



W e c a r e .

February 26, 2004

**Consolidated Financial Results
for the Year Ended December 2003
(January 1, 2003 to December 31, 2003)**

Company name: SIIX Corp.
 Stock code: 7613
 Stock exchange listing: Tokyo Stock Exchange, Second Section
 Osaka Securities Exchange, Second Section
 Head office: Osaka
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 Board meeting for approving financial results: February 26, 2004
 Accounting principle: Japanese GAAP

1. Financial Results (January 1, 2003 - December 31, 2003)

(1) Results of Operations

(Amounts rounded down to million yen)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Year ended Dec. 2003	95,996	5.7	814	(14.1)	685	7.3
Year ended Dec. 2002	90,818	10.5	947	14.2	639	(55.4)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2003	(52)	-	(8.34)	-
Year ended Dec. 2002	152	45.7	24.27	-

	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	%	%	%
Year ended Dec. 2003	(0.6)	1.9	0.7
Year ended Dec. 2002	1.7	1.9	0.7

Notes: 1. Equity in earnings (losses) of affiliates

Year ended December 2003: (61) million yen
 Year ended December 2002: (118) million yen

2. Average number of shares outstanding

Year ended December 2003: 6,300,000 shares
 Year ended December 2002: 6,300,000 shares

3. Changes in accounting principles applied: None

4. Each "YoY change" represents its relevant change in percentage compared to the same period of the previous year.

(2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2003	38,520	8,592	22.3	1,363.89
As of Dec. 31, 2002	35,202	8,967	25.5	1,423.45

Note: Number of shares outstanding

As of December 31, 2003: 6,300,000 shares

As of December 31, 2002: 6,300,000 shares

(3) Cash Flows Position

	Net cash provided by (used in)			Cash and cash equivalents at end of year
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2003	1,218	(835)	1,134	5,367
Year ended Dec. 2002	(1,636)	(1,747)	3,131	4,066

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries:	16
Unconsolidated subsidiaries under equity method application:	-
Affiliates under equity method application:	3

(5) Changes in the scope of consolidation and affiliates under the equity method

Consolidated subsidiaries	
Newly added:	-
Excluded:	-
Affiliates accounted for under the equity method	
Newly added:	-
Excluded:	-

2. Forecasts for the Year Ending December 2004 (January 1, 2004 - December 31, 2004)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Interim	49,786	479	116
Full year	107,868	2,028	1,133

Reference: Estimated net income per common share for the full year: ¥ 179.84

Forecasts regarding future performance and plans in these materials are based on judgments made in accordance with information available to management at the time this report was prepared. Forecasts therefore embody risks and uncertainties. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to the operating environment. Please refer to page 9 of outlook for 2004 for further information concerning these projections.

Corporate Group

The SIIX Group of companies is made up of SIIX Corp. (the Company), 16 consolidated subsidiaries, three non-consolidated subsidiaries, three equity-method affiliates, eight other affiliates, and 16 jointly owned companies. These companies are engaged in the manufacture and sale of electronic devices, electronic components, industrial machinery and other products.

Group companies by business segment and the roles of major companies are as follows.

Company	Country	Capital/ Investment	Owner ship	Activities	Segment	Categories
(Consolidated subsidiaries)						
SIIX U.S.A. Corp.	U. S. A.	Thousand US\$ 4,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX Europe GmbH	Germany	Thousand Euro 1,022	100.00	Sales and procurement of products	Electronics	Trading
SIIX Singapore Pte.Ltd.	Singapore	Thousand S\$ 2,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX H.K. Ltd.	Hong Kong	Thousand HK\$ 4,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX Logistics Phils., Inc.	Philippines	Thousand PHP 79,145	100.00	Sales and procurement of products	Electronics	Trading
SIIX Phils., Inc.	Philippines	Thousand PHP 14,700	100.00	Sales and procurement of products	Electronics	Trading
SIIX TWN Co., Ltd.	Taiwan	Thousand NT\$ 5,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX Bangkok Co., Ltd.	Thailand	Thousand Baht 4,000	49.00	Sales and procurement of products	Electronics	Trading
SIIX Shanghai Co., Ltd.	China	Thousand RMB 1,655	100.00	Sales and procurement of products	Electronics	Trading
SIIX EMS (Thailand) Co., Ltd.	Thailand	Thousand Baht 309,100	100.00	Manufacturing, sales and procurement of raw materials	Electronics	Factory
PT SIIX Electronics Indonesia	Indonesia	Thousand IDR 813,960	100.00 (100.00)	Manufacturing, sales and procurement of raw materials	Electronics	Factory
Sluzba SIIX Electronics s.r.o.	Slovakia	Thousand Euro 3,634	60.00 (60.00)	Manufacturing, sales and procurement of raw materials	Electronics	Factory
SIIX EMS Dongguan Ltd.	China	Thousand RMB 18,032	100.00 (100.00)	Manufacturing, sales and procurement of raw materials	Electronics	Factory
Nansha Sakata Ink Corp.	China	Thousand RMB 2,077	50.00	Manufacturing, sales of products, procurement of raw materials	Others	Factory
SIIX Logistics Singapore Pte. Ltd.	Singapore	Thousand S\$ 800	100.00 (100.00)	Storage and assembly of electronic components and other products	Electronics	Logistics
ISRON Corp.	Japan	Thousand Yen 100,000	85.00	Product R&D	Electronics	Development
(Equity-method affiliates)						
Kawasaki Motors (Phils) Corp.	Philippines	Thousand PHP 101,430	20.06	Manufacturing, sales and procurement of raw materials	Machinery	Factory
Suzhou Grand Pacific Optoelectronics Co., Ltd.	China	Thousand RMB 99,325	20.00	Manufacturing, sales and procurement of raw materials	Electronics	Factory
TAKAYA SIIX Electronics (Shanghai) Co., Ltd.	China	Thousand RMB 40,522	40.00	Manufacturing, sales and procurement of raw materials	Electronics	Factory

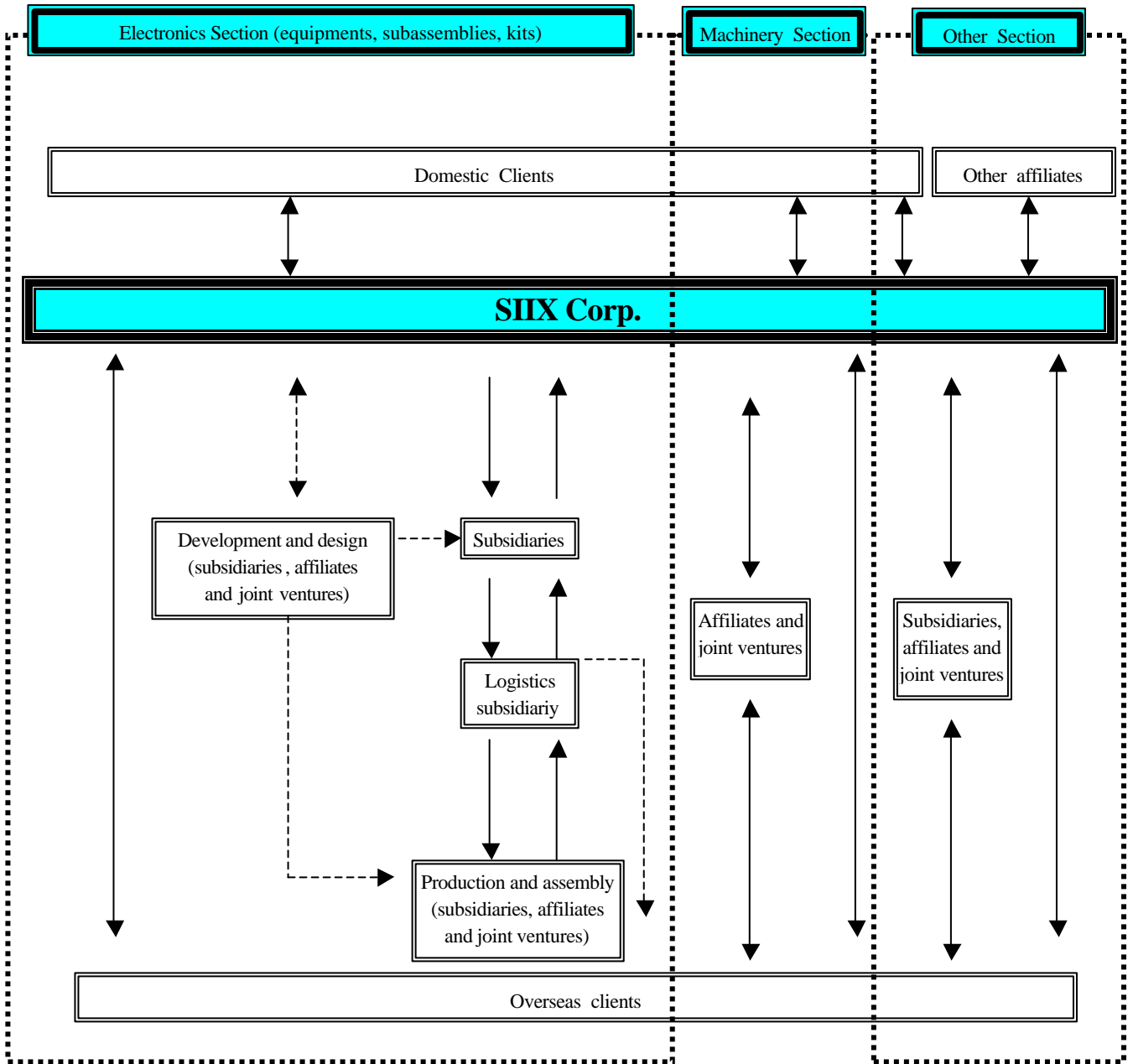
Notes:

1. The major activities column lists activities using names of business segments.
2. Ownership figures in parentheses include shares indirectly owned.

(Major affiliated companies)	Country	Segment
PT PFU Technology Indonesia	Indonesia	Electronics
PFU Technology (Singapore) Pte. Ltd.	Singapore	Electronics
Bando SIIX Ltd.	Hong Kong	Others
Delsa Chemicals and Multi Products Inc.	Philippines	Others
TS-PRO Co., Ltd.	Japan	Electronics

(Major jointly owned companies)		
Intergrated Microelectronics, Inc.	Philippines	Electronics
Stars Microelectronics (Thailand) Co., Ltd.	Thailand	Electronics
Hong Kong Kyokuto Co., Ltd.	Hong Kong	Electronics
Panyu Kyokuto Sakata Electronics Ltd.	China	Electronics
Eazix Inc.	Philippines	Electronics
Shinto Welbest Mfg. Inc.	Philippines	Others

Flowchart of Business Activities



—————> Products, merchandise and kits

- - - - -> Technology support

* The above flowchart shows business activities by major operating segment.

Management Policies

1) Fundamental Management Policy

In recent years, global markets have undergone structural changes that are driven by forces such as maturing markets in industrialized nations, diversifying consumer needs and expansion in emerging markets, primarily in Asia.

Companies of all types are faced with the need to deploy and utilize their resources for procurement, manufacturing, sales, logistics and other tasks on a global scale and in a timely manner. The SIIX Group's objective is to provide the support required by such companies to deal with these new issues. Activities center on electronics, an industry where the Group has many years of experience. The fundamental policy is "coordinate the diverse needs existing around the world to function as a 'global business organizer' so as to provide customers with concrete benefits (value) for their own business activities." Through these activities, the Group pursues its corporate philosophy of "effectively utilizing the world's resources to contribute to the advancement of social systems and mankind."

2) Fundamental Policy Regarding Allocation of Earnings

The fundamental policy is to distribute earnings to shareholders in a continuous and stable manner. At the same time, the Company follows a policy of determining dividends while taking into consideration the need to increase retained earnings to fund future growth and strengthen the Group's operating base.

In 2003, the Company paid an interim ordinary dividend of ¥6 per share and plans to pay a year-end dividend of ¥6 per share, resulting in a total dividend of ¥12 applicable to the year. No bonuses will be paid to directors because of the Group's performance in 2003.

3) Targeted Performance Indicators

The medium-term goal is to raise consolidated net sales to ¥155,000 million and consolidated ordinary income to ¥3,600 million in 2006. From the standpoint of increasing shareholder value, the Company also aims to raise the consolidated ROE to at least 15%.

4) Management Strategy and Key Issues

The electronics and automotive electronics fields are the core businesses of the SIIX Group.

In these fields, manufacturers in Japan and other countries are increasingly adopting the horizontal specialization system. Operations span many countries so that individual tasks such as design and development, procurement of materials, manufacturing, and logistics can each be performed in the optimal locations.

The SIIX Group responds to the resulting needs by leveraging its core strengths: trading company and logistics expertise, which also includes manufacturing skills; and a global network of logistics and manufacturing bases. The Group is determined to grow by using these strengths to offer the best possible services for each need. To accomplish this, the Group is placing priority on the following five themes.

- 1) Establishing a logistics framework that can provide just-in-time deliveries that span national borders.
- 2) Strengthen global materials procurement and proposal skills to meet customers' demands for cutting the cost of materials.
- 3) Expand and enhance the EMS network and refine production technologies to respond to growth in overseas production of digital devices, motor vehicle-mounted devices and other highly sophisticated products.
- 4) Upgrade the ability to produce internally and procure from external sources such key devices as LCD modules, camera modules and driver ICs.
- 5) Develop new businesses that target changes taking place in the electronics industry, notably the convergence of electronic devices and motor vehicle-mounted devices, the increasing use of digital technology, and the growing use of networks.

5) Fundamental Policy and Measures Regarding Corporate Governance

The Company regards the improvement of corporate governance as a key issue with regard to conducting business activities in line with its corporate philosophy. Consequently, the following actions are being taken to bolster the management framework with regard to the transparency of decision-making, enhancement of checks and balances, and other subjects.

- 1) The board of directors, which has ultimate decision-making responsibility regarding management, has eight members and meets every month.
- 2) Responsibility for management and business execution are divided between the chairman, representative director and Chief Executive Officer and the president and Chief Operating Officer.
- 3) There are two bodies that assist the directors, CEO and COO in reaching decisions regarding important matters: the Management Committee and the New Business Deliberation Committee, which are made up of directors and

officers. The Management Committee is responsible for important matters regarding fundamental management policies and all other subjects involving management. The New Business Deliberation Committee studies and discusses significant new business transactions, investments and other proposals on an individual basis.

- 4) There are three corporate auditors, two of whom come from outside the Company. One auditor attends meetings of the Management Committee and New Business Deliberation Committee, providing opinions and ideas to ensure that activities conform with laws and regulations.
- 5) The Company has a Subsidiaries & Affiliates Department to conduct comprehensive management of the domestic and overseas subsidiaries and affiliates whose operations represent the nucleus of the Group's business activities.
- 6) To preserve and enhance the quality of products and services as well as the management systems that support that quality, the Company has obtained ISO9001 certification. The Company is undergoing the process to earn ISO14001 certification as one means of establishing a sound environmental management system.

Results of Operations

1) Overview

During 2003, the direction of the global economy was uncertain during the first half of the year due to hostilities in Iraq and SARS. From the third quarter onward, a clear upturn in U.S. consumer and capital spending emerged even as the prolonged stagnation in the Euro nations continued. Asia staged a relatively quick recovery in the wake of the SARS outbreak. China and NIES regions saw economic expansion fueled by internal and external demand. In Japan as well, the rebound in the global economy led to higher corporate earnings and a recovery in stock prices, creating a somewhat positive outlook.

Turning to industries closely linked to the operations of the SIIX Group, the electronics sector benefited from a rebound in output in Japan of consumer electronics driven by the popularity of high-performance digital home electronics. However, the long-term shift of production to other countries continued in order to meet rising demand outside Japan and cut costs. In the market for motor vehicle-mounted devices, there is rapid growth in overseas production of automotive parts by Japanese companies in conjunction with the increasing use of electronics in parts and devices and rising output at the overseas plants of Japanese automotive makers.

In response, the SIIX Group targeted information and communications products within the electronics products category, with particular emphasis on components and materials for mobile phones and electronic components and devices for automotive applications. To meet increasing demands for the overseas procurement of parts and materials as well as overseas manufacturing, the Group took aggressive measures to expand the distribution of parts and materials and its EMS business. As a result, consolidated net sales increased ¥5,178 million, or 5.7%, to ¥95,996 million.

Regarding earnings, ordinary income was up ¥46 million, or 7.3 %, to ¥685 million. However, there was a net loss of ¥52 million, a difference of ¥205 million compared with the previous year's net income. This was due to an increase in the tax rate caused by the posting of valuation reserves for deferred tax assets at an unprofitable subsidiary.

Results by business segment were as follows.

(Electronics Section)

The core electronics segment covers a broad range of products that include finished products, subassemblies, circuit board assembly, kits and other items. These products are used in communication devices, information devices, home electrical products, industrial equipment, motor vehicle-mounted devices, general-purpose electronic components, devices and other applications. In 2003, there was a decline in shipments of LCD modules for mobile phones in Europe, but increases in shipments of parts and materials for digital video cameras, LCD modules for mobile phones in Asia, and parts and materials for instrument panels of automobiles. The result was an increase of ¥7,148 million, or 9.1%, in sales to ¥85,489 million. Operating income decreased ¥20 million, or 1.1%, to ¥1,841 million.

(Machinery Section)

The major products in this segment are motorcycle parts and materials, automotive wire harness parts and materials, and industrial machinery. In 2003, shipments of parts and materials for wire harnesses were strong, but there was a downturn in shipments of motorcycle parts and materials. The result was a decrease of ¥1,574 million, or 14.3%, in sales to ¥9,423 million. There was an operating loss of ¥2 million, ¥95 million less than the previous year's operating income.

(Other Section)

Major products in this segment are flon gas, synthetic resins, printing ink and synthetic chemicals. In 2003, sales decreased ¥440 million, or 17.0%, to ¥2,143 million. Operating income increased ¥9 million, or 7.6%, to ¥135 million.

Results by geographic segment were as follows.

(Japan)

There were declines in shipments of circuit boards for digital camera and finished audio products, but growth in shipments of mobile phone LCD modules, parts for automobile instrument panels and battery rechargers for digital cameras. The result was an increase of ¥4,079 million, or 10.2%, in sales to ¥44,075 million. Operating income increased ¥28 million, or 7.3%, to ¥425 million.

(Southeast Asia)

There was a decrease in shipments of parts and materials for mobile phones, but increases in shipments of digital video camera parts and materials and scanners. The result was an increase of ¥5,730 million, or 9.4%, in sales to ¥66,528 million. Operating income increased ¥355 million, or 25.0%, to ¥1,775 million.

(Europe)

Due to sharp drop in shipments of LCD modules for mobile phones, sales fell ¥3,686 million, or 42.4%, to ¥5,004 million and there was an operating loss of ¥379 million, ¥557 million less than the previous year's operating income.

(Others)

Growth in shipments of parts and materials for motor vehicle-mounted devices, sales lifted ¥1,922 million, or 76.4%, to ¥4,437 million. Operating income increased ¥101 million, or 178.6%, to ¥158 million.

2) Outlook for 2004

In 2004, the Japanese and global economies will be heavily reliant on the strength of the U.S. and Chinese economies during the first half of the year. Nevertheless, the global economy is expected to remain generally strong. In the second half of 2004, economic growth is expected to slow as declining benefits of tax reductions and other negative factors hold back the U.S. economy. For all of 2004, economic activity in Europe, the Americas and Asia is expected to grow faster than in 2003. Concerns exist about the impact of the strong yen on Japan's economy, causing most observers to forecast annual growth of only about 2%.

In the electronics industry, the output of electronic products is expected to be generally strong, with growth fueled mainly by digital home electronics. Demand for electronic components and devices is expected to climb for use in such applications as digital devices, mobile phones, PCs and automobiles.

The Company plans to capitalize on opportunities to start new businesses, chiefly in mobile phones and other communication products, sales of automotive parts and materials, and circuit board assembly (EMS).

Based on this outlook, the Company is forecasting net sales of ¥107,868 million, up 12.4%, ordinary income of ¥2,028 million, up 196.1%, and net income of ¥1,133 million compared with the net loss in 2003. These forecasts are based on an exchange rate of ¥110.00 to the U.S. dollar.

Forecasts for operating results and other forward-looking statements contained in these materials represent the judgments of the Company based on information available at the time these materials were prepared. These statements therefore contain risks and uncertainties. Actual results may differ significantly from these statements due to changes in a variety of factors.

3) Financial position

Cash and cash equivalents as of December 31, 2003 were ¥5,367 million, an increase of ¥1,301 million or 32.0% compared to the end of the previous fiscal year. The balance of cash and cash equivalents rose as increases in trade notes and accounts payable and net long-term borrowings more than offset the outflow caused by increases in trade notes and accounts receivable and increased spending for the acquisition of tangible fixed assets.

(Cash flow from operating activities)

Net cash provided by operating activities was ¥1,218 million, an increase of ¥2,854 million compared with the previous fiscal year. The principal sources of cash flow from operating activities were a ¥3,218 million increase in trade notes and accounts payable and ¥937 million in depreciation. The principle uses of cash in operating activities were a ¥3,264 million increase in trade notes and accounts receivable and a ¥250 million increase in inventories.

(Cash flow from investing activities)

Net cash used in investing activities was ¥835 million. This included ¥823 million for the purchase of tangible fixed assets. Net cash provided by investing activities increased ¥911 million compared with the previous year.

(Cash flow from financing activities)

Net cash provided by financing activities was ¥1,134 million, a decrease of ¥1,997 million or 63.8% from the previous fiscal year. The principal item contributing to cash flow from financing activities was a net ¥1,265 million increase in long-term borrowings.

The following table illustrates the historical movements of certain cash flow indices:

	FY 2002	FY 2003
Shareholders' equity ratio (%) ¹	25.5	22.3
Shareholders' equity ratio based on market prices (%) ²	31.3	26.1
Debt to annual cash flow ratio (years) ³	-	10.0
Interest coverage ratio (X) ⁴	-	6.9

Notes: Cash flow indices are calculated as follows:

¹ Shareholders' equity ratio: Shareholders' equity / Total assets

² Shareholders equity ratio based on market prices: Market capitalization / Total assets

³ Debt to annual cash flow: Interest-bearing liabilities ([beginning of year + end of year]/2) / Operating cash flow

⁴ Interest coverage ratio: Operating cash flow / Interest payments

1. All indices are calculated on the consolidated basis.
2. Market capitalization: Closing price of stock on the consolidated balance sheet date (Second Section, Tokyo Stock Exchange) x Number of shares outstanding on the balance sheet date.
3. Interest-bearing liabilities: Liabilities carried on the consolidated balance sheets that including short-term borrowings, long-term borrowings, corporate bonds and finance lease payments.
Operating cash flow: Net cash provided by operating activities reported on the consolidated statement of cash flow.
4. Interest in the calculation of the interest-coverage ratio: Based on interest paid reported on statements of cash flow.

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

Item	FY 2002 (As of Dec. 31, 2002)		FY 2003 (As of Dec. 31, 2003)		Differences	
	Amount	%	Amount	%	Amount	%
Assets						
I Current assets						
1. Cash and deposits	4,103		5,395		1,291	31.5
2. Trade notes and accounts receivable	15,196		17,410		2,213	14.6
3. Inventories	6,563		6,443		(119)	(1.8)
4. Deferred tax assets	76		187		110	144.8
5. Others	1,932		1,387		(544)	(28.2)
Provision for doubtful receivables	(424)		(249)		175	-
Total current assets	27,448	78.0	30,574	79.4	3,126	11.4
II Fixed assets						
1. Tangible fixed assets						
(1) Buildings and structures	2,109		2,521			
Accumulated depreciation	572	1,536	695	1,826	289	18.9
(2) Machinery equipment and vehicles	3,688		4,593			
Accumulated depreciation	1,471	2,217	1,944	2,648	431	19.4
(3) Tools, furniture, and fixtures	722		893			
Accumulated depreciation	484	237	540	352	114	48.1
(4) Land		512		518	6	1.3
(5) Construction in progress		330		95	(235)	(71.1)
Total tangible fixed assets		4,834		5,441	606	12.5
2. Intangible assets						
(1) Software		73		50	(22)	(30.6)
(2) Others		4		4	-	-
Total intangible assets		77		55	(22)	(28.9)
3. Investments and other assets						
(1) Investment securities	*1	1,402		1,518	116	8.3
(2) Investment in capital	*1	339		330	(8)	(2.6)
(3) Long-term loans receivable		350		137	(212)	(60.7)
(4) Deferred tax assets		655		134	(520)	(79.4)
(5) Others		502		704	201	40.1
Provision for doubtful receivables		(412)		(378)	34	
Total investments and other assets		2,837	8.1	2,447	(390)	(13.8)
Total fixed assets		7,749	22.0	7,943	193	2.5
III Deferred assets						
1. Bond issue expenses		4		2	(2)	(50.0)
Total deferred assets		4	0.0	2	(2)	(50.0)
Total assets		35,202	100.0	38,520	3,318	9.4

(Million yen)

Item	FY 2002 (As of Dec. 31, 2002)		FY 2003 (As of Dec. 31, 2003)		Differences		
	Amount	%	Amount	%	Amount		
Liabilities							
I Current liabilities							
1. Trade accounts payable	11,987		14,759		2,771	23.1	
2. Short-term borrowings	9,228		11,130		1,901	20.6	
3. Accrued expenses	656		705		48	7.4	
4. Income taxes payable	410		401		(9)	(2.2)	
5. Accrued bonuses	72		69		(3)	(4.9)	
6. Deferred tax liabilities	104		50		(54)	(52.2)	
7. Others	512		733		221	43.3	
Total current liabilities	22,973	65.3	27,849	72.3	4,876	21.2	
II Long-term liabilities							
1. Bondspayable	300		300		-	-	
2. Long-term borrowings	1,867		992		(875)	(46.9)	
3. Reserve for retirement	391		176		(215)	(55.1)	
4. Reserve for retirement benefits for director	180		161		(18)	(10.5)	
5. Deferred tax liabilities	-		4		4	-	
6. Others	260		167		(92)	(35.6)	
Total long-term liabilities	3,000	8.5	1,802	4.7	(1,197)	(39.9)	
Total liabilities	25,973	73.8	29,652	77.0	3,678	14.2	
Minority interests							
Minority interests	261	0.7	275	0.7	14	5.6	
Shareholders' equity							
I Common stock							
I Common stock	2,144	6.1	2,144	5.5	-	-	
II Capital surplus							
II Capital surplus	1,853	5.3	1,853	4.8	-	-	
III Retained surplus							
III Retained surplus	5,445	15.5	5,771	15.0	325	6.0	
IV Net unrealized gain (loss) on other securities							
IV Net unrealized gain (loss) on other securities	(121)	(0.4)	(121)	(0.3)	(0)	-	
V Translation adjustments							
V Translation adjustments	(353)	(1.0)	(1,054)	(2.7)	(700)		
Total shareholders' equity	8,967	25.5	8,592	22.3	(375)	(4.2)	
Total liabilities, minority interests and shareholders' equity	35,202	100.0	38,520	100.0	3,318	9.4	

Consolidated Statements of Income

(Million yen)

Item	FY 2002 (Jan. 1, 2002 to Dec. 31, 2002)		FY 2003 (Jan. 1, 2003 to Dec. 31, 2003)		Differences				
	Amount	%	Amount	%	Amount				
I Net sales		90,818	100.0		95,996	100.0	5,178	5.7	
II Cost of sales		84,728	93.3		90,202	94.0	5,473	6.5	
Gross profit		6,089	6.7		5,794	6.0	(295)	(4.8)	
III Selling, general and administrative expenses	*1	5,141	5.7		4,980	5.2	(161)	(3.1)	
Operating income		947	1.0		814	0.8	(133)	(14.1)	
IV Non-operating income									
1. Interest income		76			42				
2. Dividend income		87			8				
3. Amortization of consolidation goodwill		-			42				
4. Rent income		58			50				
5. Others		235	458	0.5	138	282	0.3	(176)	(38.5)
V. Non-operating expenses									
1. Interest expense		190			178				
2. Loss on equity method		118			61				
3. Foreign exchange losses		347			83				
4. Others		111	767	0.8	86	410	0.4	(356)	(46.5)
Ordinary income			639	0.7		685	0.7	46	7.3
VI Extraordinary income									
1. Gain on sales of investment securities		-			271				
2. Gain on sales of fixed assets	*6	-			16				
3. Gain on exemption from future pension obligation		-	-	-	141	429	0.4	429	-
VII Extraordinary loss									
1. Loss on valuation of investment securities		127			43				
2. Loss on valuation of investment in affiliated companies		-			24				
3. Loss on disposal of reconciliation	*2	37			-				
4. Loss on valuation of golf memberships	*3	12			-				
5. Provision for bad debts reserve		47			-				
6. Loss on disposal of leased assets	*4	-			148				
7. Loss on removal of fixed assets	*5	-			39				
8. Extraordinary retirement benefits	*7	-	224	0.2	21	277	0.3	53	23.7
Income before income taxes and minority interests			414	0.5		837	0.8	423	102.1
Current income taxes		401			500				
Deferred income taxes		(135)	266	0.3	370	871	0.9	605	227.6
Minority interest			4	0.0		(18)	(0.0)	(23)	-
Net income			152	0.2		(52)	(0.1)	(205)	-

Consolidated Statements of Retained Earnings

(Million yen)

Item	FY 2002 (Jan. 1, 2002 to Dec. 31, 2002)		FY 2003 (Jan. 1, 2003 to Dec. 31, 2003)	
	Amount		Amount	
Capital surplus				
I. Balance at beginning of year				1,853
1. Additional paid-in capital at beginning of year		1,853		
II. Balance at end of year		1,853		1,853
Retained surplus				
I. Balance at beginning of year				5,445
1. Consolidated balance at beginning of year		5,383		
II. Increase in retained surplus				
1. Net income	152		-	
2. Others	-	152	453	453
III. Decrease in retained surplus				
1. Dividends	75		75	
2. Decrease in retained surplus due to decrease in the number of consolidated subsidiaries	8		-	
3. Net loss	-		52	
4. Others	6	90	-	128
IV. Balance at end of year		5,445		5,771

Consolidated Statements of Cash Flows

(Million yen)

	FY 2002 (Jan. 1, 2002 to Dec. 31, 2002)	FY 2003 (Jan. 1, 2003 to Dec. 31, 2003)	Differences
Item	Amount	Amount	Amount
I Operating activities			
1. Income before income taxes and minority interests	414	837	423
2. Depreciation and amortization	705	937	231
3. Amortization of consolidation goodwill	(42)	(42)	-
4. Increase (decrease) in provision for doubtful accounts	131	(31)	(162)
5. Interest and dividend income	(164)	(51)	112
6. Interest expense	190	178	(11)
7. Foreign exchange losses	347	83	(264)
8. Loss on equity method	118	61	(56)
9. Decrease (increase) in trade notes and accounts receivable	(1,502)	(3,264)	(1,762)
10. Decrease (increase) in inventories	(2,288)	(250)	2,037
11. Increase (decrease) in trade notes and accounts payable	1,635	3,218	1,583
12. Gain on exemption from future pension obligation	-	(141)	(141)
13. Loss on disposal of leased assets	-	148	148
14. Others	(697)	80	778
Subtotal	(1,151)	1,763	2,915
15. Interest and dividends received	198	52	(146)
16. Interest paid	(207)	(176)	31
17. Income taxes paid	(475)	(421)	54
Net cash provided (used in) by operating activities	(1,636)	1,218	2,854
II Investing activities			
1. Purchases of tangible fixed assets	(1,682)	(823)	859
2. Proceeds from sales of tangible fixed assets	4	35	30
3. Purchases of intangible assets	(12)	(67)	(55)
4. Purchases of investment securities	(166)	(589)	(422)
5. Proceeds from sales of investment securities	36	555	518
6. Payment for loans receivable	(2)	-	2
7. Collections of loans receivable	58	61	3
8. Others	17	(7)	(24)
Net cash provided by (used in) investing activities	(1,747)	(835)	911
III Financing activities			
1. Proceeds from issuance of corporate bonds	293	-	(293)
2. Increase (decrease) in short-term borrowings	2,852	150	(2,701)
3. Proceeds from long-term borrowings	69	1,265	1,195
4. Repayment of long-term borrowings	(34)	(186)	(152)
5. Dividends paid	(75)	(75)	(0)
6. Payment of dividends to minority shareholders	(6)	(5)	0
7. Contributions from minority interest	31	-	(31)
8. Others	-	(14)	(14)
Net cash provided by (used in) financing activities	3,131	1,134	(1,997)
IV. Effect of exchange rate changes on cash and cash equivalents	(78)	(215)	(136)
V. Net increase (decrease) in cash and cash equivalents	(330)	1,301	1,632
VI. Cash and cash equivalents at beginning of year	4,401	4,066	(335)
VII. Net decrease in cash and cash equivalents due to changes in the scope of consolidation	(4)	-	4
VIII. Cash and cash equivalents at end of year	4,066	5,367	1,301

Segment Information

Operating segment information

Previous year (January 1, 2002 - December 31, 2002)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
I. Sales and operating income						
Net sales						
(1) Sales - outside customers	78,314	9,919	2,583	90,818	-	90,818
(2) Sales and transfers - inter-segment	26	1,077	-	1,103	(1,103)	-
Total	78,341	10,997	2,583	91,922	(1,103)	90,818
Operating expenses	76,479	10,904	2,457	89,841	29	89,870
Operating income	1,861	92	126	2,081	(1,133)	947
II. Assets, depreciation and capital expenditure						
Assets	28,884	2,278	678	31,841	3,360	35,202
Depreciation	677	0	6	684	20	705
Capital expenditures	1,671	-	9	1,681	13	1,695

Current year (January 1, 2003 - December 31, 2003)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
I. Sales and operating income						
Net sales						
(1) Sales - outside customers	85,459	8,393	2,143	95,996	-	95,996
(2) Sales and transfers - inter-segment	29	1,030	-	1,059	(1,059)	-
Total	85,489	9,423	2,143	97,056	(1,059)	95,996
Operating expenses	83,648	9,425	2,007	95,081	100	95,182
Operating income	1,841	(2)	135	1,974	(1,160)	814
II. Assets, depreciation and capital expenditure						
Assets	32,892	990	696	34,579	3,941	38,520
Depreciation	883	4	6	894	42	937
Capital expenditures	698	-	2	701	189	890

Notes: 1. Operating segments are based on product similarities.

2. Major products by operating segment.

(Electronics section)

The core electronics segment covers a broad range of products that include information devices (scanners, printers, peripheral devices, etc.), communication devices (LCD and camera modules for mobile phones), motor vehicle-mounted devices (car audios, meters, front panels, etc.), home electrical products and industrial equipment (electronic ovens, digital cameras, healthcare equipment, etc.), audio devices (mini component stereos, etc.), electronic components, including finished products, subassemblies, circuit board assembly, kits and other items.

(Machinery section)

The major products in this segment are motorcycle parts and materials, automotive wire harness parts, sparkplugs etc., and materials and parts for industrial equipment and devices.

(Other section)

Major products in this segment are chemicals, including synthetic resins and fluorocarbon gas, printing ink, materials for printing plates and other items.

3. Operating expenses included in eliminations or corporate consist primarily of expenses related to the management divisions, mainly the general affairs and accounting divisions, at the parent company. Operating expenses included in eliminations and corporate were as follows:

Previous year: ¥1,133 million

Current year: ¥1,160 million

4. Corporate assets included in eliminations and corporate consist primarily of the Company's surplus funds, mainly cash and investment securities, and assets of the administration division of the Company. Corporate assets included in eliminations and corporate are as follows:

Previous year: ¥3,383 million

Current year: ¥3,964 million

Comparison with previous year

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
I. Sales and operating income						
Net sales						
(1) Sales - outside customers	7,145	(1,526)	(440)	5,178	-	5,178
(2) Sales and transfers - inter-segment	3	(47)	-	(44)	44	-
Total	7,148	(1,574)	(440)	5,134	44	5,178
Operating expenses	7,169	(1,478)	(449)	5,240	71	5,312
Operating income	(20)	(95)	9	(106)	(27)	(133)

Geographical Segment Information

Previous year (January 1, 2002 - December 31, 2002)

(Million yen)

	Japan	SE Asia	Europe	Other	Total	Eliminations and corporate	Consolidated
I. Sales and operating income							
Net sales							
(1) Sales - outside customers	26,260	53,962	8,463	2,132	90,818	-	90,818
(2) Sales and transfers - inter-segment	13,734	6,836	227	382	21,181	(21,181)	-
Total	39,995	60,798	8,690	2,514	111,999	(21,181)	90,818
Operating expenses	39,599	59,378	8,513	2,458	109,948	(20,078)	89,870
Operating income	396	1,420	177	56	2,050	(1,102)	947
II. Assets	12,042	22,973	4,042	732	39,791	(4,588)	35,202

Current year (January 1, 2003 - December 31, 2003)

(Million yen)

	Japan	SE Asia	Europe	Other	Total	Eliminations and corporate	Consolidated
I. Sales and operating income							
Net sales							
(1) Sales - outside customers	30,683	58,184	3,749	3,378	95,996	-	95,996
(2) Sales and transfers - inter-segment	13,391	8,344	1,254	1,058	24,049	(24,049)	-
Total	44,075	66,528	5,004	4,437	120,045	(24,049)	95,996
Operating expenses	43,649	64,753	5,384	4,278	118,066	(22,883)	95,182
Operating income	425	1,775	(379)	158	1,979	(1,165)	814
II. Assets	11,688	24,394	4,162	1,034	41,280	(2,759)	38,520

Notes: 1. Operating expenses included in eliminations or corporate consist primarily of expenses related to the management divisions, mainly the general affairs and accounting divisions, at the parent company. Operating expenses included in eliminations and corporate were as follows:

Previous year: ¥1,133 million

Current year: ¥1,160 million

2. Corporate assets included in eliminations and corporate consist primarily of the Company's surplus funds, mainly cash and investment securities, and assets of the administration division of the Company. Corporate assets included in eliminations and corporate are as follows:

Previous year: ¥3,383 million

Current year: ¥3,964 million

3. Method of geographical segmentation, and major countries and regions in individual segments

Method of geographical segmentation: Geographic proximity

Major areas and countries in geographical segments:

SE Asia: China, Singapore, Philippines, Taiwan, and Thailand

Europe: Germany

Other: North America

Supplementary Information

Comparison with previous year:

(Million yen)

	Japan	SE Asia	Europe	Other	Total	Eliminations and corporate	Consolidated
I. Sales and operating income							
Net sales							
(1) Sales - outside customers	4,423	4,222	(4,713)	1,245	5,178	-	5,178
(2) Sales and transfers - inter-segment	(343)	1,507	1,026	676	2,867	(2,867)	-
Total	4,079	5,730	(3,686)	1,922	8,046	(2,867)	5,178
Operating expenses	4,050	5,375	(3,129)	1,820	8,117	(2,805)	5,312
Operating income	28	355	(557)	101	(71)	(62)	(133)

Overseas sales

Previous year (January 1, 2002 - December 31, 2002)

(Million yen)

	SE Asia	Europe	N. America	Other	Total
I. Overseas sales	53,949	11,543	10,613	1,266	77,372
II. Consolidated sales					90,818
III. Share of overseas sales in consolidated sales (%)	59.4	12.7	11.7	1.4	85.2

Notes: I. Method of geographical segmentation, and major countries and regions in individual segments

Method of geographical segmentation: Geographic proximity

Major areas and countries in geographical segments:

SE Asia: China, Singapore, Philippines and Thailand

Europe: Germany, France, and Italy

North America: U. S. A.

Other: Central and South America, Oceania

Current year (January 1, 2003 - December 31, 2003)

(Million yen)

	SE Asia	Europe	N. America	Other	Total
I. Overseas sales	63,173	7,207	9,222	1,563	81,167
II. Consolidated sales					95,996
III. Share of overseas sales in consolidated sales (%)	65.8	7.5	9.6	1.6	84.6

Notes: Method of geographical segmentation and major countries and regions in individual segments

Method of geographical segmentation: Geographic proximity

Major areas and countries in geographical segments:

SE Asia: China, Singapore, Philippines and Thailand

Europe: Germany, France, and Italy

North America: U. S. A.

Other: Central and South America, Oceania

Supplementary Information

Comparison with previous year

(Million yen)

	SE Asia	Europe	N. America	Other	Total
I. Overseas sales	9,223	(4,335)	(1,390)	297	3,794
II. Consolidated sales					5,178
III. Share of overseas sales in consolidated sales (%)	6.4	(5.2)	(2.1)	0.2	(0.6)

Note: This is a translation of Japanese kessan Tanshin (including attachments), a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information