

Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 1, 2021 to December 31, 2021)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange, (First Section)
Head office:	Osaka, Japan
URL:	https://www.siix.co.jp
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, 2022
Scheduled date of payment of cash dividends:	March 31, 2022
Scheduled date of filing financial statement:	March 30, 2022

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2021 – December 31, 2021)

(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. 2021	226,833	24.9	4,954	11.3	5,934	33.5
Year ended Dec. 2020	181,598	(18.6)	4,452	(19.1)	4,444	(21.1)

	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. 2021	4,561	164.6	96.53	96.39
Year ended Dec. 2020	1,724	(53.3)	36.48	35.42

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2021	7.5	3.8	2.2
Year ended Dec. 2020	3.0	3.1	2.5

(note) Comprehensive income

Year ended December 2021: 11,324 million yen (y/y —%)

Year ended December 2020: -447 million yen (y/y —%)

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

Year ended December 2021: -33 million yen

Year ended December 2020: -63 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. 2021	169,921	66,369	38.8	1,393.92
Year ended Dec. 2020	144,436	56,498	38.8	1,186.71

(Reference) Stockholders' equity:

Year ended December 2021: 65,879 million yen

Year ended December 2020: 56,084 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. 2021	(8,106)	(7,765)	869	9,315
Year ended Dec. 2020	13,280	(6,034)	1,291	22,968

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
	Yen			Yen	Yen
Year ended Dec. 2020	—	14.00	—	15.00	29.00
Year ended Dec. 2021	—	15.00	—	15.00	30.00
Year ended Dec. 2022 (forecasts)	—	15.00	—	16.00	31.00

(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. 2020	1,370	79.5	2.4
Year ended Dec. 2021	1,417	31.1	2.3
Year ended Dec. 2022 (forecasts)	—	24.4	—

3. Consolidated Business Performance Forecasts for the Year Ending December 2022 (January 1, 2022 – December 31, 2022)

(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	5.8	8,000	61.5	8,000	34.8

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	6,000	31.5	126.95

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

*** Note**

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation):
 Newly consolidated: PT. SIIX Trading Indonesia
 Exclusion: SIIX Bangkok Co., Ltd. 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: None
 (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 December 2021: 50,400,000 shares
 Year ended December 2020: 50,400,000 shares
 (ii) Number of treasury stock at the end of the fiscal year:
 Year ended December 2021: 3,137,933 shares
 Year ended December 2020: 3,139,729 shares
 (iii) Average number of shares outstanding:
 Year ended December 2021: 47,260,524 shares
 Year ended December 2020: 47,257,073 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2021– December 31, 2021)**(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. 2021	92,634	23.7	104	—	9,148	246.7
Year ended Dec.2020	74,910	(14.7)	(32)	—	2,639	(2.6)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Million yen
Year ended Dec. 2021	9,120	293.2	192.99	192.73
Year ended Dec. 2020	2,319	1.6	49.09	47.66

(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. 2021	68,737	20,926	30.3	441.13
Year ended Dec. 2020	55,615	13,202	23.6	278.09

(Reference) Stockholders' equity: Year ended December 2021: 20,848 million yen
 Year ended December 2020: 13,142 million yen

*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, 2020	As of Dec. 31, 2021
Assets		
Current assets		
Cash and deposits	23,130	9,484
Notes and accounts receivable-trade	37,057	47,278
Merchandise and finished goods	19,274	22,261
Work in process	1,376	1,903
Raw materials and supplies	15,880	34,075
Other	7,574	7,845
Allowance for doubtful accounts	(39)	(50)
Total current assets	104,254	122,797
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	21,939	27,673
Accumulated depreciation	(8,387)	(10,286)
Buildings and structures, net	13,551	17,386
Machinery, equipment and vehicles	39,095	45,858
Accumulated depreciation	(28,520)	(33,427)
Machinery, equipment and vehicles, net	10,575	12,431
Tools, furniture and fixtures	3,508	3,977
Accumulated depreciation	(2,667)	(3,079)
Tools, furniture and fixtures, net	840	897
Land	3,815	3,893
Construction in progress	1,021	981
Other	3,398	3,322
Accumulated depreciation	(1,135)	(1,149)
Other, net	2,262	2,173
Total property, plant and equipment	32,066	37,764
Intangible assets		
Software	1,581	2,075
Other	839	514
Total intangible assets	2,421	2,590
Investments and other assets		
Investment securities	2,101	2,385
Investments in capital	958	957
Long-term loans receivable	62	63
Assets for retirement benefits	360	430
Deferred tax assets	1,554	2,058
Other	1,178	976
Allowance for doubtful accounts	(523)	(102)
Total Investments and other assets	5,693	6,768
Total noncurrent assets	40,181	47,123
Total assets	144,436	169,921

	As of Dec. 31, 2020	As of Dec. 31, 2021
Liabilities		
Current liabilities		
Accounts payable-trade	27,481	37,298
Short-term loans payable	23,810	31,561
Income taxes payable	1,710	1,667
Other	6,852	9,306
Total current liabilities	59,855	79,833
Noncurrent liabilities		
Bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	12,061	8,446
Liabilities for retirement benefits	751	668
Deferred tax liabilities	3,265	2,848
Other	2,004	1,754
Total noncurrent liabilities	28,082	23,718
Total liabilities	87,937	103,551
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	5,631	5,630
Retained earnings	53,980	57,074
Treasury stock	(5,949)	(5,945)
Total shareholders' equity	55,806	58,902
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	90	528
Foreign currency translation adjustment	323	6,404
Adjustment for retirement benefits	(136)	44
Total accumulated comprehensive income	277	6,976
Subscription rights to shares	59	77
Non-controlling interests	354	412
Total net assets	56,498	66,369
Total liabilities and net assets	144,436	169,921

(2) Consolidated Statements of Income

(JPY in millions)

	1st Jan 2020 - 31st Dec 2020	1st Jan 2021 - 31st Dec 2021
Net sales	181,598	226,833
Cost of sales	165,448	206,712
Gross profit	16,150	20,120
Selling, general and administrative expenses	11,697	15,165
Operating income	4,452	4,954
Non-operating income		
Interest income	142	26
Dividends income	49	191
Foreign exchange gains	—	286
Subsidy income	221	201
Gain on sales of goods	205	328
Gain on sales of scrap	167	172
Other	254	373
Total non-operating income	1,041	1,579
Non-operating expenses		
Interest expenses	373	284
Equity in loss of affiliates	63	33
Foreign exchange losses	25	—
Purchase of goods	153	148
Other	433	133
Total non-operating expenses	1,049	599
Ordinary income	4,444	5,934
Extraordinary income		
Gain on reversal of share acquisition rights	2	0
Total extraordinary income	2	0
Extraordinary loss		
COVID-19 related loss	1,683	—
Total extraordinary loss	1,683	—
Income before income taxes	2,763	5,935
Income taxes-current	690	2,273
Income taxes-deferred	342	(908)
Total income taxes-current	1,032	1,364
Net Income	1,730	4,570
Profit (loss) attributable to non-controlling interests	6	8
Profit attributable to owners of parent	1,724	4,561

Consolidated Statements of Comprehensive Income

(JPY in millions)

	1st Jan 2020 - 31st Dec 2020	1st Jan 2021 - 31st Dec 2021
Net Income	1,730	4,570
Other comprehensive income		
Valuation difference on available-for-sale securities	156	439
Deferred gains or losses on hedges	(3)	—
Foreign currency translation adjustment	(2,302)	6,060
Remeasurements of defined benefit plans	6	167
Equity equivalent of equity method affiliate	(35)	87
Total other comprehensive income	(2,178)	6,754
Comprehensive income	(447)	11,324
(Content)		
Comprehensive income attributable to owners of parent	(458)	11,266
Comprehensive income attributable to non-controlling interests	11	57

(3) Consolidated statements of changes in net assets

Previous 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
Change of scope of consolidation					—
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
Change of scope of consolidation								—
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

Current year (1st Jan 2021– 31st Dec 2021)

(JPY in millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at December 31, 2020	2,144	5,631	53,980	(5,949)	55,806
Changes of items during the period					
Dividends from surplus			(1,417)		(1,417)
Net income attributable to owners of parent			4,561		4,561
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(1)		3	2
Change of scope of consolidation			(50)		(50)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(1)	3,093	3	3,095
Balances at December 31, 2021	2,144	5,631	57,074	(5,945)	58,902

	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, 2020	90	—	323	(136)	277	59	354	56,498
Changes of items during the period								
Dividends from surplus								(1,417)
Net income attributable to owners of parent								4,561
Purchase of treasury stock								(0)
Disposal of treasury stock								2
Change of scope of consolidation			(5)		(5)			(55)
Net changes of items other than shareholders' equity	438	—	6,085	180	6,704	17	57	6,780
Total changes of items during the period	438	—	6,080	180	6,699	17	57	9,870
Balances at December 31, 2021	528	—	6,404	44	6,976	17	412	66,369

(4) Consolidated Statements of Cash Flows

(JPY in millions)

	1st Jan 2020 - 31st Dec 2020	1st Jan 2021 - 31st Dec 2021
Net cash provided by (used in) operating activities		
Income before income taxes	2,763	5,935
Depreciation and amortization	6,046	6,129
Increase (decrease) in allowance for doubtful accounts	(18)	(420)
Interest and dividends income	(192)	(217)
Interest expenses	373	284
Foreign exchange losses (gains)	67	(904)
Equity in (earnings) losses of affiliates	63	33
Decrease (increase) in notes and accounts receivable-trade	(553)	(7,428)
Decrease (increase) in inventories	4,385	(18,110)
Decrease (increase) in consumption taxes refund receivable	(269)	(109)
Increase (decrease) in notes and accounts payable-trade	824	7,794
Increase (decrease) in advances received	(738)	(137)
Other	2,166	1,597
Subtotal	14,919	(5,554)
Interest and dividends income received	208	238
Interest expenses paid	(380)	(294)
Income taxes paid	(1,467)	(2,496)
Net cash provided by (used in) operating activities	13,280	(8,106)
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(5,394)	(7,443)
Proceeds from sales of property, plant and equipment	94	40
Purchase of intangible assets	(742)	(688)
Proceeds from sales of investment securities	110	119
Payments of loans receivable	(49)	(31)
Collection of loans receivable	23	30
Payments for acquisition of shares in subsidiaries and affiliates	(213)	(1)
Proceeds from subsidy income	200	163
Other	(62)	45
Net cash provided by (used in) investment activities	(6,034)	(7,765)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,863)	5,732
Proceeds from long-term loans payable	10,211	2,591
Repayment of long-term loans payable	(6,270)	(5,584)
Proceeds from issuance of bonds	9,949	—
Payments for bonds with share acquisition rights	(5,948)	—
Purchase of treasury stock	—	(0)
Cash dividends paid	(1,324)	(1,417)
Other	(463)	(452)
Net cash provided by (used in) financing activities	1,291	869
Effect of exchange rate change on cash and cash equivalents	(605)	1,309
Net increase (decrease) in cash and cash equivalents	7,932	(13,693)
Cash and cash equivalents at beginning of period	15,035	22,968
Increase in cash and cash equivalents from newly consolidated subsidiary	—	40
Cash and cash equivalents at end of period	22,968	9,315

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

Previous 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								
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	5,573

(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.

Current year (1st Jan 2021 – 31st Dec 2021)

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
to third parties	48,748	60,806	64,953	14,673	37,613	226,795	37	226,833
Intersegment sales and transfers	43,886	22,245	19,148	966	7,847	94,094	(94,094)	—
Total	92,634	83,052	84,102	15,640	45,461	320,890	(94,056)	226,833
Segment income or loss	125	1,730	3,318	(123)	385	5,437	(482)	4,954
Segment assets	68,783	51,374	53,988	12,954	29,342	216,443	(46,521)	169,921
Other								
Depreciation	401	2,236	2,169	525	681	6,014	115	6,129
The increase of property, plant and equipment and intangible assets	221	4,390	2,426	695	1,351	9,085	429	9,515

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 37 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -94,094 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -482 million yen, is the amount of elimination of internal transactions between segments.
4. The amount of adjustment in segment asset, -46,521 million yen, is the amount of elimination of internal transactions between segments.
5. The amount of adjustment in depreciation, 115 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, 429 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.