

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

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:	Koji Yanase
Contact:	Seiji Ono Director, Executive Officer and General Manager, Finance and Accounting Department
Telephone:	+81-6-6266-6415
Annual Meeting of Shareholders:	March 30, 2021
Scheduled date of payment of cash dividends:	March 31, 2020
Scheduled date of filing financial statement:	March 30, 2020

(Amounts rounded down to million yen)

### 1. Consolidated Financial Results (January 1, 2020 – December 31, 2020)

#### (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. 2020	181,598	(18.6)	4,452	(19.1)	4,444	(21.1)
Year ended Dec. 2019	223,037	(8.1)	5,506	(36.2)	5,634	(35.4)

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Million yen
Year ended Dec. 2020	1,724	(53.3)	36.48	35.42
Year ended Dec. 2019	3,695	(42.4)	78.21	73.56

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2020	3.0	3.1	2.5
Year ended Dec. 2019	6.5	4.0	2.5

(note) Comprehensive income

Year ended December 2020:	-447 million yen (y/y —%)
Year ended December 2019:	3,436 million yen (y/y -11.2%)

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

Year ended December 2020:	-63 million yen
Year ended December 2019:	118 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. 2020	144,436	56,498	38.8	1,186.71
Year ended Dec. 2019	143,391	58,249	40.3	1,224.26

(Reference) Stockholders' equity:

Year ended December 2020:	56,084 million yen
Year ended December 2019:	57,846 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. 2020	13,280	(6,034)	1,291	22,968
Year ended Dec. 2019	8,945	(9,602)	2,923	15,035

### 2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
	Yen			Yen	Yen
Year ended Dec. 2019	—	14.00	—	14.00	28.00
Year ended Dec. 2020	—	14.00	—	15.00	29.00
Year ended Dec. 2021 (forecasts)	—	15.00	—	15.00	30.00

(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. 2019	1,323	35.8	2.3
Year ended Dec. 2020	1,370	79.5	2.4
Year ended Dec. 2021 (forecasts)	—	24.9	—

### 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) The company discloses consolidated business performance for full year only because the company manages business performance on an annual basis.



■ Consolidated Financial Statements  
 (1) Consolidated Balance Sheets

(JPY in millions)

	As of Dec. 31,2019	As of Dec. 31,2020
<b>Assets</b>		
Current assets		
Cash and deposits	15,134	23,130
Notes and accounts receivable-trade	36,349	37,057
Merchandise and finished goods	25,501	19,274
Work in process	1,377	1,376
Raw materials and supplies	15,253	15,880
Other	8,414	7,574
Allowance for doubtful accounts	(39)	(39)
Total current assets	101,990	104,254
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	21,396	21,939
Accumulated depreciation	(7,532)	(8,387)
Buildings and structures, net	13,864	13,551
Machinery, equipment and vehicles	38,205	39,095
Accumulated depreciation	(26,669)	(28,520)
Machinery, equipment and vehicles, net	11,536	10,575
Tools, furniture and fixtures	3,370	3,508
Accumulated depreciation	(2,367)	(2,667)
Tools, furniture and fixtures, net	1,003	840
Land	3,244	3,815
Construction in progress	1,228	1,021
Other	3,218	3,398
Accumulated depreciation	(747)	(1,135)
Other, net	2,470	2,262
Total property, plant and equipment	33,347	32,066
Intangible assets		
Software	624	1,581
Other	1,483	839
Total intangible assets	2,108	2,421
Investments and other assets		
Investment securities	2,050	2,101
Investments in capital	963	958
Long-term loans receivable	61	62
Assets for retirement benefits	311	360
Deferred tax assets	2,015	1,554
Other	1,087	1,178
Allowance for doubtful accounts	(544)	(523)
Total Investments and other assets	5,945	5,693
Total noncurrent assets	41,400	40,181
Total assets	143,391	144,436

	As of Dec. 31,2019	As of Dec. 31,2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	27,163	27,481
Short-term loans payable	26,585	23,810
Current portion of bonds with share acquisition rights	5,948	—
Accrued expenses	2,948	3,230
Income taxes payable	1,806	1,710
Other	4,420	3,621
<b>Total current liabilities</b>	<b>68,872</b>	<b>59,855</b>
Noncurrent liabilities		
Bonds with subscription rights to shares	—	10,000
Long-term loans payable	10,417	12,061
Liabilities for retirement benefits	723	751
Deferred tax liabilities	3,350	3,265
Other	1,777	2,004
<b>Total noncurrent liabilities</b>	<b>16,268</b>	<b>28,082</b>
<b>Total liabilities</b>	<b>85,141</b>	<b>87,937</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,630	5,631
Retained earnings	53,579	53,980
Treasury stock	(5,968)	(5,949)
<b>Total shareholders' equity</b>	<b>55,386</b>	<b>55,806</b>
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	(65)	90
Deferred gains or losses on hedges	3	—
Foreign currency translation adjustment	2,623	323
Adjustment for retirement benefits	(100)	(136)
<b>Total accumulated comprehensive income</b>	<b>2,460</b>	<b>277</b>
Subscription rights to shares	60	59
Non-controlling interests	342	354
<b>Total net assets</b>	<b>58,249</b>	<b>56,498</b>
<b>Total liabilities and net assets</b>	<b>143,391</b>	<b>144,436</b>

## (2) Consolidated Statements of Income

(JPY in millions)

	1st Jan 2019 - 31st Dec 2019	1st Jan 2020 - 31st Dec 2020
Net sales	223,037	181,598
Cost of sales	205,375	165,448
Gross profit	17,662	16,150
Selling, general and administrative expenses	12,155	11,697
Operating income	5,506	4,452
Non-operating income		
Interest income	79	142
Dividends income	86	49
Real estate rent	97	—
Equity in earnings of affiliates	118	—
Subsidy income	130	221
Gain on sales of goods	296	205
Gain on sales of scrap	215	167
Other	286	254
Total non-operating income	1,309	1,041
Non-operating expenses		
Interest expenses	468	373
Equity in loss of affiliates	—	63
Foreign exchange losses	164	25
Purchase of goods	165	153
Other	382	433
Total non-operating expenses	1,181	1,049
Ordinary income	5,634	4,444
Extraordinary income		
Gain on reversal of share acquisition rights	—	2
Total extraordinary income	—	2
Extraordinary loss		
COVID-19 related loss	—	1,683
Total extraordinary loss	—	1,683
Income before income taxes	5,634	2,763
Income taxes-current	2,312	690
Income taxes-deferred	(340)	342
Total income taxes-current	1,971	1,032
Net Income	3,663	1,730
Profit (loss) attributable to non-controlling interests	(32)	6
Profit attributable to owners of parent	3,695	1,724

## Consolidated Statements of Comprehensive Income

(JPY in millions)

	1st Jan 2019 - 31st Dec 2019	1st Jan 2020 - 31st Dec 2020
Net Income	3,663	1,730
Other comprehensive income		
Valuation difference on available-for-sale securities	(137)	156
Deferred gains or losses on hedges	(20)	(3)
Foreign currency translation adjustment	(111)	(2,302)
Remeasurements of defined benefit plans	33	6
Equity equivalent of equity method affiliate	9	(35)
Total other comprehensive income	(226)	(2,178)
Comprehensive income	3,436	(447)
(Content)		
Comprehensive income attributable to owners of parent	3,477	(458)
Comprehensive income attributable to non-controlling interests	(40)	11

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

Previous year (1st Jan 2019 – 31st Dec 2019)

(JPY in millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2018	2,144	5,629	51,183	(5,980)	52,976
Changes of items during the period					
Dividends from surplus			(1,299)		(1,299)
Net income attributable to owners of parent			3,695		3,695
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		1		12	14
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	1	2,396	12	2,410
Balances at December 31, 2019	2,144	5,630	53,579	(5,968)	55,386

	Accumulated other comprehensive income					Subscription rights to shares	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, 2018	71	23	2,717	(133)	2,678	52	308	56,016
Changes of items during the period								
Dividends from surplus								(1,299)
Net income attributable to owners of parent								3,695
Purchase of treasury stock								(0)
Disposal of treasury stock								14
Net changes of items other than shareholders' equity	(137)	(20)	(93)	33	(218)	7	33	(176)
Total changes of items during the period	(137)	(20)	(93)	33	(218)	7	33	2,233
Balances at December 31, 2019	(65)	3	2,623	(100)	2,460	60	342	58,249



Current year (1st Jan 2020– 31st Dec 2020)

(JPY in millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2019	2,144	5,630	53,579	(5,968)	55,386
Changes of items during the period					
Dividends from surplus			(1,323)		(1,323)
Net income attributable to owners of parent			1,724		1,724
Purchase of treasury stock					—
Disposal of treasury stock		0		18	19
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	401	18	420
Balances at December 31, 2020	2,144	5,631	53,980	(5,949)	55,806

	Accumulated other comprehensive income					Subscription rights to shares	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, 2019	(65)	3	2,623	(100)	2,460	60	342	58,249
Changes of items during the period								
Dividends from surplus								(1,323)
Net income attributable to owners of parent								1,724
Purchase of treasury stock								—
Disposal of treasury stock								19
Net changes of items other than shareholders' equity	156	(3)	(2,299)	(36)	(2,182)	(0)	11	(2,171)
Total changes of items during the period	156	(3)	(2,299)	(36)	(2,182)	(0)	11	(1,751)
Balances at December 31, 2020	90	—	323	(136)	277	59	354	56,498

## (4) Consolidated Statements of Cash Flows

(JPY in millions)

	1st Jan 2019 - 31st Dec 2019	1st Jan 2020 - 31st Dec 2020
Net cash provided by (used in) operating activities		
Income before income taxes	5,634	2,763
Depreciation and amortization	5,477	6,046
Increase (decrease) in allowance for doubtful accounts	(2)	(18)
Interest and dividends income	(165)	(192)
Interest expenses	468	373
Foreign exchange losses (gains)	140	67
Equity in (earnings) losses of affiliates	(118)	63
Decrease (increase) in notes and accounts receivable-trade	2,389	(553)
Decrease (increase) in inventories	2,390	4,385
Decrease (increase) in consumption taxes refund receivable	(970)	(269)
Increase (decrease) in notes and accounts payable-trade	(1,860)	824
Increase (decrease) in advances received	(125)	(738)
Decrease (increase) in accounts receivable-other	(97)	327
Increase (decrease) in accounts payable-other	(8)	544
Increase (decrease) in accrued expenses	(95)	273
Other	(2,287)	1,021
Subtotal	10,769	14,919
Interest and dividends income received	259	208
Interest expenses paid	(487)	(380)
Income taxes paid	(1,595)	(1,467)
Net cash provided by (used in) operating activities	8,945	13,280
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(8,797)	(5,394)
Proceeds from sales of property, plant and equipment	41	94
Purchase of intangible assets	(743)	(742)
Proceeds from sales of investment securities	—	110
Purchase of investment securities	(115)	—
Payments of loans receivable	(24)	(49)
Collection of loans receivable	23	23
Payments for acquisition of shares in subsidiaries and affiliates	—	(213)
Payments for investments in capital of subsidiaries and affiliates	(27)	—
Proceeds from subsidy income	70	200
Other	(30)	(62)
Net cash provided by (used in) investment activities	(9,602)	(6,034)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,279	(4,863)
Proceeds from long-term loans payable	6,798	10,211
Repayment of long-term loans payable	(3,462)	(6,270)
Proceeds from issuance of bonds	—	9,949
Payments for bonds with share acquisition rights	—	(5,948)
Purchase of treasury stock	(0)	—
Cash dividends paid	(1,298)	(1,324)
Proceeds from share issuance to non-controlling shareholders	74	—
Other	(468)	(463)
Net cash provided by (used in) financing activities	2,923	1,291
Effect of exchange rate change on cash and cash equivalents	(44)	(605)
Net increase (decrease) in cash and cash equivalents	2,222	7,932
Cash and cash equivalents at beginning of period	12,813	15,035
Cash and cash equivalents at end of period	15,035	22,968

**Information of net sales, income or loss, assets, and other items by reportable segment**

Previous year (1st Jan 2019 – 31st Dec 2019)

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
Sales to third parties	50,632	54,209	67,326	10,909	39,907	222,985	52	223,037
Intersegment sales and transfers	37,155	27,650	16,895	852	13,167	95,720	(95,720)	—
Total	87,787	81,860	84,221	11,762	53,074	318,705	(95,667)	223,037
Segment income or loss	948	1,971	3,705	(97)	(1,314)	5,214	291	5,506
Segment assets	53,767	42,347	54,486	9,611	22,947	183,160	(39,768)	143,391
Other								
Depreciation	121	1,846	2,003	387	1,022	5,381	95	5,477
The increase of property, plant and equipment and intangible assets	580	2,194	3,841	1,024	1,370	9,010	71	9,082

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 52 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -95,720 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, 291 million yen, is the amount of elimination of internal transactions between segments.
4. The amount of adjustment in segment asset, -39,768 million yen, is the amount of elimination of internal transactions between segments.
5. The amount of adjustment in depreciation, 95 million yen, is the amount of elimination of internal transactions between segments.
6. The amount of adjustment in the increase of property, plant and equipment and intangible assets, 71 million yen, is the amount of elimination of internal transactions between segments.

(note 2) Operating income or loss refers to elimination of intersegment transactions adjustment.

Current year (1st Jan 2020 – 31st Dec 2020)

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
to third parties	42,106	48,318	51,865	9,749	29,513	181,553	45	181,598
Intersegment sales and transfers	32,804	19,464	17,248	804	8,651	78,973	(78,973)	—
Total	74,910	67,782	69,114	10,554	38,165	260,527	(78,928)	181,598
Segment income or loss	(54)	1,684	2,514	(438)	681	4,388	63	4,452
Segment assets	55,609	42,160	55,495	10,602	18,716	182,584	(38,148)	144,436
Other								
Depreciation	316	1,983	2,196	403	1,040	5,939	106	6,046
The increase of property, plant and equipment and intangible assets	1,612	1,836	1,335	372	217	5,374	199	5,537

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 45 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -78,973 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, 63 million yen, is the amount of elimination of internal transactions between segments.
4. The amount of adjustment in segment asset, -38,148 million yen, is the amount of elimination of internal transactions between segments.
5. The amount of adjustment in depreciation, 106 million yen, is the amount of elimination of internal transactions between segments.
6. The amount of adjustment in the increase of property, plant and equipment and intangible assets, 199 million yen, is the amount of elimination of internal transactions between segments.

(note 2) Operating income or loss refers to elimination of intersegment transactions adjustment.