January 31, 2006

SIIX Corporation
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Extraordinary Loss and Revision of Forecast for Non-Consolidated Performance

SIIX Corporation hereby announces the posting of extraordinary loss as outlined in item I below and a revision of the forecast for non-consolidated performance for the fiscal year ended December 2005, (January 1, 2005 to December 31, 2005) released on August 11, 2005, as stated in item II below.

I. Outline of Extraordinary Loss

The business of LCD modules for mobile phones handled by us and one of our consolidated subsidiaries resulted in the loss as below.

1. Loss from Disposition of Inventory assets

   Upon termination of the project relating to the LCD modules for mobile phones, we disposed of the inventory. Although we had already recorded loss on valuation of inventories of ¥438 million in the interim financial statements and the interim consolidated financial statements for the fiscal year ended December 2005, part of the loss became collectable after the disposition. Accordingly, we recorded ¥249 million as extraordinary loss on the inventory disposition in the financial statements and the consolidated financial statements for the fiscal year ended December 2005.

2. Loss on valuation of Inventory and Allowance for Investment Loss

   SIIX Europe GmbH, one of our consolidated subsidiaries, had excessive inventory assets of LCD modules for mobile phones due to production adjustments by client manufacturers. Accordingly, we intend to record approximately ¥600 million as extraordinary loss on valuation of inventories in the consolidated financial statements for the fiscal year ended December 2005.

   This transaction caused deterioration of the financial status of SIIX Europe GmbH as of December 31, 2005. We believe that the operations of the subsidiary will recover in the future, but from the perspective of soundness, we resolved at the meeting of the board of directors held on January 31, 2006, to book ¥839 million as the provision of allowance for investment loss (i.e. extraordinary loss) in the non-consolidated financial statements.

II. Revision of Forecast for Non-Consolidated Performance for the fiscal year ended December 2005

1. Revision of forecast for non-consolidated performance for the fiscal year ended December 2005 (January 1, 2005 to December 31, 2005)

(Units: Millions of yen, %)

	Sales	Ordinary Income	Net Income
Previously announced forecast (A)	54,792	499	1,045
Present revised forecast (B)	54,145	625	391
Difference (B-A)	△647	126	△654
Fluctuation rate (%)	△1.2	25.3	△62.6
Performance in the previous term (fiscal year ended December 2004)	52,286	786	334

Reference: Forecasted net income per share for the term (full year): ¥31.09

2. Reason for the Revision

While decreased shipments of LCD modules for mobile phones due to fierce competition will result in slight decline in sales from the previous forecast, the steady shipment of components for digital home appliance, car audio, consumer appliances, and industrial equipment contributed to the improvement in profitability, and the ordinary income will become higher than expected.

As mentioned previously, we will record ¥249 million as the loss on disposal of inventories and ¥839 million for the provision of allowance for investment loss, both as the extraordinary loss, which will decrease the net income for the fiscal year as compared to the original forecast.

3. Forecast of Consolidated Performance for the fiscal year ended December 2005

As for the loss stated in item I above, there will be no effect on consolidated performance since the allowance for investment loss will be eliminated in full under the capital consolidation procedures; however, there is a possibility that the inventory loss may affect the corporate tax expense. Although we anticipate no material effect on the forecast for consolidated performance as of August 11, 2005, we are planning to announce the consolidated financial results, including any affected figures from the above for the fiscal year ended December 2005, on February 17, 2006.

* Reference (1): Corporate Profile of SIIX Europe GmbH

1. Name of Company: SIIX Europe GmbH
2. Location: Willich, Germany
3. Description of Business: Import, export, sales, distribution, and manufacturing of electronics components and devices
4. Representative: Takaaki Iwatake
5. Capital: 1,022,000 euros
6. Shareholders: 100% owned by us

* Reference (2): Forecast of Consolidated Performance for the fiscal year ended December 2005 (January 1, 2005 to December 31, 2005)

(Unit: Millions of yen)

	Sales	Ordinary Income	Net Income
Previously announced forecast	115,343	2,823	2,879

The forecasts of sales and income herein contained were made on the basis of the information available as of the date when this document was issued. Accordingly, actual sales and income may differ from the forecasts due to uncertainties inherent in forecasting.