



Consolidated Financial Result of FY2019

SIIX Corporation

February 2020

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- 

Consolidated Financial Result of FY2019

● Profit and Loss

	FY2018		FY2019		FY2018 vs. FY2019		Impact of change in FX	FY2018 vs. FY2019, net		
	(JPY in millions)	amount	%	amount	%	diff.		%	diff.(net)	%
Sales		242,804	100.0	223,037	100.0	-19,767	-8.1	-3,501	-16,265	-6.7
Gross Profit		20,635	8.5	17,662	7.9	-2,974	-14.4			
SGA		12,010	4.9	12,155	5.4	145	1.2			
Operating Income		8,625	3.6	5,506	2.5	-3,119	-36.2	-94	-3,024	-35.1
Ordinary Income		8,717	3.6	5,634	2.5	-3,082	-35.4			
Extraordinary Income & Loss		2	0.0	-	-	-2	-			
Corporate tax		2,302	0.9	1,971	0.9	-330	-14.4			
Profit attributable to owners of parent		6,414	2.6	3,695	1.7	-2,719	-42.4			

Exchange Rate		
	FY2018	FY2019
USD	110.58	109.07
EUR	130.53	122.06
HKD	14.11	13.92
THB	3.42	3.52
RMB	16.73	15.78

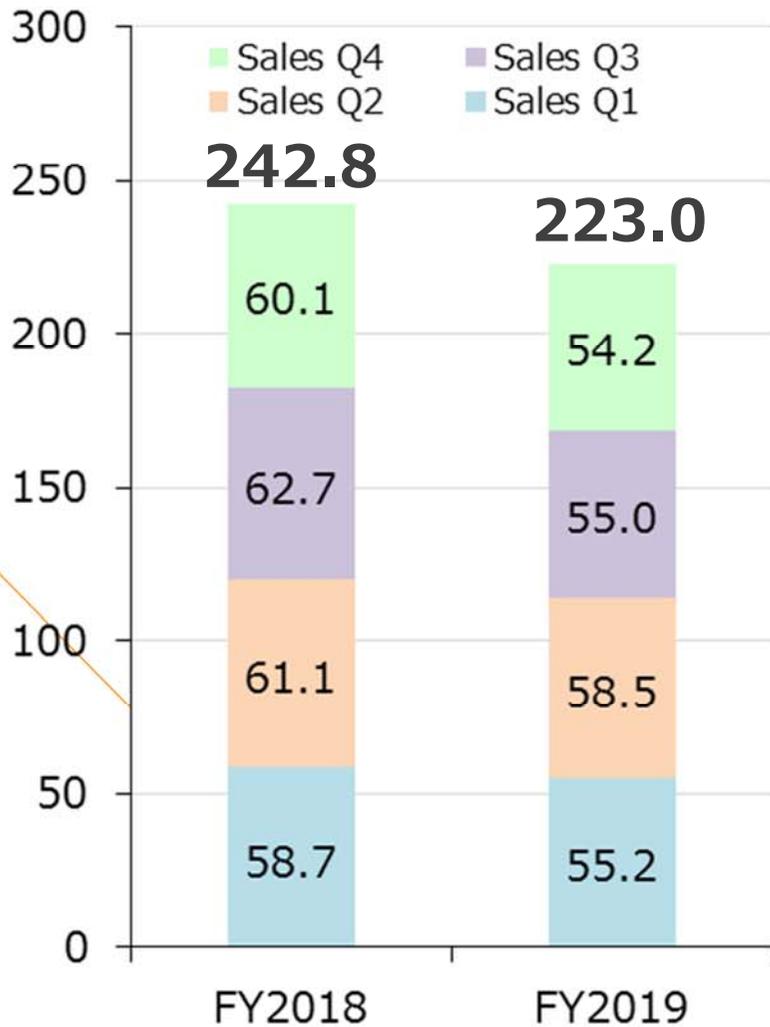
● Scope of Consolidation

	End of FY2018	Changes		End of FY2019
		Increase	Decrease	
Consolidated Subsidiary	22	-	-	22
Equity Method Affiliate	2	-	-	2

Consolidated Financial Result of FY2019

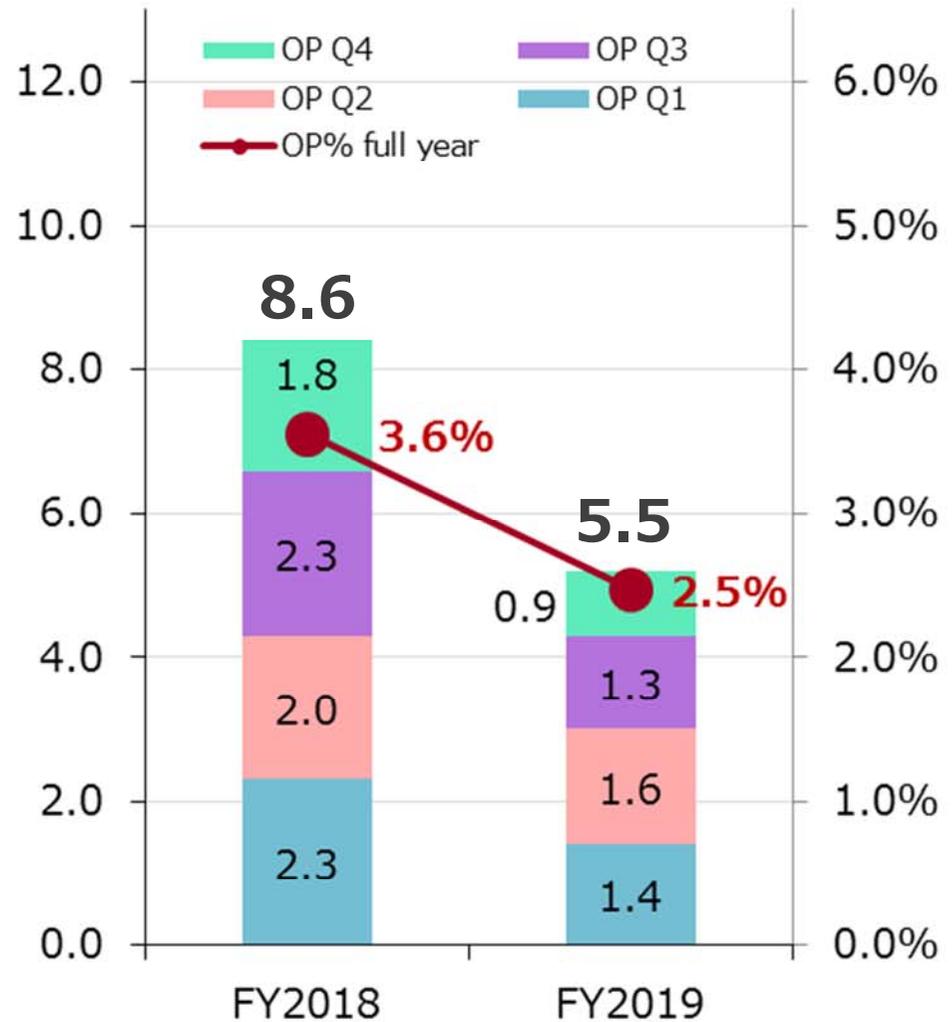
● Sales

(JPY in billions, %)



● Operating Profit

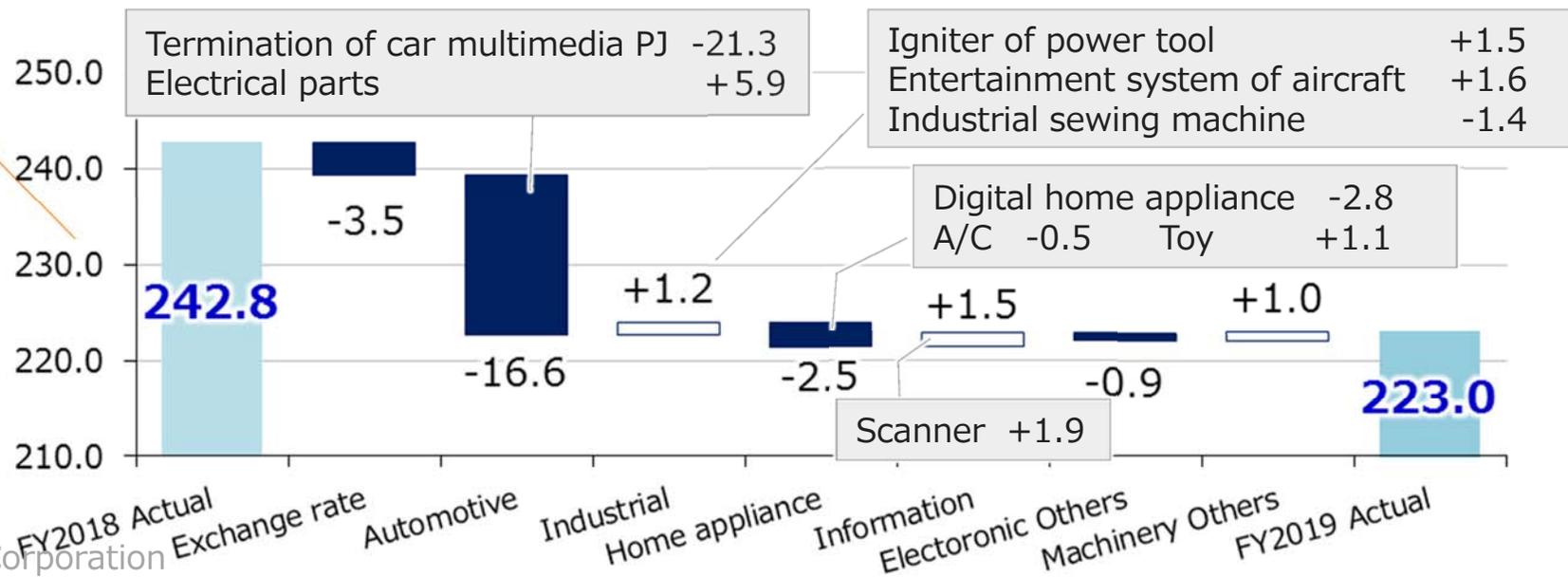
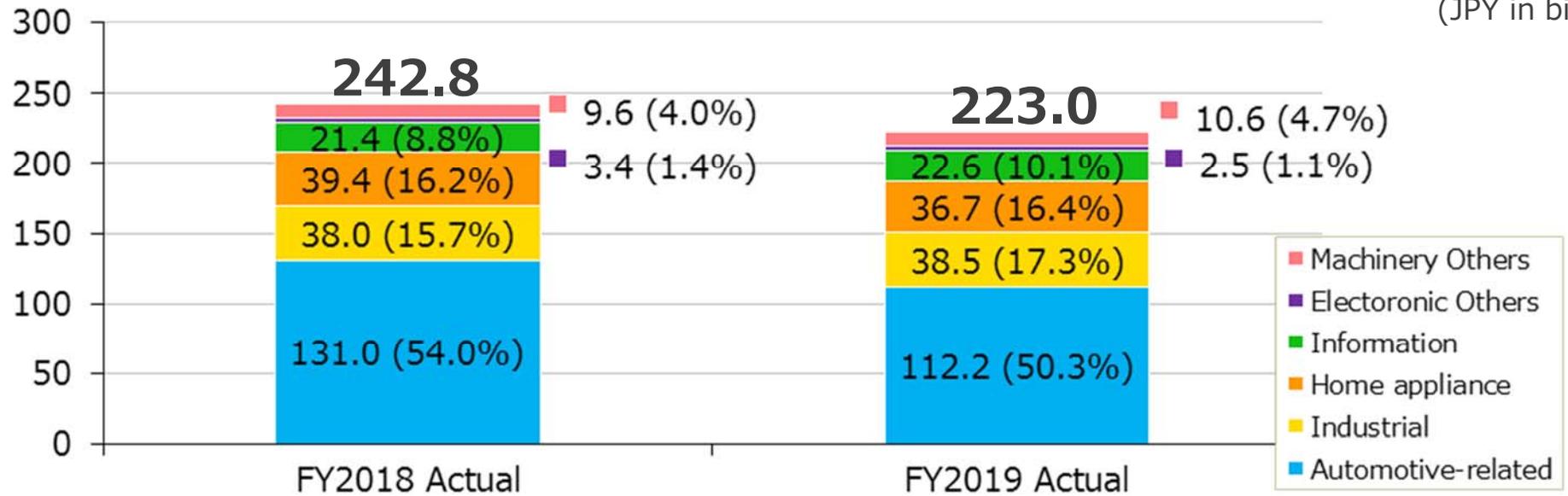
(JPY in billions, %)



Analysis Consolidated Sales of FY2019

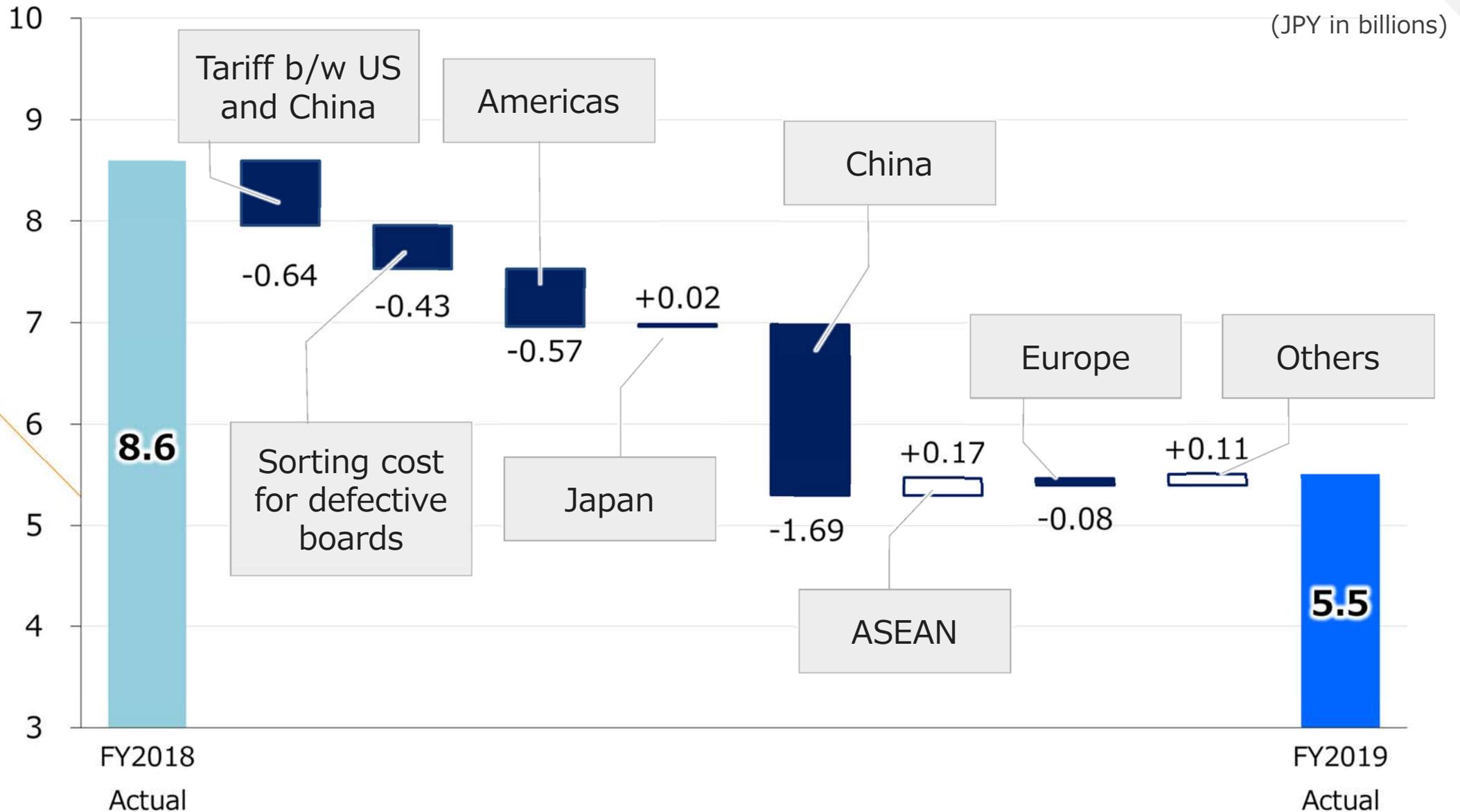
● Sales by Market Sector (FY2018, actual vs. FY2019, actual)

(JPY in billion)



Analysis of Consolidated OP of FY2019

● Operating Profit (FY2018, actual vs. FY2019, actual)



Consolidated Financial Result of FY2019

● SGA

	FY2018		FY2019		Changes		
	(JPY in millions)	amount	%	amount	%	amount	%
Personnel expenses		6,105	2.5	6,319	2.8	214	3.5
Traveling and communication expenses		501	0.2	456	0.2	(46)	(9.1)
Freightage and packing expenses		1,410	0.6	1,238	0.6	(172)	(12.2)
Commission fee		751	0.3	732	0.3	(18)	(2.5)
Rent expenses on real estates		572	0.2	388	0.2	(183)	(32.1)
Depreciation		548	0.2	835	0.4	287	52.2
Other expense		2,120	0.9	2,184	1.0	64	3.0
Total		12,010	4.9	12,155	5.4	145	1.2

Consolidated Financial Result of FY2019

● Non-Operating Profit and Loss

(JPY in millions)	FY2018	FY2019
Interest income	78	79
Dividends income	112	86
Equity in earnings of affiliates	221	118
Real estate rent	108	97
Other	769	928
Non-operating income	1,289	1,309
Interest expenses	318	468
Foreign exchange losses	464	164
Other	415	548
Non-operating loss	1,198	1,181
Non-operating income/loss	91	128

Consolidated Financial Result of FY2019

● Balance Sheet

(JPY in millions)	End of FY2018	End of FY2019	Changes (FY2018 vs. FY2019)	
			amount	%
Current assets	101,487	101,990	503	0.5
<i>Notes and accounts receivable-trade</i>	38,936	36,349	(2,587)	(6.6)
<i>Inventories</i>	44,726	42,132	(2,594)	(5.8)
Noncurrent assets	35,863	41,400	5,537	15.4
Total asset	137,350	143,391	6,040	4.4
Current liabilities	63,595	68,872	5,277	8.3
<i>Accounts payable-trade</i>	29,130	27,163	(1,967)	(6.8)
<i>Short-term loans payable</i>	25,236	26,585	1,349	5.3
<i>Current portion of bonds payable</i>	-	5,948	5,948	-
Noncurrent liabilities	17,738	16,268	(1,470)	(8.3)
<i>Convertible Bond</i>	5,948	-	(5,948)	(100.0)
<i>Long-term loans payable</i>	7,455	10,417	2,962	39.7
Total liability	81,334	85,141	3,807	4.7
Net assets	56,016	58,249	2,233	4.0
Minority interests	308	342	34	11.0
New assets and liability	137,350	143,391	6,040	4.4

Consolidated Financial Result of FY2019

● Cash Flow

(JPY in millions)	FY2015	FY2016	FY2017	FY2018	FY2019
Net cash from operating activities	7,996	6,333	4,536	966	8,945
Net cash from investing activities	(5,113)	(5,450)	(9,211)	(6,515)	(9,602)
Net cash from financing activities	3,352	(4,171)	6,410	7,991	2,923
Cash and cash equivalents	12,473	8,776	10,574	12,813	15,035
Debt to annual cash flow ratio (years)	2.0	1.9	3.4	27.2	4.0
Interest coverage ratio (X)	61.8	85.9	20.1	3.2	18.3

Consolidated Financial Forecast of FY2020

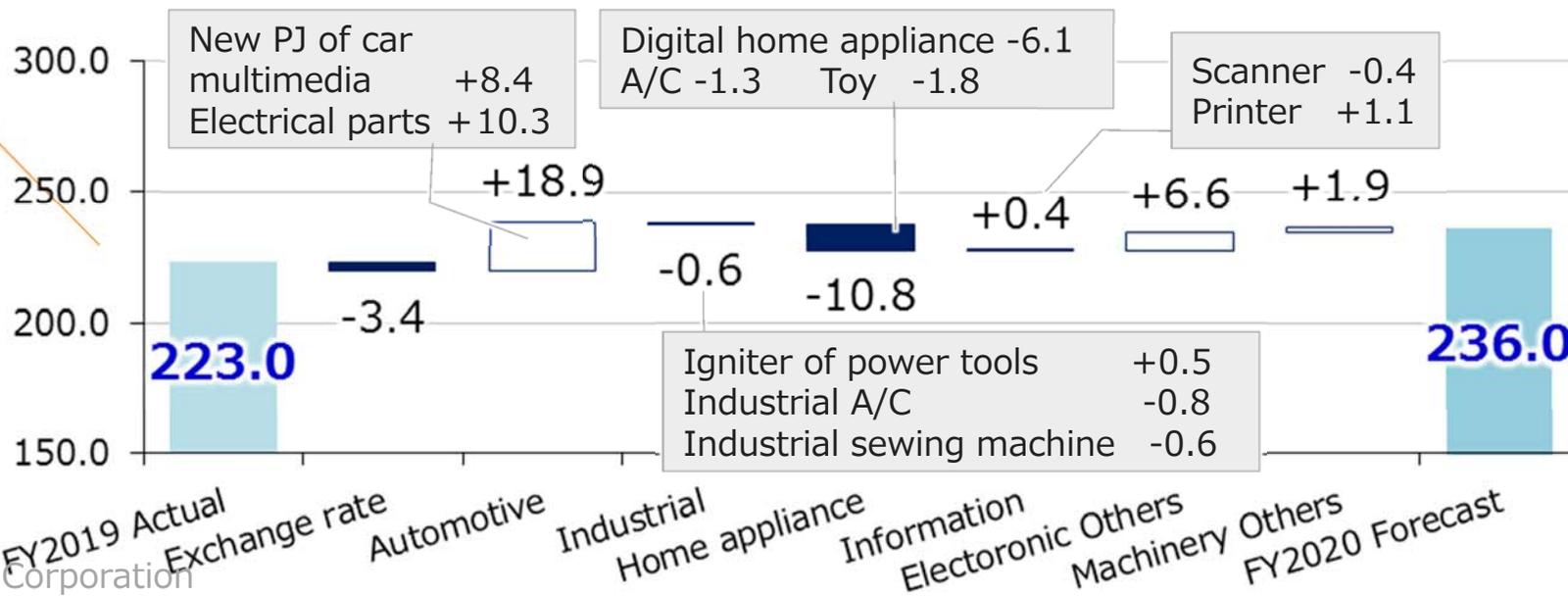
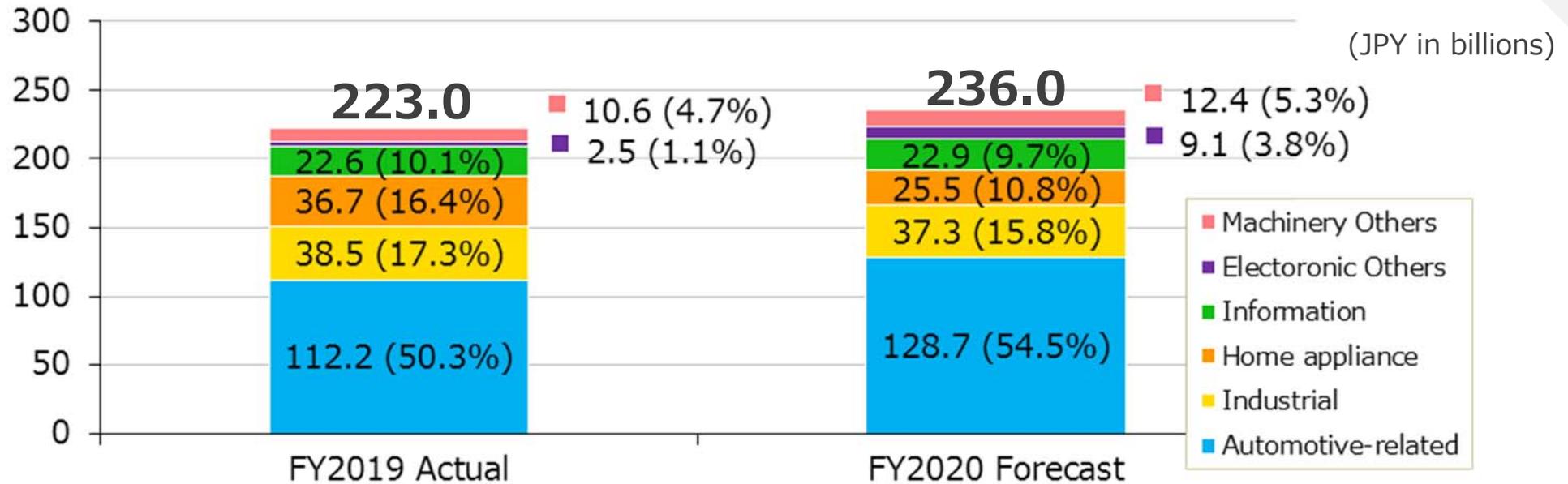
(JPY in millions)	FY 2018		FY 2019		FY 2020		FY2019 vs. FY 2020	
	Actual	%	Actual		Forecast		diff.	%
Sales	242,804		223,037		236,000		12,962	5.8
Operating income	8,625	3.6	5,506	2.5	7,500	3.2	1,993	36.2
Ordinary income	8,717	3.6	5,634	2.5	7,500	3.2	1,865	33.1
Profit attributable to owners of parent	6,414	2.6	3,695	1.7	5,500	2.3	1,805	48.8
Net income per share (JPY) ※	131.45		78.21		116.40		38.19	48.8
EBITDA	12,861		10,983		13,583		2,599	23.7

※Net income per share of FY2018, FY2019 and FY2020 (forecast) indicates amounts calculated in consideration of stock split which had been carried out on April, 2018.

Exchange rate (USD)	¥ 110.58	¥ 109.07	¥ 108.00
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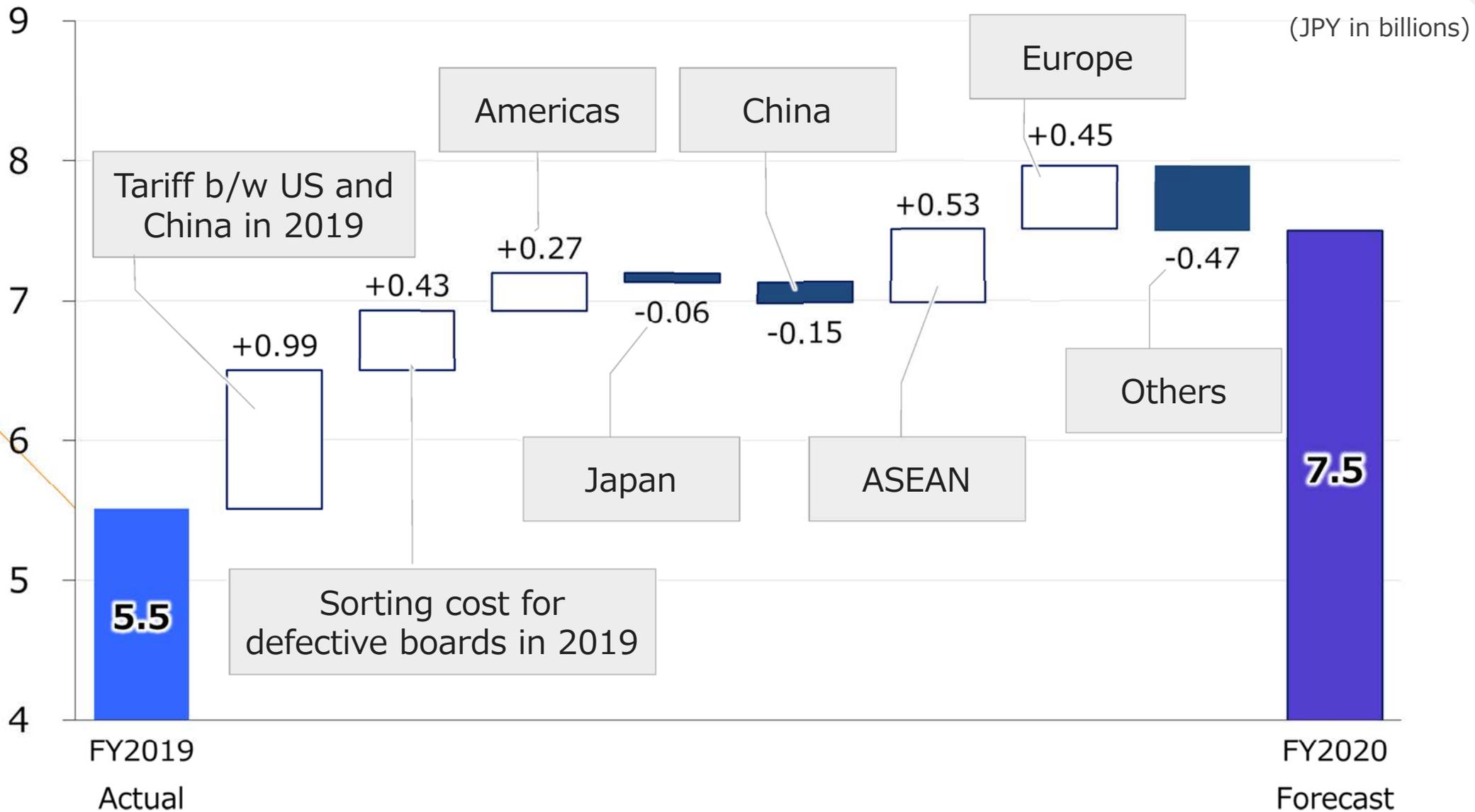
Analysis of Consolidated Sales of FY2020

● Sales by Market Sector (FY2019, actual vs. FY2020, forecast)



Analysis of Consolidated OP of FY2020

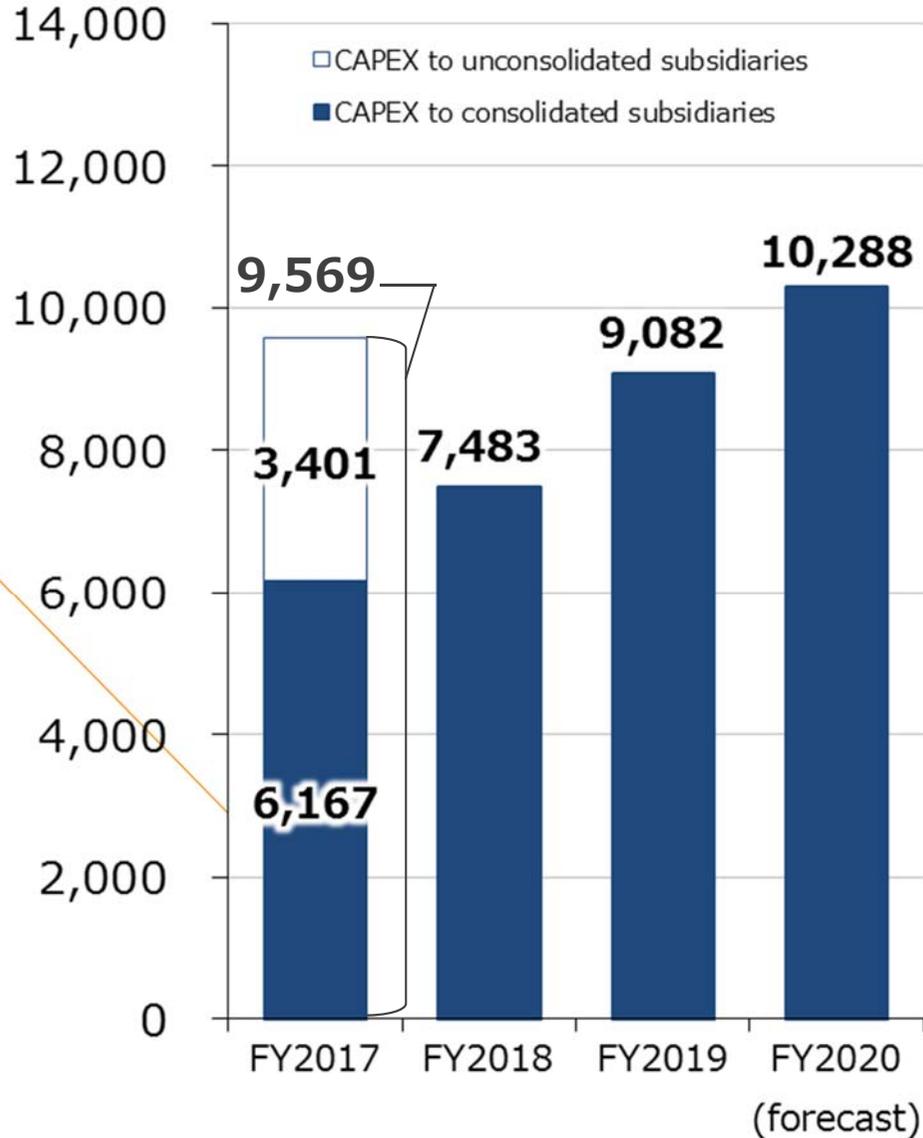
● Operating Profit (FY2019, actual vs. FY2020, forecast)



CAPEX & Depreciation

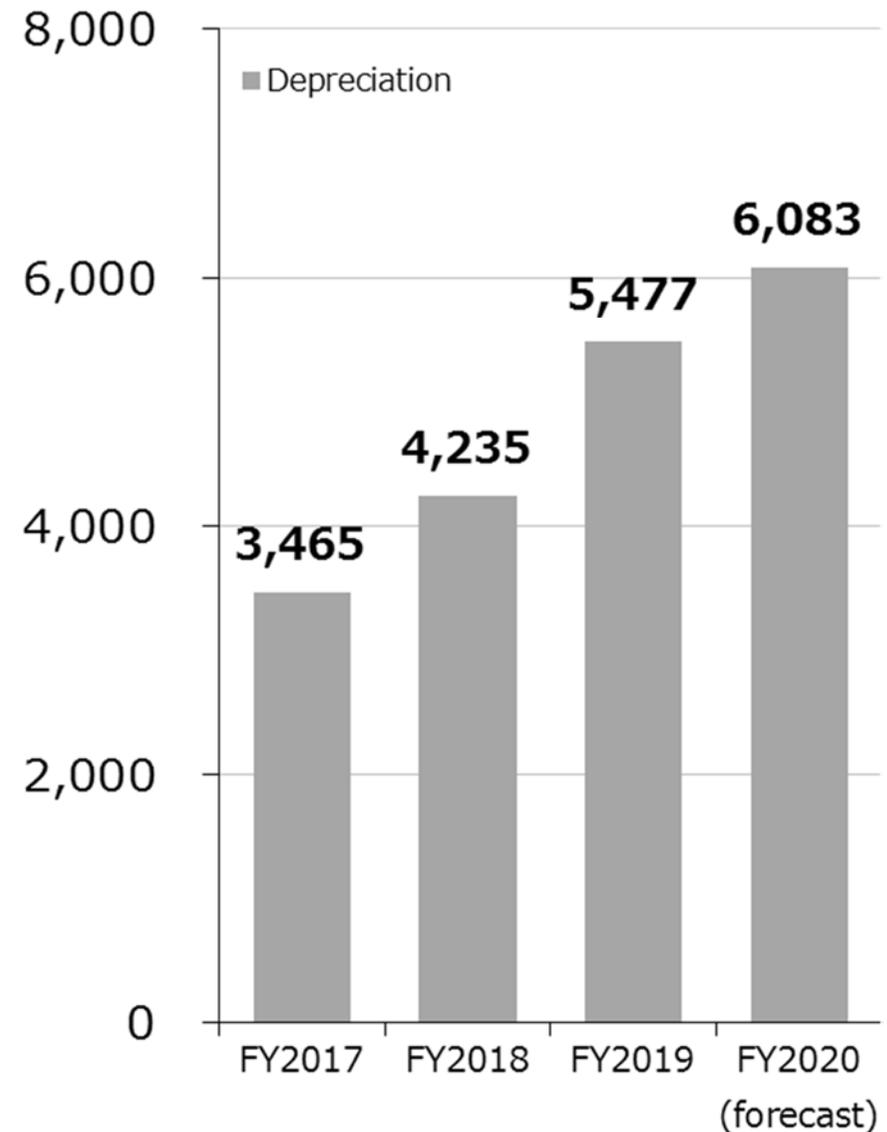
● CAPEX

(JPY in millions)

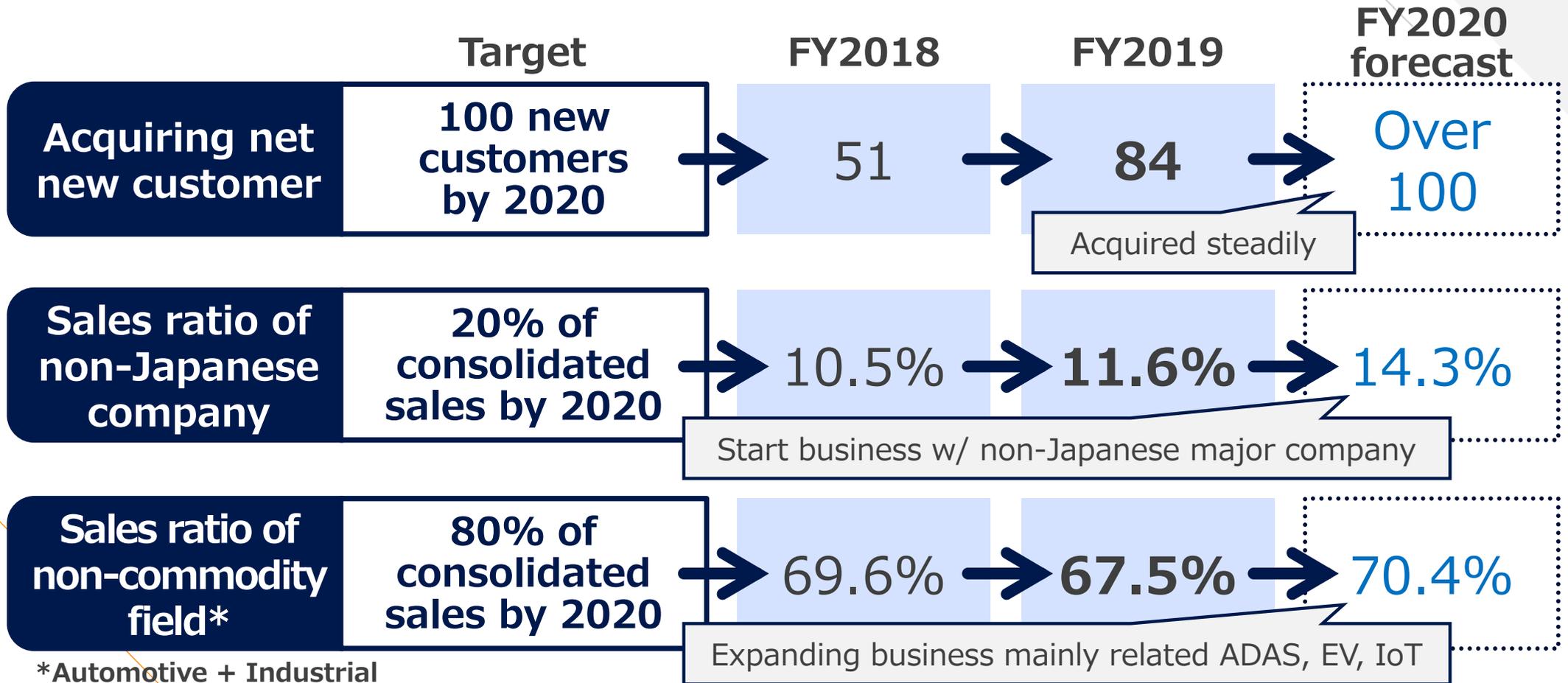


● Depreciation

(JPY in millions)



KPI of Mid-term Management Plan



*Automotive + Industrial

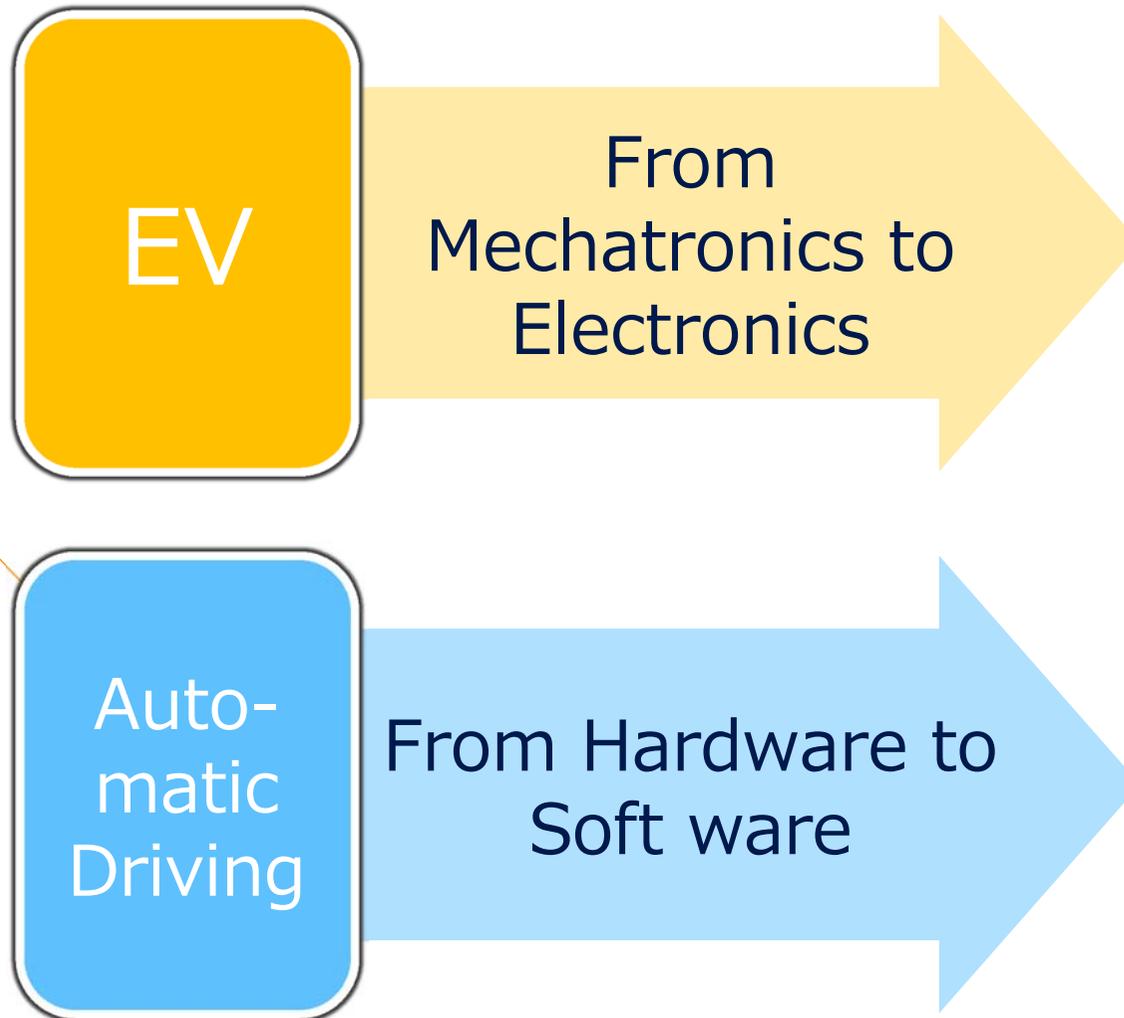
Mid-term Management Plan

While tariff between the US and China and economic slowdown in China largely effected in the consolidated financial performance, SIIX has revised the consolidate financial target of current mid-term management plan.

Original	Sales	300 billion JPY	→	Revised	Sales	236 billion JPY
	OP	14 billion JPY	→		OP	7.5 billion JPY

Next mid-term management plan of FY2021-FY2023, which will be drawn up in the consideration of increasing business with European tier-1 customers and EV-related business, will be announced at the financial results briefing of FY2020

Automotive Business



Positive effect

- ✓ Direct business with EV maker will be increased.
- ✓ Electronic control products will be increased in powertrain and battery field.
- ✓ Electronics manufacturing will be more outsourced by customers, which will focus their resource on R&D of software.
- ✓ Tier-1 companies are consolidated and realigned, and business volume site per tier-1 customer will be increased at various manufacturing site. We need manufacturing capacity and global network to satisfy these tier-1 customers' requirement.

NEV Roadmap (Contribution to Low Carbon Society)

	2019	2020	2021	2025	2030	2035~
Macro	<p>China Start NEV regulations</p> <p>USA Tesla has achieved their sales target 367000 EV</p>	<p>Japan SONY has launched VISION – S</p>	<p>Global EV will exceed HV in new car sales</p>	<p>China NEV will be increased to 25%</p> <p>Norway Prohibit sales of conventional vehicles</p>	<p>Europe Prohibit sales of conventional vehicles in Sweden and Netherland</p> <p>China NEV will exceed conventional car in new car sales</p>	<p>in 2035 Global Over 40 million NEV will be sold</p> <p>China NEV will be increased to 60%</p> <p>UK Prohibit sales of conventional vehicles</p> <p>in 2040 France, Germany Prohibit sales of conventional vehicles</p>
SIIX	<p>Increase in PCB business of electric compressor and battery sensor</p>	<p>Start direct business w/ Chinese EV maker. Start PCB manufacturing for Japanese automobile</p>	<p>Start direct business w/ automotive OEM company</p>			

Inquiries from Chinese, American and European customers are increased

Expanding Business w/ Mega Tier1 Company (Growing Sales ratio to Non-Japanese)

- **European Company (Germany)**

We will start production of PCB in Thailand and Hungary in 2020 and focus on strengthening our close relationship with a view to have more business all over the world.

Furthermore, we will start business with another German Company in Shanghai and Europe.

- **European Company (France)**

In addition to Mexico, We will start production in Hubei.

The business will be expanded for middle-China area and European market including Russia.

Trading Function

- **Collaboration with SAKATA INX**

PCB (Printed Electronics)

Mobility (IoT, Sensor, 5G)

Environmental material (Molding Resin)

Aiming to new product development in various fields

Electronics + Chemical = "Chemitronics"

- **Collaboration with Technology Partner in Singapore**

**Lens, Lens Module
IR Sensor
Robot**

Introduction to various new customers

Smart Home
Smart Device
Security
Automobile, UAV
Robotics
Spectrometer etc...

ESG

ESG	Phase 1	Phase 2	Materiality	organization	
E	Global warming countermeasures	Reduction of CO2	SCOPE2 reduction (Installation of solar panels)	Environmental Management Committee	
	Reduction of waste elimination (sale and disposal)	Reduction of disposal loss (volume)	Reduction of amount of disposal of electronic components and solder debris (including sale)	Environmental Management Committee	
S	An attractive workplace	Utilization of local human resource	Increase of local executive ratio	General Affairs Dept.	
	Diversity			General Affairs Dept.	
	Reduction of occupational accidents	Labor Education	Reduce the number of disasters	General Affairs Dept.	
	Eradication of child labor	Labor Management	Eradication	General Affairs Dept.	
	Eradication of long hour working	Labor Management	Eradication	General Affairs Dept.	
Gender	Woman staff empowerment	Improve female executive ratio	General Affairs Dept.		
G	Corporate Governance	Bribery prevention, whistleblowing system	Thoroughgoing education on bribery and whistleblowing system on local site	Compliance Committee	
	Compliance	Compliance with various laws	Understanding and responding to country-specific regulations		
	Risk Management	Information security	Countermeasures for information leakage		ISMS office
		Quality management	Reduction of defects and complaints		Global Engineering Dept.
	Structure of Board of Directors		Minimum number of directors w/ balanced skills		Nomination and Remuneration Advisory Committee
		BCP		Formulation of countermeasures and thoroughgoing exercises	All Dept.

SDGs		
		
		
		
		

We will focus on important theme (indicated in red letters) and disclose its progress. “Environment Management Committee” will be set up and lead the progress of “E” theme.

ESG KPI

Environment

We complete RoHS2 compliant. We focus on reduction of GHG and waste elimination of each factory in 2020.

Also, we will disclose the progress in our Integrated Report.

Society

Local executives ratio =
 $\frac{\# \text{ of Local executives}}{\# \text{ of All executives in each subsidiary}}$

Target in 2020

80%

Female executives ratio =
 $\frac{\# \text{ of Female executives}}{\# \text{ of All executives}}$

50%

*Executives = Manager + Assistant Manager

Governance

We appoint director who is in charge of global engineering to supervise and improve high-quality mounting technology of SIIX group for high competitiveness.

Reduction of Green House Gas

«Contribution through our business»

- **NEV** : Aiming to expand NEV related business
- **LED lighting** : Expanding business of LED lighting for use in the home and vehicles.



- **Electric Chain Saw** :

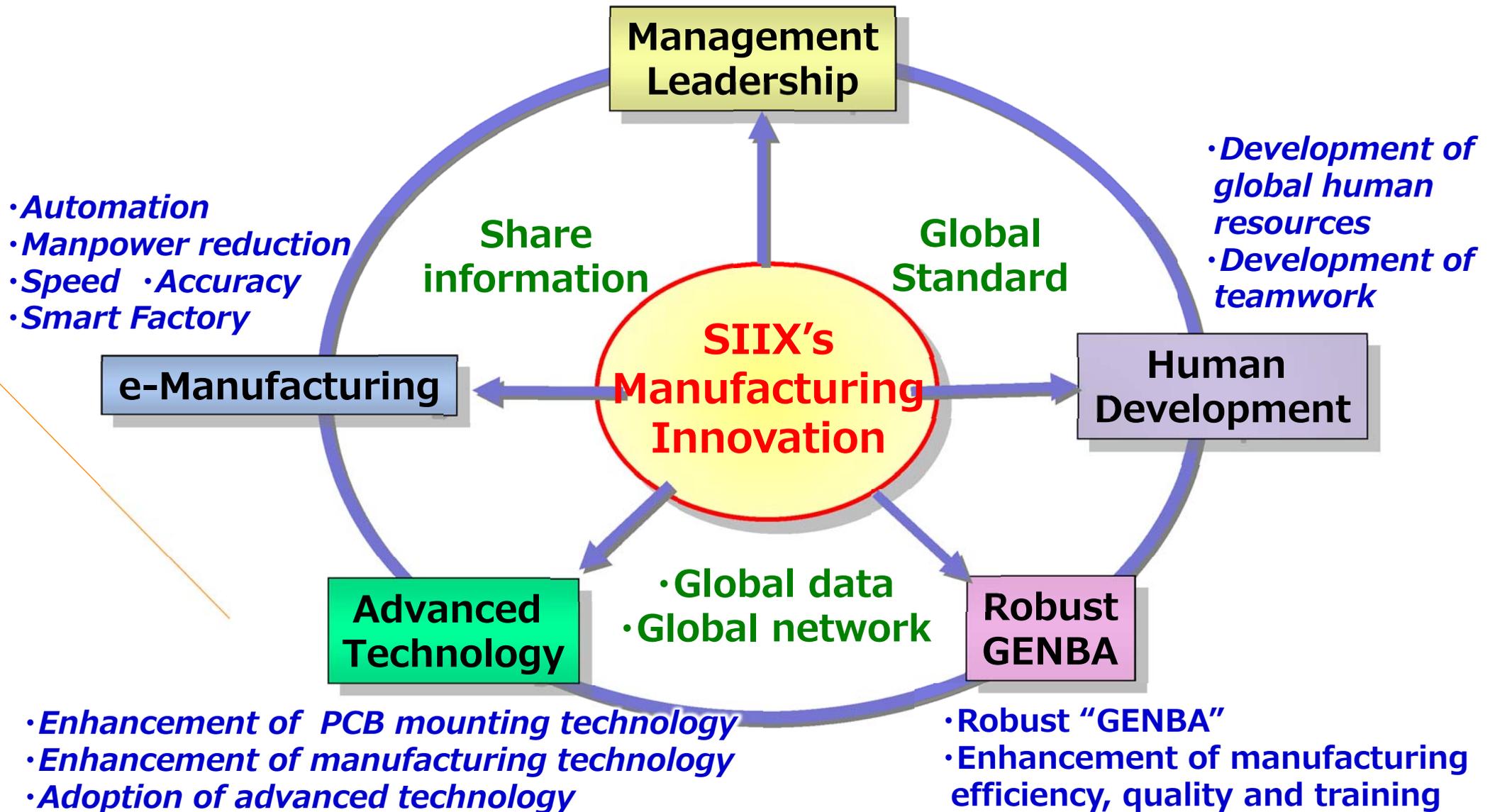
To reduce exhaust gas emitted from gasoline engine, customers promote electrification of their product. We manufacture PCBs and assemble battery for their products for low carbonization.

«Contribution through manufacturing facility»

- We will make a reduction plan of CO2 emitted by electricity use in our factory through the reduction activity such as an installation of solar panel, active use of eco manufacturing facility and promotion of use of LED lighting.

SIIX's Strategic Policy for High-Quality Manufacturing

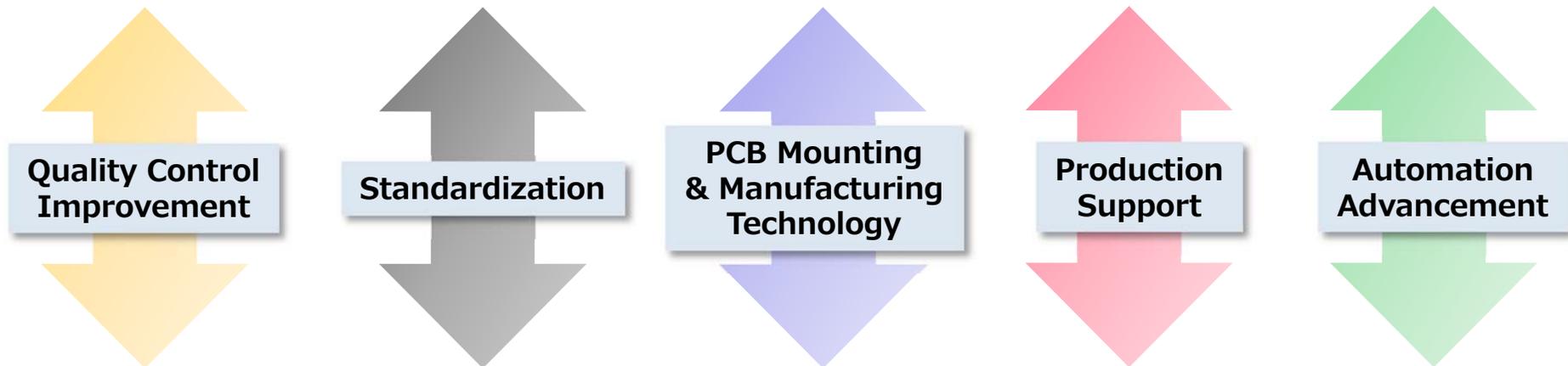
• Enhancement of Manufacturing Management



Global Network and Management

12 factory network of manufacturing, technology and quality

Global Engineering Dept. (@Sagamihara, JAPAN)



Strengthening Cooperation b/w SIIX Manufacturing Plant

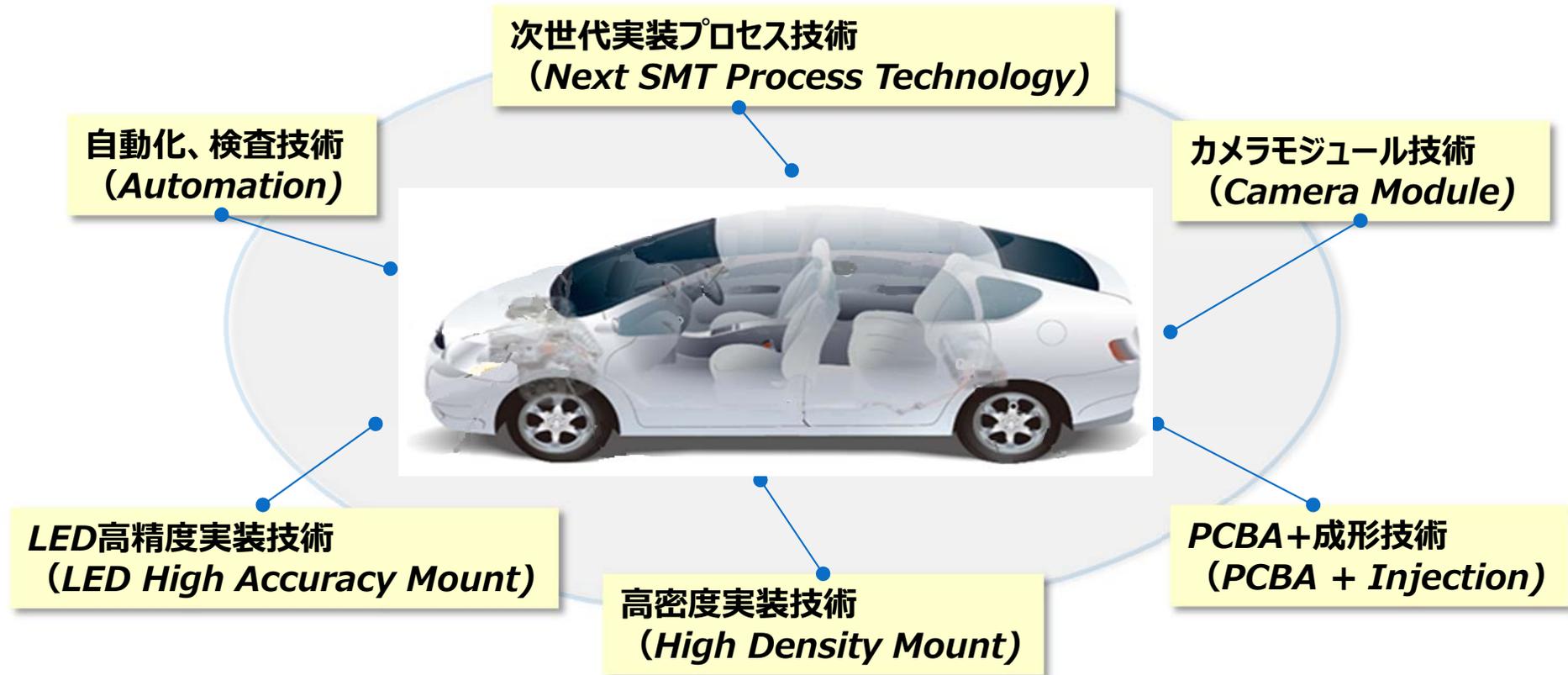


World-class automotive EMS

SMT 145 Lines

Towards Zero Defect for EV, ADAS

69 Molding Machines



Because we are SIIX, "Global Business Organizer", We can realize;

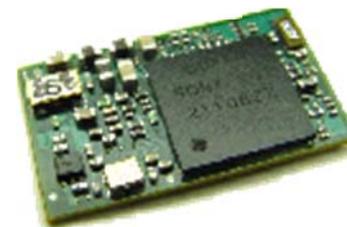
Abundant technology of multi-process manufacturing and global management of technology and quality across 12 factories

Keyword for further success

技術課題 Technical Issue

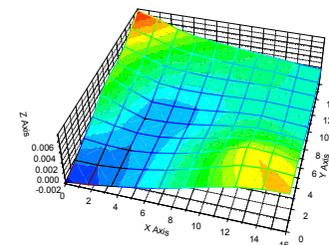
大と小
Big & Small

微小・大型部品実装
Small & Big size Mount



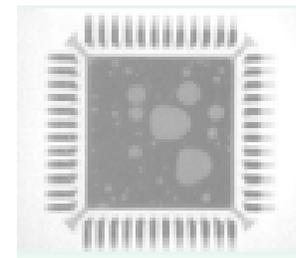
反る
Warp

部品・基板薄型化
Parts, PCB Thinning



無くす
Zeronization

信頼性向上
Reliability Improve



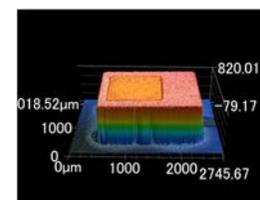
繋ぐ
Connect

低コスト化
Lowering Cost



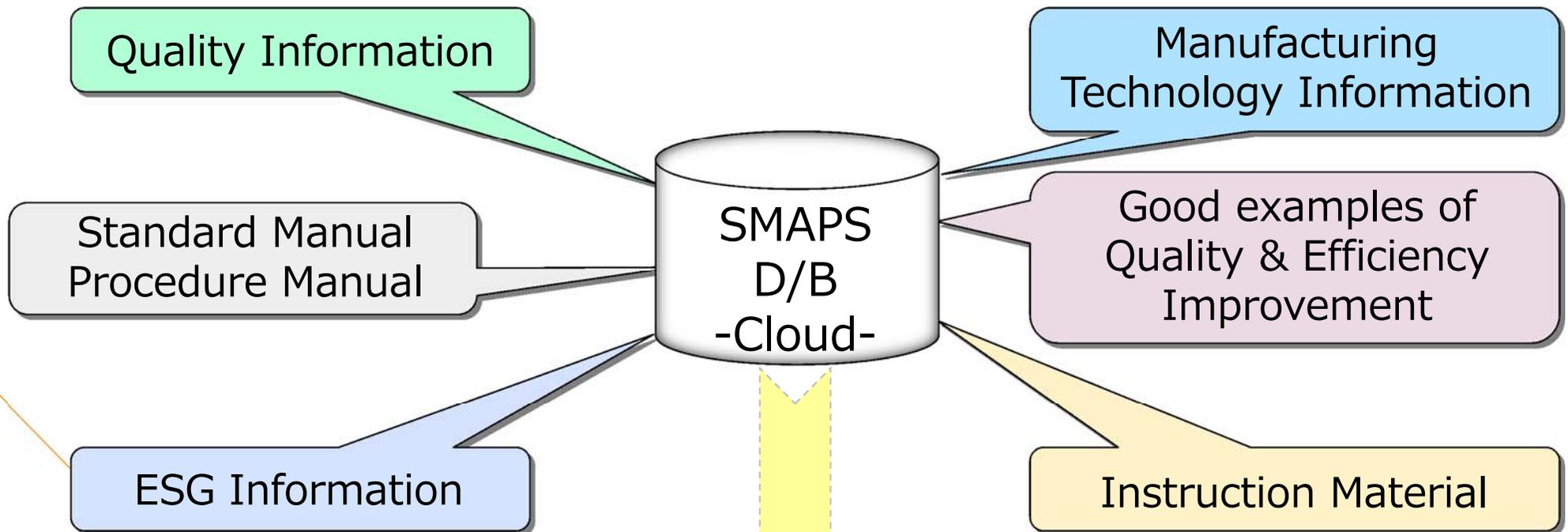
測る
Measure

高精度化・高速化
High Accuracy & Speed



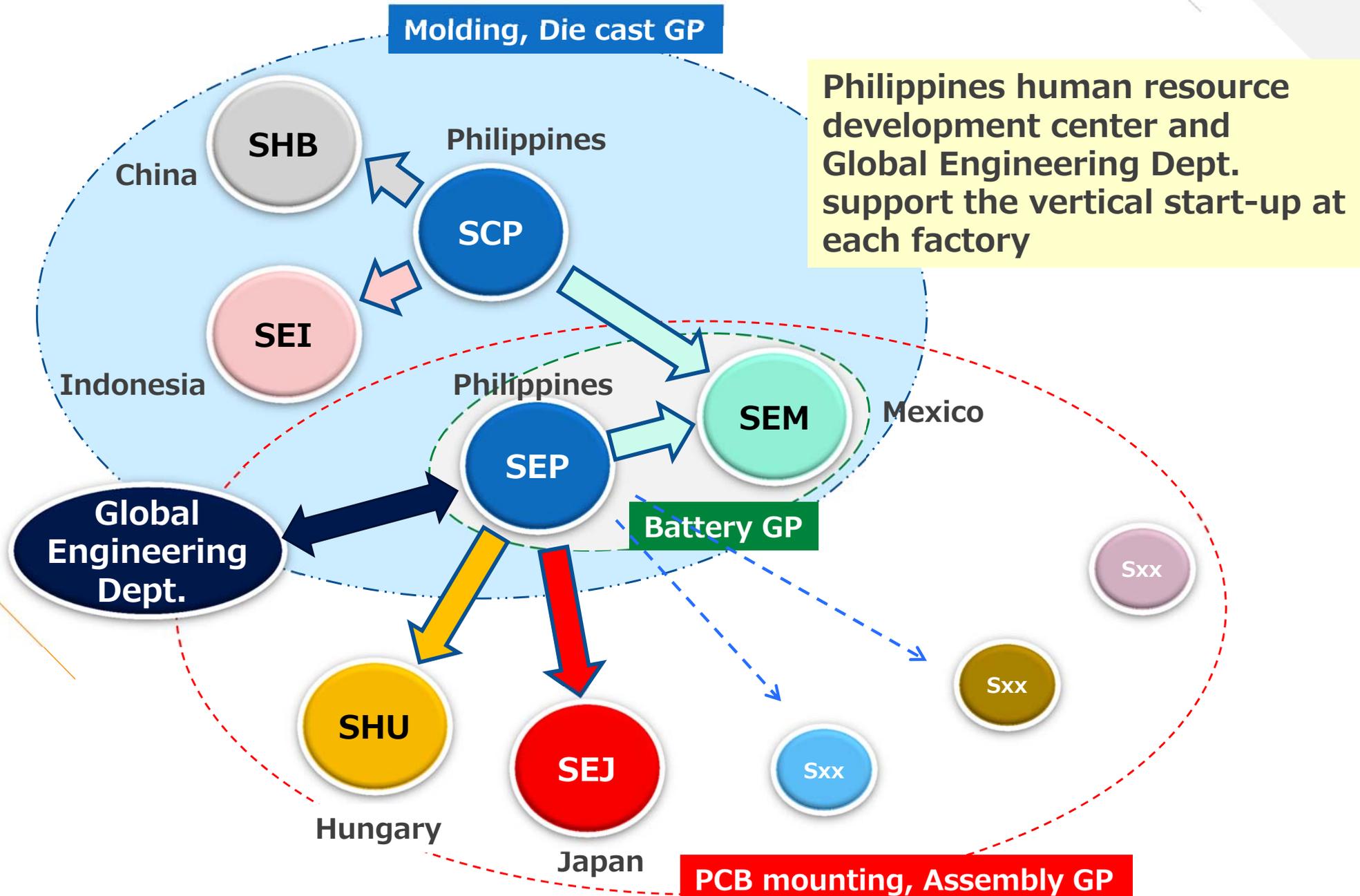
Smart Factory

SMAPS (*Siix Manufacturing Platform System*)



SMAPS enables us to utilize the real-time data of manufacturing technology at GENBA

Education support reinforcement system



Standardization and sharing information of quality, technology and training knowhow

All SIIX global manufacturing meeting in Jan. & Jul. every year



in Philippines, Jul. 2019

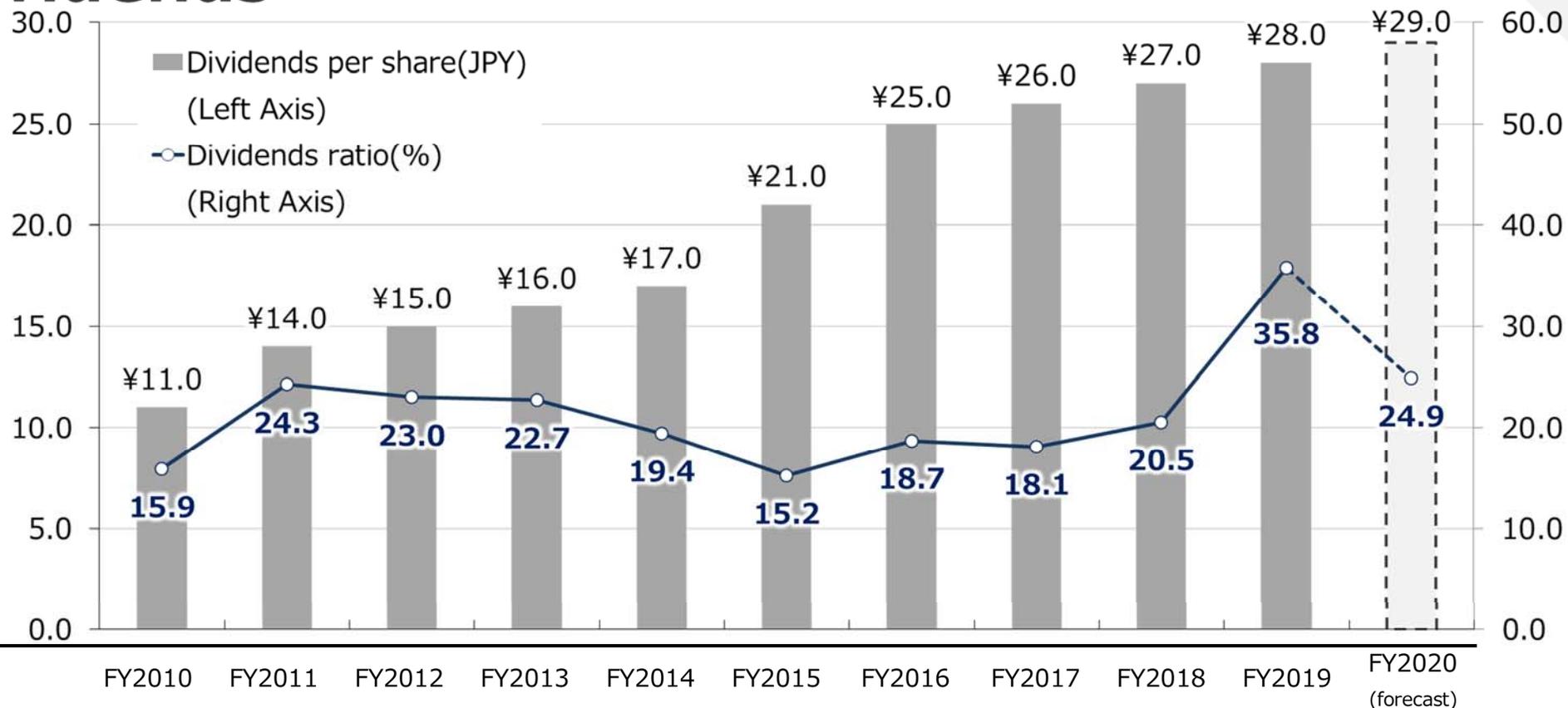


in Osaka, Feb 2020

- Management staffs of manufacturing, technology dept. of all SIIX plant are gathered to have a discussion and information sharing about quality, manufacturing technology, process improvement, automation, training, and also to take a plant tour.
- Improving and developing local management staff through field audit and monthly quality meeting b/w Global Technology Dept. and each plant.

Shareholder Return

● Dividends



Dividends per share(JPY) (Left Axis)	11.0	14.0	15.0	16.0	17.0	21.0	25.0	26.0	27.0	28.0	29.0
Dividends ratio(%) (Right Axis)	15.9	24.3	23.0	22.7	19.4	15.2	18.7	18.1	20.5	35.8	24.9
# of Treasury Stock Acquisition	-	-	-	-	-	-	508,900	-	2.03 mil.	-	-
Amount of treasury stock acquisition (JPY)	-	-	-	-	-	-	2,000 mil.	-	4,000 mil.	-	-

※includes commemorative dividend 2.00 yen

Consolidated Financial Result of FY2019 <Appendix>

SIIX Corporation

February 2020





Profit and Loss

	FY2015	FY2016	FY2017	FY2018	FY2019
(JPY in millions)					
Net sales	235,035	212,768	233,153	242,804	223,037
Operating income	8,913	9,134	9,705	8,625	5,506
Operating income ratio (%)	3.8	4.3	4.2	3.6	2.5
Ordinary income	9,002	9,146	10,513	8,717	5,634
Ordinary income ratio (%)	3.8	4.3	4.5	3.6	2.5
Profit attributable to owners of parent	6,717	6,698	7,093	6,414	3,695
Profit attributable to owners of parent ratio(%)	2.9	3.1	3.0	2.6	1.7
Consolidated subsidiaries	18	18	19	22	22
Equity method affiliates	1	1	1	2	2
Employees	10,352	10,820	11,659	13,632	12,721



Management indicators

		FY2015	FY2016	FY2017	FY2018	FY2019
ROE	(%)	14.8	13.3	13.1	11.4	6.5
ROA	(%)	8.4	8.3	8.8	6.5	4.0
Total asset turnover		2.2	1.9	1.9	1.8	1.6
Net interest-bearing debts/Net asset	(%)	0.2	5.2	15.6	36.1	40.7
D/E ratio		0.3	0.2	0.3	0.6	0.7
Current ratio	(%)	179.7	176.3	170.6	159.6	148.1
Accounts receivable turnover ratio	(day)	68.6	73.5	69.7	64.7	61.6
Inventory turnover ratio	(day)	40.0	46.8	49.3	59.5	71.1
PBR	(X)	1.9	1.9	2.1	1.2	1.2
PER	(X)	13.6	14.7	16.8	10.9	19.5



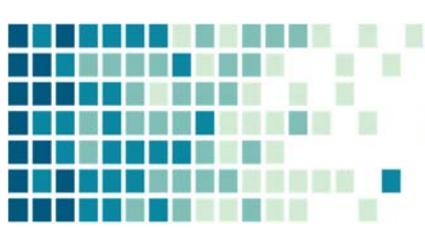
Capital Structure

	FY2015	FY2016	FY2017	FY2018	FY2019
(JPY in millions)					
Total asset	109,957	109,695	130,526	137,350	143,391
Liability	60,217	58,121	72,916	81,334	85,141
interest-bearing debt	12,614	11,458	19,553	32,969	38,667
Net asset	49,739	51,573	57,609	56,016	58,249
Capital-to-asset ratio (%)	45.1	46.8	43.9	40.5	40.3
Closing stock price (JPY)	1,870	1,973	2,418	1,430	1,523
Capital-to-asset ratio at market value (%)	85.5	88.6	91.3	49.2	50.2
Issued stock (thousand)	50,400	50,400	50,400	50,400	50,400
BPS	986.35	1,042.20	1,162.33	1,178.04	1,224.26



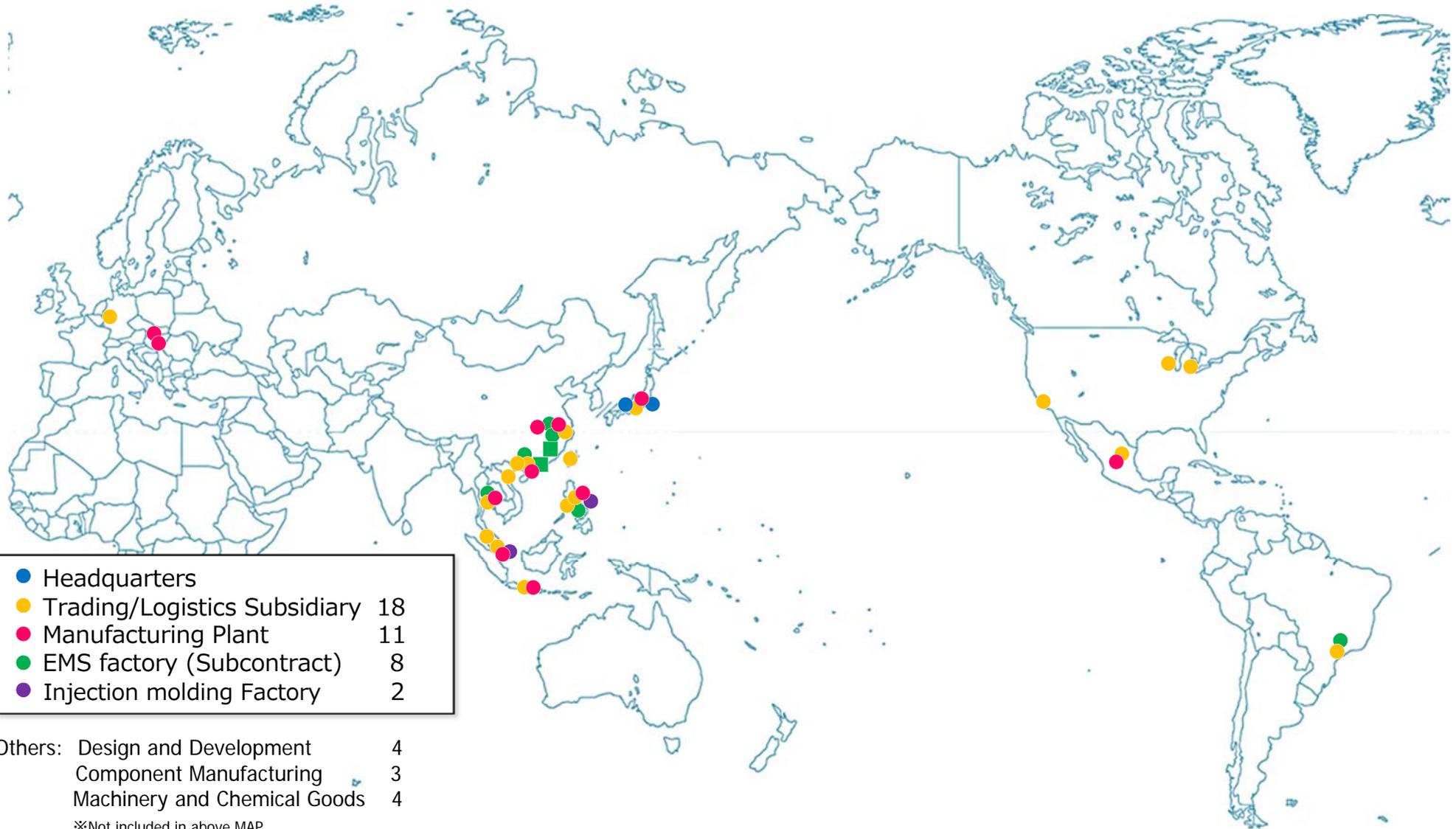
Sales by market sector

(JPY in millions, %)	FY2018				FY2019			
	1H	2H	full year	%	1H	2H	full year	%
Automotive-related equipments	66,192	64,804	130,996	54.0	56,358	55,810	112,168	50.3
Home appliances	19,671	18,346	38,017	15.7	18,733	19,754	38,487	17.3
Industrial equipments	18,143	21,223	39,366	16.2	20,035	16,629	36,665	16.4
Information equipments	9,911	11,486	21,397	8.8	12,399	10,224	22,623	10.1
Electronics others	1,841	1,587	3,429	1.4	1,058	1,448	2,507	1.1
Machinery and others	4,170	5,430	9,600	4.0	5,159	5,429	10,588	4.7
Total	119,928	122,875	242,804	100.0	113,743	109,294	223,037	100.0

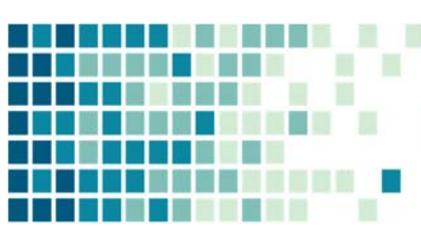


SIIX GLOBAL NETWORK

(as of end of December 2019)



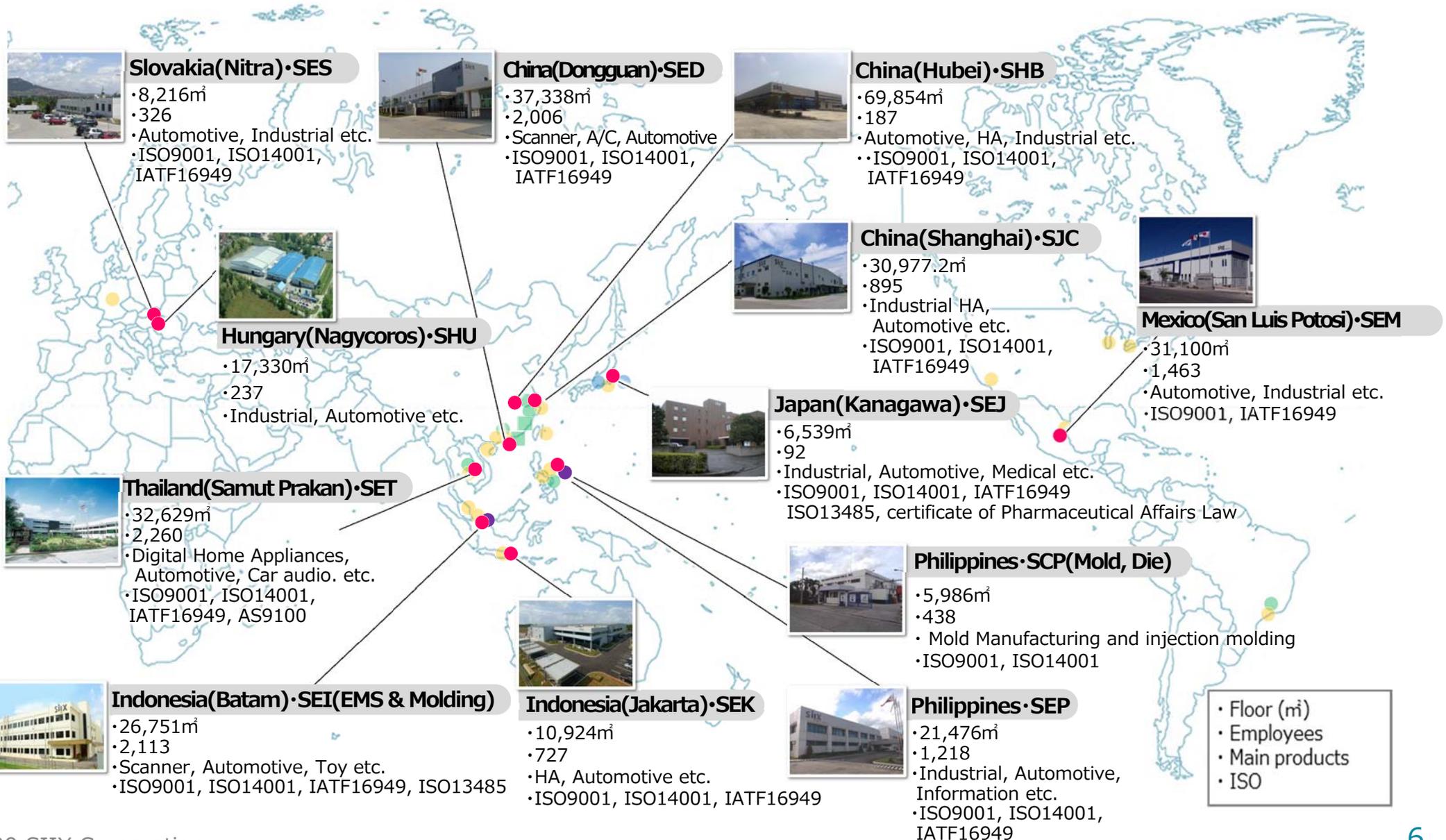
※Not included in above MAP



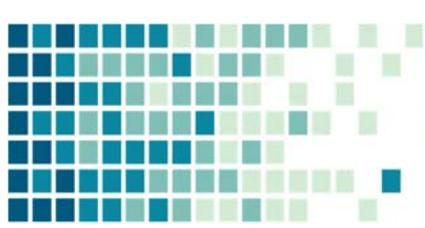
SIIX GLOBAL NETWORK

Manufacturing Factory

(as of end of December 2019)



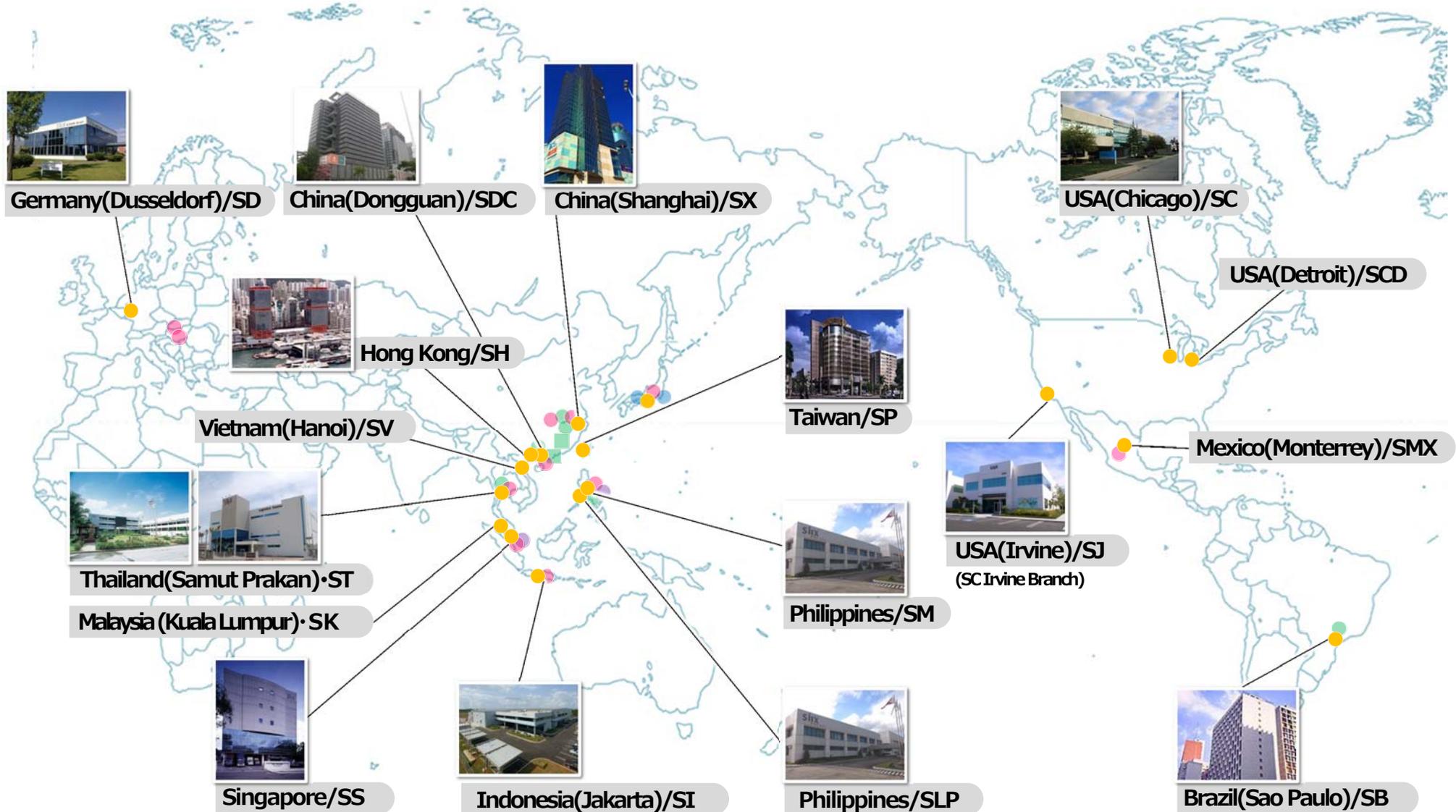
- Floor (m²)
- Employees
- Main products
- ISO



SIIX GLOBAL NETWORK

Sales & Logistics

(as of end of December 2019)





SIIX GLOBAL NETWORK

Subcontract Factory & Affiliates

(as of end of December 2019)

