

## Consolidated 2nd Quarter Financial Results

### for the Fiscal Year Ended December 31, 2010 (January 1, 2010 to June 30, 2010)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
URL:	<a href="http://www.siix.co.jp">http://www.siix.co.jp</a>
President & COO:	Kansho Murase
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Submission date of quarterly financial statement:	August 12, 2010
Date of dividend payment:	September 2, 2010

(Amounts less than one million yen are omitted)

#### 1. Consolidated 2nd quarter Financial Results (January 1, 2010 - June 30, 2010)

##### (1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter ended Jun. 2010	80,268	58.7	2,488	349.5	2,660	320.6
2nd quarter ended Jun. 2009	50,572	—	553	—	632	—

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2010	1,847	24.9	78.29	—
2nd quarter ended Jun. 2009	1,479	—	62.23	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
2nd quarter ended Jun. 2010	59,278	19,067	31.5	790.61
Year ended Dec. 2009	55,498	17,652	31.0	728.23

(Reference) Stockholders' equity:

2nd quarter ended Jun. 2010:	18,658 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
Year ended Dec. 2009	—	7.00	—	8.00	15.00
Year ended Dec. 2010	—	8.00			
Year ended Dec. 2010 (Forecasts)			—	10.00	18.00

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

### 3. Consolidated Business Performance Forecasts for the Fiscal 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 (%)
Full year	160,770	28.1	5,010	86.9	5,180	85.2

	Net income		Net income per share
	Million yen	YoY change (%)	yen
Full year	3,450	20.3	146.19

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

during this quarter:

Change

#### 4. Other

- (1) Transfer of important subsidiaries during the period: None
- (2) Adoption or non-adoption of a simplified method in accounting procedures and a specific method in accounting procedures: Adoption  
 [note] As to the details, please refer to 5 page "2. Other".
- (3) Changes in principles/procedures, display methods, etc. of accounts processing
- (i) Changes associated with the revision of accounting standards: No change
- (ii) Changes other than those described in (i): No change
- (4) Number of outstanding shares (common shares)
- (i) Number of outstanding shares (including treasury stock):
- |                              |                   |
|------------------------------|-------------------|
| 2nd quarter ended Jun. 2010: | 25,200,000 shares |
| Year ended December 2009:    | 25,200,000 shares |
- (ii) Number of treasury stock at the end of the fiscal year:
- |                              |                  |
|------------------------------|------------------|
| 2nd quarter ended Jun. 2010: | 1,600,364 shares |
| Year ended December 2009:    | 1,600,323 shares |
- (iii) Average number of outstanding shares(quarterly accumulated period)
- |                              |                   |
|------------------------------|-------------------|
| 2nd quarter ended Jun. 2010: | 23,599,663 shares |
| 2nd quarter ended Jun. 2009: | 23,768,900 shares |

#### \*Indication regarding implementation status of quarterly review procedures

These quarterly financial statements have not been prepared for the purpose of quarterly review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for quarterly financial statements were in the process of being implemented as of the release of these quarterly financial statements.

#### \*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 may greatly differ from future performance for a variety of future reasons. For postulate and special notes concerning the appropriate use of business performance forecasts, please refer page 5.

## 《Contents》

1. Qualitative Information / Financial Statements, etc.....	4
(1) Qualitative information on Consolidated Operating Results.....	4
(2) Analysis of the consolidated financial situation.....	4
(3) Qualitative Information on the Consolidated Business Forecast.....	5
2. Other.....	5
(1) Transfer of important subsidiaries during the period.....	5
(2) Adoption or non-adoption of a simplified method in accounting procedures and a specific method in accounting procedures.....	5
(3) Changes in principles/procedures, display methods, etc. of accounts processing.....	6
3. Quarterly Consolidated Financial Statements.....	7
(1) Quarterly Consolidated Balance Sheets.....	7
(2) Quarterly Consolidated Statements of Income.....	9
[2nd quarter (January 1, 2010 – June 30, 2010)].....	9
(3) Quarterly Consolidated Statements of Cash Flows.....	10
(4) Notes on the Assumption of the Company as a Going Concern.....	11
(5) Segment Information.....	11
(6) Notes on a significant variation in shareholders' equity.....	13

## **1. Qualitative Information / Financial Statements, etc.**

### **(1) Qualitative information on Consolidated Operating Results**

Looking back over the business environment during this consolidated 2nd quarter, in Japan it kept exports strong steadily against an expansion of overseas economy affected from the economic measure since last year. In addition, it was seen recovery in civil demand such as investments in housing and capex. As for overseas economy, it was seen an expansion of personal consumption in U.S.A. while the delay of employing adjustment and management to sovereign debt problems in Euro area and etc. caused its economy's inactivity in Europe. Meanwhile China, a driving force of economic recovery in Asia, changed its economic target from exports and investment-led growth to consumption-led growth, and began to focus on an expansion as a consuming market. Also manufacturing and exports remained steadily in many developing countries mainly China, and they showed their strong presence in world economy.

In such circumstances, net sales in this consolidated 2nd quarter finished at 80,268 million yen, an increase of 29,696 million yen (58.7% increase) in comparison to the same period of the previous fiscal year due mainly to the steadiness in the shipments of circuit board assemblies for digital household equipment and the recovery in the shipments of components and circuit board assemblies for automotive-related equipment. In terms of profits, operating income finished at 2,488 million yen, an increase of 1,934 million yen (349.5% increase) in comparison to the same period of the previous fiscal year by an increase in sales. Further, ordinary income finished at 2,660 million yen, an increase of 2,027 million yen (320.6% increase) in comparison to the same period of the previous fiscal year. Net income finished at 1,847 million yen, an increase of 368 million yen (24.9% increase) in comparison to the same period of the previous 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 in the same period of the previous fiscal year.

### **(2) Analysis of the consolidated financial situation**

Total assets at the end of this consolidated 2nd quarter under review were 59,278 million yen, an increase of 3,780 million yen in comparison to the previous consolidated fiscal year mainly due to factors such as an increase of Trade notes and accounts receivable and Inventories.

Liabilities finished at 40,210 million yen, an increase of 2,364 million yen in comparison to the previous consolidated fiscal year mainly due to a factor such as an increase of Trade accounts payable.

Net assets finished at 19,067 million yen, an increase of 1,415 million yen in comparison to the previous consolidated fiscal year. As a result of this, the capital-to-asset ratio increased from 31.0% to 31.5%.

#### **(Cash flow situation)**

The result of operation activities was decreased Cash and cash equivalents (hereinafter, "funds") of 580 million yen. This was mainly due to negative factors such as an increase in trade and accounts receivable of 5,452 million yen and an increase in inventories of 2,404 million yen and positive factors such as Income before income taxes and minority interests of 2,665 million yen and an increase in trade and accounts payable of 4,313 million yen.

The result of investment activities was decreased funds of 1,689 million yen. This was mainly due to expenditures of 882 million yen for acquisition of tangible fixed assets, expenditures of 97 million yen for acquisition of intangible fixed assets and expenditures of 770 million yen for a loan to nonconsolidated subsidiary.

The result of financial activities was decreased funds of 1,173 million yen. This was mainly due to a

decrease of 960 million yen in short-term borrowings, expenditures of 477 million yen for repayment of long-term borrowings and payment of 188 million yen as dividends, despite of 600 million yen of proceeds from long-term borrowings.

As a result of them, funds at the end of this consolidated 2nd quarter stood at 5,988 million yen, a decrease of 3,485 million yen (36.8% decrease) in comparison to the previous consolidated fiscal year.

### (3) Qualitative Information on the Consolidated Business Forecast

The performance forecasts for the full business year in the fiscal year ending December 2010 released on May 13, 2010, have been revised because the results of sales and profits in this consolidated 2nd quarter furthermore exceeded the previous forecasts released on May 13, 2010. As for the forecasts for the 2nd half of the fiscal year ending December 2010, we expect sales of components and circuit board assemblies in the overall field of our business to be steady based on an economic expansion mainly in Asian countries despite still unclear situation of economic prospect in developed countries.

The comparison of the performance forecasts announced today with the previous forecasts released on May 13 is as indicated below.

(Unit: Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (basic)
Performance Forecast released on May 13 (A)	152,770	4,750	4,720	3,130	132.63
Performance Forecast released on August 11 (B)	160,770	5,010	5,180	3,450	146.19
Difference (B - A)	8,000	260	460	320	-
(%)	5.2	5.5	9.7	10.2	-
(Reference) Results on year ended Dec. 2009	125,485	2,680	2,797	2,868	121.11

## 2. Other

### (1) Transfer of important subsidiaries during the period

No transactions to report

### (2) Adoption or non-adoption of a simplified method in accounting procedures and a specific method in accounting procedures

#### ( 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 2nd 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 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

No transactions to report

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	Current 2nd quarter As of Jun. 30, 2010	Previous fiscal year As of Dec. 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	6,005	9,492
Notes and accounts receivable-trade	26,470	22,214
Merchandise and finished goods	8,848	6,703
Work in process	399	557
Raw materials and supplies	1,755	1,712
Others	1,298	1,306
Allowance for doubtful accounts	(82)	(69)
Total current assets	44,695	41,917
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	4,096	4,195
Machinery, equipment and vehicles, net	2,677	2,586
Lands	2,227	2,256
Others, net	297	371
Total property, plant and equipment	9,299	9,410
Intangible assets	909	845
Investments and other assets		
Investment securities	2,142	1,695
Investment in capital	518	684
Others	2,116	1,352
Allowance for doubtful accounts	(403)	(407)
Total investments and other assets	4,373	3,325
Total noncurrent assets	14,582	13,581
Total assets	59,278	55,498

	Current 2nd quarter As of Jun. 30, 2010	Previous fiscal year As of Dec. 31, 2009
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	23,687	20,605
Short-term loans payable	8,272	9,449
Income taxes payable	563	533
Others	2,731	2,392
<b>Total current liabilities</b>	<b>35,254</b>	<b>32,980</b>
Noncurrent liabilities		
Long-term loans payable	3,477	3,460
Provision for retirement benefits	65	67
Others	1,412	1,338
<b>Total noncurrent liabilities</b>	<b>4,956</b>	<b>4,865</b>
<b>Total liabilities</b>	<b>40,210</b>	<b>37,846</b>
<b>Net assets</b>		
Shareholder's equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	18,154	16,495
Treasury stock	(677)	(677)
<b>Total shareholder's equity</b>	<b>21,473</b>	<b>19,815</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	581	278
Deferred gains or losses on hedges	19	3
Foreign currency translation adjustment	(3,417)	(2,911)
<b>Total valuation and translation adjustments</b>	<b>(2,815)</b>	<b>(2,629)</b>
Minority interests	409	466
<b>Total net assets</b>	<b>19,067</b>	<b>17,652</b>
<b>Total liabilities and net assets</b>	<b>59,278</b>	<b>55,498</b>

## (2) Quarterly Consolidated Statements of Income

[2nd quarter (January 1, 2010 – June 30, 2010)]

(Million yen)

	Previous 2nd quarter Jan. 1, 2009 – Jun. 30, 2009	Current 2nd quarter Jan. 1, 2010 – Jun. 30, 2010
Net sales	50,572	80,268
Cost of sales	47,238	74,840
Gross profit	3,334	5,428
Selling, general and administrative expenses	2,780	2,940
Operating income	553	2,488
Non-operating income		
Interest income	15	17
Dividend income	10	17
Amortization of negative goodwill	19	19
Real estate rent	38	39
Equity in earnings of affiliates	-	75
Foreign exchange gains	69	25
Others	59	77
Total non-operating income	213	271
Non-operating expenses		
Interest expenses	116	75
Equity in losses of affiliates	4	-
Others	13	24
Total non-operating expenses	134	99
Ordinary income	632	2,660
Extraordinary income		
Reversal of allowance for doubtful accounts	1	0
Gain on sales of noncurrent assets	-	4
Others	1	-
Total extraordinary income	2	5
Extraordinary loss		
Loss on valuation of investment securities	27	-
Loss on liquidation of subsidiaries and affiliates	79	-
Loss on sales of noncurrent assets	-	0
Loss on retirement of noncurrent assets	-	0
Others	0	-
Total extraordinary loss	107	0
Income before income taxes and minority interests	526	2,665
Income taxes-current	729	751
Income taxes-deferred	(1,722)	26
Total income taxes	(993)	777
Minority interests in income	40	40
Net income	1,479	1,847

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Previous 2nd quarter Jan. 1, 2009 - Jun. 30, 2009	Current 2nd quarter Jan. 1, 2010 - Jun. 30, 2010
<b>Operating activities</b>		
Income before income taxes and minority interests	526	2,665
Depreciation and amortization	971	859
Amortization of negative goodwill	(19)	(19)
Increase (decrease) in allowance for doubtful accounts	27	15
Interest and dividends income	(25)	(34)
Interest expenses	116	75
Foreign exchange losses (gains)	(0)	(0)
Equity in (earnings) losses of affiliates	4	(75)
Decrease (increase) in notes and accounts receivable-trade	699	(5,452)
Decrease (increase) in inventories	4,214	(2,404)
Decrease (increase) in consumption taxes refund receivable	136	(79)
Increase (decrease) in notes and accounts payable-trade	(3,087)	4,313
Increase (decrease) in advances received	(402)	78
Others	483	156
Subtotal	3,645	99
Interest and dividends income received	62	34
Interest expenses paid	(103)	(63)
Income taxes paid	(590)	(649)
Net cash provided by (used in) operating activities	3,014	(580)
<b>Investment activities</b>		
Purchase of property, plant and equipment	(271)	(882)
Proceeds from sales of property, plant and equipment	0	15
Purchase of intangible assets	(82)	(97)
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
Others	(2)	(15)
Net cash provided by (used in) investment activities	(354)	(1,689)
<b>Financing activities</b>		
Net increase (decrease) in short-term loans payable	(429)	(960)
Proceeds from long-term loans payable	900	600
Repayment of long-term loans payable	(450)	(477)
Purchase of treasury stock	(402)	(0)
Cash dividends paid	(174)	(188)
Cash dividends paid to minority shareholders	-	(80)
Others	(83)	(65)
Net cash provided by (used in) financing activities	(639)	(1,173)
Effect of exchange rate change on cash and cash equivalents	360	(42)
Net increase (decrease) in cash and cash equivalents	2,380	(3,485)
Cash and cash equivalents at beginning of period	5,744	9,474
Cash and cash equivalents at end of period	8,125	5,988

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

No transactions to report

(5) Segment Information

[Operating segment information]

Previous 2nd quarter period (January 1, 2009 - June 30, 2009)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	47,752	2,715	131	50,572	—	50,572
(2) Sales and transfer — inter-segment	—	—	—	—	—	—
Total	47,725	2,715	131	50,572	—	50,572
Operating income or Operating loss	1,225	(15)	6	1,216	(663)	553

Current 2nd quarter period (January 1, 2010 - June 30, 2010)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales — outside customers	75,118	4,936	214	80,268	—	80,268
(2) Sales and transfer — inter-segment	—	632	—	632	(632)	—
Total	75,118	5,568	214	80,901	(632)	80,268
Operating income or Operating loss	3,159	21	5	3,186	(698)	2,488

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 equipment (LCD modules and camera modules for mobile phones, etc.), automotive-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 2nd quarter period (January 1, 2009 - June 30, 2009)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	10,173	34,592	1,797	4,010	50,572	—	50,572
(2) Sales and transfers — inter-segment	6,288	2,925	85	1,674	10,973	(10,973)	—
Total	16,461	37,517	1,882	5,684	61,545	(10,973)	50,572
Operating income or operating loss	342	1,055	(403)	143	1,138	(584)	553

Current 2nd quarter period (January 1, 2010 - June 30, 2010)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales — outside customers	20,192	52,277	2,180	5,618	80,268	—	80,268
(2) Sales and transfers — inter-segment	10,438	4,869	296	1,535	17,140	(17,140)	—
Total	30,360	57,147	2,476	7,154	97,409	(17,140)	80,268
Operating income or operating loss	817	2,329	(149)	202	3,198	(710)	2,488

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 2nd quarter period (January 1, 2009 - June 30, 2009)

(Million yen)

	Asia	Europe	N. America	Other	Total
I Overseas sales	31,642	3,072	3,755	794	39,265
II Consolidated sales					50,572
III Share of overseas sales in consolidated sales (%)	62.5	6.1	7.4	1.6	77.6

Current 2nd quarter period (January 1, 2010 - June 30, 2010)

(Million yen)

	Asia	Europe	N. America	Other	Total
I Overseas sales	49,920	3,485	5,008	1,787	60,202
II Consolidated sales					80,268
III Share of overseas sales in consolidated sales (%)	62.2	4.3	6.2	2.2	75.0

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: Romania, Czech, Germany and France

North America: USA

Other: Central and South America and Oceania

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

No transactions to report