

February 13, 2015

Consolidated Financial Results for the Fiscal Year Ended December 31, 2014 (January 1, 2014 to December 31, 2014)

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
Telephone:	+81-6-6266-6415
Annual Meeting of Shareholders:	March 27, 2015
Scheduled date of payment of cash dividends:	March 30, 2015
Scheduled date of filing financial statement:	March 27, 2015

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2014 – December 31, 2014)

(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. 2014	209,755	1.3	6,233	24.4	6,460	19.0
Year ended Dec. 2013	207,009	8.6	5,011	7.8	5,427	9.1

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2014	4,131	24.4	175.06	—
Year ended Dec. 2013	3,321	7.9	140.73	—

(note) Comprehensive income

Year ended December 2014: 9,346 million yen (y/y 10.1%)

Year ended December 2013: 8,487 million yen (y/y 32.7%)

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2014	11.1	6.7	3.0
Year ended Dec. 2013	11.4	6.6	2.4

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

Year ended December 2014: 87 million yen

Year ended December 2013: -0 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. 2014	103,429	41,497	39.9	1750.47
Year ended Dec. 2013	89,204	33,185	37.0	1,397.73

(Reference) Stockholders' equity:

Year ended December 2014: 41,310 million yen

Year ended December 2013: 32,985 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. 2014	2,374	(2,827)	(1,286)	6,497
Year ended Dec. 2013	3,438	(3,216)	(105)	7,518

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
		Yen		Yen	Yen
Year ended Dec. 2013	—	16.00	—	16.00	32.00
Year ended Dec. 2014	—	16.00	—	18.00	34.00
Year ended Dec. 2015 (forecasts)	—	18.00	—	20.00	38.00

(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. 2013	755	22.7	2.6
Year ended Dec. 2014	802	19.4	2.2
Year ended Dec. 2015 (forecasts)	—	18.7	—

3. Consolidated Business Performance Forecasts for the Year Ending December 2015 (January 1, 2015 – December 31, 2015)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	220,000	4.9	7,300	17.1	7,400	14.5

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	4,800	16.2	203.39

4. Targeted Management Benchmark

As SIIX Group's Target, the Company aims at the achievement of 280,000 million yen in sales and 9,500 million yen in operating income in 2017. The exchange rate assumed in the business performance forecast for 2017 is 110 yen per U.S. dollar.

4. Others

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): No transfer
- (2) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements
- (i) Changes associated with the revision of accounting standards: Change
- (ii) Changes other than those described in (i): No change
- (iii) Changes in accounting estimate: No change
- (iv) Restatement: No restatement
- (3) Number of outstanding shares (common shares)
- (i) Number of outstanding shares at the end of the fiscal year (including treasury stock):
- Year ended Dec. 2014: 25,200,000 shares
- Year ended Dec. 2013: 25,200,000 shares
- (ii) Number of treasury stock at the end of the fiscal year:
- Year ended Dec. 2014: 1,600,452 shares
- Year ended Dec. 2013: 1,600,431 shares
- (iii) Average number of shares outstanding:
- Year ended Dec. 2014: 23,599,559 shares
- Year ended Dec. 2013: 23,599,569 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2014 – December 31, 2014)**(1) Non-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. 2014	78,454	8.3	712		2,419	53.6
Year ended Dec. 2013	72,473	5.0	(86)		1,574	(22.4)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2014	2,172	54.2	92.06	—
Year ended Dec. 2013	1,409	(9.1)	59.71	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2014	31,429	9,422	30.0	399.25
Year ended Dec. 2013	29,296	7,835	26.7	332.03

(Reference) Stockholders' equity: Year ended December 2014: 9,422 million yen
Year ended December 2013: 7,835 million yen

**Indication regarding implementation status of quarterly review procedures*

These financial statements have not been prepared for the purpose of review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for financial statements were in the process of being implemented as of the release of these financial statements.

**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

(Thousand yen)

	As of Dec. 31, 2013	As of Dec. 31, 2014
Assets		
Current assets		
Cash and deposits	7,603,151	6,520,983
Notes and accounts receivable-trade	39,518,634	44,516,399
Merchandise and finished goods	14,450,233	19,340,245
Work in process	752,663	1,196,552
Raw materials and supplies	3,387,941	5,019,081
Deferred tax assets	254,548	325,896
Other	1,801,582	2,396,203
Allowance for doubtful accounts	(475,090)	(459,735)
Total current assets	67,293,664	78,855,626
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,176,072	11,390,075
Accumulated depreciation	(3,644,457)	(4,594,892)
Buildings and structures, net	5,531,614	6,795,183
Machinery, equipment and vehicles	20,031,047	24,933,894
Accumulated depreciation	(14,116,088)	(18,163,165)
Machinery, equipment and vehicles, net	5,914,959	6,770,729
Tools, furniture and fixtures	1,735,396	2,271,409
Accumulated depreciation	(1,285,924)	(1,501,272)
Tools, furniture and fixtures, net	449,472	770,137
Land	2,322,671	2,617,961
Construction in progress	190,502	153,717
Total property, plant and equipment	14,409,218	17,107,729
Intangible assets		
Software	506,600	444,731
Other	9,942	13,490
Total intangible assets	516,543	458,222
Investments and other assets		
Investment securities	3,449,719	3,302,904
Investments in capital	927,635	1,028,624
Long-term loans receivable	241,191	65,534
Assets for retirement benefits	-	173
Deferred tax assets	574,962	741,409
Other	2,240,164	2,360,495
Allowance for doubtful accounts	(448,246)	(491,089)
Total Investments and other assets	6,985,427	7,008,053
Total noncurrent assets	21,911,189	24,574,004
Total assets	89,204,854	103,429,631

TRANSLATION

(Thousand yen)

	As of Dec. 31, 2013	As of Dec. 31, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	29,829,428	33,575,096
Short-term loans payable	12,564,520	14,119,907
Accrued expenses	1,484,401	1,949,145
Deferred tax liabilities	14,450	293
Income taxes payable	691,515	1,029,527
Other	2,824,883	2,724,968
Total current liabilities	47,409,199	53,398,937
Noncurrent liabilities		
Long-term loans payable	5,675,766	4,717,484
Provision for retirement benefits	141,995	-
Liabilities for retirement benefits	-	344,283
Deferred tax liabilities	2,463,725	3,141,334
Other	328,869	330,240
Total noncurrent liabilities	8,610,366	8,533,342
Total liabilities	56,019,565	61,932,280
Net assets		
Shareholders' equity		
Capital stock	2,144,000	2,144,000
Capital surplus	1,853,000	1,853,000
Retained earnings	26,398,071	29,638,818
Treasury stock	(677,780)	(677,817)
Total shareholders' equity	29,717,291	32,958,001
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	474,914	658,275
Deferred gains or losses on hedges	(5,803)	(1,353)
Foreign currency translation adjustment	2,799,512	7,898,526
Adjustment for retirement benefits	-	(203,121)
Total accumulated comprehensive income	3,268,623	8,352,326
Minority interests	199,373	187,023
Total net assets	33,185,288	41,497,350
Total liabilities and net assets	89,204,854	103,429,631

(2) Consolidated Statements of Income

(Thousand yen)

	1st Jan 2013 - 31st Dec 2013	1st Jan 2014 - 31st Dec 2014
Net sales	207,009,020	209,755,275
Cost of sales	193,925,581	194,631,696
Gross profit	13,083,438	15,123,578
Selling, general and administrative expenses	8,072,324	8,889,643
Operating income	5,011,114	6,233,935
Non-operating income		
Interest income	46,768	55,463
Dividends income	56,017	64,292
Amortization of negative goodwill	-	-
Real estate rent	90,799	98,945
Equity in earnings of affiliates	-	87,733
Foreign exchange gains	170,644	-
Gain on sales of goods	132,081	77,048
Gain on sales of scrap	68,312	116,008
Other	197,924	232,746
Total non-operating income	762,550	732,238
Non-operating expenses		
Interest expenses	211,589	202,381
Equity in losses of affiliates	19	-
Foreign exchange losses	-	171,089
Other	134,076	132,056
Total non-operating expenses	345,685	505,527
Ordinary income	5,427,979	6,460,645
Extraordinary income		
Gain on sales of investment securities	-	76,648
Gain on sales of noncurrent assets	17,613	-
Total extraordinary income	17,613	76,648
Extraordinary loss		
Loss on sales of noncurrent assets	2,682	-
Loss on retirement of noncurrent assets	1,790	-
Total extraordinary loss	4,472	-
Income before income taxes	5,441,121	6,537,294
Income taxes-current	1,440,264	1,952,141
Income taxes-deferred	698,248	486,563
Total income taxes-current	2,138,512	2,438,704
Income before minority interests in income	3,302,608	4,098,589
Minority interests in income	(18,579)	(32,811)
Net income	3,321,187	4,131,401

Consolidated Statements of Comprehensive Income

(Thousand yen)

	1st Jan 2013 - 31st Dec 2013	1st Jan 2014 - 31st Dec 2014
Income before minority interests in income	3,302,608	4,098,589
Other comprehensive income		
Valuation difference on available-for-sale securities	17,378	183,250
Deferred gains or losses on hedges	3,645	4,450
Foreign currency translation adjustment	5,066,227	4,960,771
Equity equivalent of equity method affiliate	97,412	99,685
Total other comprehensive income	5,184,664	5,248,159
Comprehensive income	8,487,272	9,346,748
(Content)		
Comprehensive income for the parent company's shareholders	8,463,891	9,360,567
Comprehensive income for minority shareholders	23,380	(13,818)

(3) Consolidated statements of changes in net assets

Previous year (1st Jan 2013 – 31st Dec 2013)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2012	2,144,000	1,853,000	23,832,070	(677,780)	27,151,290
Changes of items during the period					
Dividends from surplus			(755,186)		(755,186)
Net income			3,321,187		3,321,187
Purchase of treasury stock					-
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	2,566,001	-	2,566,001
Balances at December 31, 2013	2,144,000	1,853,000	26,398,071	(677,780)	29,717,291

	Accumulated other comprehensive income					Minority 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, 2012	457,649	(9,449)	(2,322,280)	-	(1,874,080)	175,992	25,453,202
Changes of items during the period							
Dividends from surplus							(755,186)
Net income							3,321,187
Purchase of treasury stock							-
Change of scope of consolidation							-
Net changes of items other than shareholders' equity	17,265	3,645	5,121,793	-	5,142,704	23,380	5,166,085
Total changes of items during the period	17,265	3,645	5,121,793	-	5,142,704	23,380	7,732,086
Balances at December 31, 2013	474,914	(5,803)	2,799,512	-	3,268,623	199,373	33,185,288

Current year (1st Jan 2014 – 31st Dec 2014)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2013	2,144,000	1,853,000	26,398,071	(677,780)	29,717,291
Changes of items during the period					
Dividends from surplus			(755,186)		(755,186)
Net income			4,131,401		4,131,401
Purchase of treasury stock				(37)	(37)
Change of scope of consolidation			(135,468)		(135,468)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	3,240,747	(37)	3,240,709
Balances at December 31, 2014	2,144,000	1,853,000	29,638,818	(677,817)	32,958,001

	Accumulated other comprehensive income					Minority 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, 2013	474,914	(5,803)	2,799,512	-	3,268,623	199,373	33,185,288
Changes of items during the period							
Dividends from surplus							(755,186)
Net income							4,131,401
Purchase of treasury stock							(37)
Change of scope of consolidation			57,658		57,658	1,468	(76,341)
Net changes of items other than shareholders' equity	183,360	4,450	5,041,354	(203,121)	5,026,044	(13,818)	5,012,226
Total changes of items during the period	183,360	4,450	5,099,013	(203,121)	5,083,702	(12,349)	8,312,062
Balances at December 31, 2014	658,275	(1,353)	7,898,526	(203,121)	8,352,326	187,023	41,497,350

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	1st Jan 2013 - 31st Dec 2013	1st Jan 2014 - 31st Dec 2014
Net cash provided by (used in) operating activities		
Income before income taxes	5,441,121	6,537,294
Depreciation and amortization	2,916,809	3,166,012
Increase (decrease) in allowance for doubtful accounts	267,430	(15,268)
Interest and dividends income	(102,786)	(119,756)
Interest expenses	211,589	202,381
Foreign exchange losses (gains)	(145,623)	145,390
Equity in (earnings) losses of affiliates	19	(87,733)
Decrease (increase) in notes and accounts receivable-trade	1,131,645	1,865,571
Decrease (increase) in inventories	(192,555)	(4,182,331)
Decrease (increase) in consumption taxes refund receivable	112,524	(49,688)
Increase (decrease) in notes and accounts payable-trade	(5,322,836)	(2,554,243)
Increase (decrease) in advances received	789,240	(620,529)
Other	(157,249)	(195,020)
Subtotal	4,949,328	4,092,079
Interest and dividends income received	225,669	166,763
Interest expenses paid	(220,207)	(195,522)
Income taxes paid	(1,516,182)	(1,689,191)
Net cash provided by (used in) operating activities	3,438,607	2,374,129
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(1,227,062)	(2,429,361)
Proceeds from sales of property, plant and equipment	49,123	29,767
Purchase of intangible assets	(91,277)	(121,767)
Proceeds from sales of investment securities	-	80,844
Payments of loans receivable	(222,276)	(116,046)
Collection of loans receivable	16,910	82,332
Purchase of stocks of subsidiaries and affiliates	(1,096,571)	(513,983)
Payments for investments in capital of subsidiaries and affiliates	(586,140)	-
Other	(58,943)	161,074
Net cash provided by (used in) investment activities	(3,216,237)	(2,827,141)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(356,042)	76,622
Proceeds from long-term loans payable	2,560,270	2,504,591
Repayment of long-term loans payable	(1,396,366)	(2,988,856)
Purchase of treasury stock	-	(37)
Cash dividends paid	(754,890)	(755,948)
Other	(158,159)	(123,148)
Net cash provided by (used in) financing activities	(105,188)	(1,286,778)
Effect of exchange rate change on cash and cash equivalents	1,137,457	692,382
Net increase (decrease) in cash and cash equivalents	1,254,638	(1,047,407)
Cash and cash equivalents at beginning of period	6,263,523	7,518,161
Cash and cash equivalents of newly consolidated subsidiary	-	26,298
Cash and cash equivalents at end of period	7,518,161	6,497,052