

# **Presentation Material of Consolidated Financial Result of Q3, FY2019**

**SIIX Corporation**

November, 2019



# Consolidated Financial Result

## • Profit and Loss (accum. Q3, FY2019, yoy)

(JPY in millions)

|   | Q3, FY2018 |       | Q3, FY2019     |              | Q3, FY2018 vs. Q3, FY2019 |        | Impact of change in FX | Q3, FY2018 vs. Q3, FY2019, net |        |
|---|------------|-------|----------------|--------------|---------------------------|--------|------------------------|--------------------------------|--------|
|   | amount     | %     | amount         | %            | diff.                     | %      |                        | diff.(net)                     | %      |
| Sales                                   | 182,629    | 100.0 | <b>168,755</b> | <b>100.0</b> | (13,873)                  | (7.6)  | (2,298)                | (11,575)                       | (6.3)  |
| Gross Profit                            | 15,672     | 8.6   | <b>13,524</b>  | <b>8.0</b>   | (2,148)                   | (13.7) |                        |                                |        |
| SGA                                     | 8,912      | 4.9   | <b>9,012</b>   | <b>5.3</b>   | 100                       | 1.1    |                        |                                |        |
| Operating Income                        | 6,760      | 3.7   | <b>4,512</b>   | <b>2.7</b>   | (2,248)                   | (33.3) | (7)                    | (2,240)                        | (33.1) |
| Ordinary Income                         | 6,895      | 3.8   | <b>4,616</b>   | <b>2.7</b>   | (2,279)                   | (33.1) |                        |                                |        |
| Extraordinary Income & Loss             | -          | -     | -              | -            | -                         | -      |                        |                                |        |
| Corporate tax                           | 1,862      | 1.0   | <b>1,393</b>   | <b>0.8</b>   | (468)                     | (25.1) |                        |                                |        |
| Profit attributable to owners of parent | 5,038      | 2.8   | <b>3,255</b>   | <b>1.9</b>   | (1,783)                   | (35.4) |                        |                                |        |

### Exchange rate

| (JPY) | Q3, FY2018 | Q3, FY2019 |
|-------|------------|------------|
| USD   | 109.84     | 109.15     |
| EUR   | 131.09     | 122.55     |
| HKD   | 14.01      | 13.93      |
| THB   | 3.42       | 3.49       |
| RMB   | 16.86      | 15.88      |

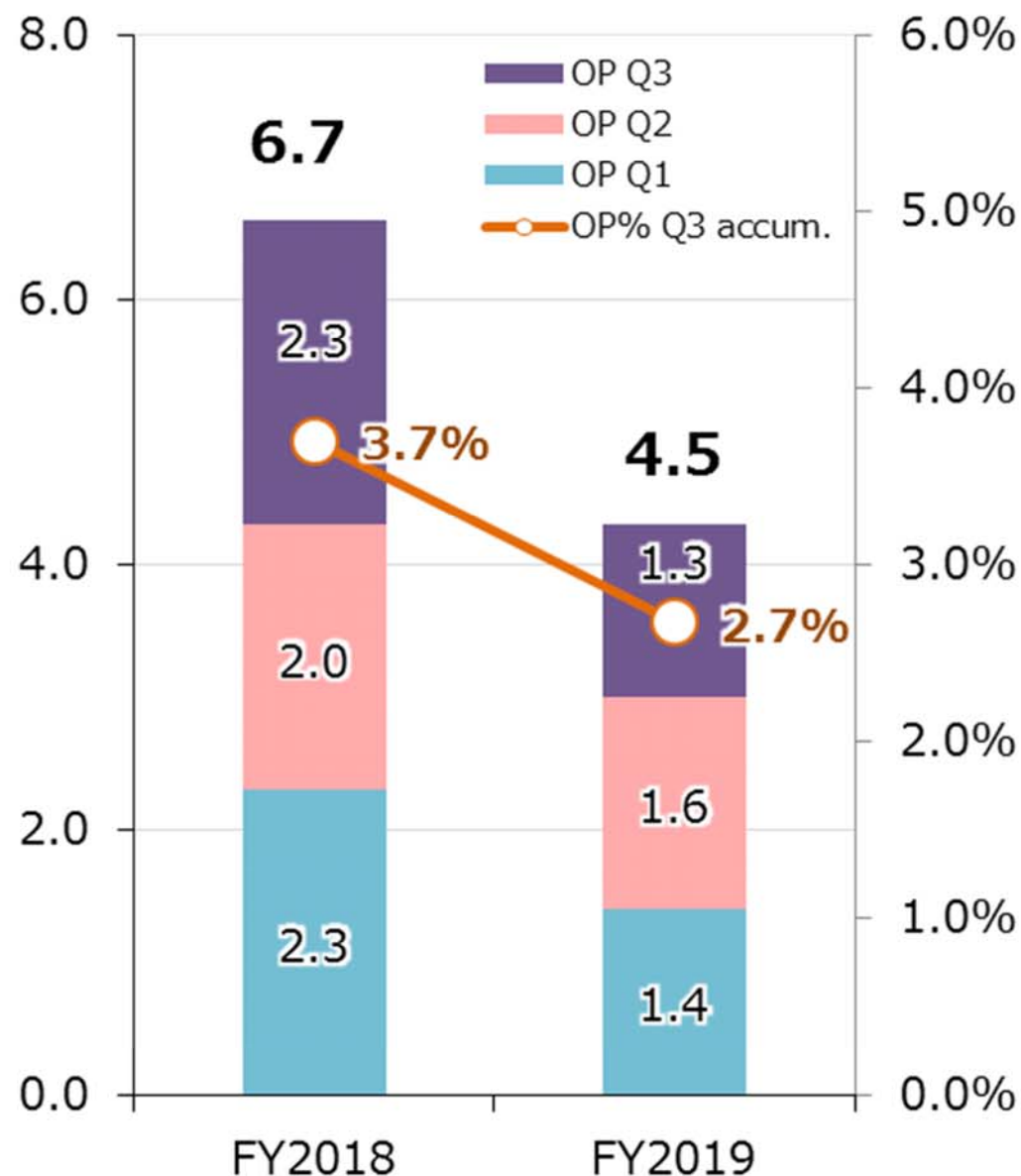
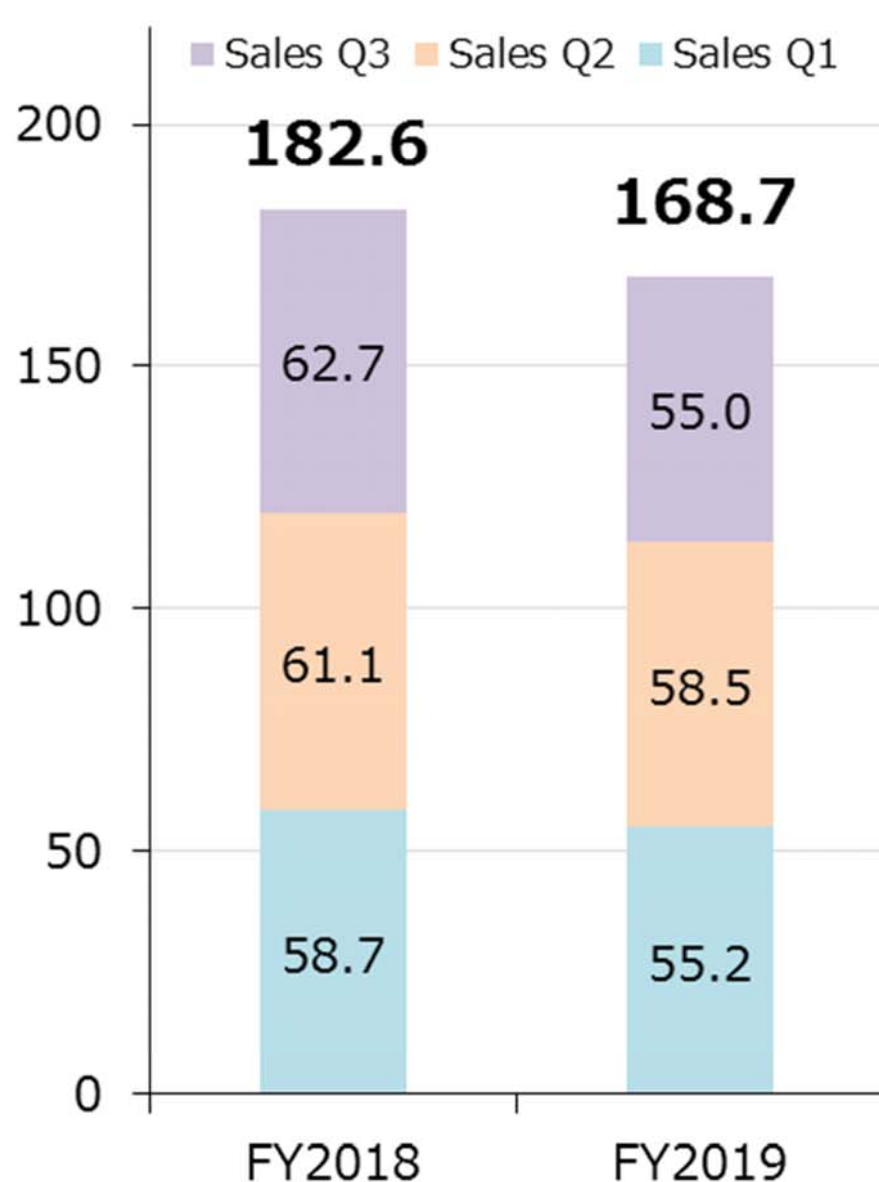
## • Scope of Consolidation

|                         | End of Q3, FY2018 | Changes  |          | End of Q3, FY2019 |
|-------------------------|-------------------|----------|----------|-------------------|
|                         |                   | Increase | Decrease |                   |
| Consolidated Subsidiary | 22                | -        | -        | 22                |
| Equity Method Affiliate | 2                 | -        | -        | 2                 |

# Consolidated Financial Result

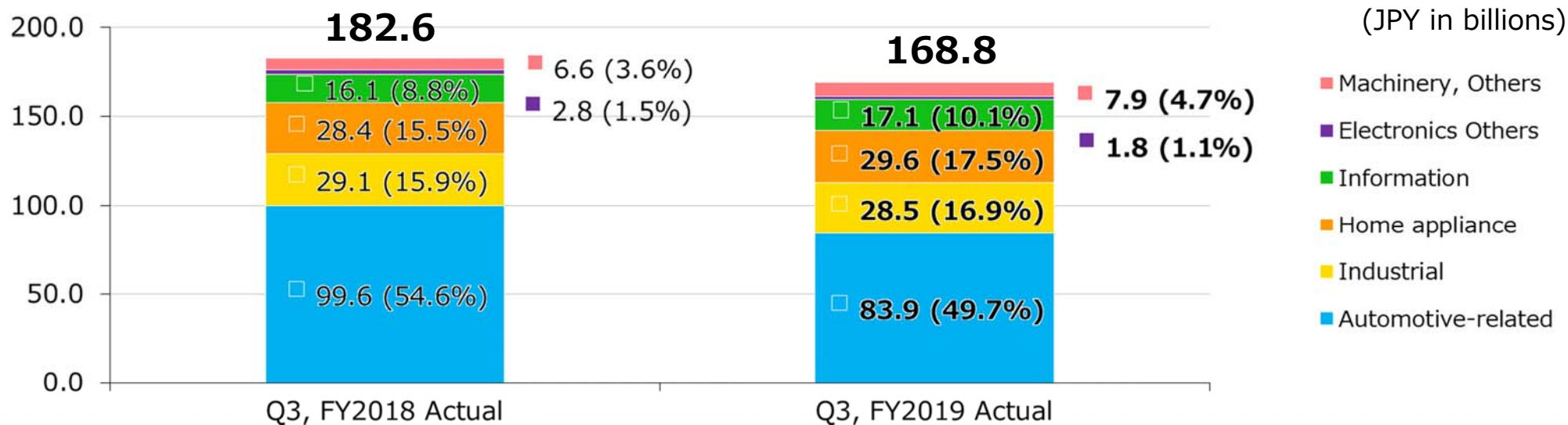
- Sales & OP in quarterly basis

(JPY in billions, %)

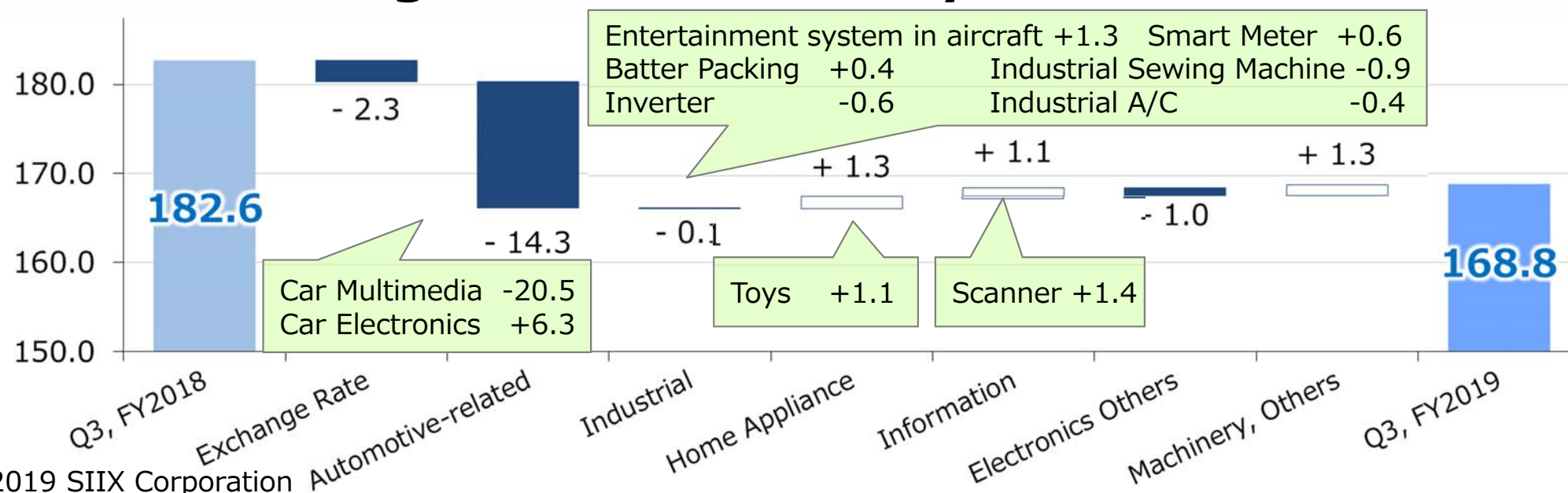


# Consolidated Financial Result

## • Sales by Market Sector (accum. Q3, FY2019, yoy)



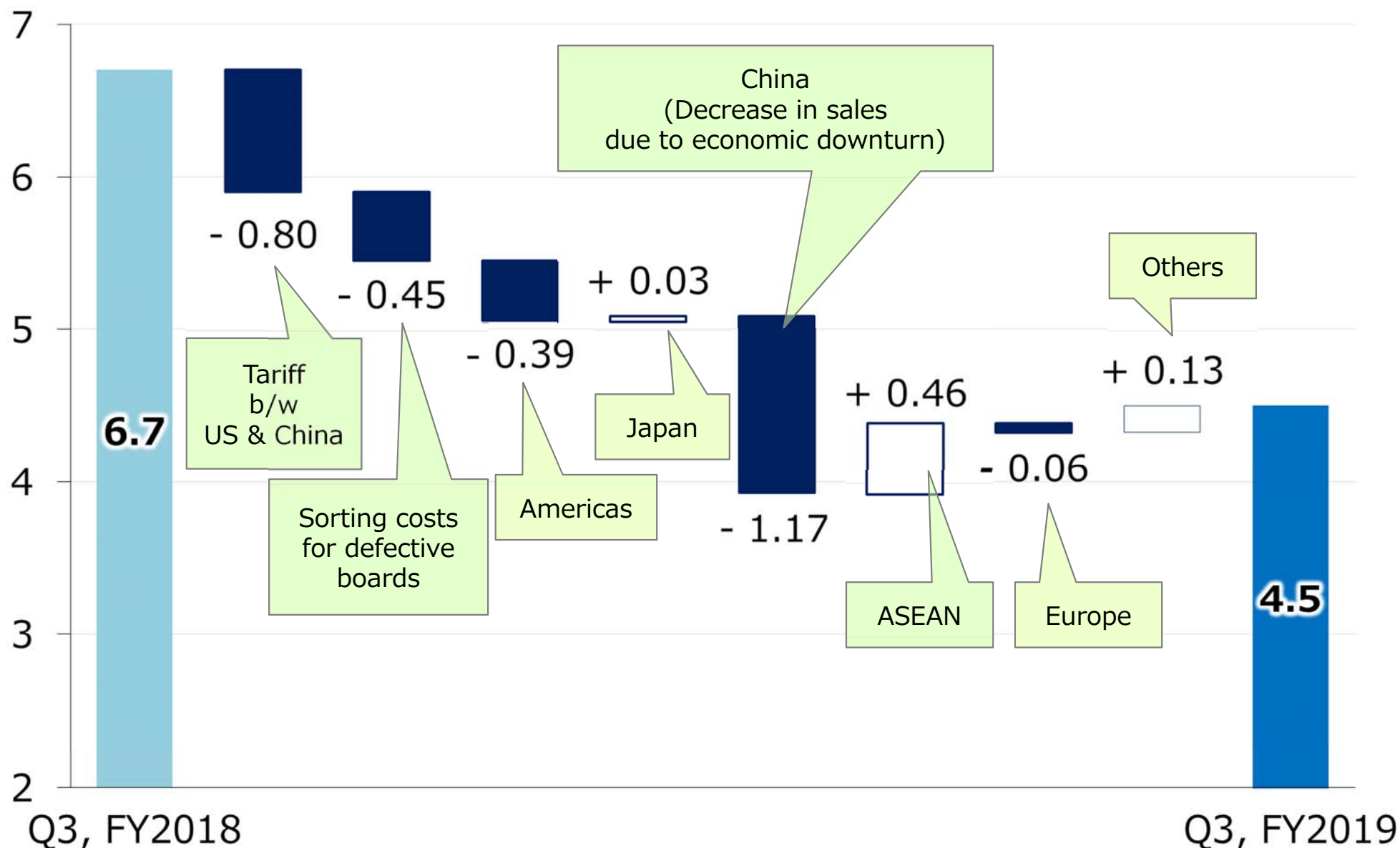
## • Fluctuating Factor of Sales by Market Sector



# Consolidated Financial Result

## • Fluctuating Factor of Operating Profit

(JPY in billions)





# Consolidated Financial Result

## • Balance Sheet

| (JPY in millions)                          |                  |                      |                                    |         |
|--|------------------|----------------------|------------------------------------|---------|
|  | End of<br>FY2018 | End of<br>Q3, FY2019 | Changes<br>(FY2018 vs. Q3, FY2019) |         |
|  |                  |                      | amount                             | %       |
| Current assets                             | 101,487          | <b>100,146</b>       | (1,341)                            | (1.3)   |
| <i>Notes and accounts receivable-trade</i> | 38,936           | <b>35,861</b>        | (3,075)                            | (7.9)   |
| <i>Inventories</i>                         | 44,726           | <b>43,073</b>        | (1,654)                            | (3.7)   |
| Noncurrent assets                          | 35,863           | <b>41,421</b>        | 5,558                              | 15.5    |
| Total asset                                | 137,350          | <b>141,568</b>       | 4,217                              | 3.1     |
| Current liabilities                        | 63,595           | <b>69,225</b>        | 5,629                              | 8.9     |
| <i>Accounts payable-trade</i>              | 29,130           | <b>26,941</b>        | (2,189)                            | (7.5)   |
| <i>Short-term loans payable</i>            | 25,236           | <b>26,215</b>        | 979                                | 3.9     |
| <i>Current portion of bonds payable</i>    | -                | <b>5,948</b>         | 5,948                              | -       |
| Noncurrent liabilities                     | 17,738           | <b>16,279</b>        | (1,459)                            | (8.2)   |
| <i>Convertible Bond</i>                    | 5,948            | -                    | (5,948)                            | (100.0) |
| <i>Long-term loans payable</i>             | 7,455            | <b>10,412</b>        | 2,957                              | 39.7    |
| Total liability                            | 81,334           | <b>85,504</b>        | 4,171                              | 5.1     |
| Net assets                                 | 56,016           | <b>56,063</b>        | 47                                 | 0.1     |
| Minority interests                         | 308              | <b>330</b>           | 22                                 | 7.0     |
| Total asset and liability                  | 137,350          | <b>141,568</b>       | 4,217                              | 3.1     |

# Consolidated Financial Result

## • Consolidated Financial Forecast of FY2019

(JPY in millions)

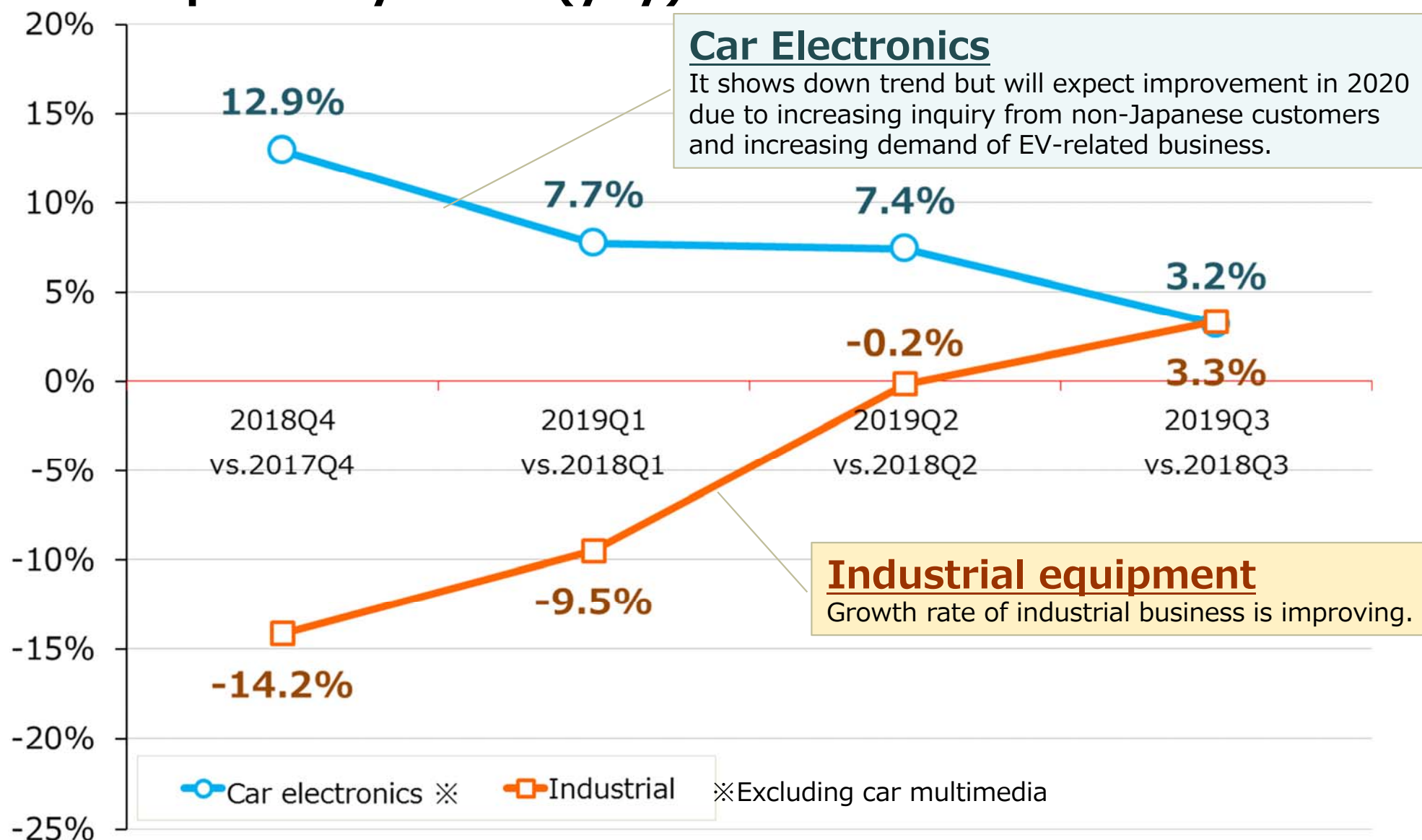
|  | FY 2017<br>Actual | FY 2018<br>Actual | FY 2019<br>Forecast | FY2018 vs. FY 2019 |        |
|--|-------------------|-------------------|---------------------|--------------------|--------|
|  |                   |                   |                     | diff.              | %      |
| Sales                                      | 233,153           | 242,804           | <b>227,000</b>      | (15,804)           | (6.5)  |
| Operating income                           | 9,705             | 8,625             | <b>6,800</b>        | (1,825)            | (21.2) |
| Ordinary income                            | 10,513            | 8,717             | <b>6,800</b>        | (1,917)            | (22.0) |
| Profit attributable to owners of<br>parent | 7,093             | 6,414             | <b>4,800</b>        | (1,615)            | (25.2) |
| Net income per share (JPY) ※               | 288.02            | 131.45            | <b>101.60</b>       | (29.85)            | (22.7) |

※Net income per share is adjusted retroactively in consideration of stock split which had been carried out on April 2018

|                     |          |          |          |
|---------------------|----------|----------|----------|
| Exchange rate (USD) | ¥ 112.34 | ¥ 110.58 | ¥ 107.00 |
|---------------------|----------|----------|----------|

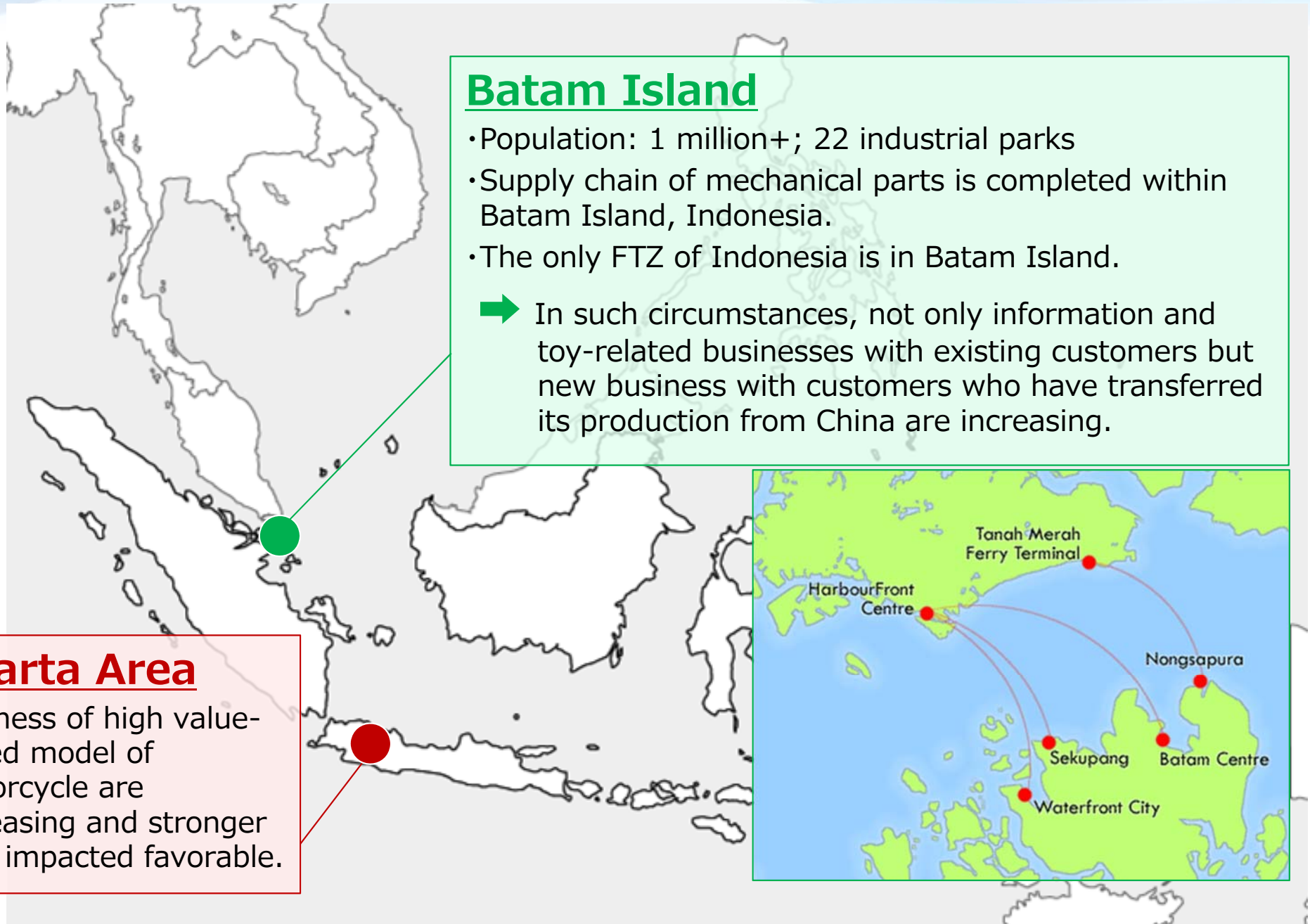
# Consolidated Financial Result

- Growth rate of automotive and industrial business in quarterly basis (yoy)





# Increasing business in Indonesia area **SIIX** We care.



# Collaboration with Technology Partners



~We provide the optimal matching of needs~



## Technology Partner

Technology partner in Singapore,  
India and Japan  
(IR Sensor, Lens, Lens modules,  
Software development)



## Introduction to major global customers

|                      |                                      |
|----------------------|--------------------------------------|
| Home appliance       | —— Iron of high-end model            |
| Automotive equipment | —— Camera module,<br>Motion detector |
| Industrial equipment | —— Camera for reader                 |

**For bringing new technology throughout the world to new products**

**SIIX has exhibited in Science Photonics Fair 2019 at Science Museum  
in November 12-14 with Moveon, Calumino and Attonics.**

|            |  |
|------------|--|
| Moveon :   | Micro-fabricated lens, Wafer ~ Design and Production of optical module |
| Calumino : | New Generation of high efficiency thermal infrared image sensor        |
| Attonics : | Portable, solid and high-end spectrometer solution                     |

## ① Increasing demand of production in Mexico

Increasing needs of production in US-Mexico area for USMCA while it still remains uncertain situation.

## ② Emergency production

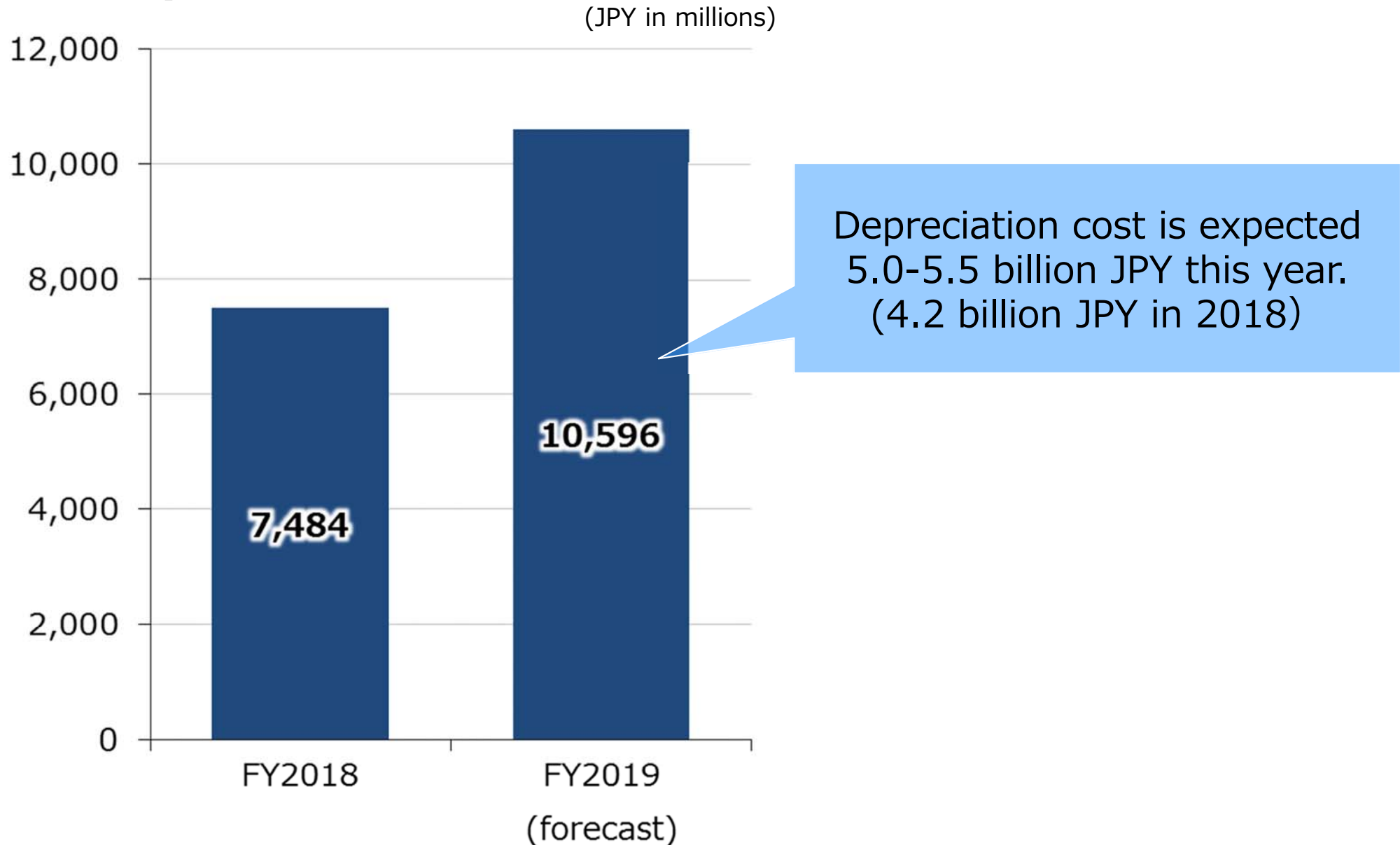
Increasing demand due to transferred business from competitors

## ③ Mega Tier-1

Expanding business with not only US and European mega tier-1 customers but Japanese mega tier-1 customers

# Consolidated Financial Result

- Capex



# KPI for Midterm Business Plan

| KPI  | Q2, FY2019 | Q3, FY2019 |
|--|------------|------------|
| ● <u>Acquiring net new customers</u><br><b>100 new customer by 2020</b><br>~Acquired steadily~   | ➡ 67       | ➡ 78       |
| ● <u>Sales rate of non-Japanese company</u><br><b>20% of consolidated sales by 2020</b><br>~Received order<br>from major non-Japanese company~                                 | ➡ 11.0%    | ➡ 13.8%    |
| ● <u>Sales rate of Non-commodity field</u><br>(automobile and industrial)<br><b>80% of consolidated sales by 2020</b><br>~Expanding business<br>mainly related ADAS, EV & IoT~ | ➡ 66.0%    | ➡ 66.6%    |

In 2020      **Sales :**                      **300 billion yen**  
                    **Operating Income :**        **14 billion yen**

\*Planning to revise forecast of FY2020 in the end of this year.



- SIIX has established “**The Nomination and Remuneration Advisory Committee**” as an objective advisory body.

## **Agenda of the Nomination and Remuneration Advisory Committee**

- (1) Policy and procedure for appointment and dismissal of the President and Directors, and nomination of candidates for director.
- (2) Proposals for the appointment and dismissal of directors to be submitted to the Annual General Meeting of Shareholders
- (3) Nomination of successors to the President
- (4) Policy for remuneration of directors
- (5) Proposals for remuneration for directors to be submitted to the Annual General Meeting of Shareholders
- (6) Policy for remuneration for individual directors
- (7) Proposals for remuneration for individual directors
- (8) Other matters deemed necessary by the Board of Directors of the Company

### ● **Committee Member**

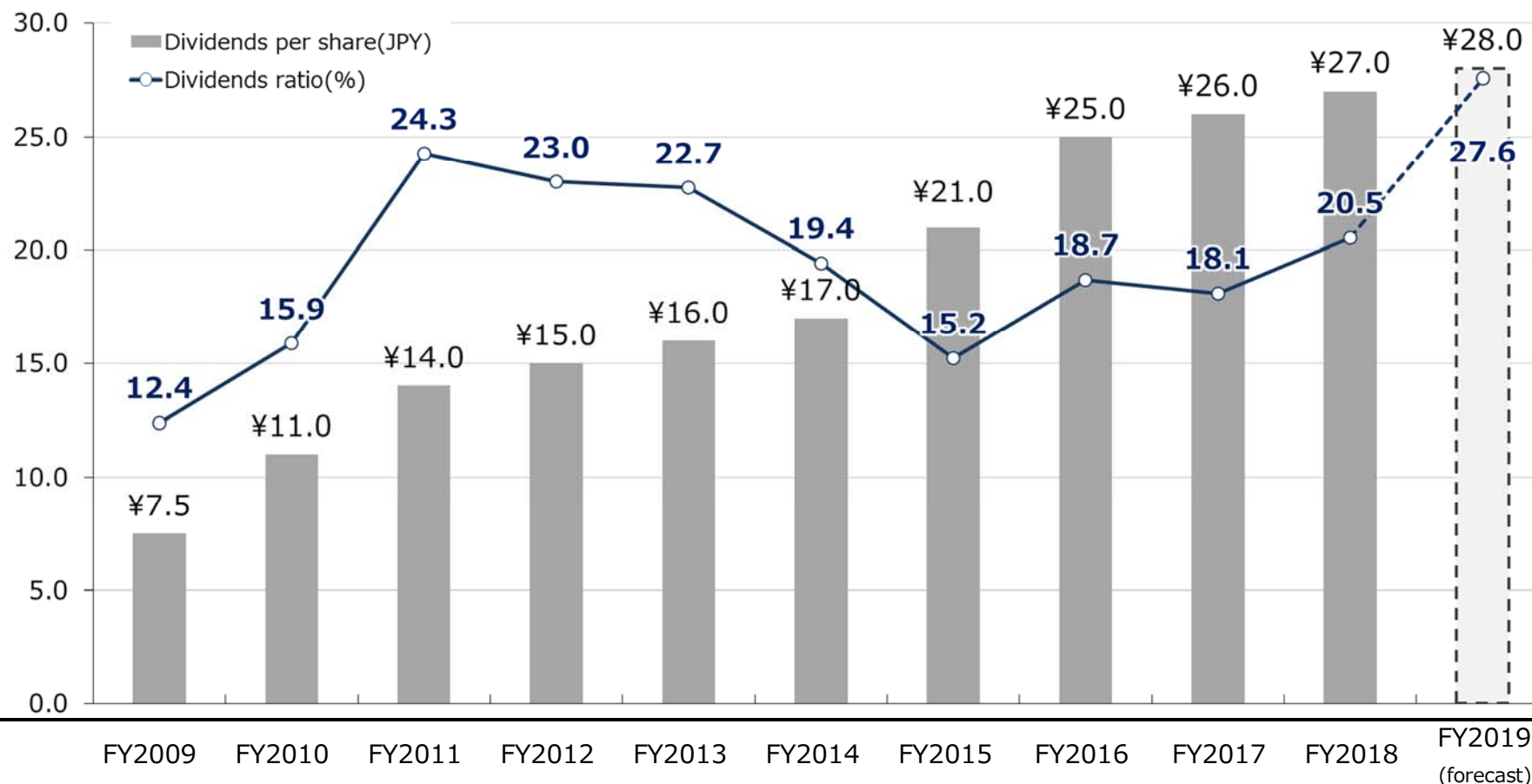
Chairman + 2 Independent External Directors

### ● **Date of Establishment**

November 11, 2019

# Shareholder Return

## • Annual Dividends & Dividends Ratio



|  | FY2009    | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016     | FY2017 | FY2018     | FY2019<br>(forecast) |
|--|-----------|--------|--------|--------|--------|--------|--------|------------|--------|------------|----------------------|
| Dividends per share(JPY)                   | 7.5       | 11.0   | 14.0   | 15.0   | 16.0   | 17.0   | 21.0   | ※ 25.0     | 26.0   | 27.0       | 28.0                 |
| Dividends ratio(%)                         | 12.4      | 15.9   | 24.3   | 23.0   | 22.7   | 19.4   | 15.2   | 18.7       | 18.1   | 20.5       | 27.6                 |
| # of Treasury Stock Acquisition            | 1,000,000 | -      | -      | -      | -      | -      | -      | 508,900    | -      | 2,035,700  | -                    |
| Amount of treasury stock acquisition (JPY) | 400 mil.  | -      | -      | -      | -      | -      | -      | 2,000 mil. | -      | 4,000 mil. | -                    |

※includes commemorative dividend 1.00 yen