

Consolidated Financial Results for FY2016

SIIX Corporation
(Stock Ticker Number: 7613)

February 21, 2017

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Consolidated Financial Results

- Profit and loss

(JPY in billions)	YR2015		YR2016		y/y	
	amount	%	amount	%	amount	%
Sales	235	100.0	213	100.0	(22)	(9.5)
Gross profit	20	8.4	20	9.5	0.5	2.5
SGA	11	4.6	11	5.2	0.3	2.5
Operating income	9	3.8	9	4.3	0.2	2.5
Non-operating income/expenses	0.1	0.0	0.0	0.0	(0.1)	(86.2)
Ordinary income	9	3.8	9	4.3	0.1	1.6
Extraordinary income/loss	-	0.0	0.1	0.0	0.1	-
Income tax	2	1.0	3	1.2	0.2	8.4
Non-controlling interests in income	(0.0)	(0.0)	0.0	0.0	0.0	-
Profit attributable to owners of parent	7	2.9	7	3.1	(0.0)	(0.3)
ROE	14.8		13.3			

- Consolidation scope

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

* SIIX COXON PRECISION PHILS., INC. will be consolidated from January 2017.

Consolidated Financial Results

- Exchange rate

(JPY)	YR2015 Average	YR2016 Average	Change (2015 vs 2016)		YR2017 Average (forecast)
USD	121.07	108.92	12.15	10.0%	105.00
THB	3.54	3.09	0.45	12.7%	3.15
RMB	19.23	16.39	2.84	14.8%	15.75
HKD	15.62	14.03	1.59	10.2%	13.65
EUR	134.51	120.53	13.98	10.4%	120.75

The influence of exchange rate (y/y)

Sales: 21.8 bln JPY decrease

Operating Income: 1.0 bln JPY decrease

Influence breakdown(Sales) by currency

THB: 7.7 bln JPY decrease

HKD: 1.8 bln JPY decrease

USD: 6.4 bln JPY decrease

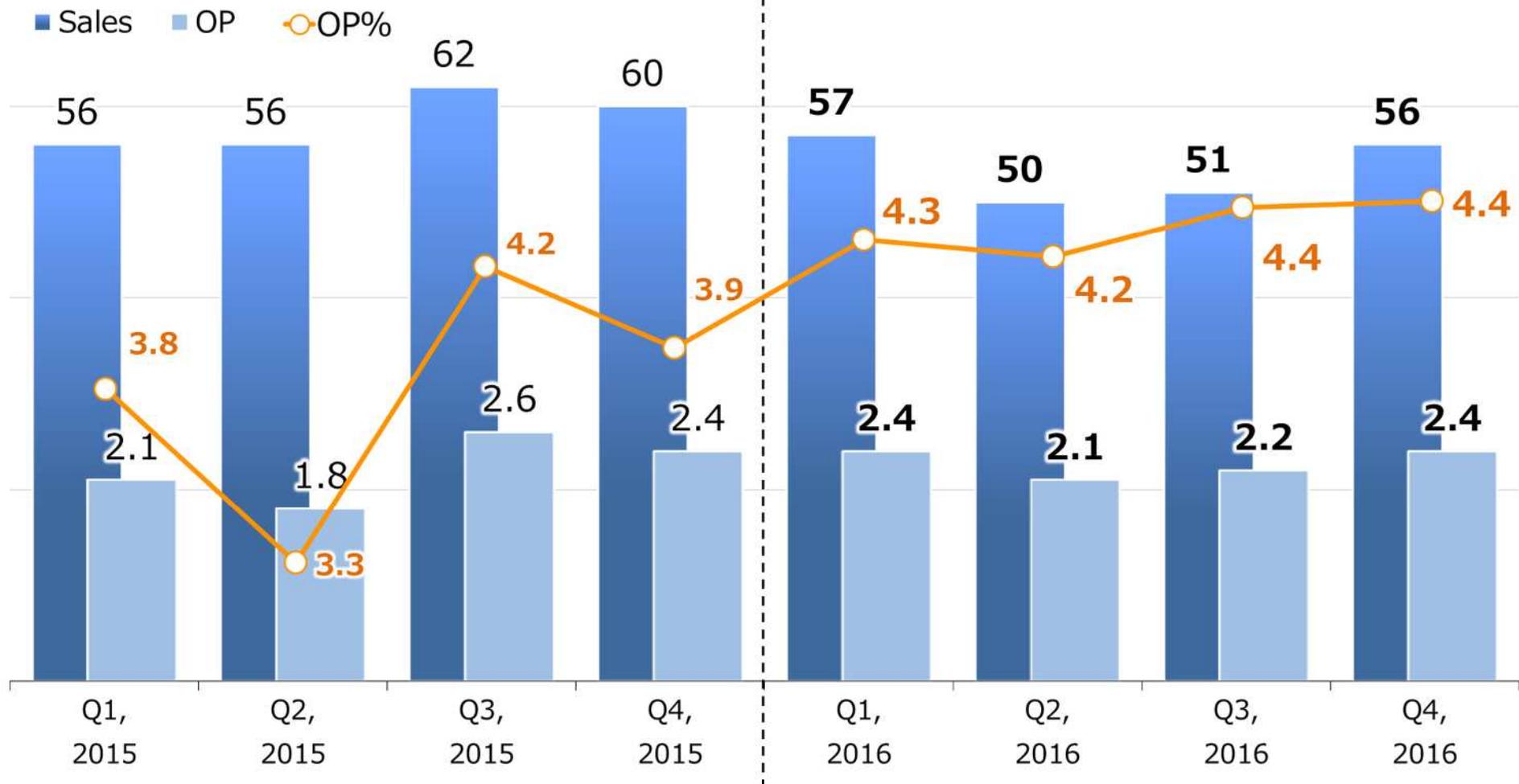
EUR: 0.8 bln JPY decrease

RMB: 4.8 bln JPY decrease

Consolidated Financial Results

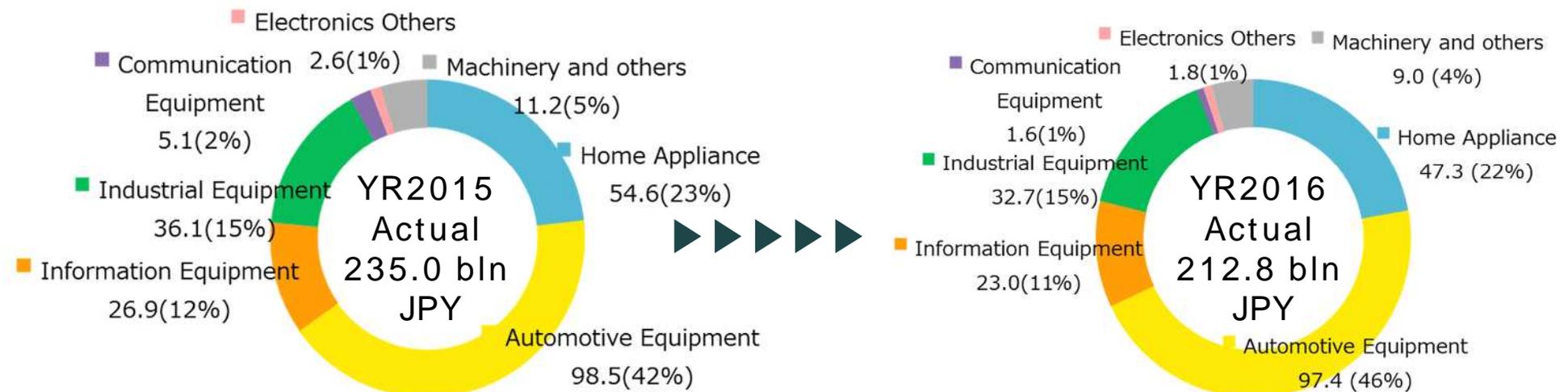
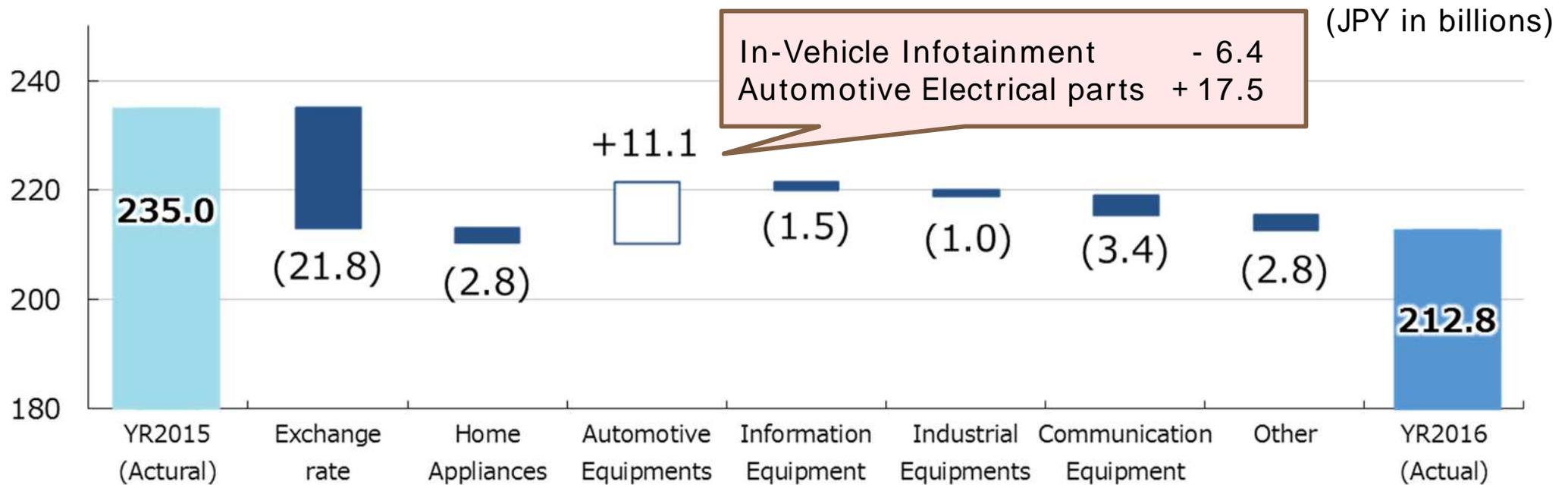
- Sales and Operating Income on quarterly basis

(JPY in billions, %)



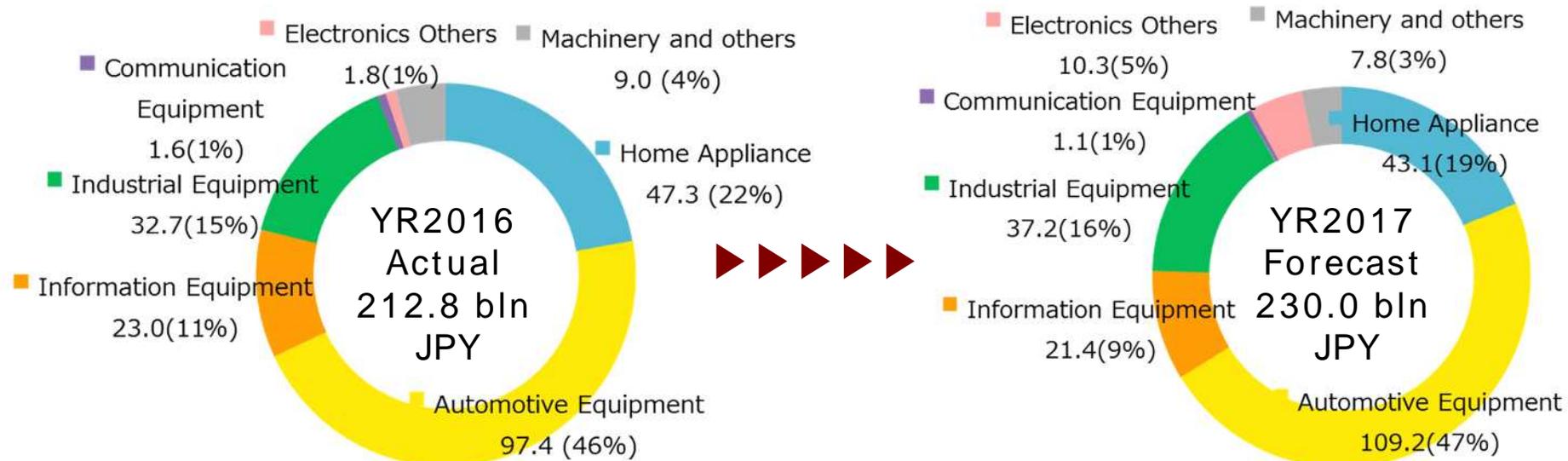
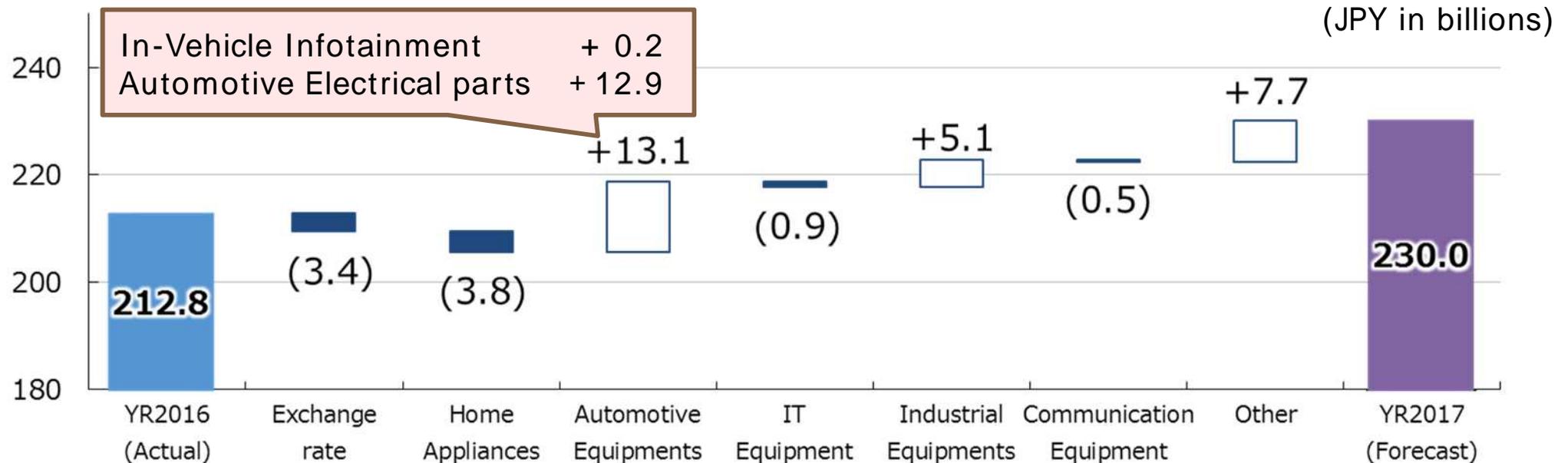
Consolidated Financial Results

- Sales by market sector ~2015 actual vs. 2016 actual~



Consolidated Financial Results

- Sales by market sector ~2016 actual vs. 2017 forecast~



Consolidated Financial Forecast

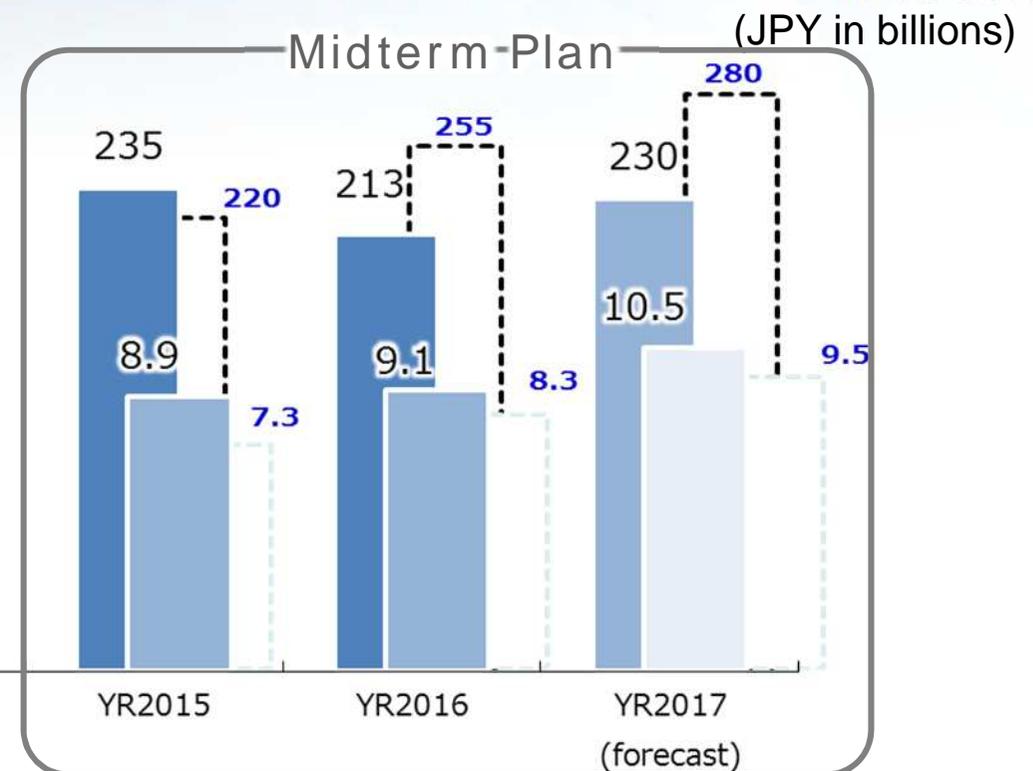
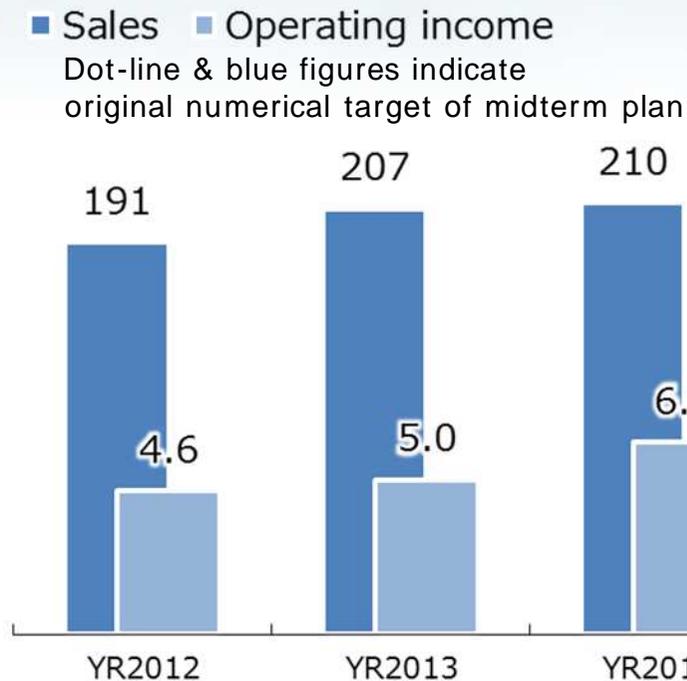


(JPY in billions)	YR 2016	YR 2017 (forecast)	Changes	
			YR2016 vs. YR2017	%
Sales	212.8	230.0	17.2	8.1
Operating income	9.1	10.5	1.4	15.0
Ordinary income	9.1	10.5	1.4	14.8
Net income	6.7	7.6	0.9	13.5
Net income per share (JPY)	267.62	308.60	40.98	15.3
CAPEX	4.5	4.3	(0.3)	(6.1)
	5.6	7.0	1.4	24.7
Depreciation	3.3	3.3	0.0	1.4

CAPEX including facility investment to non-consolidated subsidiaries.

Exchange rate (USD/JPY)	108.92	105.00
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Mid-term Strategy



~Midterm Strategy~

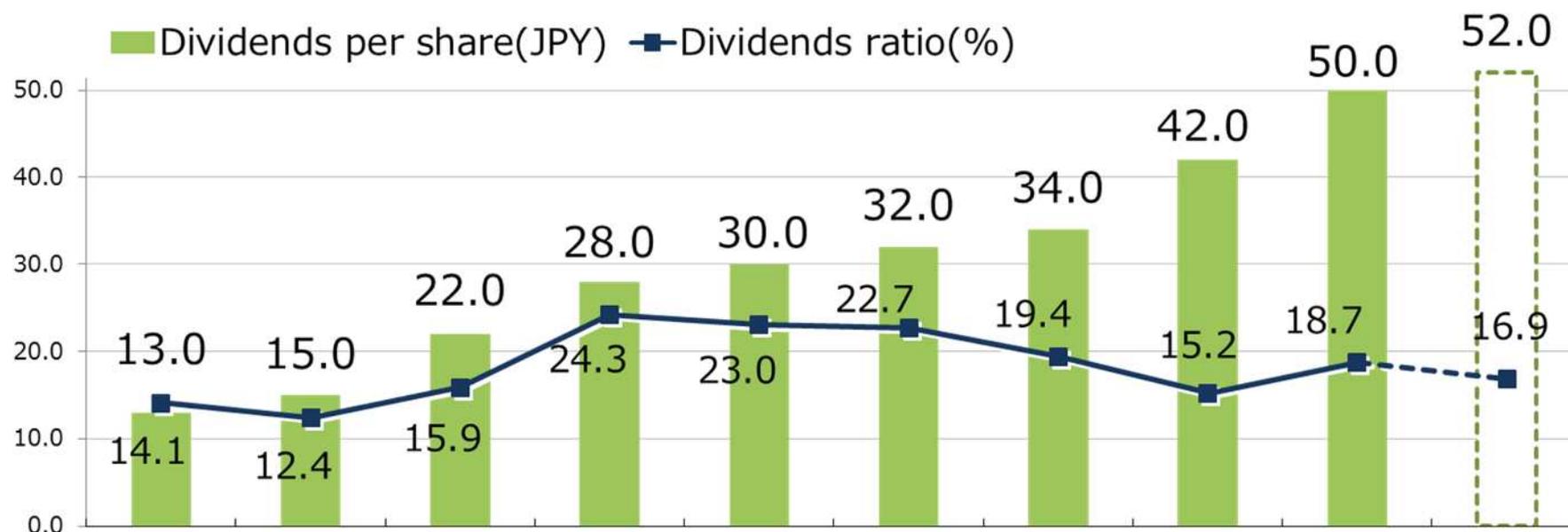
- 1 Add 100 new customers (net) in three years **Acquired 86 new customers at the end of 2016**
- 2 Sales in the automotive equipment (JPY120 bln. by 2017) **ADAS kept increasing steady while sales volume in in-vehicle infotainment shrank.**
- 3 Sales of industrial equipment/social infrastructure (JPY56 bln. by 2017) **Increasing business favorably.**
- 4 Improvement to asset efficiency **Struggling continuously with improvement of accounts receivable turnover and inventory reduction.**
- 5 Join JPX 400 issues **Selected as a constituent of JPX 200, and aiming to be a constituent of JPX400 early.**

*Target figures of midterm plan for sales and operating income of 2017 have been updated to latest forecast.

Exchange rate Original midterm plan: USD@JPY110 Updated forecast: USD@JPY105

Shareholder Return

- Dividends



	YR2008	YR2009	YR2010	YR2011	YR2012	YR2013	YR2014	YR2015	YR2016	YR2017 (forecast)
Dividends per share(JPY)	13.0	15.0	22.0	28.0	30.0	32.0	34.0	42.0	50.0	52.0
Dividends ratio(%)	14.1	12.4	15.9	24.3	23.0	22.7	19.4	15.2	18.7	16.9
# of Treasury Stock Acquisition	600,000	1,000,000	-	-	-	-	-	-	508,900	TBD
Amount of treasury stock acquisition (JPY)	280 mil.	400 mil.	-	-	-	-	-	-	2,000 mil.	TBD

includes commemorative dividend 2.00 yen

Total Return Ratio: 48.2%

New Manufacturing Plant in Hungary

• Company Outline

- Company Name: SIIX Hungary Kft. (abbr. : SHU)
- Location: Nagykőrös, Hungary
- Capital: €4mil (initial)
- Area: Land 49,546m² Floor 16,841m²
- # of Employees: approx. 100 (at the start of operation)
- Main Products: PCBs and assembly for industrial equipment, consumer products and etc. (at the start of operation)
- Investment: approx. 2 billion JPY



Schedule

Nov. 2016	Incorporation procedures Conclusion of land and building sales contract
Nov. 22, 2016	Company formation
Apr. 2017~	Renovation, Preparation of production facility
Jun. 2017~	Recruiting
Aug. 2017~	Installation of production facility
Sep. 2017~	Start operation

New Manufacturing Plant in Hubei

● Company Outline

- Company Name: SIIX HUBEI Co. Ltd. (abbr. : SHB)
- Location: Xiaogan, Hubei, China
- Capital: 50 mil RMB (approx. 800 million JPY)
- Area: Land 40,060m² Floor 5,929m²
- # of Employees: approx. 100 (at the start of operation)
- Main Products: PCBs and assembly for automotive equipment, home appliance, industrial equipment and etc. (at the start of operation)
- Investment: approx. 2 billion JPY (Land & building are rented)
- # of SMT Lines: 2 (at the start of operation)



SHB will start its operation with EMS business for industrial equipment.

Also, SHB is aiming to expand business with wide range of customers such as automotive parts suppliers and home appliance manufacturers.

Schedule

Feb. 20, 2017	Company formation
Mar. 2017~	Start operation

Theme of 2017

- **Surplus in all subsidiaries**

All subsidiaries are expected to turn profitable.

- **Expansion of ADAS business**

ADAS business is expanding from “early stage of the development” toward “full-scale growth”.

- **Expansion of industrial equipment**

Products in industrial field got a wave of “Electronization” and IoT.

(Medical Equipment, Battery, Transportation Infrastructure, etc.)

Consolidated Financial
Results for FY2016
<Appendix>

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February 2017



Profit and Loss



(JPY in millions)	YR2012	YR2013	YR2014	YR2015	YR2016
Net sales	190,692	207,009	209,755	235,035	212,768
Operating income	4,647	5,011	6,233	8,913	9,134
Operating income ratio (%)	2.4	2.4	3.0	3.8	4.3
Ordinary income	4,973	5,427	6,460	9,002	9,146
Ordinary income ratio (%)	2.6	2.6	3.1	3.8	4.3
Profit attributable to owners of parent	3,076	3,321	4,131	6,717	6,698
Profit attributable to owners of parent (%)	1.6	1.6	2.0	2.9	3.1
Consolidated subsidiaries	16	16	18	18	18
Equity method affiliates	1	1	1	1	1
Employees	9,029	8,641	9,545	10,352	10,820

Manufacturing Expense

(JPY in millions)	YR2015		YR2016		Changes	
	amount	%	amount	%	amount	%
Marginal Profit	18,887	100.0	18,722	100.0	(165)	(0.9)
Labor cost	8,358	44.3	8,433	45.0	75	0.9
Depreciation	3,008	15.9	2,561	13.7	(447)	(14.8)
Other	3,939	20.9	3,872	20.7	(67)	(1.7)
Manufacturing cost	15,306	81.0	14,868	79.4	(439)	(2.9)
# of consolidated manufacturing subsidiaries	8		8		-	

SGA

(JPY in millions)	YR2015		YR2016		Changes	
	amount	%	amount	%	amount	%
Personnel expenses	5,038	2.1	5,086	2.4	47	0.9
Traveling and communication expenses	499	0.2	461	0.2	(38)	(7.7)
Freightage and packing expenses	1,015	0.4	1,012	0.5	(3)	(0.3)
Commission fee	584	0.2	565	0.3	(19)	(3.2)
Rent expenses on real estates	484	0.2	475	0.2	(9)	(1.9)
Depreciation	783	0.3	691	0.3	(91)	(11.7)
Other expense	2,396	1.0	2,775	1.3	379	15.8
Total	10,802	4.6	11,067	5.2	265	2.5

Non-Operating Profit and Loss

(JPY in millions)	YR2015	YR2016
Interest income	40	84
Dividends income	54	133
Equity in earnings of affiliates	66	189
Real estate rent	115	105
Other	535	472
Non-operating income	812	984
Interest expenses	150	111
Foreign exchange losses	370	665
Other	202	196
Non-operating loss	723	972
Non-operating income/loss	89	12

Balance Sheet



(JPY in millions)	End of YR2015	End of YR2016	Changes (YR2015 vs. YR2016)	
			amount	%
Current assets	84,759	82,164	(2,596)	(3.1)
Notes and accounts receivable-trade	43,847	41,873	(1,974)	(4.5)
Inventories	25,993	28,517	2,525	9.7
Noncurrent assets	25,197	27,531	2,334	9.3
Total asset	109,957	109,695	(262)	(0.2)
Current liabilities	47,166	46,605	(561)	(1.2)
Accounts payable-trade	32,198	30,752	(1,446)	(4.5)
Short-term loans payable	9,141	9,569	428	4.7
Noncurrent liabilities	13,050	11,516	(1,534)	(11.8)
Convertible Bond	6,000	6,000	-	-
Long-term loans payable	3,245	1,602	(1,643)	(50.6)
Total liability	60,217	58,121	(2,096)	(3.5)
Net assets	49,739	51,573	1,834	3.7
Non-controlling interests	154	241	88	56.9
Total asset and liability	109,957	109,695	(262)	(0.2)

Cash Flow

(JPY in millions)	YR2012	YR2013	YR2014	YR2015	YR2016
Net cash from operating activities	7,546	3,438	2,374	7,996	6,333
Net cash from investing activities	(4,598)	(3,216)	(2,827)	(5,113)	(5,450)
Net cash from financing activities	(1,932)	(105)	(1,286)	3,352	(4,171)
Cash and cash equivalents	6,263	7,518	6,497	12,473	8,776
Debt to annual cash flow ratio (years)	2.2	5.1	7.9	2.0	1.9
Interest coverage ratio (X)	36.0	15.6	12.1	61.8	85.9

Interest-bearing debts are not including JPY 6 billion of convertible bonds, which is zero coupon bonds.

Management Benchmark We care.

		YR2012	YR2013	YR2014	YR2015	YR2016
ROE	(%)	13.7	11.4	11.1	14.8	13.3
ROA	(%)	7.4	6.6	6.7	8.4	8.3
Total asset turnover		2.8	2.5	2.2	2.2	1.9
Net interest-bearing debts/Net asset	(%)	40.5	33.2	30.5	0.2	5.2
Current ratio	(%)	136.2	141.9	147.7	179.7	176.3
Accounts receivable turnover ratio	(day)	53.2	63.4	73.1	68.6	73.5
Inventory turnover ratio	(day)	28.3	30.0	38.4	40.0	46.8
PBR	(X)	0.9	0.9	1.5	1.9	1.9
PER	(X)	7.7	9.1	14.6	13.6	14.7

Interest-bearing debts are not including JPY 6 billion of convertible bonds, which is zero coupon bonds.

Capital Structure



(JPY in millions)	YR2012	YR2013	YR2014	YR2015	YR2016
Total asset	74,703	89,204	103,429	109,957	109,695
Liability	49,249	56,019	61,932	60,217	58,121
Interest-bearing debt	16,511	18,546	19,128	12,614	11,458
Net asset	25,453	33,185	41,497	49,739	51,573
Capital-to-asset ratio (%)	33.8	37.0	39.9	45.1	46.8
Closing stock price (JPY)	998	1,277	2,549	3,740	3,945
Capital-to-asset ratio at market value (%)	31.5	33.8	58.2	85.5	88.6
Issued stock (thousand)	25,200	25,200	25,200	25,200	25,200
BPS (JPY)	1,071.09	1,397.73	1,750.47	1,972.70	2,084.39

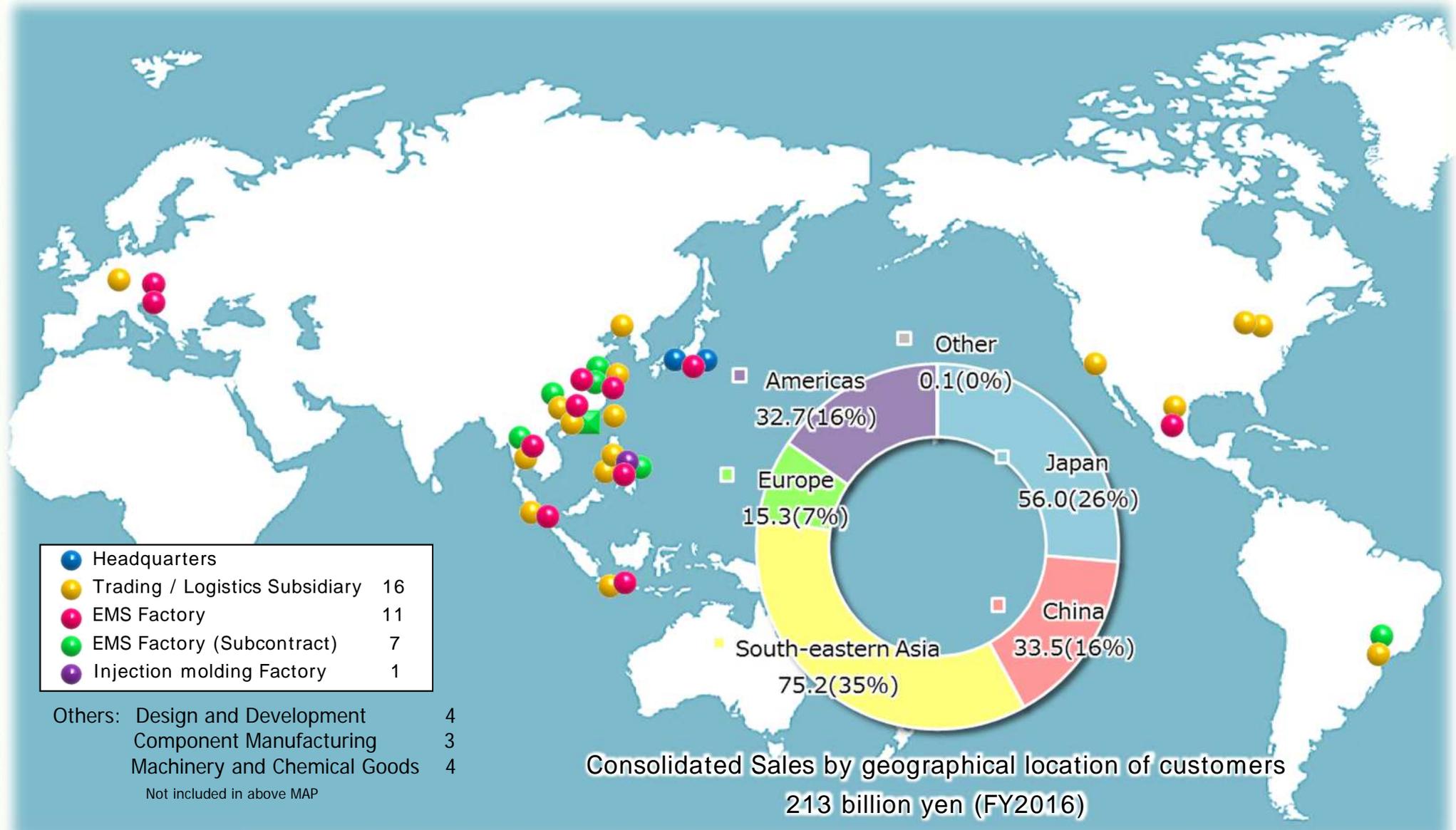
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Sales by Market Sector



(JPY in millions, %)	YR2015				YR2016			
	1st half	2nd half	Full year		1st half	2nd half	Full year	
Automotive-related equipments	48,022	50,523	98,544	41.9	47,850	49,514	97,364	45.8
Home appliances	25,161	29,402	54,563	23.2	23,429	23,840	47,268	22.2
Industrial equipments	18,486	17,637	36,123	15.4	16,436	16,245	32,681	15.4
Information equipments	13,397	13,545	26,942	11.5	12,284	10,743	23,027	10.8
Communication equipments	1,495	3,558	5,054	2.2	700	901	1,602	0.8
Electronics others	1,133	1,476	2,609	1.1	1,133	643	1,777	0.8
Machinery and others	4,975	6,225	11,200	4.8	4,530	4,519	9,049	4.3
Total	112,669	122,366	235,035	100.0	106,362	106,406	212,768	100.0

GLOBAL NETWORK

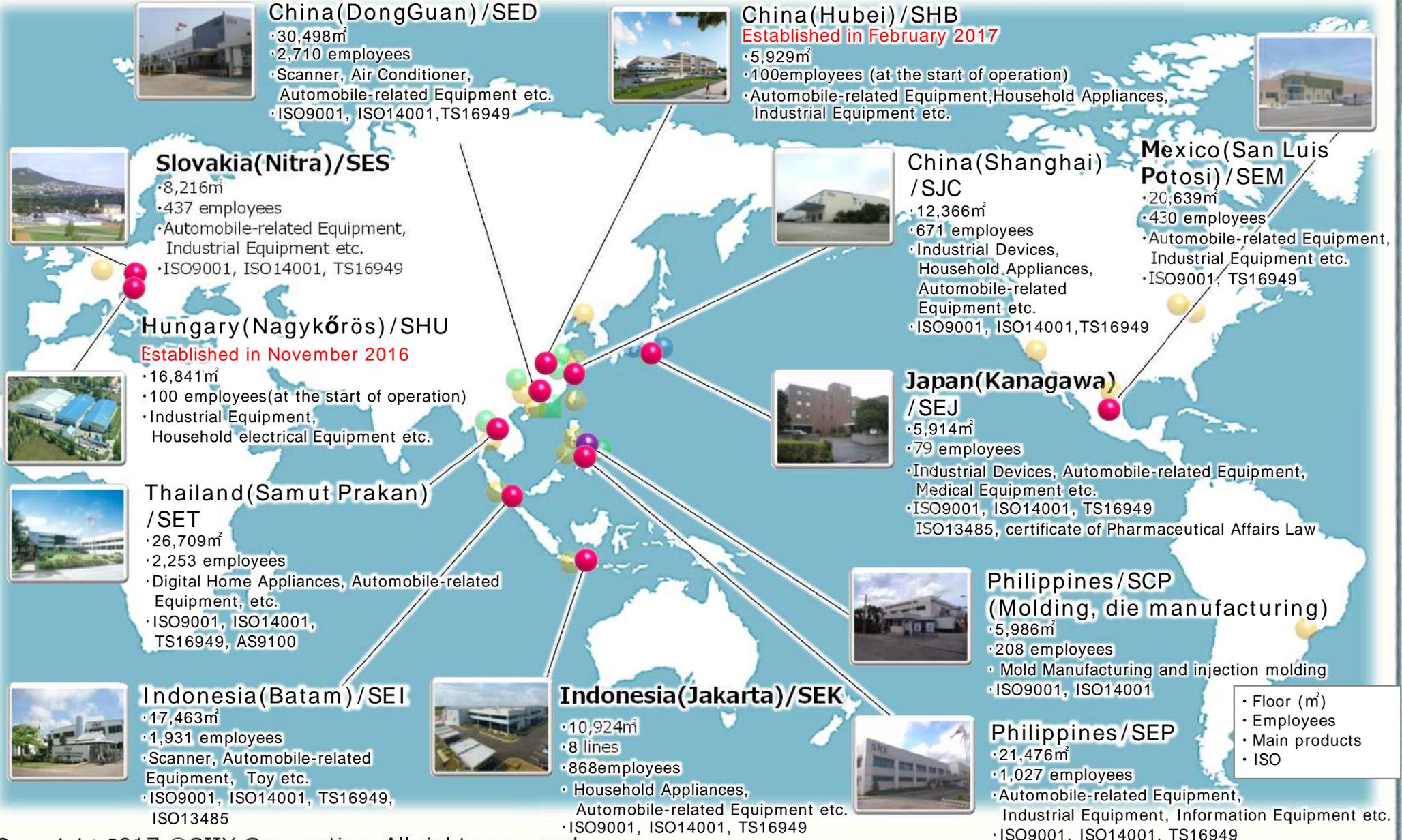


Global Network



< Manufacturing >

(As of DEC, 2016)



Global Network



<Sales & Logistics>

(As of DEC, 2016)



Global Network



<Subcontract Factory & Other>

(As of DEC, 2016)

