

Consolidated Third-Quarter Financial Results

for the Fiscal Year Ended December 31, 2008 (January 1, 2008 to September 30, 2008)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
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(Amounts less than one million yen are omitted)

1. Consolidated Third-quarter Financial Results (January 1, 2008 - September 30, 2008)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
3rd-quarter ended Sep. 2008	111,192	(8.6)	3,537	(7.9)	3,856	(1.0)
3rd-quarter ended Sep. 2007	121,718	31.3	3,840	99.6	3,895	117.2
Year ended Dec. 2007	161,458	—	5,423	—	5,618	—

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
3rd-quarter ended Sep. 2008	1,973	3.2	78.46	—
3rd-quarter ended Sep. 2007	1,912	419.9	151.80	—
Year ended Dec. 2007	2,447	—	194.29	—

*A 2-for-1 stock split was conducted on January 1, 2008.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
3rd-quarter ended Sep. 2008	57,360	16,252	28.3	653.98
3rd-quarter ended Sep. 2007	56,818	16,226	28.6	1,287.86
Year ended Dec. 2007	58,376	16,930	29.0	1,343.66

*A 2-for-1 stock split was conducted on January 1, 2008.

(3) Consolidated Cash Flows Position

	Net cash provided by (used in)			Cash and cash equivalents at end of the period
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
3rd-quarter ended Sep. 2008	1,009	(3,733)	589	5,334
3rd-quarter ended Sep. 2007	4,066	(1,668)	(907)	6,029
Year ended Dec. 2007	5,843	(2,473)	365	8,324

2. Dividends

(base date)	Annual dividends per share		
	Interim	Term-end	Annual
Year ended Dec. 2008 (Actual results)	6.00	—	12.00
Year ended Dec. 2008 (Forecasts)	—	6.00	
Year ended Dec. 2007	10.00	12.00	22.00

*A 2-for-1 stock split was conducted on January 1, 2008.

3. Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2008 (January 1, 2008 - December 31, 2008) [Reference]

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	150,054	(7.1)	4,574	(15.7)	4,885	(13.0)

	Net income		Net income per share
	Million yen	YoY change (%)	Million yen
Full year	2,549	4.2	101.15

The performance forecasts for the full business year in the fiscal year ending December 2008 released on August 18, 2008, have not been changed.

4. Other

- () Transfer of important subsidiary companies during the period (transfer of specific subsidiary companies in accordance with changes in the scope of consolidation): No
- () Adoption or non-adoption of a simplified method in accounting procedures: Adoption
- () Change or no change in accounting methods from the most recent consolidated fiscal year: No change

[Note: For details, please refer to “Qualitative information, financial statements, etc. 4. Other” on page 3.]

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

The 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 results may differ from these forecasts for a variety of future reasons.

[Qualitative information, financial statements, etc.]

1. Qualitative information concerning the consolidated operating results

Overseas, economies showed downward trends in a range of sectors during the third quarter. These declines were attributable to the slowdown of the world economy due to the financial instability triggered by the subprime crisis in the U.S. In Europe, the downturn in the U.S. economy adversely affected production and orders, which continued to decrease as the recession became more pronounced. Asian economies also witnessed declining exports to the U.S. as well as weaker domestic demand. As for the Japanese economy, business conditions deteriorated further, including falling exports in response to the slowing world economy.

Under such circumstances, while shipments of information equipment and other products remained strong during this third quarter, net sales amounted to 111,192 million yen, a decrease of 10,525 million yen (8.6% decrease) from the same period in the previous year, due to the impact of the rising yen. In terms of profit, operating income stood at 3,537 million yen, representing a reduction of 303 million yen (7.9% decrease) compared to the same period in the previous year. Ordinary income fell by 38 million yen (1.0% decrease) from the same period in the previous year, amounting to 3,856 million yen. Net income for the quarter, however, increased by 60 million yen (3.2% increase) compared to a year earlier, reaching 1,973 million yen.

2. Qualitative information concerning the consolidated financial situation

Total assets decreased by 1,015 million yen in comparison to the end of the previous consolidated fiscal year due primarily to reduced cash and deposits and the impact of exchange rate fluctuations, falling to 57,360 million yen.

Meanwhile, net assets fell by 677 million yen from the end of the previous consolidated fiscal year to 16,252 million yen as a result of a decrease in the foreign currency translation adjustments caused primarily by exchange rate fluctuations. Further, the capital-to-asset ratio declined from 29.0% to 28.3%.

(Cash flow situation)

The increased value of cash and cash equivalents (referred to below as “funds”) as a result of operating activities amounted to 1,009 million yen. This was due mainly to a level of income before income taxes and minority interests of 3,434 million yen and the increased value of trade notes and accounts payable of 2,569 million yen in contrast to the increased value of trade notes and accounts receivable of 3,634 million yen.

Funds were reduced due to investments in the amount of 3,733 million yen. One major expenditure in this category was 3,515 million yen for the acquisition of tangible fixed assets.

Funds increased in the amount of 589 million yen as a result of financial activities. This was attributable mainly to the expenditure of 919 million yen for the repayment of long-term borrowings in contrast to a net increase of 229 million yen in short-term borrowings and proceeds of 2,000 million yen from long-term borrowings.

As a result of the above shifts, the value of funds available on a consolidated basis at the end of the third quarter stood at 5,334 million yen, a decrease of 2,990 million yen (35.9% decrease) in comparison to the end of the previous consolidated fiscal year.

3. Qualitative information concerning the consolidated financial forecasts

Financial results through the third quarter moved within the range of the forecasts announced on August 18, 2008.

Since the beginning of the fourth quarter, however, financial instability in the global economic environment caused by the subprime loan problem in the U.S. has triggered sharp declines in stock prices and rapid exchange rate fluctuations around the world, which is beginning to adversely affect the real economies of individual countries.

In the areas relevant to our businesses, while the demand for digital home appliances is forecast to remain relatively strong, the demand for automobile-related parts will likely decline, and in general we expect the market environment to be severe. The extent of the impact on our areas of business, on the other hand, involves numerous fluctuating factors. We have therefore made no adjustments to our prospects for the fiscal year as a whole as of this date.

4. Other

- (1) Transfers of important subsidiaries during this period (transfers of specific subsidiaries in association with changes in the scope of consolidation)

None

- (2) Adoption of convenient accounting methods

The company has adopted simplified methods in regard to the posting criteria used for corporate tax, etc.

- (3) Changes in accounting methods from the most recent consolidated fiscal year

None

5. (Summary) Quarterly Consolidated Financial Statements

(1) (Summary) Quarterly Consolidated Balance Sheets

(Million yen)

item	Previous 3rd-quarter As of Sep. 30, 2007		Current 3rd-quarter As of Sep. 30, 2008		Previous fiscal year As of Dec. 31, 2007		YoY change
	Amount	(%)	Amount	(%)	Amount	(%)	Amount
Assets							
I Current assets							
1. Cash and deposits	6,052		5,357		8,346		(2,989)
2. Trade notes and accounts receivable	22,820		21,556		21,559		(2)
3. Inventories	12,650		13,400		13,252		147
4. Others	1,917		1,767		1,390		377
Provision for doubtful receivables	(309)		(76)		(131)		54
Total current assets	43,130	75.9	42,005	73.2	44,417	76.1	(2,412)
II Fixed assets							
1. Tangible fixed assets	10,572		12,107		10,601		1,506
2. Intangible fixed assets	436		768		504		263
3. Investments and other assets	3,151		2,928		3,322		(393)
Provision for doubtful receivables	(472)		(448)		(469)		20
Total fixed assets	13,688	24.1	15,355	26.8	13,958	23.9	1,397
Total assets	56,818	100.0	57,360	100.0	58,376	100.0	(1,015)
Liabilities							
I Current liabilities							
1. Trade accounts payable	23,223		20,976		21,937		(960)
2. Short-term borrowings	8,582		9,699		10,166		(467)
3. Others	3,830		4,080		3,950		129
Total current liabilities	35,637	62.7	34,756	60.6	36,054	61.8	(1,298)
II Fixed liabilities							
1. Long-term liabilities	2,752		3,489		2,558		931
2. Reserve for retirements	92		61		91		(29)
3. Reserve for retirement benefits for directors	163		—		212		(212)
4. Others	1,946		2,800		2,529		271
Total fixed liabilities	4,954	8.7	6,352	11.1	5,391	9.2	960
Total liabilities	40,591	71.4	41,108	71.7	41,446	71.0	(337)
Net assets							
I Shareholder's equity							
1. Common stock	2,144	3.8	2,144	3.7	2,144	3.7	—
2. Capital surplus	1,853	3.2	1,853	3.2	1,853	3.2	—
3. Retained surplus	11,353	20.0	13,559	23.6	11,888	20.3	1,670
4. Treasury stock	(0)	(0.0)	(196)	(0.3)	(0)	(0.0)	(195)
Total shareholder's equity	15,350	27.0	17,360	30.2	15,885	27.2	1,474
II Difference of valuation, translation, and other adjustments							
1. Net unrealized (gains) losses on other securities	(36)	(0.0)	(62)	(0.1)	(113)	(0.2)	51
2. Net gains (losses) on deferral hedge	3	0.0	21	0.0	11	0.0	9
3. Foreign currency translation adjustments	909	1.6	(1,066)	(1.8)	1,146	2.0	(2,213)
Total of difference of appreciation and translation	876	1.6	(1,107)	(1.9)	1,044	1.8	(2,152)
III Minority interests							
Total net assets	16,226	28.6	16,252	28.3	16,930	29.0	(677)
Total liabilities and net assets	56,818	100.0	57,360	100.0	58,376	100.0	(1,015)

(2) (Summary) Quarterly Consolidated Statements of Income

(Million yen)

Item	Previous 3rd-quarter Jan. 1, 2007 – Sep. 30, 2007		Current 3rd-quarter Jan. 1, 2008 – Sep. 30, 2008		Change		Previous fiscal year Jan. 1, 2007 – Dec. 31, 2007	
	Amount	(%)	Amount	(%)	Change	(%)	Amount	(%)
I Net sales	121,718	100.0	111,192	100.0	(10,525)	(8.6)	161,458	100.0
II Cost of sales	113,397	93.2	102,980	92.6	(10,417)	(9.2)	150,029	92.9
Gross profit	8,320	6.8	8,211	7.4	(108)	(1.3)	11,428	7.1
III Selling, general and administrative expenses	4,479	3.6	4,674	4.2	194	4.3	6,004	3.7
Operating income	3,840	3.2	3,537	3.2	(303)	(7.9)	5,423	3.4
IV Non-operating income	485	0.4	660	0.6	174	36.0	766	0.4
V Non-operating expenses	430	0.4	340	0.3	(90)	(20.9)	571	0.4
Ordinary income	3,895	3.2	3,856	3.5	(38)	(1.0)	5,618	3.4
VI Extraordinary income	298	0.2	49	0.0	(249)	(83.5)	316	0.2
VII Extraordinary loss	128	0.1	471	0.4	342	267.0	192	0.1
Income before income taxes and minority interests	4,065	3.3	3,434	3.1	(631)	(15.5)	5,742	3.5
Income taxes	2,128	1.7	1,461	1.3	(667)	(31.3)	3,270	2.0
Minority interests in subsidiary	(24)	(0.0)	—	—	24	—	(24)	(0.0)
Net income	1,912	1.6	1,973	1.8	60	3.2	2,447	1.5

(3) (Summary) Quarterly Consolidated Statements of Changes in Net Assets

Previous third-quarter period (Jan. 1, 2007 - Sep. 30, 2007)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at December 31, 2006	2,144	1,853	9,661	(0)	13,658
Changes in the period					
Dividends from surplus			(220)		(220)
Net income			1,912		1,912
Purchases of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes in the period	—	—	1,692	(0)	1,692
Balances at September 30, 2007	2,144	1,853	11,353	(0)	15,350

(Million 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 of appreciation and translation		
Balances at December 31, 2006	167	0	800	968	186	14,813
Changes in the period						
Dividends from surplus				—	(9)	(229)
Net income				—		1,912
Purchases of treasury stock				—		(0)
Net changes of items other than shareholders' equity	(203)	2	108	(91)	(176)	(268)
Total changes in the period	(203)	2	108	(91)	(186)	1,413
Balances at September 30, 2007	(36)	3	909	876	—	16,226

Current third-quarter period (Jan. 1, 2008 - Sep. 30, 2008)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at December 31, 2007	2,144	1,853	11,888	(0)	15,885
Changes in the period					
Dividends from surplus			(302)		(302)
Net income			1,973		1,973
Purchases of treasury stock				(195)	(195)
Net changes of items other than shareholders' equity					
Total changes in the period	—	—	1,670	(195)	1,474
Balances at September 30, 2008	2,144	1,853	13,559	(196)	17,360

(Million yen)

	Difference of valuation, translation and other adjustments				Total net assets
	Net unrealized holding gains (losses) on securities	Net gains (losses) on deferral hedge	Foreign currency translation adjustments	Total of difference of appreciation and translation	
Balances at December 31, 2007	(113)	11	1,146	1,044	16,930
Changes in the period					
Dividends from surplus				—	(302)
Net income				—	1,973
Purchases of treasury stock				—	(195)
Net changes of items other than shareholders' equity	51	9	(2,213)	(2,152)	(2,152)
Total changes in the period	51	9	(2,213)	(2,152)	(677)
Balances at September 30, 2008	(62)	21	(1,066)	(1,107)	16,252

Previous consolidated fiscal year (Jan. 1, 2007 - Dec. 31, 2007)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at December 31, 2006	2,144	1,853	9,661	(0)	13,658
Changes in the period					
Dividends from surplus			(220)		(220)
Net income			2,447		2,447
Purchases of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes in the period	—	—	2,227	(0)	2,227
Balances at December 31, 2007	2,144	1,853	11,888	(0)	15,885

(Million 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 of appreciation and translation		
Balances at December 31, 2006	167	0	800	968	186	14,813
Changes in the period						
Dividends from surplus				—	(9)	(229)
Net income				—		2,447
Purchases of treasury stock				—		(0)
Net changes of items other than shareholders' equity	(280)	10	346	75	(176)	(100)
Total changes in the period	(280)	10	346	75	(186)	2,116
Balances at December 31, 2007	(113)	11	1,146	1,044	—	16,930

(4) (Summary) Quarterly Consolidated Statements of Cash Flows

(Million yen)

Item	Previous 3rd-quarter	Current 3rd-quarter	Previous fiscal year
	Jan. 1, 2007 - Sep. 30, 2007	Jan. 1, 2008 - Sep. 30, 2008	Jan. 1, 2007 - Dec. 31, 2007
	Amount	Amount	Amount
I Operating activities			
1. Income before income taxes and minority interests	4,065	3,434	5,742
2. Depreciation	1,675	1,550	2,209
3. (Increase) decrease in trade notes and accounts receivable	(4,067)	(3,634)	(2,509)
4. Increase (decrease) in inventories	178	(1,771)	(258)
5. Increase (decrease) in trade notes and accounts payable	4,235	2,569	2,732
6. (Increase) decrease in consumption taxes receivable	(132)	6	(135)
7. (Increase) decrease in advances received	(212)	583	(186)
8. Others	313	462	350
Subtotal	6,055	3,201	7,943
9. Income taxes paid	(1,729)	(2,021)	(1,780)
10. Others	(259)	(170)	(319)
Net cash provided by operating activities	4,066	1,009	5,843
II Investing activities			
1. Purchase of tangible fixed assets	(1,699)	(3,515)	(2,305)
2. Purchases of intangible fixed assets	(232)	(303)	(252)
3. Proceeds from recovered loans	3	1	4
4. Others	260	84	78
Net cash used in investing activities	(1,668)	(3,733)	(2,473)
III Financing activities			
1. Increase (decrease) in short-term borrowings	1,330	229	2,882
2. Proceeds from long-term borrowings	1,000	2,000	1,000
3. Repayment of long-term borrowings	(3,153)	(919)	(3,397)
4. Others	(84)	(721)	(119)
Net cash used in financing activities	(907)	589	365
IV Effect of exchange rate changes on cash and cash equivalents	(75)	(855)	(24)
V Net increase (decrease) in cash and cash equivalents	1,416	(2,990)	3,711
VI Cash and cash equivalents at beginning of period	4,613	8,324	4,613
VII Cash and cash equivalents at end of period	6,029	5,334	8,324

(5) Segment Information

[Information by operating segment]

Previous third-quarter period (Jan. 1, 2007 - Sep. 30, 2007)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	112,941	7,437	1,339	121,718		121,718
(2) Sales and transfer — inter-segment		800		800	(800)	
Total	112,941	8,237	1,339	122,518	(800)	121,718
Operating expenses	108,339	8,218	1,245	117,803	73	117,877
Operating income	4,601	19	94	4,715	(874)	3,840

Current third-quarter period (Jan. 1, 2008 - Sep. 30, 2008)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	103,207	6,926	1,058	111,192		111,192
(2) Sales and transfer — inter-segment		874		874	(874)	
Total	103,207	7,801	1,058	112,066	(874)	111,192
Operating expenses	98,786	7,801	1,027	107,615	39	107,654
Operating income	4,420	(0)	31	4,451	(914)	3,537

(Reference) Previous consolidated fiscal year (Jan. 1, 2007 - Dec. 31, 2007)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	149,745	10,001	1,710	161,458		161,458
(2) Sales and transfer — inter-segment		870		870	(870)	
Total	149,745	10,871	1,710	162,328	(870)	161,458
Operating expenses	143,295	10,843	1,606	155,744	289	156,034
Operating income	6,450	28	104	6,583	(1,159)	5,423

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:

Third-quarter ended Sep. 2007:	896 million yen
Third-quarter ended Sep. 2008:	914 million yen
Previous consolidated fiscal year:	1,204 million yen

[Geographical Segment Information]

Previous third-quarter period (Jan. 1, 2007 - Sep. 30, 2007)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	27,174	83,903	4,596	6,042	121,718		121,718
(2) Sales and transfers — inter-segments	20,295	5,594	361	5,470	31,722	(31,722)	
Total	47,470	89,498	4,958	11,512	153,440	(31,722)	121,718
Operating expenses	46,003	86,459	5,332	10,928	148,724	(30,847)	117,877
Operating income or operating loss	1,467	3,039	(374)	584	4,715	(874)	3,840

Current third-quarter period (Jan. 1, 2008 - Sep. 30, 2008)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	25,126	76,591	4,990	4,482	111,192		111,192
(2) Sales and transfers — inter-segments	19,715	6,083	429	4,944	31,173	(31,173)	
Total	44,841	82,675	5,420	9,427	142,365	(31,173)	111,192
Operating expenses	43,594	79,463	5,738	9,161	137,958	(30,303)	107,654
Operating income or operating loss	1,246	3,211	(317)	266	4,406	(869)	3,537

Previous consolidated fiscal year (Jan. 1, 2007 - Dec. 31, 2007)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	36,253	110,634	6,699	7,870	161,458		161,458
(2) Sales and transfers — inter-segments	27,223	7,569	483	6,909	42,186	(42,186)	
Total	63,476	118,204	7,183	14,780	203,644	(42,186)	161,458
Operating expenses	61,599	113,806	7,581	14,056	197,043	(41,009)	156,034
Operating income or operating loss	1,877	4,397	(398)	723	6,600	(1,176)	5,423

Notes:

- 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:

Third-quarter ended Sep. 2007: 896 million yen

Third-quarter ended Sep. 2008: 914 million yen

Previous consolidated fiscal year: 1,204 million yen

- 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:

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

Europe: Germany and Slovakia

Americas: USA