

Consolidated 2nd Quarter Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to June 30, 2023)

Company name: SIIX Corporation
 Stock code: 7613
 Stock exchange listing (Section): Tokyo Stock Exchange, (Prime Market)
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 Scheduled date of filing quarterly financial statement: August 10, 2023
 Scheduled date of payment of cash dividends: September 1, 2023

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2023 – June 30, 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 (%)
2nd quarter ended Jun. 2023	150,612	20.0	5,711	65.2	5,855	60.9
2nd quarter ended Jun. 2022	125,467	14.6	3,457	36.0	3,639	24.8

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2023	3,941	149.5	83.43	83.34
2nd quarter ended Jun. 2022	1,579	(35.6)	33.41	33.37

(note) Comprehensive income

2nd quarter ended June 2023: 10,557million yen (y/y -16.0%)
 2nd quarter ended June 2022: 12,565million yen (y/y 83.2%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
2 nd quarter ended Jun. 2023	220,320	87,114	39.3
Year ended Dec. 2022	205,170	77,389	37.5

(Reference) Stockholders' equity:

2nd quarter ended June 2023: 86,602 million 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	—	16.00			
Year ended Dec. 2023 (forecasts)			—	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):

2nd quarter ended Jun. 2023: 50,400,000 shares
Year ended Dec. 2022: 50,400,000 shares

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

2nd quarter ended Jun. 2023: 3,326,103 shares
Year ended Dec. 2022: 3,097,775 shares

- (iii) Average number of shares outstanding:

2nd quarter ended Jun. 2023: 47,240,013 shares
2nd quarter ended Jun. 2022: 47,276,532 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 Jun. 30, 2023
Assets		
Current assets		
Cash and deposits	13,793	13,488
Notes and accounts receivable and contract assets-trade	55,091	64,677
Merchandise and finished goods	27,738	26,601
Work in process	2,264	2,876
Raw materials and supplies	43,425	45,862
Other	8,027	7,624
Allowance for doubtful accounts	(64)	(67)
Total current assets	150,275	161,064
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,513	21,175
Machinery, equipment and vehicles, net	15,739	17,678
Land	4,644	4,874
Other, net	6,460	5,557
Total property, plant and equipment	45,358	49,286
Intangible assets	2,520	2,473
Investments and other assets		
Investment securities	2,227	2,208
Investments in capital	1,015	1,272
Other	3,876	4,107
Allowance for doubtful accounts	(103)	(92)
Total Investments and other assets	7,015	7,496
Total noncurrent assets	54,894	59,255
Total assets	205,170	220,320

	As of Dec. 31, 2022	As of Jun. 30, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	41,733	43,982
Short-term loans payable	36,136	35,318
Income taxes payable	2,065	2,229
Other	16,662	16,207
Total current liabilities	96,598	97,738
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	15,125	19,290
Liabilities for retirement benefits	642	730
Other	5,414	5,445
Total noncurrent liabilities	31,182	35,466
Total liabilities	127,780	133,205
Net assets		
Shareholders' equity		
Share capital	2,144	2,144
Capital surplus	5,594	5,581
Retained earnings	60,389	63,781
Treasury shares	(5,866)	(6,186)
Total shareholders' equity	62,261	65,320
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	347	267
Foreign currency translation adjustment	14,276	20,990
Adjustment for retirement benefits	6	23
Total accumulated comprehensive income	14,630	21,282
Share acquisition rights	67	58
Non-controlling interests	430	453
Total net assets	77,389	87,114
Total liabilities and net assets	205,170	220,320

(2) Consolidated Statements of Income

(JPY in millions)

	Jan. 1, 2022 - Jun. 30, 2022	Jan. 1, 2023 - Jun. 30, 2023
Net sales	125,467	150,612
Cost of sales	113,882	136,061
Gross profit	11,584	14,551
Selling, general and administrative expenses	8,126	8,840
Operating income	3,457	5,711
Non-operating income		
Interest income	7	94
Dividend income	6	116
Share of profit of entities accounted for using equity method	98	11
Foreign exchange gains	100	61
Subsidy income	96	74
Gain on sales of goods	139	153
Gain on sales of scrap	110	86
Other	141	283
Total non-operating income	701	880
Non-operating expenses		
Interest expenses	287	591
Purchase of goods	93	56
Other	138	88
Total non-operating expenses	519	736
Ordinary income	3,639	5,855
Extraordinary income		
Gain on reversal of share acquisition rights	—	3
Total extraordinary income	—	3
Extraordinary loss		
Losses related to COVID-19	367	—
Total extraordinary losses	367	—
Income before income taxes	3,272	5,858
Income taxes-current	1,253	1,947
Income taxes-deferred	454	(31)
Total income taxes-current	1,707	1,915
Net Income	1,564	3,942
Profit (loss) attributable to non-controlling interests	(15)	1
Profit attributable to owners of parent	1,579	3,941

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Jan. 1, 2022 - Jun. 30, 2022	Jan. 1, 2023 - Jun. 30, 2023
Net Income(loss)	1,564	3,942
Other comprehensive income		
Valuation difference on available-for-sale securities	(286)	(79)
Foreign currency translation adjustment	11,126	6,577
Remeasurements of defined benefit plans	24	20
Equity equivalent of equity method affiliate	136	95
Total other comprehensive income	11,001	6,614
Comprehensive income	12,565	10,557
(Content)		
Comprehensive income attributable to owners of parent	12,529	10,534
Comprehensive income attributable to non-controlling interests	36	22

(3) Consolidated Statements of Cash Flows**TRANSLATED**

(JPY in millions)

	Jan. 1, 2022 - Jun. 30, 2022	Jan. 1, 2023 - Jun. 30, 2023
Net cash provided by (used in) operating activities		
Income before income taxes	3,272	5,858
Depreciation	3,650	4,258
Increase (decrease) in allowance for doubtful accounts	(0)	1
Interest and dividends income	(13)	(210)
Interest expenses	287	591
Foreign exchange losses (gains)	(1,065)	(410)
Share of loss (profit) of entities accounted for using equity method	(98)	(11)
Decrease (increase) in accounts receivable-trade and contract assets	(756)	(6,524)
Decrease (increase) in inventories	(5,502)	3,003
Decrease (increase) in consumption taxes refund receivable	339	385
Increase (decrease) in trade payable	(3,301)	181
Increase (decrease) in contract liabilities	1,223	694
Other	68	(605)
Subtotal	(1,897)	7,211
Interest and dividends income received	12	200
Interest expenses paid	(257)	(581)
Income taxes paid	(1,291)	(1,619)
Net cash provided by (used in) operating activities	(3,435)	5,210
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(3,914)	(5,782)
Proceeds from sales of property, plant and equipment	1	86
Purchase of intangible assets	(219)	(229)
Payments of loans receivable	(19)	(20)
Collection of loans receivable	17	32
Collection of investments in capital	47	—
Subsidies received	14	111
Other	0	(1)
Net cash provided by (used in) investment activities	(4,073)	(5,805)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,682	(1,739)
Proceeds from long-term loans payable	7,035	5,265
Repayment of long-term loans payable	(1,913)	(2,972)
Purchase of treasury shares	—	(361)
Cash dividends paid	(707)	(756)
Other	(329)	(322)
Net cash provided by (used in) financing activities	5,768	(887)
Effect of exchange rate change on cash and cash equivalents	1,318	1,056
Net increase (decrease) in cash and cash equivalents	(421)	(426)
Cash and cash equivalents at beginning of period	9,315	13,652
Increase in cash and cash equivalents from newly consolidated subsidiary	—	108
Cash and cash equivalents at end of period	8,894	13,334

(4) 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 first half 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 31st 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 2nd quarter of previous year (Jan 1, 2022 – Jun 30, 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	22,792	31,669	40,132	8,261	22,543	125,399	67	125,467
Intersegment sales and transfers	21,524	9,798	10,455	637	5,448	47,865	(47,865)	—
Total	44,317	41,467	50,588	8,899	27,991	173,264	(47,797)	125,467
Segment income or loss	230	722	2,257	(81)	577	3,705	(247)	3,457

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 67 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -47,865 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -247 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 2nd quarter of current year (Jan 1, 2023 – Jun 30, 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	31,565	34,874	45,033	10,145	28,741	150,359	253	150,612
Intersegment sales and transfers	22,987	10,039	14,352	672	7,785	55,837	(55,837)	—
Total	54,552	44,914	59,385	10,818	36,526	206,196	(55,584)	150,612
Segment income or loss	549	327	2,885	(147)	1,923	5,538	173	5,711

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 253 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -55,837 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -173 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.