

To our shareholders and investors,

The 21st
Midterm

Business Report

From January 1, 2012 to June 30, 2012

A world map in shades of teal with a grid overlay. Numerous white curved lines originate from a central point in East Asia and fan out to various locations across the globe, representing a global network.

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SIIX Corporation

Stock Code 7613

siix
We care.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Financial Highlights

To Our Shareholders

Review of Operations

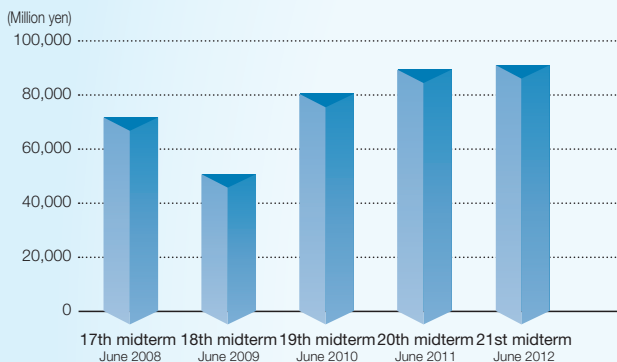
SIIX Network

Consolidated Financial Statements

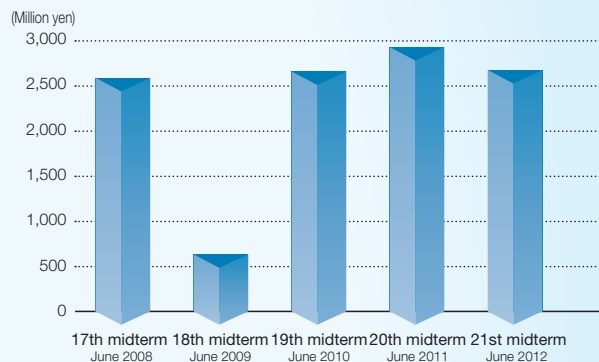
Topics

Stock Information

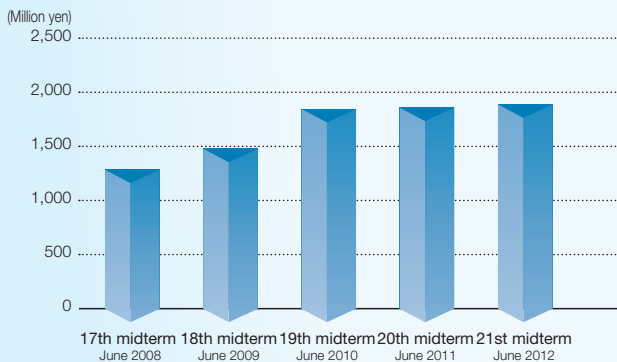
Net sales



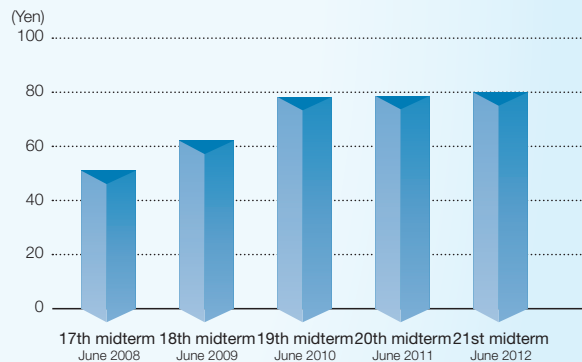
Ordinary income



Net income



Net income per share



		17th midterm June 2008	18th midterm June 2009	19th midterm June 2010	20th midterm June 2011	21st midterm June 2012
Net sales	(Million yen)	71,573	50,572	80,268	89,246	90,871
Ordinary income	(Million yen)	2,589	632	2,660	2,931	2,676
Net income	(Million yen)	1,286	1,479	1,847	1,859	1,889
Net income per share	(Yen)	51.05	62.23	78.29	78.79	80.06



Chairman & CEO
Shiro Murai

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

As we hereby deliver the 21st Midterm Business Report, I would like to convey a few words of greetings.

During the midterm period under review, although there was a mild recovery in the Japanese economy backed by demand related to post-disaster reconstruction and other factors, grounds for concern remain with regard to the global economy overall due to the financial problems in southern European countries and sagging growth in the Chinese economy. In this economic environment, the Company managed to post sales and income exceeding initial forecasts, thanks to the earlier than expected reconstruction of our clients that had suffered major damage in last year's floods in Thailand, in addition to robust shipments chiefly in the digital household equipment and automotive-related equipment fields driven by mild economic recovery in the U.S.A. and Japan. Furthermore, on July 1 of this year, the Company marked the 20th anniversary of its founding. For this, we would like to express our utmost gratitude for the support and guidance of all our shareholders. In the overseas markets that form the main stage for the Company's activities, trends that are gaining force include chronic yen appreciation, a global move toward "local production, local consumption," and distributed production in various countries around the world in view of BCP (Business Continuity Plan) considerations. Consequently, demand is growing steadily for multiple outsourcing services overseas, an area in which our Company excels. We will not miss any of these business opportunities, and we look forward to expanding our business during the next 20 years.

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

September 2012

Operation Results

Looking back on the economic environment during the consolidated 2nd quarter under review, although the Japanese economic situation remains challenging, there has been moderate recovery against the backdrop of demand related to reconstruction and other factors. In the foreign exchange market, however, the yen is once again on the rise. In terms of the global economy, the pace of economic expansion is slackening somewhat, despite the signs of mild recovery in the U.S.A., and growth in the Chinese economy led by domestic demand. In the euro zone, an economic slump continues because deeply-rooted uncertainty regarding the financial outlook for some countries affected financial matters.

Under such circumstances, the Company's results for the consolidated 2nd quarter under review were as follows.

Net sales

90,871 million yen

(an increase of 1,624 million yen in comparison to the same period of the previous consolidated fiscal year)

Operating income

2,591 million yen

(a decrease of 29 million yen in comparison to the same period of the previous consolidated fiscal year)

Ordinary income

2,676 million yen

(a decrease of 255 million yen in comparison to the same period of the previous consolidated fiscal year)

Net income

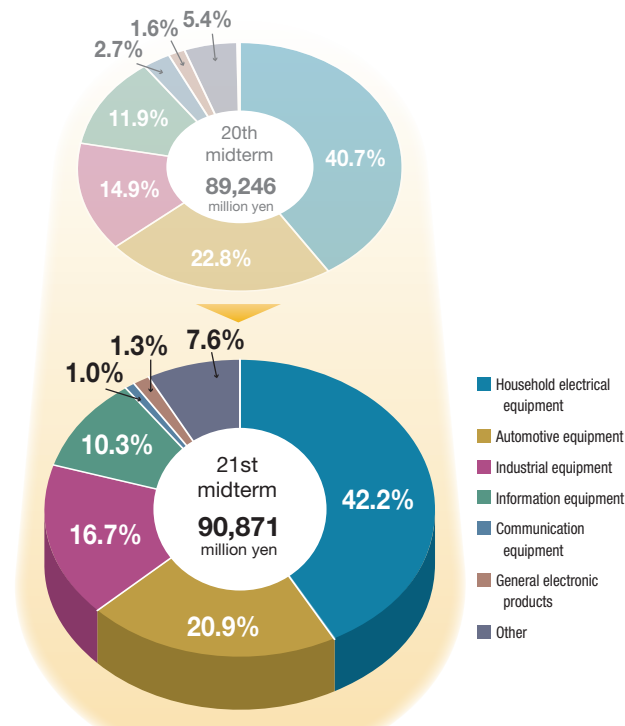
1,889 million yen

(an increase of 29 million yen in comparison to the same period of the previous consolidated fiscal year)

Category of Operations

Overview and breakdown of net sales

The SIIX Group procures, manufactures, and sells mainly 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.

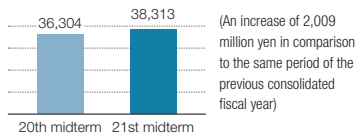


An increase of 1.8% in comparison to the same period of the previous consolidated fiscal year

Sales by Category

Household electrical equipment

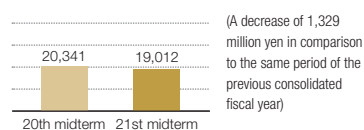
(AV equipment, air conditioners, etc.)



[Reason] In large part, an increase in shipments of AV equipment parts.

Automotive equipment

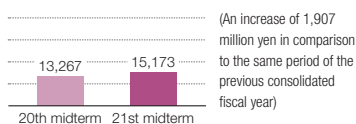
(automotive electrical components, car audios, etc.)



[Reason] Although shipments of automotive electronics parts increased, lingering effects in some areas from last year's major flooding in Thailand resulted in a decline in shipments of automotive AV equipment parts.

Industrial equipment

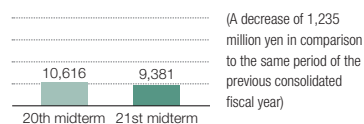
(circuit board for small engine, etc.)



[Reason] An increase in sales of equipment related to aviation facilities and industrial-use sewing machines.

Information equipment

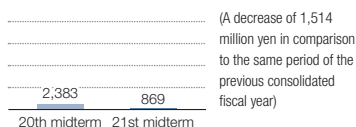
(scanners, printers, etc.)



[Reason] A decline in sales of HDD-related and printer-related equipment.

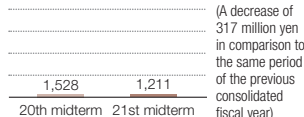
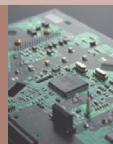
Communication equipment

(mobile phone parts, etc.)

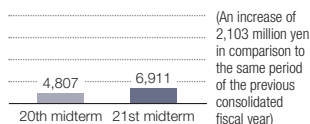


[Reason] In large part, a decline in sales of mobile phones and smartphones.

General electronic products



Other



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, 2012).

Consolidated Financial Highlights
To Our Shareholders
Review of Operations
SIIX Network
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Topics
Stock Information

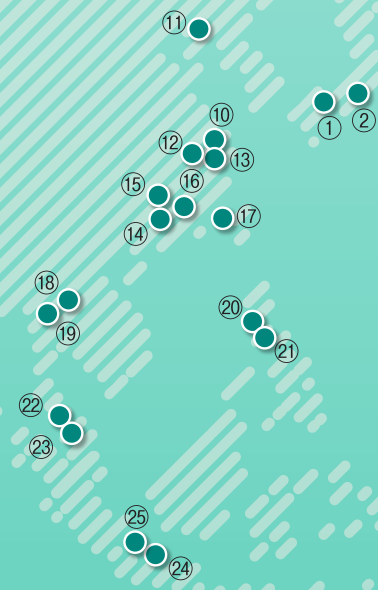


Electronics (Europe)

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

Electronics (Asia)

- ⑩ SIIX (Shanghai) Co., Ltd. ●
- ⑪ SIIX (Shanghai) Co., Ltd. Dalian Branch ◆
- ⑫ SIIX (Shanghai) Co., Ltd. Suzhou Branch ◆
- ⑬ SIIX EMS (Shanghai) Co., Ltd. ▲
- ⑭ SIIX EMS (DONG GUAN) Co., Ltd. ▲
- ⑮ SIIX (Dongguan) Co., Ltd. ■
- ⑯ SIIX H.K. Ltd. ●
- ⑰ SIIX TWN Co., Ltd. ■
- ⑱ SIIX Bangkok Co., Ltd. ●
- ⑲ SIIX EMS (THAILAND) CO., LTD. ▲
- ⑳ SIIX Phils., Inc. ■
- ㉑ SIIX Logistics Phils, Inc. ●
- ㉒ SIIX Singapore Pte. Ltd. ●
- ㉓ PT SIIX Electronics Indonesia ▲
- ㉔ PT. SIIX EMS INDONESIA ▲
- ㉕ PT. SIIX Trading Indonesia ■



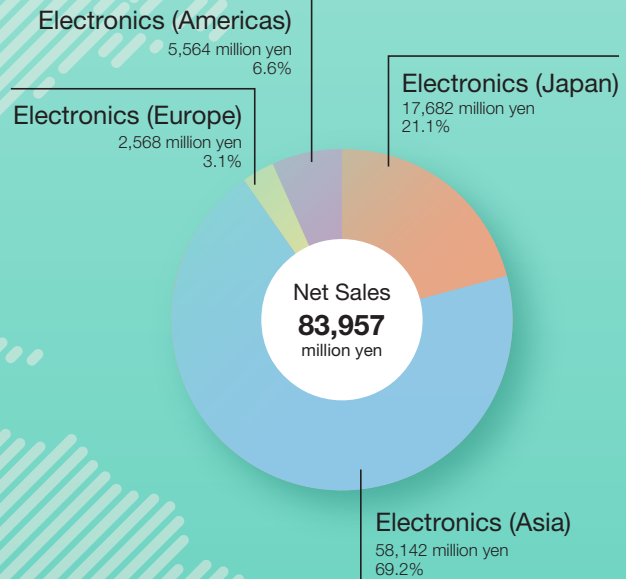
Major Business Lines

- Import/export sales and logistics of electronic products, etc. ●
- Import/export sales of electronic products, etc. ■
- Branch and representative offices ◆
- Assembly of various circuit boards and manufacturing/assembly of equipments and components. ▲
- Import/export sales of components for small engines. ◆

Electronics (Japan)

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

Breakdown of net sales by segment



Electronics (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. ■

*Consolidated net sales of 90,871 million yen include 6,913 million yen, which is not classified as a reportable segment, in addition to the above.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets (Million yen)

Items	Current midterm As of Jun. 30, 2012	Previous fiscal year As of Dec. 31, 2011
Assets		
Current assets	53,308	43,884
Noncurrent assets	17,157	15,587
Property, plant and equipment	12,806	11,767
Intangible assets	694	757
Investments and other assets	3,656	3,061
Total assets	70,465	59,471
Liabilities		
Current liabilities	41,421	33,475
Noncurrent liabilities	6,819	5,869
Total liabilities	48,240	39,344
Net assets		
Shareholder's equity	26,294	24,735
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	22,975	21,416
Treasury stock	(677)	(677)
Accumulated other comprehensive income	(4,635)	(5,035)
Valuation difference on available-for-sale securities	298	328
Deferred gains or losses on hedges	8	4
Foreign currency translation adjustment	(4,942)	(5,368)
Minority interests	565	426
Total net assets	22,224	20,126
Total liabilities and net assets	70,465	59,471

Consolidated Statements of Income (Million yen)

Items	Current midterm (Jan. 1, 2012 – Jun. 30, 2012)	Previous midterm (Jan. 1, 2011 – Jun. 30, 2011)	Previous fiscal year (Jan. 1, 2011 – Dec. 31, 2011)
Net sales	90,871	89,246	167,825
Cost of sales	85,063	83,603	157,685
Gross profit	5,807	5,643	10,140
Selling, general and administrative expenses	3,216	3,022	6,113
Operating income	2,591	2,621	4,027
Non-operating income	308	423	787
Non-operating expenses	224	112	232
Ordinary income	2,676	2,931	4,582
Extraordinary income	212	6	5
Extraordinary loss	3	1	449
Income before income taxes	2,885	2,937	4,138
Income taxes-current	856	931	1,321
Income taxes-deferred	92	79	(11)
Net income before minority interests in income	1,936	1,926	2,827
Minority interests in income	47	66	104
Net income	1,889	1,859	2,723

Consolidated Statements of Cash Flows (Million yen)

Items	Current midterm (Jan. 1, 2012 – Jun. 30, 2012)	Previous midterm (Jan. 1, 2011 – Jun. 30, 2011)	Previous fiscal year (Jan. 1, 2011 – Dec. 31, 2011)
Net cash provided by (used in) operating activities	5,419	2,999	163
Net cash provided by (used in) investment activities	(1,740)	(2,399)	(3,851)
Net cash provided by (used in) financing activities	(2,551)	(285)	2,608
Effect of exchange rate change on cash and cash equivalents	139	(71)	(246)
Net increase (decrease) in cash and cash equivalents	1,267	243	(1,325)
Cash and cash equivalents at beginning of period	4,450	5,526	5,526
Cash and cash equivalents of newly consolidated subsidiaries at beginning of period	–	–	250
Cash and cash equivalents at end of period	5,718	5,769	4,450

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

2012

Mar. | Launch of operations at SIIX EMS (Shanghai) Co., Ltd.

The Company's first manufacturing subsidiary in East China, SIIX EMS (Shanghai) Co., Ltd. commenced operations in Shanghai, China. Work began on circuit boards for the industrial equipment and household electrical equipment fields, and in the future we will handle EMS needs for various fields that are becoming increasingly dynamic in East China.

Apr. | Business alliance with ST Electronics (Info-Comm)

We have formed a business alliance with ST Electronics (Info-Comm) for the purpose of collaborating in the field of smart infrastructure management. In order to respond to the shift to smart infrastructure that is advancing throughout the world, we have strengthened our partnership with ST Electronics (Info-Comm) with a view to entering the smart infrastructure market.

Jun. | Slovakia's Minister of the Economy visits SIIX Corporation

On the occasion of the first visit of the President of the Slovak Republic to Japan in late June, the Minister of the Economy, Tomas Malatinsky, and an economic delegation from Slovakia who were accompanying the President, paid a visit to the Company. The visit was due to our Company's long-standing relationship with Slovakia, where we have had a plant for over ten years. In addition to a meaningful exchange of views, we cooperated on a seminar on investment in Slovakia that was held in Osaka, further deepening our relationship.

Jun. | SIIX Logistics Phils, Inc. took part in a tree planting project

In conjunction with the CSR activities organized by Laguna Technopark where our Philippine subsidiary SIIX Logistics Phils, Inc. is located, we took part in a tree planting project on Luzon Island in the Philippines.

Jul. | 20th anniversary of the establishment of SIIX Corporation

On July 1, we marked the 20th anniversary of the establishment of SIIX Corporation as an independent company spun off from SAKATA INX CORPORATION. As a global business organizer, we will strive to further expand our business in order to be able to meet the overseas outsourcing needs of our customers in the years ahead.

Shares

(as of June 30, 2012)

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 .. 4,357

Major Shareholders

(as of June 30, 2012)

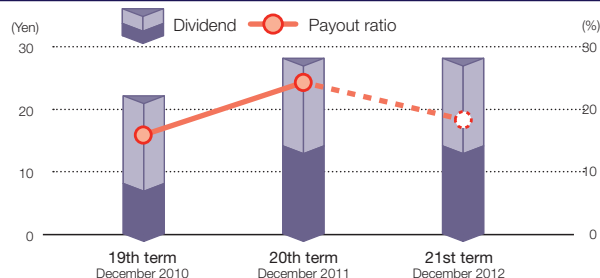
Name	Number of shares	Percentage of ownership (%)
Sakata Inx Corporation	5,906,000	23.43
The Master Trust Bank of Japan, Ltd. (trust account)	2,420,800	9.60
Japan Trustee Services Bank, Ltd. (trust account)	2,346,500	9.31
Forty Six Ltd.	1,100,000	4.36
Resona Bank, Ltd.	1,077,400	4.27
Sumitomo Mitsui Banking Corporation	997,400	3.95
Shiro Murai	700,000	2.77
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	360,000	1.42
The Nomura Trust and Banking Co., Ltd. (investment trust account)	335,800	1.33
BBH BOSTON FOR NOMURA JAPAN SMALLER CAPITALIZATION FUND 620065	294,100	1.16

* In addition to the above, the Company owns 1,600,431 shares of treasury stock (6.35%).

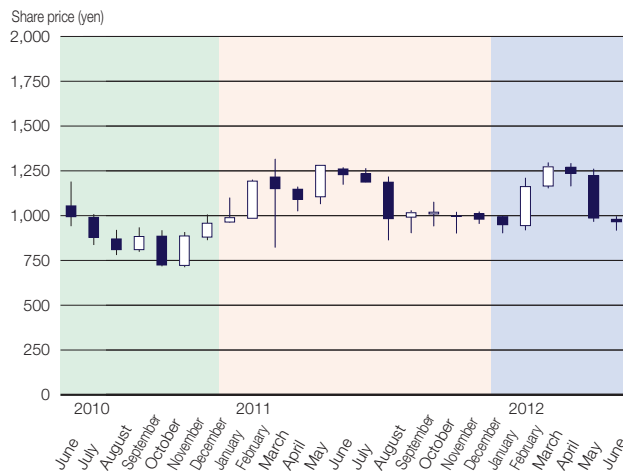
Dividend Trends

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.

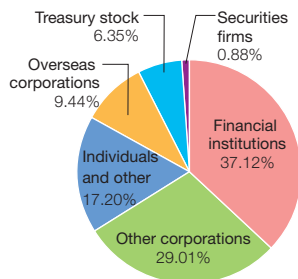
Dividend and Payout Ratio



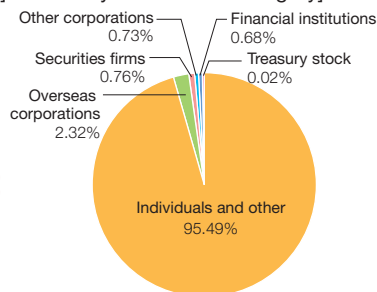
Share Price Chart (June 2010 – June 2012)



[Number of shares held by shareholder category]



[Number of shareholders by shareholder category]



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 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)



(as of June 30, 2012)

Chairman & Chief Executive Officer	Shiro Murai	CEO
President & Executive Officer	Kansho Murase	COO
Director & Executive Officer	Tsuneo Kondo	General Manager, Management Planning Department & Secretariat Office General Affairs Department
Director & Executive Officer	Yoshihito Kikyo	General Manager, Subsidiaries & Affiliates Department
Director & Executive Officer	Masao Okada	General Manager, Osaka Sales Department I Procurement & Logistics Department North America, Philippines, South America, & Korea Area
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 Co., Ltd.
Executive Officer	Nobuki Matsutani	Managing Director, SIX EMS (DONG GUAN) Co., Ltd.
Executive Officer	Yoshihiro Mizutani	General Manager, Tokyo Sales Department
Executive Officer	Takaaki Iwatake	Europe Area Managing Director, SIX Europe GmbH & SIX EMS Slovakia s.r.o.
Executive Officer	Yoshihiko Matsushima	President, SIX Electronics Co., Ltd.
Executive Officer	Seiji Ono	General Manager, Finance & Accounting Department
Executive Officer	Kenji Hasegawa	General Manager, Information System Department
Executive Officer	Hitoshi Takaba	Managing Director, General Manager, SIX EMS (Shanghai) 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.
Executive Officer	Hiroshi Yoshikawa	East & North China Area Managing Director, SIX (Shanghai) Co., Ltd.
Executive Officer	Uichiro Matsushita	General Manager, Osaka Sales Department II
Executive Officer	Akio Yoshida	Hong Kong & South China Area Managing Director, SIX H.K. Ltd.
Executive Officer	Tetsuo Tsujimoto	Managing Director, SIX Bangkok Co., 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	1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233 JAPAN Sumitomo Mitsui Trust Bank, Limited
Transfer agent's contact	4-5-33, Kitahama, Chuo-ku, Osaka 541-0041 JAPAN Stock Transfer Agency Department, The Sumitomo Mitsui Trust Bank, Limited
(Mailing address)	1-10, Nikko-cho, Fuchu, Tokyo 183-8701 JAPAN Stock Transfer Agency Department, The Sumitomo Mitsui Trust Bank, Limited
(Telephone inquiries)	0120-176-417
(Internet homepage URL)	http://www.smtb.jp/personal/agency/index.html index.html
Method of public notices	Notices are posted on our official website http://www.siix.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 Mitsui Trust Bank, 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.siix.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, 2012)

Name	SIIX Corporation
Established	July 1, 1992
Paid-up capital	2,144 million yen
Employees	Nonconsolidated 136 Consolidated 8,499
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
Stock Code	7613
URL	http://www.siix.co.jp/eg/index.html



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