

Consolidated 3rd Quarter Financial Results

for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to September 30, 2023)

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>
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 Scheduled date of filing quarterly financial statement: November 13, 2023
 Scheduled date of payment of cash dividends: —

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2023 – September 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 (%)
3rd quarter ended Sep. 2023	229,691	13.8	9,205	40.2	9,301	43.9
3rd quarter ended Sep. 2022	201,917	23.3	6,564	82.4	6,464	52.7

	Profit attributable to owners of parent		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
3rd quarter ended Sep. 2023	6,089	78.1	129.04	128.91
3rd quarter ended Sep. 2022	3,418	4.4	72.29	72.20

(note) Comprehensive income

3rd quarter ended September 2023: 15,090 million yen (y/y -8.9%)
 3rd quarter ended September 2022: 16,568 million yen (y/y 122.1%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
3rd quarter ended Sep. 2023	226,379	90,894	39.9
Year ended Dec. 2022	205,170	77,389	37.5

(Reference) Stockholders' equity:

3rd quarter ended September 2023: 90,368 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):

3rd quarter ended Sep. 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:

3rd quarter ended Sep. 2023: 3,326,103 shares

Year ended Dec. 2022: 3,097,775 shares

(iii) Average number of shares outstanding:

3rd quarter ended Sep. 2023: 47,190,178 shares

3rd quarter ended Sep. 2022: 47,284,536 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 Sep. 30, 2023
Assets		
Current assets		
Cash and deposits	13,793	17,037
Notes and accounts receivable and contract assets-trade	55,091	65,755
Merchandise and finished goods	27,738	26,751
Work in process	2,264	3,076
Raw materials and supplies	43,425	46,150
Other	8,027	7,635
Allowance for doubtful accounts	(64)	(75)
Total current assets	150,275	166,332
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,513	21,410
Machinery, equipment and vehicles, net	15,739	17,460
Land	4,644	4,922
Other, net	6,460	6,392
Total property, plant and equipment	45,358	50,185
Intangible assets	2,520	2,330
Investments and other assets		
Investment securities	2,227	2,297
Investments in capital	1,015	1,240
Other	3,876	4,084
Allowance for doubtful accounts	(103)	(90)
Total Investments and other assets	7,015	7,530
Total noncurrent assets	54,894	60,046
Total assets	205,170	226,379

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(JPY in millions)

	As of Dec. 31, 2022	As of Sep. 30, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	41,733	46,057
Short-term loans payable	36,136	36,491
Income taxes payable	2,065	2,190
Other	16,662	16,485
Total current liabilities	96,598	101,224
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	15,125	17,793
Liabilities for retirement benefits	642	720
Other	5,414	5,746
Total noncurrent liabilities	31,182	34,260
Total liabilities	127,780	135,485
Net assets		
Shareholders' equity		
Share capital	2,144	2,144
Capital surplus	5,594	5,581
Retained earnings	60,389	65,176
Treasury shares	(5,866)	(6,186)
Total shareholders' equity	62,261	66,715
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	347	370
Foreign currency translation adjustment	14,276	23,249
Adjustment for retirement benefits	6	32
Total accumulated comprehensive income	14,630	23,652
Subscription rights to shares	67	58
Non-controlling interests	430	466
Total net assets	77,389	90,894
Total liabilities and net assets	205,170	226,379

(2) Consolidated Statements of Income

(JPY in millions)

	Jan. 1, 2022 - Sep. 30, 2022	Jan. 1, 2023 - Sep. 30, 2023
Net sales	201,917	229,691
Cost of sales	182,838	206,899
Gross profit	19,078	22,791
Selling, general and administrative expenses	12,513	13,586
Operating income	6,564	9,205
Non-operating income		
Interest income	13	172
Dividends income	44	128
Share of profit of entities accounted for using equity method	55	—
Foreign exchange gains	—	99
Subsidy income	140	145
Gain on sales of goods	265	170
Gain on sales of scrap	162	145
Other	175	396
Total non-operating income	857	1,258
Non-operating expenses		
Interest expenses	534	930
Share of loss of entities accounted for using equity method	—	10
Foreign exchange losses	80	—
Purchase of goods	156	61
Other	185	159
Total non-operating expenses	957	1,161
Ordinary income	6,464	9,301
Extraordinary income		
Gain on reversal of share acquisition rights	0	3
Total extraordinary income	0	3
Extraordinary loss		
Losses related to COVID-19	376	—
Total extraordinary losses	376	—
Income before income taxes	6,089	9,304
Income taxes-current	1,962	2,882
Income taxes-deferred	710	329
Total income taxes-current	2,672	3,211
Net Income	3,416	6,093
Profit (loss) attributable to non-controlling interests	(1)	3
Profit attributable to owners of parent	3,418	6,089

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Jan. 1, 2022 - Sep. 30, 2022	Jan. 1, 2023 - Sep. 30, 2023
Net Income	3,416	6,093
Other comprehensive income		
Valuation difference on available-for-sale securities	(271)	23
Foreign currency translation adjustment	13,267	8,819
Remeasurements of defined benefit plans	34	29
Equity equivalent of equity method affiliate	122	124
Total other comprehensive income	13,152	8,997
Comprehensive income	16,568	15,090
(Content)		
Comprehensive income attributable to owners of parent	16,518	15,053
Comprehensive income attributable to non-controlling interests	50	36

(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 3rd 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 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 3rd quarter of previous year (Jan. 1, 2022 – Sep. 30, 2022)

2 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	36,427	55,004	62,783	11,638	35,903	201,757	160	201,917
Intersegment sales and transfers	34,534	15,942	16,777	1,032	8,923	77,210	(77,210)	—
Total	70,961	70,946	79,561	12,670	44,826	278,967	(77,050)	201,917
Segment income or loss	650	1,320	3,790	(314)	1,300	6,747	(182)	6,564

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 160 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -77,210 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -182 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 3rd quarter of current year (Jan. 1, 2023 – Sep. 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	47,486	53,010	69,035	15,972	43,766	229,271	420	229,691
Intersegment sales and transfers	35,871	16,082	22,081	975	11,046	86,056	(86,056)	—
Total	83,357	69,093	91,117	16,947	54,813	315,328	(85,636)	229,691
Segment income or loss	1,128	796	4,283	(440)	2,855	8,624	581	9,205

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 420 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -86,056 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, 581 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.