

Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange, (Prime Market)
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, 2023
Scheduled date of payment of cash dividends:	March 31, 2023
Scheduled date of filing financial statement:	March 30, 2023

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2022 – December 31, 2022)

(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. 2022	277,031	22.1	8,929	80.2	8,337	40.5
Year ended Dec. 2021	226,833	24.9	4,954	11.3	5,934	33.5

	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. 2022	4,733	3.8	100.11	99.98
Year ended Dec. 2021	4,561	164.6	96.53	96.39

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2022	6.6	4.4	3.2
Year ended Dec. 2021	7.5	3.8	2.2

(note) Comprehensive income

Year ended December 2022: 12,405million yen (y/y 9.6%)

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

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

Year ended December 2022: -7million yen

Year ended December 2021: -33million 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. 2022	205,170	77,389	37.5	1,625.55
Year ended Dec. 2021	169,921	66,369	38.8	1,393.92

(Reference) Stockholders' equity:

Year ended December 2022: 76,891million yen

Year ended December 2021: 65,879 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. 2022	5,567	(8,892)	6,676	13,652
Year ended Dec. 2021	(8,106)	(7,765)	869	9,315

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
	Yen			Yen	Yen
Year ended Dec. 2021	—	15.00	—	15.00	30.00
Year ended Dec. 2022	—	15.00	—	16.00	31.00
Year ended Dec. 2023 (forecasts)	—	16.00	—	16.00	32.00

(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. 2021	1,417	31.1	2.3
Year ended Dec. 2022	1,466	31.0	2.1
Year ended Dec. 2023 (forecasts)	—	19.7	—

3. Consolidated Business Performance Forecasts for the Year Ending December 2023 (January 1, 2023 – December 31, 2023)

(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	300,000	8.3	11,300	26.5	10,200	22.3

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	7,700	62.7	162.78

(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): 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 shares):
- Year ended December 2022: 50,400,000 shares
- Year ended December 2021: 50,400,000 shares
- (ii) Number of treasury shares at the end of the fiscal year:
- Year ended December 2022: 3,097,775 shares
- Year ended December 2021: 3,137,933 shares
- (iii) Average number of shares outstanding:
- Year ended December 2022: 47,288,750 shares
- Year ended December 2021: 47,260,524 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2022– December 31, 2022)**(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. 2022	99,298	7.2	1,162	—	2,576	(71.8)
Year ended Dec. 2021	92,634	23.7	104	—	9,148	246.7

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Million yen
Year ended Dec. 2022	(718)	—	(15.20)	—
Year ended Dec. 2021	9,120	293.2	192.99	192.73

(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. 2022	71,943	18,812	26.1	396.29
Year ended Dec. 2021	68,737	20,926	30.3	441.13

(Reference) Stockholders' equity: Year ended December 2022: 18,745 million yen
Year ended December 2021: 20,848 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, 2021	As of Dec. 31, 2022
Assets		
Current assets		
Cash and deposits	9,484	13,793
Notes and accounts receivable-trade	47,278	—
Notes and accounts receivable - trade, and contract assets	—	55,091
Merchandise and finished goods	22,261	27,738
Work in process	1,903	2,264
Raw materials and supplies	34,075	43,425
Other	7,845	8,027
Allowance for doubtful accounts	(50)	(64)
Total current assets	122,797	150,275
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	27,673	31,471
Accumulated depreciation	(10,286)	(12,957)
Buildings and structures, net	17,386	18,513
Machinery, equipment and vehicles	45,858	56,083
Accumulated depreciation	(33,427)	(40,343)
Machinery, equipment and vehicles, net	12,431	15,739
Tools, furniture and fixtures	3,977	4,632
Accumulated depreciation	(3,079)	(3,588)
Tools, furniture and fixtures, net	897	1,043
Land	3,893	4,644
Construction in progress	981	2,867
Other	3,322	4,154
Accumulated depreciation	(1,149)	(1,605)
Other, net	2,173	2,549
Total property, plant and equipment	37,764	45,358
Intangible assets		
Software	2,075	2,178
Other	514	342
Total intangible assets	2,590	2,520
Investments and other assets		
Investment securities	2,385	2,227
Investments in capital	957	1,015
Long-term loans receivable	63	65
Assets for retirement benefits	430	322
Deferred tax assets	2,058	2,189
Other	976	1,298
Allowance for doubtful accounts	(102)	(103)
Total Investments and other assets	6,768	7,015
Total noncurrent assets	47,123	54,894
Total assets	169,921	205,170

	As of Dec. 31, 2021	As of Dec. 31, 2022
Liabilities		
Current liabilities		
Accounts payable-trade	37,298	41,733
Short-term loans payable	31,561	36,136
Income taxes payable	1,667	2,065
Contract liabilities	—	3,631
Other	9,306	13,031
Total current liabilities	79,833	96,598
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	8,446	15,125
Liabilities for retirement benefits	668	642
Deferred tax liabilities	2,848	3,247
Other	1,754	2,167
Total noncurrent liabilities	23,718	31,182
Total liabilities	103,551	127,780
Net assets		
Shareholders' equity		
Share capital	2,144	2,144
Capital surplus	5,630	5,594
Retained earnings	57,074	60,389
Treasury shares	(5,945)	(5,866)
Total shareholders' equity	58,902	62,261
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	528	347
Foreign currency translation adjustment	6,404	14,276
Adjustment for retirement benefits	44	6
Total accumulated comprehensive income	6,976	14,630
Subscription rights to shares	77	67
Non-controlling interests	412	430
Total net assets	66,369	77,389
Total liabilities and net assets	169,921	205,170

(2) Consolidated Statements of Income

(JPY in millions)

	1st Jan 2021 - 31st Dec 2021	1st Jan 2022 - 31st Dec 2022
Net sales	226,833	277,031
Cost of sales	206,712	251,239
Gross profit	20,120	25,791
Selling, general and administrative expenses	15,165	16,862
Operating income	4,954	8,929
Non-operating income		
Interest income	26	35
Dividends income	191	46
Foreign exchange gains	286	—
Subsidy income	201	195
Gain on sales of goods	328	323
Gain on sales of scrap	172	203
Other	373	298
Total non-operating income	1,579	1,103
Non-operating expenses		
Interest expenses	284	823
Equity in loss of affiliates	33	7
Foreign exchange losses	—	483
Purchase of goods	148	172
Other	133	207
Total non-operating expenses	599	1,695
Ordinary income	5,934	8,337
Extraordinary income		
Gain on reversal of share acquisition rights	0	0
Total extraordinary income	0	0
Extraordinary loss		
COVID-19 related loss	—	377
Total extraordinary loss	—	377
Income before income taxes	5,935	7,960
Income taxes-current	2,273	2,751
Income taxes-deferred	(908)	478
Total income taxes-current	1,364	3,229
Net Income	4,570	4,730
Profit (loss) attributable to non-controlling interests	8	(3)
Profit attributable to owners of parent	4,561	4,733

Consolidated Statements of Comprehensive Income

(JPY in millions)

	1st Jan 2021 - 31st Dec 2021	1st Jan 2022 - 31st Dec 2022
Net Income	4,570	4,730
Other comprehensive income		
Valuation difference on available-for-sale securities	439	(181)
Foreign currency translation adjustment	6,060	7,823
Remeasurements of defined benefit plans	167	(52)
Equity equivalent of equity method affiliate	87	85
Total other comprehensive income	6,754	7,675
Comprehensive income	11,324	12,405
(Content)		
Comprehensive income attributable to owners of parent	11,266	12,387
Comprehensive income attributable to non-controlling interests	57	18

(3) Consolidated statements of changes in net assets

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

(JPY in millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	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 shares				(0)	(0)
Disposal of treasury shares		(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	5,630	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	Foreign currency translation adjustment	Remeasurements of defined benefits plans	Total accumulated other comprehensive income			
Balances on 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 shares							(0)
Disposal of treasury shares							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 on December 31, 2021	528	6,404	44	6,976	77	412	66,369

Current year (1st Jan 2022– 31st Dec 2022)

(JPY in millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total
Balances on December 31, 2021	2,144	5,630	57,074	(5,945)	58,902
Changes of items during the period					
Dividends from surplus			(1,418)		(1,418)
Net income attributable to owners of parent			4,733		4,733
Disposal of treasury shares		(35)		79	43
Net changes of items other than shareholders' equity			0		0
Total changes of items during the period	—	(35)	3,315	79	3,358
Balances on December 31, 2022	2,144	5,594	60,389	(5,866)	62,261

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefits plans	Total accumulated other comprehensive income			
Balances on December 31, 2021	528	6,404	44	6,976	77	412	66,369
Changes of items during the period							
Dividends from surplus							-1,418
Net income attributable to owners of parent							4,733
Disposal of treasury shares							43
Net changes of items other than shareholders' equity	(181)	7,872	(37)	7,653	(10)	18	7,661
Total changes of items during the period	(181)	7,872	(37)	7,653	(10)	18	11,020
Balances on December 31, 2022	347	14,276	6	14,630	67	430	77,389

(4) Consolidated Statements of Cash Flows

(JPY in millions)

	1st Jan 2021 - 31st Dec 2021	1st Jan 2022 - 31st Dec 2022
Net cash provided by (used in) operating activities		
Income before income taxes	5,935	7,960
Depreciation	6,129	7,714
Increase (decrease) in allowance for doubtful accounts	(420)	9
Interest and dividends income	(217)	(81)
Interest expenses	284	823
Foreign exchange losses (gains)	(904)	(895)
Share of loss (profit) of entities accounted for using equity method	33	7
Decrease (increase) in trade receivables	(7,428)	—
Decrease (increase) in trade receivables and Contract assets	—	(3,859)
Decrease (increase) in inventories	(18,110)	(9,213)
Decrease (increase) in consumption taxes refund receivable	(109)	(145)
Increase (decrease) in trade payables	7,794	2,111
Increase (decrease) in advances received	(137)	—
Increase (decrease) in Contract liabilities	—	2,833
Other	1,597	1,451
Subtotal	(5,554)	8,717
Interest and dividends income received	238	82
Interest expenses paid	(294)	(735)
Income taxes paid	(2,496)	(2,495)
Net cash provided by (used in) operating activities	(8,106)	5,567
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(7,443)	(8,671)
Proceeds from sales of property, plant and equipment	40	8
Purchase of intangible assets	(688)	(434)
Proceeds from sales of investment securities	119	—
Payments of loans receivable	(31)	(40)
Proceeds from collection of loans receivable	30	37
Proceeds from divestments	—	50
Payments for acquisition of shares in subsidiaries and affiliates	(1)	—
Proceeds from subsidy income	163	120
Other	45	35
Net cash provided by (used in) investment activities	(7,765)	(8,892)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	5,732	2,136
Proceeds from long-term borrowings	2,591	12,728
Repayment of long-term loans borrowings	(5,584)	(6,257)
Purchase of treasury shares	(0)	—
Dividends paid	(1,417)	(1,418)
Other	(452)	(512)
Net cash provided by (used in) financing activities	869	6,676
Effect of exchange rate change on cash and cash equivalents	1,309	985
Net increase (decrease) in cash and cash equivalents	(13,693)	4,336
Cash and cash equivalents at beginning of period	22,968	9,315
Increase in cash and cash equivalents from newly consolidated subsidiary	40	—
Cash and cash equivalents at end of period	9,315	13,652

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

Previous 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								
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, -482million 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, 429million 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 2022 – 31st Dec 2022)

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidate d income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
Sales to third parties	50,626	75,039	86,420	15,822	48,915	276,825	206	277,031
Intersegment sales and transfers	48,672	21,654	22,575	1,509	13,950	108,362	(108,362)	—
Total	99,298	96,693	108,995	17,332	62,866	385,187	(108,155)	277,031
Segment income or loss	1,162	1,533	4,856	(632)	2,276	9,196	(267)	8,929
Segment assets	74,462	57,476	73,062	14,713	34,665	254,380	(49,210)	205,170
Other								
Depreciation	449	2,634	2,722	618	1,126	7,550	163	7,714
The increase of property, plant and equipment and intangible assets	140	2,870	4,977	479	1,985	10,452	393	10,845

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 206million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -108,362 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -267million yen, is the amount of elimination of internal transactions between segments.
4. The amount of adjustment in segment asset, -49,210million yen, is the amount of elimination of internal transactions between segments.
5. The amount of adjustment in depreciation, 163million 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, 393million yen, is the amount of elimination of internal transactions between segments.

(note 2) Operating income or loss refers to elimination of intersegment transactions adjustment.