

# Consolidated Financial Result of 1H, FY2021



**SIIX Corporation**

**August 2021**

- **Consolidated Financial Result of 1H, FY2021**
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- **Current Situation of Midterm Business Plan**
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## • Profit and Loss

	1H, FY2020		1H, FY2021		1H, FY2020 vs. 1H, FY2021		Impact of change in FX	1H, FY2020 vs. 1H, FY2021, net	
	(JPY in millions)	amount	%	amount	%	diff.		%	diff.(net)
Sales	80,234	100.0	<b>109,470</b>	<b>100.0</b>	29,235	36.4	2,742	26,492	33.0
Gross Profit	6,767	8.4	<b>10,059</b>	<b>9.2</b>	3,292	48.7			
SGA	5,718	7.1	<b>7,517</b>	<b>6.9</b>	1,798	31.5			
Operating Income	1,048	1.3	<b>2,541</b>	<b>2.3</b>	1,493	142.5	6	1,487	141.9
Ordinary Income	784	1.0	<b>2,917</b>	<b>2.7</b>	2,132	271.9			
Extraordinary Income & Loss	(1,610)	(2.0)	<b>0</b>	<b>0.0</b>	1,610	-			
Corporate tax	(178)	(0.2)	<b>459</b>	<b>0.4</b>	638	-			
Profit attributable to owners of parent	(641)	(0.8)	<b>2,452</b>	<b>2.2</b>	3,094	-			

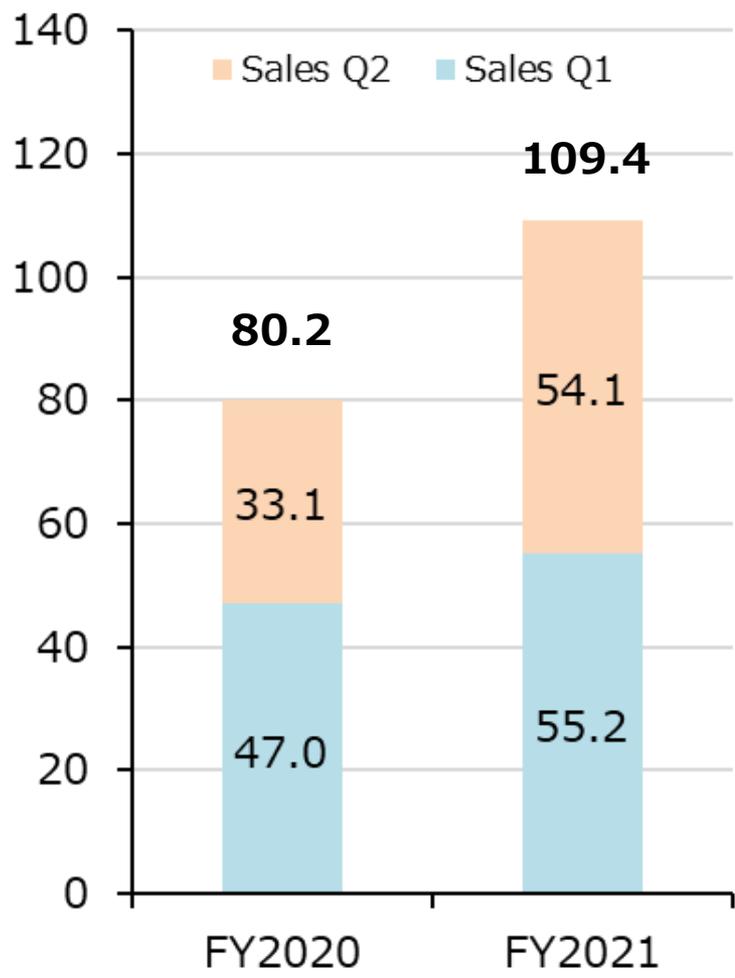
### Exchange rate

	1H, FY2020	1H, FY2021
USD	108.33	107.93
EUR	119.40	129.89
HKD	13.96	13.91
THB	3.43	3.50
RMB	15.38	16.67

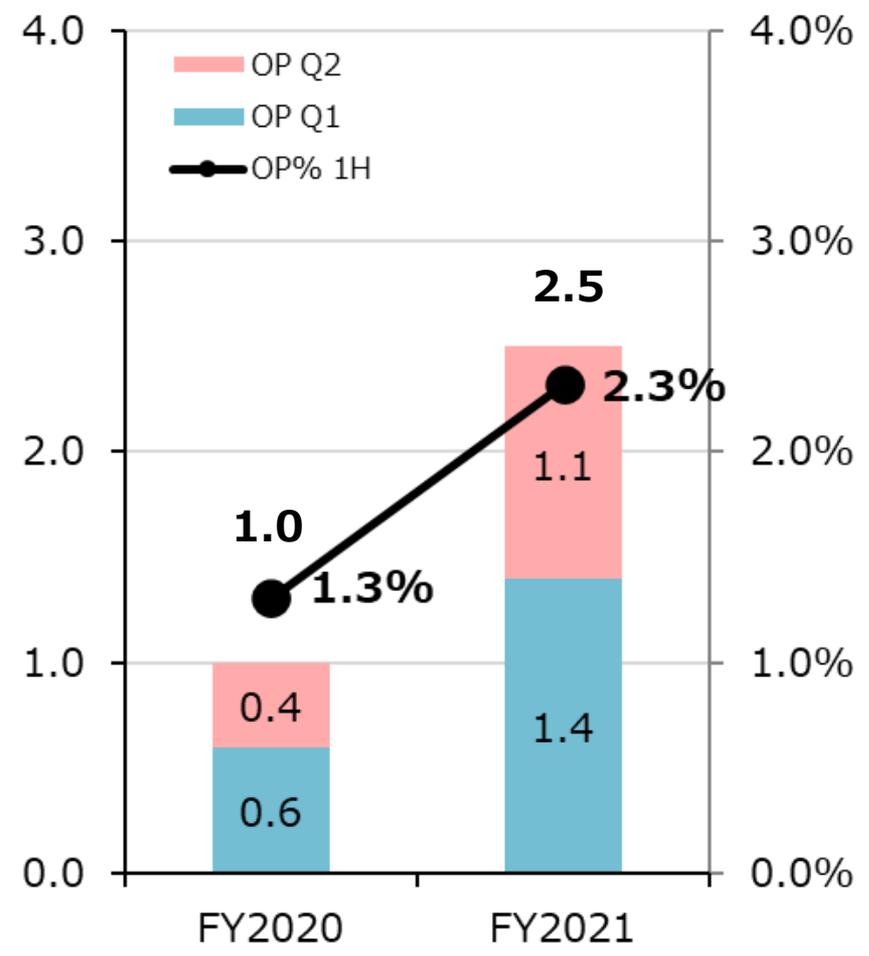
## • Scope of Consolidation

	End of	Changes		End of
	1H, FY2020	Increase	Decrease	1H, FY2021
Consolidated Subsidiary	22	1	1	22
Equity Method Affiliate	2	-	-	2

- Sales



- Operating Profit (JPY in billions, %)

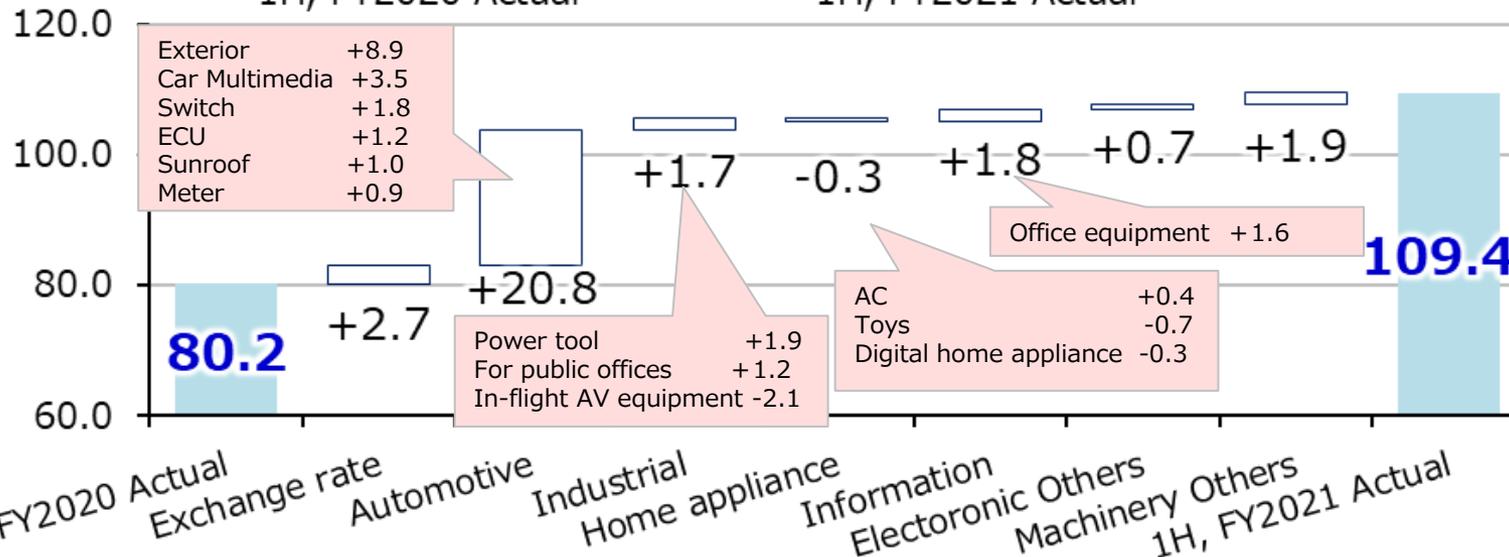
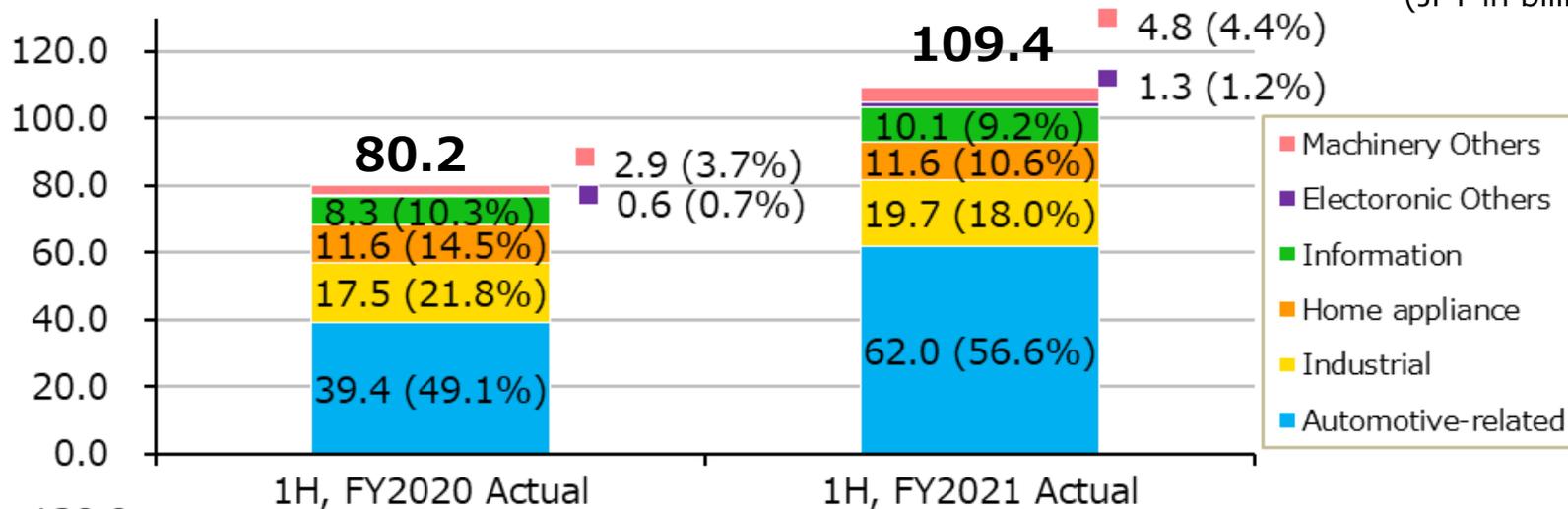


# Consolidated Financial Result of 1H, FY2021



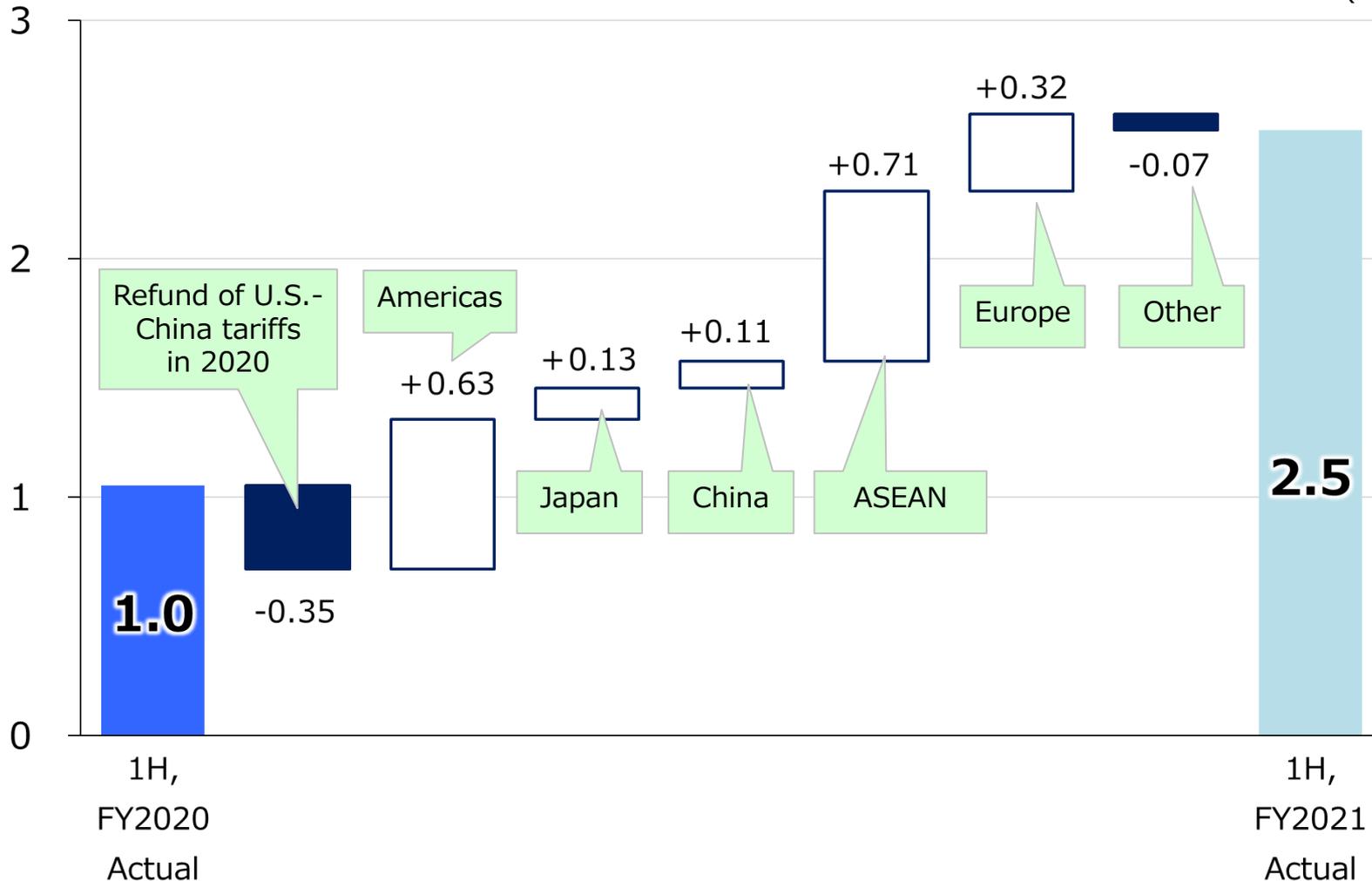
## Sales by Market Sector (1H, FY2020 actual vs. 1H 2021 actual)

(JPY in billions, %)



- Consolidated Operating Profit (1H, FY2020 vs. 1H, FY2021)

(JPY in billions)



- SGA

	1H, FY2020		1H, FY2021		Changes		
	(JPY in millions)	amount	%	amount	%	amount	%
Personnel expenses		3,209	4.0	<b>3,539</b>	<b>3.2</b>	330	10.3
Traveling and communication expenses		125	0.2	<b>98</b>	<b>0.1</b>	(27)	(21.6)
Freightage and packing expenses		482	0.6	<b>1,783</b>	<b>1.6</b>	1,301	270.1
Commission fee		406	0.5	<b>370</b>	<b>0.3</b>	(35)	(8.8)
Rent expenses on real estates		182	0.2	<b>100</b>	<b>0.1</b>	(82)	(45.1)
Depreciation		485	0.6	<b>538</b>	<b>0.5</b>	52	10.9
Other expense		827	1.0	<b>1,086</b>	<b>1.0</b>	258	31.3
Total		5,718	7.1	<b>7,517</b>	<b>6.9</b>	1,798	31.5

## • Non-Operating Profit and Loss

(JPY in millions)	1H, FY2020	1H, FY2021
Interest income	59	<b>11</b>
Dividends income	18	<b>15</b>
Foreign exchange gains	-	<b>206</b>
Subsidy Income	130	<b>88</b>
Gain on sales of goods	61	<b>320</b>
Gain on sales of scraps	81	<b>85</b>
Other	115	<b>117</b>
<b>Non-operating income</b>	<b>468</b>	<b>846</b>
Interest expenses	196	<b>137</b>
Foreign exchange losses	158	-
Share of loss of entities accounted for using equity method	152	<b>3</b>
Purchase of goods	42	<b>276</b>
Other	182	<b>53</b>
<b>Non-operating expenses</b>	<b>731</b>	<b>471</b>
<b>Non-operating income/loss</b>	<b>(263)</b>	<b>375</b>

## • Balance Sheet

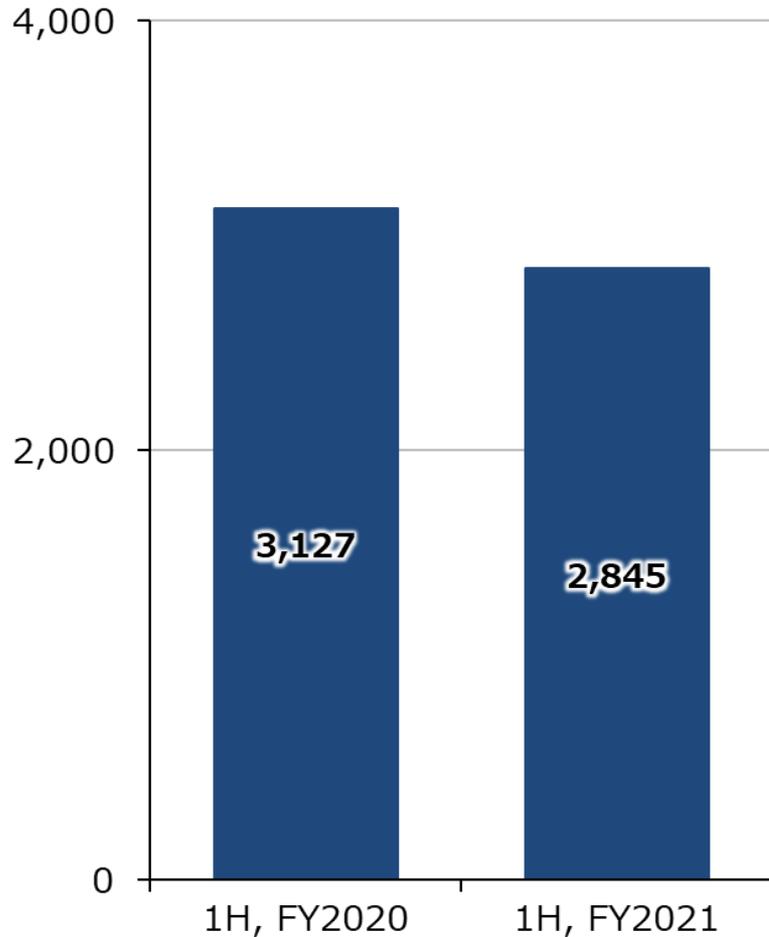
(JPY in millions)	End of 1H, FY2020	End of FY2020	End of 1H, FY2021	Changes (1H, FY2020 vs. 1H, FY2021)		Changes (FY2020 vs. 1H, FY2021)	
				amount	%	amount	%
Current assets	92,894	104,254	<b>107,368</b>	14,474	15.6	3,114	3.0
<i>Notes and accounts receivable-trade</i>	29,897	37,057	<b>40,983</b>	11,085	37.1	3,926	10.6
<i>Inventories</i>	42,966	36,532	<b>43,881</b>	915	2.1	7,350	20.1
Noncurrent assets	40,831	40,181	<b>42,274</b>	1,443	3.5	2,093	5.2
Total asset	133,726	144,436	<b>149,643</b>	15,917	11.9	5,208	3.6
Current liabilities	48,479	59,855	<b>60,097</b>	11,618	24.0	242	0.4
<i>Accounts payable-trade</i>	18,447	27,481	<b>32,424</b>	13,977	75.8	4,943	18.0
<i>Short-term loans payable</i>	22,049	23,810	<b>17,291</b>	(4,758)	(21.6)	(6,519)	(27.4)
Noncurrent liabilities	30,022	28,082	<b>26,944</b>	(3,078)	(10.3)	(1,138)	(4.1)
<i>Corporate bonds</i>	10,000	10,000	<b>10,000</b>	-	-	-	-
<i>Long-term loans payable</i>	14,307	12,061	<b>11,309</b>	(2,999)	(21.0)	(752)	(6.2)
Total liability	78,501	87,937	<b>87,042</b>	8,540	10.9	(896)	(1.0)
Net assets	55,224	56,498	<b>62,601</b>	7,377	13.4	6,103	10.8
Minority interests	326	354	<b>386</b>	60	18.4	33	9.2
Total asset and liability	133,726	144,436	<b>149,643</b>	15,917	11.9	5,208	3.6

## • Cash Flow

(JPY in millions)	1H, FY2019	1H, FY2020	<b>1H, FY2021</b>	FY2019	FY2020
Net cash from operating activities	1,139	(1,759)	<b>2,185</b>	8,945	13,280
Net cash from investing activities	(5,845)	(3,601)	<b>(2,185)</b>	(9,602)	(6,034)
Net cash from financing activities	860	2,698	<b>(9,089)</b>	2,923	1,291
Cash and cash equivalents	8,848	12,098	<b>15,059</b>	15,035	22,968
Debt to annual cash flow ratio (years)	-	-	-	4.0	3.2
Interest coverage ratio (X)	5.9	-	<b>16.7</b>	18.3	34.9

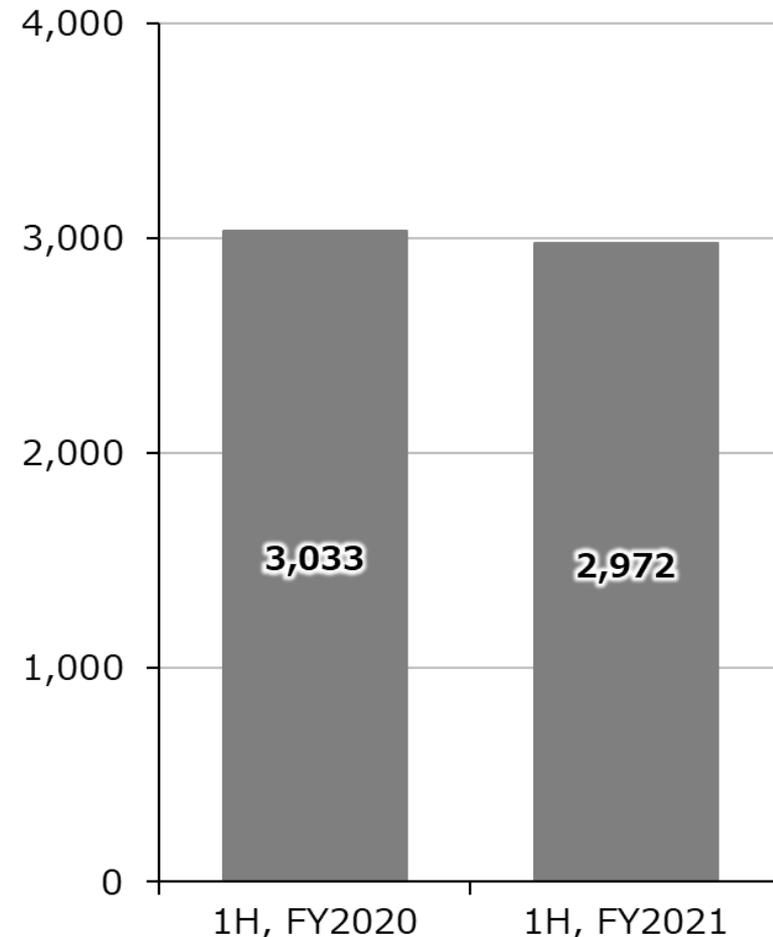
## • CAPEX

(JPY in millions)



## • Depreciation

(JPY in millions)



- Consolidated Financial Forecast of FY2021

(JPY in millions)	FY 2020		FY 2021		FY2020 vs. FY 2021	
	Actual		Forecast		diff.	%
Sales	181,598		<b>210,000</b>		28,401	15.6
Operating income	4,452	2.5	<b>6,800</b>	<b>3.2</b>	2,347	52.7
Ordinary income	4,444	2.4	<b>6,600</b>	<b>3.1</b>	2,156	48.5
Profit attributable to owners of parent	1,724	0.9	<b>5,700</b>	<b>2.7</b>	3,976	230.6
Net income per share (JPY)	36.48		<b>120.61</b>		84.13	230.6

※ There is no change from the forecast released in February 2021.

# Current Situation of Midterm Business Plan

Target	KPI for 2023		1H, 2021
<b>Expanding business with major global companies</b>	Expansion of non-Japanese ratio	25% of consolidated sales	<b>16% of consolidated sales</b> Mass production of business for non-Japanese customers is progressing.
	Strengthen Reinforce alliances with technology	5 billion yen of consolidated sales	<b>Significant increase in projects for Government Offices and new orders for 2023.</b>
	Customer development in the medical field	5 billion yen of consolidated sales	<b>Same level as the previous year due to COVID-19. Continue to develop business opportunities around the world.</b>
<b>Contributing to a decarbonized society through our business</b>	Expansion of Non-commodity ratio (Automotive-related and Industrial equipment)	85% of consolidated sales	<b>75% of consolidated sales</b> Decrease in in-flight AV equipment. On the contrary, sales in the automotive sector increased year on year. Power tool-related business is also doing well.
	Expansion of CASE-related business	35 billion yen of consolidated sales	<b>Steady increase mainly in European customers. Increase in projects for EVs in China and the U.S.</b>
	Expansion of battery-related business	10 billion yen of consolidated sales	<b>Increased orders for battery packs for chain saws, and will start trading in automotive ones this year.</b>
<b>Diversity management</b>	Improvement of local executives' ratio	80%	<b>73.4%</b>
	Improvement of female executives' ratio	50%	<b>31.2%</b>

## ~ Increasing efforts to prepare for post-COVID-19 economic recovery ~

- Demand from European customers for automotive related equipment will continue to grow in Mexico, Europe, China, and the ASEAN, which the businesses start in 2022 in each area.
- We will start up business with new major Japanese customers in Shanghai, Dongguan and Mexico.
- A second building is under construction at the plant in Karawang, Indonesia, to meet customer demand for automotive related equipment, and is scheduled for completion in September.
- Demand for security robots is increasing due to the need for labor savings and to deal with COVID-19.

## Optical and sensor

Optical lens, IR sensor, etc.



Proposal for use in medical devices, automotive equipments, smart buildings, security, vehicles, robotics, analytical equipment, etc.

## Communication network and IoT

Software, monitoring systems, etc.



Proposal for use in communication devices, wireless, mobile, monitoring system, long-range wireless, factory automation, robots, smart houses, etc.

## Robotics

AGV, motor control, etc.



Proposal for use in medical equipment, various transport equipment, police vehicles, etc.

## Raw materials and materials

Printing inks, functional materials, etc.



Proposal for use in electronics, chemicals, and other fields

## Energy management

Battery packs, etc.



Proposal for use in battery packs, chargers, DC to DC converters, etc.

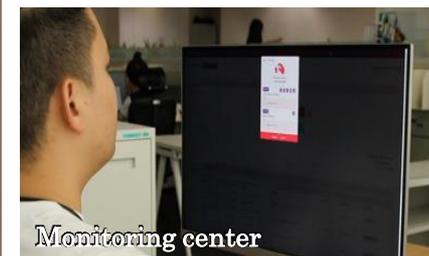
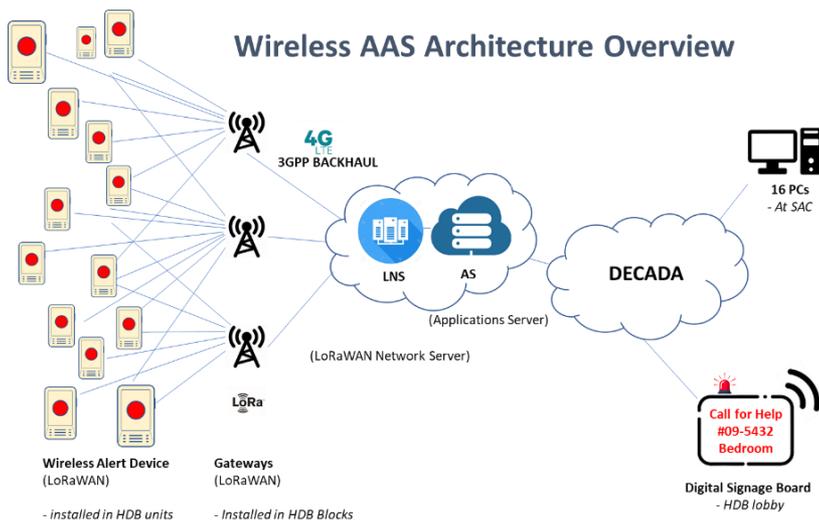
Information on each partner company is available on our website.

[http://www.siix.co.jp/eg/business/new\\_products\\_list/index.html](http://www.siix.co.jp/eg/business/new_products_list/index.html)

## Development & Manufacturing of the Wireless Alert Alarm System with iWOW Technology

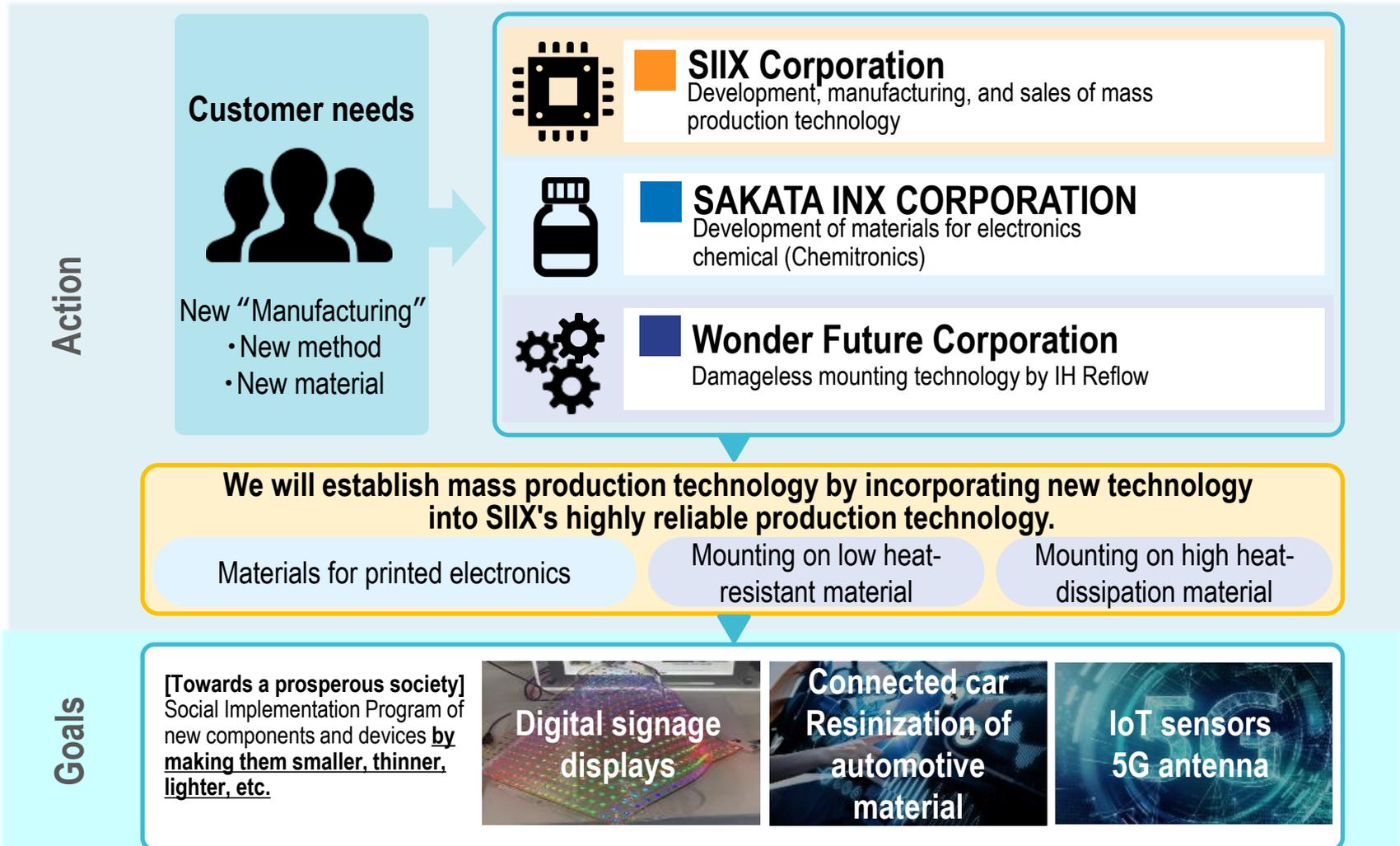
- Contract with the Government Technology Agency of Singapore  
SIIX Singapore Pte. Ltd. has received an order from the Government Technology Agency of Singapore for the Wireless Alert Alarm System for rental apartments occupied by elderly.

It eliminates the time-consuming wiring installation and maintenance problems of wired systems, and with the addition of wireless communication and recording capabilities, it is possible to monitor resident emergencies and requests for help 24 hours a day.



## New Initiatives with SAKATA INX ~Printed Electronics~

- Three-company collaborative activities with SIIX, SAKATA INX, and Wonder Future



## Initiatives with Orient Technology - Energy Management

- Establishment of a joint venture to expand the battery management business

In order to contribute to a decarbonized society through our business, we have established a joint venture with Orient Technology, a technology partner with expertise in battery pack design, development, and manufacturing technologies, and we will build on this expertise, acquire battery-related EMS business, and strengthen relationships with battery manufacturers.

### Key devices in various markets

**Automotive Division** Expansion of EV use thanks to government support measures, etc.

**Medical Devices Division**  
**Industrial Division** Accelerated electrification



**Aim to provide batterypacks on a global basis.**

#### Outlines of SIIX-ORIENT TECHNOLOGY PTE.LTD

Location Singapore

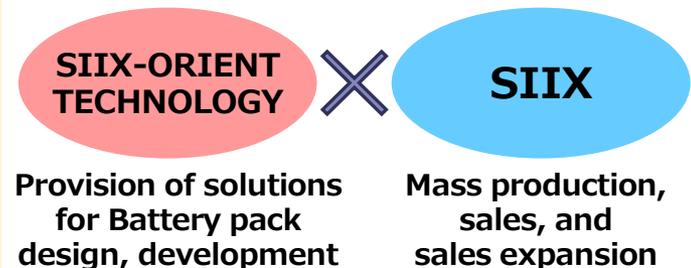
Capital S\$100,000

Description of business

**Provision of solutions for Battery pack design, and development**

Date of establishment

August 12, 2021

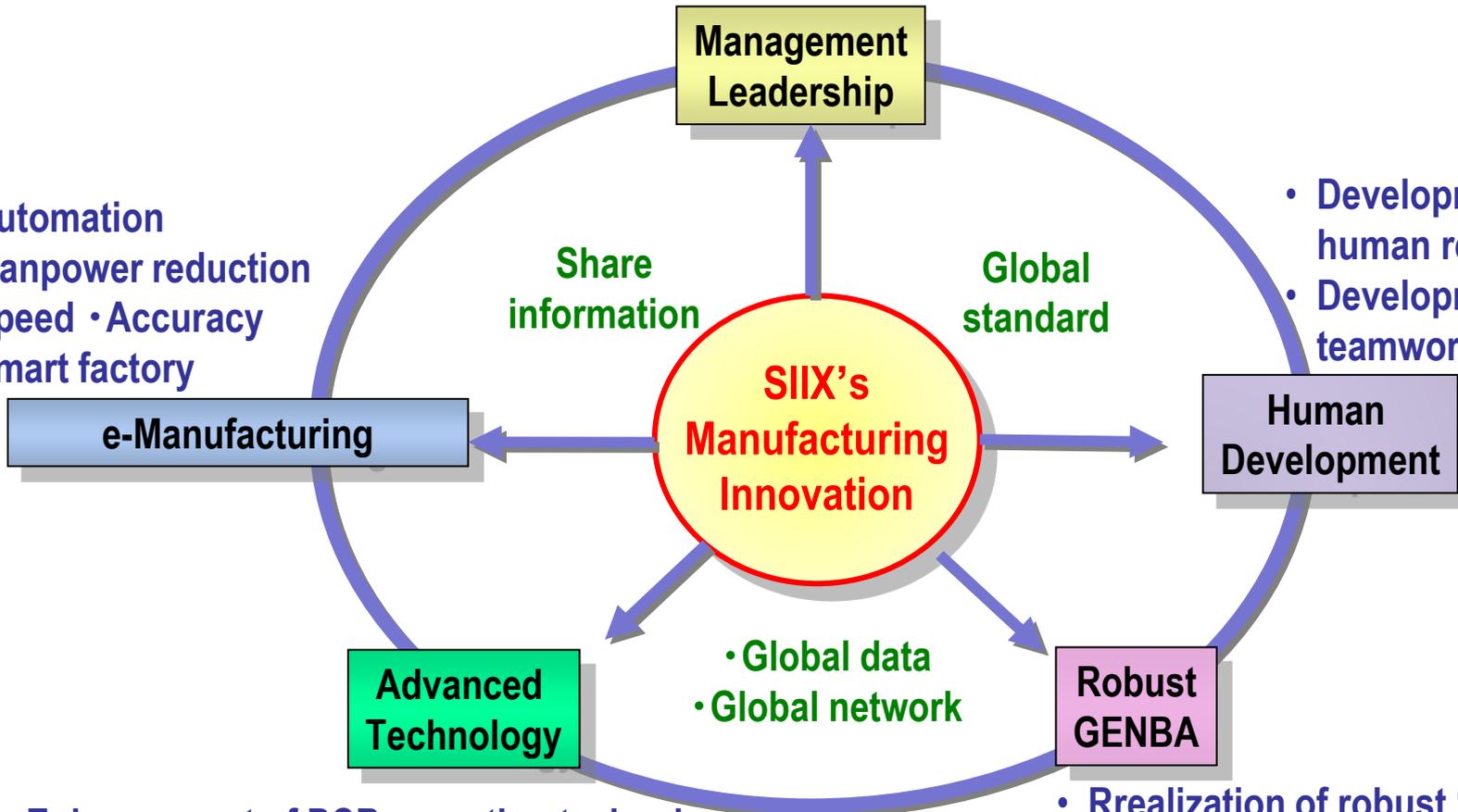


Related information is available on our website.

[http://www.siix.co.jp/eg/ir/pdf/news\\_210811.pdf](http://www.siix.co.jp/eg/ir/pdf/news_210811.pdf)

# SIIX's Strategic Policy for High-Quality Manufacturing

• Enhancement of Manufacturing Management



- Development of global human resources
- Development of teamwork

- Enhancement of PCB mounting technology
- Enhancement of manufacturing technology
- Adoption of advanced technology

- Realization of robust "GENBA"
- Enhancement of manufacturing efficiency, quality and training

# Diversification of the SIIX Business and Required Core Technologies

## Consumer Equipment

High density and large-mixed mounting



High density mount, module mounting

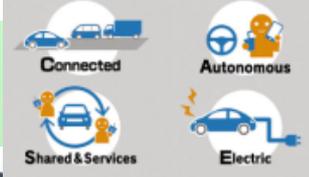


## Information and Communication Devices

IoT, 5G, AI

Development of mounting and manufacturing technologies that can respond to future DX (Digital Transformation) requirements, from mounting to assembly

## Automotive Equipment



CASE



High accuracy mount, COB and MID

Mounting for Low heat resistance material



Molding and battery



## Industrial Equipment and Others

## ■ Strengthen manufacturing technology and its quality in response to DX (Digital Transformation)

- Pursuing a development that anticipates elemental technologies (improve new businesses and new methods)
- Increasing customer satisfaction by collaborating on core technologies with key devices and key technology partners
- Further enhancement of automation and its application to production systems (promotion of Smart Factory)

## ■ Build Tier-1 quality system and strengthen corporate governance, share and utilize information, and enhance BCP

- Strengthening of quality governance, sharing of know-how for improvement, speeding up of utilization, and expanding information globally
- Establishing a global education system and reinforcing its training

## SMT 157 Line

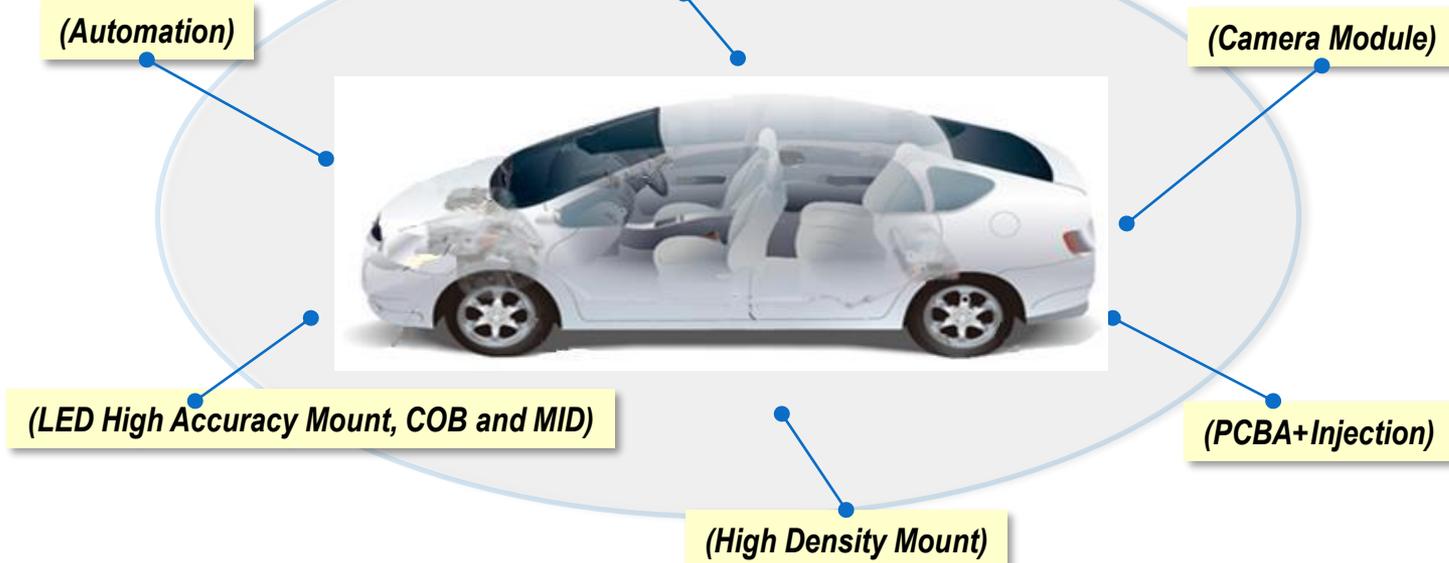
+5 lines  
(compared to the previous period)

## Towards Best QCDS for CASE

(Next SMT Process Technology)

## 72 Molding Machines

+3 machines  
(compared to the previous period)



Because we are SIIX, “Global Business Organizer”, we can realize;

Abundant technology of multi-process manufacturing and global management of manufacturing, technology, and quality across 12 factories

# Automation initiatives and enhancements

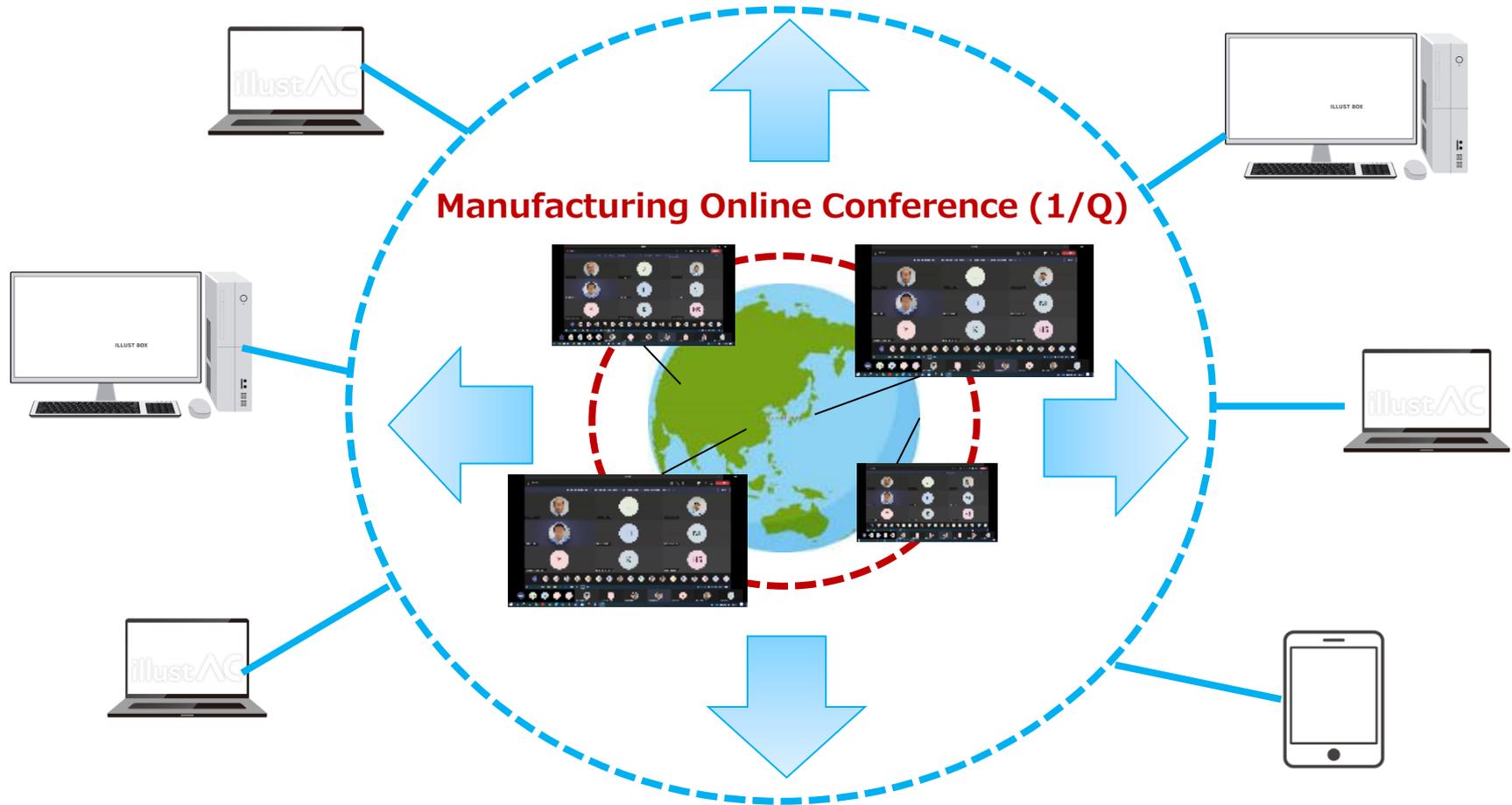
Categories	Major automation initiatives at SIIX
Environment	Temperature & Humidity Control • ESD Control
Warehouse	Transportation • Parts Control • Inventory • Traceability • Cleaning
SMT	Labeling/Sealing • Solder Apply Stencil Change • Visual Inspection • ICT Production Schedule • Quality Control • Model Change Accuracy Measurement • AI for Image Inspection • Traceability
ASSY	Labeling/Sealing • Moisture Proofing material Coating • Coating Inspection PCB Cutting • Manual Insertion • Visual Inspection • Pallet Transportation • Soldering • Assembly • Welding • Potting Screwing • Traceability
Inspection	ICT • FCT • Visual Inspection
All	Model Change • Traceability • Maintenance • Transportation
Shipping Inspection	Traceability
Shipping	Packing • Transportation • Traceability
Other	Screw Aligner • Marking • Lead Cut Grease Injection • Molded Products & Plastic Parts Cleaning

**Promoting automation, further improvement and acceleration of all processes from In to Out. Standardization and Sharing Information to other bases is also underway.**



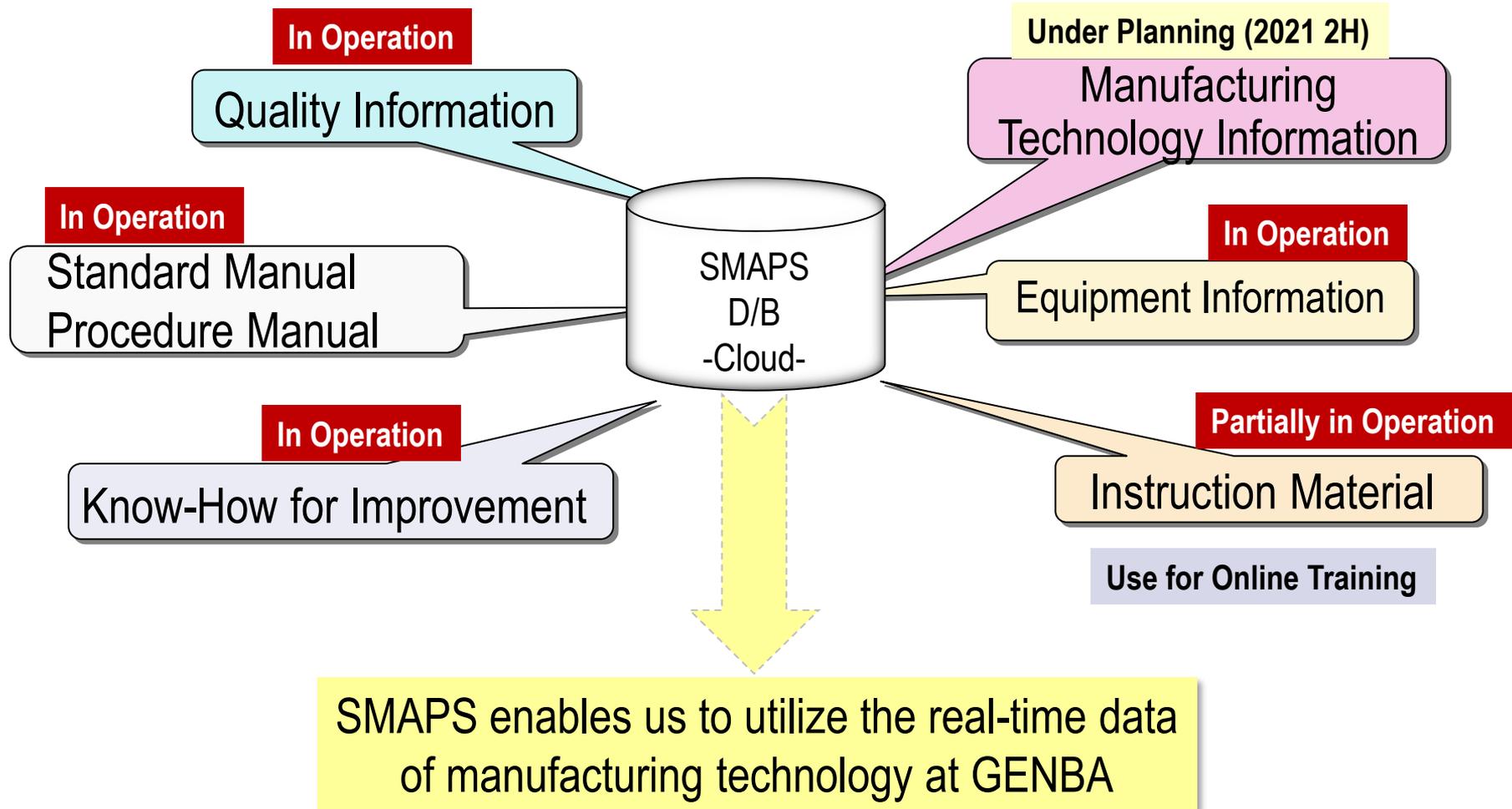
**Example of an automated line at our plant in China**

## Share information more quickly and efficiently

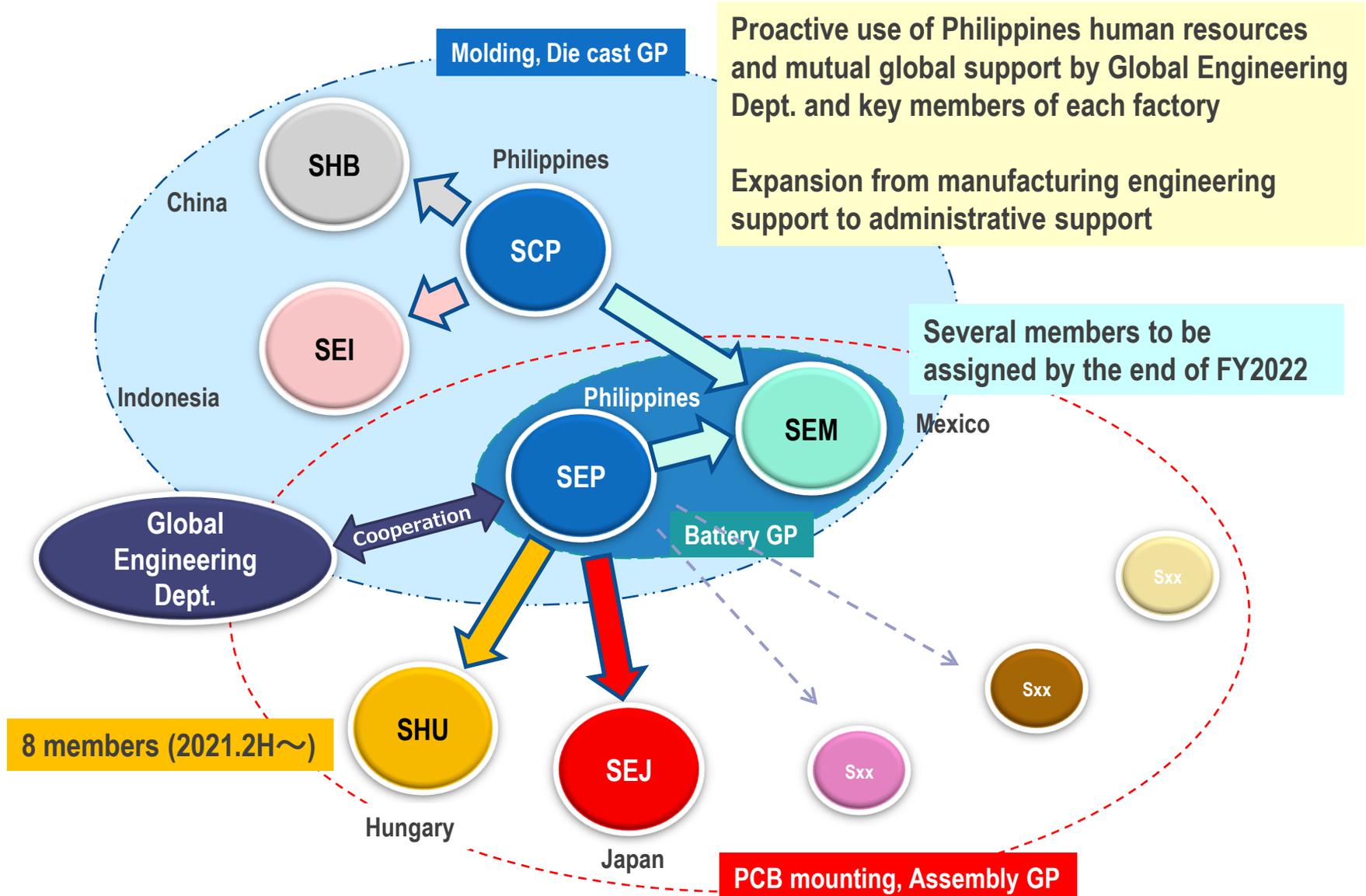


Online meetings are held for free discussion on quality policy, quality improvement, manufacturing technology, manufacturing efficiency improvement, automation, education, etc. In addition, issues and information are shared immediately and resolved quickly.

## SMAPS (*Siix Manufacturing Platform System*)



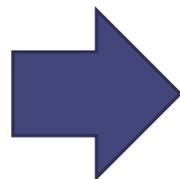
# Global Education Reinforcement System



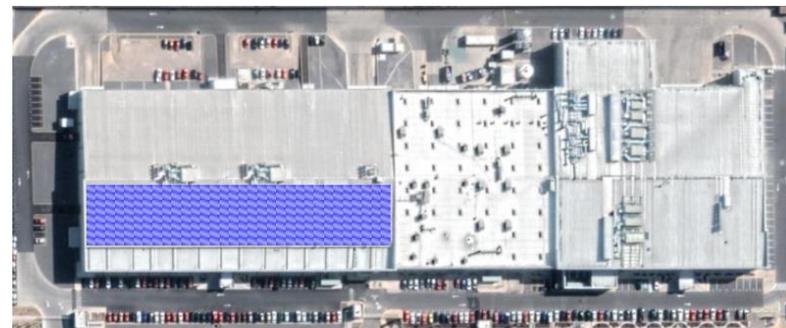
# SIIX's ESG Improvement and CO2 Reduction Activities



① **Shanghai Plant, China**  
(Started solar panel operations in January 2021)



② **Indonesia plant**  
(Scheduled to start solar panel operations in January 2022)



③ **Mexico plant**  
(Scheduled to start solar panel operations in February 2022)

④ **Thailand plant**  
(Under consideration for installation of solar panel)

**<Actual CO2 Emissions>**  
**2020 Actual      0.34t/million yen**  
**1H, 2021 Actual    0.30t/million yen**  
(Tentative value based on use of 2020 CO2 emission factor)

## Environment

### Reduce CO2 emission intensity (basic units)

\*Tentative values based on the use of CO2 emission factors as of 2020

**1H,2021**

**0.30t\***

11% improvement over the previous year

**Target**

**Reduction from the previous year**

(Reference)

End of 2020 : 0.34t

(Installation of solar panels)

- Installed at the Shanghai Plant and started operation in January 2021. Total emission reduction of 1,817.5 tons per year is expected at this plant.
- Preparing to install solar panels at the Jakarta Plant, scheduled for completion in September.
- Considering installation in Mexico and Thailand in succession.

## Social

### Local executives ratio

Ratio of local executives in management of all SIIX Group

**1H,2021**

**73.4%**

**Target**

**80%**

### Female executives ratio

Ratio of Female executives in management of all SIIX Group

\*Executives: Manager and above

**1H,2021**

**31.2%**

**Target**

**50%**

## Governance

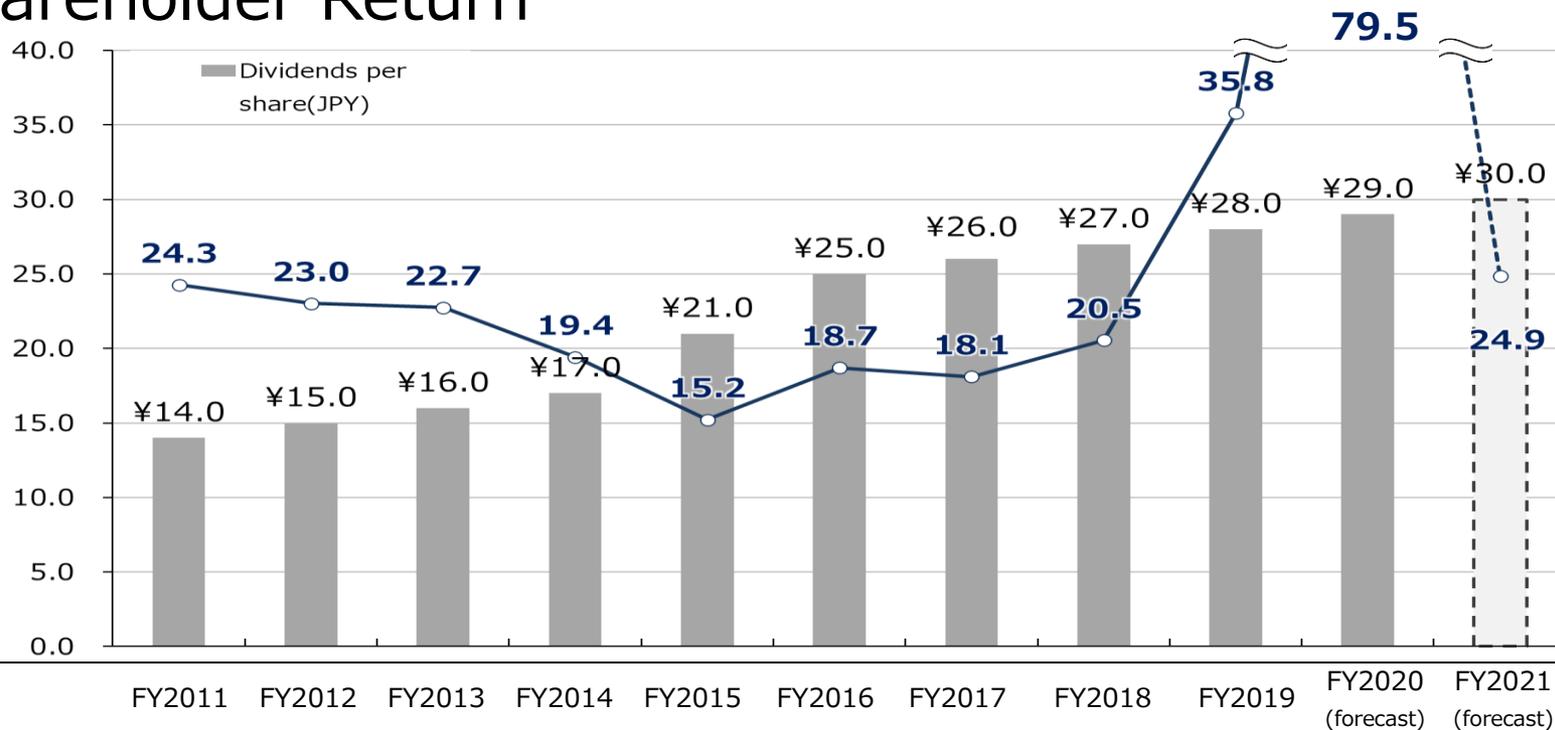
### Complying with the Revised Corporate Governance Code

- We have already taken measures to disclose the skills matrix, the number of independent directors, the independence of the Nomination and Compensation Advisory Committee, and the establishment of an electronic platform for the exercise of voting rights.
- We have been disclosing the ratio of female executives and the ratio of foreign executives as our own KPIs of diversity management.
- We will continue to educate our employees about compliance at our strategy meetings, which are attended by all Group executives.

### Market restructuring

- We have already received a notice from Tokyo Stock Exchange that it meets the criteria for maintaining its listing on the Prime Market. We will apply for listing in accordance with the schedule set by the TSE and will strengthen its governance as required.

## • Shareholder Return



Dividends per share(JPY)	14.0	15.0	16.0	17.0	21.0	※25.0	26.0	27.0	28.0	29.0	30.0
Dividends ratio(%)	24.3	23.0	22.7	19.4	15.2	18.7	18.1	20.5	35.8	79.5	24.9

## • Continuation of long-term credit rating

As of August 2, 2021, Japan Credit Rating Agency, Ltd. (JCR) has notified that we continue to maintain our A- (stable) long-term issuer rating.

- The information contained in this document is intended to provide financial information and performance indicators of SIIX Corporation (hereinafter referred to as “the Company”), but no representation or warranty is made regarding the content.

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# CONSOLIDATED FINANCIAL RESULT OF 1H, FY2021 (APPENDIX)

August 2021

SIIX CORPORATION



# PROFIT AND LOSS

(JPY in millions)	1H, FY2019	1H, FY2020	1H, FY2021	FY2019	FY2020
Net sales	113,743	80,234	109,470	223,037	181,598
Operating income	3,123	1,048	2,541	5,506	4,452
Operating income ratio (%)	2.7	1.3	2.3	2.5	2.5
Ordinary income	3,202	784	2,917	5,634	4,444
Ordinary income ratio (%)	2.8	1.0	2.7	2.5	2.4
Profit attributable to owners of parent	2,234	(641)	2,452	3,695	1,724
Profit attributable to owners of parent ratio(%)	2.0	(0.8)	2.2	1.7	0.9
# of Consolidated subsidiaries	22	22	22	22	22
# of Equity method affiliates	2	2	2	2	2
# of Employees	13,551	11,475	11,648	12,721	11,257

# MANAGEMENT INDICATORS

		1H, FY2019	1H, FY2020	1H, FY2021	FY2019	FY2020
ROE	(%)	-	-	-	6.5	3.0
ROA	(%)	-	-	-	4.0	3.1
Total asset turnover		0.8	0.6	0.7	1.6	1.3
Net interest-bearing debts/Net asset	(%)	48.5	65.4	40.3	40.7	43.4
D/E ratio		0.6	0.9	0.6	0.7	0.8
Current ratio	(%)	145.3	191.6	178.7	148.1	174.2
Accounts receivable turnover ratio	(day)	62.3	75.3	65.1	61.6	73.8
Inventory turnover ratio	(day)	70.9	96.8	67.0	71.1	79.1
PBR	(X)	1.1	0.9	1.1	1.2	1.3
PER	(X)	-	-	-	19.5	42.3

# CAPITAL STRUCTURE

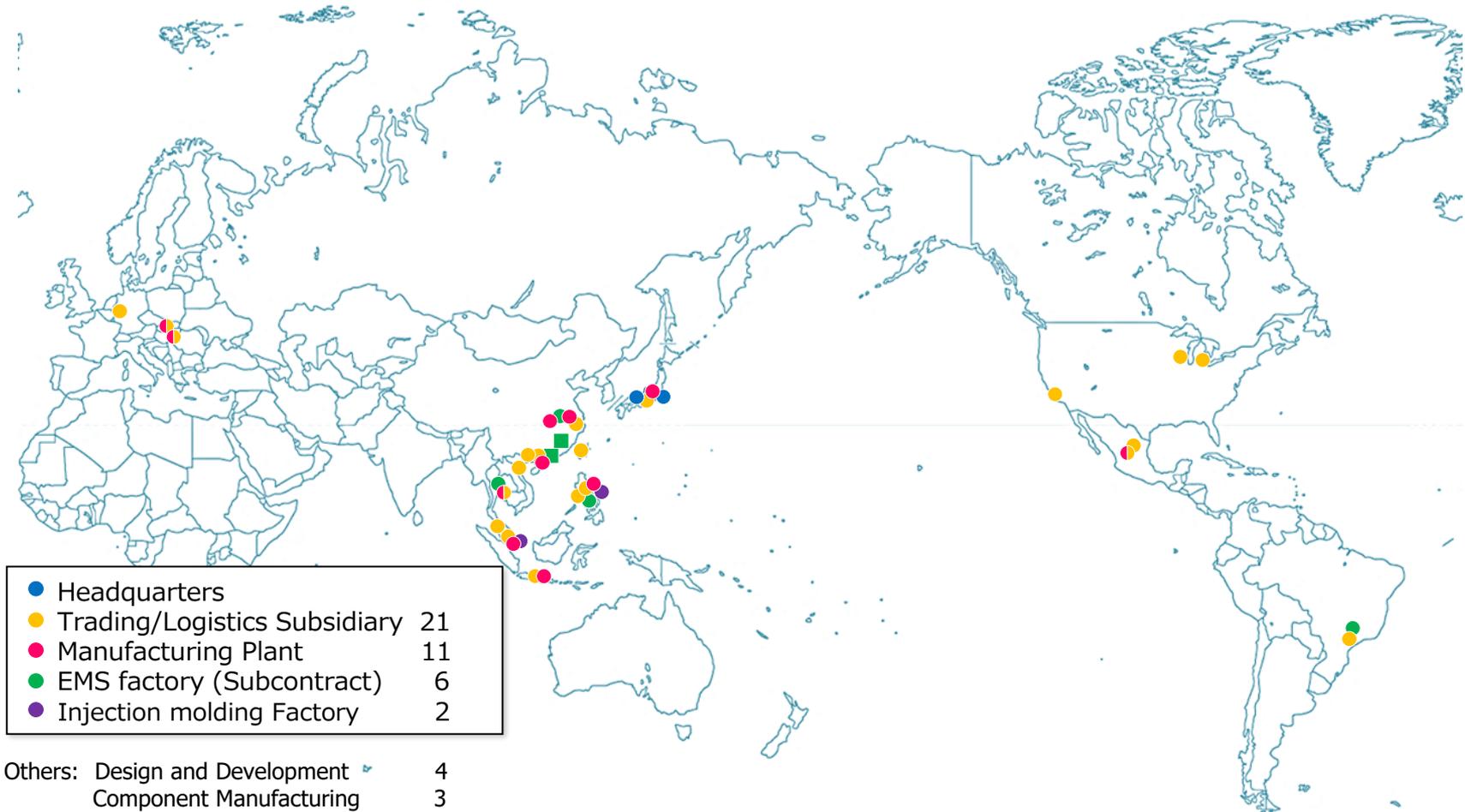
(JPY in millions)	FY2017	FY2018	FY2019	FY2020	1H, FY2021
Total asset	130,526	137,350	143,391	144,436	149,643
Liability	72,916	81,334	85,141	87,937	87,042
interest-bearing debt	19,553	32,969	38,667	47,471	40,225
Net asset	57,609	56,016	58,249	56,498	62,601
Capital-to-asset ratio (%)	43.9	40.5	40.3	38.8	41.5
Closing stock price (JPY) ※	2,418	1,430	1,523	1,543	1,421
Capital-to-asset ratio at market value (%)	91.3	49.2	50.2	50.5	44.9
Issued stock (thousand) ※	50,400	50,400	50,400	50,400	50,400
BPS ※	1,162.33	1,178.04	1,224.26	1,186.71	1,314.95

# SALES BY MARKET SECTOR

(JPY in millions, %)	1H,	1H,	1H,	FY2019		FY2020	
	FY2019	FY2020	FY2021	full year	%	full year	%
Automotive-related equipments	56,358	39,364	<b>61,962</b>	112,168	50.3	98,359	54.2
Industrial equipments	18,733	17,477	<b>19,674</b>	38,487	17.3	34,534	19.0
Home appliances	20,035	11,623	<b>11,632</b>	36,665	16.4	22,930	12.6
Information equipments	12,399	8,271	<b>10,108</b>	22,623	10.1	16,318	9.0
Electronics others	1,058	564	<b>1,272</b>	2,507	1.1	2,162	1.2
Machinery and others	5,159	2,935	<b>4,822</b>	10,588	4.7	7,295	4.0
Total	113,744	80,234	<b>109,470</b>	223,037	100.0	181,598	100.0

# SIIX GLOBAL NETWORK

(as of end of Jun. 2021)

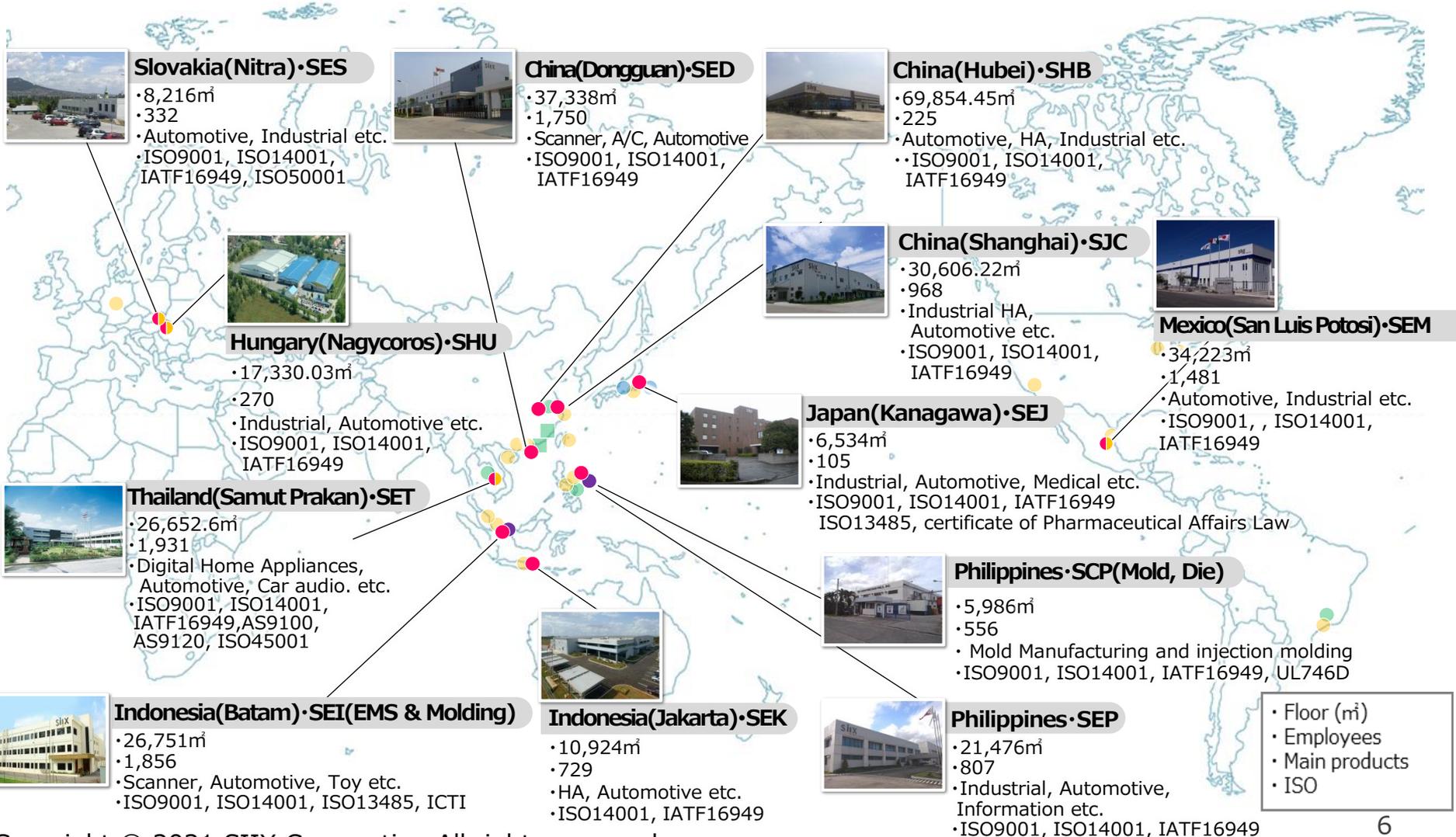


※Not included in above MAP

# SIIX GLOBAL NETWORK

## ■ Manufacturing Factory

(as of end of Jun. 2021)

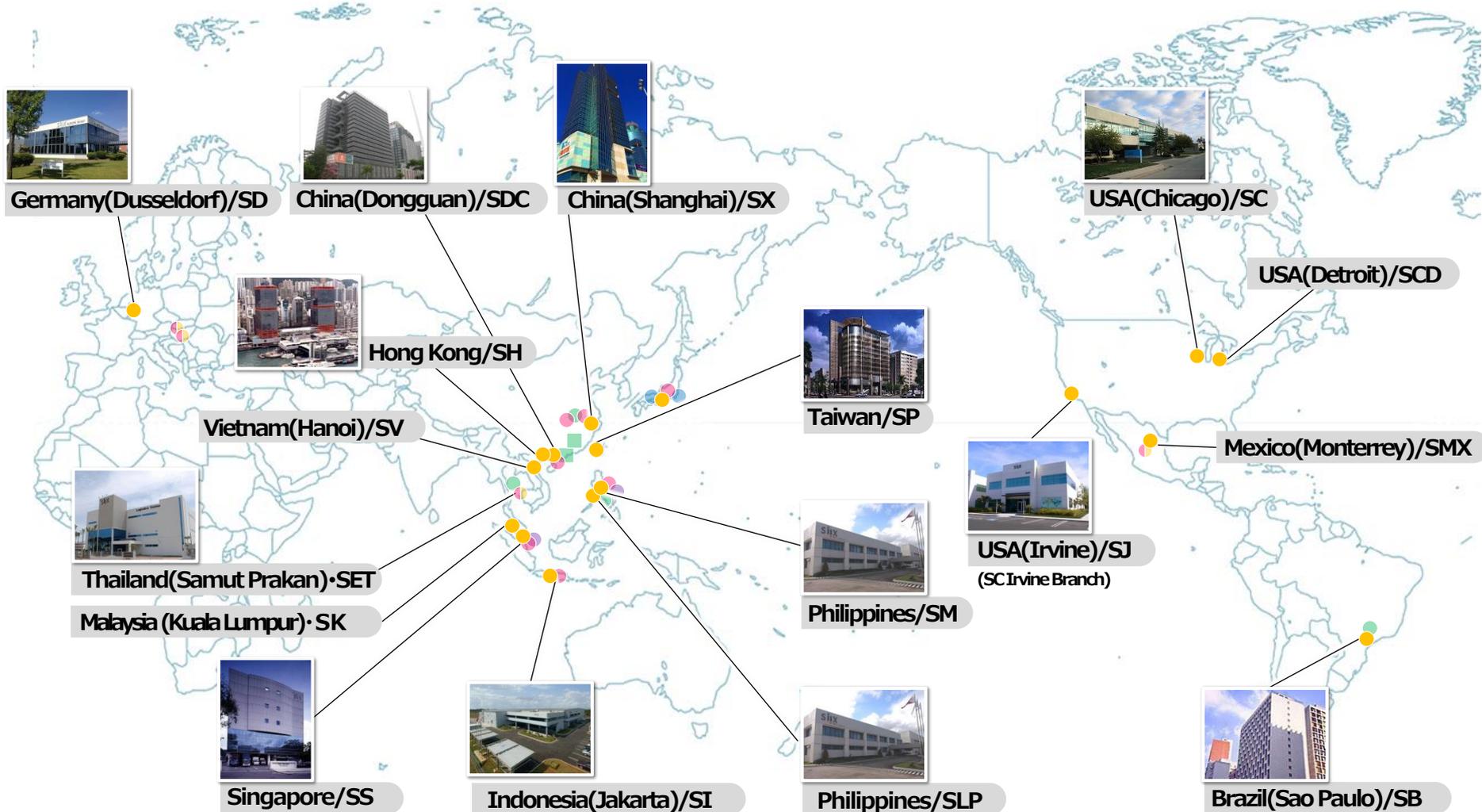


• Floor (m<sup>2</sup>)  
 • Employees  
 • Main products  
 • ISO

# SIIX GLOBAL NETWORK

## ■ Sales & Logistics

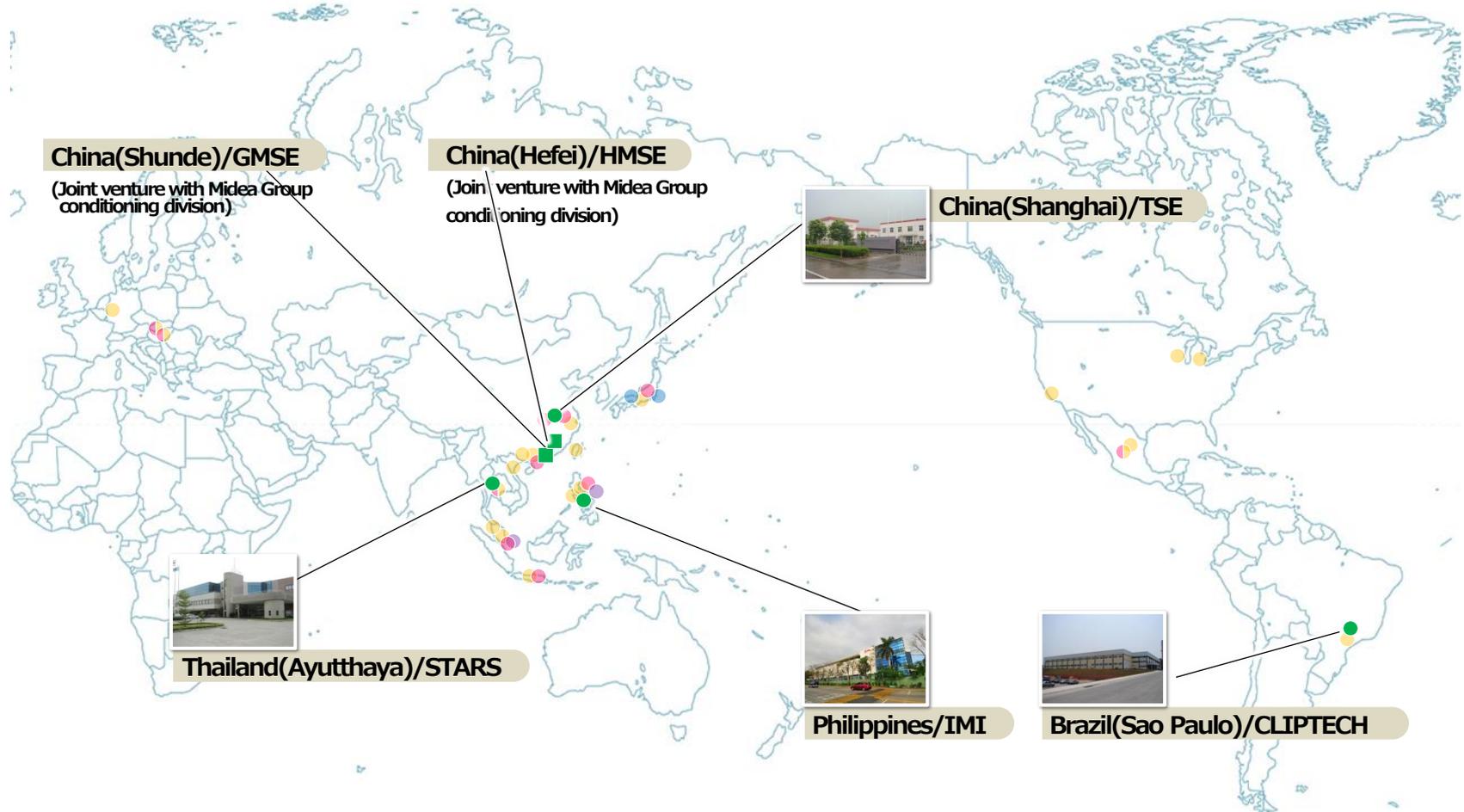
(as of end of Jun. 2021)



# SIIX GLOBAL NETWORK

## ■ Subcontract Factory & Affiliates

(as of end of Jun. 2021)



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