

February 13, 2017

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2016 (January 1, 2016 to December 31, 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 Kikyō
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Telephone:	+81-6-6266-6415
Annual Meeting of Shareholders:	March 30, 2017
Scheduled date of payment of cash dividends:	March 31, 2017
Scheduled date of filing financial statement:	March 30, 2017

(Amounts rounded down to million yen)

### 1. Consolidated Financial Results (January 1, 2016 – December 31, 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 (%)
Year ended Dec. 2016	212,768	(9.5)	9,134	2.5	9,146	1.6
Year ended Dec. 2015	235,035	12.1	8,913	43.0	9,002	39.3

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2016	6,698	(0.3)	267.62	252.56
Year ended Dec. 2015	6,717	62.6	275.87	267.67

(note) Comprehensive income

Year ended December 2016:	4,942 million yen (y/y 6.3%)
Year ended December 2015:	4,648 million yen (y/y -50.3%)

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2016	13.3	8.3	4.3
Year ended Dec. 2015	14.8	8.4	3.8

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

Year ended December 2016:	189 million yen
Year ended December 2015:	66 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. 2016	109,695	51,573	46.8	2,084.39
Year ended Dec. 2015	109,957	49,739	45.1	1,972.70

(Reference) Stockholders' equity:

Year ended December 2016:	51,332 million yen
Year ended December 2015:	49,585 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. 2016	6,333	(5,450)	(4,171)	8,776
Year ended Dec. 2015	7,996	(5,113)	3,352	12,473

### 2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
		Yen		Yen	Yen
Year ended Dec. 2015	—	18.00	—	24.00	42.00
Year ended Dec. 2016	—	24.00	—	26.00	50.00
Year ended Dec. 2017 (forecasts)	—	26.00	—	26.00	52.00

(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. 2015	1,028	15.2	2.3
Year ended Dec. 2016	1,243	18.7	2.5
Year ended Dec. 2017 (forecasts)	—	16.9	—

(Reference) The annual dividend for the year ended Dec 31, 2016 includes commemorative dividend of 2.00 yen.

### 3. Consolidated Business Performance Forecasts for the Year Ending December 2017 (January 1, 2017 – December 31, 2017)

(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 (%)
Full year	230,000	8.1	10,500	15.0	10,500	14.8

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	7,600	13.5	308.60



## 1. Operating results

### (1) Analysis of operating results

#### (i) Overview of the Term Under Review

Looking back on the economic climate during the consolidated fiscal year under review, the U.S. economy continued to trend toward recovery underpinned by an improvement in employment and personal consumption. In the Eurozone, the economy was solid, mainly in Germany, but uncertainties heightened due in part to Brexit concerns. In Asia, economic growth in China continued to slow but the economies in Indonesia and Thailand exhibited a sign of a rebound. In Japan, although there was improvement in corporate earnings and employment conditions, the economy trended weakly due to faltering growth in personal consumption.

Under such circumstances, net sales for this fiscal year under review finished at 212,768 million yen, a decrease of 22,266 million yen (down 9.5%) from the previous fiscal year as a result. In terms of profit, operating income finished at 9,134 million yen, an increase of 221 million yen (up 2.5%) from the previous fiscal year. Moreover, ordinary income finished at 9,146 million yen, an increase of 143 million yen (up 1.6%) from the previous fiscal year. Profit attributable to owners of parent finished at 6,698 million yen, a decrease of 19 million yen (down 0.3%) from the previous fiscal year.

The average exchange rates for this fiscal year under review were 108.92 yen per U.S. dollar, 10.0% stronger yen in comparison to the previous fiscal year, 3.09 yen per Thai baht, 12.7% stronger yen from the previous fiscal year, and 14.03 yen per Hong Kong dollar, 10.2% stronger yen in comparison to the previous fiscal year.

Results of reportable segment were as follows:

Segment Income or loss is calculated based on operating income in consolidated statements in income.

#### (Electronics (Japan) Section)

In this section, shipment of components and PCBs for industrial equipment and communication equipment decreased throughout this fiscal year. As a result, sales finished at 67,434 million yen, a decrease of 7,592 million yen (down 10.1%) from the previous fiscal year. Operating income finished at 2,038 million yen, a decrease of 395 million yen (down 16.3%) from the previous fiscal year.

#### (Electronics (Asia) Section)

In this section, sales finished at 15,736 million yen, a decrease of 19,293 million yen (down 10.9%) from the previous fiscal year due to exchange rate fluctuations, however shipment of components and PCBs for automotive-related equipment increased in this fiscal year. Operating income finished at 5,573 million yen, a decrease of 494 million yen (down 8.2%) from the previous fiscal year.

#### (Electronics (Europe) Section)

In this section, sales finished at 8,506 million yen, a decrease of 215 million yen (down 2.5%) from the previous fiscal year due to exchange rate fluctuations, however shipment of components and PCBs for automotive-related equipment increased in this fiscal year. Operating income finished at 341 million yen, an increase of 126 million yen (up 58.7%) from the previous fiscal year thanks to an improvement in performance of the manufacturing subsidiary.

#### (Electronics (Americas) Section)

In this section, shipment of components and PCBs for automotive-related equipment increased in this fiscal year. As a result, sales finished at 42,820 million yen, an increase of 5,536 million yen (up 14.8%) from the previous fiscal year. Operating income finished at 2,797 million yen, an increase of 1,165 million yen (up 71.4%) from the previous fiscal year.

#### (ii) Outlook for the Next Term (Term Ending December 2017)

Looking at the global economic outlook for fiscal 2017, the U.S. economy is expected to continue to gradually move toward recovery, with anticipation of growth on the back of government policies issued by the new Trump administration. In Europe, despite an ongoing murky economic outlook, due mainly to the Brexit issue, a modest economic recovery is forecast. In Asia, economic growth in China is likely to continue on a downward trajectory while other economies in Asia are expected to show signs of recovery. In Japan, the economy is likely to show a meek recovery due to faltering growth in personal consumption and uncertainty over the impact of U.S. government policies.

With this economic outlook, we based our annual performance forecast for fiscal year 2017 on the expected increase in sales in business areas such as automotive equipment, and further improvements to earnings of manufacturing subsidiaries. As a result, we forecast 230 billion yen in sales (up 8.1% on a year-on-year basis), 10.5

billion yen in operating income (up 15.0% on a year-on-year basis), 10.5 billion yen in ordinary income (up 14.8% on a year-on-year basis), and 7.6 billion yen in Profit attributable to owners of parent attributable to owners of parent company (up 13.5% from the previous year). The exchange rate assumed in the business performance forecast for this fiscal year is 105 yen per U.S. dollar.

## (2) Analysis of the financial situation

### (i) Assets, liabilities, and net assets

Total assets at the end of this fiscal year under review were 109,695 million yen, a decrease of 261 million yen (down 0.2%) from the previous fiscal year.

Current assets decreased by 2,595 million yen (down 3.1%) from the previous fiscal year due to a decrease of 3,696 million yen (down 29.6%) in cash and deposits, etc. Fixed assets increased by 2,334 million yen (up 9.3%) from the previous fiscal year.

Current liabilities decreased by 561 million yen (down 1.2%) from the previous fiscal year due to a decrease of 1,446 million yen (down 4.5%) in accounts payable, etc. Fixed liabilities decreased by 1,534 million yen (down 11.8%) from the previous fiscal year due to a decrease of 1,642 million yen (down 50.6%) in long-term loans payable.

Net assets were 51,573 million yen, an increase of 1,834 million yen (up 3.7%) from the previous fiscal year. The capital-to-asset ratio resulted 46.8%, increased from 45.1%

### (ii) Cash flow situation

Cash and cash equivalents (hereinafter, “funds”) during this fiscal year under review decreased 3,696 million yen due to increase in inventories and purchase of treasury stock. Funds at the end of the current fiscal year under review stood at 8,776 million yen (down 29.6%).

The situation of each cash flow and the main contributing factors are as follows.

#### (Cash flow from operating activities)

The result of operating activities was increased funds of 6,333 million yen (increased funds of 7,996 million yen in the previous fiscal year). This was mainly due to increases of 3,546 million yen in inventories, net income before taxes for the current fiscal year finished at 9,204 million yen and 3,271 million yen of depreciation cost.

#### (Cash flow from investing activities)

The result of investing activities was decreased funds of 5,450 million yen (decreased funds of 5,113 million yen in the previous fiscal year). This was mainly due to expenditures of 3,688 million yen for the acquisition of tangible fixed assets and payment of 1,662 million yen for investments in capital of subsidiaries and affiliates.

#### (Cash flow from financial activities)

The result of financial activities was decreased funds of 4,171 million yen (increased funds of 3,352 million yen in the previous fiscal year). This was mainly due to expenditures of 2,221 million yen for repayment of long-term loans and expenditures of 2,006 million yen for purchase of treasury stock.

### (Reference) Trends in cash flow related indicators

	Year ended Dec. 2012	Year ended Dec. 2013	Year ended Dec. 2014	Year ended Dec. 2015	Year ended Dec. 2016
Capital-to-asset ratio (%)	33.8	37.0	39.9	45.1	46.8
Capital-to-asset ratio based on market prices (%)	31.5	33.8	58.2	85.5	88.6
Debt to annual cash flow ratio (years)	2.2	5.1	7.9	2.0	1.9
Interest coverage ratio (X)	36.0	15.6	12.1	61.8	85.9

Note: Cash flow indices are calculated as follows.

- Capital-to-asset ratio: Shareholders' equity / Total assets
- Capital-to-asset ratio based on market prices: Market capitalization / Total assets
- Debt to annual cash flow ratio: Interest-bearing liabilities ([beginning of year + end of year] / 2) / Operating cash flow
- Interest coverage ratio: Operating cash flow / Interest payments

1. All indices are calculated on a consolidated basis.

2. Market capitalization is calculated as

The closing price of stock on the consolidated balance sheet data (Tokyo Stock Exchange, First Section) ×  
The number of shares outstanding on the balance sheet data (after deduction of treasury stocks).

3. Interest-bearing liabilities are intended to include all liabilities on which interest is paid from among the liabilities posted in the consolidated balance sheets. Operating cash flow uses cash flow due to operating activities reported on the consolidated statements of cash flows.

4. Interest uses the value of interest paid reported on consolidated statements of cash flows.

■ Consolidated Financial Statements  
 (1) Consolidated Balance Sheets

(JPY in millions)

	As of Dec. 31, 2015	As of Dec. 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	12,510	8,813
Notes and accounts receivable-trade	43,847	41,873
Merchandise and finished goods	18,771	20,483
Work in process	1,231	1,007
Raw materials and supplies	5,990	7,026
Deferred tax assets	335	381
Other	2,536	2,612
Allowance for doubtful accounts	(463)	(34)
Total current assets	84,759	82,164
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,235	11,622
Accumulated depreciation	(4,848)	(5,225)
Buildings and structures, net	6,387	6,397
Machinery, equipment and vehicles	24,818	26,290
Accumulated depreciation	(18,352)	(19,868)
Machinery, equipment and vehicles, net	6,466	6,422
Tools, furniture and fixtures	2,306	2,089
Accumulated depreciation	(1,489)	(1,429)
Tools, furniture and fixtures, net	816	660
Land	2,576	2,532
Construction in progress	196	865
Total property, plant and equipment	16,444	16,878
Intangible assets		
Software	410	439
Other	80	15
Total intangible assets	491	454
Investments and other assets		
Investment securities	3,151	3,192
Investments in capital	2,333	3,969
Long-term loans receivable	64	355
Assets for retirement benefits	164	183
Deferred tax assets	772	777
Other	2,234	2,305
Allowance for doubtful accounts	(459)	(585)
Total Investments and other assets	8,261	10,198
Total noncurrent assets	25,197	27,531
Total assets	109,957	109,695

(JPY in millions)

	As of Dec. 31, 2015	As of Dec. 31, 2016
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	32,198	30,752
Short-term loans payable	9,141	9,569
Accrued expenses	2,122	2,265
Deferred tax liabilities	-	0
Income taxes payable	887	754
Other	2,817	3,263
<b>Total current liabilities</b>	<b>47,166</b>	<b>46,605</b>
Noncurrent liabilities		
Bonds with subscription rights to shares	6,000	6,000
Long-term loans payable	3,245	1,602
Liabilities for retirement benefits	470	468
Deferred tax liabilities	3,087	3,103
Other	247	340
<b>Total noncurrent liabilities</b>	<b>13,050</b>	<b>11,516</b>
<b>Total liabilities</b>	<b>60,217</b>	<b>58,121</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,624	5,624
Retained earnings	35,528	41,020
Treasury stock	(27)	(2,027)
<b>Total shareholders' equity</b>	<b>43,269</b>	<b>46,761</b>
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	610	745
Deferred gains or losses on hedges	4	4
Foreign currency translation adjustment	5,916	4,008
Adjustment for retirement benefits	(215)	(187)
<b>Total accumulated comprehensive income</b>	<b>6,316</b>	<b>4,570</b>
<b>Non-controlling interests</b>	<b>154</b>	<b>241</b>
<b>Total net assets</b>	<b>49,739</b>	<b>51,573</b>
<b>Total liabilities and net assets</b>	<b>109,957</b>	<b>109,695</b>

## (2) Consolidated Statements of Income

(JPY in millions)

	1st Jan 2015 - 31st Dec 2015	1st Jan 2016 - 31st Dec 2016
Net sales	235,035	212,768
Cost of sales	215,319	192,567
Gross profit	19,715	20,201
Selling, general and administrative expenses	10,802	11,067
Operating income	8,913	9,134
Non-operating income		
Interest income	40	84
Dividends income	54	133
Real estate rent	115	105
Equity in earnings of affiliates	66	189
Gain on sales of goods	122	87
Gain on sales of scrap	138	112
Other	274	272
Total non-operating income	812	984
Non-operating expenses		
Interest expenses	150	111
Foreign exchange losses	370	665
Other	202	196
Total non-operating expenses	723	972
Ordinary income	9,002	9,146
Extraordinary income		
Gain on sales of investment securities	-	58
Total extraordinary income	-	58
Total extraordinary loss	-	-
Income before income taxes	9,002	9,204
Income taxes-current	2,436	2,607
Income taxes-deferred	(127)	(104)
Total income taxes-current	2,309	2,503
Net Income	6,693	6,701
Non-controlling interests in income	(24)	2
Profit attributable to owners of parent	6,717	6,698

## Consolidated Statements of Comprehensive Income

(JPY in millions)

	1st Jan 2015 - 31st Dec 2015	1st Jan 2016 - 31st Dec 2016
Net Income	6,693	6,701
Other comprehensive income		
Valuation difference on available-for-sale securities	(48)	134
Deferred gains or losses on hedges	6	(0)
Foreign currency translation adjustment	(1,942)	(1,858)
Remeasurements of defined benefit plans	(17)	15
Equity equivalent of equity method affiliate	(42)	(48)
Total other comprehensive income	(2,044)	(1,758)
Comprehensive income	4,648	4,942
(Content)		
Comprehensive income attributable to owners of parent	4,681	4,952
Comprehensive income attributable to non-controlling interests	(32)	(10)

**(3) Consolidated statements of changes in net assets**

Previous year (1st Jan 2015 – 31st Dec 2015)

(JPY in millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2014	2,144	1,853	29,638	(677)	32,958
Cumulative effects of changes in accounting policies			21		21
Restated balance	2,144	1,853	29,660	(677)	32,979
Changes of items during the period					
Dividends from surplus			(849)		(849)
Net income attributable to owners of parent			6,717		6,717
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		3,771		650	4,422
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	3,771	5,867	650	10,290
Balances at December 31, 2015	2,144	5,624	35,528	(27)	43,269

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Adjustment for retirement benefits	Total accumulated other comprehensive income		
Balances at December 31, 2014	658	(1)	7,898	(203)	8,352	187	41,497
Cumulative effects of changes in accounting policies							21
Restated balance	658	(1)	7,898	(203)	8,352	187	41,519
Changes of items during the period							
Dividends from surplus							(849)
Net income attributable to owners of parent							6,717
Purchase of treasury stock							(0)
Disposal of treasury stock							4,422
Net changes of items other than shareholders' equity	(48)	6	(1,981)	(12)	(2,036)	(32)	(2,069)
Total changes of items during the period	(48)	6	(1,981)	(12)	(2,036)	(32)	8,220
Balances at December 31, 2015	610	4	5,916	(215)	6,316	154	49,739

Current year (1st Jan 2016 – 31st Dec 2016)

(JPY in millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2015	2,144	5,624	35,528	(27)	43,269
Cumulative effects of changes in accounting policies					
Restated balance	2,144	5,624	35,528	(27)	43,269
Changes of items during the period					
Dividends from surplus			(1,206)		(1,206)
Net income attributable to owners of parent			6,698		6,698
Purchase of treasury stock				(1,999)	(1,999)
Disposal of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	5,491	(1,999)	3,491
Balances at December 31, 2016	2,144	5,624	41,020	(2,027)	46,761

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Adjustment for retirement benefits	Total accumulated other comprehensive income		
Balances at December 31, 2015	610	4	5,916	(215)	6,316	154	49,739
Cumulative effects of changes in accounting policies							
Restated balance	610	4	5,916	(215)	6,316	154	49,739
Changes of items during the period							
Dividends from surplus							(1,206)
Net income attributable to owners of parent							6,698
Purchase of treasury stock							(1,999)
Disposal of treasury stock							-
Net changes of items other than shareholders' equity	134	(0)	(1,907)	28	(1,745)	87	(1,657)
Total changes of items during the period	134	(0)	(1,907)	28	(1,745)	87	1,834
Balances at December 31, 2016	745	4	4,008	(187)	4,570	241	51,573

## (4) Consolidated Statements of Cash Flows

(JPY in millions)

	1st Jan 2015 - 31st Dec 2015	1st Jan 2016 - 31st Dec 2016
Net cash provided by (used in) operating activities		
Income before income taxes	9,002	9,204
Depreciation and amortization	3,805	3,271
Increase (decrease) in allowance for doubtful accounts	3	(280)
Interest and dividends income	(95)	(217)
Interest expenses	150	111
Foreign exchange losses (gains)	(24)	475
Equity in (earnings) losses of affiliates	(66)	(189)
Decrease (increase) in notes and accounts receivable-trade	(1,907)	479
Decrease (increase) in inventories	(1,368)	(3,546)
Decrease (increase) in consumption taxes refund receivable	(22)	2
Increase (decrease) in notes and accounts payable-trade	927	(470)
Increase (decrease) in advances received	45	(296)
Other	100	325
Subtotal	10,551	8,869
Interest and dividends income received	146	297
Interest expenses paid	(129)	(73)
Income taxes paid	(2,572)	(2,759)
Net cash provided by (used in) operating activities	7,996	6,333
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(3,618)	(3,688)
Proceeds from sales of property, plant and equipment	35	21
Purchase of intangible assets	(137)	(87)
Proceeds from sales of investment securities	59	239
Payments of loans receivable	(26)	(299)
Collection of loans receivable	96	26
Purchase of stocks of subsidiaries and affiliates	(63)	-
Payments for investments in capital of subsidiaries and affiliates	(1,459)	(1,662)
Other	1	0
Net cash provided by (used in) investment activities	(5,113)	(5,450)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3,366)	363
Proceeds from long-term loans payable	802	926
Repayment of long-term loans payable	(3,528)	(2,221)
Proceeds from issuance of bonds with subscription rights to shares	5,984	-
Purchase of treasury stock	(0)	(2,006)
Cash dividends paid	(848)	(1,208)
Proceeds from stock issuance to non-controlling	-	98
Proceeds from sales of treasury stock	4,416	-
Other	(107)	(123)
Net cash provided by (used in) financing activities	3,352	(4,171)
Effect of exchange rate change on cash and cash equivalents	(259)	(407)
Net increase (decrease) in cash and cash equivalents	5,976	(3,696)
Cash and cash equivalents at beginning of period	6,497	12,473
Cash and cash equivalents at end of period	12,473	8,776