

Consolidated 1st Quarter Financial Results

for the Fiscal Year Ended December 31, 2019

(January 1, 2019 to March 31, 2019)

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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 Scheduled date of filing quarterly financial statement: May 14, 2019
 Scheduled date of payment of cash dividends: -

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2019 – March 31, 2019)

(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. 2019	55,225	(6.0)	1,466	(38.1)	1,602	(36.9)
1st quarter ended Mar. 2018	58,771	7.2	2,368	(8.4)	2,537	(3.9)

	Profit 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. 2019	1,154	(41.7)	24.44	22.99
1st quarter ended Mar. 2018	1,978	3.0	40.17	37.87

(Note) Comprehensive income

1st quarter ended March 2019: 1,669 million yen (y/y - %)

1st quarter ended March 2018: -703 million yen (y/y - %)

(Note) The company conducted a two-for-one stock split of its common stock on April 1, 2018. And it assumes have already conducted stock split on December, 2017 that was calculated to net income per share (basic) and net income per share (diluted).

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
1st quarter ended Mar. 2019	138,382	57,053	41.0
Year ended Dec. 2018	137,350	56,016	40.5

(Reference) Stockholders' equity:

1st quarter ended March 2019: 56,700 million yen

Year ended December 2018: 55,655 million yen

(Note) The company has been applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Standard No. 28 on February, 2018) from the beginning of the consolidated fiscal year under review. Individual figures related to the period ended December 31, 2018 have had the accounting standards applied retroactively.

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2018	—	Yen 13.50	—	Yen 13.50	Yen 27.00
Year ended Dec. 2019	—				
Year ended Dec. 2019 (forecasts)		14.00	—	14.00	28.00

(Note) Changes in forecast for dividends during this quarter: None

**3. Consolidated Business Performance Forecasts for the Year Ending December 2019
(January 1, 2019 – December 31, 2019)**

(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	244,000	0.5	9,000	4.3	9,200	5.5

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	6,700	4.5	141.82

(Note) Changes in consolidated business performance forecast 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): None
- (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: Change
 - (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):
 - 1st quarter ended Mar. 2019: 50,400,000 shares
 - Year ended Dec. 2018: 50,400,000 shares
 - (ii) Number of treasury stock at the end of the fiscal year:
 - 1st quarter ended Mar. 2019: 3,156,260 shares
 - Year ended Dec. 2018: 3,156,256 shares
 - (iii) Average number of shares outstanding:
 - 1st quarter ended Mar. 2019: 47,243,741 shares
 - 1st quarter ended Mar. 2018: 49,260,357 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, 2018	As of Mar. 31, 2019
Assets		
Current assets		
Cash and deposits	12,879	10,867
Notes and accounts receivable-trade	38,936	37,487
Merchandise and finished goods	31,533	33,367
Work in process	1,481	1,503
Raw materials and supplies	11,711	11,671
Other	4,986	4,938
Allowance for doubtful accounts	(42)	(53)
Total current assets	101,487	99,781
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	11,484	11,560
Machinery, equipment and vehicles, net	9,804	10,954
Land	3,219	3,224
Other, net	3,345	5,625
Total property, plant and equipment	27,854	31,365
Intangible assets	1,509	1,604
Investments and other assets		
Investment securities	2,701	2,150
Investments in capital	915	961
Other	4,025	3,022
Allowance for doubtful accounts	(512)	(503)
Total Investments and other assets	6,499	5,630
Total noncurrent assets	35,863	38,600
Total assets	137,350	138,382

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(JPY in millions)

	As of Dec. 31, 2018	As of Mar. 31, 2019
Liabilities		
Current liabilities		
Accounts payable-trade	29,130	28,361
Short-term loans payable	25,236	24,990
Income taxes payable	1,435	1,489
Other	7,792	7,856
Total current liabilities	63,595	62,697
Noncurrent liabilities		
Bonds with subscription rights to shares	5,948	5,948
Long-term loans payable	7,455	7,902
Liabilities for retirement benefits	525	540
Other	3,809	4,240
Total noncurrent liabilities	17,738	18,630
Total liabilities	81,334	81,328
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,629	5,629
Retained earnings	51,183	51,700
Treasury stock	(5,980)	(5,980)
Total shareholders' equity	52,976	53,493
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	71	109
Deferred gains or losses on hedges	23	16
Foreign currency translation adjustment	2,717	3,209
Adjustment for retirement benefits	(133)	(127)
Total accumulated comprehensive income	2,678	3,206
Subscription rights to shares	52	58
Non-controlling interests	308	295
Total net assets	56,016	57,053
Total liabilities and net assets	137,350	138,382

(2) Consolidated Statements of Income

(JPY in millions)

	Jan. 1, 2018 – Mar. 31, 2018	Jan. 1, 2019 – Mar. 31, 2019
Net sales	58,771	55,225
Cost of sales	53,583	50,805
Gross profit	5,187	4,419
Selling, general and administrative expenses	2,819	2,953
Operating income	2,368	1,466
Non-operating income		
Interest income	23	27
Dividends income	6	—
Equity in earnings of affiliates	83	54
Real estate rent	26	25
Foreign exchange gains	1	56
Gain on sales of goods	17	53
Gain on sales of scrap	61	50
Other	56	77
Total non-operating income	276	345
Non-operating expenses		
Interest expenses	60	124
Other	47	84
Total non-operating expenses	107	208
Ordinary income	2,537	1,602
Income before income taxes	2,537	1,602
Income taxes-current	799	638
Income taxes-deferred	(230)	(172)
Total income taxes-current	568	466
Net Income	1,969	1,135
Profit (loss) attributable to non-controlling interests	(9)	(18)
Profit attributable to owners of parent	1,978	1,154

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Jan. 1, 2018 – Mar. 31, 2018	Jan. 1, 2019 – Mar. 31, 2019
Net Income	1,969	1,135
Other comprehensive income		
Valuation difference on available-for-sale securities	(103)	37
Deferred gains or losses on hedges	15	(7)
Foreign currency translation adjustment	(2,489)	496
Remeasurements of defined benefit plans	12	6
Equity equivalent of equity method affiliate	(107)	0
Total other comprehensive income	(2,673)	533
Comprehensive income	(703)	1,669
(Content)		
Comprehensive income attributable to owners of parent	(684)	1,682
Comprehensive income attributable to non-controlling interests	(18)	(13)

(3) Segment Information

[Segment Information]

I. Previous year (January 1, 2018 – March 31, 2018)

1. Sales and income/loss information for each reportable segment

(JPY in millions)

	Reportable Segment						Adjustment (notes 1)	Total (notes 2)
	Japan	Greater China	Southeast Asia	Europe	Americas	Total		
Net sales								
Sales – outside customers	10,834	13,536	22,041	2,960	9,397	58,771	-	58,771
Sales and transfers – inter segments	8,335	6,648	3,435	397	3,431	22,248	(22,248)	-
Total	19,170	20,185	25,477	3,357	12,828	81,019	(22,248)	58,771
Segment Profit (Operating income or loss)	158	700	908	20	436	2,224	144	2,368

(Note 1) The amount of adjustment is as followings.

(1) (22,248) million yen, sales and transfers-inter segments, is the amount of elimination of internal transactions between segments.

(2) 144 million yen, operating income or loss, is the amount of elimination of internal transactions between segments.

(Note 2) Adjustments have been made to segment profit with operating profit in the consolidated quarterly statements of income.

2. Asset information for each reportable segment

Marked increase in asset due to change in consolidation scope

Segment asset in Europe is increased 3,140 million yen in comparison to the precious fiscal year because SIIX Hungary Kft. (Europe) has been consolidated since 1st quarter of this fiscal year.

II. Current year (January 1, 2019 – March 31, 2019)

1. Sales and income/loss information for each reportable segment

(JPY in millions)

	Reportable Segment						Adjustment (notes 1)	Total (notes 2)
	Japan	Greater China	Southeast Asia	Europe	Americas	Total		
Net sales								
Sales – outside customers	11,904	13,146	16,486	3,175	10,512	55,225	-	55,225
Sales and transfers – inter segments	9,400	7,646	3,239	220	3,657	24,163	(24,163)	-
Total	21,304	20,792	19,726	3,395	14,170	79,388	(24,163)	55,225
Segment Profit (Operating income or loss)	255	567	725	53	(211)	1,390	75	1,466

(Note 1) The amount of adjustment is as followings.

(1) (24,163) million yen, sales and transfers-inter segments, is the amount of elimination of internal transactions between segments.

(2) 75 million yen, operating income or loss, is the amount of elimination of internal transactions between segments.

(Note 2) Adjustments have been made to segment profit with operating profit in the consolidated quarterly statements of income.

2. Asset information for each reportable segment

Not applicable