

Consolidated Interim Financial Results

for the Fiscal Year Ended December 31, 2007 (January 1, 2007 to June 30, 2007)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
URL:	http://www.siix.co.jp
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Scheduled date of filing interim report:	September 25, 2007
Scheduled date of payment of cash dividends:	September 4, 2007

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results (January 1, 2007 - June 30, 2007)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
First half ended Jun. 2007	81,846	39.5	2,551	101.0	2,852	164.9
First half ended Jun. 2006	58,688	8.4	1,269	(13.7)	1,076	(17.1)
Year ended Dec. 2006	129,333	—	3,097	—	3,126	—

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
First half ended Jun. 2007	1,240	715.4	98.46	—
First half ended Jun. 2006	152	(92.6)	12.08	—
Year ended Dec. 2006	771	—	61.24	—

Note: Equity in net earnings (losses) of affiliates

First half ended Jun. 2007: 26 million yen

First half ended Jun. 2006: -31 million yen

Year ended Dec. 2006: -44 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
First half ended Jun. 2007	58,323	16,727	28.7	1,327.57
First half ended Jun. 2006	46,154	13,535	29.0	1,074.26
Year ended Dec. 2006	51,207	14,813	28.6	1,160.85

Note: Stockholders' equity

First half ended Jun. 2007: 16,727 million yen

First half ended Jun. 2006: 13,380 million yen

Year ended Dec. 2006: 14,626 million yen

(3) Consolidated Cash Flows Position

	Net cash provided by (used in)			Cash and cash equivalents at fiscal year end
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
First half ended Jun. 2007	1,767	(1,323)	617	5,936
First half ended Jun. 2006	535	(1,238)	(958)	3,814
Year ended Dec. 2006	2,739	(2,800)	(959)	4,613

2. Dividends

(base date)	Annual dividends per share		
	Interim	Term-end	Annual dividends
Year ended Dec. 2006	7.50	7.50	15.00
Year ended Dec. 2007 (Actual performances)	10.00	—	20.00
Year ended Dec. 2007 (Forecasts)	—	10.00	

3. Business Performance Forecasts for the Year Ending December 2007 (January 1, 2007 - December 31, 2007)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	159,541	23.4	4,908	58.5	5,048	61.5

	Net income		Net income per share
	Million yen	YoY change (%)	Yen
Full year	2,391	210.1	189.76

4. Others

(1) Transfer of important subsidiary companies during the period (transfer of specific subsidiary companies in association with changes in the scope of consolidation): No

(2) Changes in principles/procedures, display methods, etc. of accounts processing related to the creation of consolidated interim financial statements (information included in changes in important, basic items for the creation of interim consolidated financial statements)

(i) Changes associated with the revision of accounting standards: Yes

(ii) Changes other than those described in (i): No

[Note: For details, please refer to "Changes in important, basic items for the creation of consolidated interim financial statements" on p.26.]

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares at the end of the period (including treasury stock):

First half year ended Jun. 2007: 12,600,000 shares

First half year ended Jun. 2006: 12,600,000 shares

Year ended Dec. 2006: 12,600,000 shares

(ii) Number of treasury stock shares at the end of the period:

First half year ended Jun. 2007: 70 shares

First half year ended Jun. 2006: 30 shares

Year ended Dec. 2006: 30 shares

Note: Please refer to "Per share information" on p.36 in regard to the number of shares, which is the basis for calculation of interim (current) net income per share (consolidated).

(Reference)**1. Non-consolidated Financial Results (January 1, 2007 - June 30, 2007)****(1) Non-consolidated Results of Operations**

	Net sales		Operating income (loss)		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
First half ended Jun. 2007	30,972	20.7	359	—	1,601	157.4
First half ended Jun. 2006	25,658	(6.1)	(12)	—	622	61.6
Year ended Dec. 2006	56,419	—	349	—	1,328	—

	Net income (loss)		Net income (loss) per share
	Million yen	YoY change (%)	Yen
First half ended Jun. 2007	1,245	188.6	98.84
First half ended Jun. 2006	431	(55.8)	34.25
Year ended Dec. 2006	(928)	—	(73.72)

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
First half ended Jun. 2007	19,931	6,741	33.8	535.06
First half ended Jun. 2006	18,005	7,158	39.8	568.15
Year ended Dec. 2006	19,070	5,644	29.6	448.01

Note: Stockholders' equity

First half ended Jun. 2007: 6,741 million yen

First half ended Jun. 2006: 7,158 million yen

Year ended Dec. 2006: 5,644 million yen

**2. Non-consolidated Business Performance Forecasts for the Year Ending December 2007
(January 1, 2007 - December 31, 2007)**

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	62,115	10.1	586	67.9	1,777	33.8

	Net income		Net income per share
	Million yen	YoY change (%)	Yen
Full year	1,373	—	108.97

***Explanations and other special notes concerning the appropriate use of business performance forecasts**

The consolidated and non-consolidated business performance forecasts given above are based on the information available at the current time and assumptions of supposable market trends, etc., and thus contain an element of uncertainty. Actual business performance may include results that differ from these forecasts for a variety of future reasons. Further, please refer to p.5 of the Attached Materials and "Revised Performance Forecast", which was announced publicly on August 7, 2007, in regard to matters concerning consolidated and non-consolidated business performance forecasts.

1. Operating results

(1) Analysis of operating results

(i) Operating results for the current interim term

Looking back over the economic environment during the current consolidated interim period under review, although the heavy tread of factors including concerns over increases in material prices due to the high price of crude oil, and the reduced pace of facility investment centered on the manufacturing industries remained in the Japanese economy, supported by the expansion of the world economy and a weak yen, the underlying strength of business conditions, centering on exports to developing nations, was maintained. Under such current conditions, although there is upward pressure on wages because the balance of labor supply and demand continues to be tight, actual wage increases are moderate and the recovery of personal consumption has also been limited. As for the US economy, the downturn in housing investment, which has been in a correction phase since the last fiscal term, is continuing, but corporate revenue is expanding against a backdrop of increases in productivity due to the upthrust of external demand. Excluding housing investment, facility investment has picked up greatly, centering on construction investment for factories. The employment situation is trending well overall and the employment income environment is also favorable. However, the growth of personal consumption has taken on a quiet aspect due to factors such as the increase of energy prices. In the European economy, exports to the Euro zone and Russia are performing steadily and facility investment is maintaining its strength. The strong Euro is alleviating the increased price of crude oil and consumption is also maintaining a stable trend due to improvements in the employment environment. The Asian economy is being supported by the good condition of exports, to Europe in particular, and economic expansion has continued centering on countries such as China, which is promoting fixed asset investment and exports. On the other hand, other Asian regions have also continued generally stable economic expansion, supported by exports and domestic demand.

In the electronics industry, which is related to the core operations of the SIIX group, domestically, shipments of household electrical equipment such as digital cameras and flat-screen TVs, information equipment such as printers, and peripheral equipment, as well as assemblies, circuit boards, individual parts and kits, etc., in these areas are performing well. In addition, launches of new products that have adopted new technologies are providing good news overseas, and exports of household electrical equipment such as digital cameras and flat-screen TVs are trending steadily. Also, exports of automobile related equipment such as car audios are performing well due to steadily increasing demand for automobiles. On account of such good conditions in the electronics industry, there has been a series of large-scale facility investments in Japan, which is exerting a pull on the recovery of business conditions. On the other hand, cost competition is increasing in severity due to the daring and prompt investment decisions of overseas manufacturers and their high-margin management practices based on selection and concentration. Interdependent with such price declines, the trend towards digitalization and networking is also forecast to strengthen further in future, and global demand for products such as digital cameras, flat-screen TVs and car audios is expected to continue expanding.

In such circumstances, sales for the current consolidated interim period under review were 81,846 million yen, an increase of 23,158 million yen (39.5% increase) in comparison to the previous consolidated interim period. In terms of profit, operating income was 2,551 million yen, an increase of 1,282 million yen (101.0% increase) in comparison to the previous consolidated interim period, due to factors such as the absorption of fixed costs by increased sales in the manufacturing Section. In addition, ordinary income finished at 2,852 million yen, an increase of 1,775 million yen (164.9% increase) in comparison to the previous consolidated interim period. Interim net income was 1,240 million yen, an increase of 1,088 million yen (715.4% increase) in comparison to the previous consolidated interim period.

Business performance of segments classified by business type was as follows.

(Electronics Section)

The Electronics Section is the core section of the SIIX Group and covers a wide range of product areas, including finished products, assemblies, circuit boards, individual parts, and kits related to areas such as communications equipment, automobile equipment, information equipment, household electrical equipment, industrial equipment, and general electronic equipment and devices. Shipments of digital cameras, flat-screen TVs, car audios, and camera modules and circuit boards for mobile phones increased, and sales for the current consolidated interim period under review were 76,117 million yen, an increase of 22,508 million yen (42.0% increase) in comparison to the previous consolidated interim period. Operating income finished at 3,071 million yen, an increase of 1,285 million yen (71.9% increase) in comparison to the previous consolidated interim period, due to factors such as the suppression of increases in selling, general and administrative expenses, etc.

(Machinery Section)

The Machinery Section handles products including components for motorbikes, wire harness components for automobiles, and industrial machinery. Shipments of wire harness components for automobiles increased and sales for the current consolidated interim period under review finished at 5,360 million yen, an increase of 696 million yen (14.9% increase) in comparison to the previous consolidated interim period. Operating income was 15 million yen, an increase of 0 million yen (0.3% increase) in comparison to the previous consolidated interim period.

(Other Sections)

Other Sections handle printing ink, chemical products, general merchandise and other products. Shipments of printing ink decreased and overall sales for the current consolidated interim period under review finished at 970 million yen, a decrease of 41 million yen (4.1% decrease) in comparison to the previous consolidated interim period. Operating income was 80 million yen, an increase of 27 million yen (51.1% increase) in comparison to the previous consolidated interim period, due to factors such as the suppression of increases in selling, general and administrative expenses, etc.

Business performance of segments classified by location was as follows.

(Japan)

Because shipments of components for commercial AV equipment and air purification systems increased, sales for the current consolidated interim period under review were 30,972 million yen, an increase of 5,314 million yen (20.7% increase) in comparison to the previous consolidated interim period. Operating income finished at 996 million yen, an increase of 405 million yen (68.4% increase) in comparison to the previous consolidated interim period.

(Asia)

Because shipments of digital cameras and components for car audios increased, sales for the current consolidated interim period under review were 60,499 million yen, an increase of 18,549 million yen (44.2% increase) in comparison to the previous consolidated interim period. Operating income finished at 2,041 million yen, an increase of 721 million yen (54.7% increase) in comparison to the previous consolidated interim period.

(Europe)

Because shipments of circuit boards for flat-screen TVs increased, sales for the current consolidated interim period under review were 3,265 million yen, an increase of 1,661 million yen (103.5% increase) in comparison to the previous consolidated interim period. However, because these increased sales could not absorb the burden of the cost of labor and depreciation costs, the company finished with an operating loss of 284 million yen, an increase of 21 million yen in comparison to the previous consolidated interim period (the operating loss in the previous consolidated interim period was 262 million yen).

(USA)

Because shipments of components for commercial AV equipment and components for automobile equipment increased, sales for the current consolidated interim period under review were 7,976 million yen, an increase of 2,414 million yen (43.4% increase) in comparison to the previous consolidated interim period. Operating income finished at 421 million yen, an increase of 177 million yen (72.7% increase) in comparison to the previous consolidated interim period.

(ii) The outlook for this term and the progress of the medium-term plan

Although the outlook for the global economy in the second half of the year is opaque, including the price of crude oil and concerns over a slowdown in the US economy, as well as a slide in market prices in association with the further intensification of competition, it is assumed that the global economy will expand steadily overall. In the electronics industry, where the company is positioned, continuing market growth is anticipated in areas such as household electrical equipment and automobile equipment, and it is also projected that the shift offshore of production bases will proceed further in response to regional demand and prices.

In such an environment, the forecast for SIIX Corporation is for a strong performance centered on product areas such as household electrical equipment and automobile equipment. In consideration of the business performance forecast for the interim term, the business performance forecast for the full term is for achievement of the medium-term plan about 1 year ahead of schedule, with sales of 159,541 million yen (23.4% increase over the previous term), operating income of 5,048 million yen (61.5% increase over the previous term), and current net income of 2,391 million yen (210.1% increase over the previous term). The exchange rate assumed in the business performance forecast for the second half of the term is 115 yen per U.S. dollar.

(2) Analysis of the financial situation

(i) The situations for assets, liabilities and net assets

Total assets at the end of the current consolidated interim period under review were 58,323 million yen, an increase of 7,116 million yen (13.9 % increase) in comparison to the previous consolidated fiscal year.

While on the one hand, cash and deposits increased 1,323 million yen (28.5% increase), and trade notes and accounts receivable increased 4,916 million yen (25.9% increase), on the other hand, inventory assets fell 281 million yen (2.2% decrease). Due to these and other factors, current assets increased 6,074 million yen (16.1% increase) in comparison to the previous consolidated fiscal year. As for fixed assets, machinery, equipment and vehicles increased 294 million yen (6.0% increase) due to factors such as the reinforcement of plant and facilities at overseas production bases. In addition, owing to factors such as the increase of 464 million yen (394.6% increase) in other tangible fixed assets in association with the construction of distribution facilities, etc, fixed assets increased 1,041 million yen (7.8% increase) in comparison to the previous consolidated fiscal year.

As for current liabilities, accounts payable increased 2,389 million yen (12.8% increase) in comparison to the previous consolidated fiscal year due to the expansion of operations, and short term borrowings increased 377 million yen (4.1% increase). Due to these and other factors, current liabilities increased 4,043 million yen (12.8% increase) in comparison to the previous consolidated fiscal year. Fixed liabilities increased 1,159 million yen (24.6% increase) in comparison to the previous consolidated fiscal year due to an increase of 213 million yen (6.6% increase) in long-term borrowings.

Net assets finished at 16,727 million yen while the capital adequacy ratio stood at 28.7%.

(ii) The cash flow situation

Although there was an increase in expenditure due to the acquisition of tangible fixed assets, etc, cash and cash equivalents (“funds” below) during the current consolidated interim period under review increased 1,322 million yen due to factors such as an increase in interim net income prior to tax and other adjustments, and an increase in depreciation costs. Funds at the end of the current consolidated interim period under review stood at 5,936 million yen (28.7% increase). The situation for each type of cash flow and the main contributing factors are as follows.

(Cash flow from operating activities)

Increased funds resulting from business activities were 1,767 million yen (increase of 535 million yen during the previous consolidated interim period). This was due mainly to net income for the interim period before taxes and other adjustments finishing at 3,011 million yen against the negative factor of the increase of 3,426 million yen for accounts payable, while there were also the positive factors of depreciation costs of 1,105 million yen and a reduction of 992 million yen in inventory assets.

(Cash flow from investment activities)

Reduced funds resulting from investment activities were 1,323 million yen (decrease of 1,238 million yen during the previous consolidated accounting period). This was due mainly to expenditures of 1,524 million yen for the acquisition of tangible fixed assets against receipts of 309 million yen due to the sale of investments in affiliated companies.

(Cash flow from financial activities)

Increased funds resulting from financial activities were 617 million yen (increase of 958 million yen during the previous consolidated accounting period). This was due mainly to income of 1,000 million yen due to long-term borrowings and a net decrease in short-term borrowings of 727 million yen against expenditures of 1,304 million yen for repayments of long-term borrowings.

(Reference) Trends in cash flow related indicators

	Year ended Dec. 2003	Year ended Dec. 2004	Year ended Dec. 2005	Year ended Dec. 2006	First half ended Jun. 2007
Capital-to-asset ratio (%)	22.3	23.5	29.0	28.6	28.7
Capital-to-asset ratio based on market prices (%)	26.1	31.1	53.3	33.2	43.9
Debt to annual cash flow ratio (years)	10.0	—	2.4	4.6	3.7
Interest coverage ratio (X)	6.9	—	17.5	6.2	6.9

Note: Cash flow indices are calculated as follows.

- Capital-to-asset ratio: Shareholder’s equity / Total assets
- Capital-to-asset ratio based on market prices: Market capitalization / Total assets
- Debt to annual cash flow ratio: Interest-bearing liabilities ([beginning of year + end of year] / 2) / Operating cash flow
- Interest coverage ratio: Operating cash flow / Interest payments

1. All indices are calculated on a consolidated basis.
2. Market capitalization is calculated as the closing price of stock on the consolidated balance sheet date (Tokyo Stock Exchange, First Section) × the number of shares outstanding on the balance sheet date.
3. Interest-bearing liabilities are intended to include all liabilities on which interest is paid from among the liabilities posted in the consolidated balance sheets. Operating cash flow uses cash flow due to operating activities reported on the consolidated statements of cash flows.
4. Interest uses the value of interest paid reported on consolidated statements of cash flows.
5. The debt to annual cash flow ratio at the end of the interim period is calculated on the assumption that annual cash flow will be double the interim cash flow.

(3) Basic policy concerning the distribution of income and dividends during the term under review

The SIIX Corporation has a basic policy of distributing income to shareholders on a continuous and stable basis and combines this with a policy of determining the value of dividends in consideration of matters such as the reinforcement of retained earnings in order to develop business operations in the future and to strengthen the company's management foundations.

The dividend for the current consolidated interim period under review is a normal dividend of 10 yen per share, an increase of 2.50 yen in comparison to the previous consolidated interim period. In addition, in regard to the term-end dividend, the company plans the same amount as the interim dividend at 10 yen per share for an annual dividend of 20 yen per share (a 5-yen per share increase over the previous consolidated fiscal year).

2. Corporate Group

The SIIX Group of companies is made up of SIIX Corp. (the Company), thirteen consolidated subsidiaries, one non-consolidated subsidiary, seven affiliates, of which two equity-method affiliates, and fourteen 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	Area/ Country	Capital/ Investment	Owner- ship (%)	Activities	Segment	Category
(Consolidated subsidiaries)						
SIIX (Shanghai) Co., Ltd.	Shanghai, China	Thousand RMB 1,655	100.00	Sales and procurement of products	Electronics	Trading
SIIX EMS (DONG GUAN) Co., Ltd.	Guangdong, China	Thousand RMB 110,914	100.00 (100.00)	Manufacturing, sales, and procurement of raw materials and products	Electronics	Manufacturing
SIIX H.K. Ltd.	Hong Kong, China	Thousand HK\$ 4,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX TWN Co., Ltd.	Taipei, Taiwan	Thousand NT\$ 5,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX Singapore Pte. Ltd.	Singapore	Thousand US\$ 1,144	100.00	Sales and procurement of products	Electronics	Trading
SIIX Bangkok Co., Ltd.	Bangkok, Thailand	Thousand Baht 30,000	100.00	Sales and procurement of products	Electronics	Trading
SIIX EMS (Thailand) Co., Ltd.	Samutprakarn, Thailand	Thousand Baht 309,100	100.00	Manufacturing, sales, and procurement of raw materials and products	Electronics	Manufacturing
SIIX Phils., Inc.	Pasay City, Metro Manila, Philippines	Thousand PHP 14,700	100.00	Sales and procurement of products	Electronics	Trading
SIIX Logistics Phils., Inc.	Languna, Philippines	Thousand US\$ 2,078	100.00	Sales and procurement of products	Electronics	Trading
PT SIIX Electronics Indonesia	Vatam Island, Indonesia	Thousand US\$ 1,980	100.00 (100.00)	Manufacturing, sales, and procurement of raw materials and products	Electronics	Manufacturing
SIIX Europe GmbH	Willich, Germany	Thousand Euro 1,022	100.00	Sales and procurement of products	Electronics	Trading
SIIX EMS Slovakia s.r.o.	Nitra, Slovakia	Thousand Euro 3,634	100.00	Manufacturing, sales, and procurement of raw materials and products	Electronics	Manufacturing
SIIX U.S.A. Corp.	Illinois, U. S. A.	Thousand US\$ 4,000	100.00	Sales and procurement of products	Electronics	Trading
(Equity-method affiliates)						
TAKAYA SIIX Electronics (Shanghai) Co., Ltd.	Shanghai, China	Thousand RMB 70,631	40.00	Manufacturing, sales, and procurement of raw materials and products	Electronics	Manufacturing
Kawasaki Motors (Phils) Corp.	Montin Lupa City, Metro Manila, Philippines	Thousand PHP 101,430	20.06	Manufacturing, sales, and procurement of raw materials and products	Machinery	Manufacturing

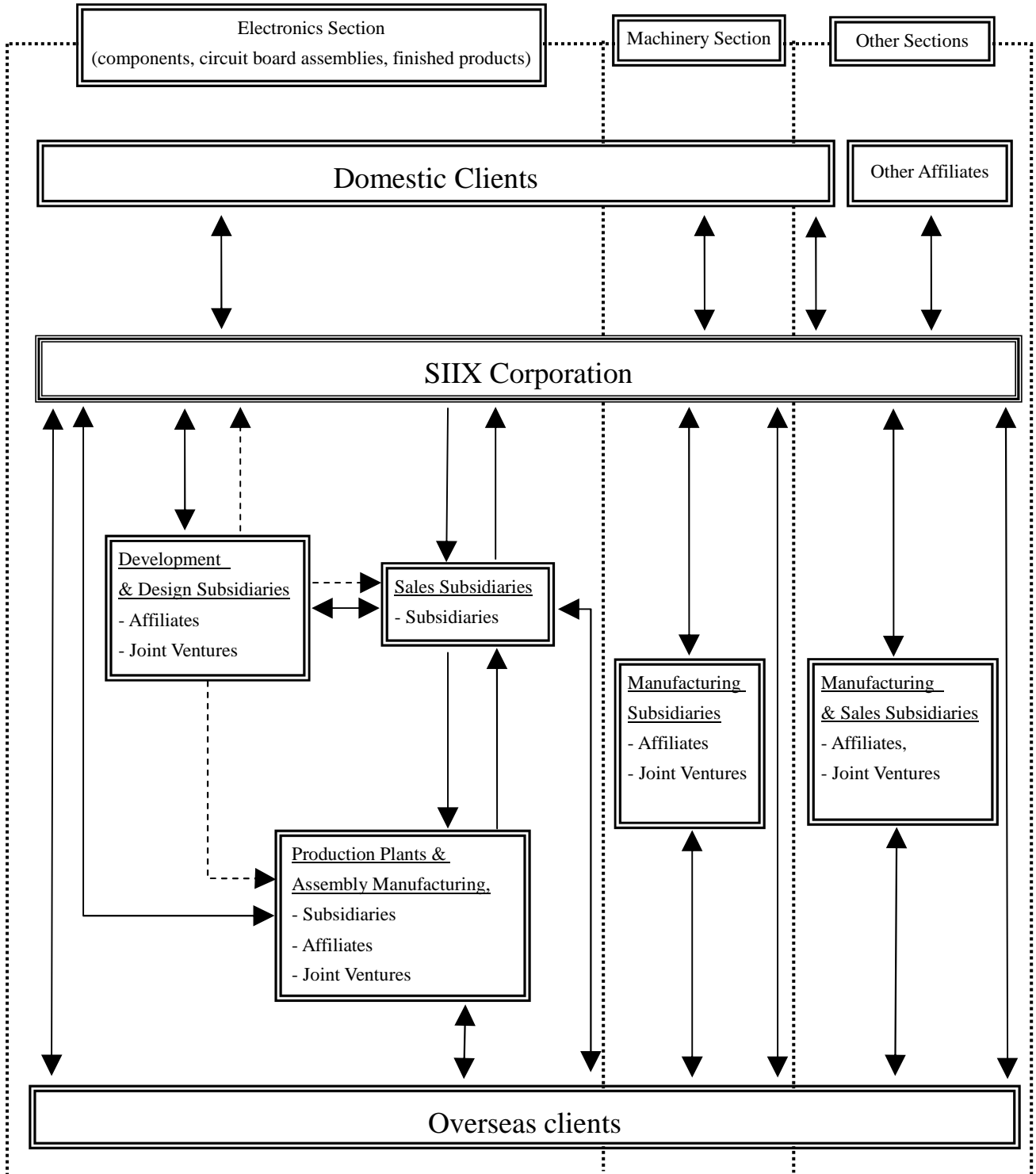
Notes: 1. Names of business segments are listed in the “Activities” column.

2. The figure in parentheses in the “Ownership” column indicates the shares indirectly owned.

3. All investment in one of consolidated subsidiaries, Nansha Sakata Ink Corp., in the previous consolidated fiscal year was disposed of during the current consolidated interim fiscal period.

4. All investment in one of equity-method affiliates, Innertech SIIX Electronics (Suzhou) Co., Ltd., in the previous consolidated fiscal year was disposed of during the current consolidated interim fiscal period.

Flowchart of Business Activities



Products, merchandise, and components

 Technical support

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

3. Management policy

As there have been no important changes from the details disclosed in the Consolidated Financial Results for the Year Ended December 31, 2006 (released on February 15, 2007), the disclosure of management policy is omitted here.

The Financial Results in question may be viewed from the following URLs.

(The SIIX Corporation website)

<http://www.six.co.jp>

(The website of the Tokyo Stock Exchange (Listed company information search section))

<http://www.tse.or.jp/listing/compsearch/index.html>

4. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Thousand yen)

Item	As of Jun. 30, 2006		As of Jun. 30, 2007		As of Dec. 31, 2006		Change			
	Amount	(%)	Amount	(%)	Amount	(%)	Amount			
Assets										
I Current assets										
1. Cash and deposits		3,836,480		5,959,654		4,636,549	1,323,104			
2. Trade notes and accounts receivable		17,343,250		23,922,013		19,005,945	4,916,068			
3. Inventories		10,427,983		12,465,683		12,747,215	(281,531)			
4. Deferred tax assets		138,688		447,983		241,447	206,536			
5. Others		2,107,678		1,364,007		1,861,097	(497,089)			
Provision for doubtful receivables		(468,591)		(312,269)		(719,881)	407,612			
Total current assets		33,385,491	72.3	43,847,073	75.2	37,772,373	73.8	6,074,699		
II Fixed assets										
1. Tangible fixed assets										
(1) Buildings and structures	4,855,055			5,573,862		5,220,810				
Accumulated depreciation	1,315,423	3,539,631		1,823,924	3,749,938	1,562,025	3,658,785	91,152		
(2) Machinery, equipment, and vehicles	8,638,404			12,129,885		10,423,432				
Accumulated depreciation	4,380,987	4,257,416		6,957,447	5,172,438	5,545,485	4,877,947	294,491		
(3) Tools, furniture and fixtures	1,283,412			1,382,666		1,288,304				
Accumulated depreciation	1,002,897	280,514		1,114,098	268,568	1,026,034	262,270	6,297		
(4) Land		1,206,906			1,464,406		1,373,692	90,714		
(5) Others		195,438			581,921		117,658	464,263		
Total tangible fixed assets		9,479,907	20.5		11,237,273	19.3		10,290,353	20.1	946,920
2. Intangible fixed assets										
(1) Software		89,318			129,967		90,876	39,090		
(2) Others		263,156			313,925		141,828	172,096		
Total intangible fixed assets		352,475	0.8		443,892	0.7		232,705	0.4	211,187
3. Investments and other assets										
(1) Investment securities		2,038,129			1,883,659		1,986,556	(102,897)		
(2) Investment in capital		402,532			463,773		442,499	21,274		
(3) Long-term loans receivable		136,369			67,170		66,202	968		
(4) Deferred tax assets		3,687			14,568		17,206	(2,638)		
(5) Others		679,583			856,225		793,233	62,991		
Provision for doubtful receivables		(323,866)			(490,152)		(393,878)	(96,273)		
Total investments and other assets		2,936,436	6.4		2,795,244	4.8		2,911,819	5.7	(116,575)
Total fixed assets		12,768,819	27.7		14,476,410	24.8		13,434,878	26.2	1,041,531
Total assets		46,154,310	100.0		58,323,483	100.0		51,207,251	100.0	7,116,231

(Thousand yen)

Item	As of Jun. 30, 2006		As of Jun. 30, 2007		As of Dec. 31, 2006		Change
	Amount	(%)	Amount	(%)	Amount	(%)	Amount
Liabilities							
I Current liabilities							
1. Trade accounts payable	15,990,680		21,070,562		18,681,552		2,389,009
2. Short-term borrowings	8,839,755		9,664,370		9,287,327		377,043
3. Accrued expenses	1,101,597		1,370,514		1,005,634		364,880
4. Income taxes payable	552,551		1,265,504		918,201		347,303
5. Deferred tax liabilities	658		3,416		256		3,159
6. Others	1,701,103		2,347,471		1,785,819		561,651
Total current liabilities	28,186,345	61.1	35,721,839	61.2	31,678,791	61.9	4,043,048
II Fixed liabilities							
1. Long-term liabilities	3,085,205		3,450,695		3,237,426		213,268
2. Reserve for retirements	110,589		101,174		110,992		(9,817)
3. Reserve for retirement benefits for directors	140,990		158,990		149,990		9,000
4. Deferred tax liabilities	1,026,199		1,758,124		1,167,962		590,161
5. Others	69,378		405,351		48,936		356,415
Total fixed liabilities	4,432,363	9.6	5,874,335	10.1	4,715,308	9.2	1,159,027
Total liabilities	32,618,709	70.7	41,596,175	71.3	36,394,100	71.1	5,202,075
Net assets							
I Shareholder's equity							
1. Common stock	2,144,000	4.7	2,144,000	3.7	2,144,000	4.2	0
2. Capital surplus	1,853,000	4.0	1,853,000	3.2	1,853,000	3.6	0
3. Retained surplus	9,136,311	19.8	10,807,427	18.5	9,661,278	18.9	1,146,149
4. Treasury stock	(32)	(0.0)	(100)	(0.0)	(32)	(0.0)	(68)
Total shareholder's equity	13,133,279	28.5	14,804,327	25.4	13,658,246	26.7	1,146,081
II Difference of valuation, translation, and other adjustments							
1. Net unrealized gains (losses) on other securities	218,694	0.5	119,345	0.2	167,530	0.3	(48,184)
2. Net gains (losses) on deferral hedge	7,914	0.0	(845)	(0.0)	617	0.0	(1,462)
3. Foreign currency translation adjustments	20,497	0.0	1,804,480	3.1	800,292	1.5	1,004,188
Total of difference of appreciation and translation	247,106	0.5	1,922,980	3.3	968,439	1.8	954,540
III Minority interests							
Total net assets	13,535,601	29.3	16,727,307	28.7	14,813,151	28.9	1,914,156
Total liabilities and net assets	46,154,310	100.0	58,323,483	100.0	51,207,251	100.0	7,116,231

(2) Consolidated Statements of Income

(Thousand yen)

Item	Note	Jan. 1, 2006 – Jun. 30, 2006		Jan. 1, 2007 – Jun. 30, 2007		Change		Jan. 1, 2006 – Dec. 31, 2006				
		Amount	(%)	Amount	(%)	Change	(%)	Amount	(%)			
I Net sales		58,688,022	100.0	81,846,441	100.0	23,158,418	39.5	129,333,907	100.0			
II Cost of sales		54,626,048	93.1	76,223,695	93.1	21,597,646	39.5	120,570,343	93.2			
Gross profit		4,061,973	6.9	5,622,745	6.9	1,560,771	38.4	8,763,563	6.8			
III Selling, general and administrative expenses	*1	2,792,034	4.7	3,070,747	3.8	278,712	10.0	5,666,100	4.4			
Operating income		1,269,938	2.2	2,551,997	3.1	1,282,059	101.0	3,097,462	2.4			
IV Non-operating income												
1. Interest income		42,278		72,235				105,798				
2. Dividend income		28,164		25,870				34,694				
3. Amortization of consolidation goodwill		4,524		—				—				
4. Amortization of goodwill		—		4,524				9,048				
5. Rent income		27,255		32,374				60,016				
6. Investment income due to equity method		—		26,859				—				
7. Foreign exchange gains		—		292,999				140,547				
8. Others		126,690	228,913	0.4	137,709	592,573	0.7	363,660	158.9	265,406	615,511	0.5
V Non-operating expenses												
1. Interest expenses		220,988		246,540				464,700				
2. Losses due to equity method		31,245		—				44,933				
3. Foreign exchange losses		111,082		—				—				
4. Others		58,551	421,867	0.8	45,398	291,939	0.3	(129,928)	(30.8)	76,874	586,508	0.5
Ordinary income			1,076,984	1.8		2,852,632	3.5	1,775,647	164.9		3,126,465	2.4

(Thousand yen)

Item	Note	Jan. 1, 2006 – Jun. 30, 2006		Jan. 1, 2007 – Jun. 30, 2007		Change		Jan. 1, 2006 – Dec. 31, 2006			
		Amount	(%)	Amount	(%)	Change	(%)	Amount	Amount	(%)	
VI Extraordinary income											
1. Gain on sales of fixed assets	*2	6,465		18,946					14,347		
2. Reversal of allowance for doubtful accounts		35,850		83,150					7,718		
3. Gain on sales of shares in affiliates	*3	—		161,769					—		
4. Gain on sales of investment securities		—	42,316	23,261	287,128	0.4	244,812	578.5	338	22,405	0.0
VII Extraordinary loss											
1. Loss on sale of investment securities		283		—					283		
2. Loss on valuation of investment securities	*4	—		14,960					—		
3. Loss on sale of fixed assets		32		1,090					309		
4. Loss on disposal of fixed assets	*5	24,972		7,428					33,147		
5. Expenses for renovation of head office	*6	10,435		—					10,435		
6. Loss on valuation of inventories	*7	189,584		—					413,814		
7. Loss on disposal of inventories	*8	—		—					—		
8. Lump sum amortization of goodwill	*9	—		104,771					128,245		0.5
9. Impairment loss	*10	—	225,308	—	128,249	0.2	(97,059)	(43.1)	104,227	690,463	
Income before income taxes and minority interests			893,992		3,011,510	3.7	2,117,518	236.9		2,458,407	1.9
Current income taxes		598,402		1,313,346					1,447,413		
Deferred income taxes		127,770	726,172	432,911	1,746,257	2.2	1,020,085	140.5	202,234	1,649,648	1.3
Loss on minority interests			(15,668)		(24,604)	(0.0)	(8,935)	—		(37,141)	(0.0)
Net income			152,150		1,240,648	1.5	1,088,497	715.4		771,617	0.6

(3) Consolidated Statements of Changes in Net Assets

Previous consolidated interim period (Jan. 1, 2006 - Jun. 30, 2006)

(Thousand yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at December 31, 2005	2,144,000	1,853,000	9,095,660	(32)	13,092,628
Changes in the period					
Dividends from surplus			(94,499)		(94,499)
Net income			152,150		152,150
Bonuses to directors			(17,000)		(17,000)
Net changes of items other than shareholders' equity					
Total changes in the period	—	—	40,651	—	40,651
Balances at June 30, 2006	2,144,000	1,853,000	9,136,311	(32)	13,133,279

(Thousand yen)

	Difference of valuation, translation and other adjustments				Minority interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net gains (losses) on deferral hedge	Foreign currency translation adjustments	Total of difference from appreciation and conversion		
Balances at December 31, 2005	312,393	—	19,578	331,972	151,057	13,575,658
Changes in the period						
Dividends from surplus				—		(94,499)
Net income				—		152,150
Bonuses to directors				—		(17,000)
Net changes of items other than shareholders' equity	(93,699)	7,914	919	(84,865)	4,158	(80,707)
Total changes in the period	(93,699)	7,914	919	(84,865)	4,158	(40,056)
Balances at June 30, 2006	218,694	7,914	20,497	247,106	155,215	13,535,601

Current consolidated interim period (Jan. 1, 2007 - Jun. 30, 2007)

(Thousand yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at December 31, 2006	2,144,000	1,853,000	9,661,278	(32)	13,658,246
Changes in the period					
Dividends from surplus			(94,499)		(94,499)
Net income			1,240,648		1,240,648
Bonuses to directors				(68)	(68)
Net changes of items other than shareholders' equity					
Total changes in the period	—	—	1,146,149	(68)	1,146,081
Balances at June 30, 2007	2,144,000	1,853,000	10,807,427	(100)	14,804,327

(Thousand yen)

	Difference of valuation, translation and other adjustments				Minority interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net gains (losses) on deferral hedge	Foreign currency translation adjustments	Total of difference from appreciation and conversion		
Balances at December 31, 2006	167,530	617	800,292	968,439	186,465	14,813,151
Changes in the period						
Dividends from surplus				—	(9,499)	(103,998)
Net income				—		1,240,648
Bonuses to directors				—		(68)
Net changes of items other than shareholders' equity	(48,184)	(1,462)	1,004,188	954,540	(176,965)	777,574
Total changes in the period	(48,184)	(1,462)	1,004,188	954,540	(186,465)	1,914,156
Balances at June 30, 2007	119,345	(845)	1,804,480	1,922,980	—	16,727,307

Previous consolidated fiscal year (Jan. 1, 2006 - Dec. 31, 2006)

(Thousand yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at December 31, 2005	2,144,000	1,853,000	9,095,660	(32)	13,092,628
Changes in the fiscal year					
Dividends from surplus			(188,999)		(188,999)
Net income			771,617		771,617
Bonuses to directors			(17,000)		(17,000)
Net changes of items other than shareholders' equity					
Total changes in the fiscal year	—	—	565,618	—	565,618
Balances at December 31, 2006	2,144,000	1,853,000	9,661,278	(32)	13,658,246

(Thousand yen)

	Difference of valuation, translation and other adjustments				Minority interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net gains (losses) on deferral hedge	Foreign currency translation adjustments	Total of difference from appreciation and conversion		
Balances at December 31, 2005	312,393	—	19,578	331,972	151,057	13,575,658
Changes in the fiscal year						
Dividends from surplus				—		(188,999)
Net income				—		771,617
Bonuses to directors				—		(17,000)
Net changes of items other than shareholders' equity	(144,863)	617	780,713	636,467	35,407	671,875
Total changes in the fiscal year	(144,863)	617	780,713	636,467	35,407	1,237,493
Balances at December 31, 2006	167,530	617	800,292	968,439	186,465	14,813,151

(4) Consolidated Statements of Cash Flows

(Thousand yen)

Item	Note	Jan. 1, 2006 - Jun. 30, 2006	Jan. 1, 2007 - Jun. 30, 2007	Jan. 1, 2006 - Dec. 31, 2006
		Amount	Amount	Amount
I Operating activities				
1. Income before income taxes and minority interests		893,992	3,011,510	2,458,407
2. Depreciation		866,055	1,105,210	1,850,085
3. Amortization of consolidation goodwill		11,506	—	—
4. Amortization of goodwill		—	(4,524)	23,013
5. Change in provision for doubtful accounts		218,580	(341,457)	434,274
6. Interest and dividend income		(70,443)	(98,106)	(140,492)
7. Interest expenses		220,988	246,540	464,700
8. Foreign exchange gains and losses		111,082	15,718	3,938
9. Gains and losses due to equity method		31,245	(26,859)	44,933
10. (Increase) decrease in trade notes and accounts receivable		(1,184,091)	(3,426,392)	(1,475,425)
11. (Increase) decrease in inventories		842,511	992,124	(2,312,775)
12. (Increase) decrease in consumption taxes receivable		104,770	(5,356)	192,871
13. Increase (decrease) in trade notes and accounts payable		105,514	542,636	1,352,862
14. Increase (decrease) in advances received		878,182	329,006	834,830
15. Gains on sales of shares in affiliates		—	161,769	—
16. Others		292,479	485,941	996,053
Subtotal		1,637,351	2,987,762	4,727,278
21. Interest and dividends received		79,817	98,106	140,492
22. Interest paid		(199,359)	(254,388)	(445,163)
23. Income taxes paid		(981,915)	(1,063,681)	(1,682,630)
Net cash provided by (used in) operating activities		535,893	1,767,798	2,739,977
II Investing activities				
1. Purchase of tangible fixed assets		(1,119,111)	(1,524,060)	(2,651,382)
2. Proceeds from sales of tangible fixed assets		7,015	19,876	15,533
3. Purchases of intangible fixed assets		(42,222)	(227,982)	(80,995)
4. Purchases of investment securities		(70,517)	—	(70,519)
5. Proceeds from sales of investment securities		1,783	77,151	4,187
6. Payment for loans		—	(1,452)	(2,200)
7. Proceeds from recovered loans		5,102	1,168	5,669
8. Payment for investment in affiliates		(4,806)	—	(4,806)
9. Proceeds from sales of shares in affiliates		—	309,878	—
10. Others		(15,917)	22,053	(16,232)
Net cash used in investing activities		(1,238,674)	1,323,365	(2,800,747)

(Thousand yen)

		Jan. 1, 2006 - Jun. 30, 2006	Jan. 1, 2007 - Jun. 30, 2007	Jan. 1, 2006 - Dec. 31, 2006
Item	Note	Amount	Amount	Amount
III Financing activities				
1. Decrease (increase) in short-term borrowings		(1,740,172)	727,910	(2,653,822)
2. Proceeds from long-term borrowings		1,418,665	1,000,000	3,146,582
3. Repayment of long-term borrowings		(556,506)	(1,304,780)	(1,285,019)
4. Dividends paid		(94,011)	(94,109)	(188,644)
5. Payment of dividends to minority shareholders		—	—	(9,407)
6. Proceeds from sale and lease back activities		76,334	427,775	78,632
7. Others		(63,084)	(139,508)	(48,160)
Net cash used in (provided by) financing activities		(958,774)	617,287	(959,839)
IV Effect of exchange rate changes on cash and cash equivalents		(42,601)	260,755	115,829
V Net increase (decrease) in cash and cash equivalents		(1,704,156)	1,322,475	(904,780)
VI Cash and cash equivalents at beginning of period		5,518,343	4,613,563	5,518,343
VII Cash and cash equivalents at end of period		3,814,186	5,936,038	4,613,563

Segment Information

1 Information by operating segment

Previous consolidated interim period (Jan. 1, 2006 - Jun. 30, 2006)

(Thousand yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	53,608,951	4,066,257	1,012,813	58,688,022	—	58,688,022
(2) Sales and transfer-inter-segment	—	597,536	—	597,536	(597,536)	—
Total	53,608,951	4,663,794	1,012,813	59,285,559	(597,536)	58,688,022
Operating expenses	51,822,011	4,648,692	959,833	57,430,537	(12,453)	57,418,083
Operating income	1,786,939	15,101	52,980	1,855,022	(585,083)	1,269,938

Current consolidated interim period (Jan. 1, 2007 - Jun. 30, 2007)

(Thousand yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	76,117,069	4,758,526	970,844	81,846,441	—	81,846,441
(2) Sales and transfer-inter-segment	—	601,713	—	601,713	(601,713)	—
Total	76,117,069	5,360,240	970,844	82,448,155	(601,713)	81,846,441
Operating expenses	73,045,108	5,345,088	890,773	79,280,970	13,472	79,294,443
Operating income	3,071,960	15,152	80,071	3,167,184	(615,186)	2,551,997

Previous consolidated fiscal year (Jan. 1, 2006 - Dec. 31, 2006)

(Thousand yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	118,903,525	8,409,558	2,020,823	129,333,907	—	129,333,907
(2) Sales and transfer-inter-segment	—	1,411,291	—	1,411,291	(1,411,291)	—
Total	118,903,525	9,820,850	2,020,823	130,745,199	(1,411,291)	129,333,907
Operating expenses	114,892,485	9,788,711	1,894,983	126,576,180	(339,736)	126,236,444
Operating income	4,011,040	32,138	125,839	4,169,018	(1,071,555)	3,097,462

Notes:

1. Operating segments are based on product similarities
2. Major products by operating segment

Section	Major products
Electronics section	Finished products, subassemblies, circuit board assemblies, components, and kits in the fields listed below: Communication devices (LCD modules and camera modules for mobile phones, etc.), vehicle-mounted devices (car audios, meters, front panels, etc.), information devices (scanners, printers, peripheral devices, etc.), household appliances (digital cameras, flat screen TVs, air conditioners, healthcare equipment, etc.), industrial equipment (engine ignition systems, commercial AV equipment, etc.) and general electronic products
Machinery section	Motorcycle parts and materials, wire harnesses, electrical components such as spark plugs, general and industrial equipment and related parts and materials
Other section	Printing ink, synthetic chemicals, miscellaneous goods and other items

3. Operating expenses included under the heading "Eliminations and corporate" consist primarily of expenses related to the management divisions, mainly the general affairs and accounting divisions, at the parent company. Operating expenses included under "Eliminations and corporate" were as follows:

First half ended Jun. 2007:	604,500 thousand yen
First half ended Jun. 2006:	637,660 thousand yen
Year ended Dec. 2006:	1,111,084 thousand yen

2 Geographical Segment Information

Previous consolidated interim period (Jan. 1, 2006 - Jun. 30, 2006)

(Thousand yen)

	Japan	SE Asia	Europe	Other	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	16,280,412	38,035,753	1,404,931	2,966,925	58,688,022	—	58,688,022
(2) Sales and transfers—inter-segments	9,377,738	3,914,096	199,540	2,595,185	16,086,560	(16,086,560)	—
Total	25,658,151	41,949,850	1,604,471	5,562,110	74,774,583	(16,086,560)	58,688,022
Operating expenses	25,066,371	40,629,776	1,867,466	5,318,025	72,881,640	(15,463,556)	57,418,083
Operating income or operating loss	591,779	1,320,073	(262,995)	244,084	1,892,943	(623,004)	1,269,938

Current consolidated interim period (Jan. 1, 2007 - Jun. 30, 2007)

(Thousand yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	17,928,793	56,890,614	3,015,060	4,011,971	81,846,441	—	81,846,441
(2) Sales and transfers—inter-segments	13,043,641	3,608,974	250,620	3,964,377	20,867,614	(20,867,614)	—
Total	30,972,435	60,499,589	3,265,681	7,976,349	102,714,055	(20,867,614)	81,846,441
Operating expenses	29,975,601	58,457,787	3,549,990	7,554,699	99,538,079	(20,243,635)	79,294,443
Operating income or operating loss	996,833	2,041,801	(284,309)	421,650	3,175,976	(623,978)	2,551,997

Previous consolidated fiscal year (Jan. 1, 2006 - Dec. 31, 2006)

(Thousand yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	34,222,588	85,723,155	3,166,999	6,221,162	129,333,907	—	129,333,907
(2) Sales and transfers—inter-segments	22,196,820	8,394,094	388,138	6,075,473	37,054,526	(37,054,526)	—
Total	56,419,409	94,117,249	3,555,138	12,296,636	166,388,433	(37,054,526)	129,333,907
Operating expenses	54,959,220	91,122,561	4,261,684	11,753,094	162,096,560	(35,860,116)	126,236,444
Operating income or operating loss	1,460,189	2,994,688	(706,545)	543,541	4,291,873	(1,194,410)	3,097,462

Notes:

1. Operating expenses included under the heading "Eliminations and corporate" consist primarily of expenses related to the management divisions, mainly the general affairs and accounting divisions, at the parent company. Operating expenses included under "Eliminations and corporate" were as follows:

First half ended Jun. 2007: 604,500 thousand yen

First half ended Jun. 2006: 637,660 thousand yen

Year ended Dec. 2006: 1,111,084 thousand yen

2. 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, Taiwan, Singapore, Thailand, Philippines, and Indonesia

Europe: Germany and Slovakia

Americas: USA

3 Overseas Sales

Previous consolidated interim period (Jan. 1, 2006 - Jun. 30, 2006)

	Asia	Europe	N. America	Other	Total
I Overseas sales (thousand yen)	37,069,883	3,163,379	4,414,322	1,434,194	46,081,779
II Consolidated sales (thousand yen)					58,688,022
III Share of overseas sales in consolidated sales (%)	63.2	5.4	7.5	2.4	78.5

Current consolidated interim period (Jan. 1, 2007 - Jun. 30, 2007)

	Asia	Europe	N. America	Other	Total
I Overseas sales (thousand yen)	56,975,234	4,945,048	3,837,914	2,163,691	67,921,888
II Consolidated sales (thousand yen)					81,846,441
III Share of overseas sales in consolidated sales (%)	69.6	6.1	4.7	2.6	83.0

Previous consolidated fiscal year (Jan. 1, 2006 - Dec. 31, 2006)

	Asia	Europe	N. America	Other	Total
I Overseas sales (thousand yen)	84,378,108	6,854,903	8,414,987	3,255,243	102,903,244
II Consolidated sales (thousand yen)					129,333,907
III Share of overseas sales in consolidated sales (%)	65.3	5.3	6.5	2.5	79.6

Note:

- 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, Taiwan, Singapore, Thailand, Philippines, and Indonesia

Europe: Germany, France, and Italy

North America: USA

Other: Central and South America, Oceania