

Consolidated 1st quarter Financial Results for the Fiscal Year Ended December 31, 2017 (January 1, 2017 to March 31, 2017)

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
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Submission date of quarterly financial statement:	May 10, 2017

(Amounts rounded down to million yen)

1. Consolidated 1st quarter Financial Results (January 1, 2017 – March 31, 2017)

(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. 2017	54,829	-3.1	2,586	7.6	2,640	4.6
1st quarter ended Mar. 2016	56,573	0.4	2,404	12.6	2,525	17.6

	Net Income 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. 2017	1,921	-2.7	78.04	73.58
1st quarter ended Mar. 2016	1,975	24.9	78.60	74.20

(Note) Comprehensive Income:

1st quarter ended March 2017:	627 million yen	(- %)
1st quarter ended March 2016:	-632 million yen	(- %)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
1st quarter ended Mar. 2017	108,970	51,471	46.9
Year ended Dec. 2016	109,695	51,573	46.8

(Reference) Stockholders' equity:

1st quarter ended March 2017:	51,065million yen
Year ended December 2016:	51,332million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2016	—	Yen 24.00	—	Yen 26.00	Yen 50.00
Year ended Dec. 2017	—				
Year ended Dec. 2017 (forecasts)		26.00	—	26.00	52.00

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

(note) Dividend for the year ended Dec 31, 2016 includes commemorative dividend of 2.00 yen.

3. Consolidated Business Performance Forecasts for the Year Ending December 2017 (January 1, 2017 – December 31, 2017)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	230,000	8.1	10,500	15.0	10,500	14.8

	Net Income Attributable to Owners of Parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	7,600	13.5	308.60

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2017 during this quarter: None

- (1) Transfer of important subsidiaries during the period: Yes
New SIIX COXON PRECISION PHILS., INC.
- (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: None
- (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 2017: | 25,200,000 shares |
| Year ended December 2016: | 25,200,000 shares |
- (ii) Number of treasury stock:
- | | |
|-------------------------------|----------------|
| 1st quarter ended March 2017: | 573,038 shares |
| Year ended December 2016: | 573,002 shares |
- (iii) Average number of outstanding shares (quarterly accumulated period)
- | | |
|-------------------------------|-------------------|
| 1st quarter ended March 2017: | 24,626,971 shares |
| 1st quarter ended March 2016: | 25,136,000 shares |

*These 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, 2016	Current 1st quarter As of Mar. 31, 2017
Assets		
Current assets		
Cash and deposits	8,813	8,074
Notes and accounts receivable-trade	41,873	39,530
Merchandise and finished goods	20,483	20,992
Work in process	1,007	1,259
Raw materials and supplies	7,026	7,049
Other	2,994	3,618
Allowance for doubtful accounts	-34	-30
Total current assets	82,164	80,494
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	6,397	6,328
Machinery, equipment and vehicles, net	6,422	6,737
Land	2,532	2,513
Other, net	1,526	1,751
Total property, plant and equipment	16,878	17,330
Intangible assets	454	483
Investments and other assets		
Investment securities	3,192	2,671
Investments in capital	3,969	5,372
Other	3,622	3,203
Allowance for doubtful accounts	-585	-585
Total Investments and other assets	10,198	10,661
Total noncurrent assets	27,531	28,475
Total assets	109,695	108,970

TRANSLATION

(JPY in millions)

	Previous fiscal year As of Dec. 31, 2016	Current 1st quarter As of Mar. 31, 2017
Liabilities		
Current liabilities		
Accounts payable-trade	30,752	30,078
Short-term loans payable	9,569	9,684
Income taxes payable	754	1,305
Other	5,530	5,081
Total current liabilities	46,605	46,150
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	6,000	6,000
Long-term loans payable	1,602	1,421
Provision for retirement benefits	468	463
Other	3,444	3,463
Total noncurrent liabilities	11,516	11,348
Total liabilities	58,121	57,499
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,624	5,624
Retained earnings	41,020	41,967
Treasury stock	-2,027	-2,027
Total shareholders' equity	46,761	47,708
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	745	720
Deferred gains or losses on hedges	4	13
Foreign currency translation adjustment	4,008	2,801
Adjustment for retirement benefits	-187	-178
Total accumulated other comprehensive income	4,570	3,357
Non-controlling interests	241	405
Total net assets	51,573	51,471
Total liabilities and net assets	109,695	108,970

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of
 Comprehensive Income
 Quarterly Consolidated Statements of Income [1st quarter (January 1, 2017 – March 31, 2017)]
 (JPY in millions)

	Previous 1st quarter Jan. 1, 2016 - Mar. 31, 2016	Current 1st quarter Jan. 1, 2017 - Mar. 31, 2017
Net sales	56,573	54,829
Cost of sales	51,607	49,271
Gross profit	4,965	5,558
Selling, general and administrative expenses	2,561	2,971
Operating income	2,404	2,586
Non-operating income		
Interest income	13	16
Dividends income	87	0
Equity in earnings of affiliates	68	59
Real estate rent	27	27
Gain on sales of goods	16	36
Gain on sales of scraps	18	27
Other	86	61
Total non-operating income	318	228
Non-operating expenses		
Interest expenses	30	37
Foreign exchange losses	136	18
Other	31	120
Total non-operating expenses	197	175
Ordinary income	2,525	2,640
Income before income taxes	2,525	2,640
Income taxes-current	777	860
Income taxes-deferred	-225	-128
Total income taxes-current	552	732
Net Income before non-controlling Interests in Income	1,973	1,908
Net income attributable to non-controlling interests	-2	-13
Net income attributable to owners of parent	1,975	1,921

Quarterly Consolidated Statements of Comprehensive Income
 [1st quarter (January 1, 2017 – March 31, 2017)]

(JPY in millions)

	Previous 1st quarter Jan. 1, 2016 - Mar. 31, 2016	Current 1st quarter Jan. 1, 2017 - Mar. 31, 2017
Income before non-controlling interests in income	1,973	1,908
Other comprehensive income		
Valuation difference on available-for-sale securities	115	-24
Deferred gains or losses on hedges	0	9
Foreign currency translation adjustment	-2,694	-1,227
Adjustment for retirement benefits	5	7
Equity equivalent of equity method affiliate	-33	-45
Total other comprehensive income	-2,606	-1,280
Comprehensive income	-632	627
(Content)		
Comprehensive income attributable to owners of parent	-622	656
Comprehensive income attributable to non-controlling interests	-10	-28