

## Consolidated 3rd quarter Financial Results for the Fiscal Year Ended December 31, 2016 (January 1, 2016 to September 30, 2016)

|   |  |
|---|--|
| Company name:   | SIIX Corporation   |
| Stock code:   | 7613   |
| Stock exchange listing (Section):                       | Tokyo Stock Exchange, (First Section)  |
| Head office:  | Osaka, Japan   |
| URL:  | <a href="http://www.siix.co.jp">http://www.siix.co.jp</a>                                |
| President:  | Yoshihito Kikyo  |
| Contact:  | Seiji Ono<br>Executive Officer and General Manager,<br>Finance and Accounting Department |
| Telephone:  | +81-6-6266-6415  |
| Scheduled date of filing quarterly financial statement: | November 10, 2016  |
| Scheduled date of payment of cash dividends:            | -  |

(Amounts rounded down to million yen)

### 1. Consolidated 3rd quarter Financial Results (January 1, 2016 – September 30, 2016)

#### (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 (%) |
| 3rd quarter ended Sep. 2016 | 157,157     | (10.1)         | 6,704            | 2.3            | 6,744           | 0.5            |
| 3rd quarter ended Sep. 2015 | 174,831     | 15.8           | 6,555            | 67.8           | 6,713           | 66.7           |

|                             | Profit attributable to owners of parent |                | Net income per share (basic) | Net income per share (diluted) |
|-----------------------------|---|----------------|------------------------------|--------------------------------|
|                             | Million yen                             | YoY change (%) | Yen                          | Yen                            |
| 3rd quarter ended Sep. 2016 | 5,401                                   | 6.0            | 215.05                       | 202.99                         |
| 3rd quarter ended Sep. 2015 | 5,094                                   | 93.5           | 211.50                       | 207.73                         |

(Note) Comprehensive Income:

|                              |                      |         |
|------------------------------|----------------------|---------|
| 3rd quarter ended Sep. 2016: | (2,301) million yen; | - %     |
| 3rd quarter ended Sep. 2015: | 3,037 million yen;   | (29.7%) |

#### (2) Consolidated Financial Position

|                             | Total assets | Net assets  | Capital-to-asset ratio |
|-----------------------------|--------------|-------------|------------------------|
|                             | Million yen  | Million yen | %                      |
| 3rd quarter ended Sep. 2016 | 98,184       | 45,743      | 46.4                   |
| Year ended Dec. 2015        | 109,957      | 49,739      | 45.1                   |

(Reference) Stockholders' equity:

|                                   |                    |
|-----------------------------------|--------------------|
| 3rd quarter ended September 2016: | 45,529 million yen |
| Year ended December 2015:         | 49,585 million yen |

### 2. Dividends

| (Base date)                         | Annual dividends per share |              |             |              |                  |
|-------------------------------------|----------------------------|--------------|-------------|--------------|------------------|
|                                     | 1st quarter                | 2nd quarter  | 3rd quarter | Term-end     | Annual dividends |
| Year ended Dec. 2015                | —                          | Yen<br>18.00 | —           | Yen<br>24.00 | Yen<br>42.00     |
| Year ended Dec. 2016                | —                          | 24.00        |             |              |                  |
| Year ended Dec. 2016<br>(forecasts) |                            |              | —           | 24.00        | 48.00            |

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

### 3. Consolidated Business Performance Forecasts for the Year Ending December 2016 (January 1, 2016 – December 31, 2016)

|           | Net sales   |                | Operating income |                | Ordinary income |                |
|-----------|-------------|----------------|------------------|----------------|-----------------|----------------|
|           | Million yen | YoY change (%) | Million yen      | YoY change (%) | Million yen     | YoY change (%) |
| Full year | 240,000     | 2.1            | 9,500            | 6.6            | 9,600           | 6.6            |

|           | Profit attributable to owners of parent |                | Net income per share (basic) |
|-----------|---|----------------|------------------------------|
|           | Million yen                             | YoY change (%) | Yen                          |
| Full year | 7,000                                   | 4.2            | 278.49                       |

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2016 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):
- |                                   |                   |
|-----------------------------------|-------------------|
| 3rd quarter ended September 2016: | 25,200,000 shares |
| Year ended December 2015:         | 25,200,000 shares |
- (ii) Number of treasury stock:
- |                                   |                |
|-----------------------------------|----------------|
| 3rd quarter ended September 2016: | 212,602 shares |
| Year ended December 2015:         | 64,000 shares  |
- (iii) Average number of outstanding shares (quarterly accumulated period)
- |                                   |                   |
|-----------------------------------|-------------------|
| 3rd quarter ended September 2016: | 25,115,818 shares |
| 3rd quarter ended September 2015: | 24,088,381 shares |

#### \*Indication regarding implementation status of quarterly review procedures

These quarterly financial statements have already reviewed pursuant to the Financial Instruments and Exchange Act (FIEA) because quarterly financial report, which needs to be prepared for the purpose of quarterly review, will also be disclosed at the same day as of the release of these quarterly financial statements, even though these statements are exempt from quarterly review procedures.

#### \*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

(JPY in millions)

|                                     | Previous fiscal year<br>As of Dec. 31, 2015 | Current 3rd quarter<br>As of Sep. 30, 2016 |
|-------------------------------------|---|--|
| <b>Assets</b>                       |   |  |
| Current assets                      |   |  |
| Cash and deposits                   | 12,510                                      | 7,341                                      |
| Notes and accounts receivable-trade | 43,847                                      | 37,747                                     |
| Merchandise and finished goods      | 18,771                                      | 18,956                                     |
| Work in process                     | 1,231                                       | 1,075                                      |
| Raw materials and supplies          | 5,990                                       | 6,002                                      |
| Other                               | 2,872                                       | 3,239                                      |
| Allowance for doubtful accounts     | (463)                                       | (27)                                       |
| Total current assets                | 84,759                                      | 74,335                                     |
| Noncurrent assets                   |   |  |
| Property, plant and equipment       |   |  |
| Buildings and structures            | 6,387                                       | 5,572                                      |
| Machinery, equipment and vehicles   | 6,466                                       | 5,414                                      |
| Land                                | 2,576                                       | 2,415                                      |
| Other                               | 1,013                                       | 1,211                                      |
| Total property, plant and equipment | 16,444                                      | 14,613                                     |
| Intangible assets                   | 491   | 428  |
| Investments and other assets        |   |  |
| Investment securities               | 3,151                                       | 2,736                                      |
| Investments in capital              | 2,333                                       | 3,506                                      |
| Other                               | 3,236                                       | 3,149                                      |
| Allowance for doubtful accounts     | (459)                                       | (585)                                      |
| Total Investments and other assets  | 8,261                                       | 8,807                                      |
| Total noncurrent assets             | 25,197                                      | 23,848                                     |
| Total assets                        | 109,957                                     | 98,184                                     |

|             |
|-------------|
| TRANSLATION |
|-------------|

(JPY in millions)

|  | Previous fiscal year<br>As of Dec. 31, 2015 | Current 3rd quarter<br>As of Sep. 30, 2016 |
|--|---|--|
| <b>Liabilities</b>   |   |  |
| Current liabilities  |   |  |
| Accounts payable-trade   | 32,198                                      | 29,267                                     |
| Short-term loans payable                                       | 9,141                                       | 5,772                                      |
| Income taxes payable   | 887   | 706  |
| Other  | 4,939                                       | 5,202                                      |
| <b>Total current liabilities</b>                               | <b>47,166</b>                               | <b>40,949</b>                              |
| Noncurrent liabilities   |   |  |
| Convertible bond-type bonds with subscription rights to shares | 6,000                                       | 6,000                                      |
| Long-term loans payable  | 3,245                                       | 2,014                                      |
| Provision for retirement benefits                              | 470   | 434  |
| Other  | 3,334                                       | 3,043                                      |
| <b>Total noncurrent liabilities</b>                            | <b>13,050</b>                               | <b>11,491</b>                              |
| <b>Total liabilities</b>                                       | <b>60,217</b>                               | <b>52,440</b>                              |
| <b>Net assets</b>  |   |  |
| Shareholders' equity   |   |  |
| Capital stock  | 2,144                                       | 2,144                                      |
| Capital surplus  | 5,624                                       | 5,624                                      |
| Retained earnings  | 35,528                                      | 39,723                                     |
| Treasury stock   | (27)  | (613)                                      |
| <b>Total shareholders' equity</b>                              | <b>43,269</b>                               | <b>46,877</b>                              |
| Accumulated other comprehensive income                         |   |  |
| Valuation difference on available-for-sale securities          | 610   | 545  |
| Deferred gains or losses on hedges                             | 4   | 6  |
| Foreign currency translation adjustment                        | 5,916                                       | (1,715)                                    |
| Adjustment for retirement benefits                             | (215)                                       | (184)                                      |
| <b>Total accumulated other comprehensive income</b>            | <b>6,316</b>                                | <b>(1,348)</b>                             |
| Non-controlling interests                                      | 154   | 214  |
| <b>Total net assets</b>  | <b>49,739</b>                               | <b>45,743</b>                              |
| <b>Total liabilities and net assets</b>                        | <b>109,957</b>                              | <b>98,184</b>                              |

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of Comprehensive Income  
 Quarterly Consolidated Statements of Income [3rd quarter (January 1, 2016 – September 30, 2016)]  
 (JPY in millions)

|  | Previous 3rd quarter<br>Jan. 1, 2015 - Sep. 30, 2015 | Current 3rd quarter<br>Jan. 1, 2016 - Sep. 30, 2016 |
|--|--|---|
| Net sales                                    | 174,831  | 157,157   |
| Cost of sales                                | 160,409  | 142,499   |
| Gross profit                                 | 14,421   | 14,658  |
| Selling, general and administrative expenses | 7,865  | 7,954   |
| Operating income                             | 6,555  | 6,704   |
| Non-operating income                         |  |   |
| Interest income                              | 27   | 62  |
| Dividends income                             | 53   | 131   |
| Equity in earnings of affiliates             | 65   | 141   |
| Real estate rent                             | 85   | 78  |
| Gain on sales of goods                       | 49   | 25  |
| Gain on sales of scraps                      | 105  | 87  |
| Other  | 139  | 209   |
| Total non-operating income                   | 527  | 736   |
| Non-operating expenses                       |  |   |
| Interest expenses                            | 117  | 79  |
| Foreign exchange losses                      | 141  | 527   |
| Other  | 110  | 88  |
| Total non-operating expenses                 | 370  | 695   |
| Ordinary income                              | 6,713  | 6,744   |
| Extraordinary income                         |  |   |
| Gain on sales of investment securities       | -  | 58  |
| Total extraordinary income                   | -  | 58  |
| Net income before income taxes               | 6,713  | 6,802   |
| Income taxes-current                         | 1,809  | 1,834   |
| Income taxes-deferred                        | (171)  | (431)   |
| Total income taxes-current                   | 1,638  | 1,403   |
| Net Income before non-controlling interests  | 5,075  | 5,399   |
| Non-controlling interests                    | (19)   | (1)   |
| Net income                                   | 5,094  | 5,401   |

Quarterly Consolidated Statements of Comprehensive Income  
 [3rd quarter (January 1, 2016 – September 30, 2016)]

(JPY in millions)

|  | Previous 3rd quarter<br>Jan. 1, 2015 - Sep. 30, 2015 | Current 3rd quarter<br>Jan. 1, 2016 – Sep. 30, 2016 |
|--|--|---|
| Income before minority interests in income                     | 5,075  | 5,399   |
| Other comprehensive income                                     |  |   |
| Valuation difference on available-for-sale securities          | (84)   | (65)  |
| Deferred gains or losses on hedges                             | 5  | 1   |
| Foreign currency translation adjustment                        | (1,924)  | (7,507)   |
| Adjustment for retirement benefits                             | 13   | 21  |
| Equity equivalent of equity method affiliate                   | (48)   | (151)   |
| Total other comprehensive income                               | (2,037)  | (7,700)   |
| Comprehensive income   | 3,037  | (2,301)   |
| (Content)  |  |   |
| Comprehensive income attributable to owners of parent          | 3,060  | (2,263)   |
| Comprehensive income attributable to non-controlling interests | (23)   | (37)  |