

August 10, 2012

Consolidated Cumulative 2nd quarter Financial Results

for the Fiscal Year Ended December 31, 2012
(January 1, 2012 to June 30, 2012)

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
Submission date of quarterly financial statement:	August 13, 2012
Date of dividend payment:	September 4, 2012

(Amounts rounded down to million yen)

1. Consolidated Cumulative 2nd quarter Financial Results (January 1, 2012 – June 30, 2012)

(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. 2012	90,871	1.8	2,591	(1.1)	2,676	(8.7)
2nd quarter ended Jun. 2011	89,246	11.2	2,621	5.3	2,931	10.2

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change (%)	Yen	Yen
2nd quarter ended Jun. 2012	1,889	1.6	80.06	—
2nd quarter ended Jun. 2011	1,859	0.6	78.79	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Million yen	Million yen	%
2nd quarter ended Jun. 2012	70,465	22,224	30.7
Year ended Dec. 2011	59,471	20,126	33.1

(Reference) Stockholders' equity:

2nd quarter ended June 2012:	21,658 million yen
Year ended December 2011:	19,700 million yen

2. Dividends

(Base date)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Term-end	Annual dividends
Year ended Dec. 2011	—	Yen 14.00	—	Yen 14.00	Yen 28.00
Year ended Dec. 2012	—	14.00			
Year ended Dec. 2012 (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 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 (%)
Full year	190,700	13.6	5,120	27.1	5,230	14.1

	Net income		Net income per share (basic)
	Million yen	YoY change (%)	Yen
Full year	3,620	32.9	153.39

(note) Changes in Consolidated Business Performance Forecasts for the Fiscal Year Ending December 2012 during this quarter: No change

4. Others

(1) Transfer of important subsidiaries during the period:

newly consolidated: SIIX EMS (Shanghai) Co., Ltd.

(2) Adoption or non-adoption of a specific method in accounting procedures:

No adoption

(3) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements

(i) Changes in accounting policy associated with the revision of accounting standards:

Change

(ii) Changes in accounting policy other than those described in (i):

No change

(iii) Changes in accounting estimate:

Change

(iv) Restatement:

No restatement

(note) For details, please refer "2. Other (3) Changes in accounting policy and accounting estimate, and restatement related to consolidated financial statements" on page 5.

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury stock):

2nd quarter ended June 2012: 25,200,000shares

Year ended December 2011: 25,200,000shares

(ii) Number of treasury stock:

2nd quarter ended June 2012: 1,600,431shares

Year ended December 2011: 1,600,431shares

(iii) Average number of outstanding shares (quarterly accumulated period)

2nd quarter ended June 2012: 23,599,569shares

2nd quarter ended June 2011: 23,599,636shares

*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.....	5
(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 specific method in accounting procedures	5
(3) Changes in accounting policy and accounting estimate, and restatement.....	5
(4) Additional Information.....	5
3. Quarterly Consolidated Financial Statements.....	6
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income [2nd quarter (January 1, 2012 – June 30, 2012)]	
Quarterly Consolidated Statement of Income.....	8
Quarterly Consolidated Statement of Comprehensive Income.....	9
(3) Quarterly Consolidated Statements of Cash Flows.....	10
(4) Notes on the Assumption of the Company as a Going Concern.....	11
(5) Segment Information.....	11
(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 cumulative 2nd quarter under review, the Japanese economy gradually recovered against a backdrop of demands for reconstruction, etc. despite of its continuously severe economic condition. Exchange market was in upward trend of strong yen again. On the other hand, although the U.S. economy moderately recovered and Chinese economy expanded by its domestic demands, overseas economy has slowed pace of economic expansion. Also, European economy was continuously sluggish because of financial influence from the deep-rooted fiscal uncertainty in some European countries.

Under such circumstances, net sales for the consolidated cumulative 2nd quarter under review finished at 90,871 million yen, an increase of 1,624 million yen (1.8% increase) in comparison to the same period of the previous fiscal year. Operating income finished at 2,591 million yen, a decrease of 29 million yen (1.1% decrease) in comparison to the same period of the previous fiscal year. Moreover, ordinary income finished at 2,676 million yen, a decrease of 255 million yen (8.7% decrease) in comparison to the same period of the previous fiscal year. Net income finished at 1,889 million yen, an increase of 29 million yen (1.6% increase) in comparison to the same period of the previous fiscal year.

Segment results were as follows:

Segment Income or loss is calculated based on operating income in quarterly consolidated statements in income. Also, SIIX Electronics Co., Ltd. has changed its segment from "Electronics (Japan)" to "Corporate" from previous consolidated 4th quarter. Thus, segment information in this consolidated cumulative 2nd quarter is compared with the previous consolidated cumulative 2nd quarter and analyzed retroactively based on this change of classification.

(i) Electronics (Japan)

Sales in this section finished at 27,560 million yen, an increase of 4,407 million yen (19.0% increase) in comparison to the same period of the previous consolidated fiscal year due to shipment of digital household equipments and components for industrial equipments kept steady. Segment income finished at 794 million yen, an increase of 123 million yen (18.4% increase) in comparison to the same period of the previous consolidated fiscal year.

(ii) Electronics (Asia)

Shipment of digital household equipments and components for automobile related equipment, which increased drastically in this consolidated cumulative 2nd quarter, couldn't make up for the decrease in sales in this consolidated 1st quarter, which was impacted from the flood in Thailand on last October. In addition, impact of strong yen and an initial cost of newly consolidated manufacturing subsidiary still remained. As a result, sales in this section finished at 62,625 million yen, a decrease of 3,600 million yen (5.4% decrease) in comparison to the same period of the previous consolidated fiscal year. Segment income finished at 2,180 million yen, a decrease of 356 million yen (14.0% decrease) in comparison to the same period of the previous consolidated fiscal year.

(iii) Electronics (Europe)

Economic slowdown resulted from financial instability in some European countries and strong yen affected considerably to low tone in shipment of automobile related equipment. As a result, sales in this section finished at 2,829 million yen, a decrease of 172 million yen (5.7% decrease) in comparison to the same period of the previous consolidated fiscal year. Segment loss also remained 90 million yen mainly due to a depreciation cost of additional manufacturing equipments (the segment loss in the same period of the previous consolidated fiscal year was 96 million yen).

(iv) Electronics (Americas)

Sales in this section remained at 7,759 million yen, an increase of 447 million yen (6.1% increase) in comparison to the same period of the previous consolidated fiscal year resulted from a steady performance of the shipment of components for industrial equipment. Segment income finished at 358 million yen, an increase of 70 million yen (24.5% increase) in comparison to the same period of the previous consolidated fiscal year.

(2) Analysis of the consolidated financial situation

Total assets at the end of this consolidated 2nd quarter under review were 70,465 million yen, an increase of 10,993 million yen in comparison to the end of the previous consolidated fiscal year mainly due to an increase of notes and accounts receivable-trade.

Total liabilities were 48,240 million yen, an increase of 8,896 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 22,224 million yen, an increase of 2,097 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 33.1% to 30.7%.

(Cash flow situation)

As the result of operating activities, we increased cash and cash equivalents (hereinafter, “funds”) of 5,419 million yen during this consolidated cumulative 2nd quarter under review. This was mainly due to income before income taxes finished at 2,885 million yen, increases in trade payables of 9,537 million yen and 1,122 million yen of depreciation cost despite of increases of 8,780 million yen in trade receivables.

As the result of investment activities, we decreased funds of 1,740 million yen during this consolidated cumulative 2nd quarter under review. This was mainly due to expenditure of 1,672 million yen for acquisition of tangible fixed assets.

As the result of financing activities, we decreased funds of 2,551 million yen during this consolidated cumulative 2nd quarter under review. This was mainly due to net decrease of 2,970 million yen in short-term borrowings and expenditures of 589 million yen for repayment of long-term borrowings despite of proceeds of 1,050 million yen in long-term borrowings.

As a result of them, funds at the end of this consolidated 2nd quarter under review stood at 5,718 million yen, an increase of 1,267 million yen (28.5% increase) 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 2012 released on August 2, 2012, have not been revised.

2. Other

(1) Transfer of important subsidiaries during the period

SIIX EMS (Shanghai) Co., Ltd. were newly consolidated in this 1st quarter.

(2) Adoption of a specific method in accounting procedures

No transaction to report.

(3) Changes in accounting policy and accounting estimate, and restatement

The company and domestic consolidated subsidiary have been changed methods for depreciation of tangible fixed assets which acquired after April 1, 2012 based on revised Corporation Tax Law since this consolidated 2nd quarter. This change has only a slight effect on SIIX's performance during this term.

(4) Additional Information

The company is applying the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009) for accounting changes and error corrections since the beginning of this consolidated 1st quarter.

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

(Million yen)

	Previous fiscal year As of Dec. 31, 2011	Current 2nd quarter As of Jun. 30, 2012
Assets		
Current assets		
Cash and deposits	4,466	5,735
Notes and accounts receivable-trade	23,242	31,702
Merchandise and finished goods	10,785	10,601
Work in process	1,234	1,206
Raw materials and supplies	2,186	2,424
Other	2,039	1,719
Allowance for doubtful accounts	(70)	(81)
Total current assets	43,884	53,308
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,266	4,602
Machinery, equipment and vehicles	4,516	5,636
Land	2,131	2,142
Other	853	424
Total property, plant and equipment	11,767	12,806
Intangible assets	757	694
Investments and other assets		
Investment securities	1,758	1,770
Investments in capital	273	275
Other	1,417	2,002
Allowance for doubtful accounts	(388)	(391)
Total Investments and other assets	3,061	3,656
Total noncurrent assets	15,587	17,157
Total assets	59,471	70,465

TRANSLATION

(Million yen)

	Previous fiscal year As of Dec. 31, 2011	Current 2nd quarter As of Jun. 30, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	17,451	26,940
Short-term loans payable	12,496	9,492
Income taxes payable	574	663
Other	2,953	4,324
Total current liabilities	33,475	41,421
Noncurrent liabilities		
Long-term loans payable	4,157	4,811
Provision for retirement benefits	83	93
Other	1,629	1,913
Total noncurrent liabilities	5,869	6,819
Total liabilities	39,344	48,240
Net assets		
Shareholders' equity		
Capital stock	2,144	2,144
Capital surplus	1,853	1,853
Retained earnings	21,416	22,975
Treasury stock	(677)	(677)
Total shareholders' equity	24,735	26,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	328	298
Deferred gains or losses on hedges	4	8
Foreign currency translation adjustment	(5,368)	(4,942)
Total accumulated other comprehensive income	(5,035)	(4,635)
Minority interests	426	565
Total net assets	20,126	22,224
Total liabilities and net assets	59,471	70,465

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statements of Income
[2nd quarter cumulative basis (January 1, 2012 – June 30, 2012)]

(Million yen)

	Previous 2nd quarter cumulative basis Jan. 1, 2011 - Jun. 30, 2011	Current 2nd quarter cumulative basis Jan. 1, 2012 - Jun. 30, 2012
Net sales	89,246	90,871
Cost of sales	83,603	85,063
Gross profit	5,643	5,807
Selling, general and administrative expenses	3,022	3,216
Operating income	2,621	2,591
Non-operating income		
Interest income	15	21
Dividends income	35	9
Amortization of negative goodwill	19	19
Real estate rent	36	34
Equity in earnings of affiliates	82	80
Foreign exchange gains	49	-
Other	186	143
Total non-operating income	423	308
Non-operating expenses		
Interest expenses	92	111
Foreign exchange losses	-	48
Other	20	63
Total non-operating expenses	112	224
Ordinary income	2,931	2,676
Extraordinary income		
Reversal of allowance for doubtful accounts	1	-
Gain on sales of noncurrent assets	5	5
Insurance income	-	206
Total extraordinary income	6	212
Extraordinary loss		
Loss on sales of noncurrent assets	1	0
Loss on retirement of noncurrent assets	0	3
Total extraordinary loss	1	3
Income before income taxes	2,937	2,885
Income taxes-current	931	856
Income taxes-deferred	79	92
Total income taxes-current	1,011	948
Net Income before Minority Interests in Income	1,926	1,936
Minority interests in income	66	47
Net income	1,859	1,889

Quarterly Consolidated Statements of Comprehensive Income
 [2nd quarter cumulative basis (January 1, 2012 – June 30, 2012)]

(Million yen)

	Previous 2nd quarter cumulative basis Jan. 1, 2011 - Jun. 30, 2011	Current 2nd quarter cumulative basis Jan. 1, 2012 - Jun. 30, 2012
Income before minority interests in income	1,926	1,936
Other comprehensive income		
Valuation difference on available-for-sale securities	(154)	(29)
Deferred gains or losses on hedges	(10)	3
Foreign currency translation adjustment	(250)	412
Equity equivalent of equity method affiliate	3	32
Total other comprehensive income	(411)	418
Comprehensive income	1,514	2,355
(Content)		
Comprehensive income for the parent company's shareholders	1,452	2,288
Comprehensive income for minority shareholders	61	66

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Previous 2nd quarter cumulative basis Jan. 1, 2011 - Jun. 30, 2011	Current 2nd quarter cumulative basis Jan. 1, 2012 - Jun. 30, 2012
Net cash provided by (used in) operating activities		
Income before income taxes	2,937	2,885
Depreciation and amortization	929	1,122
Amortization of negative goodwill	(19)	(19)
Increase (decrease) in allowance for doubtful accounts	2	11
Interest and dividends income	(51)	(30)
Interest expenses	92	111
Foreign exchange losses (gains)	(24)	19
Equity in (earnings) losses of affiliates	(82)	(80)
Decrease (increase) in notes and accounts receivable-trade	936	(8,780)
Decrease (increase) in inventories	(1,116)	205
Decrease (increase) in consumption taxes refund receivable	203	16
Increase (decrease) in notes and accounts payable-trade	312	9,537
Increase (decrease) in advances received	(359)	391
Other	(25)	840
Subtotal	3,735	6,232
Interest and dividends income received	96	76
Interest expenses paid	(86)	(96)
Income taxes paid	(746)	(793)
Net cash provided by (used in) operating activities	2,999	5,419
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(1,879)	(1,672)
Proceeds from sales of property, plant and equipment	13	5
Purchase of intangible assets	(93)	(50)
Purchase of investment securities	(101)	-
Payments of loans receivable	(340)	(0)
Collection of loans receivable	1	1
Purchase of investments in subsidiaries	-	(23)
Net cash provided by (used in) investment activities	(2,399)	(1,740)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	108	(2,970)
Proceeds from long-term loans payable	550	1,050
Repayment of long-term loans payable	(532)	(589)
Cash dividends paid	(329)	(330)
Cash dividends paid to minority shareholders	(81)	(103)
Other	(0)	392
Net cash provided by (used in) financing activities	(285)	(2,551)
Effect of exchange rate change on cash and cash equivalents	(71)	139
Net increase (decrease) in cash and cash equivalents	243	1,267
Cash and cash equivalents at beginning of period	5,526	4,450
Cash and cash equivalents at end of period	5,769	5,718

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

(5) Segment Information

I. Previous Consolidated Cumulative 2nd Quarter (January 1, 2011 – June 30, 2011)

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

(Million yen)

	Reportable Segment					Other (note)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales - outside customers	13,732	62,353	2,785	5,562	84,433	4,807	89,240
Sales and transfer-inter segment	9,420	3,872	216	1,748	15,259	756	16,015
Total	23,153	66,225	3,002	7,311	99,692	5,564	105,256
Operating income or operating loss	670	2,536	(96)	287	3,398	31	3,429

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.

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

(Million yen)

Sales	Amount
Reportable Segment	99,692
Other	5,564
Eliminations-inter segment	(16,009)
Sales in quarterly consolidated statement in income	89,246

Operating Income / Loss	Amount
Reportable Segment	3,398
Other	31
Eliminations-inter segment	30
Corporate expenses (note)	(838)
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.

II Current Consolidated 1st Quarter (January 1, 2012 – June 30, 2012)**[1] Sales and income/loss information for each reportable segment**

(Million yen)

	Reportable Segment					Other (note)	Total
	Electronics (Japan)	Electronics (Asia)	Electronics (Europe)	Electronics (Americas)	Total		
Net sales							
Sales - outside customers	17,682	58,142	2,568	5,564	83,957	6,910	90,868
Sales and transfer-inter segment	9,878	4,483	261	2,194	16,817	706	17,524
Total	27,560	62,625	2,829	7,759	100,775	7,617	108,393
Operating income or operating loss	794	2,180	(90)	358	3,243	41	3,284

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.

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

(Million yen)

Sales	Amount
Reportable Segment	100,775
Other	7,617
Eliminations-inter segment	(17,521)
Sales in quarterly consolidated statement in income	90,871

Operating Income / Loss	Amount
Reportable Segment	3,243
Other	41
Eliminations-inter segment	41
Corporate expenses (note)	(733)
Operating income in quarterly consolidated statement in income	2,591

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.

[3] Modification in reportable segment

- (i) SIIX Electronics Co., Ltd. has changed its segment from "Electronics (Japan)" to "Corporate" from previous consolidated 4th quarter. Segment information in the previous consolidated cumulative 2nd quarter above applies this changed classification retroactively and is disclosed.
- (ii) As described in 2. (3) on page 5, the company and domestic consolidated subsidiary have been changed methods for depreciation of tangible fixed assets which acquired after April 1, 2012 based on revised Corporation Tax Law since this consolidated 2nd quarter. This change has only a slight effect on segment income or loss during this term.

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

No transactions to report