

September 22, 2005

SIIX Corporation
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Tokyo Stock Exchange and Osaka Securities Exchange
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Merger of Subsidiaries (Sub-subsidiaries)

SIIX Corporation hereby announces that the decision was made at the Board of Directors meeting on September 22, 2005, to merge the Company's consolidated subsidiaries PT SIIX Electronics Indonesia and PT PFU Technology Indonesia.

1 . Purpose for the merger

SIIX Corporation is implementing EMS (Electronic Manufacturing Service) in image scanners and other information devices as well as home appliances and communications equipment through its consolidated subsidiary PT SIIX Electronics Indonesia ("SEI", Batam island, Indonesia,). Another consolidated subsidiary PT PFU Technology Indonesia ("PTI"), likewise located on Batam island, Indonesia, is involved in the assembly of completed image scanners using image scanner boards prepared at SEI. The image scanner project represents an important business area with consistent involvement by the Group from the procurement of materials to the production and distribution of completed goods. The decision was made to merge these two companies with the aim of expanding business operations in the region and assuring enhanced operational efficiency.

2. Summary of the merger

(1) Merger schedule

Board of Directors meeting approving the merger:	September 22, 2005
General meeting of shareholders approving the merger:	October 26, 2005 (SEI and PTI)
Merger date:	January 1, 2006
Merger registration:	January 8, 2006 (planned)

(2) Merger method

Following the absorption, PT SIIX Electronics Indonesia will remain as the surviving company, whilst PT PFU Technology Indonesia will be disbanded.

(3) Merger ratio, delivered money due to merger, etc.

One share of PT SIIX Electronics Indonesia stock will be allotted per share of PT PFU

Technology Indonesia stock. In addition, there will be no issuance of new shares or increase in capital as a result of the merger.

3. Summary of the parties to the merger (as of December 31, 2004)

(1) Trade name	PT SIIX Electronics Indonesia (surviving entity)	PT PFU Technology Indonesia (dissolving entity)
(2) Business operations	Electronic part mounting and assembly and sales of electronic devices and parts	Manufacturing and sales of computer peripherals
(3) Date established	April 1994	July 1995
(4) Location	Batam island, Indonesia	Batam island, Indonesia
(5) Representative	Masao Okada	Masao Okada
(6) Capital	US\$380,000	US\$1,600,000
(7) Total outstanding shares	3,800	16,000
(8) Shareholders' equity	US\$1,567,862	US\$2,057,142
(9) Total assets	US\$13,101,046	US\$6,672,711
(10) Fiscal year	December	December
(11) Number of employees	504	303
(12) Major business partners	SIIX Singapore Pte. Ltd. PT PFU Technology Indonesia MFS Technology Singapore Pte. Ltd.	SIIX Singapore Pte. Ltd. PT SIIX Electronics Indonesia
(13) Major shareholders and share ratio (as of June 30, 2005)	SIIX Singapore Pte. Ltd. (wholly-owned consolidated subsidiary of the Company): 100%	SIIX Singapore Pte. Ltd. (wholly-owned consolidated subsidiary of the Company): 97%, PFU: 3%
(14) Relationships between two parties	Capital relationships	None
	Personnel relationships	Masao Okada is representative of both companies
	Business relationships	Boards mounted with electronic parts are being sold by the surviving entity to the dissolving entity

(15) Financial results over the past three years (unit: US\$1,000)

Trade name	PT SIIX Electronics Indonesia (surviving entity)			PT PFU Technology Indonesia (dissolving entity)		
	Year ending 12/02	Year ending 12/03	Year ending 12/05	Year ending 3/03	Year ending 3/04	Year ending 12/04
Sales	6,147	16,522	27,788	19,809	33,937	28,254
Operating income	-562	1,380	1,870	310	-91	361
Ordinary income	-789	1,291	1,793	270	-196	404
Net income	-579	838	1,203	170	-116	259
Net income per share (US\$)	-152	220	316	10	-7	16
Dividend per share (US\$)	-	-	-	-	-	-
Shareholders' equity per share (US\$)	-124	95	412	119	112	128

Note: The fiscal year of PT PFU Technology Indonesia was changed from March to December in 2004.

4 . Status after the merger

- (1) Trade name: PT SIIX Electronics Indonesia
- (2) Business operations: Electronic part mounting, assembly and sales of devices and parts and manufacturing and sales of computer peripherals
- (3) Location of head office: Batam island, Indonesia
- (4) Representative: Masao Okada
- (5) Capital: US\$1.98 million
- (6) Fiscal year: December 31
- (7) Impact on our consolidated performance:
The merger will have insignificant impact on our consolidated performance since it is a merger between our consolidated subsidiaries.