

Consolidated 1st Quarter Financial Results

for the Fiscal Year Ended December 31, 2009 (January 1, 2009 to March 31, 2009)

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
President & COO:	Kansho Murase
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Submission date of quarterly financial statement:	May 15, 2009
Date of dividend payment:	-

(Amounts less than one million yen are omitted)

1. Consolidated 1st quarter Financial Results (January 1, 2009 - March 31, 2009)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
1st quarter ended Mar. 2009	22,083	—	142	—	287	—
1st quarter ended Mar. 2008	36,394	(7.8)	1,183	38.8	1,236	22.4

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
1st quarter ended Mar. 2009	1,490	—	62.29	—
1st quarter ended Mar. 2008	516	11.7	20.51	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
1st quarter ended Mar. 2009	47,601	16,748	34.3	691.23
Year ended Dec. 2008	51,628	14,699	27.7	582.15

(Reference) Stockholders' equity:

1st quarter ended March 2009:	16,312 million yen
Year ended December 2008:	14,320 million yen

2. Dividends

(base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term end	Annual
Year ended Dec. 2008	—	6.00	—	7.00	13.00
Year ended Dec. 2009	—				
Year ended Dec. 2009 (Forecasts)		7.00	—	7.00	14.00

(note) Changes in Forecasts for Dividends during this quarter: No change

3. Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2009

(January 1, 2009 - December 31, 2009)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter	49,269	—	138	—	268	—
Full year	114,600	(20.1)	1,471	(68.1)	1,480	(66.3)

	Net income		Net income per share
	Million yen	YoY change (%)	Million yen
2nd quarter	1,387	—	58.35
Full year	1,922	(16.7)	81.15

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2009

during this quarter:

Change

4. Other

(1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation):

None

(2) Adoption or non-adoption of a simplified method in accounting procedures and a specific method in accounting procedures for quarterly consolidated financial statements:

Adoption

[note] As to the details, please refer to 4 page “Qualitative Information / Financial Statements, etc., 4. Other”.

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

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

Change

(ii) Changes other than those described in (i):

Change

[note] As to the details, please refer to 4 – 5 pages “Qualitative Information / Financial Statements, etc., 4. Other”.

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares(including treasury stock):

1st quarter ended March 2009: 25,200,000shares

Year ended December 2008: 25,200,000shares

(ii) Number of treasury stock at the end of the fiscal year:

1st quarter ended March 2009: 1,600,304shares

Year ended December 2008: 600,191shares

(iii) Average number of outstanding shares(quarterly accumulated period)

1st quarter ended March 2009: 23,938,105shares

1st quarter ended March 2008: 25,199,810shares

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

(1) 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.

(2) From this consolidated fiscal year, the company is applying the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and the “Guideline for Application of the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guideline No.14). In addition, the company has created quarterly consolidated financial statements in accordance with the “Regulations for Quarterly Consolidated Financial Statements”.

The company has created its financial statements for the 1st quarter of the current fiscal year (January 1, 2009 to March 31, 2009) based on the “Regulations for Quarterly Consolidated Financial Statements” revised by the provisos of Supplementary Article 7.1.5 of the “Cabinet Ordinance for a Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Ordinance No.50, August 7, 2008).

Qualitative Information/ Financial Statements, etc.

1. Qualitative information on Consolidated Operating Results

Looking back over the business environment during this consolidated 1st quarter, it can be seen that with the global recession escalating, the colorless economic slowdown became even clearer in Japan, mainly because of the worsening of business conditions for export-related companies, etc., associated with the decline in exports to Europe, USA, and developing countries. The decline in exports spread to domestic demand and as a consequence of the associated inventory adjustment pressure, production volumes dropped away significantly. In addition, the contraction of facility investment centered on manufacturing industries depressed the rate of growth, leading to a significant decrease in nominal consumption against the backdrop of the worsening of the employment and income situations due to the stagnation of this business sector.

In the electronics industry, the core business of the SIIX Group, business conditions were even more severe than previously under the impact of the deteriorating market environment for automobile equipment and household electrical equipment, areas that have been the drivers of growth until now.

In such circumstances, net sales for this consolidated 1st quarter were 22,083 million yen, a decrease of 14,310 million yen (39.3% decrease) in comparison to the same period of the previous consolidated fiscal year. In terms of profits, in association with the decrease in net sales, operating income was 142 million yen, a decrease of 1,041 million yen (88.0% decrease) in comparison to the same period of the previous consolidated fiscal year. Further, ordinary income finished at 287 million yen, a decrease of 949 million yen (76.8 % decrease) in comparison to the same period of the previous consolidated fiscal year. However, quarterly net income was 1,490 million yen, an increase of 974 million yen (188.5% increase) in comparison to the same period of the previous consolidated fiscal year due mainly to the introduction of the system for the exclusion from gross revenue of dividends from overseas subsidiaries based on the revision of the Corporation Tax Act and the liquidation of 1,605 million yen in deferred tax liabilities.

2. Analysis of the consolidated financial situation

Total assets at the end of this consolidated 1st quarter under review were 47,601 million yen, a decrease of 4,027 million yen in comparison to the previous consolidated fiscal year due to factors such as a decrease of trade notes and accounts receivable and Inventories.

Net assets finished at 16,748 million yen in comparison to the previous consolidated fiscal year as a increase of 2,048 million yen. As a result of this, the capital-to-asset ratio increased from 27.7% to 34.3%.

(Cash flow situation)

The result of operation activities was increased Cash and cash equivalents (hereinafter, “funds”) of 690 million yen. This was mainly due to income before income taxes finished at 197 million yen and an increase in depreciation costs of 454 million yen.

The result of investment activities was decreased funds of 201 million yen. This was mainly due to expenditures of 178 million yen for acquisition of tangible fixed assets

The result of financial activities was decreased funds of 833 million yen. This was mainly due to a decrease in short-term borrowings of 233 million yen, payment of 158 million yen as current dividends, and expenditures of 402 million yen for acquisition of treasury stock.

As a result of them, funds at the end of this consolidated 1st quarter under review stood at 5,837 million yen, an increase of 93 million yen (1.6% increase) in comparison to the previous consolidated fiscal year.

3. Qualitative Information on the Consolidated Business Forecast

The business environment surrounding the SIIX Group continues to be severe and as a result of investigating future results, the company has decided to revise the business forecast because of the partial liquidation of deferred tax liabilities in association with the introduction of the system for the exclusion from gross revenue of dividends from overseas subsidiaries based on the revision of the Corporation Tax Act announced publicly on March 31, 2009.

4. Other

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation)

No transactions to report

- (2) Adoption or non-adoption of a simplified method in accounting procedures and a specific method in accounting procedures for quarterly consolidated financial statements

- (i) A simplified method in accounting procedures

(Method for Calculation of the Estimate of Doubtful General Receivables)

Because no marked changes have been observed in the general receivables loan loss ratio, etc., at domestic consolidated companies at the end of this consolidated 1st quarter from the figures calculated at the end of the previous consolidated fiscal year, the company has used the loan loss ratio, etc., as of the end of the previous consolidated fiscal year to calculate the estimate of doubtful general receivables.

(Method for Valuation of Inventories)

The company has calculated the value of inventories as of the end of this consolidated 1st quarter using a reasonable method based on physical stocktaking undertaken at the end of the previous consolidated fiscal year and without conducting further physical stocktaking.

(Method for Calculation of Deferred Tax Assets and Deferred Tax Liabilities)

Because no marked changes have been observed in the management environment, etc., since the previous consolidated fiscal year or in the occurrence of temporary differentials, the company has judged the collectability of deferred tax assets based on a method using the future business forecasts employed during the previous consolidated fiscal year and tax planning.

- (ii) A specific method in accounting procedures for quarterly consolidated financial statements

No transactions to report

- (3) Changes in principles/procedures, display methods, etc. of accounts processing related to the creation of quarterly consolidated financial statements

- (i) Application of Accounting Standards for Quarterly Financial Reporting

From this consolidated fiscal year, the company is applying the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and the “Guideline for Application of the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guideline No.14). In addition, the company has created quarterly consolidated financial statements in accordance with the “Regulations for Quarterly Consolidated Financial Statements.”

The company has created its financial statements for the 1st quarter of the current fiscal year (January 1, 2009 to March 31, 2009) based on the “Regulations for Quarterly Consolidated Financial Statements” revised by the provisos of Supplementary Article 7.1.5 of the “Cabinet Ordinance for a Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Ordinance No.50, August 7, 2008).

(ii) Changes in Important Asset Measurement Standards and Measurement Methods

Inventories

Domestic consolidated companies previously calculated the value of inventories using a cost accounting method based on moving averages, but from this consolidated 1st quarter, these companies are calculating inventories based on a different cost accounting method (book price devaluation based on the decreases in profitability of balance sheet prices), in association with the application of the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9; announced publicly on July 5, 2006).

There will be no impacts on operating income, ordinary income, and quarterly net income before taxes and other adjustments due to this change.

(iii) Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

The company is applying the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force No.18, May 17, 2006) from this consolidated 1st quarter and has made the necessary corrections in the consolidated financial statements.

The impacts on operating income, ordinary income, and quarterly net income before taxes and other adjustments due to this change will be minor.

(iv) Application of the “Accounting Standard for Lease Transactions”

The company previously handled lease transactions not involving the transfer of ownership using accounting procedures conforming to methods related to normal lease transactions, but it became possible to apply the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13 issued on June 17, 1993 (by the First Subcommittee of the Business Accounting Council), revision issued on March 30, 2007) and the “Guideline for Application of the Accounting Standard for Lease Transactions” (ASBJ Guideline No.16 issued on January 18, 1994 (by The Accounting Standards Committee of the Japanese Institute of Certified Public Accountants) revision issued on March 30, 2007) from the quarterly consolidated financial statements related to consolidated fiscal years starting on or after April 1, 2008 in association with this development, the company is applying the standard and guideline from this consolidated 1st quarter and has handled lease transactions not involving the transfer of ownership using accounting procedures related to normal sales and purchase transactions. In addition, the method for the depreciation of lease assets related to lease transactions not involving the transfer of ownership will be to make the lease period the period of depreciation and calculate depreciation on a straight line basis with a residual value of 0. The company will continue to use accounting procedures conforming to methods related to normal lease transactions in regard to finance lease transactions not involving the transfer of ownership with a lease transaction start date prior to the initial year of application of the new method.

There will be no impacts on operating income, ordinary income, and quarterly net income before taxes and other adjustments due to this change.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Current 1st quarter As of Mar. 31, 2009	Previous fiscal year As of Dec. 31, 2008
Assets		
Current assets		
Cash and deposits	5,855	5,763
Trade notes and accounts receivable	14,479	17,352
Goods in trade and manufacture	8,849	8,755
Product in process	601	949
Materials and inventories	2,859	3,728
Others	982	1,402
Provision for doubtful receivables	(73)	(88)
Total current assets	33,554	37,863
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	4,379	4,334
Machinery equipments and vehicles (net)	3,344	3,576
Lands	2,259	2,500
Others (net)	588	486
Total tangible fixed assets	10,571	10,897
Intangible fixed assets	807	789
Investments and other assets		
Investment securities	1,083	1,086
Investment in capital	691	679
Others	1,301	680
Provision for doubtful receivables	(407)	(367)
Total investments and other assets	2,667	2,078
Total fixed assets	14,046	13,765
Total assets	47,601	51,628
Liabilities		
Current liabilities		
Trade accounts payable	11,987	17,192
Short-term borrowings	10,177	10,077
Income taxes payable etc.	839	510
Others	3,190	2,800
Total current liabilities	26,195	30,580
Fixed liabilities		
Long-term borrowings	3,508	3,494
Reserve for retirements	71	67
Others	1,078	2,786
Total fixed liabilities	4,657	6,348
Total liabilities	30,852	36,929

	Current 1st quarter As of Mar. 31, 2009	Previous fiscal year As of Dec. 31, 2008
Net assets		
Shareholder's equity		
Common stock	2,144	2,144
Capital surplus	1,853	1,853
Retained surplus	15,283	13,892
Treasury stock	(677)	(275)
Total shareholder's equity	18,603	17,614
Difference of valuation, transaction, and other adjustments		
Net unrealized (gains) losses on other securities	(74)	(80)
Net gains (losses) on deferral hedge	28	14
Foreign currency translation adjustments	(2,243)	(3,227)
Total of difference of valuation, transaction	(2,290)	(3,293)
Minority interests	435	378
Total net assets	16,748	14,699
Total liabilities and net assets	47,601	51,628

(2) Quarterly Consolidated Statements of Income
 [1st quarter (January 1, 2009 – March 31, 2009)]

(Million yen)

	Current 1st quarter Jan. 1, 2009 – Mar. 31, 2009
Net sales	22,083
Cost of sales	20,580
Gross profit	1,503
Selling, general and administrative expenses	1,361
Operating income	142
Non-operating income	
Interest income	8
Dividend income	2
Amortization of goodwill	9
Rent income	19
Foreign exchange gain	165
Others	36
Total non-operating income	241
Non-operating expenses	
Interest expenses	60
Investment loss due to equity method	12
Others	24
Total non-operating expenses	96
Ordinary income	287
Extraordinary income	
Reversal of allowance for doubtful accounts	17
Others	0
Total extraordinary income	17
Extraordinary loss	
Loss on valuation of investment securities	27
Loss on liquidation of affiliates	79
Others	0
Total extraordinary loss	107
Income before income taxes and minority interests	197
Income taxes	431
Deferred income taxes	(1,749)
Total income taxes	(1,318)
Minority interests in subsidiary	25
Net income	1,490

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Current 1st quarter Jan. 1, 2009 - Mar. 31, 2009
Operating activities	
Income before income taxes and minority interests	197
Depreciation	454
Amortization of goodwill	(9)
(Increase) decrease in provision for doubtful debts	26
Interest and dividend income	(10)
Interest expenses	60
Foreign exchange gains and losses	0
(Gains) losses due to equity method	12
(Increase) decrease in trade and accounts receivable	4,220
(Increase) decrease in inventories	1,875
(Increase) decrease in consumption taxes receivable	208
Increase (decrease) in trade and accounts payable	(6,570)
(Increase) decrease in advances received	133
Others	284
Subtotal	882
Interest and dividends received	10
Interest paid	(52)
Income taxes paid	(149)
Net cash provided by operating activities	690
Investing activities	
Purchase of tangible fixed assets	(178)
Purchase of intangible fixed assets	(23)
Proceeds from sales of investment securities	0
Proceeds from recovered loans	0
Others	0
Net cash used in investing activities	(201)
Financing activities	
Increase (decrease) in short-term borrowings	(233)
Proceeds from long-term borrowings	200
Repayment of long-term borrowings	(196)
Acquisition of treasury stock	(402)
Dividends paid	(158)
Others	(42)
Net cash used in financing activities	(833)
Effect of exchange rate changes on cash and cash equivalents	436
Net increase (decrease) in cash and cash equivalents	93
Cash and cash equivalents at beginning of period	5,744
Cash and cash equivalents at end of period	5,837

From this consolidated fiscal year, the company is applying the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and the “Guideline for Application of the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guideline No.14). In addition, the company has created quarterly consolidated financial statements in accordance with the “Regulations for Quarterly Consolidated Financial Statements”.

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(4) Notes on the Assumption of the Company as a Going Concern

No transactions to report

(5) Segment Information

[Information by operating segment]

Current 1st quarter period (January 1, 2009 - March 31, 2009)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	21,286	733	63	22,083	—	22,083
(2) Sales and transfer — inter-segment	—	—	—	—	—	—
Total	21,286	733	63	22,083	—	22,083
Operating income	482	(21)	4	465	(322)	142

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

[Geographical Segment Information]

Current 1st quarter period (January 1, 2009 - March 31, 2009)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	4,339	14,945	730	2,068	22,083	—	22,083
(2) Sales and transfers — inter-segment	2,727	1,397	26	1,106	5,257	(5,257)	—
Total	7,067	16,342	756	3,175	27,341	(5,257)	22,083
Operating income or operating loss	154	409	(210)	95	448	(306)	142

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:

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

Europe: Germany and Slovakia

Americas: USA

[Overseas Sales]

Current 1st quarter period (January 1, 2009 - March 31, 2009)

(Million yen)

	Asia	Europe	N. America	Other	Total
I Overseas sales (thousand yen)	12,705	1,303	2,006	330	16,346
II Consolidated sales (thousand yen)					22,083
III Share of overseas sales in consolidated sales (%)	57.5	5.9	9.1	1.5	74.0

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:

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

Europe: Germany, France, and Italy

North America: USA

Other: Central and South America, Oceania

(6) Notes in the Event of Marked Changes in the Value of Shareholders' Equity

No transactions to report

(Reference)

Quarterly consolidated financial statements in the previous fiscal year(January 1, 2008 – March 31, 2008)

(1) (Summary) Quarterly Consolidated Statements of Income

	(Million yen)
	Previous 1st quarter Jan. 1, 2008 - Mar. 31, 2008
Net sales	36,394
Cost of sales	33,764
Gross profit	2,630
Selling, and general and administrative expenses	1,446
Operating income	1,183
Non-operating income	234
Non-operating expenses	181
Ordinary income	1,236
Extraordinary income	3
Extraordinary loss	226
Income before income taxes	1,013
Income taxes	496
Minority interests	—
Net income	516

(2) (Summary) Quarterly consolidated statements of Cash Flows

(Million yen)

	Previous 1st quarter Jan. 1, 2008 - Mar. 31, 2008
Operating activities	
Income before income taxes and minority interests	1,013
Depreciation	501
(Increase) decrease in trade notes and accounts receivable	(2,569)
(Increase) decrease in inventories	82
Increase (decrease) in trade and accounts payable	968
(Increase) decrease in consumption taxes receivable	(17)
(Increase) decrease in advances received	221
Others	579
Subtotal	780
Income taxes paid	(715)
Others	(47)
Net cash provided by operating activities	17
Investing activities	
Purchase of tangible fixed assets	(309)
Purchase of intangible fixed assets	(71)
Proceeds from recovered loans	0
Others	13
Net cash used in investing activities	(367)
Financing activities	
Increase (decrease) in short-term borrowings	(706)
Proceeds from long-term borrowings	—
Repayment of long-term borrowings	(269)
Others	(230)
Net cash used in financing activities	(1,206)
Effect of exchange rate changes on cash and cash equivalents	(1,015)
Net increase (decrease) in cash and cash equivalents	(2,570)
Cash and cash equivalents at beginning of period	8,324
Cash and cash equivalents at end of period	5,753

(3) Segment Information

[Information by operating segment]

Previous 1st quarter period (January 1, 2008 – March 31, 2008)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	33,501	2,519	373	36,394	—	36,394
(2) Sales and transfers — inter-segment	—	421	—	421	(421)	—
Total	33,501	2,941	373	36,815	(421)	36,394
Operating income	1,461	12	13	1,488	(304)	1,183

[Geographical Segment Information]

Previous 1st quarter period (January 1, 2008 - March 31, 2008)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	7,962	25,237	1,690	1,503	36,394	—	36,394
(2) Sales and transfers — inter-segment	6,655	1,777	180	1,611	10,226	(10,226)	—
Total	14,618	27,015	1,871	3,115	46,620	(10,226)	36,394
Operating income or operating loss	377	1,021	(61)	84	1,423	(239)	1,183