



May 13, 2010

Consolidated 1st Quarter Financial Results for the Fiscal Year Ended December 31, 2010 (January 1, 2010 to March 31, 2010)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange, (First Section) Osaka Securities Exchange, (First Section)
Head office:	Osaka, Japan
URL:	http://www.siix.co.jp
President & COO:	Kansho Murase
Contact:	Seiji Ono Executive Officer and General Manager, Finance and Accounting Department
Telephone:	+81-6-6266-6415
Submission date of quarterly financial statement:	May 14, 2010
Date of dividend payment:	-

(Amounts rounded down to million yen)

1. Consolidated 1st quarter Financial Results (January 1, 2010 – March 31, 2010)

(1) Consolidated Results of Operations

(The percentages in the table below represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
1st quarter ended Mar. 2010	37,119	68.1	1,105	676.0	1,175	309.4
1st quarter ended Mar. 2009	22,083	-	142	-	287	-

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
1st quarter ended Mar. 2010	765	(48.7)	32.42	—
1st quarter ended Mar. 2009	1,490	-	62.29	—

(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. 2010	58,134	18,857	31.7	781.60
Year ended Dec. 2009	55,498	17,652	31.0	728.23

(Reference) Stockholders' equity:

1st quarter ended March 2010:	18,445 million yen
Year ended December 2009:	17,186 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2009	—	Yen 7.00	—	Yen 8.00	Yen 15.00
Year ended Dec. 2010	—				
Year ended Dec. 2010 (forecasts)		8.00	—	8.00	16.00

(note) Changes in Forecasts for Dividends during this quarter:

No change

3. Consolidated Business Performance Forecasts for the Year Ending December 2010 (January 1, 2010 – December 31, 2010)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter ending Jun. 2010	75,120	48.5	2,230	302.9	2,300	263.7
Full year	152,770	21.7	4,750	77.2	4,720	68.7

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
2nd quarter ending Jun. 2010	1,530	3.4	64.83
Full year	3,130	9.1	132.63

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2010 during this quarter:

No

4. Others

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): No
- (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
- (3) Changes in principles/procedures, display methods, etc. of accounts processing related to the creation of consolidated financial statements (information included in changes in important, basic items for the creation of consolidated financial statements)
- (i) Changes associated with the revision of accounting standards: No
- (ii) Changes other than those described in (i): No
- (4) Number of outstanding shares (common shares)
- (i) Number of outstanding shares (including treasury stock):
- | | |
|-------------------------------|------------------|
| 1st quarter ended March 2010: | 25,200,000shares |
| Year ended December 2009: | 25,200,000shares |
- (ii) Number of treasury stock:
- | | |
|-------------------------------|-----------------|
| 1st quarter ended March 2010: | 1,600,323shares |
| Year ended December 2009: | 1,600,323shares |
- (iii) Average number of outstanding shares (quarterly accumulated period)
- | | |
|-------------------------------|------------------|
| 1st quarter ended March 2010: | 23,599,677shares |
| 1st quarter ended March 2009: | 23,938,105shares |

For appropriate use of the forecasts

Forecasts regarding future performance and plans in these materials are based on judgments made in accordance with information available to management or putative market trend at the time this report was prepared. Forecasts therefore embody risks and uncertainties. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to the operating environments.

Operating results

1. Analysis of operating results

Looking back over the business environment during this consolidated 1st quarter under review, it kept gradual recovery backed by the economic measures, the continued inventory adjustment, and the expanding exports to China since last year. In overseas economy, on the one hand, it steadily recovered mainly in China and India due to an effect of economic-stimulus measures, etc. in Asian countries. On the other hand, in Western countries it seemed to be recovering in the U.S.A. meanwhile it remained downturn under the high level of the unemployment rate in European countries.

In such circumstances, sales for this consolidated 1st quarter under review were 37,119 million yen, an increase of 15,035 million yen (68.1% increases) in comparison to the same period of the previous consolidated fiscal year. In terms of profits, operating income finished at 1,105 million yen, an increase of 963 million yen (676.0% increases) in comparison to the same period of the previous consolidated fiscal year, caused from an increase in sales. Also, ordinary income was 1,175 million yen, an increase of 887 million yen (309.4% increases) in comparison to the same period of the previous consolidated fiscal year. Net income was 765 million yen, a decrease of 725 million yen (48.7% decreases) in comparison to the same period of the previous consolidated fiscal year mainly due 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 last year.

2. Analysis of the financial situation

Total assets at the end of this consolidated 1st quarter under review were 58,134 million yen, an increase of 2,635 million yen in comparison to the end of the previous consolidated fiscal year mainly due to an increase of trade notes and accounts receivable and inventories.

Net assets were 18,857 million yen, an increase of 1,205 million yen in comparison to the end of the previous consolidated fiscal year. As a result of this, the capital-to-asset ratio rose from 31.0% to 31.7%.

(Cash flow situation)

As the result of operating activities, we decreased cash and cash equivalents (hereinafter, "funds") of 22 million yen during this consolidated 1st quarter under review. This was mainly due to the factors such as income before income taxes finished at 1,176 million yen, increase in accounts payable turnover of 608 million yen and depreciation cost of 471 million yen despite an increase in inventories of 2,100 million yen.

As the result of investment activities, we decreased funds of 1,218 million yen during this consolidated 1st quarter under review. This was mainly due to expenditures of 478 million yen for acquisition of tangible fixed assets and of 770 million yen for loan to nonconsolidated subsidiary.

As the result of financing activities, we decreased funds of 580 million yen during this consolidated 1st quarter under review. This was mainly due to net decrease of 688 million yen in short-term borrowings, expenditures of 191 million yen for repayment of long-term borrowings, and payment of 176 million yen as current dividends despite 600 million yen of proceeds from long-term loans payable.

As a result of them, funds at the end of this consolidated 1st quarter under review stood at 7,808 million yen, a decrease of 1,665 million yen (17.6% decreases) in comparison to the end of the previous consolidated fiscal year.

3. 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

No transactions to report

4. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Current 1st quarter As of Mar. 31, 2010	Previous fiscal year As of Dec. 31, 2009
Assets		
Current assets		
Cash and deposits	7,827	9,492
Notes and accounts receivable-trade	22,488	22,214
Merchandise and finished goods	8,790	6,703
Work in process	584	557
Raw materials and supplies	1,884	1,712
Other	1,408	1,306
Allowance for doubtful accounts	(77)	(69)
Total current assets	42,906	41,917
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,316	4,195
Machinery, equipment and vehicles	2,889	2,586
Land	2,270	2,256
Other	315	371
Total property, plant and equipment	9,791	9,410
Intangible assets	910	845
Investments and other assets		
Investment securities	2,239	1,695
Investments in capital	538	684
Other	2,166	1,352
Allowance for doubtful accounts	(417)	(407)
Total Investments and other assets	4,526	3,325
Total noncurrent assets	15,228	13,581
Total assets	58,134	55,498

(Million yen)

	Current 1st quarter As of Mar. 31, 2010	Previous fiscal year As of Dec. 31, 2009
Liabilities		
Current liabilities		
Accounts payable-trade	21,842	20,605
Short-term loans payable	8,855	9,449
Income taxes payable	696	533
Other	2,685	2,392
Total current liabilities	34,080	32,980
Noncurrent liabilities		
Long-term loans payable	3,694	3,460
Provision for retirement benefits	68	67
Other	1,434	1,338
Total noncurrent liabilities	5,196	4,865
Total liabilities	39,276	37,846
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	17,075	16,495
Treasury stock	(677)	(677)
Total shareholders' equity	20,394	19,815
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	579	278
Deferred gains or losses on hedges	38	3
Foreign currency translation adjustment	(2,567)	(2,911)
Total valuation and translation adjustments	(1,948)	(2,629)
Minority interests	412	466
Total net assets	18,857	17,652
Total liabilities and net assets	58,134	55,498

(2) Quarterly Consolidated Statements of Income

[1st quarter (January 1, 2010 – March 31, 2010)]

(Million yen)

	Previous 1st quarter Jan. 1, 2009 - Mar. 31, 2009	Current 1st quarter Jan. 1, 2010 - Mar. 31, 2010
Net sales	22,083	37,119
Cost of sales	20,580	34,581
Gross profit	1,503	2,537
Selling, general and administrative expenses	1,361	1,431
Operating income	142	1,105
Non-operating income		
Interest income	8	7
Dividends income	2	0
Amortization of negative goodwill	9	9
Real estate rent	19	18
Equity in earnings of affiliates	-	38
Foreign exchange gains	165	1
Other	36	40
Total non-operating income	241	118
Non-operating expenses		
Interest expenses	60	35
Equity in losses of affiliates	12	-
Other	24	13
Total non-operating expenses	96	48
Ordinary income	287	1,175
Extraordinary income		
Reversal of allowance for doubtful accounts	17	0
Gain on sales of noncurrent assets	-	1
Other	0	-
Total extraordinary income	17	1
Extraordinary loss		
Loss on valuation of investment securities	27	-
Loss on liquidation of subsidiaries and affiliates	79	-
Loss on sales of noncurrent assets	-	0
Other	0	-
Total extraordinary loss	107	0
Income before income taxes	197	1,176
Income taxes-current	431	402
Income taxes-deferred	(1,749)	(13)
Total income taxes-current	(1,318)	388
Minority interests in income	25	22
Net income	1,490	765

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Previous 1st quarter Jan. 1, 2009 - Mar. 31, 2009	Current 1st quarter Jan. 1, 2010 - Mar. 1, 2010
Net cash provided by (used in) operating activities		
Income before income taxes	197	1,176
Depreciation and amortization	454	471
Amortization of negative goodwill	(9)	(9)
Increase (decrease) in allowance for doubtful accounts	26	8
Interest and dividends income	(10)	(8)
Interest expenses	60	35
Foreign exchange losses (gains)	0	(0)
Equity in (earnings) losses of affiliates	12	(38)
Decrease (increase) in notes and accounts receivable-trade	4,220	251
Decrease (increase) in inventories	1,875	(2,100)
Decrease (increase) in consumption taxes refund receivable	208	(67)
Increase (decrease) in notes and accounts payable-trade	(6,570)	608
Increase (decrease) in advances received	133	(243)
Other	284	164
Subtotal	882	246
Interest and dividends income received	10	8
Interest expenses paid	(52)	(30)
Income taxes paid	(149)	(246)
Net cash provided by (used in) operating activities	690	(22)
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(178)	(478)
Proceeds from sales of property, plant and equipment	-	6
Purchase of intangible assets	(23)	(36)
Proceeds from sales of investment securities	0	67
Payments of loans receivable	-	(770)
Collection of loans receivable	0	0
Payments for investments in capital of subsidiaries and affiliates	-	(23)
Purchase of investments in subsidiaries	-	(80)
Proceeds from liquidation of subsidiaries	-	96
Other	0	-
Net cash provided by (used in) investment activities	(201)	(1,218)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(233)	(688)
Proceeds from long-term loans payable	200	600
Repayment of long-term loans payable	(196)	(191)
Purchase of treasury stock	(402)	-
Cash dividends paid	(158)	(176)
Cash dividends paid to minority shareholders	-	(80)
Other	(42)	(44)
Net cash provided by (used in) financing activities	(833)	(580)
Effect of exchange rate change on cash and cash equivalents	436	156
Net increase (decrease) in cash and cash equivalents	93	(1,665)
Cash and cash equivalents at beginning of period	5,744	9,474
Cash and cash equivalents at end of period	5,837	7,808

(4) Notes on the Assumption of the Company as a Going Concern
 No transactions to report

(5) Segment Information

Information by operating segment

Previous year (January 1, 2009 – March 31, 2009)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
I Sales and operating income						
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 or operating loss	482	(21)	4	465	(322)	142

Current year (January 1, 2010 – March 31, 2010)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
I Sales and operating income						
Net sales						
(1) Sales – outside customers	34,798	2,206	113	37,119	-	37,119
(2) Sales and transfer-inter-segment	-	541	-	541	(541)	-
Total	34,798	2,748	113	37,660	(541)	37,119
Operating income or operating loss	1,434	13	1	1,449	(344)	1,105

Notes:

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

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

Geographical Segment Information

Previous year (January 1, 2009 – March 31, 2009)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
I Net sales and operating income							
Net sales							
(1) Sales – outside customers	4,339	14,945	730	2,068	22,083	-	22,083
(2) Sales and transfers-inter segments	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

Current year (January 1, 2010 – March 31, 2010)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
I Net sales and operating income							
Net sales							
(1) Sales–outside customers	9,475	23,833	1,119	2,691	37,119	-	37,119
(2) Sales and transfers-inter-segments	5,415	2,357	143	709	8,625	(8,625)	-
Total	14,890	26,190	1,262	3,401	45,744	(8,625)	37,119
Operating income or operating loss	412	1,066	(124)	102	1,457	(351)	1,105

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

Previous year (January 1, 2009 – March 31, 2009)

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

Current year (January 1, 2010 – March 31, 2010)

	Asia	Europe	N. America	Other	Total
I Overseas sales (million yen)	22,125	1,753	2,456	909	27,243
II Consolidated sales (million yen)					37,119
III Share of overseas sales in consolidated sales (%)	59.6	4.7	6.6	2.5	73.4

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: Romania, Czech, Germany, and France

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