

To our shareholders and investors,

The 23rd Business Report

From January 1, 2014 to December 31, 2014



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SIIX Corporation

Stock Code 7613

To Our Shareholders

To Our hareholders



Chairman Shiro Murai

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

As we hereby deliver the 23rd Business Report, I would like to convey a few words of greetings.

Looking back at the global economy during the year under review, although the U.S. economy performed solidly, a slowdown in recovery was seen with concerns over debt issues rekindling in Europe. In Asia, the economy moderately slowed down with the Chinese economy going through a structural correction phase. In Japan, the economy was on a moderate recovery trend due to factors including the improvement in employment situation, although slowdown was seen in personal consumption.

Under these situations, with regard to the Company's business performance for the fiscal year ended December 31, 2014, the Company achieved record high consolidated net sales for the fifth consecutive period and record high operating income with increased profits for the third consecutive period, due to favorable shipments of automotive-related equipment continuing from the previous period. With regard to major activities during the period under review, at overseas, the first EMS plant in the Americas established in Mexico commenced full-fledged operation. Thus, we will strive to increase orders from automotive-related equipment manufacturers which are expected to further make entry into this region. In Asia, the Company's first plastic molding and die manufacturing subsidiary established in the Philippines commenced its operation, providing integrated services to our client companies together with existing sales companies and EMS plants. In Japan, we have opened the Nagoya office in January to establish a structure that will enhance the support system from Japan to clients centering on automotive-related companies.

We will further strive to expand operations by entering into new fields such as industrial equipment and infrastructure-related fields including medical equipment in addition to the automotive-related equipment field which continues to perform solidly. At the same time, we will work towards further increasing profits by making relatively new manufacturing bases into use at an early stage.

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

Special Issue



Why Mexico? – The story behind the move

In Mexico, a major nation of Latin America with a population of 120 million, major Japanese electronics manufacturers have made inroads into this country since 1965 by using a bonded processing system called Maquiladora^{*1}, establishing manufacturing bases along the bordering regions of the U.S. In recent years, the leading player of this move have become automobile-related industries, the advancement area shifting to the central highlands of Mexico (hereinafter the "central highlands").

Since 2011, along with Nissan which had already made entry into this region from the long past, Japanese automobile manufacturers such as Mazda and Honda announced investments for production one after another, establishing new manufacturing bases and second or third plants, resulting in a cluster of automobile component manufacturers including Tier 1 and Tier 2⁻² in the central highlands. At present, over 800 Japanese companies operate in Mexico, of which over 200 mainly consisting of automobile-related companies said to have made entry over the last few years.

The advantage of Mexico as an export and manufacturing base is not only the political and economic stability but the abundance of labor force at a cheap rate due to the equivalent transition range in the wage increase rate and the inflation rate. In addition, the fact that Mexico is promoting free trade as well as proactively conducting policies to bring in foreign companies by concluding Free Trade Agreement with 45 countries and becoming a member of Pacific Alliance together with Columbia, Peru and Chiles, are also contributing factors for gaining great interest from Japanese automobile industries.

¹ A bonded processing system where foreign companies in Mexico can import raw materials, components and machines custom-free for manufacturing products to be exported.

² Primary contractors that supply products to automobile manufacturers are called Tier 1, where secondary contractors (from the perspective of automobile manufacturers) that supply products to Tier 1 are called Tier 2.

Special Issue

Catching up on the increasing demand ahead of other companies

In September 2007, SIIX established SIIX Mexico, a logistics company in Monterrey, Nuevo León, Mexico responding to the growing performance of Japanese automobile-related companies since 2000 in the North American regions. In addition, in expectation of the abovementioned Japanese automobile-related companies concentrating in the central highlands and in an aim to manufacture nearby the customers and to

Corporate Data

Name	SIIX EMS MEXICO, S. de R.L de C.V.	
Location	Avenida Santiago Poniente No. 108, Parque Industrial Las Colinas de San Luis, C.P. 78423, San Luis Potosi, S.L.P., Mexico	
Established	August 27, 2013	
Paid-up capital	6.00 million US\$ (approx. 600 million yen) A wholly-owned subsidiary of SIX U.S.A. Corp. (a subsidiary of the Company)	
Plant size	land area: 14,492.50 m ² building area: 5,490 m ²	
Employees	87 (as of January 31, 2015)	

support their businesses, SIIX established SIIX EMS Mexico in San Luis Potosí in August 2013. In May 2014, the construction of the plant at SIIX EMS Mexico was completed and commenced its operation, and in November of the same year, the plant started mass production.

At the new plant, automobile components mainly for North American customers are manufactured with two SMT lines and two assembly lines in operation.

At present, one of the policies we are focusing on is the education of staff hired at local sites. We have a manufacturing standard called SEEF



Message to Our Shareholders

Mr. Murakami SIIX is a global company with manufacturing and sales bases around the world. Previously, Central America was the sole region where we did not have a manufacturing base. However, with the establishment of the Mexico plant, we now have an operation structure that covers the whole world. SIIX is the only Japanese company that has this kind of global network, and we believe that this is our advantage over other companies.

Mr. Nakmaura SIIX EMS Mexico is the first plant of SIIX established in the American continent. North America and Latin America are important regions for us where market expansion is continued to be expected in the future. Thus, we are eager to grow together with our customers by

conducting manufacturing activities nearby them in this region with great potential.

Mr. Fujita As myself as a factory manager, I directly realize the strong needs of customers in the central highlands of Mexico, as well as the demand for speediness. As a pioneer of Japanese EMS, I will work towards realizing customer's satisfaction as a mission.

(SIIX Electronics Engineering Framework) applied at all plants across the world. With this standard at the base and by harmonizing with the local culture, we conduct thorough education so that all employees can achieve the same level of quality and productivity. Further, in addition to such education, we will make efforts to acquire ISO9001, ISO14001, and TS16949 to enhance the quality of production.

A challenge - speedily building an organization structure

With the establishment of SIIX EMS Mexico and the operation of its plant, SIIX is now capable of providing customers with one-stop tailor made services in Mexico ahead of other Japanese EMS companies. Inquiries from customers are increasing day by day and rapid expansion of demand is expected in the future. Under these circumstances, it is a

challenge for us to speedily build an organization structure that can accurately respond to customer's demand.

In the mid-term management plan starting from the year 2015, we have set a target to expand the scale of net sales for 2017 seven times the scale of 2015. In order to achieve that target, we plan to conduct capital investments such as introduction of cutting-edge machines and reinforce the manufacturing lines by doubling its scale in 2015. At the same time, we will proactively hire new employees.

As such, by recognizing Mexico as the strategic operation base, SIIX will timely and effectively implement various policies in order to meet the expanding demand steadily. We would like to ask you for your continuing support for our business activities.



Masaki Murakami

Executive Officer, North America Area Managing Director, SIIX U.S.A. Corp.

Assigned to the Singapore office from 1991 to 1998 and has worked in the sales field ever since.



Akira Nakamura

Executive Officer, South America area Managing Director, SIIX EMS MEXICO S de R.L. de C.V.

Joined the Company in January 2014. Has several times of working experience in Mexico over the 30 years including his previous occupation. Mexico and Latin America are regions that he feels strong connection with both personally and in terms of business.



Tatsuo Fujita

Plant Manager, SIIX EMS MEXICO S de R.L. de C.V.

Joined the Company in May 2014. Has been appointed as Factory Manager based on his management experience at plants in Mexico and Asia.



Operation Results

Net sales for the consolidated fiscal year under review finished at 209,755 million yen, an increase of 2,746 million yen (1.3% increase) in comparison to the previous consolidated fiscal year, owing to favorable shipments of parts and components for automotive-related equipment, in spite of decreases in shipments of digital household electronics. In terms of profit, operating income finished at 6,233 million yen, an increase of 1,222 million yen (24.4% increase) in comparison to the previous consolidated fiscal year, mainly due to increase in net sales. Ordinary income finished at 6,460 million yen, an increase of 1,032 million yen (19.0% increase) in comparison to the previous consolidated fiscal year. Net income finished at 4,131 million yen, an increase of 810 million yen (24.4% increase) in comparison to the previous consolidated fiscal year.



Medium-term Management Plan

The Company announced a medium-term management plan for the three years spanning fiscal year 2015 to fiscal year 2017. We will strive for growth with balance in business fields of clients and between EMS and Trading.





We will continue to reinforce our efforts in automotive-related equipment and industrial equipment which have large market demands.

Automotive-related equipment

 Product fields including switches, sensors and motors in addition to lighting-related equipment to drive growth.

Industrial equipment

 Expansion in business for equipment related to in-flight entertainment (IFE) for airplanes, smart meters and medical equipment, etc.



SIIX Global 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 for their global business development from procurement of parts and materials, manufacturing to logistics (as of December 31, 2014).





SIIX Glob Network 8



Consolidated Statements of Income (Million yen)			
Items	Current fiscal year (Jan. 1, 2014 - Dec. 31, 2014)	Previous fiscal year (Jan. 1, 2013 - Dec. 31, 2013)	
Net sales	209,755	207,009	
Cost of sales	194,631	193,925	
Gross profit	15,123	13,083	
Selling, general and administrative expenses	8,889	8,072	
Operating income	6,233	5,011	
Non-operating income	732	762	
Non-operating expenses	505	345	
Ordinary income	6,460	5,427	
Extraordinary income	76	17	
Extraordinary loss	_	4	
Income before income taxes	6,537	5,441	
Income taxes-current	1,952	1,440	
Income taxes-deferred	486	698	
Net income before minority interests in income	4,098	3,302	
Minority interests in income	(32)	(18)	
Net income	4,131	3,321	

POINT

Shipments increased for automotive-related equipment, with bases in North America and China recording favorable results, the Company achieved increases in revenues and profit for three consecutive fiscal years. In consequence, net sales and all levels of income resulted in a record high.

Average exchange rates of major currencies

	2013	2014
U.S. dollar	97.69 yen	106.04 yen
Thai baht	3.18 yen	3.27 yen
Euro	129.89 yen	140.53 yen
Hong Kong dollar	12.59 yen	13.67 yen
China yuan	15.92 yen	17.22 yen

Amount of impact of exchange rates

Impact on sales:	Increase of approximately	
impact on sales.	8.8 billion yen	
Impact on operating	Increase of approximately	
income:	0.3 billion yen	
* Differences between net sales and operating income amounts for		

the current fiscal year when compared to their respective amounts calculated using the average exchange rate for the previous fiscal year

Financial S

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

►► Consolidated Financial Statements

Consolidated Balance	(Million yen)	
Items	Current fiscal year As of Dec. 31, 2014	Previous fiscal year As of Dec. 31, 2013
Assets		
Current assets	78,855	67,293
Noncurrent assets	24,574	21,911
Property, plant and equipment	17,107	14,409
Intangible assets	458	516
Investments and other assets	7,008	6,985
Total assets	103,429	89,204
Liabilities		
Current liabilities	53,398	47,409
Noncurrent liabilities	8,533	8,610
Total liabilities	61,932	56,019
Net assets		
Shareholder's equity	32,958	29,717
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	29,638	26,398
Treasury stock	(677)	(677)
Accumulated other comprehensive income	8,352	3,268
Valuation difference on available-for-sale securities	658	474
Deferred gains or losses on hedges	(1)	(5)
Foreign currency translation adjustment	7,898	2,799
Adjustment for retirement benefits	(203)	_
Minority interests	187	199
Total net assets	41,497	33,185
Total liabilities and net assets	103,429	89,204

Consolidated Statements of Cas	(Million yen)	
Items	Current fiscal year (Jan. 1, 2014 - Dec. 31, 2014)	Previous fiscal year (Jan. 1, 2013 - Dec. 31, 2013)
Net cash provided by (used in) operating activities	2,374	3,438
Net cash provided by (used in) investment activities	(2,827)	(3,216)
Net cash provided by (used in) financing activities	(1,286)	(105)
Effect of exchange rate change on cash and cash equivalents	692	1,137
Net increase (decrease) in cash and cash equivalents	(1,047)	1,254
Cash and cash equivalents at beginning of period	7,518	6,263
Cash and cash equivalents of newly consolidated subsidiary	26	_
Cash and cash equivalents at end of period	6,497	7,518





Topics

anuary The Opening of Nagoya Office

We have newly opened the Nagoya office as our first foray into Tokai area. Many of automobile-related company are located in this area, so we will aim to cultivate potential clients and expand our business.

Exhibition at "MEDTEC2014," a Trade Show for Medical Equipment

From April 9 to 11, "MEDTEC2014," Asia's largest trade show for medical equipment had been held at Tokyo Big Sight. We participated in the show together with our co-exhibitor Micro Systems Technologies Group (MST), a major medical equipment manufacturer in Switzerland. The trade show was significantly meaningful to us in terms of our expansion of medical equipment business, which will be one of our strategic fields in the future, and its achievement of name recognition in the industry.

2014



Sales subsidiary in Singapore, SIIX Singapore Pte. Ltd., was certified as meeting ISO13485 which is a quality management system standard for medical equipment industry. Efforts will be made to expand business in the medical field from here onwards.

May SIIX EMS MEXICO, S. de R.L de C.V. a production subsidiary in Mexico, commenced operations.

SIIX EMS MEXICO, S. de R.L de C.V. which was established in San Luis Potosí, Mexico as the first EMS production facility for the Company in the American continent, commenced operations. We will aim at receiving orders from a wide range of clients mainly consisting of automotive-related companies at this base in Mexico, which is increasingly attracting attention as a production base for the automotive industry in recent years.





SIIX COXON PRECISION PHILS., INC., a subsidiary for molding and die manufacturing in the Philippines, commenced operations.

SIIX COXON PRECISION PHILS., INC., which was established in a joint venture agreement with the COXON group based in Taiwan, commenced operations as the Company's first sales and manufacturing company of dies and molding. By combining plastic molding and die manufacturing business with our abilities to procure parts and materials and EMS business, we will proactively participate in a broad range of business in a global scale.

Sales subsidiary in Singapore participated in "Medical Manufacturing Asia"

Sales subsidiary in Singapore, SIIX Singapore Pte. Ltd., jointly participated in "Medical Manufacturing Asia", a trade show for medical equipment held in Suntec City, Singapore. The theme of the exhibit focused on one-stop solution spanning from development, plastic molded products, procurement of electronic components, EMS to logistics, resulting in vibrant success.



Chairman Murai appointed as Honorary Consul of Consulate General of Slovakia in Osaka and Opening of Honorary Consulate General

On October 10, a letter of credence was handed over by Mr. Michal Kottman of Slovakia, ambassador extraordinary and plenipotentiare in Japan, and our Chairman Shiro Murai was appointed as Honorary Consul

of Consulate General of Slovakia in Osaka. On the same day, an Honorary Consulate General of Slovakia in Osaka was opened within the Company's Osaka head office. The appointment was due to the fact that the Company has







owned a plant in Slovakia from over ten years before, as well as a long and profound relationship with the country,

The opening of Honorary Consulate General of Slovakia in Osaka is third in Japan after Kirishima-shi, Kagoshima and Utsunomiya-shi, Tochigi.

We will further promote relationship of Japan and Slovakia in terms of culture and economics.

	Shares	(as of December 31, 2014)	
Т	otal number of shares authorized to be issu	ied80.000.000	

Total number of shares issued25,200,000 Number of shareholders as of the end of the fiscal term5,453

Major Shareholders (as of December 31, 2014)
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Name	Number of shares	Percentage of ownership (%)
Sakata Inx Corporation	5,906,000	23.44
Japan Trustee Services Bank, Ltd. (trust account)	2,477,900	9.83
Forty Six Ltd.	1,100,000	4.37
Resona Bank, Ltd.	1,077,400	4.28
Sumitomo Mitsui Banking Corporation	997,400	3.96
The Master Trust Bank of Japan, Ltd. (trust account)	778,100	3.09
Shiro Murai	700,000	2.78
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	522,300	2.07
CMBL S.A. RE MUTUAL FUNDS	393,600	1.56
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	360,000	1.43

*In addition to the above, the Company owns 1,600,452 shares of treasury stock (6.35%).



Dividend Trends

The Company's basic principle is to undertake continuous and stable profit distribution to shareholders, while adopting the policy of determining the dividend amount by taking into consideration such factors as enhancement of internal reserves for future business development and reinforcement of management foundation. As for dividends for the current term, the midterm dividend was 16 yen per share and the term-end dividend is 18 yen per share, making the annual dividend 34 yen per share.

Dividend and Payout Ratio





Share Price Chart (January 2013 – December 2014)

►► Stock Information



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 share (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 share 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 share holder numbers as that at the end of previous term and the end of

June of the fiscal year under review.

chosen by lot will be invited to travel to Thailand, including a tour of

Details: Ten shareholders



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 March 27, 2015)
Chairman & Executive Officer	Shiro Murai	
President & Executive Officer	Yoshihito Kikyo	
Director & Executive Officer	Masao Okada	General Manager, Tokyo Sales Department I, Procurement & Logistics Department, President, SIIX Electronics Co., Ltd., SIIX EMS (THAILAND) CO., LTD.
Director	Shinsuke Takatani	External Director
Audit & Supervisory Board Member	Shigesato Higashio	
Audit & Supervisory Board Member	Koji Tomiyama	External Auditor
Audit & Supervisory Board Member	Masaki Ishibashi	External Auditor
Executive Officer	Takaaki lwatake	General Manager, Tokyo Sales Department II
Executive Officer	Yoshihiko Matsushima	Global Technology and Engineering for SIIX Group, General Manager, Technical Support Dept., SIIX Electronics Co., Ltd.
Executive Officer	Seiji Ono	General Manager, Finance & Accounting Department
Executive Officer	Tetsuo Nakai	Managing Director, PT SIIX Electronics Indonesia
Executive Officer	Masakazu Toyama	Singapore Area, Managing Director, SIIX Singapore Pte. Ltd.
Executive Officer	Hiroshi Yoshikawa	Indonesia Area, PT. SIIX EMS INDONESIA, President Director, PT. SIIX Trading Indonesia
Executive Officer	Uichiro Matsushita	General Manager, Nagoya Sales Department, China, Hong Kong, SIIX EMS (Shangha) Co., Ltd., Managing Director, SIIX EMS (DONG GUAN) Co., Ltd.
Executive Officer	Akio Yoshida	General Manager, Osaka Sales Department, Korea, Taiwan Area
Executive Officer	Masayuki Tomoda	General Affairs Department, Information Systems Department
Executive Officer	Masaki Murakami	North America Area, Managing Director, SIIX U.S.A. Corp.
Executive Officer	Koji Yanase	Europe Area, SIIX EMS Slovakia s.r.o., Managing Director, SIIX Europe GmbH
Executive Officer	Satoshi Takahama	Philippines Area, SIIX Logistics Phils, Inc., Managing Director, SIIX COXON PRECISION PHILS., INC.
Executive Officer	Akira Nakamura	South America Area, Managing Director, SIIX EMS MEXICO, S. de R.L de C.V.
Executive Officer	Shinya Oho	Managing Director, SIIX EMS PHILIPPINES, INC.
Executive Officer	Toru Maruyama	General Manager, Management Planning Department & Secretariat Office
Executive Officer	Yukinobu Uratani	Thailand Area, Managing Director, SIIX Bangkok Co., Ltd.

Status of Officers

Status of Officers

> Status of Officers

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 Term-end dividend Interim dividend (If necessary, other dates	December 31 every year December 31 every year June 30 every year 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, Sumitomo Mitsui Trust Bank, Limited	
(Mailing address)	2-8-4, Izumi, Suginami-ku, Tokyo 168-0063 JAPAN Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited	
(Telephone inquiries)	0120-782-031	
(Internet homepage URL)	http://www.smtb.jp/personal/agency/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	
Stock code	7613	

[Placing notices and inquiries concerning shares, such as change of address, etc.]

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 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/). Those who wish to register can do so simply, at no charge, on the Investor Relations page of the Company's website (http://www.siix.co.jp/ir/irnewsmail/).

Corporate Data

Name	SIIX Corporation
Established	July 1, 1992
Paid-up capital	2,144 million yen
Employees	Nonconsolidated 142 Consolidated 9,545
Headquarters	SIIX BLDG. 1-4-9, Bingo-machi, Chuo-ku, Osaka 541-0051 JAPAN TEL: +81-6-6266-6400 FAX: +81-6-6266-6428
Tokyo office	SIIX BLDG. 2-3-25, Kudan-Minami, Chiyoda-ku, Tokyo 102-0074 JAPAN TEL: +81-3-3238-7000 FAX: +81-3-3238-7010
Nagoya office	Hirokoji Daiichi Seimei BLDG. 3-1-1, Sakae, Naka-ku, Nagoya, Aichi 460-0008, JAPAN TEL: +81-52-269-3009 FAX: +81-52-269-1775
Stock code	7613
URL	http://www.siix.co.jp/





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