

Consolidated 1st quarter Financial Results for the Fiscal Year Ended December 31, 2018 (January 1, 2018 to March 31, 2018)

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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Scheduled date of filing quarterly financial statement:	May 10, 2018
Scheduled date of payment of cash dividends:	-

(Amounts rounded down to million yen)

1. Consolidated 1st quarter Financial Results (January 1, 2018 – March 31, 2018)

(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 (%)
1st quarter ended Mar. 2018	58,771	7.2	2,368	(8.4)	2,537	(3.9)
1st quarter ended Mar. 2017	54,829	(3.1)	2,586	7.6	2,640	4.6

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
1st quarter ended Mar. 2018	1,978	3.0	40.17	37.87
1st quarter ended Mar. 2017	1,921	(2.7)	39.02	36.79

(Note) Comprehensive Income:

1st quarter ended Mar. 2018: (703) million yen; - %

1st quarter ended Mar. 2017: 627 million yen; - %

(Note) A 2-for-1 stock split was conducted on April 1, 2018. Accordingly, net income per share (basic) and net income per share (diluted) are calculated on the assumption that the said stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
1st quarter ended Mar. 2018	127,277	56,081	43.8
Year ended Dec. 2017	130,526	57,609	43.9

(Reference) Stockholders' equity:

1st quarter ended Mar. 2018: 55,736 million yen

Year ended Dec. 2017: 57,252 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2017	—	Yen 26.00	—	Yen 26.00	Yen 52.00
Year ended Dec. 2018	—				
Year ended Dec. 2018 (forecasts)		13.50	—	13.50	27.00

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

(note) Dividend for the year ended Dec 31, 2018 is adjusted after a 2-for-1 stock split which was conducted on April 1, 2018.

3. Consolidated Business Performance Forecasts for the Year Ending December 2018 (January 1, 2018 – December 31, 2018)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	267,000	14.5	11,000	13.3	11,000	4.6

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	7,700	8.6	156.33

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2018 during this quarter: None

(note) Net income per share is adjusted after a 2-for-1 stock split which was conducted on April 1, 2018.

4. Others

- (1) Transfer of important subsidiaries during the period: Yes
 New: SIIX HUBEI Co., Ltd.
 SIIX Hungary Kft.
 SIIX EMS MEXICO S de RL de C.V
- (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: Yes
 (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):
 1st quarter ended March 2018: 50,400,000 shares
 Year ended December 2017: 50,400,000 shares
 (ii) Number of treasury stock:
 1st quarter ended March 2018: 1,130,472 shares
 Year ended December 2017: 1,143,860 shares
 (iii) Average number of outstanding shares (quarterly accumulated period)
 1st quarter ended March 2018: 49,260,357 shares
 1st quarter ended March 2017: 49,253,942 shares

(Note) Number of outstanding shares (common shares) is calculated on the assumption that the said stock split was implemented at the beginning of the previous fiscal year.

* These quarterly financial 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 As of Dec. 31, 2017	Current 1st quarter As of Mar. 31, 2018
Assets		
Current assets		
Cash and deposits	10,645	9,972
Notes and accounts receivable-trade	47,131	44,604
Merchandise and finished goods	23,599	23,513
Work in process	1,456	1,634
Raw materials and supplies	9,375	10,095
Other	4,311	4,673
Allowance for doubtful accounts	(41)	(37)
Total current assets	96,477	94,455
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,003	11,344
Machinery, equipment and vehicles	7,964	9,251
Land	2,550	2,936
Other	1,317	1,620
Total property, plant and equipment	19,835	25,153
Intangible assets	929	1,316
Investments and other assets		
Investment securities	2,568	2,405
Investments in capital	7,659	920
Other	3,640	3,537
Allowance for doubtful accounts	(585)	(512)
Total Investments and other assets	13,283	6,351
Total noncurrent assets	34,048	32,821
Total assets	130,526	127,277

TRANSLATION

(JPY in millions)

	Previous fiscal year As of Dec. 31, 2017	Current 1st quarter As of Mar. 31, 2018
Liabilities		
Current liabilities		
Accounts payable-trade	33,988	33,447
Short-term loans payable	13,383	14,266
Income taxes payable	1,438	1,541
Other	7,738	6,242
Total current liabilities	56,549	55,497
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	5,995	5,968
Long-term loans payable	5,819	5,520
Provision for retirement benefits	516	522
Other	4,036	3,688
Total noncurrent liabilities	16,367	15,699
Total liabilities	72,916	71,196
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,625	5,628
Retained earnings	46,498	47,422
Treasury stock	(2,023)	(1,999)
Total shareholders' equity	52,244	53,195
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	555	451
Deferred gains or losses on hedges	11	27
Foreign currency translation adjustment	4,602	2,207
Adjustment for retirement benefits	(161)	(145)
Total accumulated other comprehensive income	5,008	2,540
Subscription rights to shares	31	37
Non-controlling interests	326	307
Total net assets	57,609	56,081
Total liabilities and net assets	130,526	127,277

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of
 Comprehensive Income
 Quarterly Consolidated Statements of Income [1st quarter (January 1, 2018 – March 31, 2018)]
 (JPY in millions)

	Previous 1st quarter Jan. 1, 2017 - Mar. 31, 2017	Current 1st quarter Jan. 1, 2018 - Mar. 31, 2018
Net sales	54,829	58,771
Cost of sales	49,271	53,583
Gross profit	5,558	5,187
Selling, general and administrative expenses	2,971	2,819
Operating income	2,586	2,368
Non-operating income		
Interest income	16	23
Dividends income	0	6
Equity in earnings of affiliates	59	83
Real estate rent	27	26
Foreign exchange gains	-	1
Gain on sales of goods	36	17
Gain on sales of scraps	27	61
Other	61	56
Total non-operating income	228	276
Non-operating expenses		
Interest expenses	37	60
Foreign exchange losses	18	-
Other	120	47
Total non-operating expenses	175	107
Ordinary income	2,640	2,537
Net income before income taxes	2,640	2,537
Income taxes-current	860	799
Income taxes-deferred	(128)	(230)
Total income taxes-current	732	568
Net Income	1,908	1,969
Profit (loss) attributable to non-controlling interests	(13)	(9)
Profit attributable to owners of parent	1,921	1,978

Quarterly Consolidated Statements of Comprehensive Income
 [1st quarter (January 1, 2018 – March 31, 2018)]

(JPY in millions)

	Previous 1st quarter Jan. 1, 2017 - Mar. 31, 2017	Current 1st quarter Jan. 1, 2018 – Mar. 31, 2018
Net income	1,908	1,969
Other comprehensive income		
Valuation difference on available-for-sale securities	(24)	(103)
Deferred gains or losses on hedges	9	15
Foreign currency translation adjustment	(1,227)	(2,489)
Adjustment for retirement benefits	7	12
Equity equivalent of equity method affiliate	(45)	(107)
Total other comprehensive income	(1,280)	(2,673)
Comprehensive income	627	(703)
(Content)		
Comprehensive income attributable to owners of parent	656	(684)
Comprehensive income attributable to non-controlling interests	(28)	(18)

(3) Segment Information**[Segment Information]****Sales and income/loss information for each reportable segment**

Previous year (January 1, 2017 – March 31, 2017)

(JPY in millions)

	Reportable Segment						Adjustment (notes 1)	Total (notes 2)
	Japan	Greater China	Southeast Asia	Europe	Americas	Total		
Net sales								
Sales – outside customers	12,299	11,967	19,461	2,096	9,005	54,829	-	54,829
Sales and transfers – inter segments	7,142	6,494	3,263	323	4,037	21,262	(21,262)	-
Total	19,442	18,461	22,724	2,420	13,042	76,091	(21,262)	54,829
Segment Profit (Operating income or loss)	293	793	666	92	748	2,594	(7)	2,586

(note 1) The amount of adjustment is as followings.

(1) (21,262) million yen, sales and transfers-inter segments, is the amount of elimination of internal transactions between segments.

(2) (7) million yen, operating income or loss, is the amount of elimination of internal transactions between segments.

(note 2) Adjustments have been made to segment profit with operating profit in the consolidated quarterly statements of income.

Current year (January 1, 2018 – March 31, 2018)

(JPY in millions)

	Reportable Segment						Adjustment (notes 1)	Total (notes 2)
	Japan	Greater China	Southeast Asia	Europe	Americas	Total		
Net sales								
Sales – outside customers	10,834	13,536	22,041	2,960	9,397	58,771	-	58,771
Sales and transfers – inter segments	8,335	6,648	3,435	397	3,431	22,248	(22,248)	-
Total	19,170	20,185	25,477	3,357	12,828	81,019	(22,248)	58,771
Segment Profit (Operating income or loss)	158	700	908	20	436	2,224	144	2,368

(note 1) The amount of adjustment is as followings.

(1) (22,248) million yen, sales and transfers-inter segments, is the amount of elimination of internal transactions between segments.

(2) 144 million yen, operating income or loss, is the amount of elimination of internal transactions between segments.

(note 2) Adjustments have been made to segment profit with operating profit in the consolidated quarterly statements of income.