014	1,737	27.0	73.63	-

(Note) Comprehensive Income:

2nd quarter ended June 2015:	3,400 million yen	(516.9%)
2nd quarter ended June 2014:	551 million yen	(-88.3%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
2nd quarter ended Jun. 2015	106,459	44,494	41.6
Year ended Dec. 2014	103,429	41,497	39.9

(Reference) Stockholders' equity:

2nd quarter ended June 2015:	44,318 million yen
Year ended December 2014:	41,310 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2014	—	Yen 16.00	—	Yen 18.00	Yen 34.00
Year ended Dec. 2015	—	18.00			
Year ended Dec. 2015 (forecasts)			—	20.00	38.00

(note) Changes in Forecasts for Dividends during this quarter: None

3. Consolidated Business Performance Forecasts for the Year Ending December 2015 (January 1, 2015 – December 31, 2015)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	220,000	4.9	7,300	17.1	7,400	14.5

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	4,800	16.2	203.39

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2015 during this quarter: None

4. Others

- (1) Transfer of important subsidiaries during the period: None
- (2) Adoption or non-adoption of a specific method in accounting procedures: None
- (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: Changed
- (ii) Changes in accounting policy other than those described in (i): None
- (iii) Changes in accounting estimate: None
- (iv) Restatement: None
- (4) Number of outstanding shares (common shares)
- (i) Number of outstanding shares (including treasury stock):
- | | |
|------------------------------|-------------------|
| 2nd quarter ended June 2015: | 25,200,000 shares |
| Year ended December 2014: | 25,200,000 shares |
- (ii) Number of treasury stock:
- | | |
|------------------------------|------------------|
| 2nd quarter ended June 2015: | 1,600,452 shares |
| Year ended December 2014: | 1,600,452 shares |
- (iii) Average number of outstanding shares (quarterly accumulated period)
- | | |
|------------------------------|-------------------|
| 2nd quarter ended June 2015: | 23,599,548 shares |
| 2nd quarter ended June 2014: | 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, 2014	Current 2nd quarter As of Jun. 30, 2015
Assets		
Current assets		
Cash and deposits	6,520	5,741
Notes and accounts receivable-trade	44,516	43,746
Merchandise and finished goods	19,340	21,357
Work in process	1,196	1,074
Raw materials and supplies	5,019	5,896
Other	2,722	3,668
Allowance for doubtful accounts	(459)	(467)
Total current assets	78,855	81,016
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,795	6,775
Machinery, equipment and vehicles	6,770	6,920
Land	2,617	2,636
Other	923	1,281
Total property, plant and equipment	17,107	17,614
Intangible assets	458	463
Investments and other assets		
Investment securities	3,302	3,559
Investments in capital	1,028	1,135
Other	3,167	3,155
Allowance for doubtful accounts	(491)	(485)
Total Investments and other assets	7,008	7,364
Total noncurrent assets	24,574	25,442
Total assets	103,429	106,459

TRANSLATION

(Million yen)

	Previous fiscal year As of Dec. 31, 2014	Current 2nd quarter As of Jun. 30, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	33,575	33,766
Short-term loans payable	14,119	12,924
Income taxes payable	1,029	953
Other	4,674	6,002
Total current liabilities	53,398	53,647
Noncurrent liabilities		
Long-term loans payable	4,717	4,573
Provision for retirement benefits	344	306
Other	3,471	3,437
Total noncurrent liabilities	8,533	8,317
Total liabilities	61,932	61,964
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	29,638	32,256
Treasury stock	(677)	(677)
Total shareholders' equity	32,958	35,576
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	658	893
Deferred gains or losses on hedges	(1)	7
Foreign currency translation adjustment	7,898	8,039
Adjustment for retirement benefits	(203)	(197)
Total accumulated other comprehensive income	8,352	8,742
Minority interests	187	176
Total net assets	41,497	44,494
Total liabilities and net assets	103,429	106,459

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of
 Comprehensive Income
 Quarterly Consolidated Statements of Income [2nd quarter (January 1, 2015 – June 30, 2015)]

(Million yen)

	Previous 2nd quarter Jan. 1, 2014 - Jun. 30, 2014	Current 2nd quarter Jan. 1, 2015 - Jun. 30, 2015
Net sales	98,141	112,669
Cost of sales	91,614	103,552
Gross profit	6,527	9,116
Selling, general and administrative expenses	4,191	5,150
Operating income	2,336	3,965
Non-operating income		
Interest income	28	20
Dividends income	13	32
Equity in earnings of affiliates	63	58
Real estate rent	45	56
Gain on sales of goods	39	33
Gain on sales of scraps	52	67
Other	72	89
Total non-operating income	313	358
Non-operating expenses		
Interest expenses	102	85
Foreign exchange losses	87	27
Purchase of goods	21	8
Other	32	58
Total non-operating expenses	244	180
Ordinary income	2,405	4,144
Extraordinary income		
Extraordinary loss		
Income before income taxes	2,405	4,144
Income taxes-current	873	1,281
Income taxes-deferred	(185)	(144)
Total income taxes-current	688	1,137
Net Income before Minority Interests in Income	1,717	3,006
Minority interests in income	(20)	(14)
Net income	1,737	3,021

Quarterly Consolidated Statements of Comprehensive Income
 [2nd quarter (January 1, 2015 – June 30, 2015)]

(Million yen)

	Previous 2nd quarter Jan. 1, 2014 - Jun. 30, 2014	Current 2nd quarter Jan. 1, 2015 – Jun. 30, 2015
Income before minority interests in income	1,717	3,006
Other comprehensive income		
Valuation difference on available-for-sale securities	203	234
Deferred gains or losses on hedges	8	8
Foreign currency translation adjustment	(1,362)	141
Adjustment for retirement benefits	-	5
Equity equivalent of equity method affiliate	(15)	2
Total other comprehensive income	(1,166)	393
Comprehensive income	551	3,400
(Content)		
Comprehensive income for the parent company's shareholders	582	3,411
Comprehensive income for minority shareholders	(31)	(11)

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	Jan. 1, 2014 – Jun. 30, 2014	Jan. 1, 2015 – Jun. 30, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	2,405	4,144
Depreciation and amortization	1,514	1,781
Increase (decrease) in allowance for doubtful accounts	2	7
Interest and dividends income	(41)	(52)
Interest expenses	102	85
Foreign exchange losses (gains)	52	(47)
Equity in (earnings) losses of affiliates	(63)	(58)
Decrease (increase) in notes and accounts receivable-trade	(1,654)	1,056
Decrease (increase) in inventories	(982)	(2,601)
Decrease (increase) in consumption taxes refund receivable	54	(273)
Increase (decrease) in notes and accounts payable-trade	1,526	(146)
Increase (decrease) in advances received	(632)	459
Other	(87)	(36)
Subtotal	2,197	4,318
Interest and dividends income received	91	107
Interest expenses paid	(99)	(78)
Income taxes paid	(711)	(1,377)
Net cash provided by (used in) operating activities	1,477	2,970
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(880)	(1,751)
Proceeds from sales of property, plant and equipment	19	5
Purchase of intangible assets	(91)	(72)
Payments of loans receivable	(143)	(21)
Collection of loans receivable	8	17
Purchase of stocks of subsidiaries and affiliates	(259)	-
Payments for investments in capital of subsidiaries and affiliates	-	(242)
Other	60	0
Net cash provided by (used in) investment activities	(1,286)	(2,064)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(867)	(432)
Proceeds from long-term loans payable	1,815	433
Repayment of long-term loans payable	(802)	(1,255)
Cash dividends paid	(377)	(424)
Other	(65)	(44)
Net cash provided by (used in) financing activities	(299)	(1,723)
Effect of exchange rate change on cash and cash equivalents	(279)	35
Net increase (decrease) in cash and cash equivalents	(387)	(780)
Cash and cash equivalents at beginning of period	7,518	6,497
Net increase in cash and cash equivalents of newly consolidated subsidiary	26	-
Cash and cash equivalents at end of period	7,156	5,716