

Consolidated 2nd Quarter Financial Results

for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to June 30, 2024)

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
 CFO, Senior Director, Executive Officer and General Manager,
 Finance and Accounting Department
 Telephone: +81-6-6266-6415
 Scheduled date of filing quarterly financial statement: August 9, 2024
 Scheduled date of payment of cash dividends: September 2, 2024

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2024 – June 30, 2024)

(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. 2024	149,357	(0.8)	3,645	(36.2)	3,804	(35.0)
2nd quarter ended Jun. 2023	150,612	20.0	5,711	65.2	5,855	60.9

	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. 2024	1,891	(52.0)	40.18	40.14
2nd quarter ended Jun. 2023	3,941	149.5	83.43	83.34

(note) Comprehensive income

2nd quarter ended June 2024: 12,610 million yen (y/y 19.4%)
 2nd quarter ended June 2023: 10,557 million yen (y/y -16.0%)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
2 nd quarter ended Jun. 2024	236,712	100,959	42.4
Year ended Dec. 2023	216,838	89,545	41.1

(Reference) Stockholders' equity:

2nd quarter ended June 2024: 100,338 million yen
 Year ended December 2023: 89,041 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
		Yen		Yen	Yen
Year ended Dec. 2023	—	16.00	—	28.00	44.00
Year ended Dec. 2024	—	24.00			
Year ended Dec. 2024 (forecasts)			—	24.00	48.00

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

3. Consolidated Business Performance Forecasts for the Year Ending December 2024 (January 1, 2024 – December 31, 2024)

(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	320,000	3.3	8,500	(30.6)	8,100	(31.6)

	Profit attributable to owners of parent		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	4,600	(43.8)	97.72

(Note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2024 during this quarter: Change

* Note

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): Transfer
Newly Consolidated: Renzoku Biologics 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. 2024:	50,400,000 shares
Year ended Dec. 2023:	50,400,000 shares
 - (ii) Number of treasury shares at the end of the fiscal year:

2nd quarter ended Jun. 2024:	3,310,803 shares
Year ended Dec. 2023:	3,325,625 shares
 - (iii) Average number of shares outstanding:

2nd quarter ended Jun. 2024:	47,080,698 shares
2nd quarter ended Jun. 2023:	47,240,013 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, 2023	As of Jun. 30, 2024
Assets		
Current assets		
Cash and deposits	18,241	27,620
Notes and accounts receivable and contract assets-trade	60,432	62,298
Merchandise and finished goods	25,379	27,779
Work in process	2,966	3,169
Raw materials and supplies	43,562	43,780
Other	7,117	7,398
Allowance for doubtful accounts	(79)	(86)
Total current assets	157,621	171,960
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	20,493	21,896
Machinery, equipment and vehicles, net	16,986	18,248
Land	4,842	5,116
Other, net	6,705	7,212
Total property, plant and equipment	49,026	52,474
Intangible assets	2,118	3,038
Investments and other assets		
Investment securities	2,306	2,630
Investments in capital	1,214	1,833
Other	4,641	4,870
Allowance for doubtful accounts	(91)	(94)
Total Investments and other assets	8,070	9,239
Total noncurrent assets	59,216	64,752
Total assets	216,838	236,712

TRANSLATED

(JPY in millions)

	As of Dec. 31, 2023	As of Jun. 30, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	43,262	40,742
Short-term loans payable	28,103	30,277
Current portion of bonds payable	—	5,000
Income taxes payable	2,627	2,198
Other	14,660	14,691
Total current liabilities	88,653	92,909
Noncurrent liabilities		
Bonds payable	10,000	15,000
Long-term loans payable	22,139	20,643
Liabilities for retirement benefits	809	890
Other	5,688	6,307
Total noncurrent liabilities	38,638	42,842
Total liabilities	127,292	135,752
Net assets		
Shareholders' equity		
Share capital	2,144	2,144
Capital surplus	5,581	5,579
Retained earnings	67,273	67,846
Treasury shares	(6,185)	(6,157)
Total shareholders' equity	68,813	69,412
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	138	88
Foreign currency translation adjustment	20,128	30,864
Adjustment for retirement benefits	(37)	(27)
Total accumulated comprehensive income	20,228	30,926
Share acquisition rights	57	57
Non-controlling interests	446	563
Total net assets	89,545	100,959
Total liabilities and net assets	216,838	236,712

(2) Consolidated Statements of Income

(JPY in millions)

	Jan. 1, 2023 - Jun. 30, 2023	Jan. 1, 2024 - Jun. 30, 2024
Net sales	150,612	149,357
Cost of sales	136,061	135,901
Gross profit	14,551	13,456
Selling, general and administrative expenses	8,840	9,811
Operating income	5,711	3,645
Non-operating income		
Interest income	94	391
Dividend income	116	40
Share of profit of entities accounted for using equity method	11	19
Foreign exchange gains	61	137
Subsidy income	74	92
Gain on sales of goods	153	129
Gain on sales of scrap	86	97
Other	283	331
Total non-operating income	880	1,241
Non-operating expenses		
Interest expenses	591	842
Purchase of goods	56	65
Other	88	174
Total non-operating expenses	736	1,081
Ordinary income	5,855	3,804
Extraordinary income		
Gain on reversal of share acquisition rights	3	0
Total extraordinary income	3	0
Income before income taxes	5,858	3,804
Income taxes-current	1,947	1,594
Income taxes-deferred	(31)	343
Total income taxes-current	1,915	1,937
Net Income	3,942	1,867
Profit (loss) attributable to non-controlling interests	1	(24)
Profit attributable to owners of parent	3,941	1,891

Consolidated Statements of Comprehensive Income

(JPY in millions)

	Jan. 1, 2023 - Jun. 30, 2023	Jan. 1, 2024 - Jun. 30, 2024
Net Income	3,942	1,867
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	(49)
Foreign currency translation adjustment	6,577	10,616
Remeasurements of defined benefit plans	20	14
Equity equivalent of equity method affiliate	95	161
Total other comprehensive income	6,614	10,743
Comprehensive income	10,557	12,610
(Content)		
Comprehensive income attributable to owners of parent	10,534	12,589
Comprehensive income attributable to non-controlling interests	22	21

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

(JPY in millions)

	Jan. 1, 2023 - Jun. 30, 2023	Jan. 1, 2024 - Jun. 30, 2024
Net cash provided by (used in) operating activities		
Income before income taxes	5,858	3,804
Depreciation	4,258	4,860
Increase (decrease) in allowance for doubtful accounts	1	1
Interest and dividends income	(210)	(432)
Interest expenses	591	842
Foreign exchange losses (gains)	(410)	(714)
Share of loss (profit) of entities accounted for using equity method	(11)	(19)
Decrease (increase) in accounts receivable-trade and contract assets	(6,524)	2,436
Decrease (increase) in inventories	3,003	3,798
Decrease (increase) in consumption taxes refund receivable	385	(440)
Increase (decrease) in trade payable	181	(5,463)
Increase (decrease) in contract liabilities	694	(976)
Other	(605)	(341)
Subtotal	7,211	7,355
Interest and dividends income received	200	431
Interest expenses paid	(581)	(802)
Income taxes paid	(1,619)	(819)
Net cash provided by (used in) operating activities	5,210	6,165
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(5,782)	(3,249)
Proceeds from sales of property, plant and equipment	86	80
Purchase of intangible assets	(229)	(923)
Payments of loans receivable	(20)	(12)
Proceeds from collection of loans receivable	32	22
Purchase of shares of subsidiaries and associates	—	(646)
Purchase of investment securities	—	(119)
Subsidies received	111	116
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(175)
Other	(1)	(8)
Net cash provided by (used in) investment activities	(5,805)	(4,916)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,739)	1,302
Proceeds from long-term loans payable	5,265	—
Repayment of long-term loans payable	(2,972)	(3,685)
Proceeds from issuance of bonds	—	9,950
Purchase of treasury shares	(361)	—
Cash dividends paid	(756)	(1,317)
Other	(322)	(365)
Net cash provided by (used in) financing activities	(887)	5,883
Effect of exchange rate change on cash and cash equivalents	1,056	2,225
Net increase (decrease) in cash and cash equivalents	(426)	9,357
Cash and cash equivalents at beginning of period	13,652	18,059
Increase in cash and cash equivalents from newly consolidated subsidiary	108	—
Cash and cash equivalents at end of period	13,334	27,416

(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.

【Segment Information】

I 2nd quarter of previous 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.

II 2nd quarter of current year (Jan 1, 2024 – Jun 30, 2024)

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	27,687	31,025	44,513	13,514	32,275	149,017	340	149,357
Intersegment sales and transfers	21,683	10,800	9,506	759	6,657	49,407	(49,407)	—
Total	49,370	41,826	54,019	14,273	38,933	198,424	(49,066)	149,357
Segment income or loss	821	(245)	1,377	(469)	2,114	3,599	45	3,645

(note 1) Adjustment is as following;

1. The amount of adjustment in sales to third parties, 340 million yen, is sales in Corporate segment.
2. The amount of adjustment in inter-segment sales and transfer, -49,407 million yen, is the amount of elimination of internal transactions between segments.
3. The amount of adjustment in segment income, -45 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.