

February 15, 2013

Consolidated Financial Results for the Fiscal Year Ended December 31, 2012 (January 1, 2012 to December 31, 2012)

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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Annual Meeting of Shareholders:	March 28, 2013
Scheduled date of payment of cash dividends:	March 29, 2013
Scheduled date of filing financial statement:	March 28, 2013

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2012 – December 31, 2012)

(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 (%)
Year ended Dec. 2012	190,692	13.6	4,647	15.4	4,973	8.5
Year ended Dec. 2011	167,825	0.8	4,027	(24.5)	4,582	(18.8)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2012	3,076	13.0	130.37	—
Year ended Dec. 2011	2,723	(16.7)	115.41	—

(note) Comprehensive income

Year ended December 2012:	6,396 million yen (y/y 464.5%)
Year ended December 2011:	1,133 million yen (y/y -56.0%)

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2012	13.7	7.4	2.4
Year ended Dec. 2011	13.9	7.5	2.4

(Reference) Equity in net earnings (losses) of affiliates

Year ended December 2012:	190 million yen
Year ended December 2011:	180 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2012	74,703	25,453	33.8	1,071.09
Year ended Dec. 2011	59,471	20,126	33.1	834.77

(Reference) Stockholders' equity:

Year ended December 2012:	25,277 million yen
Year ended December 2011:	19,700 million yen

(3) Consolidated Cash Flows

	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
Year ended Dec. 2012	7,546	(4,598)	(1,932)	6,263
Year ended Dec. 2011	163	(3,851)	2,608	4,450

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
		Yen		Yen	Yen
Year ended Dec. 2011	—	14.00	—	14.00	28.00
Year ended Dec. 2012	—	14.00	—	16.00	30.00
Year ended Dec. 2013 (forecasts)	—	16.00	—	16.00	32.00

(Base date)	Amount of dividend (for the year)	Dividend ratio to net income (consolidated)	Dividend ratio to net assets (consolidated)
	Million Yen	%	%
Year ended Dec. 2011	660	24.3	3.4
Year ended Dec. 2012	707	23.0	3.1
Year ended Dec. 2013 (forecasts)	—	19.6	—

3. Consolidated Business Performance Forecasts for the Year Ending December 2013 (January 1, 2013 – December 31, 2013)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter ending Jun. 2013	99,530	9.5	2,380	(8.2)	2,450	(8.5)
Full year	214,000	12.2	5,330	14.7	5,380	8.2

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
2nd quarter ending Jun. 2013	1,710	(9.5)	72.46
Full year	3,850	25.1	163.14

Note: The percentages in the table above represent changes from:

Full year: the previous consolidated fiscal year
 2nd quarter ending Jun. 2013: 2nd quarter in the previous consolidated fiscal year

4. Others

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation):
Transfer
(SIIX EMS (Shanghai) Co., Ltd.)
- (2) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements
- (i) Changes associated with the revision of accounting standards: Change
(ii) Changes other than those described in (i): No change
(iii) Changes in accounting estimate: Change
(iv) Restatement: No restatement
- (3) Number of outstanding shares (common shares)
- (i) Number of outstanding shares at the end of the fiscal year (including treasury stock):
Year ended Dec. 2012: 25,200,000 shares
Year ended Dec. 2011: 25,200,000 shares
- (ii) Number of treasury stock at the end of the fiscal year:
Year ended Dec. 2012: 1,600,431 shares
Year ended Dec. 2011: 1,600,431 shares
- (iii) Average number of shares outstanding:
Year ended Dec. 2012: 23,599,569 shares
Year ended Dec. 2011: 23,599,614 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2012 – December 31, 2012)**(1) Non-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 (%)
Year ended Dec. 2012	69,052	8.5	218	—	2,029	37.7
Year ended Dec. 2011	63,627	4.7	(15)	—	1,473	10.7

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2012	1,550	14.7	65.71	—
Year ended Dec. 2011	1,352	231.5	57.31	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2012	25,536	6,995	27.4	296.44
Year ended Dec. 2011	26,223	6,091	23.2	258.13

(Reference) Stockholders' equity: Year ended December 2012: 6,995 million yen
Year ended December 2011: 6,091 million yen

**Indication regarding implementation status of quarterly review procedures*

These financial statements have not been prepared for the purpose of review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for financial statements were in the process of being implemented as of the release of these 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 6.

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1. Operating results

(1) Analysis of operating results

(i) Overview of the Term Under Review

During the consolidated fiscal year under review, the financial problems, which were resulted from debt problem in European countries and "financial cliff" in the US., slowed down global economy and uncertainty remained. On the other hand, Chinese economy was obliged to adjust the overstocked inventory level, and then GDP growth rate was trimmed in July to September period. Nevertheless, Chinese economy touched bottom at the end of the year because export managed to come out of a slump. By contrast, in ASEAN economy, strong domestic demand supported its economy, which sustained high growth rate and outstandingly strong, even though exports decreased under the influence of the European and Chinese economies' slowdown. Japanese economy was seen to enter a recessionary phase caused by the reconstruction businesses' shrink, overseas economy's decline and strong yen. Toward the end of this year, however, expectations for the new administration corrected the yen appreciation, pulled share prices and spread an optimistic mood.

Under such circumstances, net sales for the consolidated fiscal year under review finished at 190,692 million yen, an increase of 22,866 million yen (13.6% increase) in comparison to the previous consolidated fiscal year. In terms of profit, operating income finished at 4,647 million yen, an increase of 620 million yen (15.4% increase) in comparison to the previous consolidated fiscal year as an increase of net sales. Moreover, ordinary income finished at 4,973 million yen, an increase of 391 million yen (8.5% increase) in comparison to the previous consolidated fiscal year. Net income finished at 3,076 million yen, an increase of 352 million yen (13.0% increase) in comparison to the previous consolidated fiscal year.

The average exchange rates for the consolidated fiscal year under review were 79.91 yen per U.S. dollar, 0.03% stronger yen in comparison to the previous consolidated fiscal year, 2.58 yen per Thai baht, 1.5% stronger yen in comparison to the previous consolidated fiscal year, and 10.30 yen per Hong Kong dollar, 0.3% weaker yen in comparison to the previous consolidated fiscal year.

Results of reportable segment were as follows:

Segment Income or loss is calculated based on operating income in consolidated statements in income. Also, SIIX Electronics Co., Ltd. has changed its segment from "Electronics (Japan)" to "Corporate" from previous consolidated 4th quarter. For comparison with the previous fiscal year, segment information for consolidated previous fiscal year was also reclassified.

(Electronics (Japan) Section)

In this section, shipment of digital household equipment and components for industrial equipment kept steady throughout this consolidated fiscal year. As a result, sales in this section finished at 55,197 million yen, an increase of 3,982 million yen (7.8% increase) in comparison to the previous fiscal year. Operating income finished at 1,681 million yen, an increase of 355 million yen (26.8% increase) in comparison to the previous fiscal year.

(Electronics (Asia) Section)

In this section, shipment of digital household equipment and components for automotive-related equipment and household equipment greatly increased. As a result, sales in this section finished at 135,938 million yen, an increase of 18,629 million yen (15.9% increase) in comparison to the previous fiscal year. Operating income finished at 4,112 million yen, an increase of only 232 million yen (6.0% increase) due to an initial cost of newly consolidated manufacturing subsidiary.

(Electronics (Europe) Section)

In this section, while shipment of components for automotive-related equipment kept strong throughout this year, shipment of components for household equipment decreased. As a result, sales in this section finished at 5,712 million yen, a decrease of 393 million yen (6.4% decrease) in comparison to the previous fiscal year. Operating loss remained at 278 million yen influenced from depreciation cost of additional manufacturing facilities (the segment loss in the previous consolidated fiscal year was 156 million yen).

(Electronics (Americas) Section)

In this section, sales finished at 15,045 million yen, an increase of 934 million yen (6.6% increase) in comparison to the previous fiscal year due to increase of shipment of components for industrial equipment. Operating income finished at 637 million yen, an increase of 160 million yen (33.5% increase).

(ii) Outlook for the Next Term (Term Ending December 2013)

In regard to the world economy in fiscal year 2013, the Company anticipates that a sense of uncertainty is being removed with new administration of major countries officially starting. In Europe, however, European economy wouldn't be able to overcome financial stagnation yet in 2013 because countries with harsh fiscal condition keep reducing their fiscal deficit even though they built a safety net for a cash-flow problem. On the other hand, in the U.S. economy, individual consumption is seen to be on a solid path of recovery regardless of a fiscal issue. Thus, the U.S. economy is forecasted to recover steadily. Regarding to Asian economy, Chinese economy is expected to keep recovering and also ASEAN economy is predicted to expand stably and strongly in the future. Also, Japanese economy is expected to gradually recover due to exports' bounceback stimulated by correction of the yen appreciation.

As for the outlook for results for this fiscal year, we anticipate sales of 214,000 million yen (12.2% increase from the previous fiscal year), operating income of 5,330 million yen (14.7% increase from the previous fiscal year), ordinary income of 5,380 million yen (8.2% increase from the previous fiscal year), and net income of 3,850 million yen (25.1% increase from the previous fiscal year). The exchange rate assumed in the business performance forecast for this fiscal year is 85 yen per U.S. dollar.

(2) Analysis of the financial situation

(i) Assets, liabilities, and net assets

Total assets at the end of the consolidated fiscal year under review were 74,703 million yen, an increase of 15,231 million yen (25.6% increase) in comparison to the previous consolidated fiscal year.

Current assets increased by 12,056 million yen (27.5% increase) in comparison to the previous consolidated fiscal year due to an increase of 9,111 million yen (39.2% increase) in trade notes and accounts receivable etc.

Fixed assets increased by 3,174 million yen (20.4% increase) in comparison to the previous consolidated fiscal year due to facility investment in overseas manufacturing bases.

Current liabilities increased by 7,604 million yen (22.7% increase) in comparison to the previous consolidated fiscal year due to an increase of 9,564 million yen (54.8% increase) in trade accounts payable, etc.

Fixed liabilities increased by 2,300 million yen (39.2% increase) in comparison to the previous consolidated fiscal year due to increase in long-term loans payable, etc.

Net assets were 25,453 million yen, and the capital-to-asset ratio was 33.8%.

(ii) Cash flow situation

Cash and cash equivalents (hereinafter, “funds”) during the consolidated fiscal year under review increased 1,812 million yen due to an increase in net income before taxes and trade payables. Funds at the end of the current consolidated fiscal year under review stood at 6,263 million yen (40.7% increase).

The situation of each cash flow and the main contributing factors are as follows.

(Cash flow from operating activities)

The result of operating activities was increased funds of 7,546 million yen (increased funds of 163 million yen in the previous consolidated fiscal year). This was mainly due to increases of 6,002 million yen in trade receivables, net income before taxes for the current consolidated fiscal year finishing at 5,085 million yen, 2,404 million yen of depreciation cost and increases of 6,713 million yen in trade payables.

(Cash flow from investing activities)

The result of investing activities was decreased funds of 4,598 million yen (decreased funds of 3,851 million yen in the previous consolidated fiscal year). This was mainly due to expenditures of 4,096 million yen for the acquisition of tangible fixed assets.

(Cash flow from financial activities)

The result of financial activities was decreased funds of 1,932 million yen (increased funds of 2,608 million yen in the previous consolidated fiscal year). This was mainly due to proceeds of 2,958 million yen from long-term loans, net decrease of 3,100 million yen in short-term loans payable and expenditures of 1,221 million yen for the repayment of long-term loans.

(Reference) Trends in cash flow related indicators

	Year ended Dec. 2008	Year ended Dec. 2009	Year ended Dec. 2010	Year ended Dec. 2011	Year ended Dec. 2012
Capital-to-asset ratio (%)	27.7	31.0	30.8	33.1	33.8
Capital-to-asset ratio based on market prices (%)	13.6	48.3	36.0	38.9	31.5
Debt to annual cash flow ratio (years)	6.3	2.2	-	83.7	2.2
Interest coverage ratio (X)	5.8	29.4	-	0.9	36.0

Note: Cash flow indices are calculated as follows.

- Capital-to-asset ratio: Shareholders' 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(after deduction of treasury stocks).
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. Debt to annual cash flow ratio and Interest coverage ratio for 2010 are not calculated because cash flow from operating activities for 2010 are negative.

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

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.

As for the dividends for this consolidated fiscal year, the Company has already paid a common dividend of 14 yen per share as an interim dividend and plans to add a further 16 yen per share as the term-end dividend. In total, the Company is planning to make an annual dividend of 30 yen per share, which is increased by 2 yen from the previous year. As for the dividends for the next fiscal year, the Company plans a common dividend of 16 yen per share as an interim dividend and 16 yen per share as a term-end dividend. Finally, the Company is planning to pay an annual dividend of 32 yen per share.

(4) Operating Risks

In regard to the risks of the SIIX Group's operations, etc., the matters that may exert an important effect on the judgment of investors are mainly those shown below. The operations of the SIIX Group are accompanied by various risks other than these, and the matters described below do not include all of the risks entailed in the SIIX Group's operations.

Matters concerning the future that are included on this page were judged by the SIIX Group as of the end of the consolidated fiscal year under review.

(i) Variations in market conditions

On the one hand, large market growth can be expected in the electronics industry, with which the core business of the SIIX Group is concerned, due to technological innovation and the development of new products. On the other side of the coin, unanticipated price decreases or changes in the demand-supply balance due to the intensification of competition among manufacturers and the early obsolescence of products, etc., can also occur. For example, these trends are comparatively strong in areas such as the digital appliance market. As a consequence of the development of an unexpected gap between supply and demand, effects such as production adjustment, order cancellations, overcapacity, inventory increases, obsolescence, or profit decreases may be felt on results.

(ii) Fluctuations of exchange rates

Because the SIIX Group carries out transactions in various currencies and under various conditions, the Company pays attention to the avoidance of exchange risk. Basically, the group hedges exchange rate risk by arrangements related to (a) purchases and sales based on the same currency, (b) forward exchange contracts, and (c) the sharing of exchange rate risks with customers. However, sudden exchange rate fluctuations may have an impact on sales and profits.

(iii) Business activities overseas

The SIIX Group exhibits its strengths in overseas transactions taking advantage of its global network. At present, the group has 14 subsidiaries in the Asia region (among these 5 in China

including Hong Kong*), 2 in Europe, 1 in North America and 2 in Central and South America. In combination with 1 company affiliated under the application of the equity method, etc., the group is active globally. Because of this, country risks such as the worsening of political or economic factors, changes in laws, regulations, and tax systems, changes in currency policies, and social unrest and hazard risk in the country or region the subsidiary or affiliated company is located in may all impact upon the management results as well as the financial condition of the SIIX Group.

(iv) Fund procurement and interest rate fluctuations

The SIIX Group procures necessary operating funds through borrowings and the like from financial institutions. The group lessens the risk of interest rate fluctuations by using both floating or fixed interest rate procurement as the situations demands and taking advantage of derivative transactions (such as interest swap agreements) in an appropriate manner. However, unexpected fluctuations in market interest rates may exert an impact on the profit and loss of the SIIX Group.

2. Corporate Group

The SIIX Group of companies is made up of SIIX Corp. (the Company), 16 consolidated subsidiaries, 4 non-consolidated subsidiaries, 9 affiliates, of which 1 equity-method affiliate, and 13 jointly owned companies. The SIIX group classifies electronic sector covering procurement, manufacture and sale of finished products, subassemblies, circuit board assemblies, components and kits relating to communication equipment, automotive-related equipment, household electrical equipment, etc. to "Electronic (Japan)", "Electronics (Asia)", "Electronics (Europe)", and "Electronics (Americas)" as a reportable segment. Also "Other" is classified as other sector covering wire harnesses, materials for motorcycle and printing ink, etc.

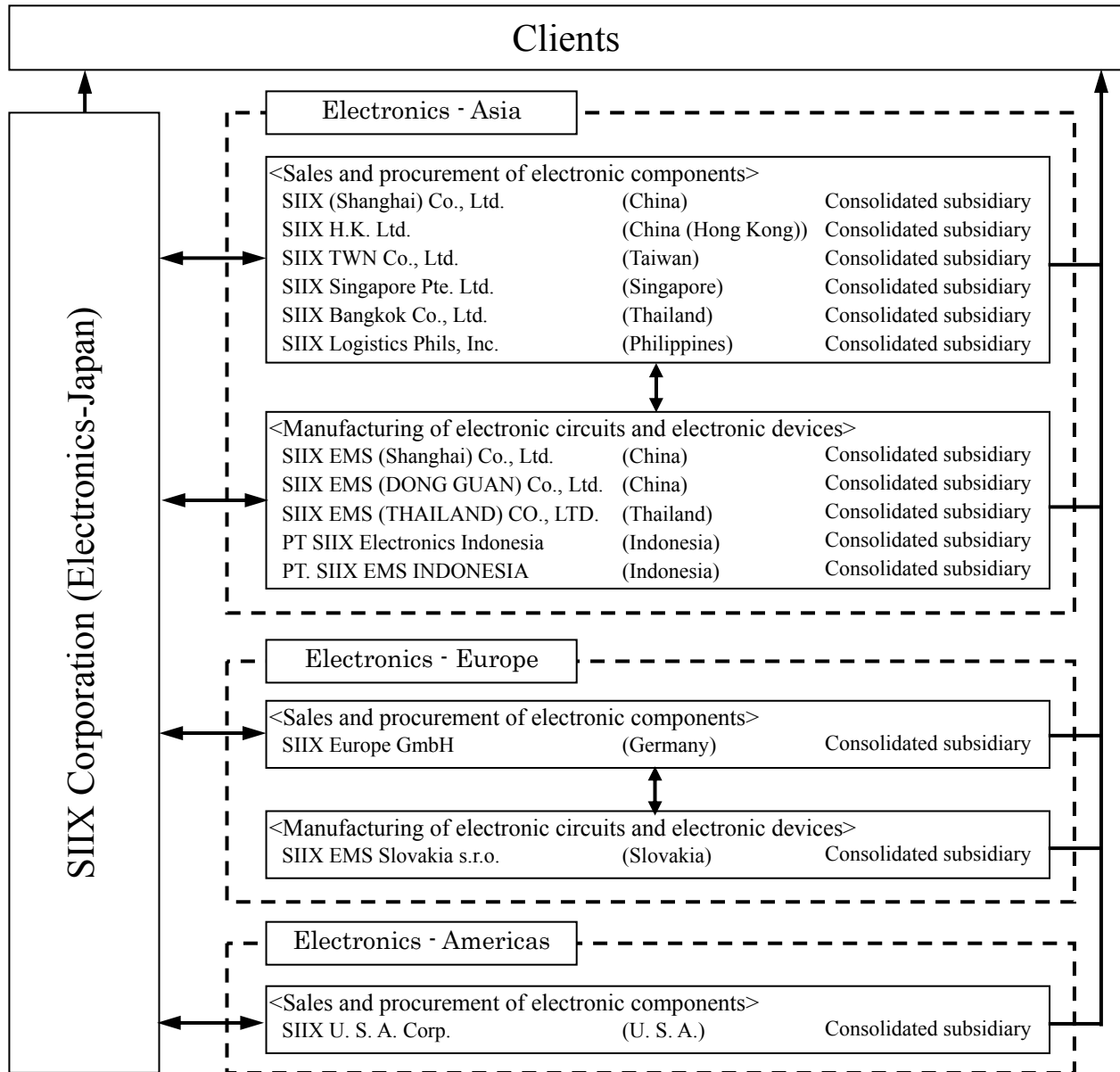
Group companies by reportable segment and the roles of major companies are as follows.

Company	Country	Capital/ Investment	Activities	Owner Ship (%)
(Consolidated subsidiaries)				
SIIX (Shanghai) Co., Ltd.	Shanghai, China	Thousand RMB 20,793	Sales and procurement of electronic components	100.00
SIIX EMS (Shanghai) Co., Ltd.	Shanghai, China	Thousand RMB 179,750	Manufacturing of electronic circuits and electronic devices	91.82
SIIX EMS (DONG GUAN) Co., Ltd.	Guangdong, China	Thousand RMB 133,951	Manufacturing of electronic circuits and electronic devices	100.00 (100.00)
SIIX H. K. Ltd.	Hong Kong, China	Thousand HK\$ 4,000	Sales and procurement of electronic components	100.00
SIIX TWN Co., Ltd.	Taipei, Taiwan	Thousand NTS 5,000	Sales and procurement of electronic components	100.00
SIIX Singapore Pte. Ltd.	Singapore	Thousand US\$ 1,144	Sales and procurement of electronic components	100.00
SIIX Bangkok Co., Ltd.	Bangkok, Thailand	Thousand Baht 30,000	Sales and procurement of electronic components	100.00
SIIX EMS (THAILAND) CO., LTD.	Samutprakarn, Thailand	Thousand Baht 309,100	Manufacturing of electronic circuits and electronic devices	100.00
SIIX Logistics Phils, Inc.	Laguna, Philippines	Thousand US\$ 8,315	Sales and procurement of electronic components	100.00
PT SIIX Electronics Indonesia	Batam, Indonesia	Thousand US\$ 1,980	Manufacturing of electronic circuits and electronic devices	100.00 (100.00)
PT. SIIX EMS INDONESIA	West Jawa Indonesia	Thousand US\$ 9,001	Manufacturing of electronic circuits and electronic devices	100.00 (100.00)
SIIX Europe GmbH	Willich, Germany	Thousand Euro 1,022	Sales and procurement of electronic components	100.00
SIIX EMS Slovakia s. r. o.	Nitra, Slovakia	Thousand Euro 3,634	Manufacturing of electronic circuits and electronic devices	100.00
SIIX U.S.A. Corp.	Illinois, U. S. A.	Thousand US\$ 4,000	Sales and procurement of electronic components	100.00
SIIX Phils., Inc.	Muntinlupa, Metro Manila, Philippines	Thousand PHP 14,700	Sales of components for automobile and chemical products	100.00
SIIX Electronics Co., Ltd.	Kanagawa, Japan	Thousand JPY 290,000	Manufacturing of electronic circuits and electronic devices Technical development and technical assistance	100.00
(Equity-method affiliates)				
KAWASAKI MOTORS (PHILS.) CORPORATION	Muntinlupa, Metro Manila, Philippines	Thousand PHP 101,430	Assemble and sales of motorcycle	20.06

Note:

1. The figure in parentheses in the "Ownership" column indicates the shares indirectly owned.
2. SIIX EMS (Shanghai) Co., Ltd., was established on February 2012, has been consolidated since this fiscal year.
3. U.S.A. ZAMA, Inc., was sold on December 2012, has been excluded from consolidation at the end of this fiscal year.

(Non-consolidated subsidiary)	Country
SIIX (Dongguan) Co., Ltd.	China
PT. SIIX Trading Indonesia	Indonesia
SIIX MEXICO, S.A DE C.V.	Mexico
SIIX do Brasil Ltda.	Brazil
(Major affiliated companies)	
TECHNO CORE INTERNATIONAL CO., LTD.	Japan
TS-PRO Co., Ltd.	Japan
TAKION CO., LTD.	Japan
Takaya SIIX Electronics (Shanghai) Co., Ltd.	China
Bando SIIX Ltd.	China (Hong Kong)
PFU Technology Singapore Pte. Ltd.	Singapore
Delsa Chemicals and Multi-Products, Inc.	Philippines
(Major jointly owned companies)	
Panyu Kyokuto Sakata Electronics Ltd.	China
KYOKUTO CHINA LTD.	China (Hong Kong)
iWOW Technology Pte Ltd	Singapore
Stars Microelectronics (Thailand) Public Company Limited	Thailand
Integrated Microelectronics, Inc.	Philippines
SHINTO-WELBEST MANUFACTURING, INC.	Philippines
International Wiring Systems (Phils.) Corp.	Philippines

Flowchart of Business Activities

→ Products, merchandise, and components

* The above flowchart shows business activities by reportable segment.

Other

<Sales of wire harnesses, materials for motorcycle and printing ink, etc.>

SIIX Corporation

SIIX Phils., Inc.

(Philippines)

Consolidated Subsidiary

<Assemble and sales of motorcycle>

KAWASAKI MOTORS (PHILS.) CORPORATION

(Philippines)

Equity-method affiliate

Corporate

<Manufacturing of electronic circuits and electronic devices, technical development and technical assistance>

SIIX Electronics Co., Ltd.

(Japan)

Consolidated Subsidiary

Other affiliates

<Manufacturing of printing ink>

SAKATA INX CORPORATION

TRANSLATION

<Non-consolidated subsidiary>	
SIIX (Dongguan) Co., Ltd.	(China)
PT. SIIX Trading Indonesia	(Indonesia)
SIIX MEXICO, S. A DE C. V.	(Mexico)
SIIX do Brasil Ltda.	(Brazil)

<Non-equity method affiliate>	
TECHNO CORE INTERNATIONAL CO., LTD.	(Japan)
TS-PRO Co., Ltd.	(Japan)
TAKION CO., LTD.	(Japan)
Takaya SIIX Electronics (Shanghai) Co., Ltd.	(China)
Bando SIIX Ltd.	(China (Hong Kong))
PFU Technology Singapore Pte. Ltd.	(Singapore)
Delsa Chemicals and Multi-Products, Inc.	(Philippines)

<Joint venture company (non-consolidated)>	
Kyokuto Electric Co., Ltd.	(Japan)
Panyu Kyokuto Sakata Electronics Ltd.	(China)
Changzhou Giken Precision Co., Ltd.	(China)
Shanghai Kyokuto Precision Electronics Ltd.	(China)
KYOKUTO CHINA LTD.	(China(Hong Kong))
Giken Sakata (S) Ltd.	(Singapore)
iWOW Technology Pte Ltd	(Singapore)
Stars Microelectronics (Thailand) Public Company Limited	(Thailand)
Integrated Microelectronics, Inc.	(Philippines)
SHINTO-WELBEST MANUFACTURING, INC.	(Philippines)
International Wiring Systems (Phils.) Corporation	(Philippines)

3. Management Policy

(1) Fundamental Management Policy

The globalization of markets and the diversification of consumer needs have advanced greatly in recent years and the optimum arrangement and use of management resources on global base has become an important management issue for companies in all areas of business activity such as parts procurement, manufacturing, sales and logistics, etc. The objective of the Group is to provide solutions to these kinds of new corporate issues. Focusing on electronics related areas, where we have many years of experience, our fundamental policies are to provide universal coordination for diverse needs spread around the world and to be a global business organizer, supplying customers with concrete business merit. The Group defines its corporate philosophy through these corporate activities as “the pursuit of effective use of the world’s resources to activate social systems and contribute to the advancement of humankind.”

(2) Targeted Management Indicators

As SIIX Group’s Target, the Company aims at the achievement of 225,000 million yen in sales and 5,800 million yen in operating income in 2014. The exchange rate assumed in the business performance forecast for 2014 is 85 yen per U.S. dollar.

(3) Mid- and Long-Term Corporate Management Strategy

In many industrial areas, including the electronics industry, the core area of business in the SIIX Group, overseas manufacturing base networks have expanded along with the development of market globalization. In the logistics area as well, the global movement of products that joins not only between domestic and overseas markets but between one overseas market and another, is accelerating. In association with this trend, the needs of manufacturers are not limited to production technology and quality, but have transferred to the realization of similar efficiency to domestic production in overseas plants, including material procurement and product logistics.

The company’s business as a “Global Business Organizer” has also expanded in order to respond to outsourcing needs generated by this kind of corporate globalized movement. In the medium to long-term future as well, the company is aiming to expand business by taking advantage of its “multifunctionality combining trading company with logistics function and manufacturing capabilities” and “global logistics and manufacturing network,” as its strengths to provide total EMS (electronic manufacturing services).

(4) Issues for the Company to Resolve

As companies’ progression in overseas production, the SIIX Group is approaching the increasing needs of both overseas manufacturing and logistics as a commercial opportunity and is working on the following issues in order to expand its business.

- 1) The preparation and expansion of base-network and further expression of synergistic effects between those bases for responding to the trend of customers' overseas production
- 2) The strengthening of global parts procurement capability and the upgrading of logistics service
- 3) The continued efforts for improvement of capacities of manufacturing technologies and production efficiency
- 4) The development of new businesses in new electronics field such as ecology, energy saving, infrastructure, medical etc.
- 5) The continuous improvement of asset efficiency

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of Dec. 31, 2011	As of Dec. 31, 2012
Assets		
Current assets		
Cash and deposits	4,466,843	6,282,289
Notes and accounts receivable-trade	23,242,132	32,353,732
Merchandise and finished goods	10,785,485	11,600,820
Work in process	1,234,174	810,419
Raw materials and supplies	2,186,358	2,998,963
Deferred tax assets	225,499	299,063
Other	1,814,401	1,639,327
Allowance for doubtful accounts	(70,418)	(43,437)
Total current assets	43,884,476	55,941,179
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,510,524	7,562,435
Accumulated depreciation	(2,244,347)	(2,794,866)
Buildings and structures, net	4,266,176	4,767,568
Machinery, equipment and vehicles	12,225,763	16,351,118
Accumulated depreciation	(7,709,585)	(10,104,900)
Machinery, equipment and vehicles, net	4,516,177	6,246,218
Tools, furniture and fixtures	1,300,209	1,417,597
Accumulated depreciation	(915,163)	(1,040,658)
Tools, furniture and fixtures, net	385,046	376,938
Land	2,131,670	2,204,485
Construction in progress	468,828	239,450
Total property, plant and equipment	11,767,899	13,834,661
Intangible assets		
Software	749,019	623,083
Other	8,524	15,426
Total intangible assets	757,544	638,510
Investments and other assets		
Investment securities	1,758,590	2,223,771
Investments in capital	273,920	280,790
Long-term loans receivable	65,089	62,840
Deferred tax assets	340,075	420,189
Other	1,012,206	1,873,863
Allowance for doubtful accounts	(388,106)	(572,805)
Total Investments and other assets	3,061,774	4,288,649
Total noncurrent assets	15,587,218	18,761,821
Total assets	59,471,694	74,703,001

TRANSLATION

(Thousand yen)

	As of Dec. 31, 2011	As of Dec. 31, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	17,451,476	27,015,850
Short-term loans payable	12,496,291	10,285,041
Accrued expenses	874,946	1,090,408
Income taxes payable	574,683	655,208
Other	2,078,305	2,033,410
Total current liabilities	33,475,702	41,079,918
Noncurrent liabilities		
Long-term loans payable	4,157,000	5,833,630
Provision for retirement benefits	83,091	109,490
Deferred tax liabilities	1,204,937	1,735,871
Other	424,110	490,887
Total noncurrent liabilities	5,869,139	8,169,880
Total liabilities	39,344,842	49,249,798
Net assets		
Shareholders' equity		
Capital stock	2,144,000	2,144,000
Capital surplus	1,853,000	1,853,000
Retained earnings	21,416,202	23,832,070
Treasury stock	(677,780)	(677,780)
Total shareholders' equity	24,735,421	27,151,290
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	328,823	457,649
Deferred gains or losses on hedges	4,395	(9,449)
Foreign currency translation adjustment	(5,368,362)	(2,322,280)
Total accumulated comprehensive income	(5,035,143)	(1,874,080)
Minority interests	426,573	175,992
Total net assets	20,126,851	25,453,202
Total liabilities and net assets	59,471,694	74,703,001

(2) Consolidated Statements of Income

(Thousand yen)

	1st Jan 2011 - 31st Dec 2011	1st Jan 2012 - 31st Dec 2012
Net sales	167,825,669	190,692,332
Cost of sales	157,685,323	179,373,313
Gross profit	10,140,346	11,319,018
Selling, general and administrative expenses	6,113,321	6,671,698
Operating income	4,027,024	4,647,319
Non-operating income		
Interest income	28,522	33,426
Dividends income	57,647	40,944
Amortization of negative goodwill	38,020	38,020
Real estate rent	71,503	70,781
Equity in earnings of affiliates	180,410	190,917
Foreign exchange gains	76,892	-
Gain on sales of goods	69,679	86,784
Other	264,888	231,823
Total non-operating income	787,564	692,697
Non-operating expenses		
Interest expenses	200,076	207,895
Foreign exchange losses	-	31,633
Other	32,306	126,549
Total non-operating expenses	232,382	366,078
Ordinary income	4,582,206	4,973,938
Extraordinary income		
Reversal of allowance for doubtful accounts	144	-
Gain on sales of noncurrent assets	5,634	12,280
Insurance income	-	207,772
Total extraordinary income	5,778	220,052
Extraordinary loss		
Provision of allowance for doubtful accounts	9,688	-
Loss on valuation of investment securities	183,134	-
Loss on sales of stocks of subsidiaries and affiliates	-	102,268
Loss on sales of investments in capital of subsidiaries and affiliates	39,384	-
Loss on sales of noncurrent assets	1,071	1,217
Loss on retirement of noncurrent assets	5,679	5,310
Loss on disaster	210,994	-
Total extraordinary loss	449,953	108,796
Income before income taxes	4,138,031	5,085,195
Income taxes-current	1,321,705	1,498,621
Income taxes-deferred	(11,505)	425,508
Total income taxes-current	1,310,200	1,924,130
Income before minority interests in income	2,827,830	3,161,064
Minority interests in income	104,167	84,408
Net income	2,723,663	3,076,656

Consolidated Statements of Comprehensive Income

(Thousand yen)

	1st Jan 2011 - 31st Dec 2011	1st Jan 2012 - 31st Dec 2012
Income before minority interests in income	2,827,830	3,161,064
Other comprehensive income		
Valuation difference on available-for-sale securities	(675,268)	128,884
Deferred gains or losses on hedges	(12,074)	(13,844)
Foreign currency translation adjustment	(1,054,543)	3,005,710
Equity equivalent of equity method affiliate	47,080	114,323
Total other comprehensive income	(1,694,805)	3,235,074
Comprehensive income	1,133,025	6,396,138
(Content)		
Comprehensive income for the parent company's shareholders	1,047,886	6,237,719
Comprehensive income for minority shareholders	85,138	158,418

(3) Consolidated Statements of Changes in Net Assets

(Thousand yen)

	1st Jan 2011 - 31st Dec 2011	1st Jan 2012 - 31st Dec 2012
Shareholders' equity		
Capital stock		
Balances at December 31, 2011	2,144,000	2,144,000
Balances at December 31, 2012	2,144,000	2,144,000
Capital surplus		
Balances at December 31, 2011	1,853,000	1,853,000
Balances at December 31, 2012	1,853,000	1,853,000
Retained earnings		
Balances at December 31, 2011	19,388,961	21,416,202
Changes of items during the period		
Dividends from surplus	(660,789)	(660,787)
Increase (decrease) by exclusion of application of equity method	(35,633)	-
Net income	2,723,663	3,076,656
Total changes of items during the period	2,027,240	2,415,868
Balances at December 31, 2012	21,416,202	23,832,070
Treasury stock		
Balances at December 31, 2011	(677,713)	(677,780)
Changes of items during the period		
Purchase of treasury stock	(66)	-
Total changes of items during the period	(66)	-
Balances at December 31, 2012	(677,780)	(677,780)
Total shareholders' equity		
Balances at December 31, 2011	22,708,247	24,735,421
Changes of items during the period		
Dividends from surplus	(660,789)	(660,787)
Increase (decrease) by exclusion of application of equity method	(35,633)	-
Net income	2,723,663	3,076,656
Purchase of treasury stock	(66)	-
Total changes of items during the period	2,027,173	2,415,868
Balances at December 31, 2012	24,735,421	27,151,290

TRANSLATION

(Thousand yen)

1st Jan 2011 - 31st Dec 2011 1st Jan 2012 - 31st Dec 2012

Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balances at December 31, 2011	1,003,871	328,823
Changes of items during the period		
Net changes of items other than shareholders' equity	(675,047)	128,825
Total changes of items during the period	(675,047)	128,825
Balances at December 31, 2012	328,823	457,649
Deferred gains or losses on hedges		
Balances at December 31, 2011	16,469	4,395
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,074)	(13,844)
Total changes of items during the period	(12,074)	(13,844)
Balances at December 31, 2012	4,395	(9,449)
Foreign currency translation adjustment		
Balances at December 31, 2011	(4,379,708)	(5,368,362)
Changes of items during the period		
Net changes of items other than shareholders' equity	(988,654)	3,046,081
Total changes of items during the period	(988,654)	3,046,081
Balances at December 31, 2012	(5,368,362)	(2,322,280)
Total accumulated other comprehensive income		
Balances at December 31, 2011	(3,359,366)	(5,035,143)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,675,776)	3,161,063
Total changes of items during the period	(1,675,776)	3,161,063
Balances at December 31, 2012	(5,035,143)	(1,874,080)
Minority interests		
Balances at December 31, 2011	421,625	426,573
Changes of items during the period		
Net changes of items other than shareholders' equity	4,948	(250,580)
Total changes of items during the period	4,948	(250,580)
Balances at December 31, 2012	426,573	175,992
Total net assets		
Balances at December 31, 2011	19,770,506	20,126,851
Changes of items during the period		
Dividends from surplus	(660,789)	(660,787)
Increase (decrease) by exclusion of application of equity method	(35,633)	-
Net income	2,723,663	3,076,656
Purchases of treasury stock	(66)	-
Net changes of items other than shareholders' equity	(1,670,828)	2,910,482
Total changes of items during the period	356,345	5,326,350
Balances at December 31, 2012	20,126,851	25,453,202

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	1st Jan 2011 - 31st Dec 2011	1st Jan 2012 - 31st Dec 2012
Net cash provided by (used in) operating activities		
Income before income taxes	4,138,031	5,085,195
Depreciation and amortization	1,972,635	2,404,052
Amortization of goodwill	-	16,550
Amortization of negative goodwill	(38,020)	(38,020)
Increase (decrease) in allowance for doubtful accounts	19,496	125,445
Interest and dividends income	(86,170)	(74,370)
Interest expenses	200,076	207,895
Foreign exchange losses (gains)	58,886	(13,111)
Equity in (earnings) losses of affiliates	(180,410)	(190,917)
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	102,268
Decrease (increase) in notes and accounts receivable-trade	2,880,394	(6,002,142)
Decrease (increase) in inventories	(1,622,559)	22,483
Decrease (increase) in consumption taxes refund receivable	(154,761)	(72,364)
Increase (decrease) in notes and accounts payable-trade	(5,009,150)	6,713,917
Increase (decrease) in advances received	(3,713)	(59,418)
Other	(668,288)	872,665
Subtotal	1,506,446	9,100,128
Interest and dividends income received	163,447	167,300
Interest expenses paid	(191,504)	(209,447)
Income taxes paid	(1,314,415)	(1,511,500)
Net cash provided by (used in) operating activities	163,974	7,546,479
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(3,736,946)	(4,096,655)
Proceeds from sales of property, plant and equipment	15,535	14,151
Purchase of intangible assets	(175,768)	(78,888)
Purchase of investment securities	(154,595)	-
Payments of loans receivable	(13,594)	(992)
Collection of loans receivable	3,508	3,717
Proceeds from sales of investments in capital of subsidiaries and affiliates	210,000	-
Purchase of stocks of subsidiaries and affiliates	-	(23,973)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(416,186)
Net cash provided by (used in) investment activities	(3,851,860)	(4,598,828)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,065,850	(3,100,457)
Proceeds from long-term loans payable	2,774,000	2,958,310
Repayment of long-term loans payable	(2,419,000)	(1,221,500)
Purchase of treasury stock	(66)	-
Cash dividends paid	(660,361)	(659,946)
Cash dividends paid to minority shareholders	(79,130)	(238,611)
Other	(72,607)	330,200
Net cash provided by (used in) financing activities	2,608,684	(1,932,004)
Effect of exchange rate change on cash and cash equivalents	(246,756)	797,218
Net increase (decrease) in cash and cash equivalents	(1,325,958)	1,812,864
Cash and cash equivalents at beginning of period	5,526,605	4,450,658
Cash and cash equivalents of newly consolidated subsidiary at beginning of period	250,011	-
Cash and cash equivalents at end of period	4,450,658	6,263,523

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

No transactions to report

(6) Segment Information**[Segment Information]****1. Summary of reportable segment**

Each reportable segment is an independent entity in SIIX group which can be measured by separated financial information and should be reviewed with regularity by the Board of Directors for the purpose of decision of distribution of management resource and performance evaluation.

The SIIX group is covering procurement, manufacture and sale of finished products, subassemblies, circuit board assemblies, components and kits relating to communication equipment, automotive-related equipment, information equipment, household electrical equipment, industrial equipment and general electronic products and devices. SIIX Corp. and independent subsidiary in Japan, and several independent local subsidiaries in each area of Asia, Europe, and America are engaged in these businesses.

Each subsidiary is an independent entity and draws up a comprehensive strategy and develops its business activity to handle merchandise and goods for accommodation to clients' foreign business development according to market characteristics in each area.

Therefore, the SIIX group classifies the reportable segment to "Electronic (Japan)", "Electronics (Asia)", "Electronics (Europe)", and "Electronics (Americas)".

2. Sales and income/loss information for each reportable segment

Previous year (1st Jan 2011 – 31st Dec 2011)

(Thousand yen)

	Reportable Segment					Other (notes)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales – outside customers	32,424,349	108,913,802	5,582,695	10,207,786	157,128,633	10,686,546	167,815,179
Sales and transfers-inter segments	18,790,325	8,395,319	523,212	3,903,403	31,612,260	2,031,310	33,643,570
Total	51,214,674	117,309,122	6,105,908	14,111,190	188,740,894	12,717,856	201,458,750
Operating income or loss	1,326,037	3,879,897	(156,838)	477,284	5,526,381	62,096	5,588,477
Assets	17,490,865	39,062,899	3,061,621	4,208,572	63,823,959	4,498,842	68,322,801
Other							
Depreciation	20,311	1,391,138	91,195	19,218	1,521,863	19,835	1,541,698
Increase in tangible fixed assets and intangible fixed assets	19,578	3,108,147	471,326	21,604	3,620,656	333	3,620,990

Notes:

"Other" is not included in the reportable segment. Major products of "Other" section are wire harnesses, materials for motorcycle, equipment machines, printing ink and etc.

TRANSLATION

Current year (1st Jan 2012 – 31st Dec 2012)

(Thousand yen)

	Reportable Segment					Other (notes)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales – outside customers	34,768,671	127,136,226	5,158,319	10,482,739	177,545,956	13,131,223	190,677,179
Sales and transfers-inter segments	20,428,861	8,801,932	554,043	4,562,969	34,347,806	1,085,548	35,433,355
Total	55,197,532	135,938,158	5,712,362	15,045,709	211,893,763	14,216,771	226,110,534
Operating income or loss	1,681,650	4,112,076	(278,254)	637,330	6,152,803	69,878	6,222,681
Assets	17,438,181	58,300,403	2,992,003	2,192,596	80,923,185	4,152,198	85,075,383
Other							
Depreciation	23,249	1,868,983	158,283	19,787	2,070,303	18,998	2,089,301
Increase in tangible fixed assets and intangible fixed assets	4,297	3,311,571	54,310	22,755	3,392,934	355	3,393,289

Notes:

"Other" is not included in the reportable segment. Major products of "Other" section are wire harnesses, materials for motorcycle, equipment machines, printing ink and etc.

3. The difference between the amount of sales, operating income or loss and assets in reportable segment and in consolidated statement, and the details

(Thousand yen)

Sales	Previous Year (1st Jan., 2011 - 31st Dec., 2011)	Current Year (1st Jan., 2012 - 31st Dec., 2012)
Reportable Segment	188,740,894	211,893,763
Other	12,717,856	14,216,771
Eliminations-inter segment	(33,633,080)	(35,418,202)
Sales in consolidated statement	167,825,669	190,692,332

(Thousand yen)

Operating Income / Loss	Previous Year (1st Jan., 2011 - 31st Dec., 2011)	Current Year (1st Jan., 2012 - 31st Dec., 2012)
Reportable Segment	5,526,381	6,152,803
Other	62,096	69,878
Eliminations-inter segment	73,778	42,480
Corporate expenses (note)	(1,635,231)	(1,617,842)
Operating income in consolidated statement	4,027,024	4,347,319

Notes:

Corporate expenses mainly consist of expenses related to the headquarters, the general affairs and accounting divisions, at the parent company which do not belong to reportable segment.

TRANSLATION

(Thousand yen)

Assets	Previous Year (As of 31st Dec., 2011)	Current Year (As of 31st Dec., 2012)
Reportable Segment	63,823,959	80,923,185
Other	4,498,842	4,152,198
Eliminations-inter segment	(12,894,016)	(14,249,244)
Corporate assets (note)	4,042,909	3,876,862
Total assets in consolidated statement	59,471,694	74,703,001

Notes:

Corporate assets mainly consist of assets related to the headquarters, the general affairs and accounting divisions, at the parent company which do not belong to reportable segment.

(Thousand yen)

Other	Reportable Segment		Other		Adjustment		Consolidated statement	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Depreciation	1,521,863	2,070,303	19,835	18,998	430,936	314,750	1,972,635	2,404,052
Increase in tangible fixed assets and intangible fixed assets	3,620,656	3,392,934	333	355	464,164	70,158	4,085,154	3,463,448

4. Attributed modification in reportable segment

SIIX Electronics Co., Ltd. has changed its segment from "Electronics (Japan)" to "Corporate" from previous consolidated 4th quarter. Thus, segment information in this consolidated fiscal year is compared with the previous consolidated fiscal year and analyzed retroactively based on this change of classification.

[Pertinent Information]

Previous year (1st Jan 2011 – 31st Dec 2011)

1. Information for each products and services

The information is omitted because it's been disclosed by Segment Information.

2. Geographical Segment Information

(1) Sales

(Thousand yen)

Japan	China	Thailand	Asia others	Europe	Americas	Others	Total
43,150,574	25,323,775	60,576,830	19,850,164	6,831,492	11,633,391	459,441	167,825,669

(note) Sales are calculated based on the location of customers and sorted geographically.

(2) Tangible fixed assets

(Thousand yen)

Japan	China	Thailand	Indonesia	Asia others	Europe	Americas	Total
3,671,823	2,338,400	2,527,943	1,642,887	750,896	685,004	150,943	11,767,899

Current year (1st Jan 2012 – 31st Dec 2012)

1. Information for each products and services

The information is omitted because it's been disclosed by Segment Information.

2. Geographical Segment Information

(1) Sales

(Thousand yen)

Japan	China	Thailand	Asia others	Europe	Americas	Others	Total
46,489,410	28,177,825	71,271,551	21,697,752	6,734,446	15,732,093	589,252	190,692,332

(note) Sales are calculated based on the location of customers and sorted geographically.

(2) Tangible fixed assets

(Thousand yen)

Japan	China	Thailand	Indonesia	Asia others	Europe	Americas	Total
3,489,224	4,034,054	2,831,738	1,899,722	824,098	679,396	76,426	13,834,661