

February 15, 2012

Consolidated Financial Results for the Fiscal Year Ended December 31, 2011 (January 1, 2011 to December 31, 2011)

Company name:	SIIX Corporation
Stock code:	7613
Stock exchange listing (Section):	Tokyo Stock Exchange, (First Section) Osaka Securities Exchange, (First Section)
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Annual Meeting of Shareholders:	March 29, 2012
Scheduled date of payment of cash dividends:	March 30, 2012
Scheduled date of filing financial statement:	March 29, 2012

(Amounts rounded down to million yen)

1. Consolidated Financial Results (January 1, 2011 – December 31, 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 (%)
Year ended Dec. 2011	167,825	0.8	4,027	(24.5)	4,582	(18.8)
Year ended Dec. 2010	166,481	32.7	5,331	98.9	5,645	101.8

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2011	2,723	(16.7)	115.41	—
Year ended Dec. 2010	3,270	14.0	138.59	—

(note) Comprehensive income

Year ended December 2011:	1,133 million yen (y/y -56.0%)
Year ended December 2010:	2,575 million yen (y/y -)

	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	%	%	%
Year ended Dec. 2011	13.9	7.5	2.4
Year ended Dec. 2010	17.9	9.5	3.2

(Reference) Equity in net earnings (losses) of affiliates

Year ended December 2011:	180 million yen
Year ended December 2010:	160 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2011	59,471	20,126	33.1	834.77
Year ended Dec. 2010	62,787	19,770	30.8	819.88

(Reference) Stockholders' equity:

Year ended December 2011:	19,700 million yen
Year ended December 2010:	19,348 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in)			Cash and cash equivalents at fiscal year end
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2011	163	(3,851)	2,608	4,450
Year ended Dec. 2010	(1,068)	(3,043)	716	5,526

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
		Yen		Yen	Yen
Year ended Dec. 2010	—	8.00	—	14.00	22.00
Year ended Dec. 2011	—	14.00	—	14.00	28.00
Year ended Dec. 2012 (forecasts)	—	14.00	—	14.00	28.00

(Base date)	Amount of dividend (for the year)	Dividend ratio to net income (consolidated)	Dividend ratio to net assets (consolidated)
	Million Yen	%	%
Year ended Dec. 2010	519	15.9	2.8
Year ended Dec. 2011	660	24.3	3.4
Year ended Dec. 2012 (forecasts)	—	19.9	—

3. Consolidated Business Performance Forecasts for the Year Ending December 2012 (January 1, 2012 – December 31, 2012)

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change (%)	Million yen	YoY change (%)	Million yen	YoY change (%)
2nd quarter ending Jun. 2012	82,890	(7.1)	1,930	(26.4)	1,950	(33.5)
Full year	183,000	9.0	4,930	22.4	4,880	6.5

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
2nd quarter ending Jun. 2012	1,350	(27.4)	57.20
Full year	3,320	21.9	140.68

Note: The percentages in the table above represent changes from:

Full year: the previous consolidated fiscal year
 2nd quarter ending Jun. 2011: 2nd quarter in the previous consolidated fiscal year

4. Others

- (1) Transfer of important subsidiaries during the period (transfer of specific subsidiaries in association with changes in the scope of consolidation): No
- (2) 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
- (3) Number of outstanding shares (common shares)
 (i) Number of outstanding shares at the end of the fiscal year (including treasury stock):
 Year ended Dec. 2011: 25,200,000 shares
 Year ended Dec. 2010: 25,200,000 shares
 (ii) Number of treasury stock at the end of the fiscal year:
 Year ended Dec. 2011: 1,600,431 shares
 Year ended Dec. 2010: 1,600,364 shares
 (iii) Average number of shares outstanding:
 Year ended Dec. 2011: 23,599,614 shares
 Year ended Dec. 2010: 23,599,650 shares

(Reference)

1. Non-consolidated Financial Results (January 1, 2011 – December 31, 2011)**(1) Non-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 (%)
Year ended Dec. 2011	63,627	4.7	(15)	–	1,473	10.7
Year ended Dec. 2010	60,772	43.5	158	–	1,331	(11.2)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
Year ended Dec. 2011	1,352	231.5	57.31	—
Year ended Dec. 2010	407	23.8	17.29	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 2011	26,223	6,091	23.2	258.13
Year ended Dec. 2010	22,613	5,552	24.6	235.29

(Reference) Stockholders' equity: Year ended December 2011: 6,091 million yen
 Year ended December 2010: 5,552 million yen

**Indication regarding implementation status of quarterly review procedures*

These financial statements have not been prepared for the purpose of review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for financial statements were in the process of being implemented as of the release of these 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 6.

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1. Operating results

(1) Analysis of operating results

(i) Overview of the Term Under Review

During the consolidated fiscal year under review, the supply chain was severed in the wake of the unprecedented Great East Japan Earthquake, which struck on March 11, and the ensuing parts and materials shortages had a considerable effect on the Company's businesses. Subsequently, thanks to the earlier than expected restoration of the supply chain, the Company's performance managed to recover to nearly pre-earthquake levels by summer. However, the beginning of October saw massive flooding in Thailand. Although the Company's plants and other facilities were not directly damaged by the floods, the shutdowns by the Company's major customers due to flood damage and other events significantly impacted the operations of the Company's plants and sales bases.

Under such circumstances, net sales for the consolidated fiscal year under review finished at 167,825 million yen, an increase of 1,344 million yen (0.8% increase) in comparison to the previous consolidated fiscal year. In terms of profit, however, operating income finished at 4,027 million yen, a decrease of 1,304 million yen (24.5% decrease) in comparison to the previous consolidated fiscal year, due to the effects of the strong yen and the initial costs for newly consolidated manufacturing subsidiaries. Moreover, ordinary income finished at 4,582 million yen, a decrease of 1,063 million yen (18.8% decrease) in comparison to the previous consolidated fiscal year. Net income finished at 2,723 million yen, a decrease of 547 million yen (16.7% decrease) in comparison to the previous consolidated fiscal year.

The average exchange rates for the consolidated fiscal year under review were 79.93 yen per U.S. dollar, 9.0% stronger yen in comparison to the previous consolidated fiscal year, 111.38 yen per euro, 4.4% stronger yen in comparison to the previous consolidated fiscal year, 2.62 yen per Thai baht, 5.4% stronger yen in comparison to the previous consolidated fiscal year, and 10.27 yen per Hong Kong dollar, 9.2% stronger yen in comparison to the previous consolidated fiscal year.

Segment results by business category were as follows:

Applying Accounting Standards on Disclosure of Segment Information, segment information has been reclassified based on it from this consolidated fiscal year. For comparison with the previous fiscal year, segment information for consolidated previous fiscal year was also reclassified.

(Electronics (Japan) Section)

Although this section got some influence from the Great East Japan Earthquake on first half of this year, it slowly recovered and shipment of digital household equipment and components for industrial equipment increased since the latter half of this year. As a result, sales in this section finished at 51,221 million yen, an increase of 2,446 million yen (5.0% increase) in comparison to the previous fiscal year. Operating income, however, finished at only 1,113 million yen, a decrease of 293 million yen (20.8% decrease) in comparison to the previous fiscal year.

(Electronics (Asia) Section)

In this section, shipment of digital household equipment and components for automotive-related equipment and household equipment kept strong until 3rd quarter of this fiscal year. It, however, greatly got influenced from the shutdowns by the Company's major customers due to the flood on this October in Thailand and strong yen. As a result, sales 11,739 million yen, a decrease of 2,395 million yen (2.0% decrease) in comparison to the previous fiscal year. Operating income finished at 3, 879 million yen, a decrease of 1,250 million yen (24.4% decrease).

(Electronics (Europe) Section)

In this section, sales finished at 6,105 million yen, an increase of 1,253 million yen (25.8% increase) in comparison to the previous fiscal year due to increase in shipment of components for household equipment and automotive-related equipment. Operating loss remained at 156 million yen in spite of 96 million yen improved from the previous fiscal year.

(Electronics (Americas) Section)

In this section, while shipment of components for industrial equipment and automotive-related equipment kept strong, strong yen affected a lot. As a result, sales finished at 14,111 million yen, a decrease of 213 million yen (1.5% decrease). Despite this, operating income finished at 477 million yen, an increase of 93 million yen (24.4% increase) through the influence of cost reduction.

(ii) Outlook for the Next Term (Term Ending December 2012)

In regard to the world economy in fiscal year 2012, the Company concerns about downward pressure of protracted European debt problem to not only European countries' economy but world economy, despite American economy's slow recovery based on increase in exports. Additionally, regarding Japanese economy, entrenched strong yen is assumed to accelerate decrease in exports and overseas expansion for production. On the other hand, developing countries' economy is keeping steady thanks to demand expansion, however, it could have been at risk of growth recession depending on the future trends of European debt problem and Chinese economy. In such surroundings, the Company will continue to make efforts towards expansion of business with paying careful attention to changes of global economic situation and keeping up with "local production for local consumption" trends which expand mainly in developing countries such as China, Indonesia and so on.

As for the outlook for results for this fiscal year, we anticipate sales of 183,000 million yen (9.0% increase from the previous fiscal year), operating income of 4,930 million yen (22.4% increase from the previous fiscal year), ordinary income of 4,880 million yen (6.5% increase from the previous fiscal year), and net income of 3,320 million yen (21.9% increase from the previous fiscal year). The exchange rate assumed in the business performance forecast for this fiscal year is 77 yen per U.S. dollar.

(2) Analysis of the financial situation

(i) Assets, liabilities, and net assets

Total assets at the end of the consolidated fiscal year under review were 59,471 million yen, a decrease of 3,316 million yen (5.3% decrease) in comparison to the previous consolidated fiscal year.

Current assets decreased by 4,028 million yen (8.4% decrease) in comparison to the previous consolidated fiscal year due to a decrease of 4,393 million yen (15.9% decrease) in trade notes and accounts receivable etc.

Fixed assets increased by 712 million yen (4.8% increase) in comparison to the previous consolidated fiscal year due to facility investment in overseas manufacturing bases.

Current liabilities decreased by 5,490 million yen (14.1% decrease) in comparison to the previous consolidated fiscal year due to a decrease of 6,566 million yen (27.3% decrease) in trade accounts payable, etc.

Fixed liabilities increased 1,818 million yen (44.9% increase) in comparison to the previous consolidated fiscal year due to increase in long-term loans payable, etc.

Net assets were 20,126 million yen, and the capital-to-asset ratio was 33.1%.

(ii) Cash flow situation

Cash and cash equivalents (hereinafter, “funds”) during the consolidated fiscal year under review decreased 1,075 million yen due to a decrease in trade notes and accounts payable and expenditures for acquisition of tangible fixed assets, etc. Funds at the end of the current consolidated fiscal year under review stood at 4,450 million yen (19.5% decrease).

The situation of each cash flow and the main contributing factors are as follows.

(Cash flow from operating activities)

The result of operating activities was increased funds of 163 million yen (decreased funds of 1,068 million yen in the previous consolidated fiscal year). This was mainly due to such positive factors as net income before taxes and other adjustments for the current consolidated fiscal year finishing at 4,138 million yen and decreases in trade notes and accounts receivable of 2,880 million yen, and such negative factors as decreases in trade notes and accounts payable of 5,009 million yen.

(Cash flow from investing activities)

The result of investing activities was decreased funds of 3,851 million yen (decreased funds of 3,043 million yen in the previous consolidated fiscal year). This was mainly due to expenditures of 3,736 million yen for the acquisition of tangible fixed assets.

(Cash flow from financial activities)

The result of financial activities was increased funds of 2,608 million yen (increased funds of 716 million yen in the previous consolidated fiscal year). This was mainly due to expenditures of 2,419 million yen for the repayment of long-term loans, net increase of 3,065 million yen in short-term loans payable and proceeds of 2,774 million yen from long-term loans.

(Reference) Trends in cash flow related indicators

	Year ended Dec. 2007	Year ended Dec. 2008	Year ended Dec. 2009	Year ended Dec. 2010	Year ended Dec. 2011
Capital-to-asset ratio (%)	29.0	27.7	31.0	30.8	33.1
Capital-to-asset ratio based on market prices (%)	50.3	13.6	48.3	36.0	38.9
Debt to annual cash flow ratio (years)	2.2	6.3	2.2	-	83.7
Interest coverage ratio (X)	11.3	5.8	29.4	-	0.9

Note: Cash flow indices are calculated as follows.

- Capital-to-asset ratio: Shareholders' equity / Total assets
- Capital-to-asset ratio based on market prices: Market capitalization / Total assets
- Debt to annual cash flow ratio: Interest-bearing liabilities ([beginning of year + end of year] / 2) / Operating cash flow
- Interest coverage ratio: Operating cash flow / Interest payments

1. All indices are calculated on a consolidated basis.
2. Market capitalization is calculated as
the closing price of stock on the consolidated balance sheet date (Tokyo Stock Exchange, First Section) ×
the number of shares outstanding on the balance sheet date(after deduction of treasury stocks).
3. Interest-bearing liabilities are intended to include all liabilities on which interest is paid from among the liabilities posted in the consolidated balance sheets. Operating cash flow uses cash flow due to operating activities reported on the consolidated statements of cash flows.
4. Interest uses the value of interest paid reported on consolidated statements of cash flows.
5. Debt to annual cash flow ratio and Interest coverage ratio for 2010 are not calculated because cash flow from operating activities for 2010 are negative.

(3) Basic policy concerning the distribution of income and dividends during the term under review and the next term

SIIX Corporation has a basic policy of distributing income to shareholders on a continuous and stable basis and combines this with a policy of determining the value of dividends in consideration of matters such as the reinforcement of retained earnings in order to develop business operations in the future and to strengthen the company's management foundations.

As for the dividends for this consolidated fiscal year, the Company has already paid a common dividend of 14 yen per share as an interim dividend and plans to add a further 14 yen per share as the term-end dividend. In total, the Company is planning to make an annual dividend of 28 yen per share, which is increased by 6 yen from the previous year. As for the dividends for the next fiscal year, the Company plans a common dividend of 14 yen per share as an interim dividend and 14 yen per share as a term-end dividend. Finally, the Company is planning to pay an annual dividend of 28 yen per share.

(4) Operating Risks

In regard to the risks of the SIIX Group's operations, etc., the matters that may exert an important effect on the judgment of investors are mainly those shown below. The operations of the SIIX Group are accompanied by various risks other than these, and the matters described below do not include all of the risks entailed in the SIIX Group's operations.

Matters concerning the future that are included on this page were judged by the SIIX Group as of the end of the consolidated fiscal year under review.

(I) Variations in market conditions

On the one hand, large market growth can be expected in the electronics industry, with which the core business of the SIIX Group is concerned, due to technological innovation and the development of new products. On the other side of the coin, unanticipated price decreases or changes in the demand-supply balance due to the intensification of competition among manufacturers and the early obsolescence of products, etc., can also occur. For example, these trends are comparatively strong in areas such as the digital appliance market. As a consequence of the development of an unexpected gap between supply and demand, effects such as production adjustment, order cancellations, overcapacity, inventory increases, obsolescence, or profit decreases may be felt on results.

(ii) Fluctuations of exchange rates

Because the SIIX Group carries out transactions in various currencies and under various conditions, the Company pays attention to the avoidance of exchange risk. Basically, the group hedges exchange rate risk by arrangements related to (a) purchases and sales based on the same currency, (b) forward exchange contracts, and (c) the sharing of exchange rate risks with customers. However, sudden exchange rate fluctuations may have an impact on sales and profits.

(iii) Business activities overseas

The SIIX Group exhibits its strengths in overseas transactions taking advantage of its global network. At present, the group has 12 subsidiaries in the Asia region (among these 4 in China including Hong Kong*), 2 in Europe, 2 in North America and 2 in Central and South America. In combination with a further 9 affiliated companies (among these 1 company affiliated under the application of the equity method), etc., the group is active globally. Because of this, country risks such as the worsening of political or economic factors in the country or region the subsidiary or affiliated company is located in, changes in laws, regulations, and tax systems, changes in currency policies, and social unrest and hazard risk may all impact upon the management results as well as the financial condition of the SIIX Group.

(iv) Fund procurement and interest rate fluctuations

The SIIX Group procures necessary operating funds through borrowings and the like from financial institutions. The group lessens the risk of interest rate fluctuations by using both floating or fixed interest rate procurement as the situations demands and taking advantage of derivative transactions (such as interest swap agreements) in an appropriate manner. However, unexpected fluctuations in market interest rates may exert an impact on the profit and loss of the SIIX Group.

2. Corporate Group

The SIIX Group of companies is made up of SIIX Corp. (the Company), 16 consolidated subsidiaries, 3 non-consolidated subsidiaries, 9 affiliates, of which 1 equity-method affiliate, and 13 jointly owned companies. The SIIX group classifies electronic sector covering procurement, manufacture and sale of finished products, subassemblies, circuit board assemblies, components and kits relating to communication equipment, automotive-related equipment, household electrical equipment, etc. to "Electronic (Japan)", "Electronics (Asia)", "Electronics (Europe)", and "Electronics (Americas)" as a reportable segment. Also "Other" is classified as other sector covering wire harnesses, materials for motorcycle and printing ink, etc.

Group companies by reportable segment and the roles of major companies are as follows.

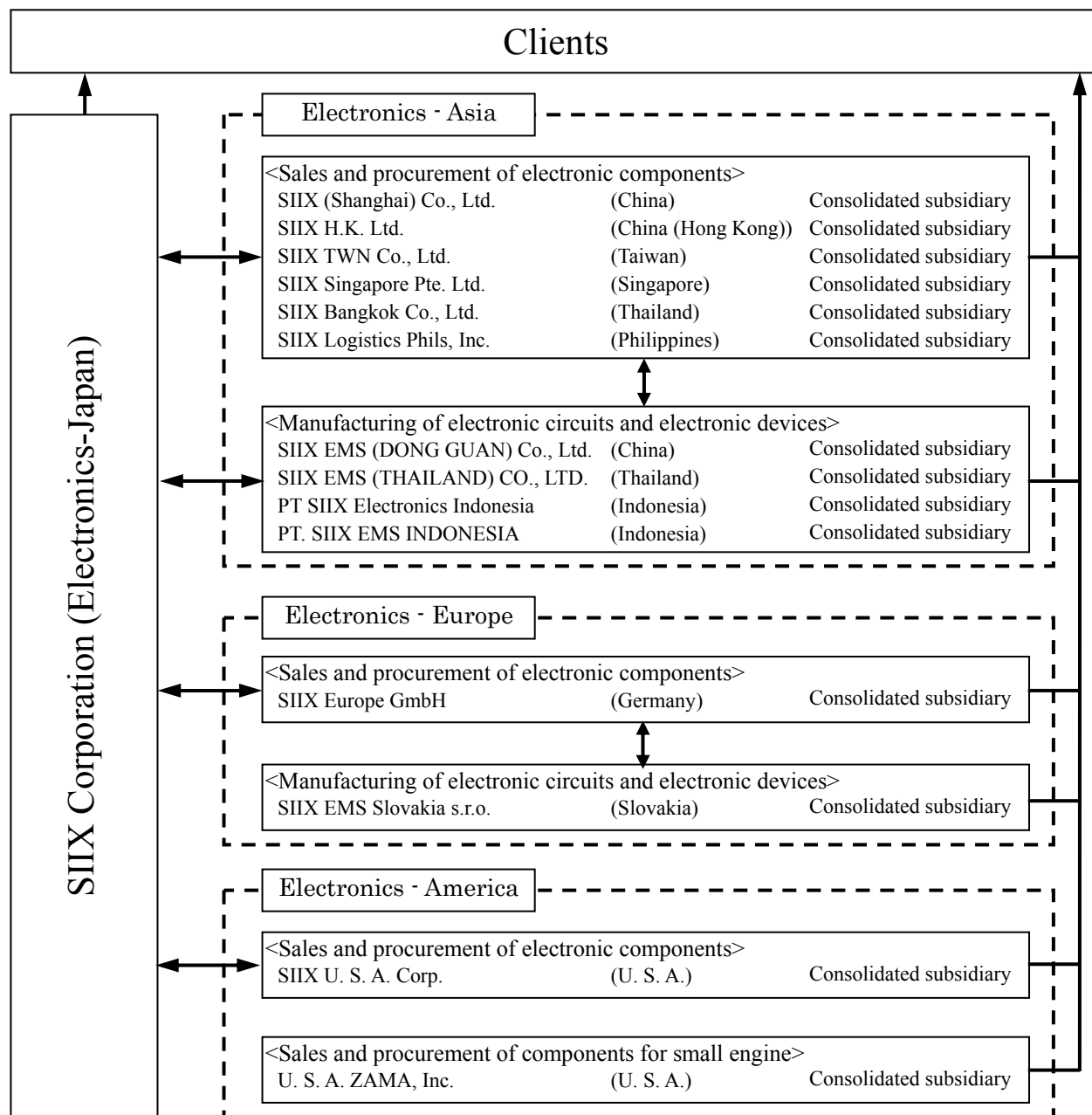
Company	Country	Capital/ Investment	Activities	Owner Ship (%)
(Consolidated subsidiaries)				
SIIX (Shanghai) Co., Ltd.	Shanghai, China	Thousand RMB 20,793	Sales and procurement of electronic components	100.00
SIIX EMS (DONG GUAN) Co., Ltd.	Guangdong, China	Thousand RMB 133,254	Manufacturing of electronic circuits and electronic devices	100.00 (100.00)
SIIX H. K. Ltd.	Hong Kong, China	Thousand HK\$ 4,000	Sales and procurement of electronic components	100.00
SIIX TWN Co., Ltd.	Taipei, Taiwan	Thousand NTS 5,000	Sales and procurement of electronic components	100.00
SIIX Singapore Pte. Ltd.	Singapore	Thousand US\$ 1,144	Sales and procurement of electronic components	100.00
SIIX Bangkok Co., Ltd.	Bangkok, Thailand	Thousand Baht 30,000	Sales and procurement of electronic components	100.00
SIIX EMS (THAILAND) CO., LTD.	Samutprakarn, Thailand	Thousand Baht 309,100	Manufacturing of electronic circuits and electronic devices	100.00
SIIX Logistics Phils, Inc.	Laguna, Philippines	Thousand US\$ 8,315	Sales and procurement of electronic components	100.00
PT SIIX Electronics Indonesia	Batam, Indonesia	Thousand US\$ 1,980	Manufacturing of electronic circuits and electronic devices	100.00 (100.00)
PT. SIIX EMS INDONESIA	West Jawa Indonesia	Thousand US\$ 6,001	Manufacturing of electronic circuits and electronic devices	100.00 (100.00)
SIIX Europe GmbH	Willich, Germany	Thousand Euro 1,022	Sales and procurement of electronic components	100.00
SIIX EMS Slovakia s. r. o.	Nitra, Slovakia	Thousand Euro 3,634	Manufacturing of electronic circuits and electronic devices	100.00
SIIX U.S.A. Corp.	Illinois, U. S. A.	Thousand US\$ 4,000	Sales and procurement of electronic components	100.00
U. S. A. ZAMA, Inc.	Tennessee, U. S. A.	Thousand US\$ 550	Sales and procurement of components for small engine	60.00
SIIX Phils., Inc.	Muntinlupa, Metro Manila, Philippines	Thousand PHP 14,700	Sales of components for automobile and chemical products	100.00
SIIX Electronics Co., Ltd.	Kanagawa, Japan	Thousand JPY 290,000	Manufacturing of electronic circuits and electronic devices Technical development and technical assistance	100.00
(Equity-method affiliates)				
KAWASAKI MOTORS (PHILS.) CORPORATION	Muntinlupa, Metro Manila, Philippines	Thousand PHP 101,430	Assemble and sales of motorcycle	20.06

Note:

1. The figure in parentheses in the "Ownership" column indicates the shares indirectly owned.
2. PT. SIIX EMS INDONESIA has been consolidated in line with the growing importance since this fiscal year.
3. Takaya SIIX Electronics (Shanghai) Co., Ltd. was not applied of the equity method in accordance with partial disposal of its equity in investment.

<u>(Non-consolidated subsidiary)</u>	<u>Country</u>
SIIX (Dongguan) Co., Ltd.	China
SIIX MEXICO, S.A DE C.V.	Mexico
SIIX do Brasil Ltda.	Brazil
<u>(Major affiliated companies)</u>	
TECHNO CORE INTERNATIONAL CO., LTD.	Japan
TS-PRO Co., Ltd.	Japan
TAKION CO., LTD.	Japan
Takaya SIIX Electronics (Shanghai) Co., Ltd.	China
Bando SIIX Ltd.	China (Hong Kong)
PFU Technology Singapore Pte. Ltd.	Singapore
Delsa Chemicals and Multi-Products, Inc.	Philippines
<u>(Major jointly owned companies)</u>	
Panyu Kyokuto Sakata Electronics Ltd.	China
KYOKUTO CHINA LTD.	China (Hong Kong)
iWOW Technology Pte Ltd	Singapore
Stars Microelectronics (Thailand) Public Company Limited	Thailand
Integrated Microelectronics, Inc.	Philippines
SHINTO-WELBEST MANUFACTURING, INC.	Philippines

Flowchart of Business Activities



→ Products, merchandise, and components
 * The above flowchart shows business activities by reportable segment.

Other

<Sales of wire harnesses, materials for motorcycle and printing ink, etc.>
 SIIX Corporation
 SIIX Phils., Inc. Philippines Consolidated Subsidiary

<Assemble and sales of motorcycle>
 KAWASAKI MOTORS (PHILS.) CORPORATION Philippines Equity-method affiliate

Corporate

<Manufacturing of electronic circuits and electronic devices, technical development and technical assistance>
 SIIX Electronics Co., Ltd. Japan Consolidated Subsidiary

Other affiliates

<Manufacturing of printing ink>
 SAKATA INX CORPORATION

TRANSLATION

<Non-consolidated subsidiary>	
SIIX (Dongguan) Co., Ltd.	China
SIIX MEXICO, S. A DE C. V.	Mexico
SIIX do Brasil Ltda.	Brazil
<Non-equity method affiliate>	
TECHNO CORE INTERNATIONAL CO., LTD.	Japan
TS-PRO Co., Ltd.	Japan
Brighton Co., Ltd.	Japan
TAKION CO., LTD.	Japan
Takaya SIIX Electronics (Shanghai) Co., Ltd.	China
Bando SIIX Ltd.	China (Hong Kong)
PFU Technology Singapore Pte. Ltd.	Singapore
Delsa Chemicals and Multi-Products, Inc.	Philippines

<Joint venture company (non-consolidated)>	
Kyokuto Electric Co., Ltd.	Japan
Panyu Kyokuto Sakata Electronics Ltd.	China
Changzhou Giken Precision Co., Ltd.	China
Shanghai Kyokuto Precision Electronics Ltd.	China
NLC Optics (Suzhou) Co., Ltd.	China
KYOKUTO CHINA LTD.	China(Hong Kong)
Giken Sakata (S) Ltd.	Singapore
iWOW Technology Pte Ltd	Singapore
Stars Microelectronics (Thailand) Public Company Limited	Thailand
Integrated Microelectronics, Inc.	Philippines
SHINTO-WELBEST MANUFACTURING, INC.	Philippines
International Wiring Systems (Phils.) Corporation	Philippines
Z Axis Innovations Private Limited	India

3. Management Policy

(1) Fundamental Management Policy

The globalization of markets and the diversification of consumer needs have advanced greatly in recent years and the optimum arrangement and use of management resources on global base has become an important management issue for companies in all areas of business activity such as parts procurement, manufacturing, sales and logistics, etc. The objective of the Group is to provide solutions to these kinds of new corporate issues. Focusing on electronics related areas, where we have many years of experience, our fundamental policies are to provide universal coordination for diverse needs spread around the world and to be a global business organizer, supplying customers with concrete business merit. The Group defines its corporate philosophy through these corporate activities as “the pursuit of effective use of the world’s resources to activate social systems and contribute to the advancement of humankind.”

(2) Targeted Management Indicators

As SIIX Group’s Target, the Company aims at the achievement of 210,000 million yen in sales and 5,800 million yen in operating income in 2014. The exchange rate assumed in the business performance forecast for 2014 is 77 yen per U.S. dollar.

(3) Mid- and Long-Term Corporate Management Strategy

In many industrial areas, including the electronics industry, the core area of business in the SIIX Group, overseas manufacturing base networks have expanded along with the development of market globalization. In the logistics area as well, the global movement of products that joins not only between domestic and overseas markets but between one overseas market and another, is accelerating. In association with this trend, the needs of manufacturers are not limited to production technology and quality, but have transferred to the realization of similar efficiency to domestic production in overseas plants, including material procurement and product logistics.

The company’s business as a “Global Business Organizer” has also expanded in order to respond to outsourcing needs generated by this kind of corporate globalized movement. In the medium to long-term future as well, the company is aiming to expand business by taking advantage of its “multifunctionality combining trading company with logistics function and manufacturing capabilities” and “global logistics and manufacturing network,” as its strengths to provide total EMS (electronic manufacturing services).

(4) Issues for the Company to Resolve

As companies’ progression in overseas production, the SIIX Group is approaching the increasing needs of both overseas manufacturing and logistics as a commercial opportunity and is working on the following issues in order to expand its business.

- 1) The preparation and expansion of base-network and further expression of synergistic effects between those bases for responding to the trend of customers' overseas production
- 2) The strengthening of global parts procurement capability and the upgrading of logistics service
- 3) The continued efforts for improvement of capacities of manufacturing technologies and production efficiency
- 4) The development of new businesses in new electronics field such as ecology, energy saving, infrastructure, medical etc.
- 5) The continuous improvement of asset efficiency

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of Dec. 31, 2010	As of Dec. 31, 2011
Assets		
Current assets		
Cash and deposits	5,543,797	4,466,843
Notes and accounts receivable-trade	27,635,277	23,242,132
Merchandise and finished goods	10,514,219	10,785,485
Work in process	616,276	1,234,174
Raw materials and supplies	2,316,655	2,186,358
Deferred tax assets	106,801	225,499
Other	1,241,404	1,814,401
Allowance for doubtful accounts	(61,522)	(70,418)
Total current assets	47,912,910	43,884,476
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,268,065	6,510,524
Accumulated depreciation	(2,074,732)	(2,244,347)
Buildings and structures, net	4,193,332	4,266,176
Machinery, equipment and vehicles	10,327,569	12,225,763
Accumulated depreciation	(7,475,316)	(7,709,585)
Machinery, equipment and vehicles, net	2,852,253	4,516,177
Tools, furniture and fixtures	1,156,733	1,300,209
Accumulated depreciation	(855,635)	(915,163)
Tools, furniture and fixtures, net	301,098	385,046
Land	2,182,093	2,131,670
Construction in progress	95,730	468,828
Total property, plant and equipment	9,624,507	11,767,899
Intangible assets		
Software	840,772	749,019
Other	4,725	8,524
Total intangible assets	845,498	757,544
Investments and other assets		
Investment securities	2,975,713	1,758,590
Investments in capital	501,518	273,920
Long-term loans receivable	61,971	65,089
Deferred tax assets	326,060	340,075
Other	941,098	1,012,206
Allowance for doubtful accounts	(401,481)	(388,106)
Total Investments and other assets	4,404,880	3,061,774
Total noncurrent assets	14,874,886	15,587,218
Total assets	62,787,796	59,471,694

TRANSLATION

(Thousand yen)

	As of Dec. 31, 2010	As of Dec. 31, 2011
Liabilities		
Current liabilities		
Accounts payable-trade	24,018,286	17,451,476
Short-term loans payable	11,137,691	12,496,291
Accrued expenses	932,724	874,946
Income taxes payable	673,231	574,683
Deferred tax liabilities	27,286	-
Other	2,177,181	2,078,305
Total current liabilities	38,966,402	33,475,702
Noncurrent liabilities		
Long-term loans payable	2,496,000	4,157,000
Provision for retirement benefits	71,268	83,091
Deferred tax liabilities	1,127,525	1,204,937
Other	356,094	424,110
Total noncurrent liabilities	4,050,888	5,869,139
Total liabilities	43,017,290	39,344,842
Net assets		
Shareholders' equity		
Capital stock	2,144,000	2,144,000
Capital surplus	1,853,000	1,853,000
Retained earnings	19,388,961	21,416,202
Treasury stock	(677,713)	(677,780)
Total shareholders' equity	22,708,247	24,735,421
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	1,003,871	328,823
Deferred gains or losses on hedges	16,469	4,395
Foreign currency translation adjustment	(4,379,708)	(5,368,362)
Total accumulated comprehensive income	(3,359,366)	(5,035,143)
Minority interests	421,625	426,573
Total net assets	19,770,506	20,126,851
Total liabilities and net assets	62,787,796	59,471,694

(2) Consolidated Statements of Income

(Thousand yen)

	1st Jan 2010 - 31st Dec 2010	1st Jan 2011 - 31st Dec 2011
Net sales	166,481,170	167,825,669
Cost of sales	155,202,915	157,685,323
Gross profit	11,278,255	10,140,346
Selling, general and administrative expenses	5,947,151	6,113,321
Operating income	5,331,103	4,027,024
Non-operating income		
Interest income	20,125	28,522
Dividends income	39,107	57,647
Amortization of negative goodwill	38,306	38,020
Real estate rent	78,630	71,503
Equity in earnings of affiliates	160,059	180,410
Foreign exchange gains	11,256	76,892
Other	159,679	334,567
Total non-operating income	507,165	787,564
Non-operating expenses		
Interest expenses	156,047	200,076
Other	36,711	32,306
Total non-operating expenses	192,758	232,382
Ordinary income	5,645,510	4,582,206
Extraordinary income		
Reversal of allowance for doubtful accounts	12,285	144
Gain on sales of noncurrent assets	12,121	5,634
Total extraordinary income	24,407	5,778
Extraordinary loss		
Provision of allowance for doubtful accounts	-	9,688
Loss on valuation of investment securities	150,314	183,134
Loss on sales of investments in capital of subsidiaries and affiliates	-	39,384
Loss on sales of noncurrent assets	160	1,071
Loss on retirement of noncurrent assets	686	5,679
Impairment losses	519,452	-
Loss on disaster	-	210,994
Total extraordinary loss	670,612	449,953
Income before income taxes	4,999,305	4,138,031
Income taxes-current	1,425,803	1,321,705
Income taxes-deferred	215,779	(11,505)
Total income taxes-current	1,641,583	1,310,200
Income before minority interests in income	-	2,827,830
Minority interests in income	86,988	104,167
Net income	3,270,733	2,723,663

Consolidated Statements of Comprehensive Income

(Thousand yen)

	1st Jan 2010 - 31st Dec 2010	1st Jan 2011 - 31st Dec 2011
Income before minority interests in income	-	2,827,830
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(675,268)
Deferred gains or losses on hedges	-	(12,074)
Foreign currency translation adjustment	-	(1,054,543)
Equity equivalent of equity method affiliate	-	47,080
Total other comprehensive income	-	(1,694,805)
Comprehensive income	-	1,133,025
(Content)		
Comprehensive income for the parent company's shareholders	-	1,047,886
Comprehensive income for minority shareholders	-	85,138

(3) Consolidated Statements of Changes in Net Assets

(Thousand yen)

	1st Jan 2010 - 31st Dec 2010	1st Jan 2011 - 31st Dec 2011
Shareholders' equity		
Capital stock		
Balances at December 31, 2010	2,144,000	2,144,000
Balances at December 31, 2011	2,144,000	2,144,000
Capital surplus		
Balances at December 31, 2010	1,853,000	1,853,000
Balances at December 31, 2011	1,853,000	1,853,000
Retained earnings		
Balances at December 31, 2010	16,495,822	19,388,961
Changes of items during the period		
Dividends from surplus	(377,594)	(660,789)
Increase (decrease) by exclusion of application of equity method	-	(35,633)
Net income	3,270,733	2,723,663
Total changes of items during the period	2,893,139	2,027,240
Balances at December 31, 2011	19,388,961	21,416,202
Treasury stock		
Balances at December 31, 2010	(677,664)	(677,713)
Changes of items during the period		
Purchase of treasury stock	(48)	(66)
Total changes of items during the period	(48)	(66)
Balances at December 31, 2011	(677,713)	(677,780)
Total shareholders' equity		
Balances at December 31, 2010	19,815,157	22,708,247
Changes of items during the period		
Dividends from surplus	(377,594)	(660,789)
Increase (decrease) by exclusion of application of equity method	-	(35,633)
Net income	3,270,733	2,723,663
Purchase of treasury stock	(48)	(66)
Total changes of items during the period	2,893,090	2,027,173
Balances at December 31, 2011	22,708,247	24,735,421

TRANSLATION

(Thousand yen)

1st Jan 2010 - 31st Dec 2010 1st Jan 2011 - 31st Dec 2011

Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balances at December 31, 2010	278,448	1,003,871
Changes of items during the period		
Net changes of items other than shareholders' equity	725,422	(675,047)
Total changes of items during the period	725,422	(675,047)
Balances at December 31, 2011	1,003,871	328,823
Deferred gains or losses on hedges		
Balances at December 31, 2010	3,762	16,469
Changes of items during the period		
Net changes of items other than shareholders' equity	12,707	(12,074)
Total changes of items during the period	12,707	(12,074)
Balances at December 31, 2011	16,469	4,395
Foreign currency translation adjustment		
Balances at December 31, 2010	(2,911,355)	(4,379,708)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,468,352)	(988,654)
Total changes of items during the period	(1,468,352)	(988,654)
Balances at December 31, 2011	(4,379,708)	(5,368,362)
Total accumulated other comprehensive income		
Balances at December 31, 2010	(2,629,144)	(3,359,366)
Changes of items during the period		
Net changes of items other than shareholders' equity	(730,222)	(1,675,776)
Total changes of items during the period	(730,222)	(1,675,776)
Balances at December 31, 2011	(3,359,366)	(5,035,143)
Minority interests		
Balances at December 31, 2010	466,361	421,625
Changes of items during the period		
Net changes of items other than shareholders' equity	(44,736)	4,948
Total changes of items during the period	(44,736)	4,948
Balances at December 31, 2011	421,625	426,573
Total net assets		
Balances at December 31, 2010	17,652,374	19,770,506
Changes of items during the period		
Dividends from surplus	(377,594)	(660,789)
Increase (decrease) by exclusion of application of equity method	-	(35,633)
Net income	3,270,733	2,723,663
Purchases of treasury stock	(48)	(66)
Net changes of items other than shareholders' equity	(774,958)	(1,670,828)
Total changes of items during the period	2,118,131	356,345
Balances at December 31, 2011	19,770,506	20,126,851

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	1st Jan 2010 - 31st Dec 2010	1st Jan 2011 - 31st Dec 2011
Net cash provided by (used in) operating activities		
Income before income taxes	4,999,305	4,138,031
Depreciation and amortization	1,735,571	1,972,635
Impairment loss	519,452	-
Amortization of negative goodwill	(38,306)	(38,020)
Increase (decrease) in allowance for doubtful accounts	6,088	19,496
Interest and dividends income	(59,232)	(86,170)
Interest expenses	156,047	200,076
Foreign exchange losses (gains)	8,456	58,886
Equity in (earnings) losses of affiliates	(160,059)	(180,410)
Decrease (increase) in notes and accounts receivable-trade	(8,129,948)	2,880,394
Decrease (increase) in inventories	(5,310,438)	(1,622,559)
Decrease (increase) in consumption taxes refund receivable	(235,724)	(154,761)
Increase (decrease) in notes and accounts payable-trade	6,142,142	(5,009,150)
Increase (decrease) in advances received	337,315	(3,713)
Other	269,450	(668,288)
Subtotal	240,120	1,506,446
Interest and dividends income received	100,471	163,447
Interest expenses paid	(148,228)	(191,504)
Income taxes paid	(1,260,496)	(1,314,415)
Net cash provided by (used in) operating activities	(1,068,132)	163,974
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(2,397,237)	(3,736,946)
Proceeds from sales of property, plant and equipment	37,135	15,535
Purchase of intangible assets	(153,210)	(175,768)
Purchase of investment securities	(129,825)	(154,595)
Proceeds from sales of investment securities	67,920	-
Payments of loans receivable	(768)	(13,594)
Collection of loans receivable	1,241	3,508
Payments for investments in capital of subsidiaries and affiliates	(22,620)	-
Proceeds from sales of investments in capital of subsidiaries and affiliates	-	210,000
Purchase of investments in subsidiaries	(527,127)	-
Proceeds from liquidation of subsidiaries	96,197	-
Other	(15,000)	-
Net cash provided by (used in) investment activities	(3,043,296)	(3,851,860)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	662,984	3,065,850
Proceeds from long-term loans payable	1,600,000	2,774,000
Repayment of long-term loans payable	(1,026,345)	(2,419,000)
Purchase of treasury stock	(48)	(66)
Cash dividends paid	(377,377)	(660,361)
Cash dividends paid to minority shareholders	(77,299)	(79,130)
Other	(65,766)	(72,607)
Net cash provided by (used in) financing activities	716,147	2,608,684
Effect of exchange rate change on cash and cash equivalents	(552,364)	(246,756)
Net increase (decrease) in cash and cash equivalents	(3,947,645)	(1,325,958)
Cash and cash equivalents at beginning of period	9,474,251	5,526,605
Cash and cash equivalents of newly consolidated subsidiary at beginning of period	-	250,011
Cash and cash equivalents at end of period	5,526,605	4,450,658

(5) Notes on the Assumption of the Company as a Going Concern

No transactions to report

(6) (Segment Information)

(i) Information by operating segment

Previous year (1st Jan 2010 – 31st Dec 2010)

(Thousand yen)

	Electronics	Machinery	Other	Total	Eliminations and corporate	Consolidated
I Sales and operating income						
Net sales						
(1) Sales – outside customers	155,606,328	10,575,395	299,447	166,481,170	-	166,481,170
(2) Sales and transfer-inter-segment	-	1,126,980	-	1,126,980	(1,126,980)	-
Total	155,606,328	11,702,375	299,447	167,608,151	(1,126,980)	166,481,170
Operating expenses	148,922,880	11,657,777	293,105	160,873,763	276,303	161,150,067
Operating income or operating loss	6,683,447	44,598	6,341	6,734,387	(1,403,283)	5,331,103
II Assets, depreciation and capital expenditure						
Assets	56,919,650	2,731,140	195,595	59,846,386	2,941,410	62,787,796
Depreciation	1,518,239	1,532	67	1,519,839	215,732	1,735,571
Impairment loss	-	-	-	-	519,452	519,452
Capital expenditure	2,851,273	-	-	2,851,273	239,296	3,090,570

Notes:

- Operating segments are based on product similarities
- 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, PCs, peripheral devices, etc.), household electrical equipment (digital household equipments, flat-panel TVs, air conditioners, AV equipments, healthcare equipments, etc.), industrial equipment (engine ignition systems, commercial AV equipments, 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

- Operating expenses included under the heading “Eliminations and corporate” consist primarily of expenses related to the management divisions, mainly the general affairs and accounting divisions, at the parent company. Operating expenses included under “Eliminations and corporate” were as follows:
Current year: 1,403,283 thousand yen
- Corporate assets included under the heading “Eliminations and corporate” consist primarily of the surplus funds, mainly cash and investment securities, and assets of the administration division of the parent company. Corporate assets included under “Eliminations and corporate” were as follows:
Current year: 3,839,684 thousand yen

(ii) Geographical Segment Information

Previous year (1st Jan 2010 – 31st Dec 2010)

(Thousand yen)

	Japan	Asia	Europe	Americas	Total	Eliminations and corporate	Consolidated
I Net sales and operating income							
Net sales							
(1) Sales–outside customers	40,201,929	111,171,994	4,318,832	10,788,414	166,481,170	-	166,481,170
(2) Sales and transfers-inter-segments	20,574,666	8,850,393	533,276	3,535,896	33,494,233	(33,494,233)	-
Total	60,776,596	120,022,388	4,852,109	14,324,310	199,975,404	(33,494,233)	166,481,170
Operating expenses	59,319,081	114,879,969	5,107,222	13,940,678	193,246,952	(32,096,885)	161,150,067
Operating income or operating loss	1,457,514	5,142,418	(255,112)	383,631	6,728,451	(1,397,348)	5,331,103
II Assets	18,591,259	44,764,912	2,800,810	4,146,247	70,303,230	(7,515,433)	62,787,796

Notes:

- Operating expenses included under the heading “Eliminations and corporate” consist primarily of expenses related to the management divisions, mainly the general affairs and accounting divisions, at the parent company. Operating expenses included under “Eliminations and corporate” were as follows:
Current year: 1,403,283 thousand yen
- Corporate assets included under the heading “Eliminations and corporate” consist primarily of the surplus funds, mainly cash and investment securities, and assets of the administration division of the parent company. Corporate assets included under “Eliminations and corporate” were as follows:
Current year: 3,839,684 thousand yen
- 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

(iii) Overseas Sales

Previous year (1st Jan 2010 – 31st Dec 2010)

	Asia	Europe	N. America	Other	Total
I Overseas sales (thousand yen)	106,268,535	7,089,654	9,062,441	4,305,293	126,725,925
II Consolidated sales (thousand yen)					166,481,170
III Share of overseas sales in consolidated sales (%)	63.8	4.3	5.4	2.6	76.1

Notes: 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]

Previous year (1st Jan 2010 – 31st Dec 2010)

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

(Thousand yen)

	Reportable Segment					Other (notes)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales – outside customers	29,337,058	110,850,651	4,318,832	10,788,414	155,294,956	11,186,213	166,481,170
Sales and transfers-inter segments	19,437,714	8,854,408	533,276	3,535,896	32,361,295	1,127,964	33,489,260
Total	48,774,773	119,705,059	4,852,109	14,324,310	187,656,252	12,314,178	199,970,431
Operating income or loss	1,406,574	5,130,575	(253,035)	383,631	6,667,747	60,013	6,727,760
Assets	15,921,684	45,310,098	2,177,409	4,146,247	67,555,438	3,004,983	70,560,421
Other							
Depreciation	87,226	1,295,893	110,054	21,437	1,514,612	2,283	1,516,895
Increase in tangible fixed assets and intangible fixed assets	923,029	2,697,283	30,712	6,405	3,657,431	2,117	3,659,548

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 sales, operating income or loss and assets in reportable segment and in consolidated statement, and the details

(Thousand yen)

Sales	Amount
Reportable Segment	187,656,252
Other	12,314,178
Eliminations-inter segment	(33,489,260)
Sales in consolidated statement	166,481,170

(Thousand yen)

Operating Income / Loss	Amount
Reportable Segment	6,667,747
Other	60,013
Eliminations-inter segment	6,626
Corporate expenses (note)	(1,403,283)
Operating income in consolidated statement	5,331,103

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.

(Thousand yen)

Assets	Amount
Reportable Segment	67,555,438
Other	3,004,983
Eliminations-inter segment	(11,612,309)
Corporate assets (note)	3,839,684
Assets in consolidated statement	62,787,796

Notes:

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

(Thousand yen)

Other	Reportable Segment	Other	Adjustment	Amount
Depreciation	1,514,612	2,283	218,676	1,735,571
Increase in tangible fixed assets and intangible fixed assets	3,657,431	2,117	(568,977)	3,090,570

Current year (1st Jan 2011 – 31st Dec 2011)

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

(Thousand yen)

	Reportable Segment					Other (notes)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales – outside customers	32,431,240	108,913,802	5,582,695	10,207,786	157,135,525	10,686,546	167,822,071
Sales and transfers-inter segments	18,790,325	8,395,319	523,212	3,903,403	31,612,260	2,031,310	33,643,570
Total	51,221,565	117,309,122	6,105,908	14,111,190	188,747,786	12,717,856	201,465,642
Operating income or loss	1,113,330	3,879,897	(156,838)	477,284	5,313,673	62,096	5,375,770
Assets	17,490,865	39,062,899	3,061,621	4,208,572	63,823,959	3,753,186	67,577,145
Other							
Depreciation	190,662	1,391,138	91,195	19,218	1,692,215	2,290	1,694,505
Increase in tangible fixed assets and intangible fixed assets	403,752	3,108,147	471,326	21,604	4,004,831	333	4,005,165

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 sales, operating income or loss and assets in reportable segment and in consolidated statement, and the details

(Thousand yen)

Sales	Amount
Reportable Segment	188,747,786
Other	12,717,856
Eliminations-inter segment	(33,639,972)
Sales in consolidated statement	167,825,669

(Thousand yen)

Operating Income / Loss	Amount
Reportable Segment	5,313,673
Other	62,096
Eliminations-inter segment	73,778
Corporate expenses (note)	(1,422,524)
Operating income in consolidated statement	4,027,024

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.

(Thousand yen)

Assets	Amount
Reportable Segment	63,823,959
Other	3,753,186
Eliminations-inter segment	(12,894,016)
Corporate assets (note)	4,788,564
Assets in consolidated statement	59,471,694

Notes:

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

(Thousand yen)

Other Item	Reportable Segment	Other	Adjustment	Amount
Depreciation	1,692,215	2,290	278,129	1,972,635
Increase in tangible fixed assets and intangible fixed assets	4,004,831	333	79,989	4,085,154

4. Attributed modification in reportable segment

SIIX Electronics Co., Ltd. was established aiming at handling domestic EMS business, an experiment for designing and technological development, support for trial and establishment of business for overseas massproduction on February 1, 2010.

EMS technical support department, too, had been performing development, research and standardization of manufacturing technologies, an experiment of original development technology, support for overseas massproduction at EMS subsidiaries and fostering technological experts.

Because of their overlapping services, the Company decided to integrate these organizations to streamline overlapping services and pursue more efficient framework.

SIIX Electronics Co., Ltd. has changed its reportable segment from "Electronics(Japan)" to "Corporate" with changes of its framework and roles from integration above.

As a result of this, sales of "Electronics(Japan)" for this consolidated fiscal year decrease 3,598 thousand yen and operating income increases 133,022 thousand yen in comparison to each one without the change above. Assets decrease 1,216,946 thousand yen, depreciation cost decreases 66,622 thousand yen and increase in tangible fixed assets and intangible fixed assets decreases 6,669 thousand yen in comparison to each one without the change above.

(Additional information)

Accounting standards on disclosure of segment information (Accounting Standard 17) and Application Guidance of Accounting Standards on disclosure of segment information (Application Guidance of Accounting Standards 20) are applied from this consolidated fiscal year.