



# Consolidated Financial Result for 1H, FY2017

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SIIX Corporation

Stock Ticker Number: 7613

1<sup>st</sup> section of Tokyo Stock Exchanges

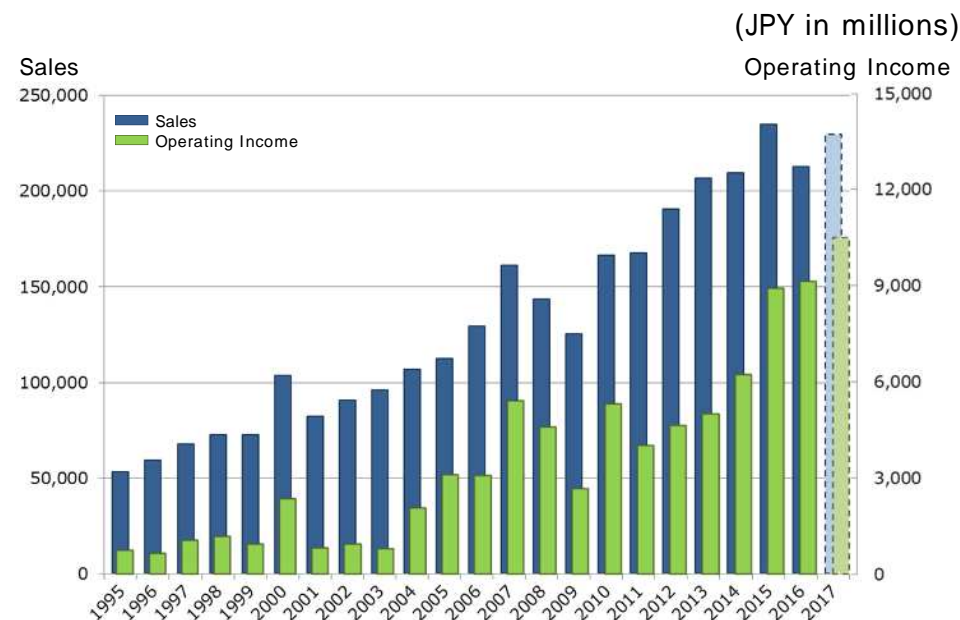
August 21, 2017

# The 25<sup>th</sup> Anniversary

## History

- 1992 ● Spun off from Sakata Inx and established Sakata Inx International Corp.
- 1998 ● Changed company name to SIIX Corp.
- 1999 ● Established EMS factory in Batam, Indonesia
- 2000 ● Acquired 100% ownership of EMS factory in Thailand
- 2001 ● Established EMS factory in Slovakia and Dongguan, China
- 2005 ● Listed in Tokyo Stock Exchanges (1<sup>st</sup> section)
- 2010 ● Established EMS factory in Kanagawa and Jakarta, Indonesia
- 2012 ● Established EMS factory in Shanghai, China
- 2013 ● Established EMS factory in Philippines and Mexico
- 2014 ● Established mold and die manufacturing factory in Philippines
- 2015 ● Jointly established EMS factory with MIDEA group
- 2016 ● Established EMS factory in Hungary
- 2017 ● Established EMS factory in Hubei, China
- 2017 ● 25<sup>th</sup> anniversary

## Consolidated Financial Result since 1995



## Stock Price since 1999



Stock price is retroactively adjusted accompanying a stock split for the impact of the stock split at the end of 2004 and the end of 2007.

# Consolidated Financial Result

- Profit and Loss

	1H, FY2016		1H, FY2017		1H, FY2016 vs. 1H, FY2017		Impact of change in FX	1H, FY2016 vs. 1H, FY2017	
	(JPY in millions)	amount	%	amount	%	diff.		diff.(net)	%
Sales		106,362	100.0	111,790	100.0	5,428	5.1	309	5,120 4.8
Gross Profit		9,831	9.2	10,977	9.8	1,146	11.7		
SGA		5,337	5.0	6,253	5.6	917	17.2		
Operating Income		4,494	4.2	4,723	4.2	229	5.1	-62	291 6.5
Ordinary Income		4,475	4.2	5,043	4.5	567	12.7		
Extraordinary Income & Loss		58	0.1	-131	-0.1	-190	-		
Net Income		3,702	3.5	3,519	3.1	-183	-4.9		

Molding and die manufacturing subsidiary in Philippines has been consolidated since this 1<sup>st</sup> quarter.

# of consolidated subsidiary; 1H, FY2016: 18 (Sales: 10, Manufacturing: 8)  
1H, FY2017: 19 (Sales: 10, Manufacturing: 9)

Exchange Rate	1H, FY2016		1H, FY2017	
USD	111.63		112.68	
THB	3.15		3.24	
RMB	17.05		16.44	
HKD	14.37		14.50	
EUR	124.64		121.86	

## Impact of exchange rate on sales

(JPY in millions)

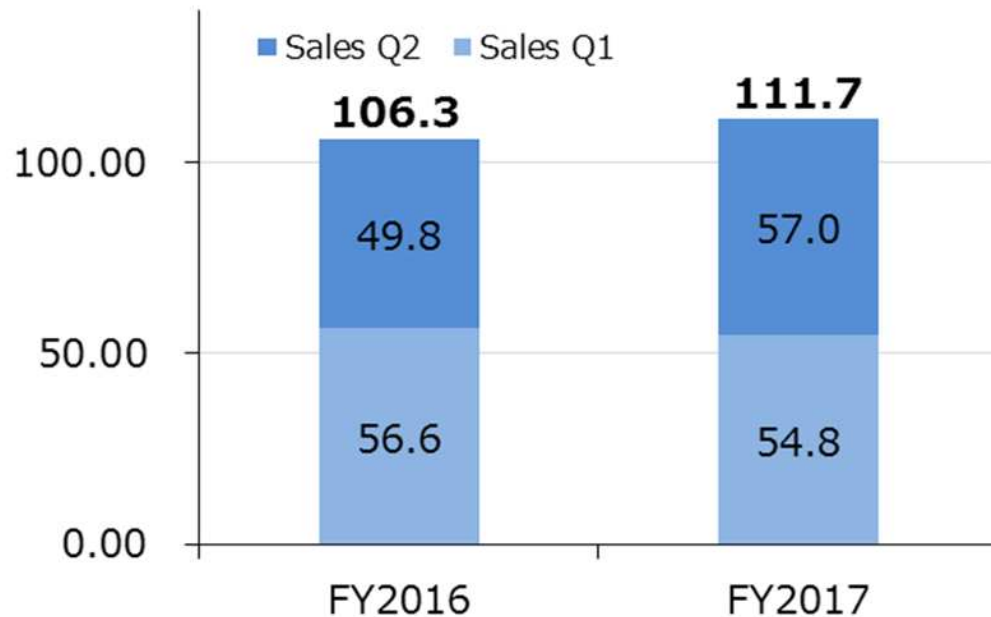
USD	EUR	HKD	THB	RMB
291	-109	70	690	-629

# Consolidated Financial Result

- Sales and Operating Income on Quarterly basis

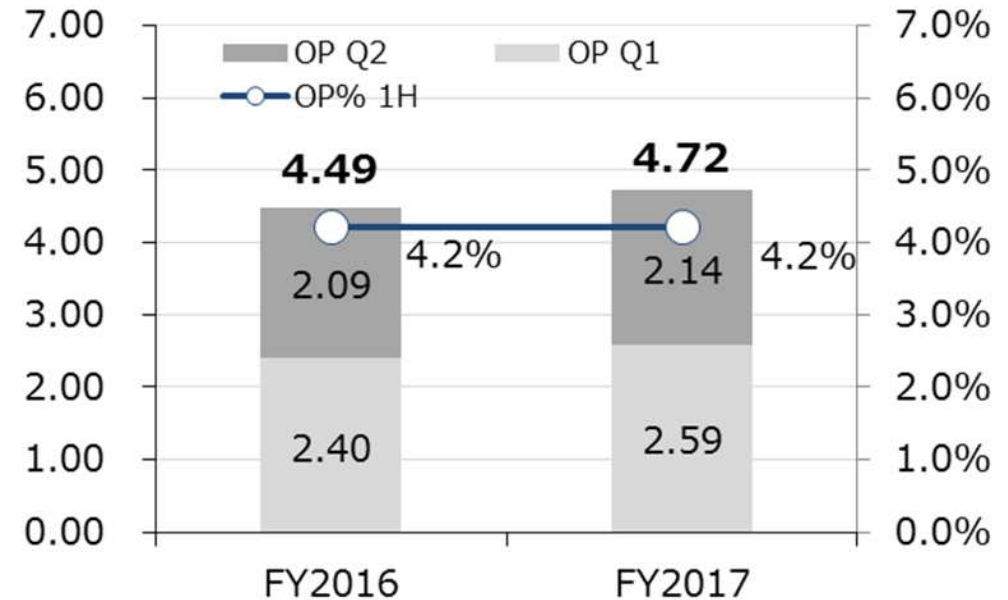
(JPY in billions, % )

## Sales



Sales in 2<sup>nd</sup> quarter (Apr.-Jun.) increased 14.4% from the same term of the previous fiscal year due to strong business situation in the US and China.

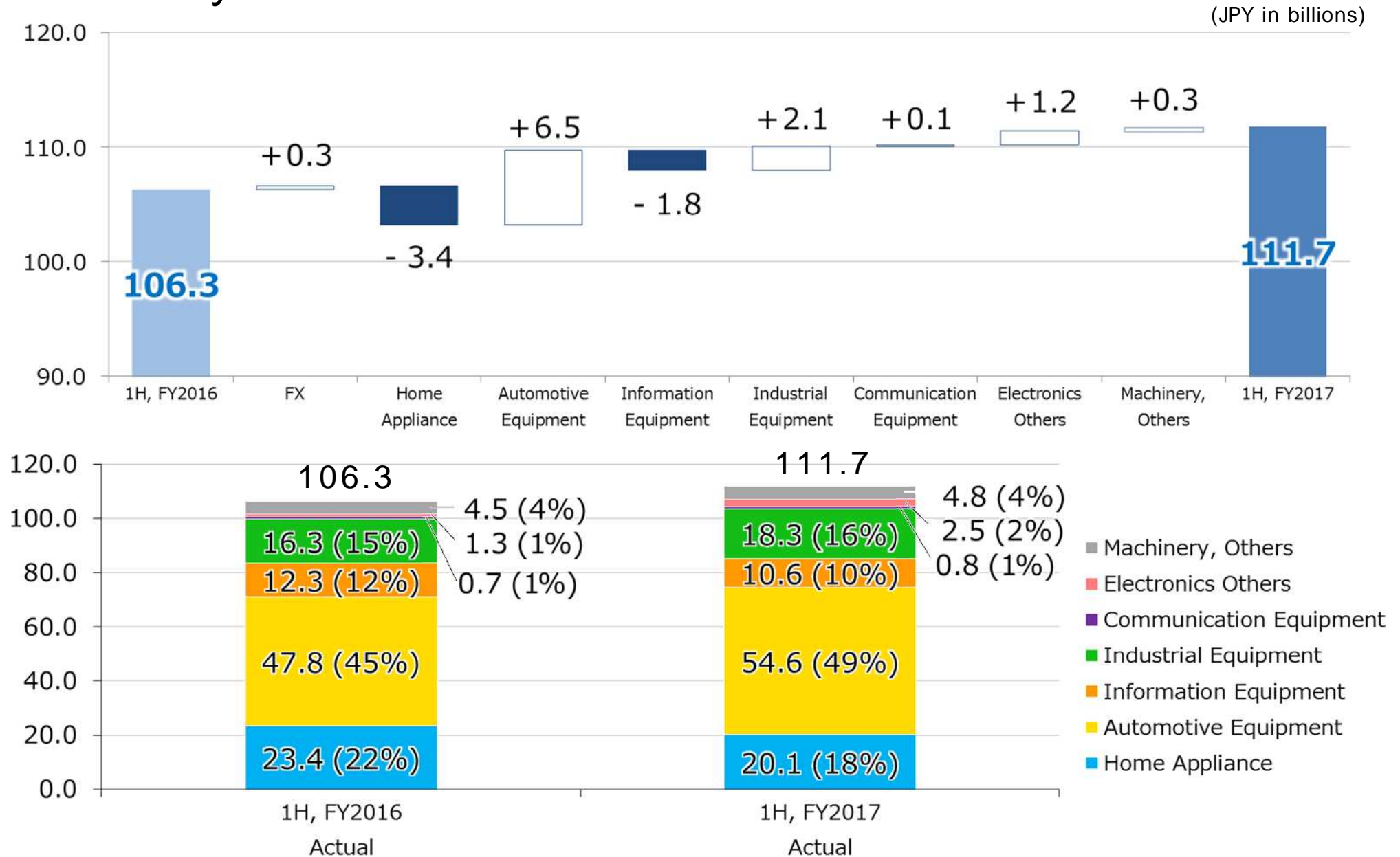
## Operating Income



Operating income in 2<sup>nd</sup> quarter (Apr.-Jun.) remained flat from the same term of the previous fiscal year due to advance investment in 2<sup>nd</sup> building of Mexico Plant for full-scale operation and inventory disposal of terminated business.

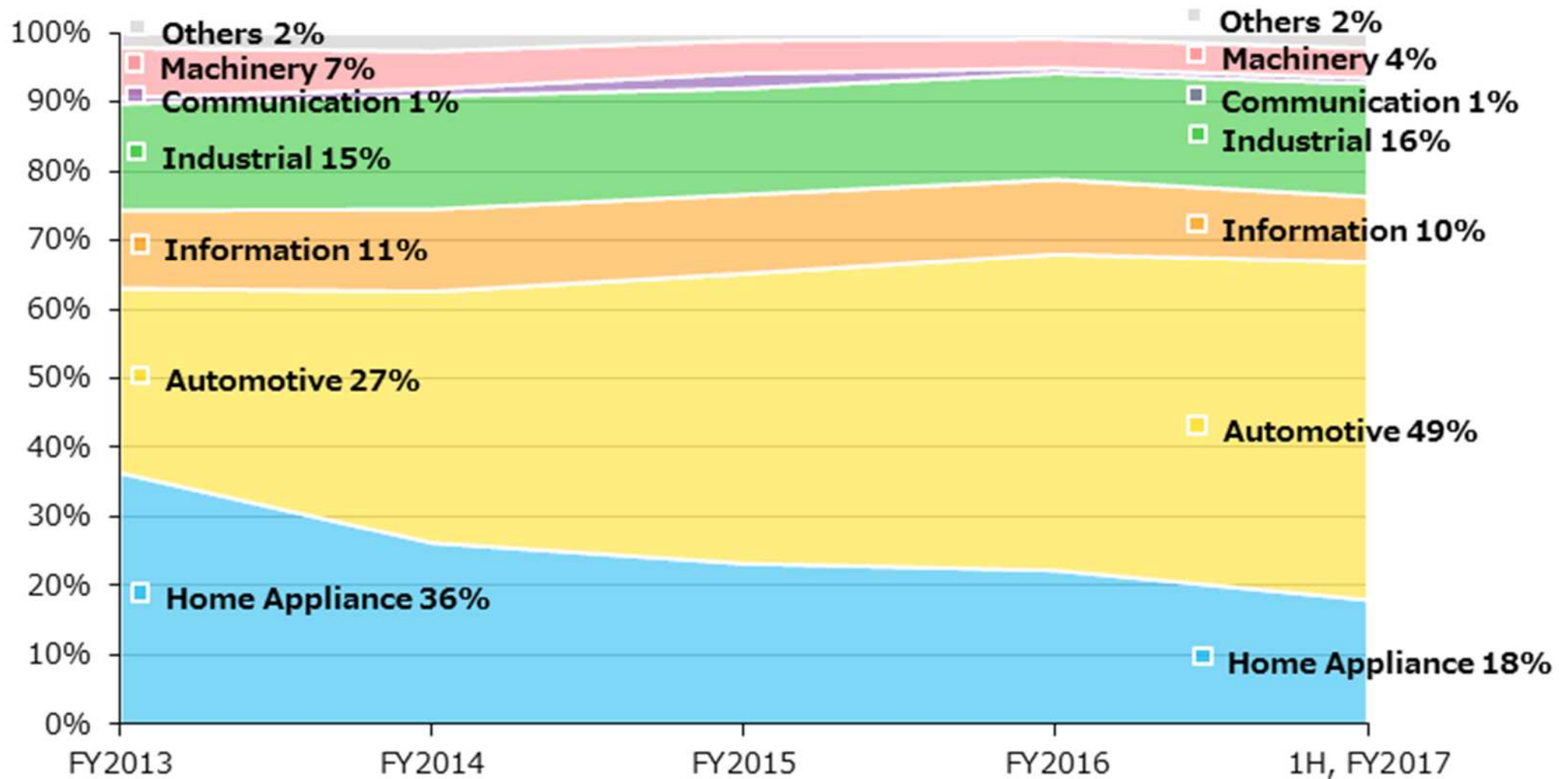
# Consolidated Financial Result

## • Sales by Market Sector



# Consolidated Financial Result

- Sales ratio by Market Sector (FY2013~1H, FY2017)

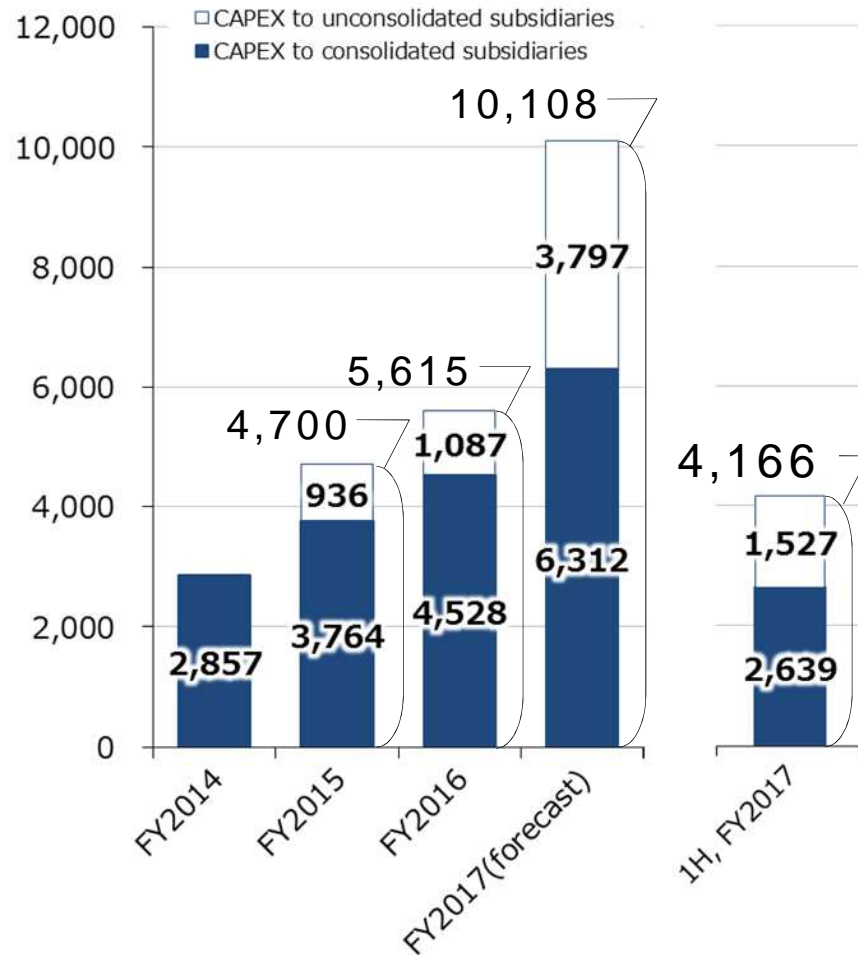


# Consolidated Financial Result

- CAPEX and Depreciation

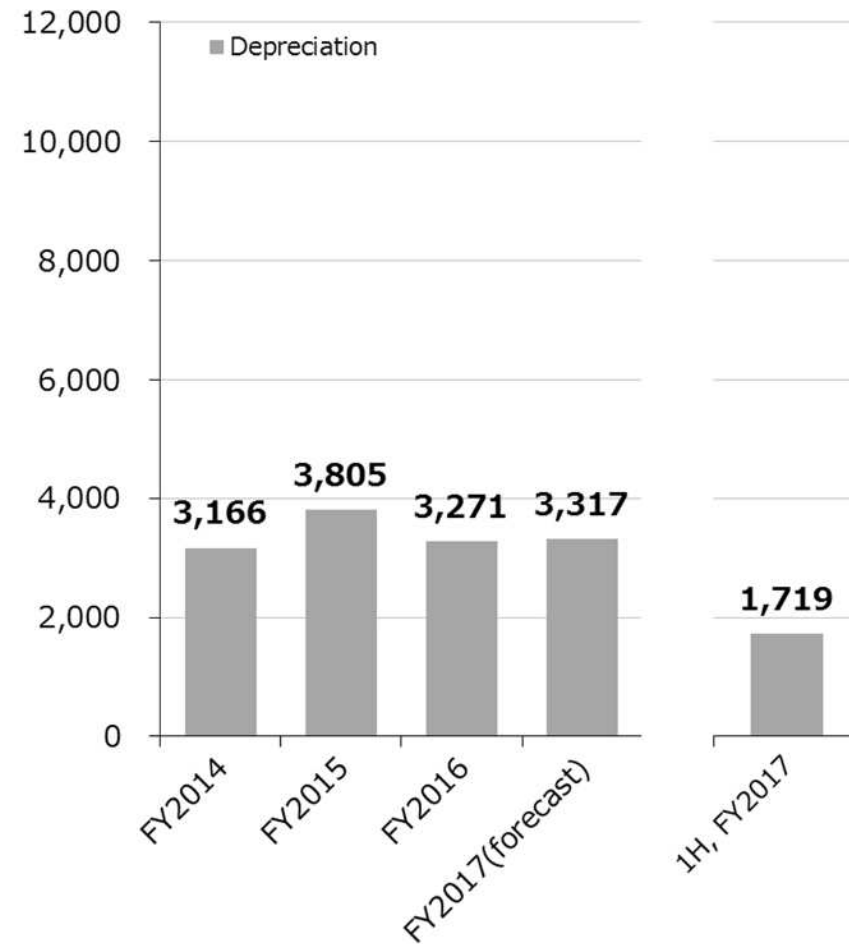
## CAPEX

(JPY in millions)



## Depreciation

(JPY in millions)



Forecast of CAPEX, which was originally planned around 7 billion JPY for FY2017, has been revised to approx. 10 billion JPY for new business at several area and expanding business of current customers.



# Consolidated Financial Forecast

- Financial Forecast for FY2017

(JPY in millions)

(JPY in millions)	FY 2015 Actual	FY 2016 Actual	FY 2017 Forecast	FY2016 vs. FY 2017	
				diff.	%
Sales	235,035	212,768	230,000	17,232	8.1
Operating income	8,913	9,134	10,500	1,366	15.0
Ordinary income	9,002	9,146	10,500	1,354	14.8
Net income	6,717	6,698	7,600	902	13.5
Net income per share (JPY)	275.87	267.62	308.60	40.98	15.3

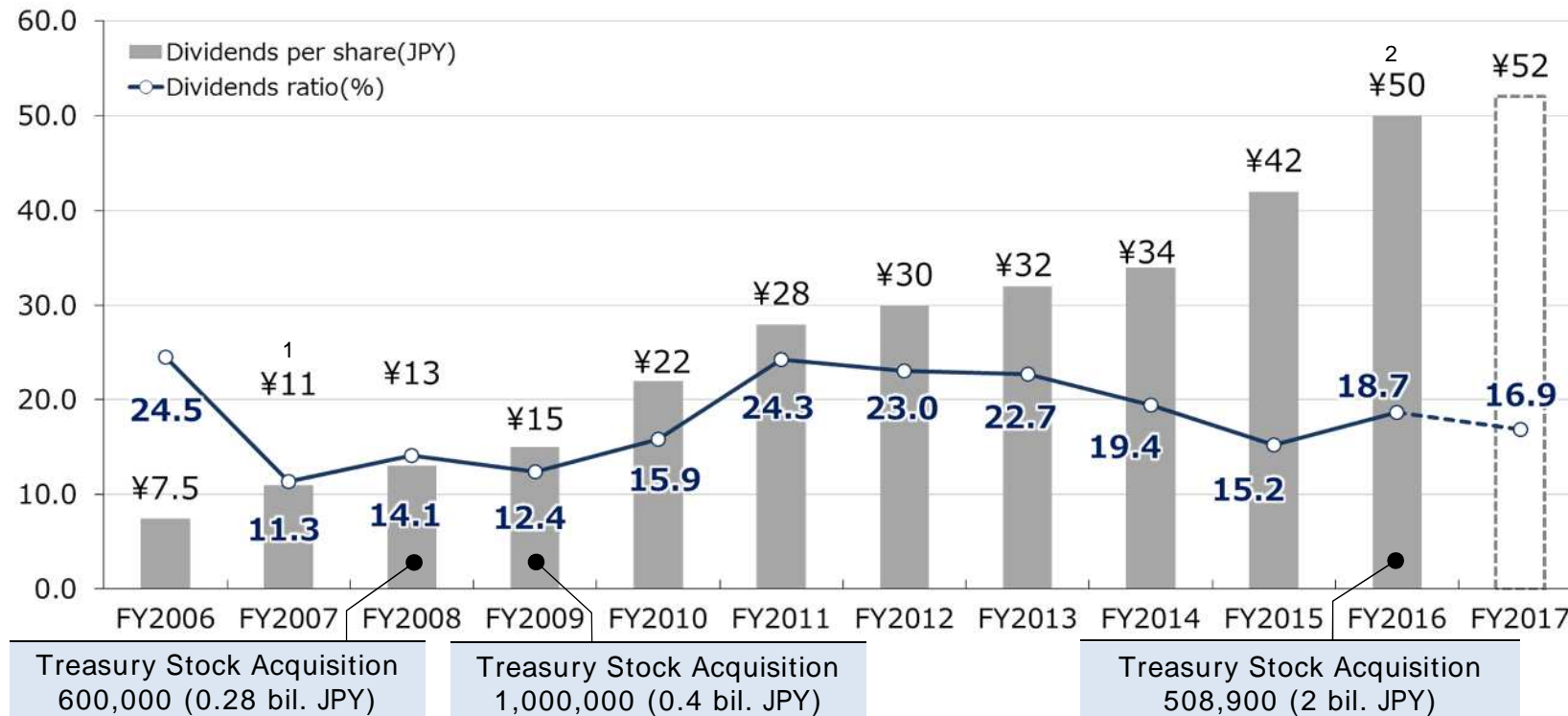
Exchange Rate	FY2015 average	FY2016 average	FY2017 rate
USD	121.07	108.92	105.00
THB	3.54	3.09	3.15
RMB	19.23	16.39	15.75
HKD	15.62	14.03	13.65
EUR	134.51	120.53	120.75







## • Shareholder Return



1 Stock price is retroactively adjusted accompanying a stock split for the impact of the stock split at the end of 2007.  
 2 Including 2 JPY of commemorative dividend

## • Rating

Japan Credit Rating Agency, Ltd. (JCR) announced that they upgrade Long-Term Issuer Rating of SIIX from BBB+ to A- on July 24, 2017.

Long-Term Issuer Rating: **A-**  
 Outlook : **Stable**

## • JPX-NIKKEI Mid Small

SIIX has been elected JPX-NIKKEI Mid Small JPX for the second consecutive year.



## <Support for cultural activities>

### • Slovakia National Opera

Banská Bystrica Slovakia National Opera is a public interest incorporated association of Slovak Republic, established in September 1, 1959. They leads domestic opera from the front by premiering lots of world opera in Slovakia with an unorthodox way. Collaborative relationships between them and Japan started since 1996, it's 21<sup>st</sup> year in 2017. Slovakia Opera was held in January 20, 2017 for the first time in Kansai area at Osaka City Central Public Hall by joint hosting of SIIX and Honorary Consulate of the Slovak Republic in Osaka.



## <Compliance>

### • AEO certificate

We, SIIX, got approved AEO certificate, given to the company which improves security management of import cargo and legal compliance, on June 5, 2017 from Osaka Customs. AEO certificate exempts the company from check and examination for tax payment of import declaration, permits the company income tax declaration after receipt of freight, and makes import declaration prompt and smooth. We keep not only strengthening security management of import cargo and compliance but offering high-quality and efficient service to our clients.





# Consolidated Financial result for 1H, FY2017 (Appendix)

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SIIX Corporation

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1<sup>st</sup> section of Tokyo Stock Exchanges

August 21, 2017

# Profit and Loss

(JPY in millions)	1H, FY2015	1H, FY2016	1H, FY2017	FY2015	FY2016
Net sales	112,669	106,362	111,790	235,035	212,768
Operating income	3,965	4,494	4,723	8,913	9,134
Operating income ratio (%)	3.5	4.2	4.2	3.8	4.3
Ordinary income	4,144	4,475	5,043	9,002	9,146
Ordinary income ratio (%)	3.7	4.2	4.5	3.8	4.3
Profit attributable to owners of parent	3,021	3,702	3,519	6,717	6,698
Profit attributable to owners of parent ratio(%)	2.7	3.5	3.1	2.9	3.1
Consolidated subsidiaries	18	18	19	18	18
Equity method affiliates	1	1	1	1	1
Employees	10,326	10,530	12,213	10,352	10,820

# Manufacturing Cost

(JPY in millions)	1H, FY2016		1H, FY2017		Changes	
	amount	%	amount	%	amount	%
Marginal Profit	9,017	100.0	10,608	100.0	1,591	17.6
Labor cost	4,159	46.1	5,023	47.4	864	20.8
Depreciation	1,377	15.3	1,286	12.1	(91)	(6.6)
Other	1,819	20.2	2,460	23.2	641	35.2
Manufacturing cost	7,355	81.6	8,770	82.7	1,414	19.2
# of consolidated subsidiary facilities	8		9			

	1H, FY2016		1H, FY2017		Changes	
(JPY in millions)	amount	%	amount	%	amount	%
Personnel expenses	2,631	2.5	2,873	2.6	242	9.2
Traveling and communication expenses	232	0.2	220	0.2	(12)	(5.2)
Freightage and packing expenses	490	0.5	641	0.6	151	30.7
Commission fee	286	0.3	319	0.3	33	11.4
Rent expenses on real estates	236	0.2	260	0.2	24	10.2
Depreciation	355	0.3	416	0.4	61	17.1
Other expense	1,104	1.0	1,522	1.4	418	37.8
Total	5,337	5.0	6,253	5.6	917	17.2



# Non-Operating Profit and Loss

(JPY in millions)	1H, FY2016	1H, FY2017
Interest income	54	30
Dividends income	98	26
Equity in earnings of affiliates	99	87
Real estate rent	53	54
Foreign exchange gains	-	55
Gain on sales of goods	12	62
Gain on sales of scraps	37	75
Other	148	142
Non-operating income	503	535
Interest expenses	55	76
Foreign exchange losses	415	-
Other	33	100
Non-operating loss	521	215
Non-operating income/loss	(18)	319

# Balance Sheet

(JPY in millions)	End of 1H, FY2016	End of FY2016	End of 1H, FY2017	Changes (1H,FY2016 vs. 1H,FY2017)		Changes (FY2016 vs. 1H,FY2017)	
				amount	%	amount	%
Current assets	72,482	82,164	88,644	16,162	22.3	6,480	7.9
Notes and accounts receivable-trade	36,421	41,873	43,878	7,457	20.5	2,005	4.8
Inventories	23,685	28,517	30,644	6,959	29.4	2,127	7.5
Noncurrent assets	23,445	27,531	29,969	6,525	27.8	2,438	8.9
Total asset	95,927	109,695	118,613	22,687	23.6	8,918	8.1
Current liabilities	37,901	46,605	54,011	16,110	42.5	7,406	15.9
Accounts payable-trade	27,448	30,752	31,154	3,706	13.5	402	1.3
Short-term loans payable	4,872	9,569	15,330	10,458	214.6	5,761	60.2
Noncurrent liabilities	12,029	11,516	11,281	(748)	(6.2)	(235)	(2.0)
Convertible Bond	6,000	0	0	0	0.0	0	0.0
Long-term loans payable	2,616	1,602	1,251	(1,366)	(52.2)	(351)	(21.9)
Total liability	49,931	58,121	65,292	15,361	30.8	7,171	12.3
Net assets	45,996	51,573	53,321	7,325	15.9	1,747	3.4
Minority interests	216	241	417	202	93.3	176	72.8
Total asset and liability	95,927	109,695	118,613	22,687	23.6	8,918	8.1

# Cash Flow

	1H, FY2015	1H, FY2016	1H, FY2017	FY2015	FY2016
(JPY in millions)					
Net cash from operating activities	2,970	4,726	1,066	7,996	6,333
Net cash from investing activities	(2,064)	(2,212)	(4,771)	(5,113)	(5,450)
Net cash from financing activities	(1,723)	(4,781)	4,705	3,352	(4,171)
Cash and cash equivalents	5,716	8,973	9,685	12,473	8,776
Debt to annual cash flow ratio (years)	-	-	-	2.0	1.9
Interest coverage ratio (X)	38.1	155.2	12.1	61.8	85.9

# Management Benchmar

		1H, FY2015	1H, FY2016	1H, FY2017	FY2015	FY2016
ROE	( % )	-	-	-	14.8	13.3
ROA	( % )	-	-	-	8.4	8.3
Total asset turnover		1.1	1.0	1.0	2.2	1.9
Net interest-bearing debts/Net asset	( % )	26.9	-	13.5	0.2	5.2
Current ratio	( % )	151.0	191.2	164.1	179.7	176.3
Accounts receivable turnover ratio	(day)	71.5	68.9	70.0	68.6	73.5
Inventory turnover ratio	(day)	43.6	42.6	48.3	40.0	46.8
PBR	(X)	1.7	1.9	2.1	1.9	1.9
PER	(X)	-	-	-	13.6	14.7

# Capital Structure

(JPY in millions)	FY2013	FY2014	FY2015	FY2016	1H, FY2017
Total asset	89,204	103,429	109,957	109,695	118,613
Liability	56,019	61,932	60,217	58,121	65,292
interest-bearing debt	18,546	19,128	12,614	11,458	16,886
Net asset	33,185	41,497	49,739	51,573	53,321
Capital-to-asset ratio (%)	37.0	39.9	45.1	46.8	44.6
Closing stock price (JPY)	1,277	2,549	3,740	3,945	4,450
Capital-to-asset ratio at market value (%)	33.8	58.2	85.5	88.6	92.4
Issued stock (thousand)	25,200	25,200	25,200	25,200	25,200
BPS	1,397.73	1,750.47	1,972.70	2,084.39	2,148.19

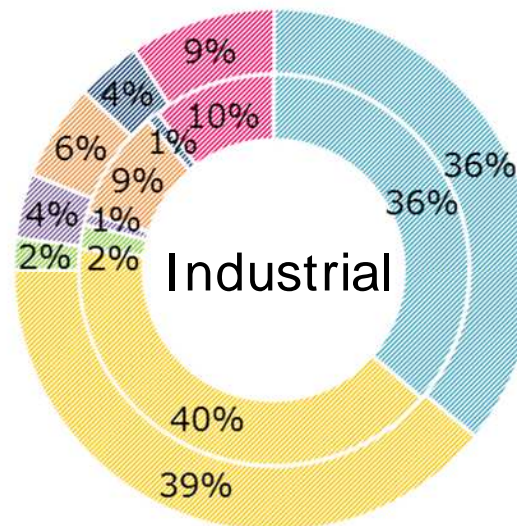
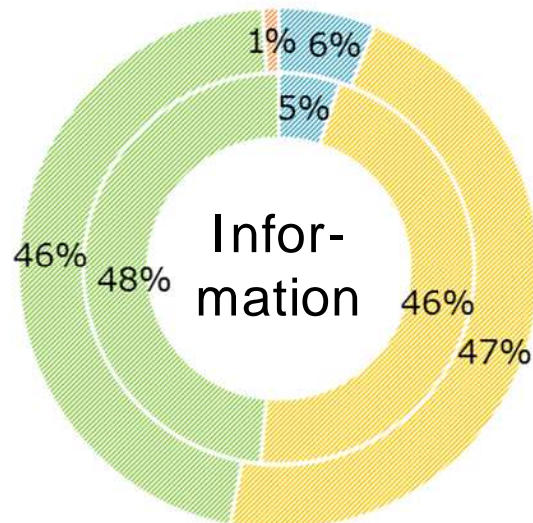
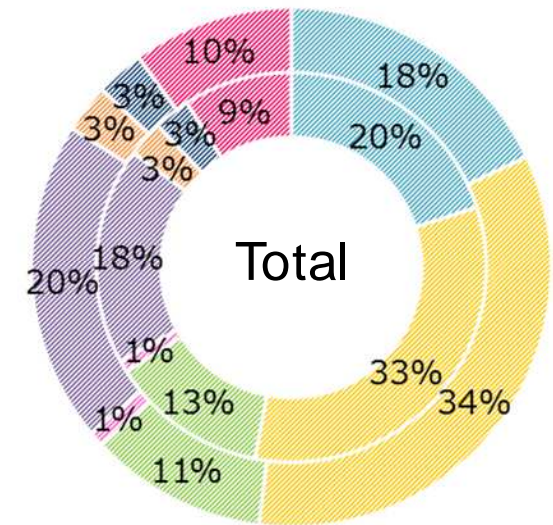
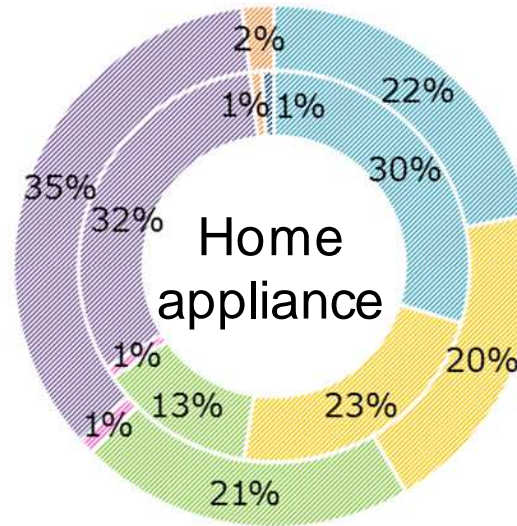
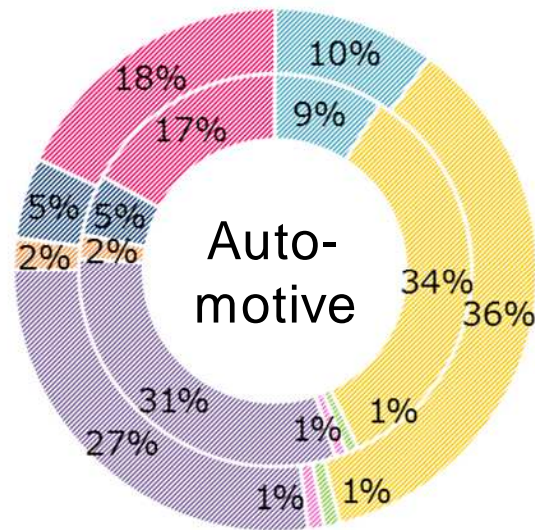
# Products by Market Sector

Automotive Equipment	Automotive AV (Audio, Navigation system etc.), Parts (Meter, Exterior, ECU, Sunroof, Power window, Switch, ABS, Camera, Heat Controller, OHC, Door handle, Milliwave radar etc.)
Home Appliance	Digital home appliance, A/C, Refrigerator, Washing Machine, Toy, Rice cooker, Microwave Oven, Electric toothbrush, Healthcare appliance, LED Lighting, Audio Equipment, Electric lock etc.
Information Equipment	PC peripheral equipment, OA device, Scanner, Projector, Printer etc.
Industrial Equipment	Igniter for power tool, Battery packing, Flight entertainment device, Power tool, Inverter, Coin acceptor for vending machine, Medical equipment, Smart meter, Industrial sewing machine, Security, Optical instruments etc.
Communication Equipment	Base station of mobile phone etc.
Machinery Others	Wire harness, Bicycle, Ink, Electric components etc.



# Sales ratio by Market Sector and Area

Japan China Singapore Indonesia Thailand Philippines Europe Americas



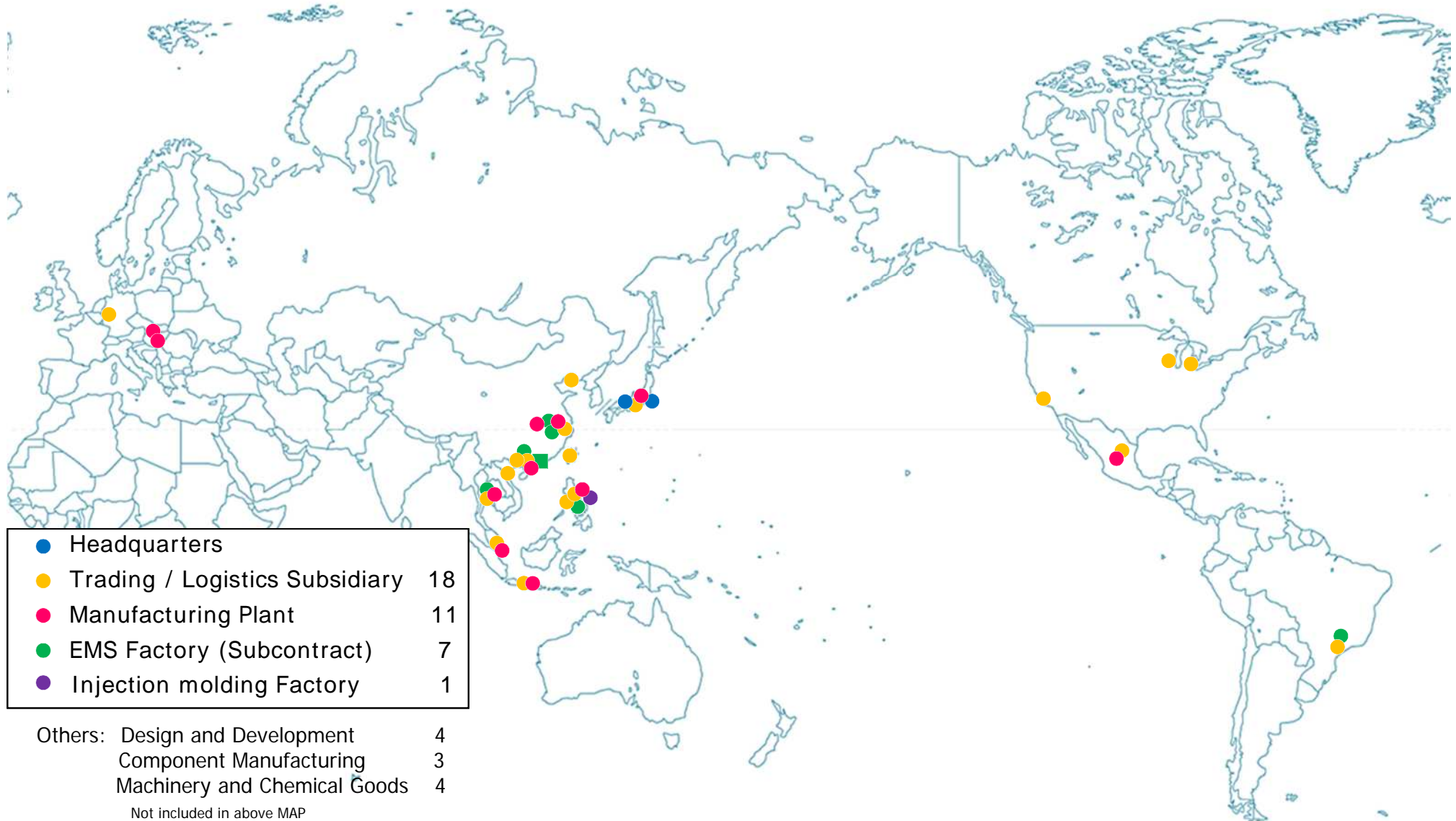
Inner pie indicates sales ratio of the sum of the individual companies of FY2015  
Outer pie indicates sales ratio of the sum of the individual companies of FY2016



# Sales by Market Sector

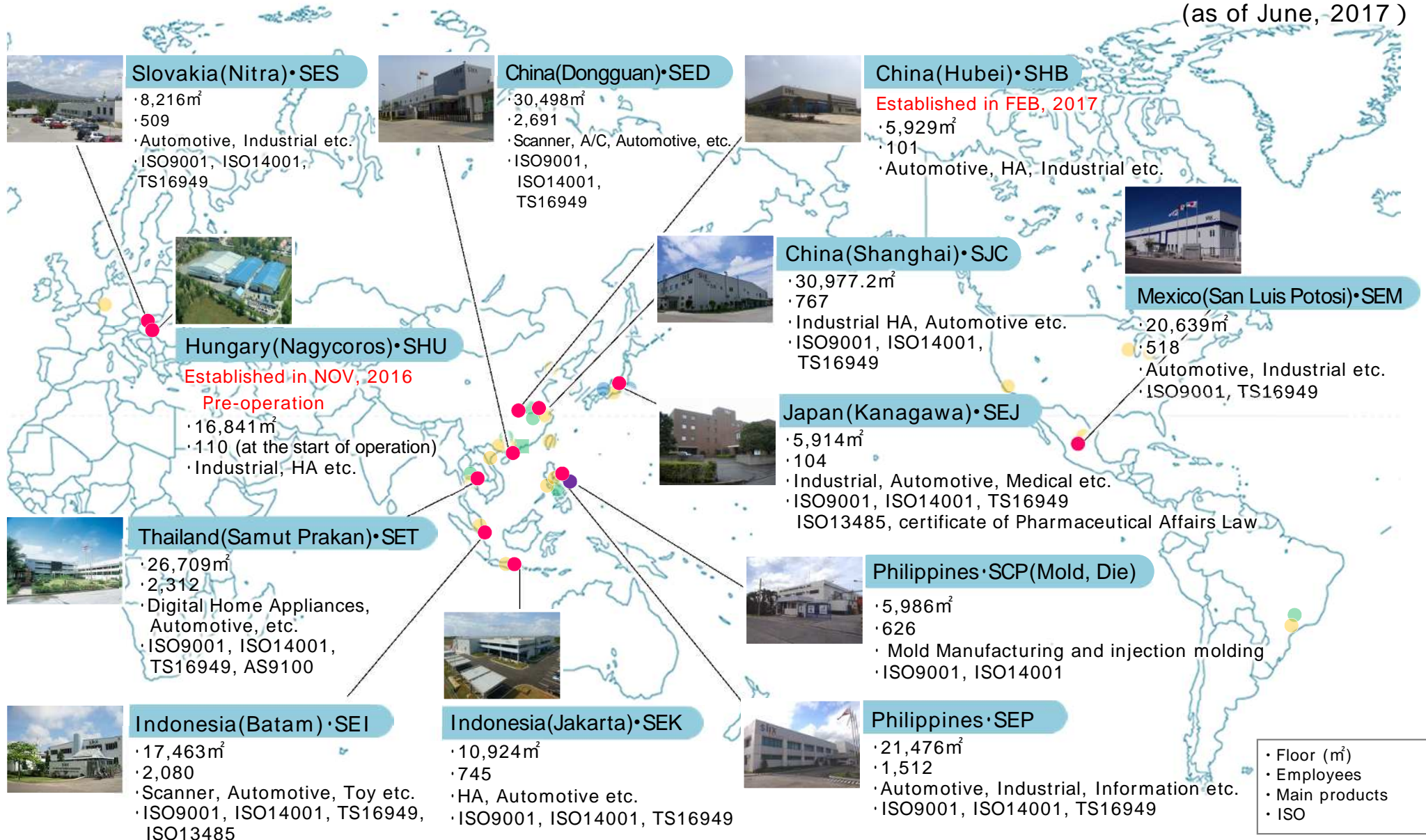
	1H, FY2015		1H, FY2016		1H, FY2017		FY2015		FY2016	
(JPY in millions, %)	amount	%	amount	%	amount	%	amount	%	amount	%
Automotive-related equipments	48,022	42.6	47,850	45.0	54,630	48.9	98,544	41.9	97,138	45.7
Home appliances	25,161	22.4	23,368	22.0	20,086	18.0	54,563	23.2	46,157	21.7
Industrial equipments	18,486	16.4	16,341	15.4	18,306	16.4	36,123	15.4	32,307	15.2
Information equipments	13,397	11.9	12,284	11.5	10,616	9.5	26,942	11.5	23,027	10.8
Communication equipments	1,495	1.3	701	0.7	835	0.7	5,054	2.1	1,602	0.8
Electronics others	1,133	1.0	1,289	1.2	2,483	2.2	2,609	1.1	3,488	1.6
Machinery and others	4,975	4.4	4,530	4.3	4,835	4.3	11,200	4.8	9,049	4.3
Total	112,669	100.0	106,362	100.0	111,790	100.0	235,035	100.0	212,768	100.0

# SIIX GLOBAL NETWORK



## • Manufacturing Factory

(as of June, 2017)





- Sales & Logistics



- Subcontract Factory & Other

