

Consolidated 2nd Quarter Financial Results for the Fiscal Year Ended December 31, 2011 (January 1, 2011 to June 30, 2011)

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 Stock code: 7613
 Stock exchange listing (Section): Tokyo Stock Exchange, (First Section)
 Osaka Securities Exchange, (First Section)
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 Submission date of quarterly financial statement: August 11, 2011
 Date of dividend payment: September 1, 2011

(Amounts rounded down to million yen)

1. Consolidated 2nd quarter Financial Results (January 1, 2011 – June 30, 2011)

(1) Consolidated Results of Operations

(The percentages in the table below represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter ended Jun. 2011	89,246	11.2	2,621	5.3	2,931	10.2
2nd quarter ended Jun. 2010	80,268	58.7	2,488	349.5	2,660	320.6

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2011	1,859	0.6	78.79	—
2nd quarter ended Jun. 2010	1,847	24.9	78.29	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
2nd quarter ended Jun. 2011	63,472	20,874	32.3	867.44
Year ended Dec. 2010	62,787	19,770	30.8	819.88

(Reference) Stockholders' equity:

2nd quarter ended June 2011: 20,471 million yen
 Year ended December 2010: 19,348 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2010	—	Yen 8.00	—	Yen 14.00	Yen 22.00
Year ended Dec. 2011	—	14.00			
Year ended Dec. 2011 (forecasts)			—	14.00	28.00

(note) Changes in Forecasts for Dividends during this quarter:

No change

3. Consolidated Business Performance Forecasts for the Year Ending December 2011 (January 1, 2011 – December 31, 2011)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
Full year	181,040	8.7	5,200	(2.5)	5,470	(3.1)

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	3,400	4.0	144.07

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2011 during this quarter: Change

4. Others

- (1) Transfer of important subsidiaries during the period: No
- (2) Adoption or non-adoption of a simplified method and a specific method in accounting procedures: Adoption
- (3) Changes in principles/procedures, display methods, etc. of accounts processing
- (i) Changes associated with the revision of accounting standards: Change
- (ii) Changes other than those described in (i): No Change
- (4) Number of outstanding shares (common shares)
- (i) Number of outstanding shares (including treasury stock):
- 2nd quarter ended June 2011: 25,200,000shares
- Year ended December 2010: 25,200,000shares
- (ii) Number of treasury stock:
- 2nd quarter ended June 2011: 1,600,364shares
- Year ended December 2010: 1,600,364shares
- (iii) Average number of outstanding shares (quarterly accumulated period)
- 2nd quarter ended June 2011: 23,599,636shares
- 2nd quarter ended June 2010: 23,599,663shares

*Indication regarding implementation status of quarterly review procedures

These quarterly financial statements have not been prepared for the purpose of quarterly review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for quarterly financial statements were in the process of being implemented as of the release of these quarterly financial statements.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

The consolidated business performance forecasts given above are based on the information available at the current time and assumptions of supposable market trends, etc., and thus may greatly differ from future performance for a variety of future reasons. For postulate and special notes concerning the appropriate use of business performance forecasts, please refer page 5.

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1. Qualitative Information / Financial Statements, etc.

(1) Qualitative information on Consolidated Operating Results

Looking back over the economic environment during the consolidated 2nd quarter under review, the Japanese economy, which took a sharp downturn since the Great Eastern Japan Earthquake, showed some signs of recovery primarily in automobile production due to the restoration of the supply chain. Nevertheless, problems such as the power shortage, the nuclear power plant accident, and the procurement of financial resources for reconstruction have yet to be solved, and a sense of uncertainty about the future continues to linger. As for overseas economies, in the U.S.A., personal consumption posted sluggish growth because of soaring gasoline prices and a delay in the recovery of employment, thereby causing a moderate slowdown in the U.S. economy. Meanwhile in Europe, the economic recovery continued to be strong in major countries, but financial concerns remained in some countries, thus resulting in an economic recovery at a moderate pace. In Asia, while signs of recovery were seen even in countries that were affected by the earthquake and the economy was robust as a whole, concerns about inflation mounted in many countries.

Under such circumstances, the SIIX Group, too, was partly affected by the earthquake as evidenced by strains on parts and materials procurement, among other things. Mainly in Asia however, shipments of parts and materials for digital household equipment, automotive-related equipment, and household electrical equipment remained robust. As a result, net sales for the consolidated 2nd quarter under review finished at 89,246 million yen, an increase of 8,977 million yen (11.2% increase) in comparison to the same period of the previous fiscal year. Operating income finished at 2,621 million yen, an increase of 132 million yen (5.3% increase) in comparison to the same period of the previous fiscal year. Moreover, ordinary income finished at 2,931 million yen, an increase of 271 million yen (10.2% increase) in comparison to the same period of the previous fiscal year. Net income finished at 1,859 million yen, an increase of 11 million yen (0.6% increase) in comparison to the same period of the previous fiscal year.

(2) Analysis of the consolidated financial situation

Total assets at the end of this consolidated 2nd quarter under review were 63,472 million yen, an increase of 684 million yen in comparison to the end of the previous consolidated fiscal year mainly due to an increase of inventories.

Total liabilities were 42,598 million yen, a decrease of 419 million yen in comparison to the end of the previous consolidated fiscal year mainly due to a decrease of accounts payable-trade and etc.

Net assets were 20,874 million yen, an increase of 1,104 million yen in comparison to the end of the previous consolidated fiscal year. As a result of this, the capital-to-asset ratio rose from 30.8% to 32.3%.

(Cash flow situation)

As the result of operating activities, we increased cash and cash equivalents (hereinafter, “funds”) of 2,999 million yen during this consolidated 2nd quarter under review. This was mainly due to income before income taxes finished at 2,937 million yen, decreases in trade receivables of 936 million yen and increases in depreciation cost of 929 million yen despite increases of 1,116 million yen in inventories.

As the result of investment activities, we decreased funds of 2,399 million yen during this consolidated 2nd quarter under review. This was mainly due to expenditure of 1,879 million yen for acquisition of tangible fixed assets and payments of 340 million yen for loans.

As the result of financing activities, we decreased funds of 285 million yen during this consolidated 2nd quarter under review. This was mainly due to expenditures of 532 million yen for repayment of long-term borrowings and payment of 329 million yen as dividends despite proceeds of 550 million yen in long-term borrowings.

As a result of them, funds at the end of this consolidated 2nd quarter under review stood at 5,769 million yen, an increase of 243 million yen (4.4% increases) in comparison to the end of the previous consolidated fiscal year.

(3) Qualitative Information on the Consolidated Business Forecast

The performance forecasts for the full business year in the fiscal year ending December 2011 released on February 15, 2011, have been revised. This is because supply chain of electronic parts are forecasted to be mostly recovered and sales are expected to be steady in this consolidated 4th quarter despite impact of the earthquake such as electronic parts shortage still remained in this consolidated 3rd quarter. Meantime, labor cost, which is expected to rise in manufacturing bases, and revision of initial cost for launching EMS factory also affect this performance forecasts revision.

The comparison of the performance forecasts announced today with the previous forecasts released on February 15 is as indicated below.

(unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (basic)
Performance Forecast released on February 15 (A)	172,000	5,560	5,760	3,800	161.02
Performance Forecast released on August 10 (B)	181,040	5,200	5,470	3,400	144.07
Difference (B - A)	9,040	(360)	(290)	(400)	-
(%)	5.3	(6.5)	(5.0)	(10.5)	-
(Reference) Results on year ended Dec. 2010	166,481	5,331	5,645	3,270	138.59

2. Other

(1) Transfer of important subsidiaries during the period

No transactions to report

(2) A simplified method in accounting procedures and a specific method in accounting procedures

(i) A simplified method in accounting procedures

(Method for Calculation of the Estimate of Doubtful General Receivables)

Because no marked changes have been observed in the general receivables loan loss ratio, etc., at domestic consolidated companies at the end of this consolidated 2nd quarter from the figures calculated at the end of the previous consolidated fiscal year, the company has used the loan loss ratio, etc., as of the end of the previous consolidated fiscal year to calculate the estimate of doubtful general receivables.

(Method for Calculation of Deferred Tax Assets and Deferred Tax Liabilities)

Because no marked changes have been observed in the management environment, etc., since the previous consolidated fiscal year or in the occurrence of temporary differentials, the company has judged the collectability of deferred tax assets based on a method using the future business forecasts employed during the previous consolidated fiscal year and tax planning.

(ii) A specific method in accounting procedures

No transactions to report

(3) Changes in principles/procedures, display methods, etc. of accounts processing

Changes in display methods

(Quarterly consolidated financial statements)

The company is applying the Cabinet Ordinance for a Partial Revision of the Regulation for Financial Statements (Cabinet Ordinance No.5, March 24, 2009) based on the "Accounting Standard for Consolidated Financial Reporting" (ASBJ Statement No.22, December 26, 2008), and indicating "Net Income before Minority Interests in Income" on Statements of income as for this consolidated 2nd quarter.

3. Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Million yen)

	Current 2nd quarter As of Jun. 30, 2011	Previous fiscal year As of Dec. 31, 2010
Assets		
Current assets		
Cash and deposits	5,787	5,543
Notes and accounts receivable-trade	26,319	27,635
Merchandise and finished goods	11,622	10,514
Work in process	774	616
Raw materials and supplies	2,003	2,316
Other	1,612	1,348
Allowance for doubtful accounts	(63)	(61)
Total current assets	48,056	47,912
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,082	4,193
Machinery, equipment and vehicles	3,482	2,852
Land	2,169	2,182
Other	563	396
Total property, plant and equipment	10,298	9,624
Intangible assets	813	845
Investments and other assets		
Investment securities	2,895	2,975
Investments in capital	479	501
Other	1,322	1,329
Allowance for doubtful accounts	(394)	(401)
Total Investments and other assets	4,303	4,404
Total noncurrent assets	15,415	14,874
Total assets	63,472	62,787

TRANSLATION

(Million yen)

	Current 2nd quarter As of Jun. 30, 2011	Previous fiscal year As of Dec. 31, 2010
Liabilities		
Current liabilities		
Accounts payable-trade	23,869	24,018
Short-term loans payable	11,339	11,137
Income taxes payable	831	673
Other	2,385	3,137
Total current liabilities	38,426	38,966
Noncurrent liabilities		
Long-term loans payable	2,454	2,496
Provision for retirement benefits	81	71
Other	1,636	1,483
Total noncurrent liabilities	4,171	4,050
Total liabilities	42,598	43,017
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	20,918	19,388
Treasury stock	(677)	(677)
Total shareholders' equity	24,237	22,708
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	849	1,003
Deferred gains or losses on hedges	6	16
Foreign currency translation adjustment	(4,621)	(4,379)
Total valuation and translation adjustments	(3,766)	(3,359)
Minority interests	403	421
Total net assets	20,874	19,770
Total liabilities and net assets	63,472	62,787

(2) Quarterly Consolidated Statements of Income
[2nd quarter (January 1, 2011 – June 30, 2011)]

(Million yen)

	Previous 2nd quarter Jan. 1, 2010 - Jun. 30, 2010	Current 2nd quarter Jan. 1, 2011 - Jun. 30, 2011
Net sales	80,268	89,246
Cost of sales	74,840	83,603
Gross profit	5,428	5,643
Selling, general and administrative expenses	2,940	3,022
Operating income	2,488	2,621
Non-operating income		
Interest income	17	15
Dividends income	17	35
Amortization of negative goodwill	19	19
Real estate rent	39	36
Equity in earnings of affiliates	75	82
Foreign exchange gains	25	49
Other	77	186
Total non-operating income	271	423
Non-operating expenses		
Interest expenses	75	92
Other	24	20
Total non-operating expenses	99	112
Ordinary income	2,660	2,931
Extraordinary income		
Reversal of allowance for doubtful accounts	0	1
Gain on sales of noncurrent assets	4	5
Total extraordinary income	5	6
Extraordinary loss		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	0	0
Total extraordinary loss	0	1
Income before income taxes	2,665	2,937
Income taxes-current	751	931
Income taxes-deferred	26	79
Total income taxes-current	777	1,011
Net Income before Minority Interests in Income	-	1,926
Minority interests in income	40	66
Net income	1,847	1,859

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Previous 2nd quarter Jan. 1, 2010 - Jun. 30, 2010	Current 2nd quarter Jan. 1, 2011 - Jun. 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes	2,665	2,937
Depreciation and amortization	859	929
Amortization of negative goodwill	(19)	(19)
Increase (decrease) in allowance for doubtful accounts	15	2
Interest and dividends income	(34)	(51)
Interest expenses	75	92
Foreign exchange losses (gains)	(0)	(24)
Equity in (earnings) losses of affiliates	(75)	(82)
Decrease (increase) in notes and accounts receivable-trade	(5,452)	936
Decrease (increase) in inventories	(2,404)	(1,116)
Decrease (increase) in consumption taxes refund receivable	(79)	203
Increase (decrease) in notes and accounts payable-trade	4,313	312
Increase (decrease) in advances received	78	(359)
Other	156	(25)
Subtotal	99	3,735
Interest and dividends income received	34	96
Interest expenses paid	(63)	(86)
Income taxes paid	(649)	(746)
Net cash provided by (used in) operating activities	(580)	2,999
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(882)	(1,879)
Proceeds from sales of property, plant and equipment	15	13
Purchase of intangible assets	(97)	(93)
Purchase of investment securities	-	(101)
Proceeds from sales of investment securities	67	-
Payments of loans receivable	(770)	(340)
Collection of loans receivable	0	1
Payments for investments in capital of subsidiaries and affiliates	(23)	-
Purchase of investments in subsidiaries	(80)	-
Proceeds from liquidation of subsidiaries	96	-
Other	(15)	-
Net cash provided by (used in) investment activities	(1,689)	(2,399)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(960)	108
Proceeds from long-term loans payable	600	550
Repayment of long-term loans payable	(477)	(532)
Purchase of treasury stock	(0)	-
Cash dividends paid	(188)	(329)
Cash dividends paid to minority shareholders	(80)	(81)
Other	(65)	(0)
Net cash provided by (used in) financing activities	(1,173)	(285)
Effect of exchange rate change on cash and cash equivalents	(42)	(71)
Net increase (decrease) in cash and cash equivalents	(3,485)	243
Cash and cash equivalents at beginning of period	9,474	5,526
Cash and cash equivalents at end of period	5,988	5,769

(4) Notes on the Assumption of the Company as a Going Concern
No transactions to report

(5) Segment Information

Information by operating segment

Previous year (January 1, 2010 – June 30, 2010)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales – outside customers	75,118	4,936	214	80,268	-	80,268
(2) Sales and transfer-inter-segment	-	632	-	632	(632)	-
Total	75,118	5,568	214	80,901	(632)	80,268
Operating income or operating loss	3,159	21	5	3,186	(698)	2,488

Notes:

1. Operating segments are based on product similarities
2. Major products by operating segment

Section	Major productions
Electronics section	Finished products, subassemblies, circuit board assemblies, components, and kits in the fields listed below: Communication equipment (LCD modules and camera modules for mobile phones, etc.), automobile related equipment (car audios, meters, front panels, etc.), information equipment (scanners, printers, peripheral devices, etc.), household electrical equipment (digital household equipments, flat-panel TVs, air conditioners, healthcare equipment, etc.), industrial equipment (engine ignition systems, commercial AV equipment, etc.) and general electronic products
Machinery section	Wire harnesses, materials for motorcycle, electrical components such as spark plugs, equipment machines and related parts and materials
Other section	Printing ink, synthetic chemicals, miscellaneous goods and other items

Geographical Segment Information

Previous year (January 1, 2010 – June 30, 2010)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales – outside customers	20,192	52,277	2,180	5,618	80,268	-	80,268
(2) Sales and transfer-inter segment	10,438	4,869	296	1,535	17,140	(17,140)	-
Total	30,630	57,147	2,476	7,154	97,409	(17,140)	80,268
Operating income or operating loss	817	2,329	(149)	202	3,198	(710)	2,488

Notes:

1. Method of geographical segmentation and major countries and regions in individual segments
 Method of geographical segmentation: Geographic proximity
 Major areas and countries in geographical segments: Asia: China, Taiwan, Singapore, Thailand, Philippines, and Indonesia
 Europe: Germany and Slovakia
 Americas: USA

Overseas Sales

Previous year (January 1, 2010 – June 30, 2010)

(Million yen)

	Asia	Europe	N. America	Other	Total
I Overseas sales (million yen)	49,920	3,485	5,008	1,787	60,202
II Consolidated sales (million yen)					80,268
III Share of overseas sales in consolidated sales (%)	62.2	4.3	6.2	2.2	75.0

Notes:

- 1 Method of geographical segmentation and major countries and regions in individual segments.
Method of geographical segmentation: Geographic proximity
Major areas and countries in geographical segments: Asia: China, Taiwan, Singapore, Thailand, Philippines, and Indonesia
Europe: Romania, Czech, Germany, and France
North America: USA
Other: Central and South America, Oceania

Segment Information**[1] Summary of reportable segment**

Each reportable segment is an independent entity in SIIX group which can be measured by separated financial information and should be reviewed with regularity by the Board of Directors for the purpose of decision of distribution of management resource and performance evaluation.

The SIIX group is covering procurement, manufacture and sale of finished products, subassemblies, circuit board assemblies, components and kits relating to communication equipment, automotive-related equipment, information equipment, household electrical equipment, industrial equipment and general electronic products and devices. SIIX Corp. and independent subsidiary in Japan, and several independent local subsidiaries in each area of Asia, Europe, and America are engaged in these businesses.

Each subsidiary is an independent entity and draws up a comprehensive strategy and develops its business activity to handle merchandise and goods for accommodation to clients' foreign business development according to market characteristics in each area.

Therefore, the SIIX group classifies the reportable segment to "Electronic (Japan)", "Electronics (Asia)", "Electronics (Europe)", and "Electronics (Americas)".

[2] Sales and income/loss information for each reportable segment

Current Year (January 1, 2011 – June 30, 2011)

(Million yen)

	Reportable Segment					Other (notes)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales – outside customers	13,738	62,353	2,785	5,562	84,439	4,807	89,264
Sales and transfers-inter segments	9,420	3,872	216	1,748	15,259	756	16,015
Total	23,158	66,225	3,002	7,311	99,698	5,564	105,262
Operating income or operating loss	530	2,536	(96)	287	3,257	31	3,288

Notes:

"Other" is not included in the reportable segment. Major products of "Other" section are wire harnesses, materials for motorcycle, equipment machines, printing ink and etc.

[3] The difference between the amount of operating income or loss in reportable segment and in quarterly consolidated statement of income, and the details

Current Year (January 1, 2011 — June 30, 2011)

(Million yen)

Operating Income / Loss	Amount
Reportable Segment	3,257
Other	31
Eliminations-inter segment	30
Corporate expenses (note)	(698)
Operating income in quarterly consolidated statement in income	2,621

Notes:

Corporate expenses mainly consist of expenses related to the headquarters, the general affairs and accounting divisions, at the parent company which do not belong to reportable segment.

(Additional information)

The company is applying "Accounting Standards for Disclosure of Segment Information" (ASBJ Statement No.17, March 27, 2009) and "Guideline for Application of Accounting Standards for Disclosure of Segment Information" (ASBJ Guideline No.20, March 21, 2008) from this consolidated 1st quarter.

(6) Notes in the Event of Marked Changes in the Value of Shareholders' Equity

No transactions to report