

*To our shareholders
and investors,*

The 20th Midterm

Business Report

*From January 1, 2011
to June 30, 2011*

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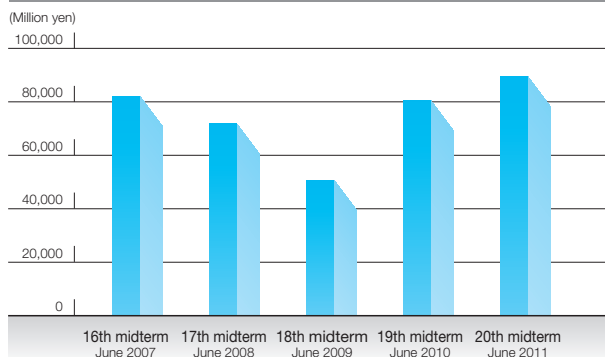
SIIX Corporation

Stock Code 7613

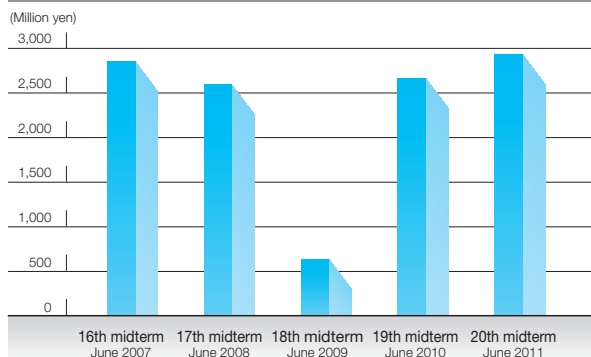
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We care.

CONSOLIDATED FINANCIAL HIGHLIGHTS

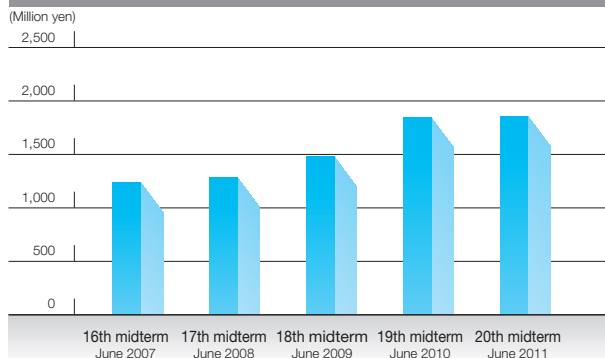
Net sales



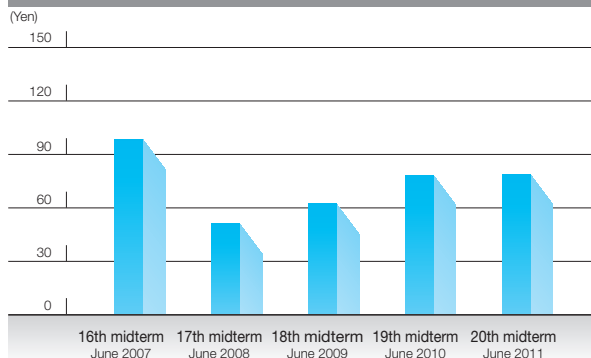
Ordinary income



Net income



Net income per share



		16th midterm June 2007	17th midterm June 2008	18th midterm June 2009	19th midterm June 2010	20th midterm June 2011
Net sales	(Million yen)	81,846	71,573	50,572	80,268	89,246
Ordinary income	(Million yen)	2,852	2,589	632	2,660	2,931
Net income	(Million yen)	1,240	1,286	1,479	1,847	1,859
Net income per share	(Yen)	98.46	51.05	62.23	78.29	78.79

(Note) The Company conducted a 2 for 1 share split on January 1, 2008.

TO OUR SHAREHOLDERS



Chairman & CEO
Shiro Murai

Please let me express my utmost gratitude to our shareholders for supporting us.

As we hereby deliver the 20th Midterm Business Report, I would like to convey a few words of greetings. I would like to also express my heartfelt sympathy to all those who were affected by the Great East Japan Earthquake.

During the midterm period under review, the economy continued a recovery trend mainly in exports to developing countries. Following the Great East Japan Earthquake, which occurred on March 11, however, uncertainties about the economy mounted due to factors such as damage caused to plants and equipment and supply chain disruptions. Although the Company escaped direct damage to its production facilities, we were affected by the earthquake primarily on the supply front, with the procurement of electronic products being temporarily strained. Nevertheless, on the demand front, overseas demand continued to be robust mainly in developing countries, and the digital household equipment and automotive-related equipment fields were the driving force behind the results. Consequently, net sales and all income items surpassed the results for the same period of the previous consolidated fiscal year.

In the second half of the year, in the electronics-related field, we expect a recovery on the supply front mainly in electronics for automobiles since the restoration of the supply chain of electronic products should be nearly completed hereafter the 4th quarter. However, owing to factors such as a sense of economic slowdown in the U.S.A. and the financial unrest in southern European countries as well as the rapid appreciation of the yen stemming from these factors, we believe that the situation will continue to be unpredictable. The Company, being fully mindful of such economic conditions, is intent on continuing to endeavor to build business relations with various customers, both Japanese and non-Japanese, in response to the growing worldwide trend of “producing in the location of demand”.

Finally, I would like to ask our shareholders' continuous support towards the future.

September 2011

REVIEW OF OPERATIONS

Operation Results

Looking back on the economic environment during the consolidated 2nd quarter under review, the Japanese economy, which took a sharp downturn since the Great East Japan Earthquake, showed some signs of recovery primarily in automobile production due to the restoration of the supply chain. Nevertheless, problems such as the power shortage, the nuclear power plant accident, and the procurement of financial resources for reconstruction have yet to be solved, and a sense of uncertainty about the future continues to linger. As for overseas economies, in the U.S.A., personal consumption posted sluggish growth because of soaring gasoline prices and a delay in the recovery of employment, thereby causing a moderate slowdown in the U.S. economy. Meanwhile in Europe, the economic recovery continued to be strong in major countries, but financial concerns remained in some countries, thus resulting in an economic recovery at a moderate pace. In Asia, while signs of recovery were seen even in countries that were affected by the earthquake and the economy was robust as a whole, concerns about inflation mounted in many countries.

Under such circumstances, the SIIX Group, too, was partly affected by the earthquake as evidenced by strains on parts and materials procurement, among other things. Mainly in Asia, however, shipments of parts and materials for digital household equipment, automotive-related equipment, and household electrical equipment remained robust. As a result, net sales for the consolidated 2nd quarter under review finished at 89,246 million yen, an increase of 8,977 million yen (11.2% increase) in comparison to the same period of the previous fiscal year. Operating income finished at 2,621 million yen, an increase of 132 million yen (5.3% increase) in comparison to the same period of the previous fiscal year. Moreover, ordinary income finished at 2,931 million yen, an increase of 271 million yen (10.2% increase) in comparison to the same period of the previous fiscal year. Net income finished at 1,859 million yen, an increase of 11 million yen (0.6% increase) in comparison to the same period of the previous fiscal year.

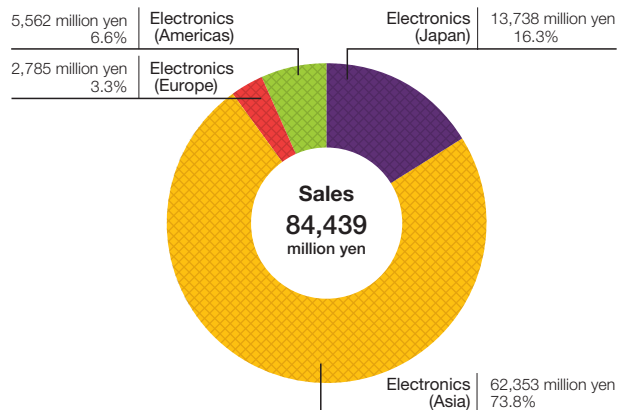
Segment of Operations

Each reportable segment is an independent entity in the SIIX Group which can be measured by separated financial information and should be reviewed with regularity by the Board of Directors for the purpose of decision of distribution of management resource and performance evaluation.

The SIIX Group is covering procurement, manufacture and sale of finished products, subassemblies, circuit board assemblies, and components and kits relating to communication equipment, automotive-related equipment, information equipment, household electrical equipment, industrial equipment, and general electronic products and devices. The Company and independent subsidiary in Japan, and several independent local subsidiaries in each area of Asia, Europe, and the Americas are engaged in these businesses.

Each subsidiary is an independent entity and draws up a comprehensive strategy and develops its business activity to handle merchandise and goods for accommodation to clients' foreign business development according to market characteristics in each area.

Therefore, the SIIX Group classifies the reportable segment to "Electronics (Japan)", "Electronics (Asia)", "Electronics (Europe)", and "Electronics (Americas)".



* Consolidated sales of 89,246 million yen includes 4,807 million yen in Other, in addition to the above.

Category of Operations

The SIIX Group procures, manufactures, and sells mainly finished products, subassemblies, circuit board assemblies, and components and kits relating to communication equipment, household electrical equipment, automotive-related equipment, information equipment, industrial equipment, and general electronic products and devices. In addition, we handle wire harnesses, materials for motorcycles, equipment machines, and printing inks, etc.

Sales by category for the consolidated 2nd quarter under review finished at 36,687 million yen (an increase of 8,440 million yen in comparison to the same period of the previous consolidated fiscal year) in the field of household electrical equipment. This was primarily attributable to an increase in shipments of digital household equipment. Also in the field of automotive-related equipment, sales finished at 20,341 million yen (an increase of 4,021 million yen in comparison to the same period of the previous consolidated fiscal year) mainly due to an increase in shipments of components for automotive AV equipment. In the field of industrial equipment, sales finished at 12,840 million yen (an increase of 1,073

million yen in comparison to the same period of the previous consolidated fiscal year). This was principally attributable to an increase in sales of equipment related to small engine and aviation facilities. In the field of information equipment, sales finished at 10,653 million yen (a decrease of 1,382 million yen in comparison to the same period of the previous consolidated fiscal year) due to a decline in sales of printer-related equipment. In the field of communication equipment, sales finished at 2,383 million yen (a decrease of 1,999 million yen in comparison to the same period of the previous consolidated fiscal year) because of a decline in sales of equipment related to camera modules for mobile phones. In the field of general electronic products, sales finished at 1,536 million yen (a decrease of 832 million yen in comparison to the same period of the previous consolidated fiscal year). In the field of other, sales finished 4,807 million yen (a decrease of 343 million yen in comparison to the same period of the previous consolidated fiscal year).



Sales by category

Category	19th midterm		20th midterm	
	Amount (Million yen)	Composition rate (%)	Amount (Million yen)	Composition rate (%)
● Household electrical equipment (AV equipment, air conditioners, etc.)	28,247	35.2	36,687	41.1
● Automotive equipment (automotive electrical components, car audios, etc.)	16,320		20,341	
● Industrial equipment (circuit board for small engine, etc.)	11,767	20.3	12,840	22.8
● Information equipment (scanners, printers, etc.)	12,034		10,653	
● Communication equipment (camera modules for mobile phones, etc.)	4,382	14.7	2,383	14.4
● General electronic products	2,368	15.0	1,536	11.9
● Other	5,151	5.5	4,807	2.7
Total	80,268	6.4	89,246	5.4



SIIX NETWORK

One of SIIX's strengths is that we can offer our customers a variety of outsourcing options through our organic network of extensive overseas bases.

We have about 40 overseas bases in 13 countries to assist our customers in their global business deployment from procurement of parts and materials, manufacturing to logistics (as of June 30, 2011).

SIIX Network

Europe

- ⑧  SIIX Europe GmbH ●
- ⑨  SIIX EMS Slovakia s.r.o. ▲

Asia

- ⑩  SIIX (Shanghai) Co., Ltd. Dalian Branch ◇
- ⑪  SIIX (Shanghai) Co., Ltd. ●
- ⑫  SIIX EMS (DONG GUAN) Co., Ltd. ▲
- ⑬  SIIX (Dongguan) Co., Ltd. ■
- ⑭  SIIX H.K. Ltd. ●
- ⑮  SIIX TWN Co., Ltd. ■
- ⑯  SIIX Bangkok Co., Ltd. ●
- ⑰  SIIX EMS (THAILAND) CO., LTD. ▲
- ⑱  SIIX Phils., Inc. ■
- ⑲  SIIX Logistics Phils, Inc. ●
- ⑳  SIIX Singapore Pte. Ltd. ●
- ㉑  PT SIIX Electronics Indonesia ▲
- ㉒  PT. SIIX EMS INDONESIA ▲

Major Business Lines

Import/export sales and logistics of electronic products, etc. ●

Import/export sales of electronic products, etc.:..... ■

Assembly of various circuit boards and manufacturing/ assembly of equipments and components. ▲

Import/export sales of components for small engines. ◆

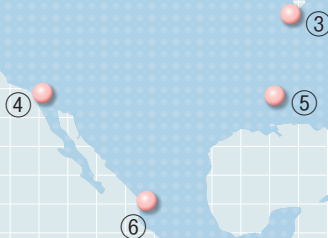
Branch and representative offices ◇

Japan

- ①  SIIX Corporation ■
- ②  SIIX Electronics Co., Ltd. ▲

Americas

- ③  SIIX U.S.A. Corp. ●
- ④  SIIX U.S.A. Corp. Irvine Branch ◇
- ⑤  U.S.A. ZAMA, Inc. ◆
- ⑥  SIIX MEXICO, S.A DE C.V. ●
- ⑦  SIIX do Brasil Ltda. ■



PICK UP!

SIIX EMS Slovakia s.r.o.



SIIX EMS Slovakia s.r.o. is the Company's wholly-owned manufacturing base located in Nitra, Slovakia. It is one of the few Japanese EMS plants in Europe which mainly covers businesses primarily from automobile-related companies. It responds to business inquiries through collaboration with the sales base in Germany and with the support of Japanese and non-Japanese companies as well.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets (Million yen)

Items	Current midterm As of Jun. 30, 2011	Previous fiscal year As of Dec. 31, 2010
Assets		
Current assets	48,056	47,912
Noncurrent assets	15,415	14,874
Property, plant and equipment	10,298	9,624
Intangible assets	813	845
Investments and other assets	4,303	4,404
Total assets	63,472	62,787
Liabilities		
Current liabilities	38,426	38,966
Noncurrent liabilities	4,171	4,050
Total liabilities	42,598	43,017
Net assets		
Shareholder's equity	24,237	22,708
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	20,918	19,388
Treasury stock	(677)	(677)
Valuation and translation adjustments	(3,766)	(3,359)
Valuation difference on available-for-sale securities	849	1,003
Deferred gains or losses on hedges	6	16
Foreign currency translation adjustment	(4,621)	(4,379)
Minority interests	403	421
Total net assets	20,874	19,770
Total liabilities and net assets	63,472	62,787

Consolidated Statements of Income (Million yen)

Items	Current midterm (Jan. 1, 2011 – Jun. 30, 2011)	Previous midterm (Jan. 1, 2010 – Jun. 30, 2010)	Previous fiscal year (Jan. 1, 2010 – Dec. 31, 2010)
Net sales	89,246	80,268	166,481
Cost of sales	83,603	74,840	155,202
Gross profit	5,643	5,428	11,278
Selling, general and administrative expenses	3,022	2,940	5,947
Operating income	2,621	2,488	5,331
Non-operating income	423	271	507
Non-operating expenses	112	99	192
Ordinary income	2,931	2,660	5,645
Extraordinary income	6	5	24
Extraordinary loss	1	0	670
Income before income taxes	2,937	2,665	4,999
Income taxes-current	931	751	1,425
Income taxes-deferred	79	26	215
Net income before minority interests in income	1,926	–	–
Minority interests in income	66	40	86
Net income	1,859	1,847	3,270

Consolidated Statements of Cash Flows (Million yen)

Items	Current midterm (Jan. 1, 2011 – Jun. 30, 2011)	Previous midterm (Jan. 1, 2010 – Jun. 30, 2010)	Previous fiscal year (Jan. 1, 2010 – Dec. 31, 2010)
Net cash provided by (used in) operating activities	2,999	(580)	(1,068)
Net cash provided by (used in) investment activities	(2,399)	(1,689)	(3,043)
Net cash provided by (used in) financing activities	(285)	(1,173)	716
Effect of exchange rate change on cash and cash equivalents	(71)	(42)	(552)
Net increase (decrease) in cash and cash equivalents	243	(3,485)	(3,947)
Cash and cash equivalents at beginning of period	5,526	9,474	9,474
Cash and cash equivalents at end of period	5,769	5,988	5,526

* Fractions of amounts stated in consolidated balance sheets, consolidated statements of income, and consolidated statements of cash flows are rounded down.

TOPICS

2010

D

December

Obtained medical devices manufacturing business approval and medical devices marketing business approval

We obtained a medical devices manufacturing business approval (general class) and a medical devices marketing business approval (specially controlled medical devices) based on the Pharmaceutical Affairs Act. We aim to further expand the Company's operations by entering new fields.

2011

F

February

Philippine subsidiary joins CSR organization

SIIX Logistics Phils, Inc., a Philippine subsidiary, became a member of a CSR organization of Laguna Technopark, Inc. in the Philippines and actively participates in activities that make social and regional contributions, such as road improvement voluntary activities.

A

April

Undertook capital increase in SIIX Electronics Co., Ltd.

The Company undertook capital increase in SIIX Electronics Co., Ltd. (Sagamihara, Kanagawa) with a view to augmenting production facilities and strengthening the financial base and made it a specified subsidiary.

M

May

Manufacturing subsidiary in Indonesia (Batam) obtained TS16949

PT SIIX Electronics Indonesia, a manufacturing subsidiary in Indonesia, obtained ISO/TS16949:2009, the international standard for quality management systems - particular requirements for automotive production and relevant service part organizations. Plants in Thailand, China (Dong Guan), and Slovakia have already obtained this standard.

J

July

Manufacturing subsidiary in Indonesia (Jawa Barat) commenced operation

PT. SIIX EMS INDONESIA, which was established in December last year as the second manufacturing base in Indonesia, commenced operation in July.

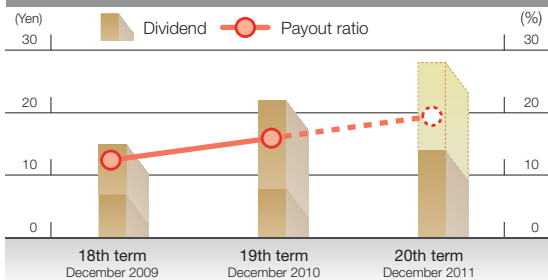


STOCK INFORMATION

Dividend Trends

The Company's basic principle is to undertake continuous and stable profit distribution to shareholders. We also adopt the policy of determining the dividend amount by taking into consideration such factors as enhancement of internal reserves for future business deployment and reinforcement of management foundation. As for dividends for the current term, each of the midterm dividend and the term-end dividend will be 14 yen per share, making the annual dividend 28 yen per share.

Dividend and Payout Ratio



Special Benefits for Shareholders

Gift Card

■ Target: Shareholders who are listed on the shareholder registry as of the end of December every year and hold 1 unit of shares (100 shares) or more of the Company's shares



Details (per shareholder)

10 units of shares (1,000 shares) or more	3,000 yen gift card
5 units of shares (500 shares) or more but less than 10 units of shares	2,000 yen gift card
1 unit of shares (100 shares) or more but less than 5 units of shares	1,000 yen gift card

- * 1. Gift cards issued by a card company are presented.
- * 2. The cards are sent after the Annual General Shareholders' Meeting held in March every year.

Travel to Thailand

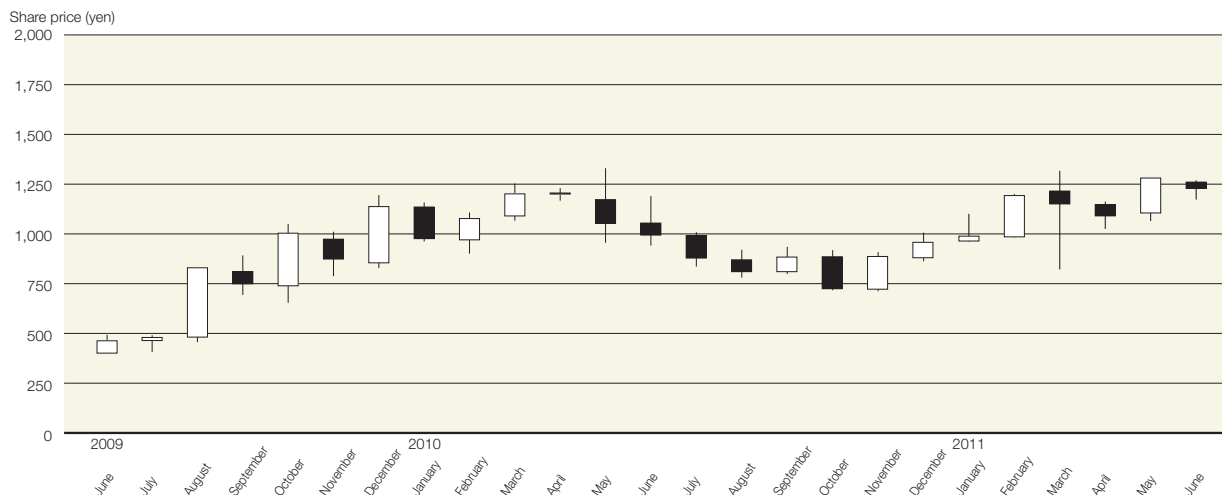
■ Target: Shareholders who have continuously held 1 unit of shares or more of the Company's shares for a year or longer



* "Shareholders who have continuously held 1 unit of shares or more of the Company's shares for a year or longer" refer to shareholders who have been continuously listed on the Company's shareholder registry as of the last day of December every year by the same shareholder number as that at the end of the previous term and the end of June of the fiscal year under review.

■ Details: Ten shareholders chosen by lot will be invited to travel to Thailand, including a tour of the Thailand plant, the Company's main plant, for the main purpose of deepening their understanding of EMS (Electronic Manufacturing Services), the Company's mainstay business. (Once every year)

Share Price Chart (June 2009 – June 2011)



DIRECTORS, AUDITORS, AND EXECUTIVE OFFICERS

Shares

(as of June 30, 2011)

Total number of shares authorized to be issued.....80,000,000

Total number of shares issued.....25,200,000

Number of shareholders as of the end of the midterm.....4,317

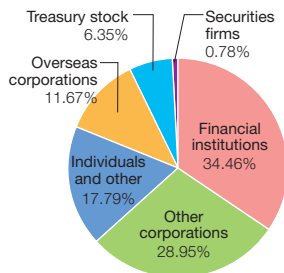
Major shareholders

(as of June 30, 2011)

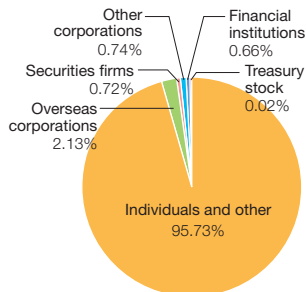
Name	Number of shares	Percentage of ownership (%)
Sakata Inx Corporation	5,906,000	23.44
The Master Trust Bank of Japan, Ltd. (trust account)	2,394,500	9.50
Japan Trustee Service Bank, Ltd. (trust account)	2,057,800	8.17
Forty Six Ltd.	1,100,000	4.37
Resona Bank, Limited.	1,077,400	4.28
Sumitomo Mitsui Banking Corporation	997,400	3.96
Shiro Murai	700,000	2.78
The Nomura Trust and Banking Co., Ltd. (investment trust account)	382,400	1.52
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	360,000	1.43
CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB SEC INT NON-TR CLIENT	340,700	1.35

* In addition to the above, the Company owns 1,600,364 shares of treasury stock (6.35%).

[Number of shares held by shareholder category]



[Number of shareholders by shareholder category]



(as of June 30, 2011)

Chairman & Chief Executive Officer	Shiro Murai	CEO
President & Executive Officer	Kansho Murase	COO
Director & Executive Officer	Masami Ohba	General Manager, Osaka Sales Department I North America, Philippines, South America, & Korea Area
Director & Executive Officer	Tsuneo Kondo	General Manager, Management Planning Department Secretariat Office General Affairs Department
Corporate Auditor	Shigesato Higashio	
External Auditor	Yoshihiro Matsui	Corporate Auditor, Sakata Inx Corporation
External Auditor	Shinsuke Takatani	
Executive Officer	Yoshikazu Ikeda	Thai & Indonesia Area Chairman, SIX EMS (THAILAND) CO., LTD. President Director, PT. SIX EMS INDONESIA
Executive Officer	Nobuki Matsutani	Hong Kong & South China Area Managing Director, SIX EMS (DONG GUAN) Co., Ltd.
Executive Officer	Yoshihiro Mizutani	General Manager, Tokyo Sales Department
Executive Officer	Masao Okada	General Manager, Procurement & Logistics Department New Business Development
Executive Officer	Takaaki Iwatake	Europe Area Managing Director, SIX Europe GmbH Managing Director, SIX EMS Slovakia s.r.o.
Executive Officer	Yoshihiko Matsushima	General Manager, EMS Technical Support Department
Executive Officer	Izumi Nakao	General Manager, Osaka Sales Department II East & North China Area
Executive Officer	Seiji Ono	General Manager, Finance & Accounting Department
Executive Officer	Kenji Hasegawa	General Manager, Information System Department
Executive Officer	Hitoshi Takaba	President, SIX Electronics Co., Ltd.
Executive Officer	Satoshi Takahama	Taiwan Area Managing Director, SIX TWN Co., Ltd.
Executive Officer	Tetsuo Nakai	Managing Director, PT SIX Electronics Indonesia
Executive Officer	Masakazu Toyama	Singapore Area Managing Director, SIX Singapore Pte. Ltd.

Shareholder's Memo

Fiscal year:	January 1 to December 31 every year
Annual General Shareholder's Meeting:	March every year
Record date:	Annual General Shareholder's Meeting December 31 every year Term-end dividend December 31 every year Interim dividend June 30 every year (If necessary, other dates announced in advance)
Transfer agent and administrators of special accounts:	4-5-33, Kitahama, Chuo-ku, Osaka 541-0041 JAPAN The Sumitomo Trust and Banking Company, Limited
Transfer agent's contact:	4-5-33, Kitahama, Chuo-ku, Osaka 541-0041 JAPAN Stock Transfer Agency Department, The Sumitomo Trust and Banking Company, Limited
(Mailing address):	1-10, Nikko-cho, Fuchu, Tokyo 183-8701 JAPAN Stock Transfer Agency Department, The Sumitomo Trust and Banking Company, Limited
(Telephone inquiries):	0120-176-417 (Toll free in Japan)
(Internet homepage URL):	http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html
Method of public notices:	Notices are posted on our official website http://www.six.co.jp/jp/ir/koukoku.html
Number of shares constituting one unit:	100 shares
Stock listings:	Tokyo Stock Exchange, 1st section Osaka Securities Exchange, 1st section
Stock code:	7613

[Notices, such as a change of address and inquiries concerning shares]

[Shareholders holding accounts with securities companies](#)

Please refer to securities companies that manage your account.

[Shareholders not holding accounts with securities companies](#)

The Company has an account (referred to as "special account") with the above stated The Sumitomo Trust and Banking Company, Limited, as a transfer agent. For inquiries, please contact the above telephone number.

IR Mail Notices

The Company provides an IR information delivery service via e-mail to investors. We send notice to registered investors whenever we post new IR information on our website (<http://www.six.co.jp/>). Registration is simple and free of charge. To proceed, please visit the D-ir net service's official website (<https://www.dirnet.jp/7613>).

Corporate data

(as of June 30, 2011)

Name	SIIX Corporation
Established	July 1, 1992
Paid-up capital	2,144 million yen
Employees	Nonconsolidated 137 Consolidated 8,012
Headquarters	1-4-9, Bingo-machi, Chuo-ku, Osaka 541-0051 JAPAN TEL: +81-6-6266-6400 FAX: +81-6-6266-6428
Tokyo office	2-3-25, Kudanminami, Chiyoda-ku, Tokyo 102-0074 JAPAN TEL: +81-3-3238-7000
EMS technical support department	1-3-25, Machiya, Midori-ku, Sagamihara, Kanagawa 252-0101 JAPAN TEL: +81-42-782-5400
Stock Code	7613
URL	http://www.six.co.jp/eg/index.html



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