



# Consolidated financial results for 1st half of YR 2016

SIIX Corporation  
<Stock Ticker Number: 7613>

August 2016



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# Consolidated financial results

- Profit and loss

(JPY in billions)	accum. Q2, YR2015		accum. Q2, YR2016		y/y	
	amount	%	amount	%	amount	%
Sales	113	100.0	106	100.0	(6)	(5.6)
Gross profit	9	8.1	10	9.2	1	7.8
SGA	5	4.6	5	5.0	0.2	3.6
Operating income	4	3.5	4	4.2	1	13.3
Non-operating income/expenses	0.2	0.2	(0.0)	(0.0)	(0.2)	-
Ordinary income	4	3.7	4	4.2	0.3	8.0
Extraordinary income/loss	-	-	0.1	0.1	0.1	-
Income tax	1	1.0	1	0.8	(0.3)	(26.5)
Minority interests	(0.0)	(0.0)	(0.0)	(0.0)	0.0	-
Net income	3	2.7	4	3.5	1	22.6

- Consolidation scope

	End of 1H, YR 2015	Changes		End of 1H, YR 2016
		Increase	Decrease	
Consolidated Subsidiary	18	-	-	18
Equity Method Affiliate	1	-	-	1

# Consolidated financial results

- Exchange rate

(JPY)	YR2014 Average	YR2015 Average	YR2016 Average (forecast)
USD	120.34	111.63	118.00
THB	3.65	3.15	3.20
EUR	134.51	124.64	128.00
HKD	15.52	14.37	15.00
RMB	19.35	17.05	17.80

## The influence of exchange rate (y/y)

Sales: JPY 9.4 bil. decrease

Operating income: JPY 0.3 mil. decrease

## Influence breakdown(Sales) by currency

THB: JPY 4.3 bil. decrease

USD: JPY 2.2 bil. decrease

RMB: JPY 1.8 bil. decrease

HKD: JPY 0.7 bil. decrease

EUR: JPY 0.3 bil. decrease

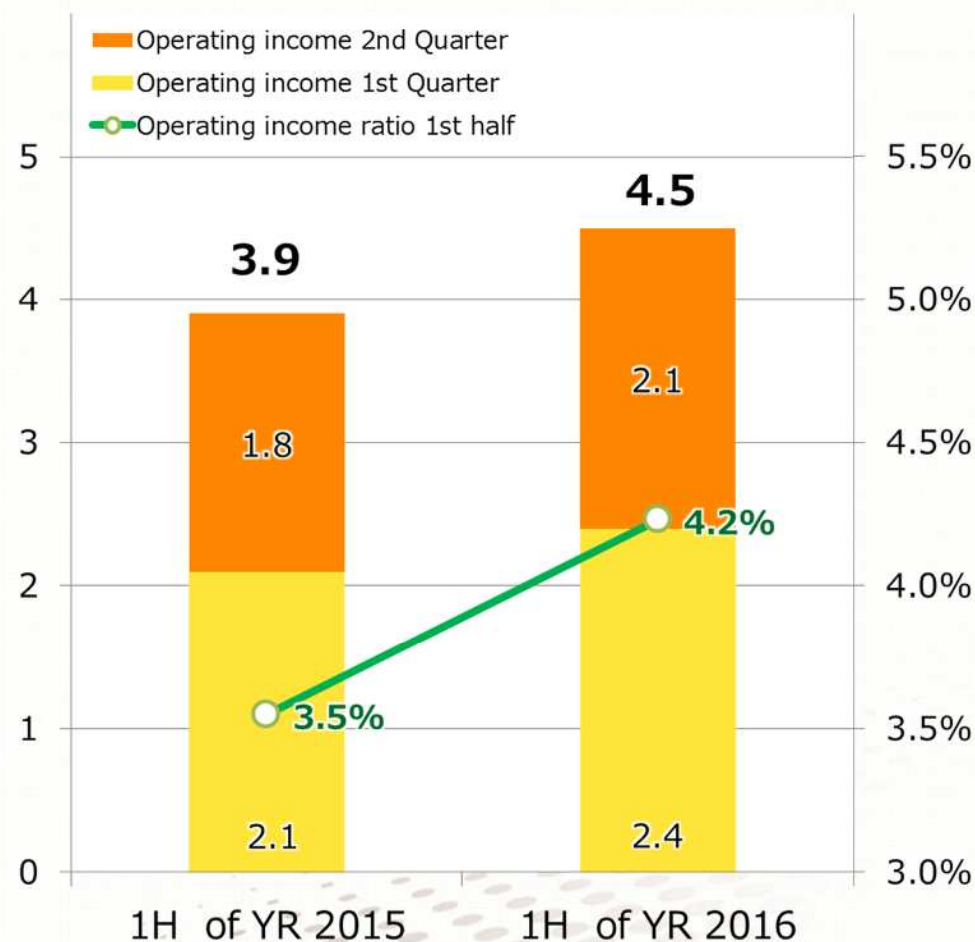
# Consolidated financial results

- Sales and operating income on quarterly basis

(JPY in billions )



(JPY in billions )



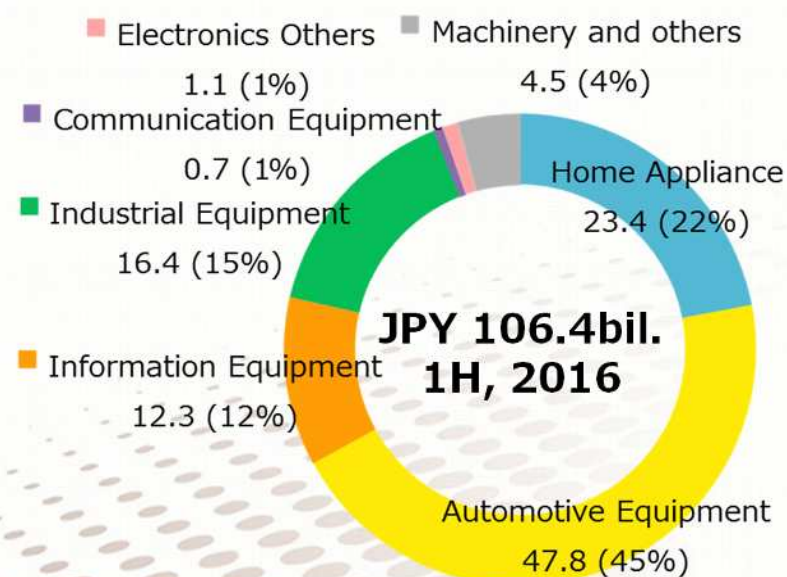
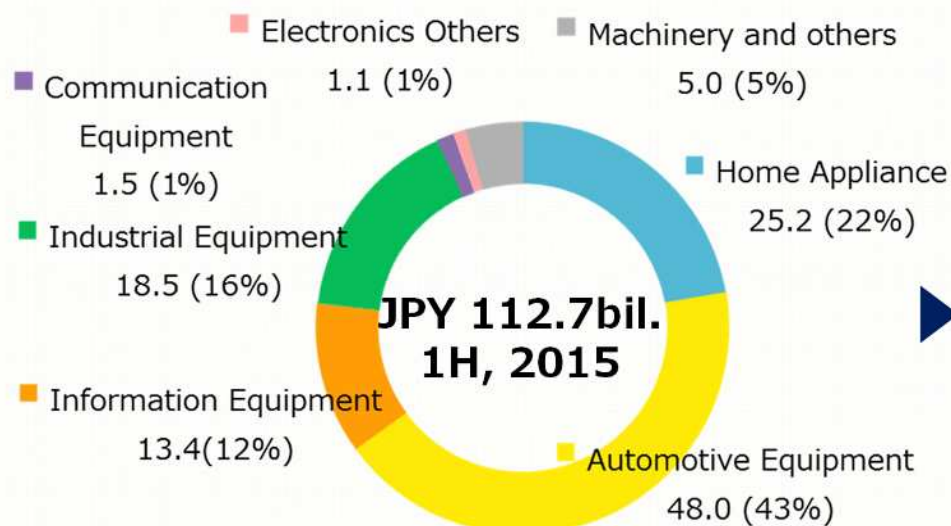
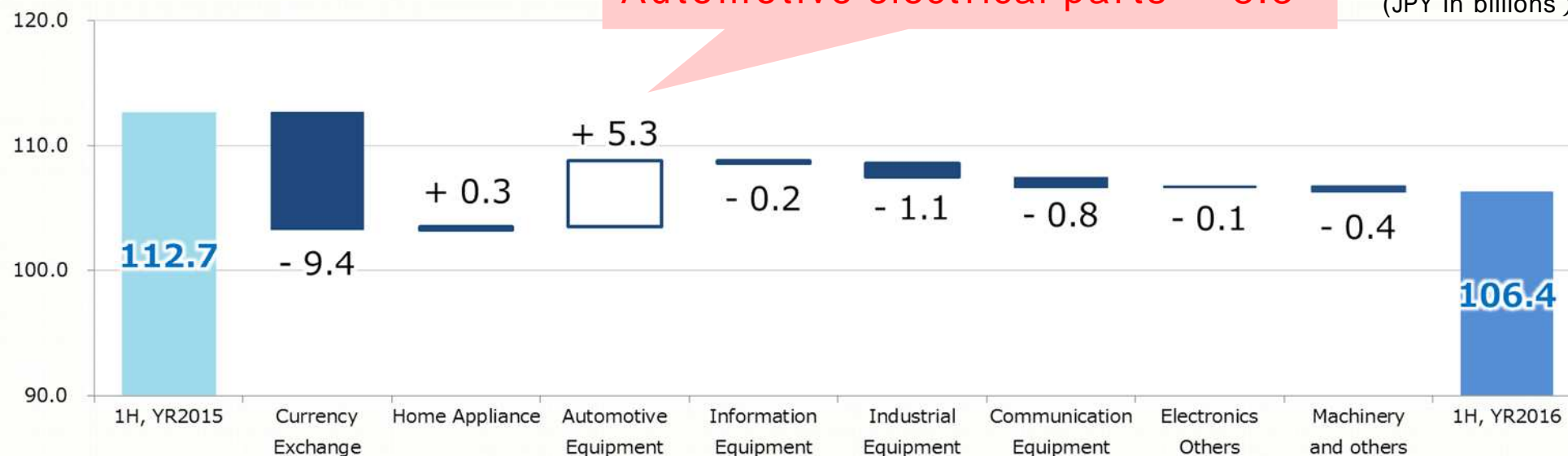


# Sales by market sector

- y/y analysis

In-vehicle infotainment -3.0  
Automotive electrical parts +8.3

(JPY in billions)



# Business situation by area

## Point

- ✓ Deficits of new factories in Shanghai (established in 2012) and in Philippines (established in 2013) were reduced.  
The deficit reduction improved JPY 3 million total of consolidated operating income yoy.
- ✓ Expanding business with non-Japanese customers in several areas  
Increasing business with non-Japanese automotive, industrial and home appliance customers in Europe
- ✓ Developing and expanding factories in several area to meet customers' production needs  
Building 2<sup>nd</sup> factory in Mexico and Shanghai, expanding factory in Batam, and developing facilities in Dongguan factory.
- ✓ All SIIX EMS factories got certification of TS16949, Quality Management Standard for automotive-related production.  
EMS factory in Mexico was certificated this year.

# Consolidated financial forecast

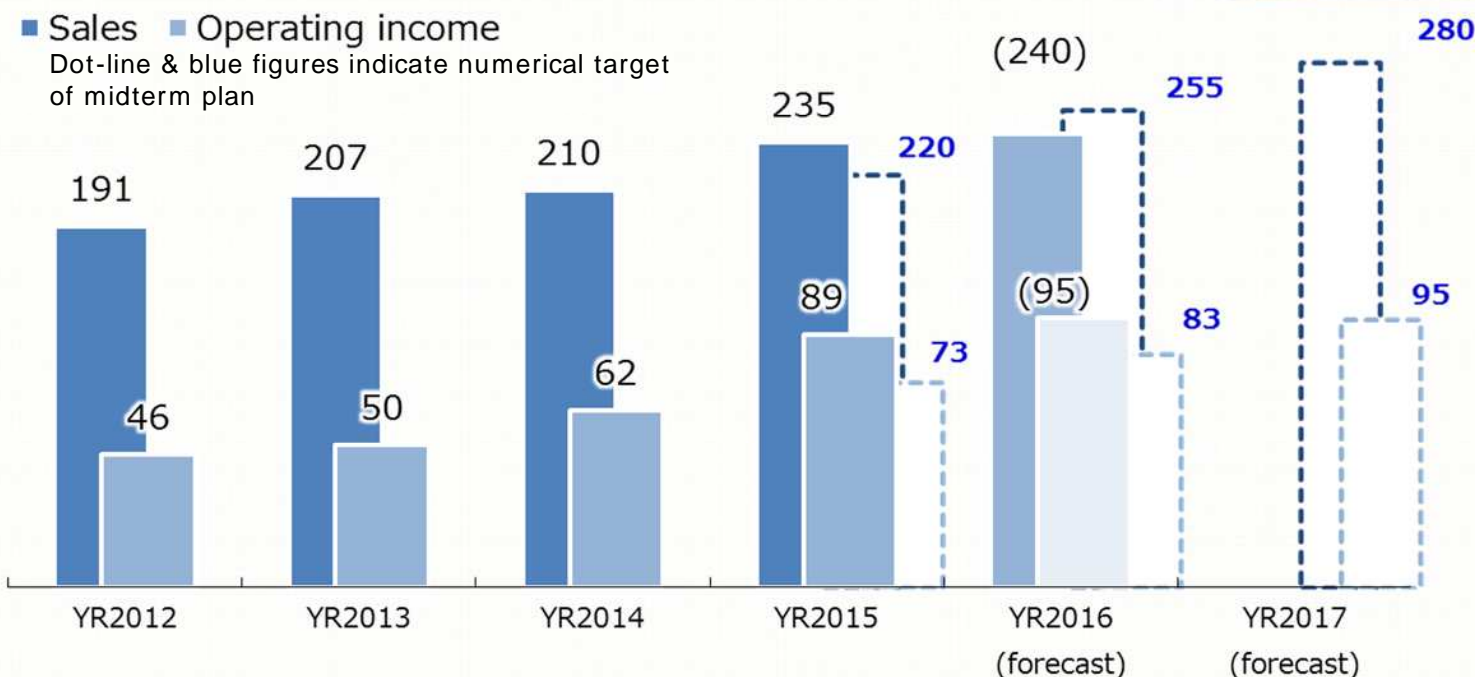
- Forecast for FY 2016

(JPY in billions)	YR 2014	YR 2015	YR 2016 (forecast)	Changes	
				YR2015 vs. YR2016	%
Sales	210	235	240	5	2.1
Operating income	6	9	10	1	6.6
Ordinary income	6	9	10	1	6.6
Net income	4	7	7	0.3	4.2
Net income per share (JPY)	175.06	275.87	278.49	2.62	0.9
CAPEX	3	4	5	2	43.5
		5	7	2	38.3
Depreciation	3	4	4	-0.2	-5.3

CAPEX including facility investment to non-consolidated subsidiary.



# Mid-term strategy

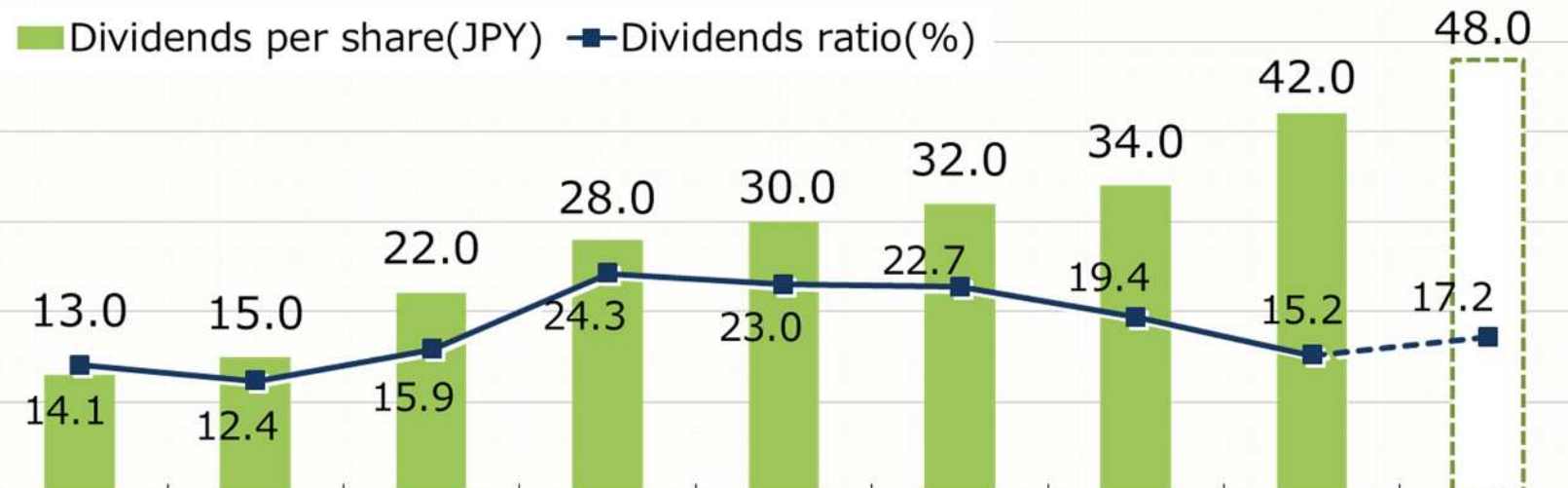


## ~Midterm Strategy~

- 1 Add 100 new customers (net) in three years      **Acquired 65 new customers at the end of 1<sup>st</sup> half, 2016**
- 2 Sales in the automotive equipment (JPY120 bil. by 2017)      **Kept increasing steady in despite of strong yen**
- 3 Sales of industrial equipment/social infrastructure (JPY56 bil. by 2017)      **Increasing business with European customers**
- 4 Improvement to asset efficiency      **Accounts receivable turnover improved slightly, while inventory reduction is halfway through.**
- 5 Join JPX 400 issues      **Achieved an ROE of around 15% in the 1st year, and is close to posting an operating income of JPY10 billion in 2016.**

**\*No revision is currently conducted on target figures for sales and operating income for the final year of the Mid-term Plan.**

# Shareholder return



	08/12	09/12	10/12	YR2011	YR2012	YR2013	YR2014	YR2015	YR2016 (forecast)
Dividends per share(JPY)	13.0	15.0	22.0	28.0	30.0	32.0	34.0	42.0	48.0
Dividends ratio(%)	14.1	12.4	15.9	24.3	23.0	22.7	19.4	15.2	17.2
# of Treasury Stock Acquisition	600,000	1,000,000	-	-	-	-	-	-	700,000 * maximum
Amount for treasury stock acquisition (JPY)	280 mil.	400 mil.	-	-	-	-	-	-	2,000 mil. * maximum

\* Treasury stock acquisition in SIIX's largest-ever amount decided at the meeting of the Board of Directors held on August 10, 2016

**Total return ratio: 45.6%**

# Consolidated financial results for 1st half of YR 2016 <Appendix>

SIIX Corporation  
<Stock Ticker Number: 7613>

August 2016

# Profit and Loss

(JPY in millions)	1H, YR2014	1H, YR2015	1H, YR2016	YR2014	YR2015
Net sales	98,141	112,669	106,362	209,755	235,035
Operating income	2,336	3,965	4,494	6,233	8,913
Operating income ratio (%)	2.4	3.5	4.2	3.0	3.8
Ordinary income	2,405	4,144	4,475	6,460	9,002
Ordinary income ratio (%)	2.5	3.7	4.2	3.1	3.8
Profit attributable to owners of parent	1,737	3,021	3,702	4,131	6,717
Profit attributable to owners of parent (%)	1.8	2.7	3.5	2.0	2.9
Consolidated subsidiaries	18	18	18	18	18
Equity method affiliates	1	1	1	1	1
Employees	8,632	10,326	10,530	9,545	10,352



# Manufacturing Expense

(JPY in millions)	1H, YR2015		1H, YR2016		Changes	
	amount	%	amount	%	amount	%
Marginal Profit	8,562	100.0	9,017	100.0	455	27.5
Labor cost	4,075	47.6	4,159	46.1	84	2.1
Depreciation	1,405	16.4	1,377	15.3	(29)	(2.0)
Other	1,729	20.2	1,819	20.2	90	5.2
Manufacturing cost	7,210	84.2	7,355	81.6	145	2.0
# of consolidated subsidiary facilities	8		8		-	



(JPY in millions)	1H, YR2015		1H, YR2016		Changes	
	amount	%	amount	%	amount	%
Personnel expenses	2,587	2.3	2,631	2.5	44	1.7
Traveling and communication expenses	242	0.2	232	0.2	(10)	(4.1)
Freightage and packing expenses	470	0.4	490	0.5	21	4.4
Commission fee	280	0.3	286	0.3	6	2.0
Rent expenses on real estates	240	0.2	236	0.2	(4)	(1.6)
Depreciation	368	0.3	355	0.3	(14)	(3.7)
Other expense	960	0.9	1,104	1.0	144	15.0
Total	5,150	4.6	5,337	5.0	187	3.6

# Non-Operating Profit and Loss

(JPY in millions)	1H, YR2015	1H, YR2016
Interest income	20	54
Dividends income	32	98
Equity in earnings of affiliates	58	99
Real estate rent	56	53
Gain on sales of goods	33	12
Gain on sales of scraps	67	37
Other	89	148
Non-operating income	358	503
Interest expenses	85	55
Foreign exchange losses	27	415
Other	66	50
Non-operating loss	180	521
Non-operating income/loss	178	(18)

# Balance Sheet

(JPY in millions)	End of 1H, YR2015	End of YR2015	End of 1H, YR2016	Changes (1H,YR2015 vs. 1H,YR2016)		Changes (YR2015 vs. 1H,YR2016)	
				amount	%	amount	%
Current assets	81,016	84,759	72,482	(8,534)	(10.5)	(12,277)	(14.5)
Notes and accounts receivable-trade	43,746	43,847	36,421	(7,325)	(16.7)	(7,426)	(16.9)
Inventories	28,328	25,993	23,685	(4,643)	(16.4)	(2,308)	(8.9)
Noncurrent assets	25,442	25,197	23,445	(1,997)	(7.9)	(1,752)	(7.0)
Total asset	106,459	109,957	95,927	(10,531)	(9.9)	(14,030)	(12.8)
Current liabilities	53,647	47,166	37,901	(15,745)	(29.4)	(9,265)	(19.6)
Accounts payable-trade	33,766	32,198	27,448	(6,318)	(18.7)	(4,750)	(14.8)
Short-term loans payable	12,924	9,141	4,872	(8,052)	(62.3)	(4,269)	(46.7)
Noncurrent liabilities	8,317	13,050	12,029	3,712	44.6	(1,020)	(7.8)
Convertible Bond	-	6,000	6,000	6,000	-	-	-
Long-term loans payable	4,573	3,245	2,616	(1,956)	(42.8)	(628)	(19.4)
Total liability	61,964	60,217	49,931	(12,033)	(19.4)	(10,286)	(17.1)
Net assets	44,494	49,739	45,996	1,501	3.4	(3,743)	(7.5)
Minority interests	176	154	216	40	22.7	61	40.2
Total asset and liability	106,459	109,957	95,927	(10,531)	(9.9)	(14,030)	(12.8)

# Cash Flow

(JPY in millions)	1H, YR2014	1H, YR2015	1H, YR2016	YR2014	YR2015
Net cash from operating activities	1,477	2,970	4,726	2,374	7,996
Net cash from investing activities	(1,286)	(2,064)	(2,212)	(2,827)	(5,113)
Net cash from financing activities	(299)	(1,723)	(4,781)	(1,286)	3,352
Cash and cash equivalents	7,156	5,716	8,973	6,497	12,473
Debt to annual cash flow ratio (years)	-	-	-	7.9	2.0
Interest coverage ratio (X)	14.8	38.1	155.2	12.1	61.8

# Management Benchmark

		1H, YR2014	1H, YR2015	1H, YR2016	YR2014	YR2015
ROE	( % )	-	-	-	11.1	14.8
ROA	( % )	-	-	-	6.7	8.4
Total asset turnover		1.1	1.1	1.0	2.2	2.2
Net interest-bearing debts/Net asset	( % )	33.8	26.9	-	30.5	0.2
Current ratio	( % )	143.8	151.0	191.2	147.7	179.7
Accounts receivable turnover ratio	(day)	73.3	71.5	68.9	73.1	68.6
Inventory turnover ratio	(day)	34.8	43.6	42.6	38.4	40.0
PBR	(X)	1.3	1.7	1.9	1.5	1.9
PER	(X)	-	-	-	14.6	13.6



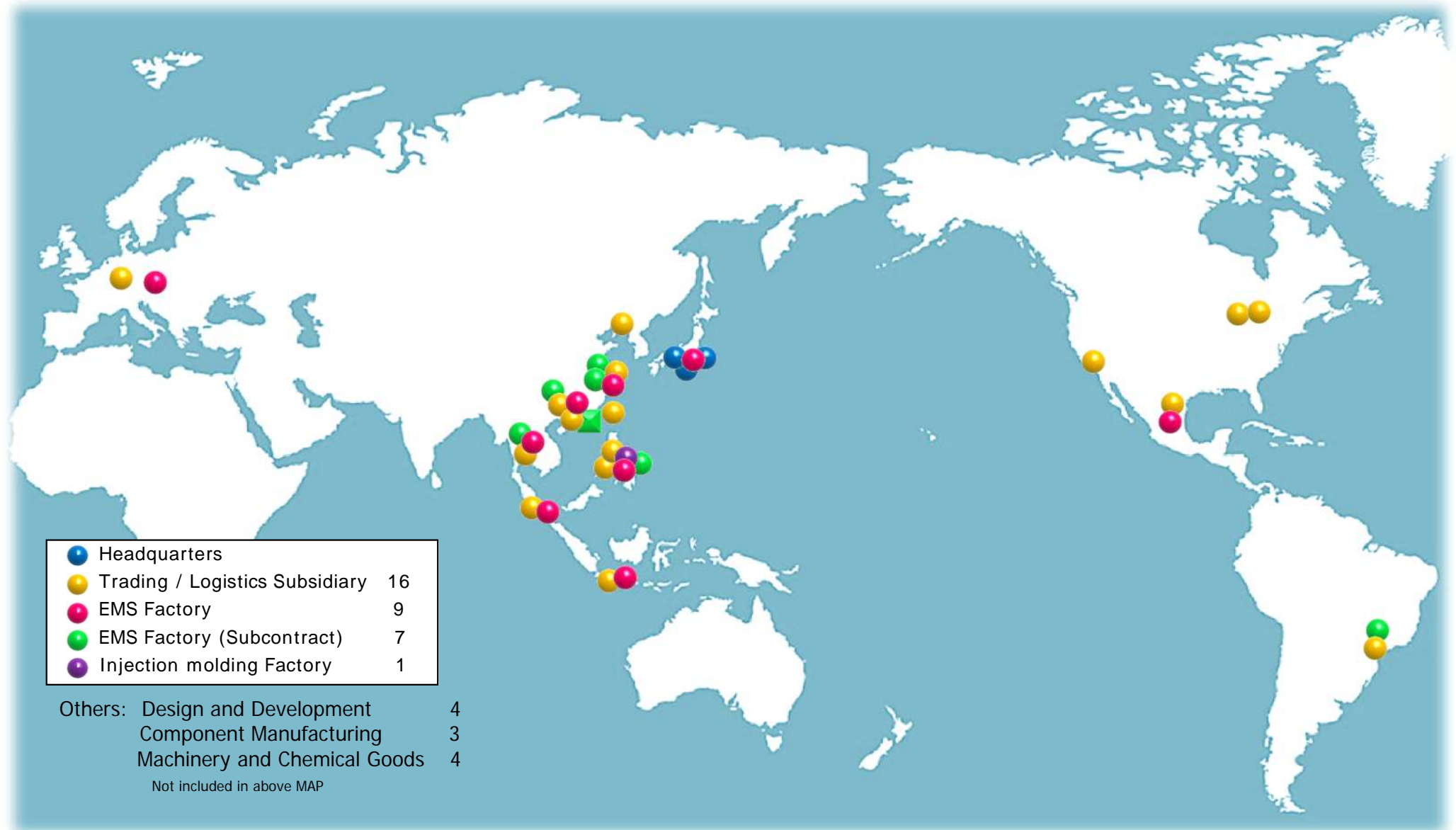
# Capital Structure

(JPY in millions)	YR2012	YR2013	YR2014	YR2015	1H, YR2016
Total asset	74,703	89,204	103,429	109,957	95,927
Liability	49,249	56,019	61,932	60,217	49,931
interest-bearing debt	16,511	18,546	19,128	12,614	7,795
Net asset	25,453	33,185	41,497	49,739	45,996
Capital-to-asset ratio (%)	33.8	37.0	39.9	45.1	47.7
Closing stock price (JPY)	998	1,277	2,549	3,740	3,505
Capital-to-asset ratio at market value (%)	31.5	33.8	58.2	85.5	91.8
Issued stock (thousand)	25,200	25,200	25,200	25,200	25,200
BPS	1,071.09	1,397.73	1,750.47	1,972.70	1,821.29

# Sales by Market Sector

(JPY in millions, %)	1H, YR2014		1H, YR2015		1H, YR2016		YR2014 Full year		YR2015 Full year	
Automotive-related equipments	34,396	35.1	48,022	42.6	47,850	45.0	76,260	36.4	98,544	41.9
Home appliances	26,702	27.2	25,161	22.4	23,428	22.0	54,945	26.2	54,563	23.2
Industrial equipments	16,267	16.6	18,486	16.4	16,436	15.4	34,227	16.3	36,123	15.4
Information equipments	11,681	11.9	13,397	11.9	12,284	11.5	25,116	12.0	26,942	11.5
Communication equipments	734	0.7	1,495	1.3	701	0.7	2,261	1.1	5,054	2.1
Electronics others	2,640	2.7	1,133	1.0	1,133	1.1	5,564	2.7	2,609	1.1
Machinery and others	5,721	5.8	4,975	4.4	4,530	4.3	11,383	5.4	11,200	4.8
Total	98,141	100.0	112,669	100.0	106,362	100.0	209,755	100.0	235,035	100.0

# GLOBAL NETWORK





# GLOBAL NETWORK

## < Manufacturing >

(As of JUN, 2016)





# GLOBAL NETWORK

## <Sales & Logistics>

(As of JUN, 2016)





# GLOBAL NETWORK

## <Subcontract Factory & Others>

(As of JUN, 2016)

