

February 12, 2016

Consolidated Financial Results for the Fiscal Year Ended December 31, 2015 (January 1, 2015 to December 31, 2015)

| | |
|---|--|
| 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 30, 2016 |
| Scheduled date of payment of cash dividends: | March 31, 2016 |
| Scheduled date of filing financial statement: | March 30, 2016 |

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2015 – December 31, 2015)

(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. 2015 | 235,035 | 12.1 | 8,913 | 43.0 | 9,002 | 39.3 |
| Year ended Dec. 2014 | 209,755 | 1.3 | 6,233 | 24.4 | 6,460 | 19.0 |

| | Net income | | Net income per share (basic) | Net income per share (diluted) |
|----------------------|-------------|----------------|------------------------------|--------------------------------|
| | Million yen | YoY change (%) | Yen | Yen |
| Year ended Dec. 2015 | 6,717 | 62.6 | 275.87 | 267.67 |
| Year ended Dec. 2014 | 4,131 | 24.4 | 175.06 | — |

(note) Comprehensive income

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

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

| | Return on equity | Ratio of ordinary income to total assets | Ratio of operating income to net sales |
|----------------------|------------------|--|--|
| | % | % | % |
| Year ended Dec. 2015 | 14.8 | 8.4 | 3.8 |
| Year ended Dec. 2014 | 11.1 | 6.7 | 3.0 |

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

Year ended December 2015: 66 million yen

Year ended December 2014: 87 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. 2015 | 109,957 | 49,739 | 45.1 | 1,972.70 |
| Year ended Dec. 2014 | 103,429 | 41,497 | 39.9 | 1750.47 |

(Reference) Stockholders' equity:

Year ended December 2015: 49,585 million yen

Year ended December 2014: 41,310 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. 2015 | 7,996 | -5,113 | 3,352 | 12,473 |
| Year ended Dec. 2014 | 2,374 | -2,827 | -1,286 | 6,497 |

2. Dividends

| (Base date) | Annual dividends per share | | | | |
|-------------------------------------|----------------------------|-------------|-------------|----------|------------------|
| | 1st quarter | 2nd quarter | 3rd quarter | Term-end | Annual dividends |
| | | Yen | | Yen | Yen |
| Year ended Dec. 2014 | — | 16.00 | — | 18.00 | 34.00 |
| Year ended Dec. 2015 | — | 18.00 | — | 24.00 | 42.00 |
| Year ended Dec. 2016 (forecasts) | — | 24.00 | — | 24.00 | 48.00 |

| (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. 2014 | 802 | 19.4 | 2.2 |
| Year ended Dec. 2015 | 1,028 | 15.2 | 2.3 |
| Year ended Dec. 2016 (forecasts) | — | 17.2 | — |

3. Consolidated Business Performance Forecasts for the Year Ending December 2016 (January 1, 2016 – December 31, 2016)

(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 | 240,000 | 2.1 | 9,500 | 6.6 | 9,600 | 6.6 |

| | Net income | | Net income per share (basic) |
|-----------|-------------|----------------|------------------------------|
| | Million yen | YoY change (%) | Yen |
| Full year | 7,000 | 4.2 | 278.49 |

*** Note**

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): None
- (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): None
- (iii) Changes in accounting estimate: None
- (iv) Restatement: None
- (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. 2015: 25,200,000 shares
- Year ended Dec. 2014: 25,200,000 shares
- (ii) Number of treasury stock at the end of the fiscal year:
- Year ended Dec. 2015: 64,000 shares
- Year ended Dec. 2014: 1,600,452 shares
- (iii) Average number of shares outstanding:
- Year ended Dec. 2015: 24,350,290 shares
- Year ended Dec. 2014: 23,599,559 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2015 – December 31, 2015)**(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. 2015 | 86,187 | 9.9 | 801 | 12.5 | 2,118 | -12.4 |
| Year ended Dec. 2014 | 78,454 | 8.3 | 712 | — | 2,419 | 53.6 |

| | Net income | | Net income per share (basic) | Net income per share (diluted) |
|----------------------|-------------|----------------|------------------------------|--------------------------------|
| | Million yen | YoY change (%) | Yen | Yen |
| Year ended Dec. 2015 | 1,774 | -18.3 | 72.89 | 70.72 |
| Year ended Dec. 2014 | 2,172 | 54.2 | 92.06 | — |

(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. 2015 | 39,404 | 14,683 | 37.3 | 584.15 |
| Year ended Dec. 2014 | 31,429 | 9,422 | 30.0 | 399.25 |

(Reference) Stockholders' equity: Year ended December 2015: 14,683 million yen
Year ended December 2014: 9,422 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.

1. Operating results

(1) Analysis of operating results

(i) Overview of the Term Under Review

Looking back at the economic environment during the fiscal year under review, the U.S. continued its economic recovery with improved employment and personal consumption. Likewise, the Eurozone economy recovered moderately thanks to an improvement in exports and personal consumption, although there remained areas of weakness. Meanwhile, in Asia, the Chinese economy gradually slowed due to weaker growth. Other Asian countries also experienced economic weakness. In Japan, while several economic indicators showed no indication of improvement, personal consumption was generally steady thanks to the improved employment situation, and overall, the economic recovery trend was maintained. Under such circumstances, net sales for this fiscal year under review finished at 235,035 million yen, an increase of 25,279 million yen (up 12.1%) from the previous fiscal year as a result of shipment of components and PCBs for automotive-related equipment kept strong. In terms of profit, operating income finished at 8,913 million yen, an increase of 2,679 million yen (up 43.0%) from the previous fiscal year as an increase of net sales. Moreover, ordinary income finished at 9,002 million yen, an increase of 2,542 million yen (up 39.3%) from the previous fiscal year. Net income finished at 6,717 million yen, an increase of 2,586 million yen (up 62.6%) from the previous fiscal year.

The average exchange rates for this fiscal year under review were 121.07 yen per U.S. dollar, 14.2% weaker yen in comparison to the previous fiscal year, 3.54 yen per Thai baht, 8.3% weaker yen from the previous fiscal year, and 15.62 yen per Hong Kong dollar, 14.3% weaker 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 automotive-related and industrial equipment kept steady throughout this fiscal year. As a result, sales finished at 75,027 million yen, an increase of 8,459 million yen (up 12.7%) from the previous fiscal year. Operating income finished at 2,433 million yen, an increase of 258 million yen (up 11.9%) from the previous fiscal year.

(Electronics (Asia) Section)

In this section, sales finished at 176,599 million yen, an increase of 20,254 million yen (up 13.0%) from the previous fiscal year due to shipment of components and PCBs for automotive-related and communication equipment increased in this fiscal year. Operating income finished at 6,068 million yen, an increase of 1,294 million yen (up 27.1%) from the previous fiscal year.

(Electronics (Europe) Section)

In this section, sales finished at 8,722 million yen, an increase of 1,331 million yen (up 18.0%) from the previous fiscal year due to shipment of components and PCBs for automotive-related equipment kept strong in this fiscal year. Operating income finished at 215 million yen, an increase of 102 million yen (up 90.1%) 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 significantly in this fiscal year. As a result, sales finished at 37,284 million yen, an increase of 14,450 million yen (up 63.3%) from the previous fiscal year. Operating income finished at 1,631 million yen, an increase of 942 million yen (up 136.7%) from the previous fiscal year.

(ii) Outlook for the Next Term (Term Ending December 2016)

Looking ahead to the global economy in fiscal year 2016, a moderate economic recovery is expected to continue in the U.S. and Europe. On the other hand, economic growth in China will slow, and emerging economies will also experience slower economic growth due to falling resource prices, among other factors. The Japanese economy is likely to remain solid despite concerns surrounding the uncertainties of the external demand environment, particularly in China and emerging economies.

With this economic outlook, we based our annual performance forecast for fiscal year 2016 on the expected increase in sales in business areas such as automotive equipment and industrial equipment, and further improvements to earnings of manufacturing subsidiaries. As a result, we forecast 240 billion yen in sales (up 2.1% on a year-on-year basis), 9.5 billion yen in operating income (up 6.6% on a year-on-year basis), and 7 billion yen in net

income attributable to owners of parent company (up 4.2% from the previous year). The exchange rate assumed in the business performance forecast for this fiscal year is 118 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 109,957 million yen, an increase of 6,527 million yen (up 6.3%) from the previous fiscal year.

Current assets increased by 5,904 million yen (up 7.5%) from the previous fiscal year due to an increase of 5,989 million yen (up 91.8%) in cash and deposits, etc. Fixed assets increased by 623 million yen (up 2.5%) from the previous fiscal year.

Current liabilities decreased by 6,232 million yen (down 11.7%) from the previous fiscal year due to a decrease of 4,978 million yen (down 35.3%) in short-term loans payable, etc. Fixed liabilities increased by 4,517 million yen (up 52.9%) from the previous fiscal year.

Net assets were 49,739 million yen, an increase of 8,242 million yen from the previous fiscal year mainly due to sales of treasury stock. The capital-to-asset ratio resulted 45.1%, increased from 39.9%

(ii) Cash flow situation

Cash and cash equivalents (hereinafter, “funds”) during this fiscal year under review increased 5,976 million yen due to an increase in net income before taxes, an issuance of bonds with subscription rights to shares and sales of treasury stock. Funds at the end of the current fiscal year under review stood at 12,473 million yen (up 92.0%).

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 7,996 million yen (increased funds of 2,374 million yen in the previous fiscal year). This was mainly due to increases of 1,907 million yen in trade receivables, increases of 1,368 million yen in inventories, net income before taxes for the current fiscal year finished at 9,002 million yen and 3,805 million yen of depreciation cost.

(Cash flow from investing activities)

The result of investing activities was decreased funds of 5,113 million yen (decreased funds of 2,827 million yen in the previous fiscal year). This was mainly due to expenditures of 3,618 million yen for the acquisition of tangible fixed assets and payment of 1,459 million yen for investments in capital of subsidiaries and affiliates.

(Cash flow from financial activities)

The result of financial activities was increased funds of 3,352 million yen (decreased funds of 1,286 million yen in the previous fiscal year). This was mainly due to net decrease of 3,366 million yen in short-term loans payable, expenditures of 3,528 million yen for repayment of long-term loans, proceeds of 5,984 million yen from issuance of bonds with subscription rights to shares and proceeds of 4,416 million yen from sales of treasury stock.

(Reference) Trends in cash flow related indicators

| | Year ended Dec. 2011 | Year ended Dec. 2012 | Year ended Dec. 2013 | Year ended Dec. 2014 | Year ended Dec. 2015 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Capital-to-asset ratio (%) | 33.1 | 33.8 | 37.0 | 39.9 | 45.1 |
| Capital-to-asset ratio based on market prices (%) | 38.9 | 31.5 | 33.8 | 58.2 | 85.5 |
| Debt to annual cash flow ratio (years) | 83.7 | 2.2 | 5.1 | 7.9 | 2.0 |
| Interest coverage ratio (X) | 0.9 | 36.0 | 15.6 | 12.1 | 61.8 |

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, 2014 | As of Dec. 31, 2015 |
|--|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,520 | 12,510 |
| Notes and accounts receivable-trade | 44,516 | 43,847 |
| Merchandise and finished goods | 19,340 | 18,771 |
| Work in process | 1,196 | 1,231 |
| Raw materials and supplies | 5,019 | 5,990 |
| Deferred tax assets | 325 | 335 |
| Other | 2,396 | 2,536 |
| Allowance for doubtful accounts | -459 | -463 |
| Total current assets | 78,855 | 84,759 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 11,390 | 11,235 |
| Accumulated depreciation | -4,594 | -4,848 |
| Buildings and structures, net | 6,795 | 6,387 |
| Machinery, equipment and vehicles | 24,933 | 24,818 |
| Accumulated depreciation | -18,163 | -18,352 |
| Machinery, equipment and vehicles, net | 6,770 | 6,466 |
| Tools, furniture and fixtures | 2,271 | 2,306 |
| Accumulated depreciation | -1,501 | -1,489 |
| Tools, furniture and fixtures, net | 770 | 816 |
| Land | 2,617 | 2,576 |
| Construction in progress | 153 | 196 |
| Total property, plant and equipment | 17,107 | 16,444 |
| Intangible assets | | |
| Software | 444 | 410 |
| Other | 13 | 80 |
| Total intangible assets | 458 | 491 |
| Investments and other assets | | |
| Investment securities | 3,302 | 3,151 |
| Investments in capital | 1,028 | 2,333 |
| Long-term loans receivable | 65 | 64 |
| Assets for retirement benefits | 0 | 164 |
| Deferred tax assets | 741 | 772 |
| Other | 2,360 | 2,234 |
| Allowance for doubtful accounts | -491 | -459 |
| Total Investments and other assets | 7,008 | 8,261 |
| Total noncurrent assets | 24,574 | 25,197 |
| Total assets | 103,429 | 109,957 |

(JPY in millions)

| | As of Dec. 31, 2014 | As of Dec. 31, 2015 |
|---|---------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 33,575 | 32,198 |
| Short-term loans payable | 14,119 | 9,141 |
| Accrued expenses | 1,949 | 2,122 |
| Deferred tax liabilities | 0 | - |
| Income taxes payable | 1,029 | 887 |
| Other | 2,724 | 2,817 |
| Total current liabilities | 53,398 | 47,166 |
| Noncurrent liabilities | | |
| Bonds with subscription rights to shares | - | 6,000 |
| Long-term loans payable | 4,717 | 3,245 |
| Liabilities for retirement benefits | 344 | 470 |
| Deferred tax liabilities | 3,141 | 3,087 |
| Other | 330 | 247 |
| Total noncurrent liabilities | 8,533 | 13,050 |
| Total liabilities | 61,932 | 60,217 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,144 | 2,144 |
| Capital surplus | 1,853 | 5,624 |
| Retained earnings | 29,638 | 35,528 |
| Treasury stock | -677 | -27 |
| Total shareholders' equity | 32,958 | 43,269 |
| Accumulated comprehensive income | | |
| Valuation difference on available-for-sale securities | 658 | 610 |
| Deferred gains or losses on hedges | -1 | 4 |
| Foreign currency translation adjustment | 7,898 | 5,916 |
| Adjustment for retirement benefits | -203 | -215 |
| Total accumulated comprehensive income | 8,352 | 6,316 |
| Minority interests | 187 | 154 |
| Total net assets | 41,497 | 49,739 |
| Total liabilities and net assets | 103,429 | 109,957 |

(2) Consolidated Statements of Income

(JPY in millions)

| | 1st Jan 2014 - 31st Dec 2014 | 1st Jan 2015 - 31st Dec 2015 |
|--|------------------------------|------------------------------|
| Net sales | 209,755 | 235,035 |
| Cost of sales | 194,631 | 215,319 |
| Gross profit | 15,123 | 19,715 |
| Selling, general and administrative expenses | 8,889 | 10,802 |
| Operating income | 6,233 | 8,913 |
| Non-operating income | | |
| Interest income | 55 | 40 |
| Dividends income | 64 | 54 |
| Real estate rent | 98 | 115 |
| Equity in earnings of affiliates | 87 | 66 |
| Gain on sales of goods | 77 | 122 |
| Gain on sales of scrap | 116 | 138 |
| Other | 232 | 274 |
| Total non-operating income | 732 | 812 |
| Non-operating expenses | | |
| Interest expenses | 202 | 150 |
| Foreign exchange losses | 171 | 370 |
| Other | 132 | 202 |
| Total non-operating expenses | 505 | 723 |
| Ordinary income | 6,460 | 9,002 |
| Extraordinary income | | |
| Gain on sales of investment securities | 76 | - |
| Total extraordinary income | 76 | - |
| Total extraordinary loss | | |
| Income before income taxes | 6,537 | 9,002 |
| Income taxes-current | 1,952 | 2,436 |
| Income taxes-deferred | 486 | -127 |
| Total income taxes-current | 2,438 | 2,309 |
| Income before minority interests in income | 4,098 | 6,693 |
| Minority interests in income | -32 | -24 |
| Net income | 4,131 | 6,717 |

Consolidated Statements of Comprehensive Income

(JPY in millions)

| | 1st Jan 2014 - 31st Dec 2014 | 1st Jan 2015 - 31st Dec 2015 |
|--|------------------------------|------------------------------|
| Income before minority interests in income | 4,098 | 6,693 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 183 | -48 |
| Deferred gains or losses on hedges | 4 | 6 |
| Foreign currency translation adjustment | 4,960 | -1,942 |
| Remeasurements of defined benefit plans | - | -17 |
| Equity equivalent of equity method affiliate | 99 | -42 |
| Total other comprehensive income | 5,248 | -2,044 |
| Comprehensive income | 9,346 | 4,648 |
| (Content) | | |
| Comprehensive income for the parent company's shareholders | 9,360 | 4,681 |
| Comprehensive income for minority shareholders | -13 | -32 |

(3) Consolidated statements of changes in net assets

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

(JPY in millions)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|--------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total |
| Balances at December 31, 2013 | 2,144 | 1,853 | 26,398 | -677 | 29,717 |
| Cumulative effects of changes in accounting policies | | | | | |
| Restated balance | 2,144 | 1,853 | 26,398 | -677 | 29,717 |
| Changes of items during the period | | | | | |
| Dividends from surplus | | | -755 | | -755 |
| Net income | | | 4,131 | | 4,131 |
| Purchase of treasury stock | | | | -0 | -0 |
| Change of scope of consolidation | | | -135 | | -135 |
| Disposal of treasury shares | | | | | - |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | - | - | 3,240 | -0 | 3,240 |
| Balances at December 31, 2014 | 2,144 | 1,853 | 29,638 | -677 | 32,958 |

| | 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 | -5 | 2,799 | - | 3,268 | 199 | 33,185 |
| Cumulative effects of changes in accounting policies | | | | | | | |
| Restated balance | 474 | -5 | 2,799 | - | 3,268 | 199 | 33,185 |
| Changes of items during the period | | | | | | | |
| Dividends from surplus | | | | | | | -755 |
| Net income | | | | | | | 4,131 |
| Purchase of treasury stock | | | | | | | -0 |
| Change of scope of consolidation | | | 57 | | 57 | 1 | -76 |
| Disposal of treasury shares | | | | | | | |
| Net changes of items other than shareholders' equity | 183 | 4 | 5,041 | -203 | 5,026 | -13 | 5,012 |
| Total changes of items during the period | 183 | 4 | 5,099 | -203 | 5,083 | -12 | 8,312 |
| Balances at December 31, 2014 | 658 | -1 | 7,898 | -203 | 8,352 | 187 | 41,497 |

Current 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 | | | 6,717 | | 6,717 |
| Purchase of treasury stock | | | | -0 | -0 |
| Change of scope of consolidation | | | | | - |
| Disposal of treasury shares | | 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 | | | | | 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, 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 | | | | | | | 6,717 |
| Purchase of treasury stock | | | | | | | -0 |
| Change of scope of consolidation | | | | | | | - |
| Disposal of treasury shares | | | | | | | 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 |

(4) Consolidated Statements of Cash Flows

(JPY in millions)

| | 1st Jan 2014 - 31st Dec 2014 | 1st Jan 2015 - 31st Dec 2015 |
|--|------------------------------|------------------------------|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 6,537 | 9,002 |
| Depreciation and amortization | 3,166 | 3,805 |
| Increase (decrease) in allowance for doubtful accounts | -15 | 3 |
| Interest and dividends income | -119 | -95 |
| Interest expenses | 202 | 150 |
| Foreign exchange losses (gains) | 145 | -24 |
| Equity in (earnings) losses of affiliates | -87 | -66 |
| Decrease (increase) in notes and accounts receivable-trade | 1,865 | -1,907 |
| Decrease (increase) in inventories | -4,182 | -1,368 |
| Decrease (increase) in consumption taxes refund receivable | -49 | -22 |
| Increase (decrease) in notes and accounts payable-trade | -2,554 | 927 |
| Increase (decrease) in advances received | -620 | 45 |
| Other | -195 | 100 |
| Subtotal | 4,092 | 10,551 |
| Interest and dividends income received | 166 | 146 |
| Interest expenses paid | -195 | -129 |
| Income taxes paid | -1,689 | -2,572 |
| Net cash provided by (used in) operating activities | 2,374 | 7,996 |
| Net cash provided by (used in) investment activities | | |
| Purchase of property, plant and equipment | -2,429 | -3,618 |
| Proceeds from sales of property, plant and equipment | 29 | 35 |
| Purchase of intangible assets | -121 | -137 |
| Proceeds from sales of investment securities | 80 | 59 |
| Payments of loans receivable | -116 | -26 |
| Collection of loans receivable | 82 | 96 |
| Purchase of stocks of subsidiaries and affiliates | -513 | -63 |
| Payments for investments in capital of subsidiaries and affiliates | - | -1,459 |
| Other | 161 | 1 |
| Net cash provided by (used in) investment activities | -2,827 | -5,113 |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 76 | -3,366 |
| Proceeds from long-term loans payable | 2,504 | 802 |
| Repayment of long-term loans payable | -2,988 | -3,528 |
| Proceeds from issuance of bonds with subscription rights to shares | - | 5,984 |
| Purchase of treasury stock | -0 | -0 |
| Cash dividends paid | -755 | -848 |
| Proceeds from sales of treasury stock | - | 4,416 |
| Other | -123 | -107 |
| Net cash provided by (used in) financing activities | -1,286 | 3,352 |
| Effect of exchange rate change on cash and cash equivalents | 692 | -259 |
| Net increase (decrease) in cash and cash equivalents | -1,047 | 5,976 |
| Cash and cash equivalents at beginning of period | 7,518 | 6,497 |
| Cash and cash equivalents of newly consolidated subsidiary | 26 | - |
| Cash and cash equivalents at end of period | 6,497 | 12,473 |