Consolidated Financial Result

(For the fiscal year ended December 31, 2017)

February 5, 2018

Company name: **SIOS Corporation**
Address: 2-12-3 Minami Azabu, Minato-ku, Tokyo 106-0047 Japan
Stock exchange listings: Tokyo Stock Exchange (TSE)
Code number : 3744
URL: http://www.sios.com/
Representative: Nobuo Kita, Representative Director
Contact: Tokutaro Kobayashi, V.P. of Finance & Accounting
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Scheduled date of annual shareholders' meeting: March 29, 2018
Scheduled date of financial report FSA filing: March 30, 2018
Scheduled date of dividend payment: -

(Note) All figures in the financial statements are rounded down to the nearest millionth.
'-' indicates a loss or negative figure.

1. Consolidated results (January 1, 2017 through December 31, 2017)

(% of change from previous year)

(1) Consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	**%**	**Million yen**	**%**	**Million yen**	**%**	**Million yen**	**%**
FY2017	**12,470**	**3.2**	**320**	**-32.4**	**326**	**-16.3**	**-587**	-
FY2016	12,080	29.0	474	-	389	-	254	-

(Note)Comprehensive income : FY2017: -583million yen/ -% FY2016: 245 million yen/ -%

	Net income per share - Basic	Net income per share - Diluted	Return on equity	Ratio of ordinary income to total assets	Operating income ratio
	Yen	Yen	%	%	%
FY2017	**-68.11**	-	**-44.1**	**6.5**	**2.6**
FY2016	29.56	29.52	17.0	7.2	3.9

(Note) Equity in earnings: FY2017: - million yen FY2016: -65 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2017	**4,849**	**1,076**	**21.5**	**120.94**
FY2016	5,256	1,647	30.8	188.00

(Note) Equity: As of Dec. 31, 2017:1,043 million yen As of Dec. 31, 2016: 1,619million yen

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents - ending
	Million yen	Million yen	Million yen	Million yen
FY2017	**640**	**-26**	**-109**	**2,249**
FY2016	311	-123	-414	1,793

2. Cash dividends

	Dividend per share					Total of dividend (annual)	Payout ratio (consolidated)	Net assets dividend ratio (consolidated)
Record Date	End of Q1	End of Q2	End of Q3	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2016	-	0.00	-	0.00	0.00	-	-	-
FY2017	-	0.00	-	0.00	0.00	-	-	-
FY2018 (expected)	-	0.00	-	0.00	0.00		-	

3. Forecast of consolidated results for FY2018 (January 1, 2018 through December 31, 2018)

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2018	13,000	4.2	330	2.8	330	1.1	260	-	30.13

4. Others

(1) Reclassification of significant subsidiaries during the period (Reclassification due to change in scope of consolidation): Yes
Newly established: SIOS Technology, Inc.

(2) Change in accounting policies, accounting estimates and restatement
(i) Change in accounting policies associated with revision of accounting standards: None
(ii) Change arising from other factors: None
(iii) Change in accounting estimates: None
(iv) Restatement: None

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury stock)	FY2017	8,874,400 shares	FY2016	8,874,400 shares
(ii) Number of treasury stock	FY2017	246,541 shares	FY2016	260,041 shares
(iii) Average number of outstanding shares	FY2017	8,621,643 shares	FY2016	8,609,398 shares

(Reference)

1. Non-consolidated results (January 1, 2017 through December 31, 2017)

(% of change from previous year)

(1) Non-consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	**6,896**	**-13.8**	**328**	**14.0**	**321**	**11.5**	**-614**	**-**
FY2016	8,003	14.4	288	-	288	-	-7	-

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY2017	**-71.26**	**-**
FY2016	-0.83	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2017	**2,786**	**1,207**	**43.3**	**139.87**
FY2016	4,629	1,789	38.6	207.51

(Note) Equity As of Dec. 31, 2017: 1,206 million yen As of Dec. 31, 2016: 1,787 million yen

Explanation about proper use of forecasts of consolidated financial results and other special notes

1. Information Regarding the Audit Review Procedure: This report is outside the scope of the procedures for audit of financial statements as required under the financial instruments and Exchange Act of Japan. The aforementioned procedures have not been completed as of the time of disclosure of this document.

2. Forecasts announced by the company referred to above were prepared based on management's assumption with information available at this time and therefore involve known and unknown risks and uncertainties. Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts.

3. This information to above is an UNOFFICIAL English-language translation of the original Japanese-language version. The format and contents of this document are defined by the requirements of the Tokyo Stock Exchange's 2nd Section.
To the extent that there are discrepancies between this translation and the original version, the original version shall be definitive.