

Consolidated 1st Quarter Financial Results

for the Fiscal Year Ended December 31, 2023

(January 1, 2023 to March 31, 2023)

Company name: SIIX Corporation
 Stock code: 7613
 Stock exchange listing (Section): Tokyo Stock Exchange, (Prime)
 Head office: Osaka, Japan
 URL: <https://www.six.co.jp>
 President: Koji Yanase
 Contact: Seiji Ono
 Director, Executive Officer and General Manager,
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 Scheduled date of filing quarterly financial statement: May 12, 2023
 Scheduled date of payment of cash dividends: —

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2023 – March 31, 2023)

(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. 2023	71,721	13.8	2,684	44.4	2,709	40.1
1st quarter ended Mar. 2022	63,026	14.0	1,858	29.5	1,934	21.9

	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. 2023	1,939	90.1	41.00	40.95
1st quarter ended Mar. 2022	1,020	(28.6)	21.59	21.56

(note) Comprehensive income

1st quarter ended March 2023: 3,260million yen (y/y -43.4%)
 1st quarter ended March 2022: 5,756 million yen (y/y 2.4%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
1st quarter ended Mar. 2023	206,797	80,155	38.5
Year ended Dec. 2022	205,170	77,389	37.5

(Reference) Stockholders' equity:

1st quarter ended March 2023: 79,654million yen
 Year ended December 2022: 76,891 million yen

2. Dividends

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

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

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) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2023 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): Transfer

Exclusion: SIIX Logistics Phils., Inc.
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 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

- (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. 2023: 50,400,000 shares
Year ended Dec. 2022: 50,400,000 shares

- (ii) Number of treasury stock at the end of the fiscal year:

1st quarter ended Mar. 2023: 3,098,075 shares
Year ended Dec. 2022: 3,097,775 shares

- (iii) Average number of shares outstanding:

1st quarter ended Mar. 2023: 47,302,100 shares
1st quarter ended Mar. 2022: 47,264,308 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, 2022	As of Mar. 31, 2023
Assets		
Current assets		
Cash and deposits	13,793	11,709
Notes and accounts receivable and contract assets-trade	55,091	57,061
Merchandise and finished goods	27,738	28,419
Work in process	2,264	2,447
Raw materials and supplies	43,425	43,899
Other	8,027	7,459
Allowance for doubtful accounts	(64)	(64)
Total current assets	150,275	150,931
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,513	18,517
Machinery, equipment and vehicles, net	15,739	16,487
Land	4,644	4,690
Other, net	6,460	6,443
Total property, plant and equipment	45,358	46,138
Intangible assets	2,520	2,478
Investments and other assets		
Investment securities	2,227	2,192
Investments in capital	1,015	1,234
Other	3,876	3,913
Allowance for doubtful accounts	(103)	(90)
Total Investments and other assets	7,015	7,249
Total noncurrent assets	54,894	55,866
Total assets	205,170	206,797

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(JPY in millions)

	As of Dec. 31, 2022	As of Mar. 31, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	41,733	41,735
Short-term loans payable	36,136	38,477
Income taxes payable	2,065	2,043
Other	16,662	13,717
Total current liabilities	96,598	95,973
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	15,125	14,725
Liabilities for retirement benefits	642	668
Other	5,414	5,273
Total noncurrent liabilities	31,182	30,668
Total liabilities	127,780	126,642
Net assets		
Shareholders' equity		
Share capital	2,144	2,144
Capital surplus	5,594	5,594
Retained earnings	60,389	61,779
Treasury shares	(5,866)	(5,866)
Total shareholders' equity	62,261	63,651
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	347	287
Foreign currency translation adjustment	14,276	15,706
Adjustment for retirement benefits	6	9
Total accumulated comprehensive income	14,630	16,002
Share acquisition rights	67	64
Non-controlling interests	430	436
Total net assets	77,389	80,155
Total liabilities and net assets	205,170	206,797

(2) Consolidated Statements of Income

(JPY in millions)

	Jan. 1, 2022 - Mar. 31, 2022	Jan. 1, 2023 - Mar. 31, 2023
Net sales	63,026	71,721
Cost of sales	57,204	64,718
Gross profit	5,821	7,002
Selling, general and administrative expenses	3,963	4,317
Operating income	1,858	2,684
Non-operating income		
Interest income	2	38
Share of profit of entities accounted for using equity method	35	52
Foreign exchange gains	109	4
Subsidy income	27	38
Gain on sales of goods	66	105
Gain on sales of scrap	48	41
Other	75	127
Total non-operating income	365	407
Non-operating expenses		
Interest expenses	129	307
Purchase of goods	43	54
Other	116	20
Total non-operating expenses	289	382
Ordinary income	1,934	2,709
Extraordinary income		
Gain on reversal of share acquisition rights	—	2
Total extraordinary income	—	2
Income before income taxes	1,934	2,712
Income taxes-current	734	988
Income taxes-deferred	175	(213)
Total income taxes-current	909	775
Net Income	1,024	1,936
Profit (loss) attributable to non-controlling interests	4	(2)
Profit attributable to owners of parent	1,020	1,939

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Jan. 1, 2022 - Mar. 31, 2022	Jan. 1, 2023 - Mar. 31, 2023
Net Income	1,024	1,936
Other comprehensive income		
Valuation difference on available-for-sale securities	(195)	(59)
Foreign currency translation adjustment	4,856	1,363
Remeasurements of defined benefit plans	8	3
Equity equivalent of equity method affiliate	63	16
Total other comprehensive income	4,732	1,323
Comprehensive income	5,756	3,260
(Content)		
Comprehensive income attributable to owners of parent	5,724	3,253
Comprehensive income attributable to non-controlling interests	32	6

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes in the event of a significant change in the amount of shareholders' equity)

Not applicable.

(Additional Information)

Accounting estimate for the impact of the COVID-19 infection

During the 1st quarter of the current fiscal year, there were no significant changes to the accounting estimates regarding the impact of the COVID-19 infection described in Additional Information of the 31th Annual Securities Report.

Although the Group has made careful estimates based on external information available at the time of preparation of the quarterly consolidated financial statements, the timing of convergence of the said infectious disease is currently unpredictable, and actual results may differ from the above estimates.

【Segment Information】

I 1st quarter of previous year (Jan. 1 2022 –Mar. 31 2022)

1 Information of net sales and income or loss by segments

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
Sales to third parties	11,984	16,505	19,618	4,109	10,786	63,004	22	63,026
Intersegment sales and transfers	11,691	4,941	4,991	270	2,739	24,633	(24,633)	—
Total	23,675	21,447	24,609	4,380	13,525	87,638	(24,611)	63,026
Segment income	193	402	1,090	14	291	1,992	(133)	1,858

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 22 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -24,633 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -133 million yen, is the amount of elimination of internal transactions between segments.

(note 2) The amount of adjustment in segment income is adjusted with operating income in the quarterly consolidated statements of income.

2 Information of assets by segments

Not applicable.

II 1st quarter of current year (Jan. 1 2023 – Mar. 31 2023)

1 Information of net sales and income or loss by segments

(JPY in millions)

	Reportable Segment						Adjustment (note 1)	Consolidated income statement (note 2)
	Japan	China	ASEAN	Europe	Americas	Total		
Sales								
Sales to third parties	14,210	17,132	22,412	4,420	13,430	71,606	114	71,721
Intersegment sales and transfers	11,415	4,961	6,695	345	3,384	26,801	(26,801)	—
Total	25,626	22,094	29,107	4,765	16,814	98,407	(26,686)	71,721
Segment income or loss	64	29	1,469	(67)	821	2,316	367	2,684

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 114 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -26,801 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, 367 million yen, is the amount of elimination of internal transactions between segments.

(note 2) The amount of adjustment in segment income or loss is adjusted with operating income in the quarterly consolidated statements of income.

2 Information of assets by segments

Not applicable.