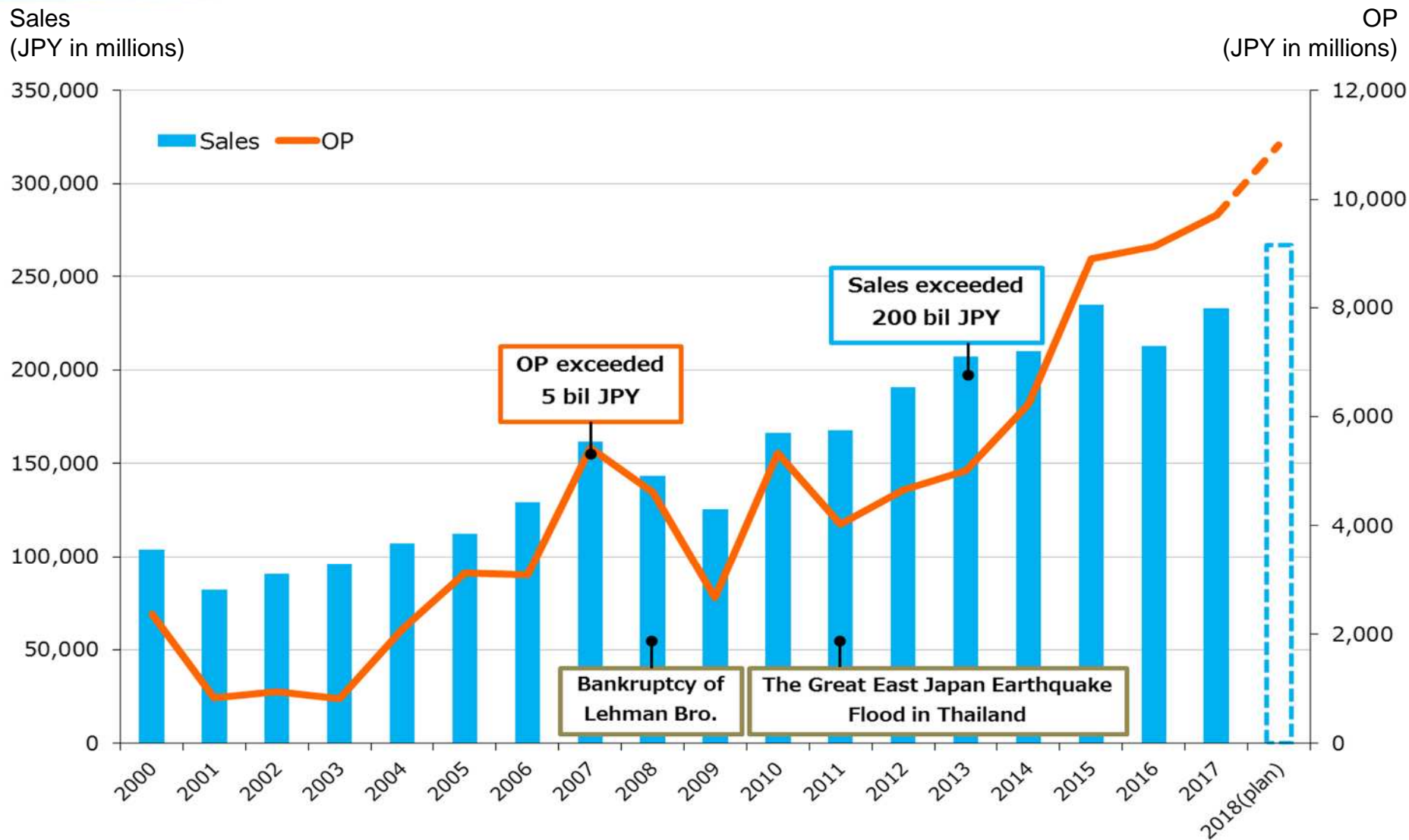


# Midterm Business Plan for 2018-2020

**SIIX Corporation**

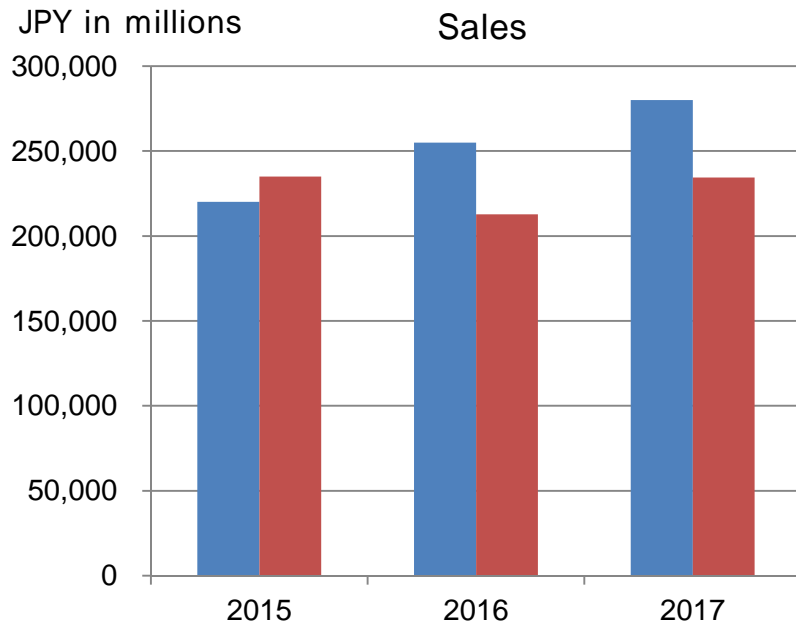
# Review of Midterm Business Plan for 2015-2017

# Consolidated Financial Results



	2010	2011	2012	2013	2014	2015	2016	2017	2018(plan)
FX rate(USD)	87.84	79.93	79.91	97.69	106.04	121.07	108.92	112.34	110.00

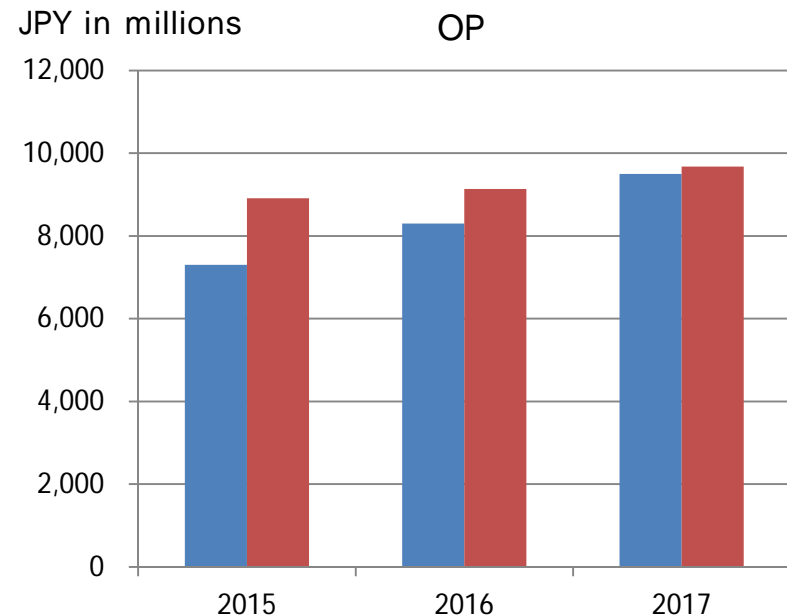
# Review of Midterm Business Plan for 2015-2017



Midterm plan  
USD= 110

2017  
USD= 112.34

■ sales(midterm plan)  
■ Sales(actual)



■ OP (midterm plan)  
■ OP (actual)

✓ SIIX planned 280 bil. JPY of sales in 2017, however, SIIX achieved 234.3 bil. JPY of sales in 2017, less 40 bil. JPY than original budget.

✓ In 2017 sales of automotive business achieved 119.4 bil. JPY, largely reached to 120 bil. JPY of sales of automotive on midterm plan. Business field of automotive business is also expanding.

✓ In 2017 sales of industrial business achieved 38.7 bil. JPY (17% of sales ratio). New business such as MIDEA PJ and tag for livestock management contributed although industrial sewing machine and card reader for ATM were less than original budget.

✓ In 2017 sales of home appliance achieved 38.6 bil. JPY, much less than 62 bil. JPY of midterm plan mainly due to decrease of digital home appliance and AV equipment.

✓ In 2017 OP exceeded 9.5 bil. of midterm plan, while increase of stock because of increasing sales and temporary cost reduced OP.

**Achievement:** Big account expanded further.  
**Task for future:** Less acquisition of new big customers

## Expansion of global network

date	Network
2015.05	Guangdong MIDEA-SIIX Electronics Co., Ltd.(GMSE) ( subsidiary of non-equity method )
2016.04	Detroit sales department (SCD)
2016.11	SIIX Hungary Kft. (SHU)
2017.02	SIIX HUBEI Co., Ltd. (SHB)
2017.08	SIIX Vietnam Company Limited. (SV)
2017.11	Hefei MIDEA-SIIX Electronics Co., Ltd. (HMSE) ( subsidiary of non-equity method )

- ✓ Established SHU, 2<sup>nd</sup> EMS plant in Europe area
- ✓ Opened Detroit sales department for expanding automotive business
- ✓ Established SHB, first EMS plant in central China area
- ✓ Established Vietnam sales subsidiary
- ✓ Established HMSE, 2<sup>nd</sup> joint venture with MIDEA group for development of alliance.
- ✓ These company above are not consolidated as of end of 2017.

# Review of Midterm Business Plan for 2015-2017



Theme	Midterm plan for 2015-2017	Achievement
Acquisition of new customers	100 new customers	acquired 124 new customers
Development of automotive business	120 bil. JPY of sales in 2017	119.5 bil. JPY of sales, largely achieved midterm plan
Development of industrial, social infrastructure business	Focus on business of growth market such as medical, social infrastructure, environment, ecological, controlling and other industrial devices.	× couldn't reached sales of midterm plan
Efficient asset management	Reduction of stock	× Increased stock because business volume of automotive business expanded.
Capital Market	JPX400	Selected as a constituent of JPX Mid Small, not JPX 400
Business Objectives	<ul style="list-style-type: none"> <li>➤ Sales 280.0 bil. JPY</li> <li>➤ OP 9.5 bil. JPY</li> <li>➤ Net Income 6.4 bil. JPY</li> </ul>	<ul style="list-style-type: none"> <li>× Sales 233.1 bil. JPY</li> <li>OP 9.7 bil. JPY</li> <li>Net Income 7.1 bil. JPY</li> </ul>

# Midterm Business Plan for 2018-2020

# Midterm Business Plan for 2018-2020

## ~Mission~

Provide the best merit for business through the best business organizing

### SIIX's Mission

To Vitalize social system and contribute human betterment, SIIX is aiming to use global resource effectively, connect people, technology, know-how, information, facility, money, culture and land which is dotted in the world, and provide benefits.

### Value creation for “Reliance”

Electronics parts procurement, logistics, stock management, PCB mounting, assembly, Plastic molding, die manufacturing, new business

### Customer's need

Various need of customers about global business

### SIIX

Know-how, Information,  
Technology, Quality, Experience



Keyword: Reliance  
Various global need for  
human betterment.

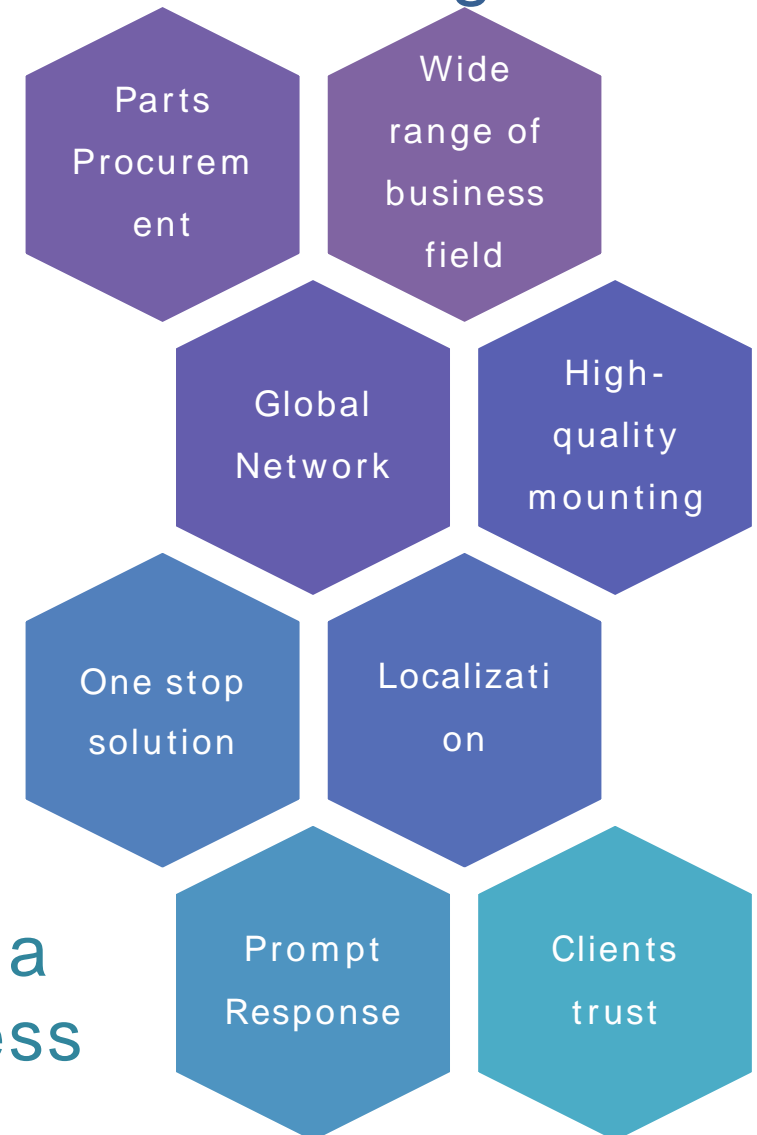
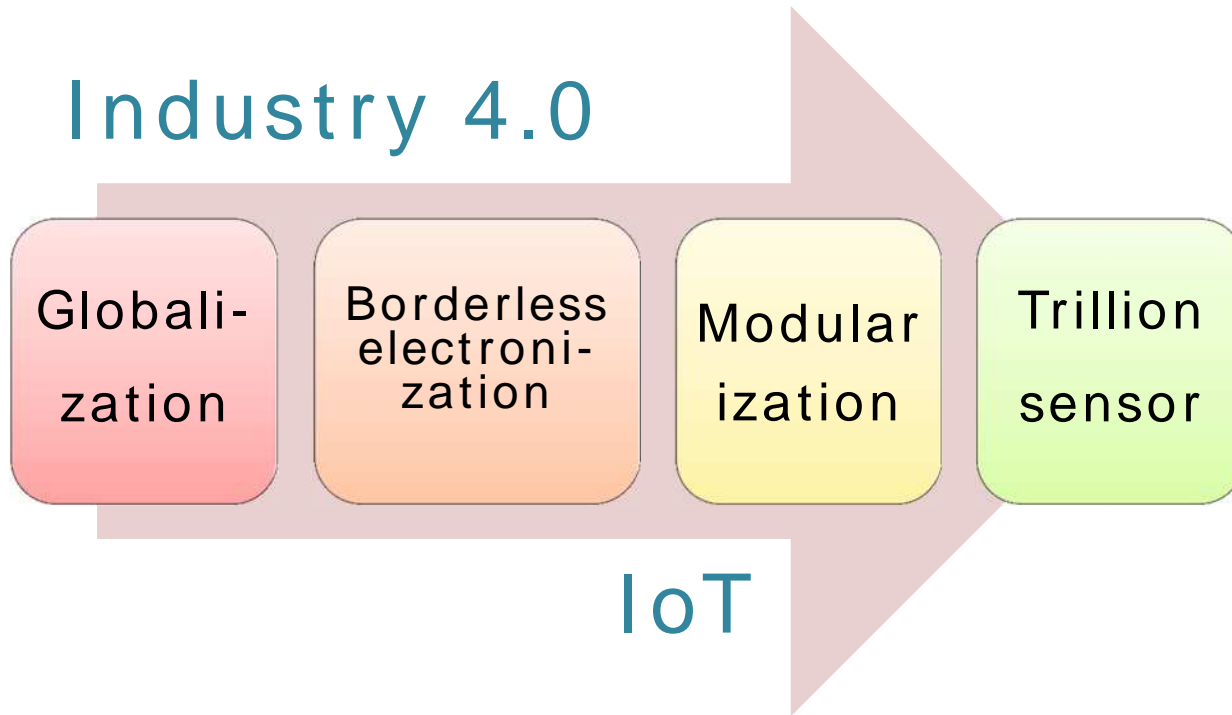


# Midterm Business Plan for 2018-2020

## The 4<sup>th</sup> Industrial Revolution ~Change of macro environment~

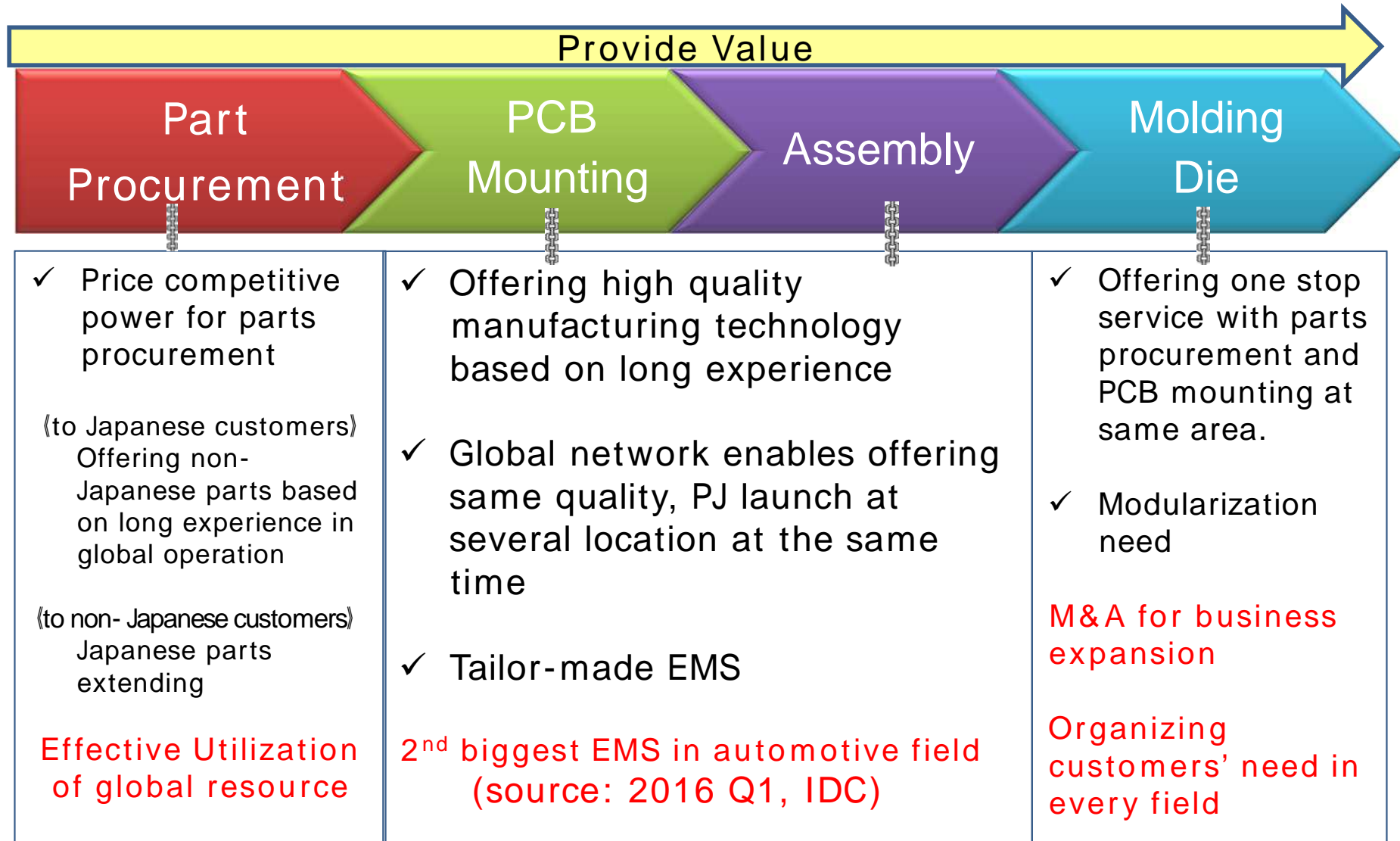
## Our Strengths

### Industry 4.0



Change of macro environment is a tail wind for SIIX, “Global Business Organizer”

# Value Chain



# Midterm Business Plan for 2018-2020

## 4 Themes

Reliance

### 1. Profitability

( Keyword : Divergence )

- **Divergence in electronized field**

Customer's business field becomes borderless. SIIX focuses on customers' need more finely and regional peculiarity

### 2. Response

( Keyword : Modularization )

- **Developing non-EMS business**

Developing satellite field of electronized business such as secondary battery(LIB), molding business

### 3. High-quality Manufacturing

( Keyword : Technical Strength )

- **Improving and expanding manufacturing Platform and utilization of technical know-how**

Strengthening manufacturing technology and high quality manufacturing for customers' need

### 4. Organization

( Keyword : ESG )

- **Diversity, internal management**

Localized management, utilizing women workforce, block management, yield loss reduction

# Midterm Business Plan for 2018-2020

## 1 . Profitability

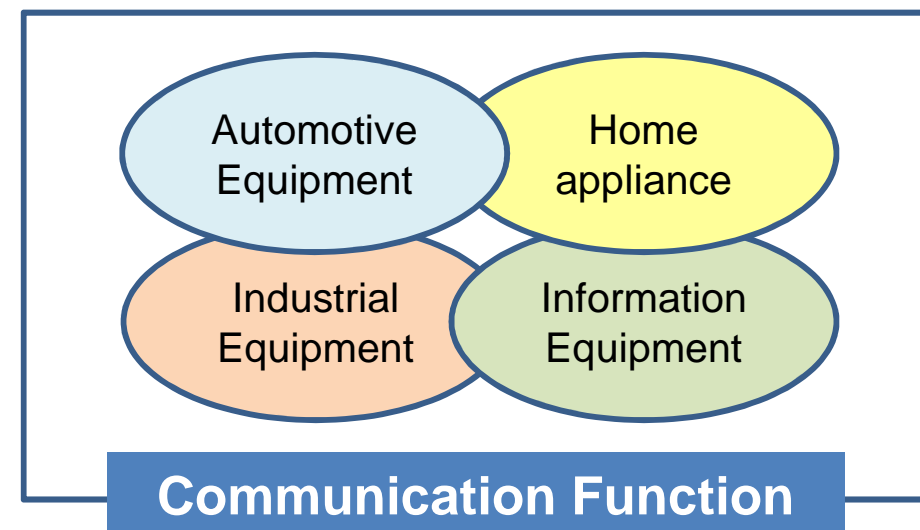
### ✓ Divergence in electronized field

Customer's business field becomes borderless

As "Global Business Organizer", SIIX takes advantage in several global business field by utilizing our strength and experience

Business fields automotive, industrial, home appliance, information, communication; become borderless.

Automatic driving, EV-related, car sharing, IoT, robot, sensor, Infrastructure monitoring, medical and nursing device, CASE, AI device



# Midterm Business Plan for 2018-2020

## 1 . Profitability

### ✓ Divergence in electronized field

SIIX focuses on market need in consideration of customer and regional peculiarity, not business portfolio

### Cooperation of Europe, China, Central and South America

SIIX highlight our strength and differentiation to our competitors for customer's global manufacturing with our global network

### CHINA : Approach overall, not individually

Network and alliance to cover all China market overall

Expanding alliance and business with MIDEA Group  
Developing business with Chinese Tier-1 and national customers



## 2 . Response

- ✓ **Developing business with good global customers**
  - Business with non-Japanese customers
    - 9% → 20% (sales distribution ratio)
  - Acquisition of non-Japanese customers by local executives
  - Developing business with big automotive and industrial customers in Europe, Chinese Tier-1, Chinese OEM
  
- ✓ **Secondary battery (LIB) business**
  - Industrial battery, secondary battery (LIB) for residence, rechargeable battery for EV and infrastructure
  
- ✓ **Die manufacturing and molding**
  - 2 subsidiaries in 2017 → 4 subsidiaries in 2020
  - Modularization and functionalization
  - One stop solution

## 3 . High-quality Manufacturing

- ✓ Developing Manufacturing Technology for multiprocessing
  - PCB mounting, assembly, molding
  - Further high-density and high-quality mounting
  - Developing and promoting automation technology
  
- ✓ Manufacturing platform of information sharing and horizontal transfer
  - Manufacturing, technical and quality information sharing and enhancement
  
- ✓ Quality enhancement and fostering QCD technical expert
  - Human development for global support
  - Level Up of all SIIX Plant and Standardization by Global Audit and Process Audit System

## 4 . Organization (ESG)

### Promotion of diversity management

Creation of an employee friendly working environment and improvement of the motivation of the employees

### [ Society ]

Utilizing female workforce,

Promoting woman for managerial posts

\* managerial post: Assistant manager and manager

Local operation by local staff

Promoting local staff for managerial posts



# Expected Area



**India**

**Beijing, Tianjin,  
Xiongan New Area,  
Chongqing**

**South America  
Brazil, Argentine (alliance)**

- Shareholder Return

Targeting continuous dividend increase in spite of strong demand of capacity investment.

Collaterally SIIX considers acquisition of treasury stock in case of Cash Flow more than expected.

- JPX400

Aiming to be selected as a constituent stock of JPX 400 by 2020

# Midterm Business Plan for 2018-2020

## Target in 2020

- Sales : 300 bil. JPY
- OP: 14 bil. JPY

FX rate: 1USD = JPY110

# Midterm Business Plan for 2018-2020

## Financial performance of 3 years

