

Consolidated 3rd Quarter Financial Results for the Fiscal Year Ended December 31, 2011 (January 1, 2011 to September 30, 2011)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange, (First Section) Osaka Securities Exchange, (First Section)
Head office:	Osaka, Japan
URL:	http://www.siix.co.jp
President & COO:	Kansho Murase
Contact:	Seiji Ono Executive Officer and General Manager, Finance and Accounting Department
Telephone:	+81-6-6266-6415
Estimated date of Submission of quarterly financial statement:	November 11, 2011
Date of dividend payment:	-

(Amounts rounded down to million yen)

1. Consolidated 3rd quarter Financial Results (January 1, 2011 – September 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 (%)
3rd quarter ended Sep. 2011	135,745	11.6	3,669	(6.0)	4,029	(3.2)
3rd quarter ended Sep. 2010	121,629	40.4	3,901	146.3	4,164	155.5

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
3rd quarter ended Sep. 2011	2,595	(8.6)	109.99	—
3rd quarter ended Sep. 2010	2,840	28.7	120.37	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
3rd quarter ended Sep. 2011	67,009	19,710	28.8	817.91
Year ended Dec. 2010	62,787	19,770	30.8	819.88

(Reference) Stockholders' equity:

3rd quarter ended September 2011: 19,302 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	166,500	0.0	3,980	(25.3)	4,310	(23.7)

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	2,670	(18.4)	113.14

(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):
- 3rd quarter ended September 2011: 25,200,000shares
- Year ended December 2010: 25,200,000shares
- (ii) Number of treasury stock:
- 3rd quarter ended September 2011: 1,600,431shares
- Year ended December 2010: 1,600,364shares
- (iii) Average number of outstanding shares (quarterly accumulated period)
- 3rd quarter ended September 2011: 23,599,629shares
- 3rd quarter ended September 2010: 23,599,654shares

*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.

《Contents》

1. Qualitative Information / Financial Statements, etc.	4
(1) Qualitative information on Consolidated Operating Results.....	4
(2) Analysis of the consolidated financial situation.....	4
(3) Qualitative Information on the Consolidated Business Forecast.....	5
2. Other	5
(1) Transfer of important subsidiaries during the period.....	5
(2) Adoption or non-adoption of a simplified method and a specific method in accounting procedures.....	5
(3) Changes in principles/procedures, display methods, etc. of accounts processing.....	5
3. Quarterly Consolidated Financial Statements	6
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statements of Income [3rd quarter (January 1, 2011 – September 30, 2011)].....	8
(3) Quarterly Consolidated Statements of Cash Flows.....	9
(4) Notes on the Assumption of the Company as a Going Concern.....	10
(5) Segment Information.....	10
(6) Notes in the Event of Marked Changes in the Value of Shareholders' Equity.....	12

1. Qualitative Information / Financial Statements, etc.

(1) Qualitative information on Consolidated Operating Results

Looking back over the economic environment during the consolidated 3rd quarter under review, the Japanese economy, which had declined because of the Great East Japan Earthquake, was expected a pickup in growth with full restoration of supply chain etc. However, strong yen got fixed historically and that increased risk of decline. Regarding overseas economy, it still remains slow growth because the uncertainty of economy increased with delay of improvement in employment in U.S.A. Also, European economy slowed because solution of debt problem has been delayed. In Asia, it continued steadily as a whole, however, some countries got into being affected harmfully from European economy.

Under such circumstances, net sales for the consolidated 3rd quarter under review finished at 135,745 million yen, an increase of 14,116 million yen (11.6% increase) in comparison to the same period of the previous fiscal year mainly due to shipments of parts and materials for digital household equipment, automotive-related equipment, and household electrical equipment remained robust in Asia. In term of profit, however, operating income finished at 3,669 million yen, a decrease of 232 million yen (6.0% decrease) in comparison to the same period of the previous fiscal year, which was caused from strong yen and initial costs for consolidation of subsidiaries from the previous consolidated fiscal year and from this consolidated 3rd quarter. Also ordinary income finished at 4,029 million yen, a decrease of 134 million yen (3.2% decrease) in comparison to the same period of the previous fiscal year. Net income finished at 2,595 million yen, a decrease of 245 million yen (8.6% decrease) 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 3rd quarter under review were 67,009 million yen, an increase of 4,221 million yen in comparison to the end of the previous consolidated fiscal year mainly due to an increase of notes and accounts receivable-trade and inventories.

Total liabilities were 47,299 million yen, an increase of 4,281 million yen in comparison to the end of the previous consolidated fiscal year mainly due to an increase of accounts payable-trade.

Net assets were 19,710 million yen, a decrease of 60 million yen in comparison to the end of the previous consolidated fiscal year. As a result of this, the capital-to-asset ratio fell from 30.8% to 28.8%.

(Cash flow situation)

As the result of operating activities, we increased cash and cash equivalents (hereinafter, "funds") of 3,599 million yen during this consolidated 3rd quarter under review. This was mainly due to income before income taxes finished at 3,974 million yen, increases in accounts payable turnover of 6,967 million yen and increases in depreciation cost of 1,433 million yen despite increases of 6,277 million yen in trade receivables and increases of 1,158 million yen in inventories.

As the result of investment activities, we decreased funds of 2,906 million yen during this consolidated 3rd quarter under review. This was mainly due to expenditure of 2,644 million yen for acquisition of tangible fixed assets and expenditure of 166 million yen for acquisition of intangible fixed assets.

As the result of financing activities, we decreased funds of 899 million yen during this consolidated 3rd quarter under review. This was mainly due to expenditures of 825 million yen for repayment of long-term borrowings, payment of 658 million yen as dividends and net decrease of 416 million yen in short-term borrowings despite proceeds of 1,082 million yen in long-term borrowings.

As a result of them, funds at the end of this consolidated 3rd quarter under review stood at 5,171 million yen, a decrease of 355 million yen (6.4% decreases) in comparison to the end of the previous consolidated fiscal year.

(3) Qualitative Information on the Consolidated Business Forecast

Two SIIX's subsidiaries in Thailand still have no direct damage so far. However, damage area of the flood is still expanding and it's been getting more difficult to anticipate in this short term about restart of production activities of damaged companies and restoration of supply chain. Based on this assumption, the performance forecast for the full business year in the fiscal year ending December 2011 released on August 10, 2011, has been revised. Net sales, operating income, ordinary income and net income are all forecasted to fall below.

(unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (basic)
Performance Forecast released on August 10 (A)	181,040	5,200	5,470	3,400	144.07
Performance Forecast released on November 10 (B)	166,500	3,980	4,310	2,670	113.14
Difference (B - A)	(14,540)	(1,220)	(1,160)	(730)	-
(%)	(8.0)	(23.5)	(21.2)	(21.5)	-
(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 Valuation of Inventories)

The company has calculated the value of inventories as of the end of this consolidated 3rd quarter using a reasonable method based on physical stocktaking undertaken at the end of this consolidated 2nd quarter and without conducting further physical stocktaking.

(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 3rd quarter.

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

(Million yen)

	Current 3rd quarter As of Sep. 30, 2011	Previous fiscal year As of Dec. 31, 2010
Assets		
Current assets		
Cash and deposits	5,186	5,543
Notes and accounts receivable-trade	31,304	27,635
Merchandise and finished goods	10,232	10,514
Work in process	852	616
Raw materials and supplies	2,649	2,316
Other	1,707	1,348
Allowance for doubtful accounts	(97)	(61)
Total current assets	51,836	47,912
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,292	4,193
Machinery, equipment and vehicles	4,174	2,852
Land	2,130	2,182
Other	524	396
Total property, plant and equipment	11,121	9,624
Intangible assets	800	845
Investments and other assets		
Investment securities	1,755	2,975
Investments in capital	467	501
Other	1,406	1,329
Allowance for doubtful accounts	(379)	(401)
Total Investments and other assets	3,250	4,404
Total noncurrent assets	15,172	14,874
Total assets	67,009	62,787

TRANSLATION

(Million yen)

	Current 3rd quarter As of Sep. 30, 2011	Previous fiscal year As of Dec. 31, 2010
Liabilities		
Current liabilities		
Accounts payable-trade	28,209	24,018
Short-term loans payable	10,560	11,137
Income taxes payable	659	673
Other	3,432	3,137
Total current liabilities	42,860	38,966
Noncurrent liabilities		
Long-term loans payable	2,702	2,496
Provision for retirement benefits	80	71
Other	1,654	1,483
Total noncurrent liabilities	4,438	4,050
Total liabilities	47,299	43,017
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	21,323	19,388
Treasury stock	(677)	(677)
Total shareholders' equity	24,643	22,708
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	322	1,003
Deferred gains or losses on hedges	2	16
Foreign currency translation adjustment	(5,665)	(4,379)
Total valuation and translation adjustments	(5,340)	(3,359)
Minority interests	407	421
Total net assets	19,710	19,770
Total liabilities and net assets	67,009	62,787

(2) Quarterly Consolidated Statements of Income
 [3rd quarter (January 1, 2011 – September 30, 2011)]

(Million yen)

	Previous 3rd quarter Jan. 1, 2010 - Sep. 30, 2010	Current 3rd quarter Jan. 1, 2011 - Sep. 30, 2011
Net sales	121,629	135,745
Cost of sales	113,343	127,497
Gross profit	8,285	8,248
Selling, general and administrative expenses	4,384	4,579
Operating income	3,901	3,669
Non-operating income		
Interest income	23	23
Dividends income	28	57
Amortization of negative goodwill	28	28
Real estate rent	59	54
Equity in earnings of affiliates	124	122
Foreign exchange gains	19	-
Other	123	286
Total non-operating income	407	572
Non-operating expenses		
Interest expenses	109	148
Foreign exchange losses	-	32
Other	34	30
Total non-operating expenses	144	211
Ordinary income	4,164	4,029
Extraordinary income		
Reversal of allowance for doubtful accounts	1	0
Gain on sales of noncurrent assets	4	5
Total extraordinary income	6	6
Extraordinary loss		
Provision of allowance for doubtful accounts	-	9
Loss on valuation of investment securities	-	49
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	0	0
Total extraordinary loss	0	61
Income before income taxes	4,170	3,974
Income taxes-current	1,177	1,203
Income taxes-deferred	79	83
Total income taxes-current	1,256	1,287
Net Income before Minority Interests in Income	-	2,687
Minority interests in income	73	91
Net income	2,840	2,595

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Previous 3rd quarter Jan. 1, 2010 - Sep. 30, 2010	Current 3rd quarter Jan. 1, 2011 - Sep. 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes	4,170	3,974
Depreciation and amortization	1,261	1,433
Amortization of negative goodwill	(28)	(28)
Increase (decrease) in allowance for doubtful accounts	15	36
Interest and dividends income	(51)	(80)
Interest expenses	109	148
Foreign exchange losses (gains)	(0)	44
Equity in (earnings) losses of affiliates	(124)	(122)
Decrease (increase) in notes and accounts receivable-trade	(6,048)	(6,277)
Decrease (increase) in inventories	(5,850)	(1,158)
Decrease (increase) in consumption taxes refund receivable	(157)	(1)
Increase (decrease) in notes and accounts payable-trade	4,980	6,967
Increase (decrease) in advances received	28	(219)
Other	265	(50)
Subtotal	(1,431)	4,665
Interest and dividends income received	90	162
Interest expenses paid	(88)	(136)
Income taxes paid	(1,131)	(1,092)
Net cash provided by (used in) operating activities	(2,561)	3,599
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(1,241)	(2,644)
Proceeds from sales of property, plant and equipment	16	14
Purchase of intangible assets	(119)	(166)
Purchase of investment securities	(132)	(99)
Proceeds from sales of investment securities	67	-
Payments of loans receivable	(870)	(11)
Collection of loans receivable	0	2
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	(2,299)	(2,906)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,707	(416)
Proceeds from long-term loans payable	600	1,082
Repayment of long-term loans payable	(717)	(825)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(375)	(658)
Cash dividends paid to minority shareholders	(78)	(79)
Other	(65)	(0)
Net cash provided by (used in) financing activities	1,070	(899)
Effect of exchange rate change on cash and cash equivalents	(341)	(398)
Net increase (decrease) in cash and cash equivalents	(4,131)	(605)
Cash and cash equivalents at beginning of period	9,474	5,526
Cash and cash equivalents at beginning of period of newly consolidated subsidiary	-	250
Cash and cash equivalents at end of period	5,342	5,171

(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 – September 30, 2010)

(Million yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales – outside customers	113,385	7,977	265	121,629	-	121,629
(2) Sales and transfer-inter-segment	-	948	-	948	(948)	-
Total	113,385	8,926	265	122,577	(948)	121,629
Operating income or operating loss	4,887	36	5	4,930	(1,028)	3,901

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 – September 30, 2010)

(Million yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
Net sales							
(1) Sales – outside customers	30,687	79,432	3,092	8,416	121,629	-	121,629
(2) Sales and transfer-inter segment	15,758	6,788	437	2,534	25,518	(25,518)	-
Total	46,446	86,221	3,529	10,951	147,147	(25,518)	121,629
Operating income or operating loss	1,189	3,596	(188)	337	4,934	(1,033)	3,901

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 – September 30, 2010)

(Million yen)

	Asia	Europe	N. America	Other	Total
I Overseas sales (million yen)	75,869	5,139	7,732	2,687	91,429
II Consolidated sales (million yen)					121,629
III Share of overseas sales in consolidated sales (%)	62.4	4.2	6.4	2.2	75.2

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 – September 30, 2011)

(Million yen)

	Reportable Segment					Other (notes)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales – outside customers	23,733	92,144	4,108	7,940	127,925	7,820	135,745
Sales and transfers-inter segments	13,967	5,984	367	2,733	23,052	1,594	24,646
Total	37,700	98,128	4,475	10,673	150,978	9,414	160,392
Operating income or operating loss	777	3,540	(107)	403	4,613	50	4,663

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 — September 30, 2011)

(Million yen)

Operating Income / Loss	Amount
Reportable Segment	4,613
Other	50
Eliminations-inter segment	55
Corporate expenses (note)	(1,049)
Operating income in quarterly consolidated statement in income	3,669

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