

Consolidated 2nd Quarter Financial Results for the Fiscal Year Ended December 31, 2021 (January 1, 2021 to June 30, 2021)

Company name: SIIX Corporation
 Stock code: 7613
 Stock exchange listing (Section): Tokyo Stock Exchange, (First Section)
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 Scheduled date of filing quarterly financial statement: August 11, 2021
 Scheduled date of payment of cash dividends: September 1, 2021

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2021 – June 30, 2021) (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. 2021	109,470	36.4	2,541	142.5	2,917	271.9
2nd quarter ended Jun. 2020	80,234	(29.5)	1,048	(66.4)	784	(75.5)

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2021	2,452	—	51.90	51.83
2nd quarter ended Jun. 2020	(641)	—	(13.58)	—

(note) Comprehensive income

2nd quarter ended June 2021: 6,858 million yen (y/y —%)

2nd quarter ended June 2020: -2,371 million yen (y/y —%)

(Note) Diluted net income per share data for the second quarter period in the fiscal year ending December 31, 2020 are not shown in the above table, as net income per share was negative although there are residual shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
2 nd quarter ended Jun. 2021	149,643	62,601	41.5
Year ended Dec. 2020	144,436	56,498	38.8

(Reference) Stockholders' equity:

2nd quarter ended June 2021: 62,144 million yen

Year ended December 2020: 56,084 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2020	—	Yen 14.00	—	Yen 15.00	Yen 29.00
Year ended Dec. 2021	—	15.00			
Year ended Dec. 2021 (forecasts)			—	15.00	30.00

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

3. Consolidated Business Performance Forecasts for the Year Ending December 2021 (January 1, 2021 – December 31, 2021)

(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	210,000	15.6	6,800	52.7	6,600	48.5

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	5,700	230.6	120.61

(Note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2021 during this quarter: None

* Note

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): Change
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
Newly added: 1 company (Company name: PT. SIIX Trading Indonesia)
Excluded: 1 company (Company name: SIIX Bangkok Co., Ltd.)

- (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 associated with the revision of accounting standards: None
(ii) Changes 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 at the end of the fiscal year (including treasury stock):

2nd quarter ended Jun. 2021: 50,400,000 shares
Year ended Dec. 2020: 50,400,000 shares

- (ii) Number of treasury stock at the end of the fiscal year:

2nd quarter ended Jun. 2021: 3,139,763 shares
Year ended Dec. 2020: 3,139,729 shares

- (iii) Average number of shares outstanding:

2nd quarter ended Jun. 2021: 47,260,246 shares
2nd quarter ended Jun. 2020: 47,254,398 shares

*These financial statements have not been prepared for the purpose of 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) Consolidated Balance Sheets

(JPY in millions)

	As of Dec. 31, 2020	As of Jun. 30, 2021
Assets		
Current assets		
Cash and deposits	23,130	15,178
Notes and accounts receivable-trade	37,057	40,983
Merchandise and finished goods	19,274	18,439
Work in process	1,376	1,457
Raw materials and supplies	15,880	23,984
Other	7,574	7,374
Allowance for doubtful accounts	(39)	(48)
Total current assets	104,254	107,368
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,551	13,857
Machinery, equipment and vehicles, net	10,575	11,205
Land	3,815	3,883
Other, net	4,124	4,325
Total property, plant and equipment	32,066	33,271
Intangible assets	2,421	2,579
Investments and other assets		
Investment securities	2,101	2,642
Investments in capital	958	1,006
Other	3,156	3,299
Allowance for doubtful accounts	(523)	(524)
Total Investments and other assets	5,693	6,424
Total noncurrent assets	40,181	42,274
Total assets	144,436	149,643

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(JPY in millions)

	As of Dec. 31, 2020	As of Jun. 30, 2021
Liabilities		
Current liabilities		
Accounts payable-trade	27,481	32,424
Short-term loans payable	23,810	17,291
Income taxes payable	1,710	2,012
Other	6,852	8,369
Total current liabilities	59,855	60,097
Noncurrent liabilities		
Bonds	10,000	10,000
Long-term loans payable	12,061	11,309
Liabilities for retirement benefits	751	784
Other	5,269	4,850
Total noncurrent liabilities	28,082	26,944
Total liabilities	87,937	87,042
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,631	5,631
Retained earnings	53,980	55,674
Treasury stock	(5,949)	(5,949)
Total shareholders' equity	55,806	57,499
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	90	660
Foreign currency translation adjustment	323	4,117
Adjustment for retirement benefits	(136)	(133)
Total accumulated comprehensive income	277	4,644
Subscription rights to shares	59	70
Non-controlling interests	354	386
Total net assets	56,498	62,601
Total liabilities and net assets	144,436	149,643

(2) Consolidated Statements of Income

(JPY in millions)

	Jan. 1, 2020 - Jun. 30, 2020	Jan. 1, 2021 - Jun. 30, 2021
Net sales	80,234	109,470
Cost of sales	73,467	99,410
Gross profit	6,767	10,059
Selling, general and administrative expenses	5,718	7,517
Operating income	1,048	2,541
Non-operating income		
Interest income	59	11
Dividends income	18	15
Foreign exchange gains	—	206
Subsidy income	130	88
Gain on sales of goods	61	320
Gain on sales of scrap	81	85
Other	115	117
Total non-operating income	468	846
Non-operating expenses		
Interest expenses	196	137
Share of loss of entities accounted for using equity method	152	3
Foreign exchange losses	158	—
Purchase of goods	42	276
Other	182	53
Total non-operating expenses	731	471
Ordinary income	784	2,917
Extraordinary income		
Gain on reversal of share acquisition rights	—	0
Total extraordinary income	—	0
Extraordinary loss		
Losses related to COVID-19	1,610	—
Total extraordinary losses	1,610	—
Income before income taxes	(826)	2,917
Income taxes-current	(121)	1,155
Income taxes-deferred	(56)	(695)
Total income taxes-current	(178)	459
Net Income	(647)	2,457
Profit (loss) attributable to non-controlling interests	(6)	4
Profit attributable to owners of parent	(641)	2,452

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Jan. 1, 2020 - Jun. 30, 2020	Jan. 1, 2021 - Jun. 30, 2021
Net Income(loss)	(647)	2,457
Other comprehensive income		
Valuation difference on available-for-sale securities	(63)	570
Deferred gains or losses on hedges	10	—
Foreign currency translation adjustment	(1,649)	3,753
Remeasurements of defined benefit plans	10	7
Equity equivalent of equity method affiliate	(31)	69
Total other comprehensive income	(1,723)	4,400
Comprehensive income	(2,371)	6,858
(Content)		
Comprehensive income attributable to owners of parent	(2,355)	6,825
Comprehensive income attributable to non-controlling interests	(15)	32

(3) Consolidated Statements of Cash Flows**TRANSLATED**

(JPY in millions)

	Jan. 1, 2020 - Jun. 30, 2020	Jan. 1, 2021 - Jun. 30, 2021
Net cash provided by (used in) operating activities		
Income before income taxes	(826)	2,917
Depreciation and amortization	3,033	2,972
Increase (decrease) in allowance for doubtful accounts	(23)	1
Interest and dividends income	(78)	(27)
Interest expenses	196	137
Foreign exchange losses (gains)	197	(448)
Equity in (earnings) losses of affiliates	152	3
Decrease (increase) in notes and accounts receivable-trade	6,470	(2,314)
Decrease (increase) in inventories	(1,716)	(5,370)
Decrease (increase) in consumption taxes refund receivable	154	399
Increase (decrease) in notes and accounts payable-trade	(8,352)	3,775
Increase (decrease) in advances received	(589)	30
Decrease (increase) in accounts receivable-other	54	252
Increase (decrease) in accounts payable-other	69	1,216
Increase (decrease) in accrued expenses	570	(382)
Other	(133)	(219)
Subtotal	(820)	2,942
Interest and dividends income received	39	18
Interest expenses paid	(191)	(130)
Income taxes paid	(785)	(644)
Net cash provided by (used in) operating activities	(1,759)	2,185
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(3,497)	(1,880)
Proceeds from sales of property, plant and equipment	21	19
Purchase of intangible assets	(226)	(442)
Payments of loans receivable	(12)	(16)
Collection of loans receivable	11	15
Proceeds from subsidy income	109	64
Other	(8)	54
Net cash provided by (used in) investment activities	(3,601)	(2,185)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(5,784)	(6,887)
Proceeds from long-term loans payable	6,800	936
Repayment of long-term loans payable	(1,417)	(2,178)
Proceeds from issuance of bonds	9,949	—
Payments for redemption of bonds with share subscription rights	(5,948)	—
Purchase of treasury stock	—	(0)
Cash dividends paid	(661)	(708)
Other	(239)	(248)
Net cash provided by (used in) financing activities	2,698	(9,086)
Effect of exchange rate change on cash and cash equivalents	(274)	1,137
Net increase (decrease) in cash and cash equivalents	(2,936)	(7,949)
Cash and cash equivalents at beginning of period	15,035	22,968
Increase in cash and cash equivalents from newly consolidated subsidiary	—	40
Cash and cash equivalents at end of period	12,098	15,059

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes in the event of a significant change in the amount of shareholders' equity)

Not applicable.

(Additional Information)

Accounting estimate for the impact of the COVID-19 infection

During the first half of the current fiscal year, there were no significant changes to the accounting estimates regarding the impact of the COVID-19 infection described in Additional Information of the 29th Annual Securities Report.

Although the Group has made careful estimates based on external information available at the time of preparation of the quarterly consolidated financial statements, the timing of convergence of the said infectious disease is currently unpredictable, and actual results may differ from the above estimates.